



# Industrial relations in EU Member States 2000–2004

**Introduction**

**Industrial relations actors**

**Industrial relations processes**

**Main outcomes**

**Conclusions**

**Bibliography**

**Annex 1: Strike activity index – Method of calculation**

**Annex 2: Background data**

**Annex 3: Country codes and web links to country profiles**

*This report presents a comparison of national industrial relations systems in the EU25, exploring the differences between individual systems and their effects on the economy. The report is based on the more detailed findings of a research project entitled 'Quality of industrial relations: Comparative industrial relations country profiles in the EU Member States', commissioned by the European Foundation for the Improvement of Living and Working Conditions. The report summarises findings from the country profiles of the industrial relations features observed among each of the 25 EU Member States, which were compiled as part of the aforementioned project. The data include facts and figures, links to sources, along with an overview of the main industrial relations features, actors, processes and outcomes. The aim of the study is to provide a more comprehensive understanding, across national frontiers, of the various industrial relations systems across Europe.*

## **Introduction**

### **European social model**

In March 2000, the European Council in Lisbon issued a broad and ambitious mission statement in the form of the Lisbon Strategy: the central aim of this strategy is to make the European Union the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth, with more and better jobs and greater social cohesion. In reaching this objective, the policy declaration mentions explicitly the crucial part to be played by a renewal of the European social model (Lisbon European Council, 2000). Modernisation of the European social model had already constituted part of the EU policy agenda and has received greater attention since the introduction of the European Single Market (European Commission, 1997; European Commission, 1999; Sisson, 1999). The industrial relations actors – or the so-called 'social partners' – have consistently been urged to play an active role in these renewal activities. Both social dialogue and industrial relations are identified as key aspects influencing the modernisation of the European social model (Report of the **High-level group on industrial relations and change in the EU**, 2002; European Commission, 2002). On the one hand, the social partners have expressed high hopes for the role of supranational European social dialogue in reaching this ambition (European Commission, 2004). At the same time, and as these levels are still much more important, the appeal is also strongly focused on industrial relations and social dialogue at the level of individual Member States.

Before considering whether the right approach is being taken in satisfying the EU's objectives for modernisation, it is important to get a clearer picture of who the key players are and of what their role is in each Member State. As part of a research project entitled 'Quality of industrial relations: Comparative industrial relations country profiles in the EU Member States', commissioned by the European Foundation for the Improvement of Living and Working Conditions, comparable country profiles of the key industrial relations features for all of the 25 EU Member States have been compiled; these profiles include key facts and figures, links to sources, along with an overview of the main industrial relations features, actors, processes and outcomes. The country profiles provide a basic introduction aimed at developing a more enhanced understanding of the various industrial relations systems across national frontiers. Based on these profiles, this report summarises the key information obtained in a comparative and more condensed manner.

A full list of the individual country profile web links can be accessed online at [http://www.eurofound.europa.eu/eiro/country\\_index.html](http://www.eurofound.europa.eu/eiro/country_index.html) and by clicking on the web link entitled 'Background information on industrial relations in [name of country]' at the top of each country page. Alternatively, click on the name of each country in Annex 3 of this report to access information for the respective countries.

Each country profile provides comprehensive information on the following aspects of industrial relations in the respective EU Member State: facts and figures; industrial relations overview; main actors; industrial relations processes; main outcomes; and bibliography.

### Industrial relations framework

In order to gain a more complete picture of industrial relations in the EU, the main focus points must be determined and key indicators identified. Moreover, the ‘components’ of industrial relations should be defined in order to enable a comparison between EU Member States.

Industrial relations represents the coming together of two sides of industry – namely employers and employees – in an effort to regulate and organise their relationship, which is in fact inherently contradictory (Edwards, 2003). This activity has evolved in diverse ways throughout Europe, as a result of three historically intertwined processes in Europe (Hyman, 2001):

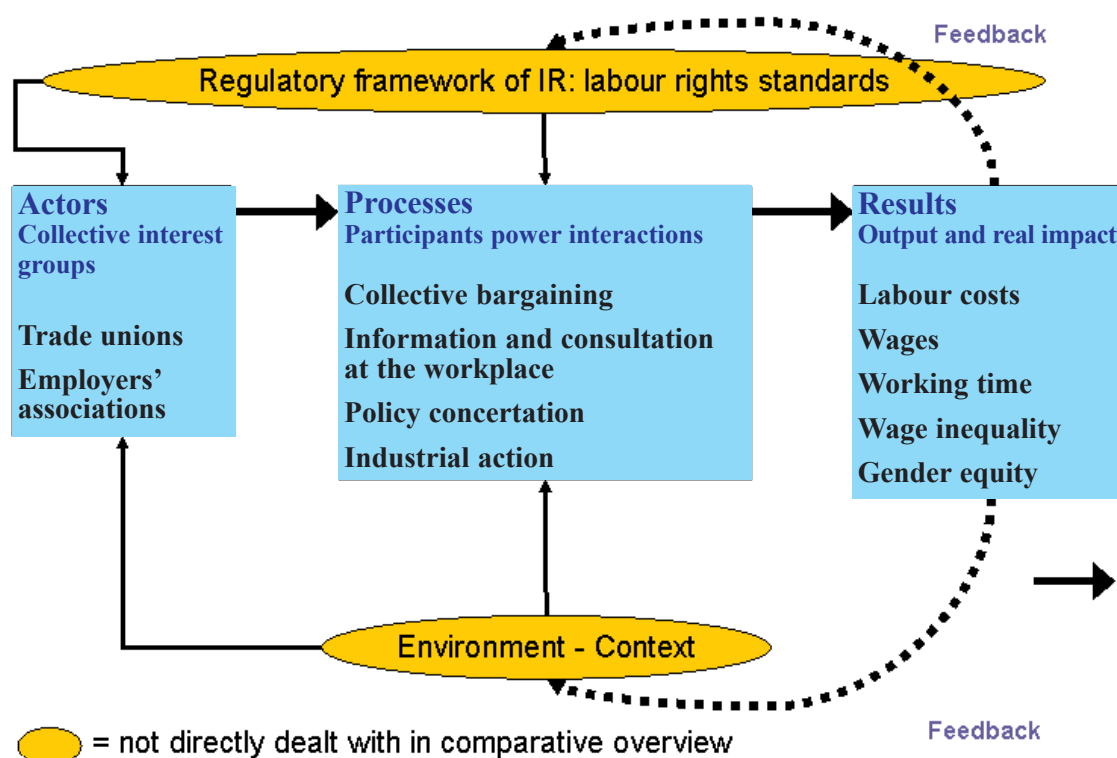
- the creation of organised interest groups, particularly trade unions, but also employer organisations at sectoral, national and supranational level. The establishment of these groups was influenced by a combination of different elements such as politics, religion, sector structure, company size and workforce composition;
- the recognition of these interest groups as actors capable of playing a major part in the industrial relations system and of fulfilling many tasks within this system. This institutional ‘selection’ came about as a consequence of different political and economic environments throughout the EU, resulting in country-specific path dependencies;
- the growing interest of governments and lawmakers in industrial relations.

A theoretical framework based on the analysis of the different industrial relations systems can disentangle the fundamental components and concepts relating to this complex diversity. It also puts the focus on the organised and institutionalised settings of industrial relations in the EU Member States. It is precisely these collective actors and processes in the field of industrial relations that have recently been called into action by EU policymakers. Therefore, this system framework approach will be used to structure the rest of the report. Accordingly, the report will look at key features of the system or collective organisation of industrial relations in the various Member States (Figure 1). Annex 2 provides a summary of the background variables in this context (note: the [Eurostat website](#) also provides information on EU structural indicators). Indicators will be compared on the basis of the following key elements:

- input or actors – trade unions and employer organisations;
- throughput or processes – collective bargaining, policy concertation, representation at the workplace and industrial action;
- output or results – collectively agreed and actual wages and working times.

As problems of data availability were incurred in the research process, this overview focuses on the specific time period between 2000 and 2004. Such an approach allows the possibility of integrating data for countries recorded in different years, although the report aims to present the most recent data in this regard. Occasionally, comparisons are made in relation to the previous time period of 1995–1999.

Figure 1: Main components of industrial relations systems



Source: Based on Kauppinen (1994) and Harrison and Shirom (1999)

## Industrial relations actors

This section looks at the two key collective actors of industrial relations in the EU Member States: trade unions and employer organisations, both of which represent so-called intermediate organisations. Trade unions and employer organisations act as a liaison between the state, employers and their members. Both organisational types are driven by logic of membership and influence. Moreover, they combine the interests of their diverse rank and file members and represent these interests at different forums and levels.

### Trade unions

Trade unions are free and independent associations – a statutory right recognised throughout the EU. Unions are set up by workers to defend their interests at the workplace and in the broader political economy.

#### *Organisational structure*

Table 1 presents the main structural characteristics of the trade union movement in each of the Member States. These characteristics include the number of trade union confederations and the reasons for the divisions between these groups, along with an indication of the most important confederation and of its affiliation structure.

Most of the trade unions are organised on a sectoral or occupational basis throughout the EU. Traditionally, blue-collar trade unions were the most powerful; however, these unions are generally losing ground, while white-collar trade unions or public sector unions are gaining more importance. In many of the EU Member States, minority trade unions exist which are not part of a confederation, but are instead autonomous. Often, these autonomous unions organise professional and managerial staff or are representative of certain rural regions.

The EU Member States Austria, Ireland, Latvia, Slovakia and the UK, and to a lesser extent the Czech Republic and Germany, have only one confederation that unites the trade unions. In southern European countries, like Greece, Portugal and Spain, only two main confederations are active. Trade unions in France, Hungary, Italy and Slovenia have a rather complicated and fragmented confederate structure. In Greece, Ireland, Poland and the UK, the main confederation is composed of a fragmented network of affiliated trade unions, which can be organised at company, occupational or local branch level. In other countries, the trade union structure is increasingly dominated by large ‘super unions’, such as the Union of Salaried Employees (Gewerkschaft der Privatangestellten, **GPA**) in Austria, the United Services Union (Vereinte Dienstleistungsgewerkschaft, **ver.di**) in Germany and the Allied Unions (**FNV Bondgenoten**) in the Netherlands.

Divisions at confederate level throughout the EU are quite often based on political and/or religious affiliations. Exceptions in this regard include the Nordic countries – Denmark, Finland and Sweden. Trade union confederations in these states are organised on an occupational basis. In countries like Estonia, Greece, Malta and Slovenia, the divide between the public and private sector is an important element in distinguishing between the confederations. Socialist or social democratic confederations are most often dominant in those countries that have several major trade union organisations. An exception is Belgium with its strong Confederation of Christian Trade Unions (Confédération des Syndicats Chrétiens/Algemeen Christelijk Vakverbond, **CSC/ACV**). Confederations of communist origin are still important in southern Europe – namely in Italy, Spain and Portugal – and to a lesser extent in France. Nonetheless, an overall pattern that is emerging is the growing distance between trade unions and their counterparts in the political party spectrum and vice versa.

