

Collective bargaining as a changing mode of labour market governance in Europe

This research, which commenced during 2009, explores the implications of the reorientation of collective bargaining to address questions of competitiveness, flexibility, employment security and sustainability for its character as a mode of governing labour markets. It forms one of four main projects which make up a programme of research on 'The governance of uncertainty and sustainability: challenges for labour market, industrial relations and social welfare policies in European countries' (GUSTO). The 3-year GUSTO programme, which is coordinated by Prof. Colin Crouch of WBS' Governance and Public Management group, is financed by the European Commission's 7th Framework Programme. The collective bargaining research involves collaboration between Paul Marginson, Colin Crouch, Dorothee Bohle (Central European University, Budapest), Luigi Burrioni (University of Teramo), Maarten Keune (University of Amsterdam) and Vera Glassner (ETUI). Manuela Galetto joined the project in January to work with Crouch and Marginson at Warwick. Aristeia Koukiadaki's involvement in a project on EU-level governance in social policy is reported below, Guglielmo Meardi's work on a project on migration under the same research programme is described under Theme 2.

Research on the economic and institutional context of industrial relations, and on the changing nature, role and agenda of collective bargaining, in two sectors – metalworking, including automotive, and hospitals – is being undertaken in eight European countries. Galetto and Marginson are responsible for the studies in Italy and the UK. By the end of the year, a programme of field interviews with employer organisation and union representatives, and also with academic and policy experts, in the hospital sectors in both countries, and in the Italian metalworking sector had been completed. Interviews in UK metalworking will follow in the opening months of 2011. The researchers from the countries involved met twice during the year, in Amsterdam and Paris, to coordinate the progress of the research and to present and discuss initial findings. The second meeting coincided with the 2010 Annual Assembly of the GUSTO programme.

The economic and financial crisis has posed particular challenges for employers and for trade unions, and in a paper presented at the Paris meeting Glassner, Keune and Marginson drew on their respective work for the ILO and the European Commission, as well as their research under the GUSTO programme, to review and analyse negotiated responses to the crisis at sector and company levels. A summary is provided in the box below.

Collective bargaining in a time of crisis

The character of collective agreements concluded in response to the crisis is appraised from three perspectives. First, through an analysis of the ways in which they can provide protection against different forms of economic uncertainty, facing workers and facing employers, through the provision of collective goods. Second, through consideration of the distributive (zero-sum) or integrative (positive-sum) character of the trade-offs involved. Third, through assessing the balance between procedural change and procedural stability, respectively, which is conducive to the adoption of innovative measures. Variation in the incidence and character of crisis-response agreements is shown to be shaped by four kinds of factor: economic conditions (magnitude and prolongation of the economic downturn); public policy, particularly employment-maintaining measures such as short-time work and partial unemployment schemes; collective bargaining institutions and coverage; and employer and trade union strategies.

The prominence of the role played by collective bargaining in addressing the impact of the crisis, through agreements elaborating a wide variety of measures at inter-sector, sector and company levels, varies markedly across countries and also sectors. The themes which characterise the sector- and company-level measures

adopted demonstrate the varying ways in which protection has been provided against different forms of economic uncertainty confronting workers and employers. Trade-offs are apparent between different forms of protection for each group, as well as between employers and workers. For workers, the negotiated outcomes – in which short-time work, measures to mitigate job loss, employment guarantees and employee concessions are all, to differing degrees, prominent - suggest that protection against uncertainty over job loss has predominated over that against deterioration in pay and conditions. Negotiated outcomes featuring measures to support redundant workers are less common, implying that protection against uncertainty in securing future employment is of second-order importance. For employers, protection against two forms of uncertainty - securing immediate cost reductions and retaining trained and experienced labour – is uppermost amongst negotiated outcomes, with the balance between these two contending factors varying. To the extent that the balance is towards the latter, cooperative relations with the workforce are more likely to have been maintained. The outcomes indicate that the main trade-off between workers and employers in terms of uncertainty protection has been between protection against job loss (for workers) and cost reduction (for employers).

Contrasting tendencies in the nature of agreements between manufacturing and services indicate that industrial relations institutions, in combination with specific public policies, are influential in shaping the balance between integrative and distributive elements in outcomes. Agreements in manufacturing have generally entailed a trade-off between some form of employment guarantee and employee concessions, which is indicative of an integrative dimension. The picture in services is more mixed, with employment guarantees featuring in only a proportion of the agreements entailing employee concessions, reflecting broad differences from manufacturing in strength of trade union organisation and depth of company bargaining. The role of public policy, in the shape of statutory short-time work schemes, has been to broaden the scope for continuing employment to be traded off against income loss (for workers) and skill retention to be traded off against immediate cost reduction (for employers). In short, such schemes – which are commonly confined to manufacturing - have shifted the balance between distributive and integrative elements in outcomes towards the latter.