

*Paper prepared for the Symposium 'Collective bargaining and the flexibility-security agenda',
10th European ILERA Conference, Amsterdam, June 20-22, 2013*

Engaging with flexibility and security: rediscovering the role of collective bargaining

Paul Marginson and Manuela Galetto

(Industrial Relations Research Unit,
Warwick Business School, University of Warwick, UK)

e-mail: Paul.Marginson@wbs.ac.uk

Introduction

Recent contributions to debates on flexicurity have criticised the near exclusive focus on the role of national level public policies and legal frameworks governing labour and social protection, and called for attention to be paid to the role of sub-national levels, including sector and company, and to other modes of governance, including collective bargaining (Burroni and Keune 2011; Ibsen and Mailand 2011). Although the contribution of collective bargaining, a cornerstone of labour market regulation in many European countries, at sector and company levels to the recent development of forms of flexicurity remains underexplored, the ways in which the bargaining agenda had previously been extended to address questions of flexibility and of security were, however, the focus of analysis of the agreements over employment and competitiveness which rose to prominence during the 1990s (Sisson and Artiles 2000).

This paper draws on the findings of a cross-national study of collective bargaining in metalworking, an internationally exposed sector widely seen as exercising a pattern-setting role in bargaining developments (Marginson et al 2003; Traxler et al. 2008), to identify the ways in which collective bargaining has addressed questions of flexibility and security. The countries concerned are Denmark, Germany, Italy, the Netherlands and Slovakia – all of which have multi-employer bargaining leading to the conclusion of sector agreements, but with important institutional differences between the five countries - and the UK, where single-employer bargaining, at company level, prevails. The time frame commences at the end of the 1990s, a point at which the emergence of agreements on, or 'pacts for', employment and competitiveness (PECs) was attracting considerable attention (Freyssinet and Seifert 2001; Sisson and Artiles 2000), and ends in early 2011 as collective bargaining in metalworking was grappling with the consequences of the crisis (Glassner et al. 2011). The data do not systematically allow the nature of any trade-offs between flexibility and security to be established; rather, by drawing on the framework proposed by Wilthagen and Tros (2004), the aim is to establish which forms of flexibility and which forms of security have been the more prominent in the agreements concluded between employers and trade unions over a ten-year period.

Critiques of the wider literature on flexicurity, and its lack of attention to collective bargaining, together with existing work on collective bargaining over flexibility and security, and the associated issues of competitiveness and employment, are reviewed first. The design of the research, method of analysis and data are then introduced. The findings are presented in a third main section, taking

the sector agreements first, then the UK's company agreements (which focus on the automotive segment of the sector) and following these with a cross-country comparison. The fourth section discusses the findings in the light of several expectations identified in the literature review, and the final section concludes.

Collective bargaining over flexibility and security

One main thrust of Burroni and Keune's (2011) critique of the substantial existing literature on flexicurity is the reductionist view taken of the sources of flexibility and security, limiting itself to national policies and legislative frameworks. Sub-national regulation at the regional, local territorial, sector, company and occupation levels, and associated infra-national variation, is overlooked. As a result the role of forms of governance other than the law and public policy instruments in framing flexicurity, including collective bargaining but also company policies and sectorial and territorial networks, is ignored. Burroni and Keune call for research on these various sub-national levels and institutional arrangements, a call that was anticipated in the case of collective bargaining at sector level by Ibsen and Mailand (2011) and at company level, on the specific issue of working time, by Ilsøe (2012) and is taken up by Pulignano and Keune (2012) concerning policies within multinational companies.

Whilst the literature makes reference to the positive role that social dialogue can play in developing flexicurity policies (eg European Commission 2007 'Towards common principles for flexicurity: more and better jobs through combining flexibility and security' COM 359 final, June 27th; Wilthagen and Tros 2004), the evidence produced is patchy, rather anecdotal and relates to a few specific countries. In addition, social dialogue is equated with national level engagement between employers and trade unions, and with the public authorities. Systematic research on social dialogue, and more particularly the role of collective bargaining at sector and company levels, remains a 'missing link in flexicurity research' (Ibsen and Mailand 2011: 165). This is somewhat surprising since collective bargaining occupies an intermediate position between two other prominent modes of labour market governance, market regulation – which emphasises flexibility but which is weak in terms of security, and legal regulation in the form of labour law - which emphasises security but has traditionally been less accommodating of flexibility (Crouch, 2009, 2012). Moreover, the capacity of collective bargaining to address issues of flexibility and security has previously been established in work analysing the so-called 'pacts for employment and competitiveness' (PECs) which rose to prominence in the second half of the 1990s (Freyssinet and Seifert 2001; Sisson and Artiles 2000). It is instructive to take stock of this body of analysis.

The origins of the predominantly company-level phenomenon of PECs lay in the search for new kinds of response to the economic and employment effects of the sharp recession of 1993-94. PECs had two main, inter-related objectives: to minimise reductions in, or preserve or stabilise employment; and to reduce organisations' costs and/or improve their ability to adapt to changes in market conditions. A key feature of many was some kind of commitment, or guarantee, on employment in exchange for competitiveness enhancing measures. Amongst the range of issues which commonly featured on the agenda of PECs (see Appendix Table), were various measures to enhance working time, wage and functional flexibility and strengthen employment security. PECs were innovative in two significant respects (Freyssinet and Seifert 2001). First, employment and considerations of competitiveness became, for the first time, explicit matters for collective bargaining: hitherto, these were issues that had generally fallen under management prerogative. Second, PECs signalled a change in the way companies reacted to market uncertainties, shifting the emphasis away from reductions in workforce numbers as a predominant response and towards a search for other forms of cost reduction and the promotion of internal forms of flexibility.

Reviewing the empirical evidence, Sisson and Artiles (2000) report that PECs featured in nearly all of the EU-15 (Greece was the exception) and were particularly widespread in some, including Germany, the Netherlands and Spain. A strong sector effect was evident, with PECs being concentrated in recently privatised utility, communication and transport enterprises, in automotive, electronics, food and drink and household appliances in manufacturing, and in banking. The great majority of agreements had been concluded at company or establishment level: employment issues featured in relatively few sector agreements and in only a few countries. In part, this is because the detailing of specific competitiveness-enhancing measures and the nature of any employment guarantee can best be handled in a negotiation at company level (Sisson 2001). In part, however, it is also because the dividing line between PECs and other types of collective agreements is less distinct at the sector than the company level: a sector wage agreement, for example, carries competitiveness implications but does not necessarily embrace other elements associated with PECs. The upshot is that because of the focus on agreements containing a package of employment and competitiveness measures, the literature on PECs does not provide a basis for assessing the extent to which sector agreements were addressing different aspects of flexibility and security.

Yet, according to Andersen (2005 cited by Ibsen and Mailand 2011), the conduciveness of collective bargaining to generate outcomes which address both flexibility and security should be particularly apparent under the 'organised' (Traxler 1995) or 'centralised' (Due et al. 1994) decentralisation which characterises the sector-based multi-employer bargaining arrangements found in much of western Europe. To the extent that sector agreements continue to provide common standards on core issues including wages and working times, they provide security for employees and, by removing these from competition, for employers also. Flexibility is provided by the scope entailed for variation in application at company level according to business requirements and/or the elaboration of a degree of choice for employees over working hours or between alternative forms of remuneration (pay, time off, deferred income).

Ibsen and Mailand (2011) frame their study of sector collective agreements, in printing and electrical contracting, in three countries with differing collective bargaining institutions, Denmark, Spain and the UK, with reference to Wilthagen and Tros' (2004) flexicurity matrix. This identifies four types of security – job, employment, income and combination – and four forms of flexibility – external numerical, working time, functional and wage – which by mapping the two dimensions against each other generates a sixteen cell matrix. The focus of most of the empirical research concentrating on the national level has been on the sub-set of these cells concerning external forms of flexibility, and in particular on the link between labour market mobility and employment and income security. Ibsen and Mailand (2011) contend that examination of the role of collective bargaining is likely to bring to the fore the internal dimensions of flexibility, and hence bring attention to other cells in the matrix. Note, however, that collective bargaining may well also address issues of external flexibility.