Table 1: *Trade union structures in EU25*

	No.	Confederations	Main division between confederations	Largest unions	Main division affiliates	Remarks
<b>AT</b>	1	ÖGB		13	Sector and status	Political factions as other organisational pillar
<b>BE</b>	3	ACV-CSC; ABVV-FGTB; ACLVB-CGSLB	Political	13	Sector and status	ACV-CSV Christian trade union is the largest
<b>CY</b>	4	PEO; SEK; DEOK; POAS	Political	8	Sector	Private sector confederations
<b>CZ</b>	1+3	CMKOS; ASO; KUK; CMS; KOK	Political; religious; regional; occupational	33	Sector	CMKOS is the dominant confederation
<b>DE</b>	1+2	DGB; CGB; DBB	Macro-sector; religious	8	Sector	CGB and DBB are small; Ver.di and IG Metall are important
<b>DK</b>	4	LO; FTF; LH; AC	Occupation	18+7	Occupation and sector	
<b>EE</b>	3	EAKL; TALO; ETMAKL	Macro-sector/ status/profession	18	Sector	Rural workers in a separate small federation
<b>EL</b>	2	GSEE; ADEDY	Public/private	62	Occupation and sector	Public and private unions, planning a merger in 2007
<b>ES</b>	2	CC.OO; UGT	Political	12	Sector	Equal strength
<b>FI</b>	3	SAK; STTK; AKAVA	Occupation	23	Sector	
<b>FR</b>	5+2	CGT; CFDT; CGT-FO; CFTC; CFE-CGC + UNSA and G10-SUD	Political; religious; occupational (status)	20	Sector	Five ‘representative’ confederations and two new ones pushing for national recognition

Table 1: Trade union structures in EU25 (cont'd)

	No.	Confederations	Main division between confederations	Largest unions	Main division affiliates	Remarks
<b>HU</b>	6	MSZOSZ; SZEF/ESZT unió; LIGA; MOSZ; ASZSZ	Macro-sector; political	36	Sector, branch, profession	SZEF-ESZT unió (started in 2002) is only a cooperation framework, but not a formal merger
<b>IE</b>	1	ICTU		60	Occupation and sector	Trade unions with members in Northern Ireland and affiliation with UK unions
<b>IT</b>	3+8	CGIL; CISL; UIL and other smaller main organisations	Political; religious	15	Sector	Autonomous unions and regional unions active
<b>LT</b>	3	LPSK; Soldarumas; LDF	Political; religious	25	Sector	Independent trade unions active
<b>LU</b>	3	OGB-L; LCBG; CGFP	Political, religious, status; macro-sector	16	Sector	Strong autonomous unions in services sector; CGFP important confederation in public sector
<b>LV</b>	1	LBAS		26	Sector	Restructuring
<b>MT</b>	2	GWU; CMTU	To some extent private/public	7	Sector	Weak confederations
<b>NL</b>	3	FNV; CNV; MHP	Political; religious; occupational status	15	Sector	FNV-Bondgenoten as 'super union' in the private sector
<b>PL</b>	3	OPZZ; NSZZ Solidarnosc; FZZ	Political	102	Sector, local branch	New third confederation which wants to be politically neutral
<b>PT</b>	2	CGTP; UGT	Political	15+29	Sector and region	28 sector confederations and 39 regional branches registered law
<b>SE</b>	3	LO; TCO; SACO	Occupational (status)	16	Sector and occupation	Several mergers announced for 2006
<b>SI</b>	4	ZSSS; KNSS; Pergam; Konfederacija'90	Macro-sector (mainly private/public and industry/services)			Two new main unions established recently (Alternativa and Solidarity) in the railway sector, but not represented in national tripartite social dialogue
<b>SK</b>	1	KOZ		37	Sector	Small Christian trade union confederation
<b>UK</b>	1	TUC		71	Occupation and sector	General unions as TUC affiliates; small independent union sector

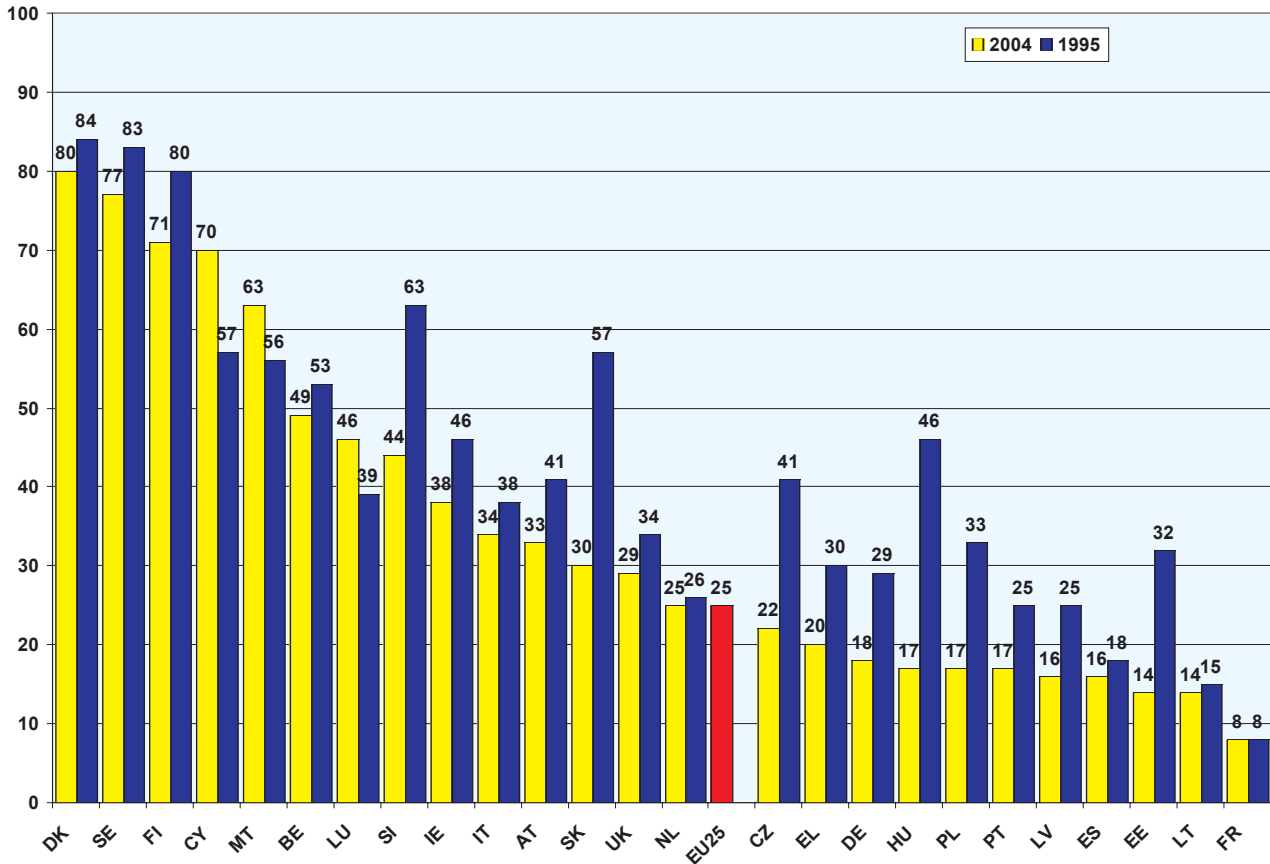
Note: Macro-sector: for example, manufacturing, services or construction.

Source: EIRO, Country profiles, 2006

### Trade union density

As a measure of trade unions' associational power or organisational representativeness, 'union density' is defined as the ratio of actual to potential membership. Rather than calculating absolute membership figures or union size, union density rates allow for the comparison of the trade union mobilisation of different groups at varying times, within and across countries, keeping the changing labour force constant (Ebbinghaus and Visser, 2000). For the same comparative reasons, figures of trade union net density are shown, which represents the total figure of gainfully employed members (excluding unemployed people, students or retired individuals), divided by the total number of wage earners in the country.

Figure 2: Net trade union density in EU25, 1995–2004 (%)



Note: The figures represent the total of gainfully employed members (excluding unemployed people, students or retired individuals) divided by the total population of wage earners in the country; Figures from 2004: Cyprus, Greece, Malta figures are from 2002; Figures from 1995: France figures are from 1996; Latvia and Lithuania figures are from 1998; EU25: weighted average.

Source: EIRO, Country profiles, 2006

Huge differences in net trade union density exist between the Member States. Trade union membership is the most differentiating indicator in this comparative overview, ranging from 80% in Denmark to 8% in France. The union density rate is high in the Nordic countries, in addition to the two small Mediterranean islands of Cyprus and Malta. The extremely low membership levels that were evident in France and Spain throughout the 1990s can be seen today in many of the new EU Member States (NMS). The two exceptions in this instance are Slovenia and Slovakia, both of which have an above-average trade union density rate.

The overall weighted density rate in the EU25 now represents around 25% of wage earners. In particular, the lower density rates in the large European countries – particularly France, Spain, Poland and Germany – have had a significant downward effect on the EU weighted average.

The trend in relation to trade union density across Europe is clearly on a downward spiral. Between 1995 and 2004, most of the EU Member States experienced a fall in union density (see Figure 2). In particular, trade unions in eastern European countries have suffered from dramatic membership losses. Among the countries with the largest drop in membership levels are Hungary (75%), Poland (55%) and Estonia and the Czech Republic (around 50% each). In the former EU15, membership losses have been considerable in Austria, Ireland, Portugal, Germany and Greece, ranging from between 20% and 30%. In Belgium, Denmark, Finland, France, Italy, the Netherlands, Spain and Sweden, the drop

in union density rates has been limited in the past decade. Density losses in the UK were mainly recorded in the period prior to this. Interestingly, a rise in density rates was only recorded for the smallest EU countries, namely Cyprus, Malta and Luxembourg; however, this may be more linked to problems in relation to the reliability of data.

Public sector trade unionism is becoming increasingly significant in many of the Member States; this is largely as a result of loss of power in the private sector and an enhanced mobilisation in the public sector due to increased privatisation and the introduction of new management principles. Throughout Europe, trade unions are introducing reform measures to confront this challenge in terms of recruitment and organisation (Frege and Kelly, 2004). These trade union reforms can be divided into four principal types:

- an organising model – seeking greater ‘empowerment’ of the workforce by targeting specific workplaces or occupational groups. A new group or network of activists has to be created, which can act as a kind of ‘nucleus’ around which recruitment can occur;
- a servicing model – delivering new kinds of services to members;
- social movement unionism – this form of trade unionism tries to transcend the shop floor and is more focused on community-based activism and on campaigning about local employment problems, environmental issues and social exclusion, among other issues;
- new structures – mergers as economies of scale to counteract the loss of membership.

### **Employer organisations**

Employer organisations are the managerial counterpart of trade unions and defend the interests of the employers. In this capacity, they play an important role in collective bargaining, as well as being involved in political lobbying and providing their members with expert services on industrial relations matters. For these employer organisations, power and structure play an important role in determining the form and content of national industrial relations practices. A case in point is in relation to collective bargaining. Generally, multi-employer bargaining can only be institutionalised when employer organisations engage in bargaining. For similar reasons, statutory provisions of the EU Member States for ‘extending’ collective agreements to non-signing employers depend very often on the clause that the signatory party on the employer side is an employer organisation. In other words, the level and coverage of collective bargaining in an EU country strongly depends on what kind of employer organisations are active in the country, how many workers are employed by its members, and if they have a formal mandate particularly for sectoral collective bargaining. A relationship also exists in the opposite direction: employers seem pushed to organise themselves more extensively and on a higher level in countries with an elaborate system for the legal extension of collective agreements.

Given the large number of employer organisations in the majority of EU25 Member States, a cross-national comparison is feasible only by focusing on a certain type of organisation. In most of the EU countries where multi-employer bargaining exists, this type of bargaining is organised below the national level. Sector or branch organisations most often play the pivotal role in bargaining. However, the power and role of main national employer federations are an important factor in the centralisation and coordination of a country’s industrial relations system. On the one hand, the national comparison in this analysis is limited to the category of organisations that are considered the most inclusive, namely the umbrella organisation(s) or the main national employer organisations. On the other hand, membership density figures of the employer organisations will be provided, regardless of the type or level of the association.

#### *Main national employer federations*

Historically, two different trends can be distinguished in relation to organisational development. Firstly, in many European countries, a system of chambers has been established, which has a quasi-legal status. However, in most of the countries, these chambers have evolved into pure administrative bodies and service organisations, or have specialised in



lobbying activities related to the product market. Only in countries like Austria, Slovenia, Luxembourg, and to a lesser extent Cyprus (see italics in Table 2), do these chambers play a role in the industrial relations system. Secondly, all of the EU countries, including those with an important chamber system, have witnessed the development of ‘volunteer’ employer organisations, which mostly need to be registered or recognised as being active in the field of industrial relations.

