

Trade union & government responses to the economic crisis in Europe

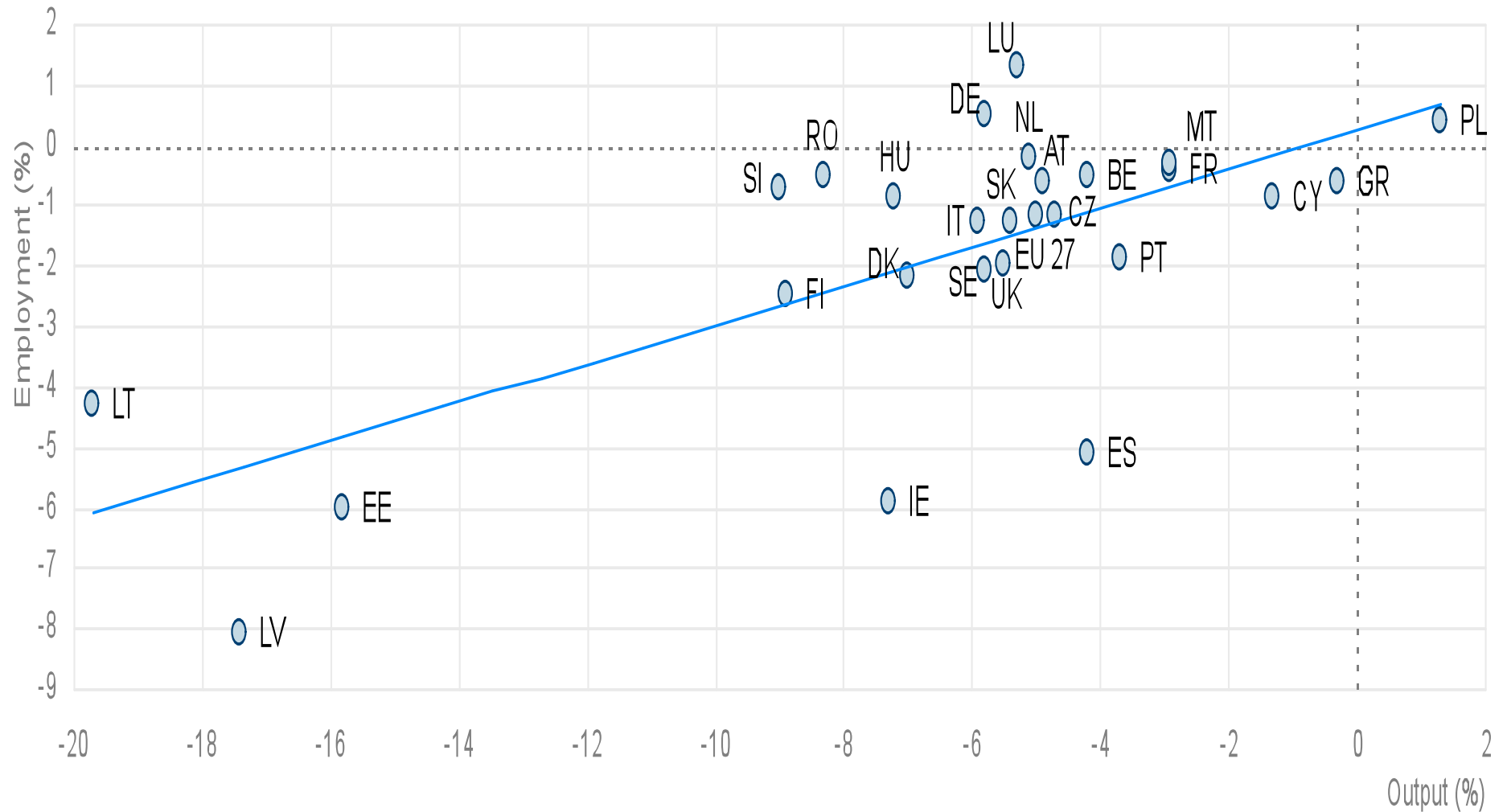
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Fig. 1 Change in GDP and employment, 2008Q2-2009Q2