Examining the two most recent agreements in each sector concluded between 2005 and 2008 in the three countries, Ibsen and Mailand (2011) find that issues of flexibility and security were prominent on the agenda in both sectors in Denmark and the UK, but noticeably less so in Spain where legislative provisions curtail the scope and reduce the incentive to negotiate. The agreements in all three countries engaged with the different forms of internal flexibility, as anticipated. External numerical flexibility was also addressed in agreements in Denmark and the UK, but not in Spain. Whilst the provisions on working time, functional and wage flexibility tend to enhance these aspects, those on external numerical flexibility, which regulate their use, could equally be read as either placing limits on the extent of utilisation or as facilitating use through the legitimation that the agreement entails. Provisions in agreements in all three countries enhanced income and combination security, whilst those in Denmark and the UK also addressed employment security. With the exception of the UK printing sector, job security was not addressed in the agreements. A

noticeable feature of the agreements on pay and working time was their framework character, combining core parameters applied on a sector-wide basis – minimum wage scales and standard working hours and holidays, with scope for negotiated variation at company level – wage supplements and variable pay elements and working time patterns, thereby illustrating the way in which bargaining under organised decentralisation is particularly conducive to realising both flexibility and security.

In accounting for differences between the three countries, Ibsen and Mailand identify two sources of variation. One, as noted above, is the differing boundary between legal regulation and collective bargaining as between Spain, on the one hand, and Denmark and the UK, on the other. The other is the presence of mechanisms of cross-sector coordination, which are well developed in Denmark, less so in Spain (although legal regulation constrains cross-sector differences) and absent in the UK. More generally, institutional differences in bargaining arrangements are likely to result in cross-country variation in the extent to and ways in which flexibility and security feature on the bargaining agenda. Three further kinds of institutional variation amongst sector-based, multi-employer bargaining arrangements are potentially relevant (Arrowsmith and Marginson 2008; Nergaard et al. 2009). First is whether multi-employer arrangements specify procedural mechanisms which enable the sector level to effectively govern developments at the company level. Effective articulation mechanisms are a feature of arrangements in central western and Nordic Europe, but - with the exception of Italy – not amongst the Mediterranean countries of southern Europe. Where effective articulation mechanisms are in place, the sector-level parties can be expected to come under more pressure from their respective constituencies to address issues of flexibility and security than where such mechanisms are weak or non-existent, and negotiators at company level have greater scope to pursue their own agendas.

Second, there is an important difference in the form that articulation mechanisms take. In some countries, such as Germany and the Netherlands, articulation is achieved through ‘delegation’. The sector-level has competence to negotiate over a wide range of issues and can open up scope for further negotiation at company level through concluding framework agreements and/or specifying opening clauses. In other countries, including Denmark and Italy, articulation is realised through a ‘two-tier’ arrangement which designates either the sector or the company level as competent for a given issue. It follows that the sector-level flexibility and security agenda is likely to be broader under delegated than two-tier arrangements. Third, in some countries, such as Germany, sector agreements are issue-specific, with separate agreements on different issues, whereas in others, including Denmark and the Netherlands, there is a single ‘package’ agreement in which the range of issues are addressed. Package agreements are likely to provide greater scope for trade-offs between flexibility and security measures. A fourth institutional difference is that between multi-employer and single-employer bargaining, where by definition the procedural security afforded by a sector agreement is missing and outcomes are much more dependent on local power (im)balances than under multi-employer bargaining. As with poorly articulated multi-employer bargaining arrangements, trade unions might be more reluctant to engage in negotiations over flexibility and security because of the greater downside risk involved. Alternatively, where agreements are concluded, employers may be able to secure a more advantageous balance between flexibility-enhancing measures and security commitments.

Research design and methods

The research involved studies of developments in collective bargaining, including on flexibility and security, in the metalworking sector in six countries: Germany, Denmark, Italy, the Netherlands, Slovakia and the UK. In terms of developments at company level, the focus was on negotiations in the automotive manufacturing part of the sector. Flexibility and security were already prominent on

the negotiating agenda in automotive by the end of the 1990s, with all the major European- and north American-owned companies negotiating PECs at major sites across western Europe (Zagelmeyer 2001). Multi-employer bargaining resulting in sector-level agreements takes place in the first five countries, but not in the UK where the sector agreement was terminated in 1990. Collective bargaining coverage ranges from over 90% of the workforce in Italy (until Fiat's 2011 withdrawal from the agreement) and the Netherlands, as a result of de facto and de jure extension practice respectively, through 85% in Denmark, 67% in western Germany (50% in the east) to just under 20% in Slovakia. Coverage in the UK is about 35%. The data were derived from analysis of documentation, including sector agreements themselves and published analyses of these and of company agreements, and interviews with employers association and trade union officials and industry experts. The aim was to track the development of collective bargaining at sector and/or company level from the end of the 1990s up until early 2011.

The five countries in which there is sector-level bargaining covering metalworking present variation in the institutional arrangements of multi-employer bargaining identified above, whilst the UK provides a contrasting case of single-employer bargaining. First, there are well-specified procedural rules and/or conventions governing the relationship between bargaining at the sector and company levels in Germany, Denmark, Italy and the Netherlands: in other words, there are effective articulation mechanisms which 'organise' decentralisation. These are determined by the sector – level employers' associations and trade unions in Germany, Denmark and the Netherlands, but by the cross-sector employers' and trade union organisations in Italy. In Slovakia, however, there are no formal rules governing the relationship between negotiations at the sector and company levels, hence decentralisation cannot be said to be 'organised'. Second, articulation between levels is achieved in differing ways: through delegation in Germany and the Netherlands, but through demarcation under two-tier arrangements in Denmark and Italy. In Denmark, however, there is also an element of delegation: on the crucial issue of pay, for example, although actual wage increases are negotiated at company level, the increase in minimum wage levels specified in the sector agreement sends a strong signal to local negotiators. Third, sector agreements take the form of 'package' deals in Denmark, the Netherlands and Slovakia but are issue specific in Germany. Italy had separate agreements for wages and for other matters including job classifications and wage structures until 2009; there is now a single agreement.

There are some further differences relating to the sectorial application of, and to the non-adherence of some large employers to, agreements between the five countries, although these are not expected to be an important influence on the findings. In Germany, Italy and the Netherlands a single (set of) agreement(s) covers the breadth of the sector, whereas in Slovakia there are separate agreements for the mechanical and electrical engineering parts of the sector: findings relate to mechanical engineering. In Denmark, metalworking comes under the agreement covering the wider manufacturing sector. The Netherlands is characterised by separate agreements for larger (> 30 employees) and smaller companies: findings relate to the former. There is no such differentiation in the other four countries. Prominent large companies stand outside the sector agreement in four of the countries (Denmark is the exception), although the scale and implications of this vary. In Germany, VW has its own company agreement whilst the same applies to Philips in the Netherlands: in practice there is informal coordination between developments in these large companies and those in the sector agreement. In Italy, as of 2011, Fiat removed its car manufacturing operations – and those of some of its suppliers – from the sector agreement, with the situation very much in flux. In Slovakia, Asian-based vehicle manufacturers are amongst a larger number of bigger companies which stand outside of the sector agreement: there is no informal coordination.

The approach taken is to track the introduction of new provisions or changes to existing provisions in agreements relating to different dimensions of flexibility and security, respectively. The findings

therefore reveal the direction of travel of sector- and company-level collective agreements over the 2000s. They do not indicate the 'state of play' on a particular dimension of either flexibility or security: a provision which is of relevance to one or the other (or both) and which is longstanding will not register, since there has been no new development over the period. This approach addresses what would otherwise constitute a substantial problem: any assessment of the 'state of play' would also have to take account of the extent to which the different dimensions of flexibility and security are the subject of legal regulation, and hence less open to collective negotiation. This would have extended the remit of the study beyond what was feasible given the resources available. A complicating factor is that legal regulation can, and does, change: the research was sensitive to instances where this occurred and revealed 'knock on' effects in terms of subsequent changes to collective agreements.

The provisions in collective agreements on flexibility and security were classified according to a schema adapted from Ibsen and Mailand (2011). Six substantive categories were specified, each relevant to flexibility and/or security: pay; working time; training and education; employment measures; life-course measures/social entitlements; provisions for workers on atypical contracts. A seventh substantive category, capturing crisis-response measures, overlapped with the other six. Table 1 indicates the seven substantive categories and the flexibility and/or security dimensions most likely to be associated with each. In addition, any procedural changes to the agreements over the period were identified.