Table 2: *Structure of employer organisations in EU25, 2004–2005*

	No.	Main determinant of constituency						Remarks	
		General	Macro-sector			SMEs	Social economy		Agriculture
			Industry	Construction	Services				
<b>AT</b>	1	<u>WKO</u>	VOI					Compulsory membership; provincial level important	
<b>BE</b>	1+5	<u>FEB/VBO</u>				UCM; Unizo		Regional organisations involved in tripartite dialogue; FEB/VBO most important in industrial relations	
<b>CY</b>	2	<u>OEB;</u> <u>CCCI</u>						Other important organisations at sectoral level	
<b>CZ</b>	2+2	<u>SPCR;</u> <u>KZPS</u>		SPS		AMSP			
<b>DE</b>	1	<u>BDA</u>						Sectoral organisations in charge of bargaining	
<b>DK</b>	1+2	<u>DA</u>			FA		SALA	DA reorganising	
<b>EE</b>	1	<u>ETTK</u>							
<b>EL</b>	3			<u>SEB</u>	ESEE	GSEBEE			
<b>ES</b>	1	<u>CEOE</u>						Mixed association of sectoral and territorial organisations and a SME organisation associated	
<b>FI</b>	1+2	<u>EK</u>						Important employer organisations in public sector; EK is a merger of TT and PT and mainly involved in the bargaining system	
<b>FR</b>	1+3	<u>MEDEF</u>				CGPME; UPA	Usgeres	MEDEF is much more important than others	
<b>HU</b>	8	<u>MGYOSZ</u>	OKISZ; VOSZ; STRATOSZ		KISOSZ	IPOSZ	AFEOSZ	AMSZ; MOSZ	MGYOSZ is a merger of MMSZ and GYOSZ, and now the leading employer organisation; CEHIC act as the umbrella organisation for international representation
<b>IE</b>	1+1	<u>IBEC</u>		CIF					
<b>IT</b>	1+1 +10	<u>Conf-industria</u>			(2)	Confapi (+ 2)		(3)	In services sector, artisan and agricultural sector, confederations exist and are structured by political divisions (right and left)

Table 2: Structure of employer organisations in EU25, 2004–2005 (cont'd)

	No.	Main determinant of constituency						Remarks	
		General	Macro-sector			SMEs	Social economy		Agriculture
			Industry	Construction	Services				
LT	2	<u>LPK</u>				LVDK		Cooperation agreement between LPK and LVDK for representation in national and international social dialogue	
LU	1	<u>UEL</u>						Chamber system with obligatory membership plays a role in tripartite dialogue	
LV	1	<u>LDDK</u>						Several other, smaller confederations exist; LDKK is a recognised actor in national social dialogue	
MT	0+5	MEA; COC	FOI		MHRA	GRTU		No umbrella organisation exists - attempts in the 1980s failed; federations are based mostly on individual membership	
NL	2+1	<u>VNO- NCW</u>				MKB	LTO	Small organisation in the agricultural sector; alliance announced between VNO-NCW and MKB	
PL	4	<u>KPP</u> ; PKPP; BCC				<i>ZRP</i>		KPP is the oldest group with roots in the Chambers of Commerce and formerly state-owned enterprises	
PT	4	( <i>AEP</i> ; <i>AIP</i> )	<u>CIP</u>		CCP; CTP		CAP	CIP and CCP are leading federations for industrial relations; AIP and AEP recently created a confederation to boost their influence	
SE	1+2	SN					SFO; KFO	SN is the former SAF; SKL is an important local employer confederation in the public sector	
SI	4	<u>GZS</u> ; ZDS				OZS; ZDODS		Compulsory membership of chambers dominates, but this system is under debate	
SK	2	<u>RUZ</u> ; <i>AZZZ</i>						Split up in 2004	
UK	1	CBI							

Note: \*Coordination role of the main organisations in collective bargaining on the employer side; Underlined: most important employer confederation, when more than one in existence; Italics: chambers; Brackets: not important in collective bargaining; SMEs: Small and medium-sized enterprises.

Source: EIRO, Country profiles, 2006

Every EU Member State has one or more main national employer federation operating within the industrial relations system. Mainly in southern and eastern Europe, certain countries have difficulties establishing a unified front of

employer umbrella organisations. Italy, Hungary and to a lesser degree Poland and Portugal are the prime examples with 12, eight, four and four main cross-sector organisations respectively. Malta has five important employer organisations, which are not confederated. In Belgium, the Belgian Federation of Employers (Fédération des Entreprises de Belgique/Verbond van Belgische Ondernemingen, **FEB-VBO**) plays a leading role, but the communitarian divide hinders centralisation. Regional organisations are involved as small and medium-sized enterprises (SMEs) and agricultural representatives in Belgium's social dialogue process.

All of the Member States have main employer federations, which are organised on a general basis. These confederations, or chambers like in Austria and Slovenia, try to organise members from the country's entire private sector. However, not every country is successful in doing this. In Greece, Malta and Portugal, umbrella organisations which organise those within a macro-sector – for instance, manufacturing, services, metalworking or the financial sector – are more important. Another factor of division on the employer side is the presence of a leading federation, which gathers a specific constituency and which has gained considerable power besides the main general federation. The alternative constituency is very often based on company size. SMEs are organised separately and possess reasonable industrial relations power in Belgium, France, Greece, Hungary, Italy, Lithuania, Malta, the Netherlands, Poland, Portugal and Slovenia. The construction federation is an important, separate player in the intersectoral national industrial relations of Ireland and the Czech Republic. Finally, separate federations with some impact at national level exist in several countries based on a rank and file system originating from agriculture, cooperatives or the social economy. However, in most of the Member States, a leading employer organisation can be discerned (organisations underlined in Table 2).

The presence of a general and/or leading employer confederation does not guarantee, however, that this confederation will play a strong role in coordinating the activities of the employer organisations in the national collective bargaining processes. A strong coordination role is mainly taken up in the small economies of western Europe, including Austria, Belgium, Denmark, Finland, Ireland, Luxembourg, the Netherlands and Slovenia. In countries like the UK, and to a lesser extent Italy and France, national leading employer federations struggle considerably to play a significant role in collective bargaining or social dialogue. The Swedish Confederation of Swedish Enterprise (Svenskt näringsliv, **SN**) has been promoting decentralised collective bargaining since the end of the 1980s. Malta has no umbrella confederation, but only leading federations at the macro-sectoral level. In Germany, the German Employers' Associations (Bundesvereinigung der deutschen Arbeitgeberverbände, **BDA**) organises and represents the cross-sectoral and supraregional interests of member organisations in the field of social policy. Although it does not take part directly in wage bargaining, it is involved in the coordination of pay policy on the employer side. Furthermore, strong sectoral leading organisations exist in Germany, like the employer organisation for the metalworking and electrical industry, Gesamtmetall, or the German Retail Federation (Hauptverband des Deutschen Einzelhandels, **HDE**), both of which play a key role in the country's collective bargaining processes. In other countries, the role of the national umbrella organisation is characterised by a continuous involvement in tripartite social dialogue and agreements; this is the case in Estonia, Greece, Hungary, Latvia, Lithuania, Portugal, Slovakia and Spain.

In more recent times in the EU, an inverse evolution in the organisational structure of employer confederations can be distinguished. Mergers and rationalisation took place, for example, in Ireland (1993), France (1998), Luxembourg (2000) and Finland. In the Netherlands, an alliance was announced by the two most important Dutch federations, the Confederation of Netherlands Industry and Employers (Verbond van Nederlandse Ondernemingen-Nederlands Christelijk Werkgeversverbond, **VNO-NCW**) and the Dutch Federation of Small and Medium-sized Enterprises (Midden- en Kleinbedrijf Nederland, **MKB-Nederland**). In Belgium, the regional and federal employer confederations have been working more closely over the last couple of years. Economies of scale or the integration of industrial relations interests and trade interests are very often the incentive behind these mergers.

Divisions and conflict between employer organisations over the issue of ‘representativeness’ have emerged in other countries, not only at the level of the leading employer organisations, but also at lower levels. At present, the Danish Confederation of Employers (Dansk Arbejdsgiverforening, **DA**) is undergoing a phase of restructuring because its main member organisation, the Confederation of Danish Industries (Dansk Industri, **DI**), expressed serious doubts over the need to receive the services of a central employer confederation. In recent years, some German employer organisations have tried to attract or retain members, by offering a special form of membership with no attachment to collective agreements (so-called *Verbände ohne Tarifbindung – OT*) (Haipeter and Schilling, 2006). Portugal witnessed a renewed attempt by the two trade associations, the Entrepreneurial Association of Portugal (Associação Empresarial de Portugal, **AEP**) and the Portuguese Industrial Association (Associação Industrial Portuguesa, **AIP**), to gain more influence within the institutionalised social dialogue process. In 2004, these organisations established the Entrepreneurial Confederation of Portugal (Confederação Empresarial de Portugal, CEP).

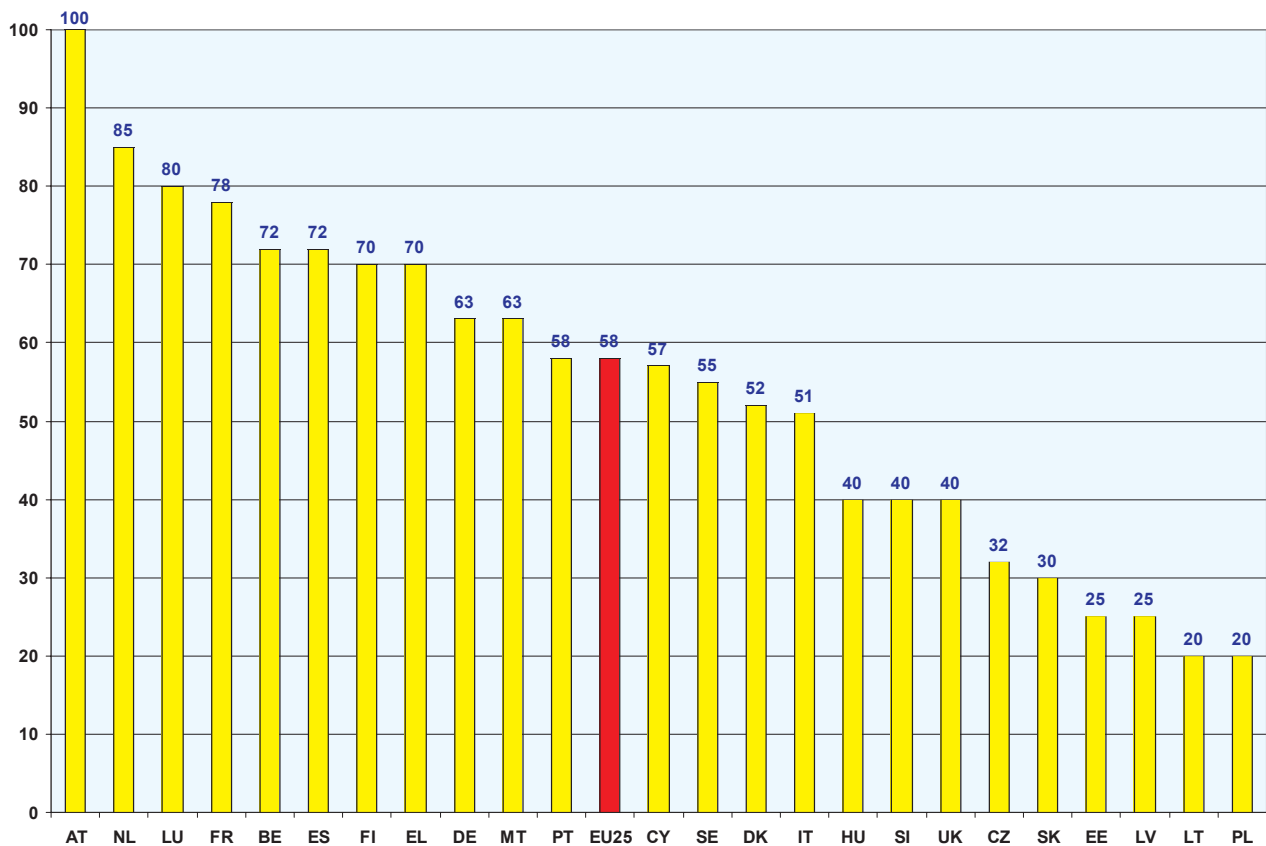
In eastern Europe, mergers and splits between employer organisations are occurring on a larger scale today and have generated increased turmoil. In Slovenia, discussions have begun on removing the chambers from their leading position and on abolishing the ‘dual’ representation by chambers and voluntary employer organisations. In Poland, the Czech Republic and Slovakia, the oldest employer organisations, which originated in the early transition period, have faced fierce competition from other leading federations in recent years. Other NMS countries have witnessed more centrifugal trends. The Cyprus Employers’ and Industrialists’ Federation (**OEB**) established itself more as a coordinating body on the employer side. Although fragmentation is still high, the leading federations in Hungary managed to create the Hungarian Employers’ Organisation for International Co-operation (Magyar Munkaadói Szervezetek Nemzetközi Együttműködési Szövetsége, **CEHIC**). The two Lithuanian employer confederations, the Lithuanian Confederation of Industrialists (Lietuvos pramonininkų konfederacija, **LPK**) and the Lithuanian Business Employers’ Confederation (Lietuvos verslo darbdavių konfederacija, **LVDK**), have signed an agreement for more mutual assistance and cooperation.