Source:: ETUI 2010a, Benchmarking Working Europe 2010

Crisis changed context of social partner action & coll. bargaining (CB): 4 main factors affecting 'negotiated responses':

- **Economic sphere:** GDP ↓, only slightly recovering; bankruptcies ↑; unemployment ↑; strained public budgets; → uncertainty ↑.
- **Enterprises:** decline demand, difficult access bank loans; workers: decline employment and pressure on wages and working conditions.
- Changing role of the **state**.
- Preliminary assessment role **collective bargaining actors:**
 - What determines negotiated responses?
 - Content or orientation of agreements?
 - Longer-term consequences?

Public policy involvement of social partners

- Widespread **tripartite consultation** on labour market crisis measures; **Tripartite agreements** (national, sectoral);
- **Agreements *and* conflict**, resurgence *and* breakdown of tripartite negotiations
- **Key issue**: introduction or extension of various **short-time working arrangements**
- Often rely on **company and/or sector collective agreements** for their implementation

National arrangements for short-time working (STW) & partial unemploym.

National short-time working arrangements	Country/ countries	<ul style="list-style-type: none"> Based on labour law (LL) Based on multi-level collective agreement (CA) 	Implemented by collective agreement	
			sectoral level	company level
Short-time working ('Kurzarbeit'); Temporary economic unemployment; Reduction of working time ('Werktijdverkorting')	DE, AT, BE, NL	LL	**	**
Partial unemploym. ('Chômage partiel'); Partial unemployment in case of 'entrepreneurial crisis'; Wage Guarantee Funds ('Cassa integrazione guadagni')	FR, PT, IT	LL	*	**
Short-time working, reduction of working time, wage subsidies for companies	PL, BG, HU, SI	LL	—	**
Reduction of working time during production stops or suspension of production, compensation of indirect labour costs	RO	CA, (LL)	-	**
'Temporary lay-offs', 'Work-sharing'	SE DK	CA	*	**

Notes:

⁵ * important level;

** predominant level;

— bargaining level marginal or non-existent.

Features of STW & part. unemployment systems

Communalities:

- Provisions (either law or CB) implemented via **collective agreement** on sector & - in particular – **company-level**
- Require **consultation** of employee reps., WC, unions!
- Maintaining **employment** and **protecting** against **wage losses** du to reduction of working time via public subsidies
- Mainly adopted in the **manufacturing** sectors, less in the services sectors;
- Primarily used in **large, MNC** – employees in SMEs covered to a lesser extent!

Sectoral and inter-sectoral agreements

- Key issue: opening, hardship and other clauses
- More attention to company-specific conditions
- Attempts to find balance competitiveness, purchasing power and employment
 - Flexible implementation wage increases (delays, temporary deviations, step-by-step)
 - More possibilities working time flexibility
 - Training/employability
 - Access to and level social benefits, pre-pensions
 - Short-time working provisions often with state support

Wide variety of company agreements

- Range from temporary adjustments to company closures.
- Range from consensual to conflictual bargaining.
- Made in context of higher agreement, state support?

Conclusions:

- ‘Good practice’: many examples of reasonably consensual & ‘balanced’ agreements in spite of differences of interest
 - Increased use of higher level opening clauses in (inter) sectoral agreements
 - Safeguard employment via flexible reduction working time (state support: legal arrangements & funding!)
 - Facilitating restructuring, change work organisation, worker mobility and re-deployment;
 - Flexibilisation of wage-setting: Temporary deviations from negotiated wages!

Conclusions:

- Downside of ‘negotiated responses’:
 - labour often forced in **defensive position** → one sided (wage) concessions;
 - Groups of workers **not covered** by **collective agreements**: ‘atypically’ employed, employees in SMEs, CEECs: low CB coverage;
- Arrangements for **short-time working** effective in maintaining employment in countries with centralized **(sector/national) CB & strong employee representation**
 - BUT: *temporary* measure!