Table 1:
Classification of collective agreement provisions relating to flexibility and security

	<i>Anticipated flexibility dimension</i>	<i>Anticipated security dimension</i>
Pay	Wage	Income
Working time	Working time	Combination
Training and education	Functional	Employment
Employment measures	Functional, Internal numerical	Employment
Life course measures / social entitlements		Combination, Income
Provisions for atypical workers	External numerical	Employment, Income
<i>Crisis-induced measures</i>	<i>Wage, Working time</i>	<i>Employment</i>

Source: adapted from Ibsen and Mailand (2011)

Findings

Sector agreements

Findings from the five countries with sector agreements are reviewed first, before introducing those from the UK where single-employer bargaining prevails. A first main finding is that sector level agreements do indeed address issues of flexibility and security: these featured in agreements in all five countries. Table 2 summarises the agreements in the five countries addressing each of the seven substantive categories and indicates whether the provisions address flexibility and if so which form, security and if so which form, or both flexibility and security, again indicating which forms. Appendix table 2 provides brief information on each of the agreements concerned for each of the five countries, according to the seven substantive categories and indicating the forms of flexibility and/or security involved. Whether agreements address primarily one form of flexibility and/or one form of security varies across the first six substantive categories (crisis-induced measures are considered below). Those involving provisions on pay concern either wage flexibility or income security but not

both, whereas those addressing working time involve working time flexibility or combination security or both. Provisions on training and education all address both functional flexibility and employment security. Most of the provisions on employment measures address both flexibility (variously wage, working time and functional) and security (variously income and employment), although three agreements are focused on (employment) security only. Provisions on life course measures and social entitlements all focus solely on security, either combination and/or income. Provisions relating to atypical workers concern either flexibility (external numerical) and security, or the latter only (employment and income). The two categories which are most likely to feature provisions addressing forms of both flexibility and security are employment measures and training and education, found in all five and four (excepting Slovakia) of the countries, respectively.

Second, concerning flexibility, provisions addressing internal forms are prominent. The most prevalent forms addressed are working time and functional flexibility, which feature in agreements in all five and four of the countries (excepting Slovakia), respectively. Provisions enhancing wage flexibility are confined to Germany and, to lesser extent, Italy. External forms of flexibility do also feature, although much less so than internal forms. Agreements in three countries have addressed external forms, in contrasting ways: improving terms and conditions of temporary (agency) workers (Italy and the Netherlands) and according priority to insiders under recession conditions (Slovakia).

Third, turning to security, provisions addressing employment and combination security are widespread, being found in all five countries. Combination security can be negatively affected by measures enhancing working time flexibility, with examples of this in agreements in both Germany and Italy. Income security is addressed by provisions in agreements in Denmark, Italy and the Netherlands. As anticipated, job security does not feature in agreements in any of the countries. Over time, discernible trends are evident in two of the five countries. Successive agreements in Germany have progressively opened up wage flexibility. A particular feature in Italy is provisions in recent agreements which have effected deterioration in income and combination security.

Fourth, sector agreements have been mobilised in all five countries to elaborate measures aimed at addressing the effects of the economic crisis, confirming previous findings for the period up until mid-2010 on the comparatively high incidence of crisis-induced negotiations at sector level in metalworking (Carley and Marginson, 2011). Amongst the crisis-induced measures, there is one agreement whose provisions address flexibility (wages) only; three which address security only (employment or income); and six which address both flexibility (variously wage, working time and functional) and security (employment and/or income). Wage and working time flexibility feature in three countries (Germany and Slovakia in relation to short-time working and Italy in relation to the introduction of a hardship clause), whilst employment security features in all five, although linked to a variety of measures.

Fifth, changes in statutory provision to life course measures and social entitlements (variously childcare arrangements, parental leave and pay, pregnancy leave and phased and early retirement) with implications for provisions in agreements had occurred in Denmark, Germany, the Netherlands and Slovakia, whilst Italy saw changes in statutory provisions on the utilisation of and quotas for temporary workers with implications for provisions in the sector agreement. Three types of response were evident: clauses in the sector agreement were dropped, since these had been overtaken by changes in statutory provisions (childcare arrangements (Netherlands); unpaid parental leave (Slovakia) and regulation of temporary workers (Italy)); provisions in agreements were introduced or strengthened to compensate for a deterioration in statutory entitlement (phased and early retirement (Germany and the Netherlands); and improvements were negotiated to provisions in the agreement to keep them in advance of improvements to statutory entitlement - an 'escalator' effect (parental leave and pay; pregnancy leave (Denmark)).

Sixth, procedural flexibility has increased in Germany, Italy and the Netherlands. In Denmark there was already a high degree of procedural flexibility and this has been maintained, whereas in Slovakia there is no mechanism articulating the sector and company levels. The 2004 Pforzheim agreement in Germany introduced the largest procedural changes in twenty years, changes which involved a double movement. The agreement established a general framework for opening clauses and time limited the scope of derogations for employment preservation reasons, and reasserted control by the parties to the agreement over the use of opening clauses. In other words it re-regulated de facto developments at company level. In Italy, the 2009 inter-sector agreement – which was contested (and not signed) by the largest trade union confederation – redrew the demarcation between the negotiating competence of the sector and company levels to give greater emphasis to the latter, a development subsequently confirmed in the 2011 inter-sector agreements signed by all the parties. Meanwhile 2010 saw the introduction of a clause allowing companies to derogate from the wage provisions of the sector agreement in case of financial hardship. The Netherlands has seen growth in the number of clauses in the agreement which are open to derogation, although take up has been low.

Company agreements: the UK

Table 2 additionally summarises provisions of agreements amongst major companies in the automotive part of the UK's metalworking sector, whilst Appendix table 3 gives brief information on the agreements concerned. As in the other five countries, issues of flexibility and security have been substantially addressed. There are multiple examples of agreements addressing each of the first six categories of substantive measure, but with a noticeable emphasis on four: pay, working time, employment measures, and life course measures and social entitlements. In contrast to the other five countries, some of the pay measures address functional and working time flexibility, as well as wage flexibility, reflecting the possibility under single-employer bargaining of linking general wage increases to a range of flexibility outcomes. Working time measures are more heavily focused on flexibility only than in the other five countries and, if anything, associated with a deterioration in (combination) security. Training and education measures are relatively thin on the ground, in contrast to the other countries, and relate to (employment) security only. Similar to the other five countries, employment measures involve varying combinations of forms of both flexibility and security, and life course measures and social entitlements address combination security (although in the case of pension schemes have had a deteriorating effect). Provisions on atypical workers concern either flexibility only (external numerical) or both flexibility and security (employment). Employment measures are the category where provisions most often concern both flexibility and security.

Concerning flexibility, provisions addressing internal forms are prominent with a particular emphasis on wage flexibility, as compared to working time and functional flexibility. External forms of flexibility do also feature, and extend to employment measures as well as those on atypical workers. As to security, the emphasis is on employment security. Combination security also features, including provisions which affect it negatively as well as others which strengthen it. In contrast to the other countries, there are no provisions relating to income security. In common with them, job security does not feature. Over time four developments are apparent: forms of wage flexibility, including lower rates of pay for new starters and introduction of individual performance-related pay, have been further enhanced; working time flexibility has been further widened; employment measures concluded as part of package agreements have extended beyond internal flexibility measures to external ones (outsourcing); and reform of pension schemes has become a focus of negotiation, with negative effects on combination security.

Collective bargaining was extensively mobilised to introduce measures which addressed the effects of the economic crisis. Under single employer bargaining wages are negotiated at company level: reflecting this, pay freezes (wage flexibility) were a widespread feature, and in a number of cases part of a package of measures which also involved increasing working time flexibility and at providing employment security. Statutory improvements to social entitlements also occurred in the UK, and resulted in negotiated improvements to provisions on maternity leave and pay in agreements in some companies, as occurred with parental leave and pay in Denmark.

Cross-country comparison

Amongst the five countries with sector-level negotiations, the bargaining agenda on issues of flexibility and security – as indicated by the number and substantive range of agreements - is most extensive in Denmark, Germany and the Netherlands, less so in Italy and least extensive in Slovakia. The agenda in company-level negotiations in the UK is also extensive. Institutional differences in multi-employer bargaining arrangements amongst the first five countries help account for the varying extent of the bargaining agenda over flexibility and security. The contrast between Denmark, Germany, Italy and the Netherlands, on the one hand, and Slovakia, on the other relates to the presence of effective articulation mechanisms which, in different ways, organise decentralisation in the first four and the absence of these in the latter. A particular feature of the more limited bargaining agenda in Slovakia is the relative lack of attention to issues of flexibility. This is consistent with forms of flexibility at company level being unconstrained by any provisions in the sector agreement. The exception is working time flexibility, which features as part of package of measures concluded to address the effects of the crisis. In contrast, in the presence of effective articulation mechanisms, sector agreements in the other four countries serve to both constrain and facilitate negotiations over flexibility and security at the company level. How far they do so is, however, shaped by the form that organised decentralisation takes.