### *Employer organisation density*

Membership density of employer organisations is an indicator which is comparable with trade union density. A simple measure of density would be the number of companies that are members of an employer organisation. However, looking at it from the power perspective of industrial relations, it is more relevant to calculate the number of employees in each of these companies.

Data on employer organisation density are particularly difficult to collect for three reasons (Traxler, 2000). Firstly, employer associations are much more reluctant than trade unions to publicise such data. Secondly, these organisations often lack precise information on their membership strength. This is related to the fact that the membership unit is the company. Accordingly, membership records concentrate on registering the number of companies organised within the employer confederation. Lastly, trade union density figures are quite often based on survey data. This type of data collection is frequently unavailable in a country in relation to the employer side. Figure 3 presents estimates of aggregate employer density, defined as a proportion of the total employee population working for an employer in the private sector that is a member of an employer association. As already stated, these data have to be read with caution and are only used as a proxy for associational power of employers in the Member States.

Figure 3: Density rate of employer organisations in EU25 (%)



Note: Density: percentage of employees working in the country for employers that are members of an employer organisation. Most recent figure ranges from the mid 1990s to 2004; Slovenia: not the membership rate of the compulsory chamber, which is 100%; EU25: weighted average; no data for Ireland.

Source: EIRO, Country profiles, 2006

The weighted average density rate of employer organisations in the EU is approximately 55% to 60%. On average, therefore, a considerable majority of private sector employees in the EU25 work for a company that is also a member of an employer organisation. However, this average figure hides huge variations between Member States in the density rate of employer organisations. Smaller western European countries like Austria, Belgium, Luxembourg and the Netherlands have a high degree of associational power on the employer side. So too have France and Greece. A low density rate, compared with other EU Member States, can be found in the Czech Republic, Slovakia, Estonia, Latvia, Lithuania and Poland. In the latter two countries, employer organisation density stands at only 20%. These low-density countries are all Member States with a developing political economy, where employer organisations as well as trade unions have difficulties in establishing a strong foothold. The other four Member States have a middle-range density rate among employer organisations.

Thus, with the exception of a considerable part of the NMS, employer organisations are well-established actors in the industrial relations systems of the EU. Moreover, except for the Nordic countries, the density rate of employer organisations also exceeds the trade union density rate in the country.

## Industrial relations processes

This section gives a comparative overview of indicators belonging to the core processes or methods of the industrial relations system. Firstly, indicators are presented on the highly important process of collective bargaining. Secondly, the link between tripartite social dialogue and collective bargaining is compared, before looking at an overview of workplace information and consultation throughout the EU. In addition, the section presents a comparison in relation to industrial action.

### Collective bargaining

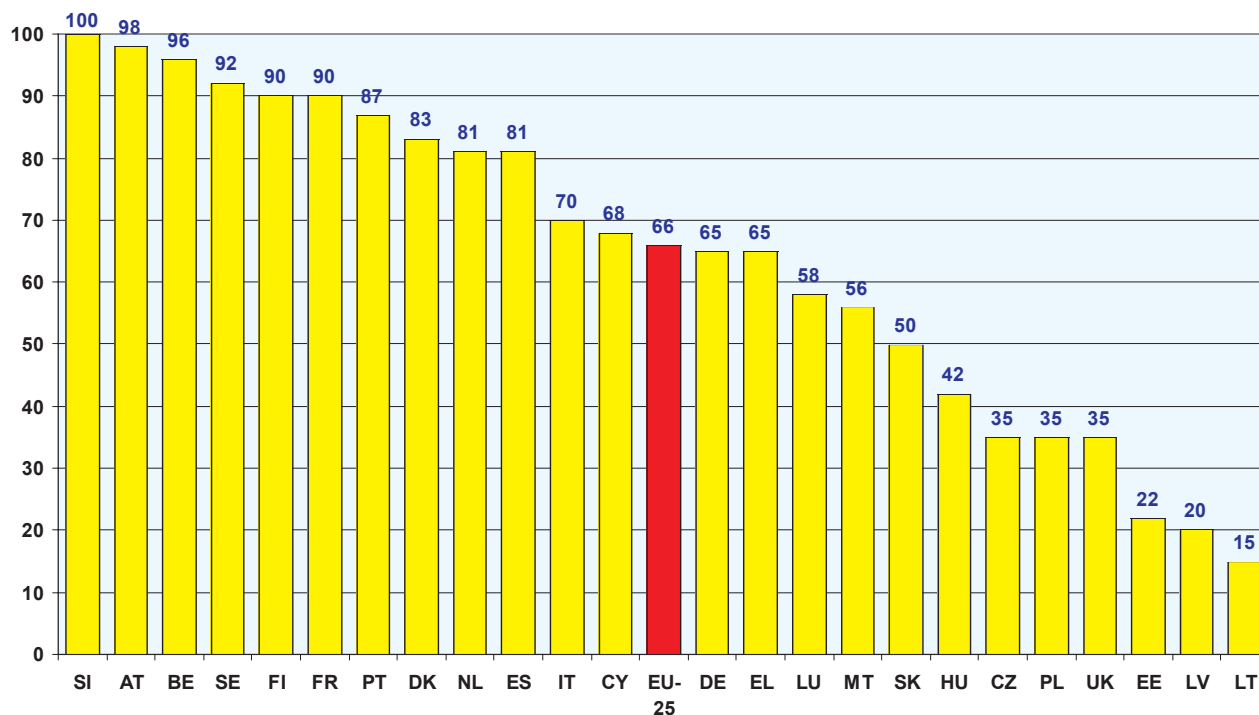
The International Labour Organisation (**ILO**) **Right to Organise and Collective Bargaining Convention** describes collective bargaining as: ‘Voluntary negotiation between employers or employer organisations and worker organisations, with a view to the regulation of terms and conditions of employment by collective agreements.’ The following section gives a brief comparative overview of the major features of collective bargaining in the EU25 countries; this overview includes the degree to which employees are formally protected by collective agreements (bargaining coverage) and the organisational structure of collective bargaining (coordination/centralisation).

#### *Collective bargaining coverage*

Collective bargaining coverage is one of the essential elements of organised industrial relations. The fewer employees who are covered by collective agreements, the more irrelevant organised industrial relations as a whole will become. The core governance mechanism of organised labour relations is the collective agreement, as opposed to individualised employment contracts. Bargaining coverage is thus more central to the degree of labour market organisation than is the bargaining level, since even decentralised (or single-employer) collective agreements represent an organised (or non-market) form of labour market governance.

Bargaining coverage varies widely across Europe. With the notable exception of Slovenia, whose bargaining system is highly influenced by the Austrian example, Figure 4 shows the overall divide between the bulk of the new and old EU Member States. However, the differentiation among the EU15 countries is also considerable, as highlighted by the UK example in particular.

Figure 4: Collective bargaining coverage in EU25, 2002 (%)



Note: EU25 = Weighted average; no data for Ireland (estimates based on density figures of trade unions or employer organisations ranging from 40% to 55%).

Source: EIRO, Country profiles, 2006

In many countries, collective bargaining coverage corresponds with the density rates of either trade unions or employer organisations. However, in some countries, remarkable gaps exist between these indicators; the most obvious example in this instance is France, which has one of the lowest union density rates and one of the highest bargaining coverage rates in Europe. The single most important explanation for this contrast is the presence of statutory extension procedures (Table 3). Thus, in many EU countries, government action continues to be a crucial factor for the large-scale protection of workers by independently bargained bipartite agreements.

Table 3: Collective bargaining coverage and extension practices in EU25 (% of all employees)

	Coverage by collective agreements		Extension of sectoral collective agreements by law
	Around 2002	Around 1995	
AT	98	98	Customary and workplace ‘option clause’
BE	96	96	Customary
CY	68		No regulation
CZ	35		More frequent since court ruling in 2000
DE	65	84	Rare
DK	83	69	Not formally
EE	22		Possible from 2000
EL	65		In certain cases
ES	81	83	Frequent
FI	90	83	Customary

Table 3: *Collective bargaining coverage and extension practices in EU25 (% of all employees) (cont'd)*

	Coverage by collective agreements		Extension of sectoral collective agreements by law
	Around 2002	Around 1995	
<b>FR</b>	90	95	Customary
<b>HU</b>	42		Possible (rare)
<b>IT</b>	70	82	Customary for pay
<b>LT</b>	15		Possible from 2003, but no application
<b>LU</b>	58		No application
<b>LV</b>	20		Possible from 2002
<b>MT</b>	56		No regulation
<b>NL</b>	81	92	Frequent
<b>PL</b>	35		Possible from 2000
<b>PT</b>	87	92	Customary
<b>SE</b>	92	92	Casually, not formally
<b>SI</b>	100		All agreements
<b>SK</b>	50		Possible
<b>UK</b>	35	37	No regulation

Note: *Employer organisations and business chambers, with mandatory membership, formally conclude sectoral agreements; 1995 figures only for EU15 (excluding Luxembourg); no data for Ireland.*

Source: *EIRO, Country profiles, 2006*

The trend over time appears to be contradictory. On average, for those countries with data available, coverage rates remained stable in the 1990s. However, trends across countries have generally been diverse. The increase in coverage rates in some northern European countries is contrasted by remarkable decreases in coverage rates in Germany and Italy. In the mid 1990s, the UK already had a low coverage rate, compared with other EU Member States.

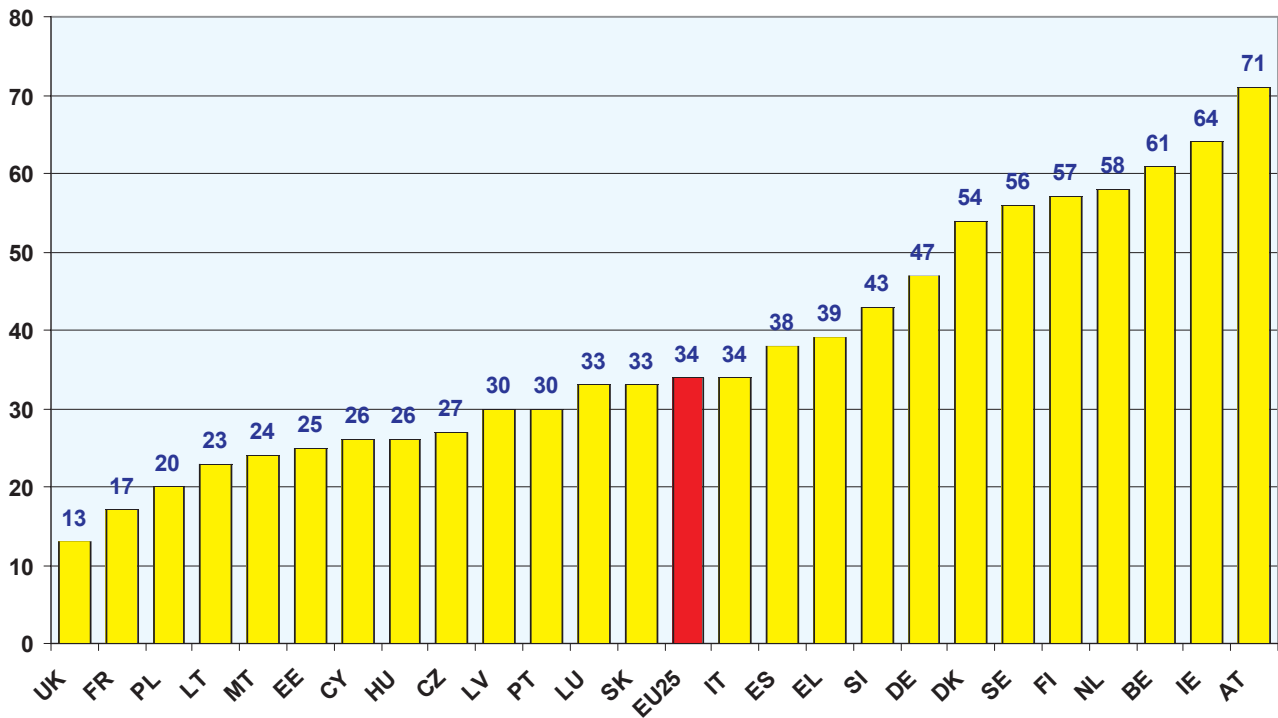
The background of falling collective bargaining coverage rates in the UK marks the demise of multi-employer bargaining in most private industries. In Germany, however, the functioning of multi-employer bargaining has, in principle, not been called into question in most industries thus far; nonetheless, employers' reluctance to join the negotiating associations is growing, particularly in the east of the country. Moreover, a growing pressure is emerging in Germany towards locally agreed deviations from industry standards – a practice which is also playing an increasing role in other EU15 countries, such as the Netherlands, France and Spain.

#### *Coordination and centralisation*

High collective bargaining coverage rates may be associated with a high degree of centralisation, as in the Nordic countries, as well as in Austria and Belgium. Conversely, low coverage rates coincide with a low degree of centralisation, as in the UK. However, a more complex picture emerges in many of the other countries. The wage bargaining centralisation index gives an overview of the wide scope of practices across Europe (Figure 5).



Figure 5: Wage bargaining centralisation, EU25 (%)



Note: The wage bargaining centralisation index combines a measure of trade union concentration with a measure of the prevalent level of bargaining. The index is compiled by Iversen (1999) and adapted by Visser. It classifies country and year according to the relative weight of three levels of bargaining (company, sectoral and national), and multiplies these weights by a measure of the concentration of trade union membership at each level. (For a complete methodological specification, see European Commission, 2004, p. 41.)

Source: Visser, 2005a

Some differentiations behind the index figures are outlined in Table 4. The data confirm that in all but two of the NMS countries, the dominant level of bargaining on pay takes place at company level, whereas in most EU15 countries, bargaining at sectoral level predominates. The following conclusions can also be made based on the findings:

- Bargaining at intersectoral level is geared towards bilateral national framework agreements in many cases. However, both formal and informal tripartite concertation may be involved.
- Sectoral-level bargaining also takes place at national level in most countries; examples of industry bargaining at regional levels are also evident, as is often the case in Germany and Spain. Regional industry bargaining may involve a great deal of informal centralised coordination on the part of employers and trade unions.

- Bargaining at company level may be undertaken by different actors. In single-channel systems of employee representation, it is clear that, from the workers' side, the trade unions are in charge of bargaining. Thus, as in the Nordic countries, decentralisation of bargaining may be organised in a largely coordinated manner. However, dual or mixed-channel systems appear to be less straightforward. Legally defined jurisdictions of both trade unions and on-site employee representatives such as works councils may exist, as in the case of Germany or France. Nevertheless, as the German case shows, this gives way to a wide variety of practices and types of agreements, with a substantially lower degree of coordination within the decentralisation process as compared with the Nordic countries. Where such jurisdictions do not exist, company-level bargaining may generate competition between trade unions and works councils, as seen in some of the NMS countries.

Table 4: Levels of pay bargaining, EU25

	Intersectoral *	Sectoral	Company		Intersectoral *	Sectoral	Company
AT		3	1	IT	1	3	2
BE	2	3	1	LT		1	3
CY		2	3	LU		2	2
CZ		1	3	LV	1		3
DE		3	2	MT		1	3
DK	1	3	2	NL	1	3	1
EE	1	1	3	PL	1	1	3
EL	2	3	1	PT	1	3	2
ES		3	2	SE		3	1
FI	3	2	1	SK		3	2
FR		2	3	SL	2	3	2
HU	1	2	3	UK		1	3
IE	3	1	1				

Note: 1 = existing level of collective bargaining; 2 = important but not dominant level of collective bargaining; 3 = dominant level of collective bargaining. \* Tripartite or bilateral agreements.

Sources: *EIRO, Country profiles, 2006*

Although sectoral-level bargaining continues to be dominant in the EU25, decentralisation is emerging as an overall trend in collective bargaining. This is related, on the one hand, to a rise in the importance of single-employer bargaining in many EU15 countries and, on the other hand, to underdeveloped multi-employer bargaining in most of the NMS countries to date. Decentralisation is not confined to countries such as the UK and Germany, with their growing respective shares of single-employer bargaining and local deviation bargaining. In addition to Germany, deviations from multi-employer agreements have become a major issue in various forms (opening, hardship or opt-out clauses, 'local pacts' or 'area contracts') also in Spain, Denmark, Italy and the Netherlands. In the case of Germany, decentralisation is mainly organised within the framework of sectoral agreements, as 'opening clauses' allow for locally agreed deviations from sectoral standards under specified conditions. In France, decentralisation has been explicitly fostered by state legislation on working time and the new law on collective bargaining. The Spanish government has tried to counteract this trend by introducing new laws. However, in Sweden, Finland and Portugal, decentralisation has evolved within a continuously centralised bargaining system, thus giving rise to innovative multi-level or even two-tier bargaining practices. In other words, the rise of decentralised bargaining can occur in some countries in the framework of and/or complementary to bargaining at a higher level. The rise in such bargaining can also take place in addition to, or as a substitute for, higher level bargaining, as in the case of Germany; it can also constitute the only remaining alternative in an environment with a low level of collective bargaining, as in the case of the UK and many of the NMS countries.

### Tripartite social dialogue and wage bargaining

Government action is indispensable for high coverage rates of collective bargaining, or for the setting of statutory minimum wages in many countries. Moreover, governments may use their role as an employer in the public sector to influence wage bargaining in the private sector. At the same time, either formal or informal tripartite concertation can play a role in the setting of maximum or minimum pay levels at national level. If various forms of state intervention in collective bargaining on wages are broken down, and measured on a scale from one to five, the variation in state intervention across Europe can be compared (Table 5). It should be noted that in the country profiles, attention is also given to processes of consultation or concertation between the government and the social partners on broader issues. Quite often, this type of tripartite social dialogue or concertation is organised by specific bodies, for example Economic and Social councils. In this report, however, the comparison is limited to the involvement of governments in collective bargaining and no comparison is made of these broader social partnership activities in the various Member States.

Table 5: *Government intervention in wage bargaining, 2000–2004*

	2000	2001	2002	2003	2004	Average 2000-2004
AT	1.5	1.5	1.5	1.5	1.5	1.5
BE	4.0	4.0	4.0	4.0	4.0	4.0
CY		1.5	1.5	1.5	1.5	1.5
CZ		2.0	2.0	2.0	2.0	2.0
DE	2.0	2.0	1.5	1.5	1.5	1.7
DK	2.0	2.0	2.0	2.0	2.0	2.0
EE	2.0	2.0	2.0	2.0	2.0	2.0
EL	5.0	3.0	3.0	5.0	3.0	3.8
ES	1.0	1.0	2.0	2.0	2.0	1.6
FI	3.0	4.0	4.0	4.0	4.0	3.8
FR	4.0	3.0	3.0	3.0	3.0	3.2
HU		2.0	2.0	4.0	4.0	3.0
IE	4.0	4.0	4.0	4.0	4.0	4.0
IT	3.0	3.0	4.0	3.0	3.0	3.2
LT		2.0	2.0	2.0	2.0	2.0
LU	3.0	3.0	3.0	4.0	4.0	3.4
LV		2.0	2.0	2.0	2.0	2.0
MT		2.0	2.0	2.0	2.0	2.0
NL	2.0	2.0	2.0	3.0	4.0	2.6
PL		2.0	4.0	2.0	2.0	2.5
PT	3.0	4.0	4.0	4.0	4.0	3.8
SE	2.0	2.0	2.0	2.0	2.0	2.0
SK		4.0	2.0	2.0	2.0	2.5
SL		2.0	2.0	4.0	4.0	3.0
UK	1.5	1.5	1.5	1.5	1.5	1.5

Note: Scale 1 to 5: no government intervention to government imposes private sector wage settlements or suspends bargaining. 1 = No government role in wage setting; 1.5 = Government only involved in minimum wage setting; 2.0 = Government tries to influence wage bargaining by providing institutional framework for consultation or dialogue; 3.0 = Government determines wage bargaining outcomes indirectly through minimum wage setting, tax-based income policies or threats of sanction (positive or negative); 4.0 = Government participates directly in wage bargaining by providing norms or ceilings (social pacts); 5.0 = Government imposes private sector wage settlements or suspends bargaining (involuntary wage freeze).

Source: Visser, 2005a (partly based on and adapted from Hassel, 2003)

The least interventionist governments can be encountered both in countries with relatively strong corporatist settings, such as Austria and Denmark, and in the UK in accordance with its ‘voluntarist’ system. As Visser notes, ‘intervention is strongest, and most persistent, in the more “peripheral States”, which had to make the largest adjustment in their wage-setting system before entering the eurozone’ (2005a, p. 50).

### **Workplace information and consultation**

Forms of information and consultation at the workplace have been legally established and formally introduced in most EU countries. This workplace representation can be organised by works councils and/or trade union representatives. An extreme form of indirect participation is board-level representation. Laws in many European countries distinguish between three levels of influence, which include information, consultation and joint decision-making or co-determination. In the majority of the EU countries, employers have a legal obligation to inform and consult with these institutionalised bodies on a range of matters. Only in the UK and Ireland does this kind of employee participation exist solely on a voluntary basis; however, this situation is changing as both of these countries are also now adopting new legislation in accordance with the recent European Directive on information and consultation of workers (**Directive 2002/14/EC**).

#### *Institutional setting*

In recent years, several EU15 Member States have revised their institutional arrangement of employee information and consultation rights at the workplace. New EU directives have played a significant role in this context, particularly in the UK. These directives also provide a major incentive for the NMS to set up forms of workplace representation. Table 6 below summarises the legal prescriptions on these forms of ‘industrial democracy’ for the EU25. Indirect participation or employee representation is traditionally associated with trade unions. However, the involvement of union representatives is not the only channel of indirect participation. Other forms of indirect participation exist in a number of European countries, most notably in the form of works councils. Rogers and Streeck (1994, p. 98) define works councils as ‘representative bodies elected by all workers at a particular workplace, regardless of union membership and inclusive of white-collar and many supervisory employees’. Works councils are usually composed of employee representatives, but they may also include representatives from the employer side.

Single-channel worker representation by trade union organisations is the dominant formalised type of indirect participation in Sweden, Ireland and the UK. In this context, the manner in which trade union representatives are elected or appointed depends on each individual trade union (ETUCO, 2003). The works council can also act as the primary body of worker representation at company level, as is the case in Germany, Austria, the Netherlands and Luxembourg. The extent of trade union representation on these bodies will depend on the ability of the trade unions to present candidates for election. In large German companies, for example, the works council tends to be dominated by trade union representatives.

Workers’ interests can be further taken into account by a two-channel system, whereby a works council operates alongside the trade union representatives. Accordingly:

- the works council may simply represent all of the different trade union organisations present in the company. In this case, the existence of a works council does not relieve the employer from its obligation to deal and negotiate with the trade union organisations, which is the case in Finland and Denmark;
- the works council may exist alongside the trade union representatives and have its own functions and powers. In France, for example, the recognised trade union organisations have a monopoly on the presentation of candidates in the first round of works council elections. Lists of independent candidates can be submitted in the second round of elections, although only if the trade union lists have failed to win 50% of the vote. In Belgium and Spain, the works councils can be considered as bodies complementing the work of the company’s trade union organisations.