The role of sector agreements in shaping negotiations at company level can be expected to be greater where articulation between the two levels is achieved through delegation, as in Germany and the Netherlands, than where it is realised through demarcation, as in Denmark and Italy. Moreover, changes increasing procedural flexibility in three of these countries have tended to reinforce the respective principles of delegation (Germany, the Netherlands) or demarcation (Italy) on which organised decentralisation is based. The findings partly confirm expectations, as the bargaining agenda is indeed more extensive in Germany and the Netherlands than in Italy, but this is not also the case for Denmark. In part the difference between Denmark and Italy, and the similarity with Germany and the Netherlands, relates to the element of delegation that exists across levels in Denmark alongside the demarcation of competence between them. In part too, it reflects the differing substantive scope accorded to the sector level in the two countries, which in addition to working time duration, training, sickness pay and pensions in both, includes minimum wages and maternity and parental leave in Denmark, and general, cost-of-living, wage increases in Italy. Even so, this still leaves particular differences unaccounted for: for example, although competence for pensions rests at sector level in both Denmark and Italy, agreements addressing the issue are only found in the former.

Whether collective agreements are issue-specific, as in Germany, or ‘package’ deals, as in Denmark and the Netherlands, helps account for further cross-country differences. Training and/or life course measures, which enhance employment and combination/income security respectively, feature as elements in periodic wage agreements on a regular basis in both Denmark and the Netherlands. In contrast, in Germany where such linkages are not possible in wage agreements, life-course measures in particular are less in evidence. Here measures on wage flexibility have become increasingly

prominent. In Italy too, such linkages are not evident, reflecting the fact that until 2009 wage negotiations at sector level were separated from those on other matters.

The fundamental institutional contrast between single-employer and multi-employer bargaining arrangements is reflected in four main differences between the UK, on the one hand, and – setting Slovakia to one side - the four countries where multi-employer arrangements are based on clear procedural rules articulating the sector and company levels, on the other. First, package agreements, including the periodic renewal of agreements on employment and competitiveness (PECs), are more common under company bargaining in the UK than under sector bargaining in the other four countries. Second, the nature of package deals where pay is involved differ. In the UK pay is an integral part of company-level package deals which typically also address flexibility. The package involves wage increases above the rate of inflation in exchange for enhanced internal (and external) flexibilities. In contrast, insofar as pay features in package deals concluded at sector level, as in Denmark and the Netherlands, it is linked to measures which address security. The package involves wage moderation (limiting wage increases to at or near inflation) in exchange for improvements in combination and/or income and/or employment security. Third, improvements to security seem a less prominent outcome amongst company-level agreements in the UK, than is the case amongst sector-level agreements in at least three of the other four countries (Italy being the partial exception). This relates to pay, rather than security, being a more prevalent focal point against which increased flexibilities are negotiated. Fourth, measures on training are relatively absent on the company-level bargaining agenda in the UK, as compared with the sector-level agenda in the other four countries. This might be accounted for in terms of the nature of the training involved, with sector agreements focusing on more general skills and competencies which are portable - aspects which are difficult to address in company-level negotiations, and which are notoriously under-provided for where, as in the UK, training is largely company-based and focused.

Discussion

By demonstrating the capacity of collective bargaining to address issues of flexibility and security, at sector and company levels, the findings confirm the importance of this significant mode of sub-national regulation as a source of both flexibility and security in the labour market (Burroni and Keune 2011). Whilst the potential of collective bargaining at company level to conclude measures enhancing flexibilities and improving security had already been established in earlier studies analysing the pacts for employment and competitiveness (PECs) which became prominent in the second half of the 1990s (Sisson and Artiles 2000; Freyssinet and Seifert 2001), this work had also concluded that the contribution of sector agreements was limited. The present findings on the outcomes of company bargaining in the UK underline its continued potential to address issues of flexibility and security, whereas those on the outcomes of sector negotiations in Denmark, Germany, Italy and the Netherlands (and to less extent Slovakia) establish the capacity of sector agreements to address these issues. In doing so, these findings from metalworking confirm those of Ibsen and Mailand (2011) concerning sector agreements in two other sectors. One possibility in accounting for this discrepancy between earlier work and the present and Ibsen and Mailand's study, is that issues of flexibility and security have only come to feature on the agenda of sector negotiations in recent years. This can, however, be discounted since there are relevant provisions in agreements in Denmark, Germany and the Netherlands which date back to the late 1990s. More plausible is that the focus on package deals, which included measures addressing both competitiveness and employment, in the literature on PECs resulted also in a focus on the company level. As the present findings show, whilst package agreements addressing forms of both flexibility and security are not unknown at sector level (and became prominent in response to the economic crisis), they are noticeably more widespread at company level. Conversely, a sector agreement which includes

improvements in one or other forms of security as an offset to a moderate wage increase will have featured in the present analysis, but is unlikely to have been deemed a PEC in the earlier work.

As anticipated, internal forms of flexibility are prominent amongst the measures specified in collective agreements. This is consistent with Ibsen and Mailand's (2011) findings, and underlines the capacity of collective bargaining to address the sub-set of cells in Wilthagen and Tros' (2004) flexicurity matrix which relate to different forms of internal flexibility (wage, working time, flexibility) as distinct from those concerning external flexibility. The latter has tended to be the focus of much flexicurity research, reflecting pre-occupation with public policy measures at the national level (Burroni and Keune 2011).

Concerning security, provisions relating to employment security were the most prominent with those on combination and income security also widespread. This differs slightly from Ibsen and Mailand's (2011) findings, which indicated provisions on combination and income security to be more widespread than those on employment. This might be attributed to one and/or two factors: sectorial differences and timeframe. Restructuring – which is likely to exacerbate concerns over employment security - has been a central, ongoing feature of the metalworking sector throughout the 2000s. Arguably it has been more extensive, and intensive, than in Ibsen and Mailand's printing and electrical contracting sectors. The crisis has also elevated concerns over employment security, and whilst its impact is captured in the present findings Ibsen and Mailand's empirical research pre-dated it. The finding, consistent with Ibsen and Mailand (with the exception of UK printing), that job security does not feature amongst the measures specified signals the extent to which mobility within the firm, or the sector, or the wider labour market has become the accepted norm amongst negotiators. Debate and research over national level public policies have tended to focus on employment and income security and the link with labour mobility (external flexibility), whereas measures addressing combination security – involving inter alia maternity and parental leave and pay, pensions and early and phased retirement - emerge as an important focus of collective bargaining at sector and company levels. This is consistent with the growing role that collective bargaining is assuming in addressing social policy issues (Glassner and Keune 2012).

Collective bargaining at sector and company levels was mobilised to address the effects of the crisis, which was particularly acute in metalworking during 2009 and 2010. The relevant agreements included a range of provisions, and are notable for the extent to which they address considerations of both flexibility (foremost wage and working time, but also functional) and security (above all employment, but also income), involving a package of measures. In three of the countries – Germany, Italy and Slovakia – a further element of packages aimed at maintaining employment through shorter working time was statutory funding to companies which cushioned the impact of the shorter hours worked on pay (Glassner et al. 2011). This statutory element was conditional on prior collective consultation or agreement with workforce representatives, indicating how regulation at sub-national level – in this case collective bargaining - can play an important role in effecting public policy measures. More generally, the findings throw interesting light on the relationship between statutory provision and collective bargaining, revealing that it is a complex one. Faced with changes to statutory provision, collective agreements can either act as a substitute – with clauses which address issues now subject to statutory provisions being dropped, or improvements to the provisions of agreements where statutory provision is weakened – or as a complement – with collectively agreed provisions improving on strengthened statutory provision.

The findings underscore the impact that institutional arrangements for collective bargaining have in shaping its capacity to address issues of flexibility and security. The contrast between outcomes under multi-employer bargaining, where there are effective procedural rules governing the relationship between the sector and company levels, and those under single-employer bargaining

bears out the expectation that employers may be able to secure a more advantageous balance between flexibility-enhancing measures and security commitments under the latter. This is because outcomes under single-employer bargaining are much more dependent on local power (im)balances and the position of unions is less secure in the absence of the protection that a sector agreement can provide. Accordingly, company agreements in the UK tend to feature flexibility measures more, and security ones less, than their sector-level counterparts in Denmark, Germany and the Netherlands in particular.