Table 6: *Legal provisions for workplace representation in EU25*

	<b>Bodies</b>	<b>Main body</b>	<b>Composition of works council type</b>	<b>Legal basis</b>	<b>Threshold</b>
<b>AT</b>	Works council	Dual channel, works council dominates	Workers' representatives only	Legislation	5
<b>BE</b>	Trade union delegates; Health and safety committees; Works council	Dual channel, trade union dominates works council	Mixed composition: management and workers	Legislation and collective agreement	Ranging from 20-50; 50; 100
<b>CY</b>	Trade union delegates	Single channel, trade union	Not applicable	Legislation	
<b>CZ</b>	Trade union delegates; Works council possible*	Single channel, works council rare exception as alternative	Workers' representatives only	Legislation	25 (works council); 3 (trade union representation)
<b>DE</b>	Works council	Dual channel, works council dominates	Workers' representatives only	Legislation	5
<b>DK</b>	Shop stewards; Cooperation committees	Dual channel, trade union dominates works council	Mixed composition: management and workers	Collective agreement	35
<b>EE</b>	Trade union representation; Workers' trustee**	Single channel (in practice) and/or non-unionised trustee	Not applicable	Legislation	5 (trade union and/or workers' trustee)
<b>EL</b>	Works council; Employee representatives	Dual channels exist side by side	Workers' representatives only	Legislation	50; 20
<b>ES</b>	Works council and personnel delegation	Dual channels exist side by side	Workers' representatives only	Legislation	50 (works council); 6 for delegation
<b>FI</b>	Shop stewards or employee delegation	Single channel	Not applicable	Legislation and collective agreement; no compulsory system	30
<b>FR</b>	Employee delegates; Works council (establishment or company); Trade union delegates	Dual channel exist side by side	Workers' representatives; Mixed composition: management and workers	Legislation	11; 50
<b>HU</b>	Works council; Trade union representation	Dual channel; works council dominates (especially in cases of trade union pluralism)	Workers' representatives only	Legislation	15 (one person); 50 (works council)
<b>IE</b>	Trade union representation (new law provisioned in 2006)	Single channel, trade union	Workers' representatives only	Collective agreement, voluntary; minimalist legal framework in stage of enactment	
<b>IT</b>	Elected/nominated trade union representative bodies	Single channel	Workers' representatives only	Legislation and collective agreement	15

Table 6: *Legal provisions for workplace representation in EU25 (cont'd)*

	<b>Bodies</b>	<b>Main body</b>	<b>Composition of works council type</b>	<b>Legal basis</b>	<b>Threshold</b>
<b>LT</b>	Trade union delegates; Works council possible (Czech model)	Single channel, dual channel for a limited time	Workers' representatives only	Legislation	15 (delegation); 150 (works council)
<b>LU</b>	Personnel delegation; Joint company committee	Dual channel; trade union dominates committee	Mixed composition: management and workers	Legislation	
<b>LV</b>	Trade union representation; Works council possible	Dual channel; works council rare exception as alternative	Workers' representatives only	Legislation	5 (works council)
<b>MT</b>	Trade union representation; One works council elected in 2005	Single channel (usual practice)	Not applicable	Not applicable Legislation; a non-mandatory shop agreement between trade unions	
<b>NL</b>	Works council; Employee representation	Dual channel, works council dominates	Workers' representatives only	Legislation	50; 10
<b>PL</b>	Trade union representation; Works council in state- owned companies	Single channel***	Workers' representatives only	Legislation	100 (draft act of government 2004)***
<b>PT</b>	Workers' committee and trade union delegation	Dual channels exist side by side	Workers' representatives only	Legislation	None
<b>SE</b>	Trade union representation	Single channel, trade union	Not applicable	Collective agreement	None
<b>SI</b>	Works council; Trade union representation	Dual channel; works council slightly more frequent	Workers' representatives only	Legislation	20 (works council)
<b>SK</b>	Trade union representation; Works council	Dual channel; works council rare exception	Workers' representatives only	Legislation	5-50 (works council) 5 (trade union)
<b>UK</b>	Employee representation	Single channel, trade union or non-union	Workers' representatives only	Collective agreement, voluntary with minimalist legal framework since 2005	50 (undertakings)

Notes: \*Alternative 'Czech model': either a trade union or works council may exist (the latter must cease its activities if trade union representation is elected in a company). \*\*Elected by all employees (in non-unionised companies) as a rare exception. In 2005, the Estonian government sent a draft of the Employees' Representatives Act to the social partners with a dual channel representation to implement the EU Directive on information and consultation; however, it did not meet their approval. \*\*\*In privatised enterprises by law (some works councils still exist in state-owned enterprises). In 2004, the Polish government proposed to introduce a dual channel model, but the social partners are more in favour of the 'Czech model'; however, no decision has yet been taken on this matter.

Source: *EIRO, Country profiles, 2006*

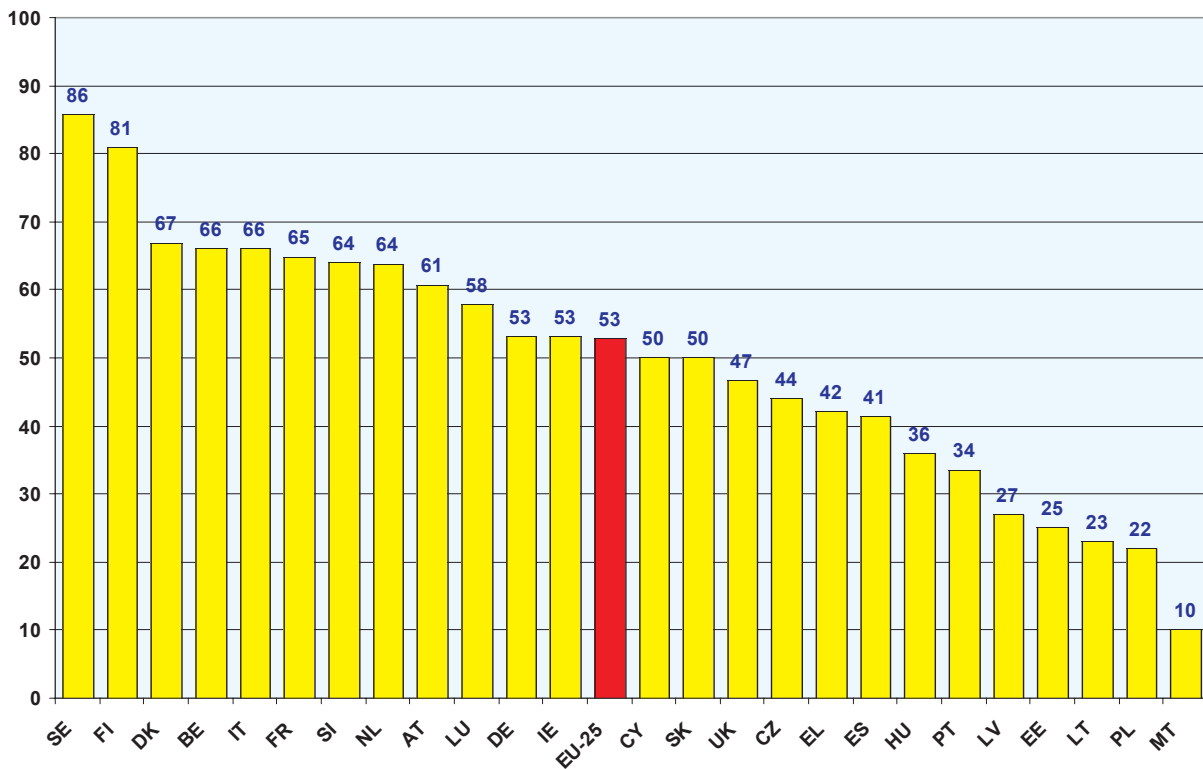
Works councils are considered as joint bodies of management and employee representatives in Denmark, Luxembourg, Belgium and France, in addition to the autonomous representation body of employee delegates in France. In Belgium and France, the employer chairs the works council.

Institutionalisation of workplace representation is still largely in the development stages in the NMS. In recent years, the new European information and consultation directive has functioned as an additional motivating factor for stimulating new rules and regulations.

*Representation density rate*

Large differences exist in relation to the threshold of necessary employment before a company is obliged to apply legal provisions. As a consequence, marked disparities are evident in the presence of employee representation in companies within EU countries. These disparities are not only influenced by the institutional setting, but also by the business structure of the economy and the social composition of the workforce in these countries. It is difficult, nevertheless, to find comparative data on the density of workplace representation in EU Member States. Only countries with an established tradition of surveying workplace industrial relations, for instance Germany or the UK, can provide a reliable overview of representation. Due to the comparability of the data, material from the European Social Survey (ESS) was used. The first round of this survey, conducted in 20 EU countries, featured the following question: ‘Can I just check, is there a trade union or similar organisation at your workplace?’ Evidently, this is a broad question, open to interpretation by the respondent. However, for countries like Belgium (Randstad survey), Germany (Institut für Arbeitsmarkt- und Berufsforschung, IAB-panel) and Ireland (‘the changing workplace’), where comparable national survey data exist, the figures are quite comparable. For instance, for Germany, the ESS figure for workplace representation is 47% and the IAB-calculation amounts to 48%, while the Irish data are 53% and 52% respectively. An important element to note for interpretation is that the coverage includes both the private and public sector.

Figure 6: Presence of trade unions or similar organisations in workplace, % of employees, EU25



Source: European Social Survey, 2002–2003; Estonia, Latvia, Lithuania: Working Life Barometer 2002; Germany: IAB-panel; Poland and Hungary: same question in national public opinion survey; Cyprus, Malta, Slovakia, Slovenia: expert opinion, see country profiles

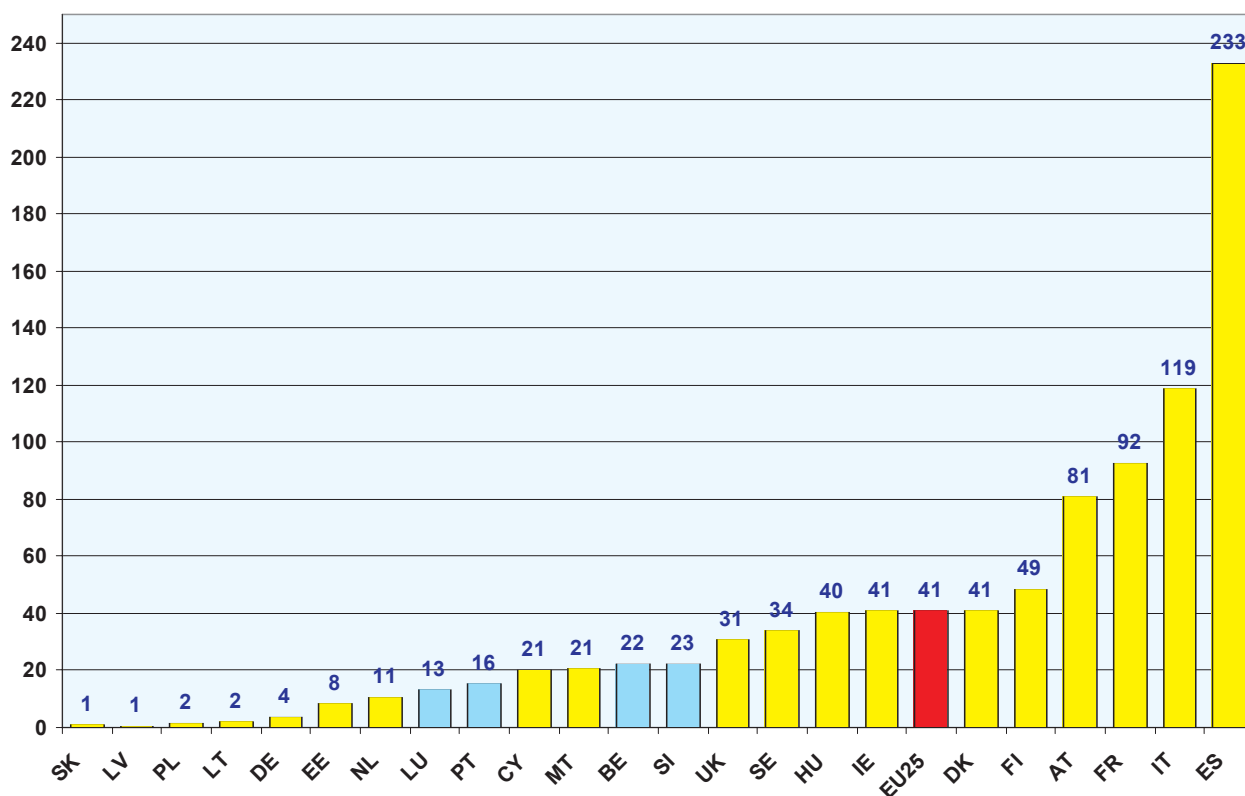
Based on the above data, it can be concluded that workers in Sweden and Finland have the strongest representation at the workplace (density of four out of five). Other countries with a widespread system of workplace representation include Austria, Belgium, Denmark, France, Italy, the Netherlands and Slovenia (density of two in three). A low density of workplace representation can be seen in Estonia, Latvia, Lithuania, Portugal and Poland. In Malta, workplace representation seems significantly low compared with the rest of Europe.

### Industrial action

Comparative data on industrial action have to be carefully interpreted due to incompatible registration methods in the EU Member States (Perry and Wilson, 2004). It should also be highlighted that problems arose in the collection of data in each country as formulated by its own rules (for more information on this issue, see the French case as an example (Brochard, 2003)).

In particular, the data of countries which only publish figures for the private sector and which do not include the more strike-prone public sector, especially in recent years, have to be examined cautiously. This is the case for Belgium, which only has limited data available for the period in question, along with France in part (but not for working days lost), Germany, Portugal and Slovenia. The Czech Republic and Greece have no data available for 2000–2004. The Luxembourg figures pertain to estimates of the European Industrial Relations Observatory (EIRO) national correspondent. Moreover, industrial action practices may differ sharply from year to year in many countries. Therefore, only average figures for 2000–2004 are presented (Figure 7).