Amongst the five countries where multi-employer, sectorial agreements are concluded a crucial distinction is between those with effective procedural mechanisms articulating the sector and company levels (Denmark, Germany, Italy and the Netherlands) and Slovakia where there is no such mechanism. As a result, bargaining over flexibility and security issues is less developed in Slovakia than in the other four countries, and largely absent in respect of flexibility. Outcomes at company level, which are unconstrained by provisions in the sector agreement, are hence dependent on local power (im)balances in much the same way as under single-employer bargaining in the UK. A similar contrast emerges from Nergaard et al's (2009) study of collective bargaining and variable payments systems in metalworking, which drew a contrast between Austria and Norway, on the one hand, which both have clear procedural rules governing the relationship between the sector and company levels, and Spain on the other, which does not. In the absence of any effective mechanisms articulating the two levels, trade unions have been markedly more reluctant to embrace the prospect of variable payments systems in sector negotiations than their Austrian and Norwegian counterparts, and outcomes at company level have been shaped by local power relations in much the same way as under single-employer bargaining in the UK, which was also included in the study.

In different ways, the present study goes further than, and not as far as, Nergaard et al (2009) in further institutionally differentiating between those countries where multi-employer bargaining arrangements are underpinned by effective articulation mechanisms. It goes further by productively distinguishing whether articulation mechanisms take the form of delegation, as in Germany and the Netherlands, or demarcation, as in Denmark and Italy. Consistent with expectations, the bargaining agenda over flexibility and security issues is more extensive under delegation in Germany and the Netherlands than under demarcation in Italy, although this does not also hold for Denmark where there are also elements of delegation. Nergaard et al do however further distinguish between countries with effective articulation mechanisms according to another dimension, namely the contrast between single- and dual-channel systems of employee representation. They show that under the dual channel arrangements which prevail in Austria, because trade unions are unable to exercise formal control over separately constituted works councils at local level the sector agenda concerning variable pay is more restricted, and provisions are subject to stricter controls by the sector parties, than under Norway's single channel representation arrangement. Similar findings on working time, comparing Germany's dual channel arrangements with Denmark's single-channel, are reported by Ilsøe et al. (2007). The implication for the present findings is that the bargaining agenda over flexibility and security would be more restricted at, and more controlled from, sector level in Germany and the Netherlands than in Denmark (Italy is not straightforwardly either single- or dual-channel in its representation arrangements), but testing this would require data on company level as well as sector agreements for the three countries.

Conclusions

A core criticism of the extensive literature on flexicurity is the reductionist view it adopts of the sources of flexibility and security in the labour market, restricted to national policies and legislative frameworks (Burroni and Keune 2011). By demonstrating the extent to and ways in which a key sub-national mode of labour market governance, collective bargaining at the sector and company levels,

is addressing issues of flexibility and security the paper adds to the findings of Ibsen and Mailand (2011) and confirms the veracity of Burroni and Keune's critique. It does so for a sector, metalworking, which is highly exposed to international competition within and beyond Europe – thereby putting a premium on adaptability – but which is also characterised by workforce skills which are costly to replace and a workforce which is relatively well organised – also placing a premium from the perspective of both employers and workers on security.

The findings underline that collective bargaining brings internal forms of flexibility to the fore, as compared to the emphasis on external forms which has resulted from focusing on national policies and legislative frameworks. The contrast recalls that between status and contract as, respectively, internal and external sources of flexibility, incisively elaborated by Streeck (1987) a quarter of a century ago. Accordingly, a preoccupation in prevailing debates on flexicurity with contract as a source of flexibility has been at the expense of a failure to recognise the potential offered by collective bargaining, which depends on status. The findings on security point to the centrality of employment security, reflecting the need to address the social consequences of the widespread and ongoing restructuring which characterises the metalworking sector. On this, and also on the relative prominence of income security, the thrust of the sub-national regulation provided under collective bargaining does not differ from that embodied in national level policies. The provisions of collective agreements do, however, differ in the extent to which life-course measures and social entitlements, and therefore combination security, is a focal point of attention. This underlines the contribution, and potential, of collective bargaining to address social policy, as well as economic and employment, issues (Glassner and Keune 2012). In the language of contract and status, collective bargaining has demonstrated a capacity to strengthen and improve a newer range of status entitlements.

The salience of institutional arrangements to the outcomes of collective bargaining has been underscored. The findings show that the fundamental distinction between multi- and single-employer bargaining carries important implications for the balance between flexibility and security in the agreements that result. Under single-employer bargaining outcomes are more orientated towards flexibility, and less towards security, than under most kinds of multi-employer arrangement. This reflects the asymmetry which arises when outcomes are dependent on local power (im)balances, as is the case under single-employer bargaining: whereas unions are more likely to be disadvantaged than advantaged in the absence of the protection that a sector agreement provides, the opposite is the case for employers (Traxler 2003). The exception, in terms of multi-employer bargaining arrangements, is where there are no procedural rules governing the relationship between sector and company levels, as in Slovakia in the present study but also Spain, Portugal and Greece, leaving employers unconstrained and thereby in an equivalent position to their counterparts under single-employer bargaining. A further difference in institutional arrangements under multi-employer bargaining matters too, concerning whether the relationship between sector and company levels is governed by the principle of delegation or that of demarcation. The findings thereby contribute to recent work which has paid attention to the implications of the form that multi-employer bargaining institutions take (Arrowsmith and Marginson 2008, Nergaard et al. 2009, Visser 2005), implications which shape the capacity of a central institution of European labour market governance to contribute to shaping both flexibility and security.

Table 2: Summary of the forms of flexibility and/or security addressed by agreements on seven substantive issues

	Flexibility dimension only	Flexibility and security dimensions	Security dimension only
Pay	Wage (DE 1997, 2002, 2006, 2007, 2010) <i>Wage, Working Time, Functional (UK 2000-04, 2005-08)</i> <i>Wage (UK 2000-04, 2005-08, 2009-10)</i>		Income (IT 2006, -ve 2009)
Working time	Working time (DK 1998, 2000, 2004) (IT 1999) <i>Working Time (UK 2000-04, 2005-08)</i>	Working Time & Combination (NL 2007) Working Time & Combination (-ve) (DE 2004, IT 2008)	Combination (DE 2004) (DK 1998, 2000) (NL 2002) (SK 2005)
Training and education		Functional & Employment (DE 2006) (DK 2004, 2007, 2010) (IT 2006, 2008) (NL 2007, 2010)	<i>Employment (UK 2000-04)</i>
Employment measures		Wage, Working Time & Employment (DE 2004) (IT 2010) (SK 2009) Working Time & Employment, Income (DE 2010) (IT 2009) (SK 2009) Functional & Employment (DK 2010) (NL 1997, 2010) <i>Wage, Working Time, Functional & Employment (UK 2000-04, 2005-08)</i> <i>Wage, Working Time, Functional, External Numerical & Employment (UK 2009-10)</i>	Employment (NL 2009, 2011) (SK 2010)
Life course measures / social entitlements			Combination, Income (DE 1998, 2000) (DK 1998, 2000, 2004, 2007) (NL (2006, 2011) Combination (DK 1998, 2007, 2010) (IT -ve 2009) (NL 2007, 2010) (SK 1999, 2006) Income (DK 2010) <i>Combination (UK 2005-08)</i> <i>Combination -ve (UK 2005-08, 2009-10)</i>
Provisions for atypical workers	<i>External Numerical (UK 2009-10)</i>	External Numerical & Income (NL 2007, 2010)	Employment (IT 1999, -ve 2008) (SK 2008)

		External Numerical (-ve) & Employment (SK 2010) <i>External Numerical & Employment (UK 2005-08)</i>	Employment, Income (IT 2008)
Crisis-induced measures	Wage (DE 2010) <i>Wage (UK 2009-10)</i>	Working Time & Employment, Income (DE 2010) (IT 2009) (SK 2009) Wage, Working Time & Employment (IT 2010) Functional & Employment (DK 2010) (NL 2010) External Numerical (-ve) & Employment (SK 2010) <i>Wage, Working Time & Employment (UK 2009-10)</i>	Employment (NL 2009, 2011) (SK 2010) Income (DK 2010)

Notes

1. Sector agreements in normal type; *company agreements in italics*
2. Company agreements in the UK identified according to three time periods (2000-04, 2005-08, 2009-10), as companies typically conclude multi-annual agreements, but not necessarily all in the same year

Acknowledgements

[to follow]