Figure 7: Average number of working days lost due to strike action per 1,000 employees, EU25, 2000–2004

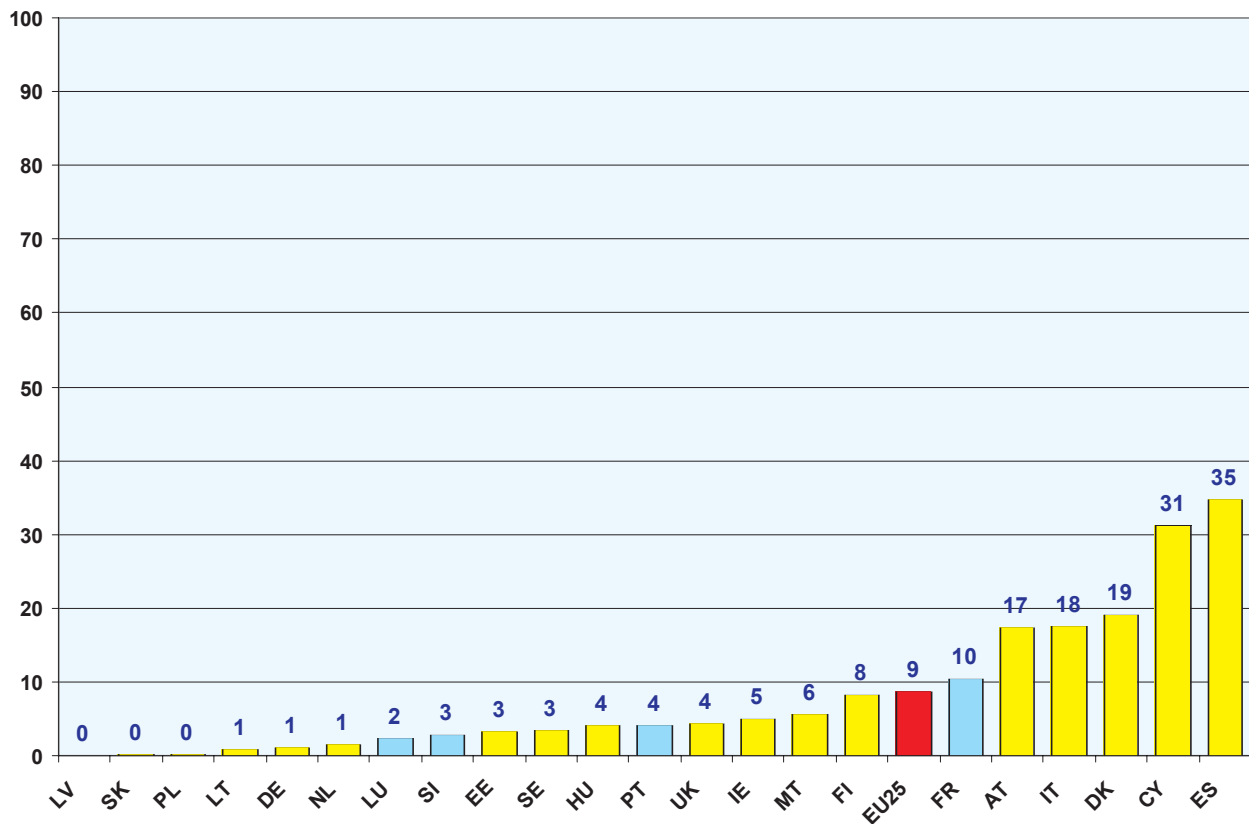


Notes: EU25 = weighted average; shaded bars: countries with no data included for public sector and/or general strikes  
Sources: ILO, EIRO and country profiles

Two sets of strike activity data are presented: namely, the most internationally cited data pertaining to working days lost per 1,000 employees, along with a broader strike activity index. For each country, the strike activity index (Figure 8) comprises the annual averages of the number of strikes, the number of workers involved, and the number of working days lost, compared with the maximum EU country case ('worst case') of the indicator in the period 2000–2004. As such, this indicator tries to capture, in a more sophisticated way, the amount of 'disturbance' caused by industrial action in a country (for more information on the method used to measure this indicator, see Annex 1).



Figure 8: *Strike activity index, EU25 (%)*



Source: *EIRO, Country profiles, 2006*

Apart from country-related particularities that may only be relevant for the years covered, the overall picture that emerges from Figures 7 and 8 may be summarised as follows:

- Overall, strike figures are low, certainly compared with previous periods such as in the 1970s. Even in the country with the highest rate of working days lost, namely Spain, only a quarter of a working day on average is lost per worker in a year due to industrial action.
- Most of the NMS can be found at the low end of the strike activity scale.
- At the upper end, the triangle between France, Italy and Spain is evident (Figure 7). Paradoxically, France and Spain are the countries with the lowest trade union density rate. At the same time, all three countries still have an important trade union ‘claiming’ communist roots. Political strikes, and particularly general strikes in the public sector, occur on a regular basis in these countries. Greece – a country with no available statistical data – has showed a similar strike pattern in recent years and would probably mirror these countries in this respect. Furthermore, if it is taken into account that the Portuguese figures are calculated without public sector data, strike activity can be seen largely as a southern European style of industrial relations.
- Taking the broader picture of the strike activity index into account (Figure 8), two countries in particular, namely Cyprus and Denmark, join the group of countries at the upper end of the strike activity scale (although the French data is underestimated as it is only partly calculated based on the private and public sectors). These two countries show a special strike pattern consisting of many small-scale strikes. Denmark is known as the most strike-prone country of the Nordic countries (Stokke and Thörnqvist, 2001).

- In the EU15, core countries like Germany (although with deflated figures), Luxembourg and the Netherlands have a low strike activity rate, compared with the other ‘old’ Member States. Austria would be part of this group had it not being confronted with its first major general strike of the post-war period in 2003 on pension reforms. In these countries, strike action is not frequently used as a strategic weapon in collective bargaining rounds. An entirely different pattern emerges in the country with the highest strike record, namely Spain, but also to a lesser extent in countries like Denmark and Finland (Rigby and Marco-Aledo, 2001; Scheuer, 2005).

## Main outcomes

This section explores the direct results or outcomes of EU industrial relations. Particular emphasis is placed on wages and working time, as these still represent the most important topics addressed in the collective systems of industrial relations. They are also themes for which indicators exist, allowing for a simple and reliable comparison to be made between the results obtained within the system of industrial relations and the actual situation in the various EU countries. As such, the comparison between these collectively agreed measures and the actual evolution of wages and working time can be seen as relevant for a debate on the impact of the collective systems of industrial relations in the EU. However, such a discussion has to take into account that industrial relations systems and their results also operate in a broader network of economic forces, social factors and institutional settings. Furthermore, industrial relations and social dialogue can be involved in many other policy issues and themes, such as active employment measures or promoting lifelong learning. In each of the country profiles, some examples of this broader agenda of industrial relations are given. In this report, wages and working time are examined, as a more quantitative approach can be followed for these two key issues of industrial relations. Additional, more qualitative information can be briefly obtained on, for instance, lifelong learning in the individual country profiles. It should be mentioned that in a previous Foundation report on the **Quality of industrial relations in the European public sector**, an attempt was made to link industrial relations results with the different dimensions of quality of work as described by the 2001 Laeken European Council. However, lack of quantitative indicators and incomparability of qualitative country studies makes the establishment of such links extremely difficult (Weiler, 2004; Cortebeek et al, 2004).

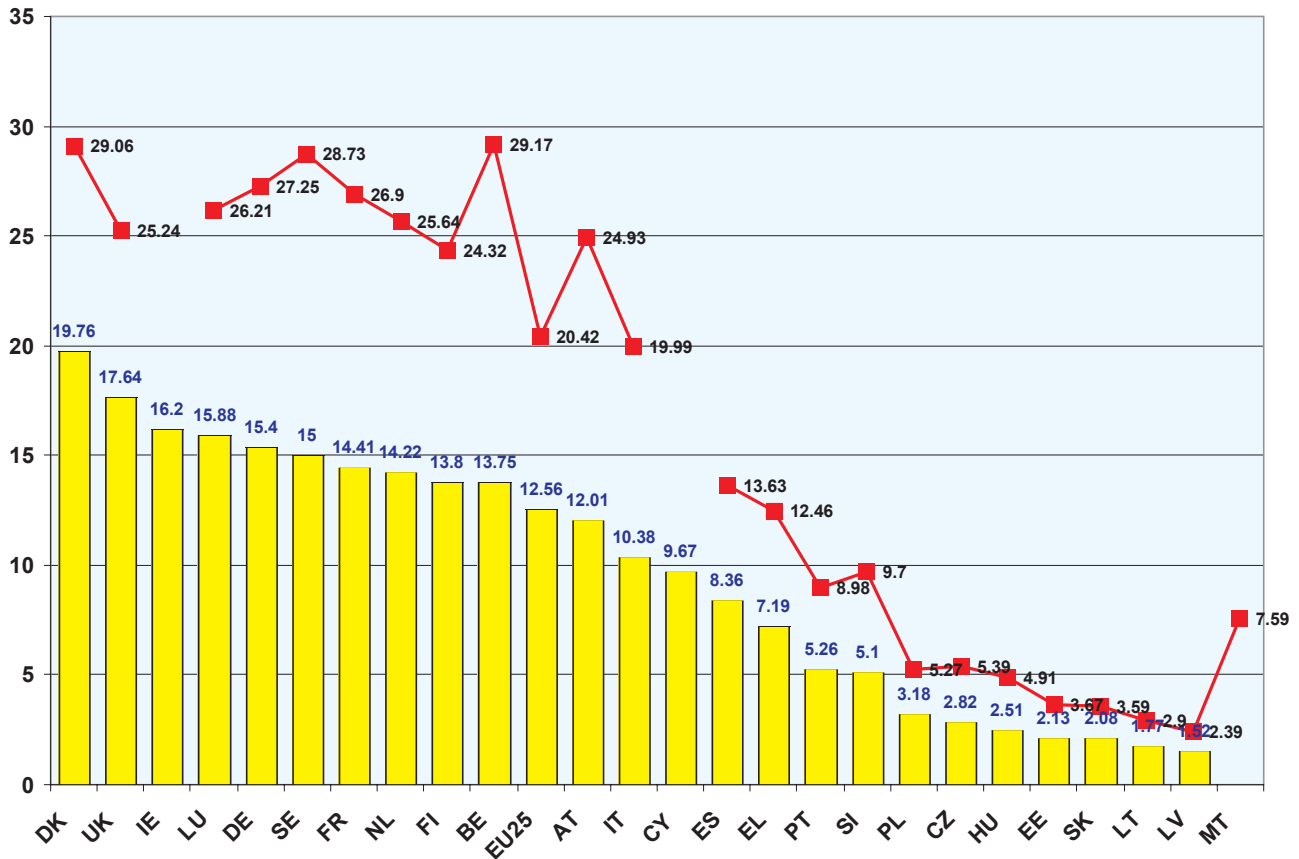
## Pay

Wage bargaining is the most important practice of industrial relations systems in the EU Member States. The structure and evolution of earnings are important features of an economy and its labour market. Wage developments and wage flexibility or rigidity are core issues of the ongoing debate in each of the EU Member States on raising competitiveness and maintaining social cohesion. However, wage formation and how it is determined in a country is a complex issue. Nevertheless, it is recognised that collective bargaining plays an important role in wage setting throughout the EU.

### *Wages and collective agreements*

Wages and labour costs still differ markedly across Europe (Figure 9). Alongside the traditional north-south divide in wages, the east-west divide has also gained prominence within the enlarged EU. However, in terms of the pace of wage increases, the NMS has started to catch up somewhat over the last 10 years.

Figure 9: Gross hourly earnings and average hourly labour costs in manufacturing and services in EU25, 2002 (€)



Notes: Industry and services (NACE C-K): hourly labour costs for full-time employees, hourly earnings for full-time and part-time work.