References

- Andersen S-K (2005) 'Kollektive overenskomster of flexicurity' *Økonomi og Politik* 4 (December): 72-83.
- Arrowsmith J and Marginson P (2008)
- Burroni L and Keune M (2011) 'Flexicurity: a conceptual critique' *European Journal of Industrial Relations* 17, 1: 75-91
- Carley M and Marginson P (2011) 'Negotiating the crisis: social partner responses' in *Industrial Relations in Europe 2010* European Commission Report (Chapter 3), Luxembourg: Publication Office of the European Union
- Crouch C (2009) 'The governance of uncertainty and sustainability: tensions and opportunities' Gusto Paper 2.1
- Crouch C (2012) 'Beyond the flexibility/security trade-off' *British Journal of Industrial Relations* 50, 1, 1-22
- Due J, Madsen J-S, Jensen C-S and Petersen L (1994) *The Survival of the Danish Model* Copenhagen: DJØF
- European Commission (2007) 'Towards common principles for flexicurity: more and better jobs through combining flexibility and security' COM 359 final, June 27th
- Freyssinet J and Seifert H (2001) *Negotiating Collective Agreements on Employment and Competitiveness* Eurofound, Luxembourg: Publications Office of the European Union
- Glassner V, Keune M and Marginson P (2011) 'Collective Bargaining in a Time of Crisis' *Transfer* 17, 3: 303-21
- Glassner V and Keune M (2012) 'The crisis and social policy: the role of collective agreements' *International Labour Review* 151, 4: 351-75.
- Ibsen C and Mailand M (2010) 'Striking a balance? Flexibility and security in collective bargaining' *Economic and Industrial Democracy* 32, 2: 161-80
- Ilsøe A (2011) 'Signs of segmentation? A flexicurity perspective on decentralized collective bargaining in Denmark' *Economic and Industrial Democracy* 33, 2: 245-65.
- Ilsøe A Madsen J S and Due J (2007) 'Impacts of Decentralisation – Erosion or Renewal?' *Industrielle Beziehungen* 14, 2: 201-222
- Marginson P, Sisson K and Arrowsmith J (2003) 'Between decentralization and Europeanization' *European Journal of Industrial Relations* 9, 2: 163-87
- Nergaard K, Dølvik J, Marginson P, Arasanz Días J and Bechter B (2009) 'Engaging with variable pay' *European Journal of Industrial Relations* 15, 2: 125-46
- Pulignano V and Keune M (2012) 'Institutional variation and the governance of the flexibility-security nexus in multinationals'
- Sisson K (2001) 'Pacts for employment and competitiveness' *Transfer* 7, 4: 600-15.
- Sisson K and Artiles A-M (2000) *Handling Restructuring: Collective Agreements on Employment and Competitiveness* Eurofound, Publications Office of the European Union: Luxembourg
- Streeck W (1987) 'The uncertainties of management and the management of uncertainty' *Work, Employment and Society* 1: 3, 281-308
- Traxler F (1995) 'Farwell to labour market associations?' in Crouch C and Traxler F (eds) *Organised Industrial Relations in Europe' What Future?* Aldershot: Avebury
- Traxler F (2003) 'Bargaining (de)centralisation, macroeconomic performance and control over the employment relationship' *British Journal of Industrial Relations*, 41, 1: 1-27
- Traxler F Brandl B, Glassner V and Ludwig A (2008) 'Can Cross-Border Bargaining Coordination Work?' *European Journal of Industrial Relations* 14, 2: 217-37.

- Visser J (2005) 'Beneath the surface of stability' *European Journal of Industrial Relations* 11, 3: 287-306
- Wilthagen T and Tros F (2004) 'The concept of "flexicurity"' *Transfer* 10, 2: 166-86.
- Zagelmeyer S (2001) 'Brothers in arms in the European car wars' *Industrielle Beziehungen* 8, 2: 149-79

Appendix Table 1: Possible contents of PECs

Employment

- guarantees of employment and/or no compulsory redundancy (often time-limited)
- investment for particular establishments
- transformation of precarious into more stable jobs
- additional employment for specific groups (eg youth, long-term unemployed)
- relocation of workforce within the company
- introduction of 'work foundations' to improve employment prospects for workers made redundant

Working time

- temporary or long-term reduction in the working week
- greater variability in, and extension of, working hours without overtime premium
- extension of operating hours (eg weekend work)
- increased use of part-time work

Cost reduction

- reduction in elements of pay and associated benefits
- lower starting rates for new employees
- commitments to moderate pay demands

Productivity and adaptability

- conditions for use of fixed-term contracts, temporary work and contracting out
- new forms of work organisation (eg team work)
- training and development

Source: adapted from Sisson (2001)

Appendix Table 2: Provisions addressing flexibility and security in sector agreements in five European countries

Denmark

		Flexibility dimension	Security dimension
Pay			
Working time	<p>2004: locally agreed deviations from working time arrangements in sector agreement no longer s.t. to sector-level sign off</p> <p>2000: 5 extra days holiday (incorporating the service-related extra day and 3 days for parents with children from 1998)</p> <p>2000: experimental scheme to allow locally agreed deviations from working time arrangements in sector agreement s.t. sign-off by sector parties</p> <p>1998: extension of reference period for locally agreed variable weekly working hours averaging 37 hrs to 12 mths (previously 6mths)</p> <p>1998: working week on evening and night shifts reduced by 1 hour</p> <p>1998: extra day's holiday s.t. duration of employment and 3 days for workers with children [superseded in 2000]</p>	<p>Working Time</p> <p>Working Time</p> <p>Working Time</p>	<p>Combination</p> <p>Combination</p> <p>Combination</p>
Training and education	<p>2010: measures to ensure that employee competencies match labour market demands</p> <p>2007: 2 weeks paid training not related to current job/employer but to the sector</p> <p>2004: 2-weeks paid training for employees made redundant with more than 3 years' service</p>	<p>Functional</p> <p>Functional</p> <p>Functional</p>	<p>Employment</p> <p>Employment</p> <p>Employment</p>
Employment measures	<p>2010: measures to ensure that employee competencies match labour market demands</p>	<p>Functional</p>	<p>Employment</p>
Life course measures / social entitlements	<p><i>2004, 2007 improvements to parental leave/pay and pregnancy leave in anticipation of/ responding to improvements in statutory provision</i></p> <p>2010: introduction of supplementary redundancy pay (in addition to state benefit) conditional on min 3 yrs service</p> <p>2010: increase in parental leave of one week for each parent</p> <p>2007: free choice account comprised of payment for 5 holidays</p>	<p>[-ve Numerical]</p>	<p>Income</p> <p>Combination</p> <p>Combination</p>

	<p>and/or public holidays which can be drawn as cash, additional holidays or used for retirement</p> <p>2007: increase in pension contributions during maternity leave to ensure no loss of entitlement</p> <p>2007: improved pay during parental leave, <i>responding to improved statutory provision (2006)</i></p> <p>2007: increase in pension contributions</p> <p>2004: pregnancy leave on full pay for (final) four weeks, <i>anticipating improved statutory provision (2006)</i></p> <p>2004: extension of paid parental leave (14 to 20 weeks), <i>anticipating improved statutory provision (2006)</i></p> <p>2004: increase in pension contributions</p> <p>2000: improvement to supplementary sick pay</p> <p>2000: increase in supplementary maternity pay over first 14 weeks</p> <p>2000: increase in pension contributions</p> <p>1998: 20% increase in supplementary maternity pay</p> <p>1998: entitlement for employees with children who are sick to take time off increased to 3 days (wef 1999) [superseded in 2000]</p> <p>1998: increase in pension contributions [employer and employee]</p>		<p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p> <p>Income, Combination</p>
Provisions for atypical workers			
Crisis-induced measures	<p><i>Low wage settlement in the 2010 agreement accompanied by introduction of supplementary redundancy pay.</i></p> <p>2010: introduction of supplementary redundancy pay (in addition to state benefit) conditional on min 3 yrs service</p> <p>2010: measures to ensure that employee competencies match labour market demands</p>	Functional	<p>Income</p> <p>Employment</p>

Note: sector agreement is for manufacturing (excluding slaughterhouses). There are separate agreements for blue- and white-collar workers, although the agreements tend to change in parallel. The table relates to the blue-collar agreement.

The manufacturing agreement for blue-collar workers is a minimum wage agreement, with actual wages being set in local negotiations. The increase specified in the minimum wage 'signals an appropriate level of increase to local negotiators' (FAOS interview). The white-collar agreement does not contain any minimum wage clause.

Table indicates changes i.e. direction of travel. The 'state of play' is not indicated: a provision which is longstanding, and of relevance to flexibility and/or security is not included eg scope for local agreements to vary working hours around a 37 hour average introduced in 1995.

Germany

		Flexibility dimension	Security dimension
Pay	<p>2010: wage increase paid as non-consolidated lump sum</p> <p>2007: opening clause allowing variation of one aspect of wage settlement</p> <p>2006 onwards: provisions to vary implementation of agreed pay increases, including delay and reduction</p> <p>2002: emergency clause allowing deviation from agreed wage increase for limited period</p> <p>1997: additional (holiday and Christmas) payments reduced and linked to company performance</p>	<p>Wage</p> <p>Wage</p> <p>Wage</p> <p>Wage</p> <p>Wage</p>	
Working time	<p>2004: increased scope to lengthen working hours temporarily and permanently, particularly in establishments with high proportion of skilled workers. Extendable permanently to 40 hours (from 35 (west) 38 (east) for 13-18% of workforce (according to region) or 45-50% where >50% workforce is skilled</p> <p>2006: (some regions) introduction of flexible WT accounts</p>	Working time	<p>Combination (-ve)</p> <p>Combination</p>
Training and education	<p>2006 (2001 in Baden-Wuerttemberg): individual right to regular training discussion with employer to establish training needs. Training to be at employers' cost. Right to take unpaid leave for training/educn for employees after 3 yrs</p>	Functional	Employment
Employment measures	<p>2004: general opening clause allowing time-limited derogation from agreed stds to sustain or improve (development of) employment</p> <p>1994: opening clause allowing co. level negotiation of reduced working week (30 hrs) in face of economic difficulties, with reduction in pay, to maintain employment</p>	<p>Wage, Working time</p> <p>Working time</p>	<p>Employment</p> <p>Employment</p>
Life course measures / social entitlements	<p>2000: improvements to 1998 phased early retirement scheme</p> <p>1998: phased early retirement, <i>with compensation of new financial penalties under state scheme</i></p>		<p>Income, Combination</p> <p>Income, Combination</p>
Provisions for atypical workers			
Crisis-induced measures	<p><i>2008-2010: union focus on promoting take-up of statutory STW scheme, and extending its duration</i></p>		

	2010: additional short-time working beyond the statutory statutory scheme (24 mths), additional remuneration, and reduced working time beyond STW scheme (all time-ltd) 2010: wage increase paid as non-consolidated lump-sum	Working time Wage	Employment, Income
--	--	--------------------------	--------------------

Note: The sector agreement covers mechanical and electrical engineering. There are separate agreements on different topics eg pay, working time, which contrasts with Denmark. Nearly all large employers are part of the sector agreement(s): VW is the exception, and concludes its own company agreement.

Table indicates changes i.e. direction of travel. The 'state of play' is not indicated: a provision which is longstanding, and of relevance to flexibility and/or security is not included eg provisions for variable working time which date back to 1990.

Italy

		Flexibility dimension	Security dimension
Pay	2006: introduction of guaranteed additional payment for workers in companies where no 2 nd tier negotiation on pay for performance 2009: qualification of companies in which workers eligible to receive above additional payment		Income Income (-ve)
Working time	2008; extension of scope for weekend working 1999: scope for 2 nd tier negotiations over flexible working time patterns, including averaging 40hrs over reference period	Working time Working time	Combination (-ve)
Training and education	2008: additional training hours for language training for migrant workers 2006: promotion of apprenticeship contracts, increase in compulsory training hours for apprentices	Functional Functional	Employment Employment
Employment measures	2010: introduction of opt-out clause on economic grounds (to support economic and employment development; to counter effects of business difficulties)	Working time, Wage	Employment
Life course measures / social entitlements	2009: restriction of scope to request part-time working		Combination (-ve)
Provisions for atypical workers	<i>2008: clauses specifying circumstances, restrictions on use and quotas for temporary workers removed following 2007 labour law reform facilitating use of temporary workers</i> 2008: recognition of time spent on temporary contract for seniority (eg relevant for severance pay) 2008: temporary workers have to be offered a permanent position after 44 mths 1999: temporary workers have to be offered a permanent position after 36 mths		Income, Employment Employment (-ve) Employment
Crisis-induced measures	<i>2008-10: focus of union activity to instigate negotiations at company level to trigger lay-off scheme (CIG) and/or solidarity contracts, which provide for short-time working in conjunction with CIG. Bargaining agenda reported to be otherwise frozen.</i> 2010: introduction of opt-out clause on economic grounds (to support economic and employment development; to counter	Wage, Working Time	Employment

	effects of business difficulties) 2009: duration of CIG (statutory partial unemployment / lay-off scheme) extended following joint pressure from employers and trade unions	Working Time	Employment, Income
--	--	--------------	--------------------

Note: The sector agreement covers mechanical and electrical engineering. 2011: Fiat exits sector agreement in favour of set of company (i.e. plant) agreements.

Under Italy's 2-tier bargaining structure, the issues for which the sector level has negotiating competence include the economic (cost of living) element of wages, general working conditions including grading structure, pensions, other social benefits, training provision and use of part-time and temporary workers. The lower, company or local territorial, level is designated for negotiation over pay-related to performance / productivity (wage flexibility), other bonuses, working time patterns, including shifts, weekend working, overtime working (working time flexibility), and work organisation. Training provision is also negotiated at second-tier level, often at local, territorial level.

Decade of separated agreements: 2001, 2003 CGIL didn't sign renewal of agreement (economic part only renewed in 2001; both economic and normative elements renewed in 2003); 2006, 2008, all unions signed renewed agreement (economic, 2006; both elements, 2008); 2009 fresh agreement concluded under new 2009 inter-sector agreement, before expiration of 2008 agreement – not signed by CGIL hence two agreements in force ; 2010, 2009 agreement amended to include opt-out clause in case of economic circumstances – not signed by CGIL

Table indicates changes i.e. direction of travel. The 'state of play' is not indicated: a provision which is longstanding, and of relevance to flexibility and/or security is not included eg scope for variable pay schemes established under 2-tier bargaining over pay under 1993 inter-sector agreement.

Slovakia

		Flexibility dimension	Security dimension
Pay			
Working time	<p>2005: provisions on working time patterns, including shift work, overtime, and additional holidays, dropped in light of changed legislation</p> <p>2010: time-limited measures for shorter-working time, 'flexiconto' – see below</p> <p>2005: employees can request reduced WT for personal reasons</p>		Combination
Training and education			
Employment measures	<p>2010: employer-provided assistance for workers made redundant</p> <p>2009: possibility of shorter working time; minimum of 60% of wage for STW; 'flexiconto' (trade-off between WT, wage, employment security ie paid hours not worked banked and drawn down subsequently. Flexiconto time-limited.</p>	Working time	Employment Employment, Income
Life course measures / social entitlements	<p>2005: unpaid parental leave dropped in light of changed legislation</p> <p>2006: introduction of supplementary pension provision</p> <p>1999: additional protection from redundancy for workers with 20+ yrs service and within 5 yrs of retirement, also where married couples both exposed to possible redundancy</p>		Combination Combination
Provisions for atypical workers	<p>2010: non-renewal of temporary contracts, reduction in use of agency workers, to protect 'insiders' from redundancy</p> <p>2008: limitation of temporary contracts to 3 years</p>	External numerical (-ve)	Employment Employment
Crisis-induced measures	<p>2010: non-renewal of temporary contracts, reduction in use of agency workers, to protect 'insiders' from redundancy</p> <p>2010: employer-provided assistance for workers made redundant</p> <p>2009: possibility of shorter working time; minimum of 60% of wage for STW; 'flexiconto' (trade-off between WT, wage and employment security ie paid hours not worked banked and drawn down subsequently)</p>	<p>External numerical (-ve)</p> <p>Working Time</p>	Employment Employment Employment, Income

Note: Sector agreement relates to mechanical engineering (and not also electrical engineering)

Sector agreement sets minimum standards, including min wages for 12 grades; absence of coordination (articulation provisions) between sector and company levels, hence no clear relationship. Amongst automotive manufacturers, company bargaining in VW and PSA Peugeot Citroen but not at Korean-owned companies.

Table indicates changes i.e. direction of travel. The 'state of play' is not indicated: a provision which is longstanding, and of relevance to flexibility and/or security is not included eg education/training plans a feature of sector agreements throughout the 2000s

Netherlands

		Flexibility dimension	Security dimension
Pay	2011: adult wage scales to apply from age 22 rather than 23 2010: min point on wage scale lowered in anticipation of 2011 change (with no effect in 2010)		Income [neutral when both steps taken account of]
Working time	2007: change from specifying weekly hours (38) to annualised equivalent. 2 days extra annual leave. 2002: time bank introduced, with holidays included as inputs in the time bank. From 2010, shortened working hours days (ATV) and overtime can also be input. Currently time bank can be used for: extra days off, payment of days off, career break, early retirement (also pension increase until 2010).	Working time (temporal)	Combination (2 days extra) Combination
Training and education	Sustained focus on training through 2000s (up to 2008) 2010 (building on 2007): training programmes to a) support workers losing jobs to find other employment within the sector i.e. career perspective b) target difficult-to-fill vacancies; 2010: measures to promote training amongst women 2007: procedures to recognise competencies acquired in other countries	Functional Functional Functional	Employment Employment Employment
Employment measures	2011: further measures to strengthen retention within the sector, including improving occupational health over working life 2010 (building on 2007): training programmes to support workers losing jobs to find other employment within the sector 1997: re-employment assistance scheme (relatively small-scale take up through 2000s)	Functional Functional	Employment Employment Employment
Life course measures / social entitlements	<i>Joint working group on life course approaches set up in 2007 and continued in 2011</i> 2011: improvement to early retirement provisions 2010: pre-retirement measures: shift work and overtime not obligatory for over 55s 2007: short-term leave for care purposes (unpaid) 2006: provision (in conjunction with pension fund) for (continued) early retirement for 60-64 yr olds (in context of change in Govt		Income, Combination Combination Combination Income, Combination

	policy discouraging this) 2007: clauses on childcare arrangements for women and for men (dating back to the early 1990s and to 2000, respectively) removed following improvements to statutory arrangements		
Provisions for atypical workers	2010/2007: TAWs can only be sourced from registered agencies; equivalent pay and conditions [No regulation of numbers used]	External Numerical	Income
Crisis-induced measures	2008-10: respondents report that crisis had 'frozen the agenda'. Also that union officers worked hard in persuading companies to participate in the state partial unemployment scheme, with positive effects in terms of maintaining employment, skill retention, company survival 2009, 2011: for workers on state-funded part-time unemployment scheme, support measures (incl. career, training advice) to remain in sector. 2011 support measures extended beyond expiry of state scheme 2010 (building on 2007): training programmes to support workers losing jobs to find other employment within the sector, and to target difficult to fill vacancies 2010: temporary 2 year measure to stimulate training and apprentice positions for young workers	Functional	Employment Employment Employment

Note: Collective agreement = CAO Metaal/Electrotechnische industrie (covers large employers with 31+ employees; separate agreement for smaller employers). Philips and Tata Steel outside the agreement, and have long-standing, separate company agreements.

Table indicates changes i.e. direction of travel. The 'state of play' is not indicated: a provision which is longstanding, and of relevance to flexibility and/or security is not included eg right to work part-time, where the CAO confirms a right established in law, and which is relevant to combination security.

Appendix Table 3: Provisions addressing flexibility and security in automotive sub-sector company agreements in the United Kingdom

		Flexibility dimension	Security dimension
Pay	<p>2000-04: shift to multi-annual (2 or 3 year) pay settlements, which typically included productivity-enhancing changes to working practices, including introduction of flexible WT arrangements. ‘Top of the range’, inflation plus pay increases. Examples – Ford, GM Vauxhall, Jaguar, Peugeot</p> <p>2000-04: lower rates of pay for new starters and agency workers, usually 90% for 12 mths</p> <p>2000-04: introduction of site-based performance pay schemes. Examples - BMW’s two main sites, Honda, Toyota, Peugeot</p> <p>2005-08: further agreements on lower rates for new starters (eg Caterpillar site, 2005); no longer covered by sick pay scheme for first 12 mths (eg BMW’s two main sites, 2005)</p> <p>2005-08: introduction of individual performance-based pay schemes – examples, BMW’s two main sites (2007)</p> <p>2009-10: JLR (2010) revised agreement, 80% of pay rate for new starters for 24 mths, then 90% in perpetuity</p> <p>2009-10: JLR (2010) individual performance-based pay scheme for white-collar staff</p>	<p>Pay increases linked variously to Working time, Functional and Wage (payments systems) flexibility</p> <p>Wage</p> <p>Wage</p> <p>Wage</p> <p>Wage</p> <p>Wage</p> <p>Wage</p>	
Working time	<p>2000-04: introduction of more flexible WT arrangements, providing for one or more of: WT corridors; hours banks; new shift arrangements; new holiday arrangements; annualisation of hours. Examples – Ford, GM Vauxhall, Jaguar, Rover, Peugeot</p> <p>2005-2008: further provisions increasing WT flexibility. Examples - Nissan (2005) variation of working week by half a day in either direction; BMW (Oxford) (2005) shift patterns alterable within duration of agreement; Land Rover, Jaguar (2005) ‘catch back’ overtime, where overtime reqd at 24hrs notice following production downtime</p>	<p>Working time</p> <p>Working time</p>	
Training and education	2000-04: employee developments programmes (eg Ford, JLR)		Employment
Employment measures	2000-04: conclusion (renewal) of PECs, typically combining cost reduction and flexibility enhancing measures (including WT	Functional Working time	Employment

	<p>flexibility) with guarantees on employment security (time-ltd guarantees on employment levels; pursuing wider range of alternatives to redundancy). Examples – Ford, GM Vauxhall, Jaguar, Rover</p> <p>2000-04: Mobility between sites in context of restructuring or crisis-induced under-capacity working: Ford (2002)</p> <p>2005-08: conclusion (renewal) of PECs (as above). Examples – Ford, GM Vauxhall, Jaguar</p> <p>2009-10: conclusion (renewal) of PECs – examples GM Vauxhall (2009 – Ellesmere Port, 2010 – Luton) both with the aim of securing new models ie no explicit employment guarantee, outsourcing of some activities included in the mix; JLR (2010) including explicit 10-year guarantee of continued production at two sites under threat</p> <p>2009-10: Mobility between sites in context of restructuring or crisis-induced under-capacity working: JLR (2010)</p>	<p>Wage (eg wage premia)</p> <p>Internal numerical</p> <p>Functional Working time Wage (eg wage premia)</p> <p>Functional Working time Wage (eg wage premia, pension contributions)</p> <p>External numerical (outsourcing)</p> <p>Internal numerical</p>	<p>Employment</p> <p>Employment</p> <p>Employment</p> <p>Employment</p>
Life course measures / social entitlements	<p>2005-08: reform of pension schemes, increasing employee contributions to defined benefit schemes for new starters and/or all employees – examples, Ford, GM Vauxhall, Jaguar, Land Rover</p> <p>2005-08: improvements to early retirement scheme, JLR (2008)</p> <p>2005-2008: improvements in maternity leave and maternity pay (prompted by improvements in statutory provision) – examples (2005) Ford, Jaguar, Land Rover, BMW (Oxford)</p> <p>2009-10: closure of defined benefit scheme to new starters, JLR (2010)</p>		<p>Combination (-ve)</p> <p>Combination Combination</p> <p>Combination (-ve)</p>
Provisions for atypical workers	<p>2005-2008: regulation of use of agency workers – examples: Land Rover, Jaguar (2005) use only during production peaks and when new models launched; BMW (Oxford) (2005, 2007) conversion of specified numbers of agency staff to direct employees</p> <p>2009-10: new starters taken on as agency staff for first year, JLR (2010)</p>	<p>External numerical</p> <p>External numerical</p>	<p>Employment</p>
Crisis-induced measures	<p><i>Crisis-induced package agreements in 2009, 2010 to cut costs and maintain employment the main focus of activity for negotiators, and extended range of linkages between issues.</i></p> <p>2009-10: Pay freezes concluded at most main manufacturers</p>	<p>Wage</p>	

	<p>(except Ford where 3-yr deal concluded in 2008), including JLR (2009, 12 mths), BMW's two main sites (2010, 12 mths), GM Vauxhall (2010, 2yrs – part of PECs (see above), Nissan, Toyota (2009, 2010, 12 mths on each occasion), Caterpillar's main sites (2009, 12 mths), JCB (2009, 12 mths). Honda implemented a 3% pay cut for 10 mths (2009), followed by pay freeze (2010). 2009-10: Pay freezes typically part of a package of measures aimed at reducing costs, minimising redundancies and retaining jobs and skills. Other elements included: reduced working time with partial compensation; temporary lay-offs; suspension of premium payments (shifts etc) and bonus payments. Examples – GM Vauxhall (2009, pay freeze followed in 2010 after expiry of 2 yr agreement); JLR (2009) including guarantee of no compulsory redundancy; Honda (2009); Toyota (2009); JCB (late 2008, followed by pay freeze in 2009)</p>	<p>Wage Working Time</p>	<p>Employment</p>
--	--	------------------------------	-------------------

Note: Table focuses on automotive manufacturers, as the situation differs amongst component manufacturers and data less available.

Table indicates changes i.e. direction of travel. The 'state of play' is not indicated: a provision which is longstanding, and of relevance to flexibility and/or security is not included.