Source: Eurostat, because of comparability (SES), data from 2002

Wage bargaining has been a difficult process for trade unions in the period 2000–2004. Slow economic and productivity growth and/or high unemployment have limited the possibilities for trade unions to strive for high wage increases. On the contrary, trade unions in most countries have been under pressure from employers, and often also from governments, to engage in wage moderation and to reduce wage demands. On the employer side, international competition has been the main factor in the call for wage moderation. As the results in Table 7 suggest, wage increases in the EU have been well below the rates of productivity growth. The table column showing productivity levels indicates that nominal wage increases, as agreed through collective bargaining, fell short (except in Luxembourg and the Netherlands) of average annual growth rates of productivity plus inflation (an indicator labelled as ‘wage moderation’ in EIRO and other surveys). However, in many EU countries – both old and new Member States – the actual pay increase surpassed that agreed in collective bargaining (an indicator labelled as ‘wage drift’), indicating the relative strengths and weaknesses of collective pay bargaining in the respective countries. Notable exceptions to this positive wage drift are Germany and France.

Table 7: Average annual wage increase, wage moderation and wage drift, 2000–2004 (%)

	Collectively agreed pay increase	Actual pay increase	Wage drift*	Inflation	Actual real pay increase**	Productivity	Wage moderation***
AT	2.3	2.2	-0.1	1.9	0.3	1.6	-1.2
BE	3.1	3.1	0.0	2.0	1.1	1.4	-0.4
CY	2.0	4.8	2.8	3.1	1.7	2.8	-3.8
CZ	4.0	6.6	2.7	2.5	4.1	4.8	-3.3
DE	2.3	1.2	-1.1	1.5	-0.2	1.5	-0.6
DK	2.4	3.9	1.5	2.1	1.8	1.9	-1.5
EE	8.6	8.6	0.0	3.5	5.1	6.2	-1.0
EL	4.6	5.9	1.3	3.4	2.5	3.8	-2.6
ES	3.3	3.1	-0.2	3.2	-0.1	0.2	-0.1
FI	2.7	3.9	1.2	1.8	2.1	3.0	-2.1
FR	3.1	2.3	-0.8	2.0	0.3	2.8	-1.7
HU	9.1	12.9	3.8	7.2	5.7	3.8	-1.9
IE	5.3	6.8	1.5	4.1	2.8	4.6	-3.3
IT	2.3	2.7	0.4	2.5	0.1	0.4	-0.6
LT	Not applicable	6.6	Not applicable	0.5	6.0	8.1	(-2.1)
LU	4.2	4.0	-0.2	2.8	1.2	0.7	0.7
LV	Not applicable	9.4	Not applicable	3.2	6.2	7.8	(-1.6)
MT	2.4	2.8	0.5	2.5	0.3	1.6	-1.7
NL	3.1	3.5	0.4	3.0	0.5	0.6	-0.5
PL	4.6	4.6	0.0	4.3	0.3	4.9	-4.7
PT	3.7	5.1	1.4	3.3	1.7	1.3	-0.9
SE	3.0	3.5	0.5	1.9	1.6	3.0	-1.9
SI	6.5	8.8	2.2	6.9	1.9	3.8	-4.1
SK	6.8	8.4	1.6	7.8	0.6	6.7	-7.7
UK	3.1	3.9	0.7	1.2	2.7	2.3	-0.3
EU25	3.0	3.2	0.1	2.2	1.0	2.0	-1.1

Note: \*Wage drift: difference between agreed and actual pay increase; \*\*Actual real pay increase: actual pay increase minus inflation; \*\*\*Wage moderation: collectively agreed pay increase minus inflation and productivity growth, although for Lithuania and Latvia, it is the actual pay increase minus inflation and productivity.

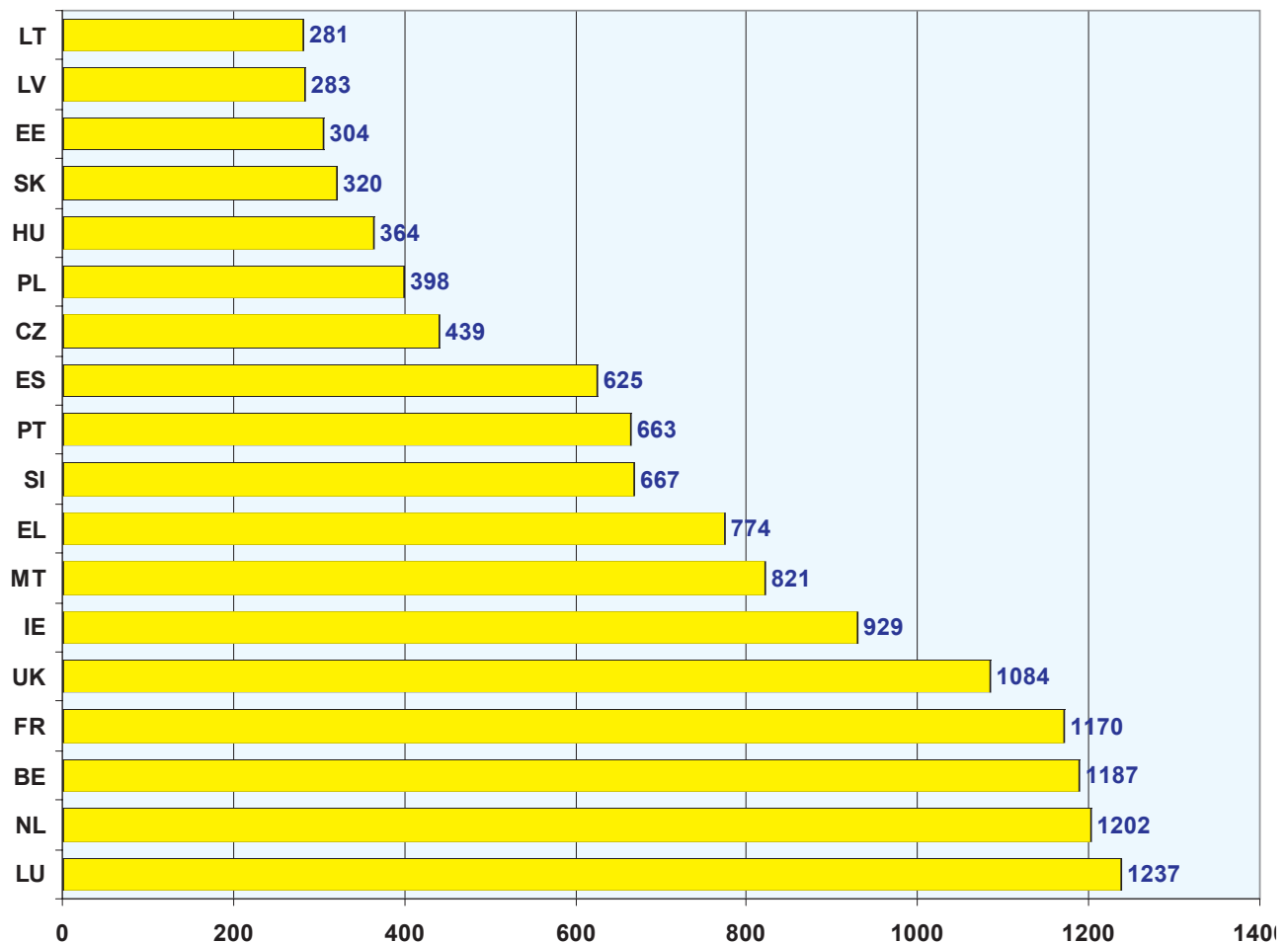
Source: Eurostat; EIRO and EIRO country profiles, 2006

### Statutory minimum wage

As well as through collective bargaining, wages can be set by statutory minimum wage requirements (Figure 10). Such national standards are fixed in 18 of the 25 EU Member States, according to the present research. With some rare exceptions, the government usually decides on the yearly wage amendments after consultation with the social partners in tripartite bodies. Predominant criteria used to determine the minimum wage include the relation to average earnings and to subsistence minimum allowances, along with a compensation level for inflation rates. In a minority of countries, labour productivity progress is a factor used in calculating the minimum wage.

The importance of minimum wages may differ across countries. In the EU15, the minimum wage often serves as a standard payment for all persons not covered by collective agreements, or for those employed in the lowest categories of the wage scale. However, in most of the NMS, apart from Slovenia, the statutory minimum wage also serves as a pointer for collective bargaining at company or sectoral levels, insofar as such bargaining exists.

Figure 10: Minimum wages in purchasing power parity standards (PPS), EU25, 2004



Note: \*PPS = purchasing power parity standards – an indicator which takes into account or reflects differences in national price levels. From 2003, minimum wages in Hungary became tax free, which is equivalent to a 10% wage increase. No statutory minimum wage set in Austria, Denmark, Finland, Germany, Italy and Sweden; in Cyprus, the minimum wage only exists for six occupational groups.

Source: Eurostat, *Statistics in Focus*, 2004

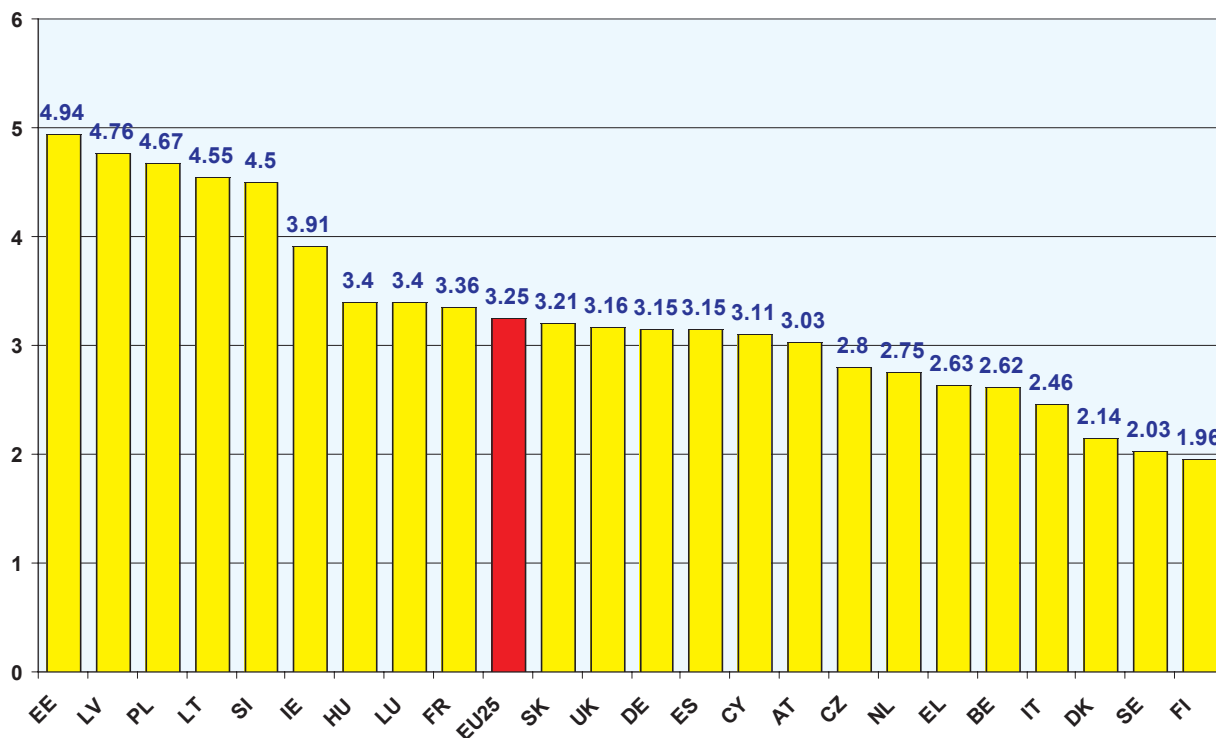
At present, the minimum wage in most of the NMS is well below the European average and amounts to about a third of that of the upper group of western countries in terms of PPS, irrespective of price variations and national exchange rates. In countries like Estonia, Poland and Latvia, the defined minimum wage is still well below national average earnings, representing less than a third of the average level. However, the statutory minimum wage is still growing at a faster pace than average actual wages in some of these eastern European countries.

### Wage inequality

The ‘90/10 decile ratio’ expresses the dispersion in earnings between the top 10% of earners and the bottom 10% of earners. Decile ratios are simple indicators of dispersion. In most EU countries, this ratio ranges from between 2 and 3.5,

with the majority of countries falling into the range between 2 and 3 (Figure 11). The north-eastern EU countries of Estonia, Latvia, Lithuania and Poland have a far higher wage inequality rate of above 4 and are closely followed by Ireland. Conversely, the Nordic countries have a low degree of wage inequality.

Figure 11: *Ratio of earnings (top decile relative to bottom decile), EU25*



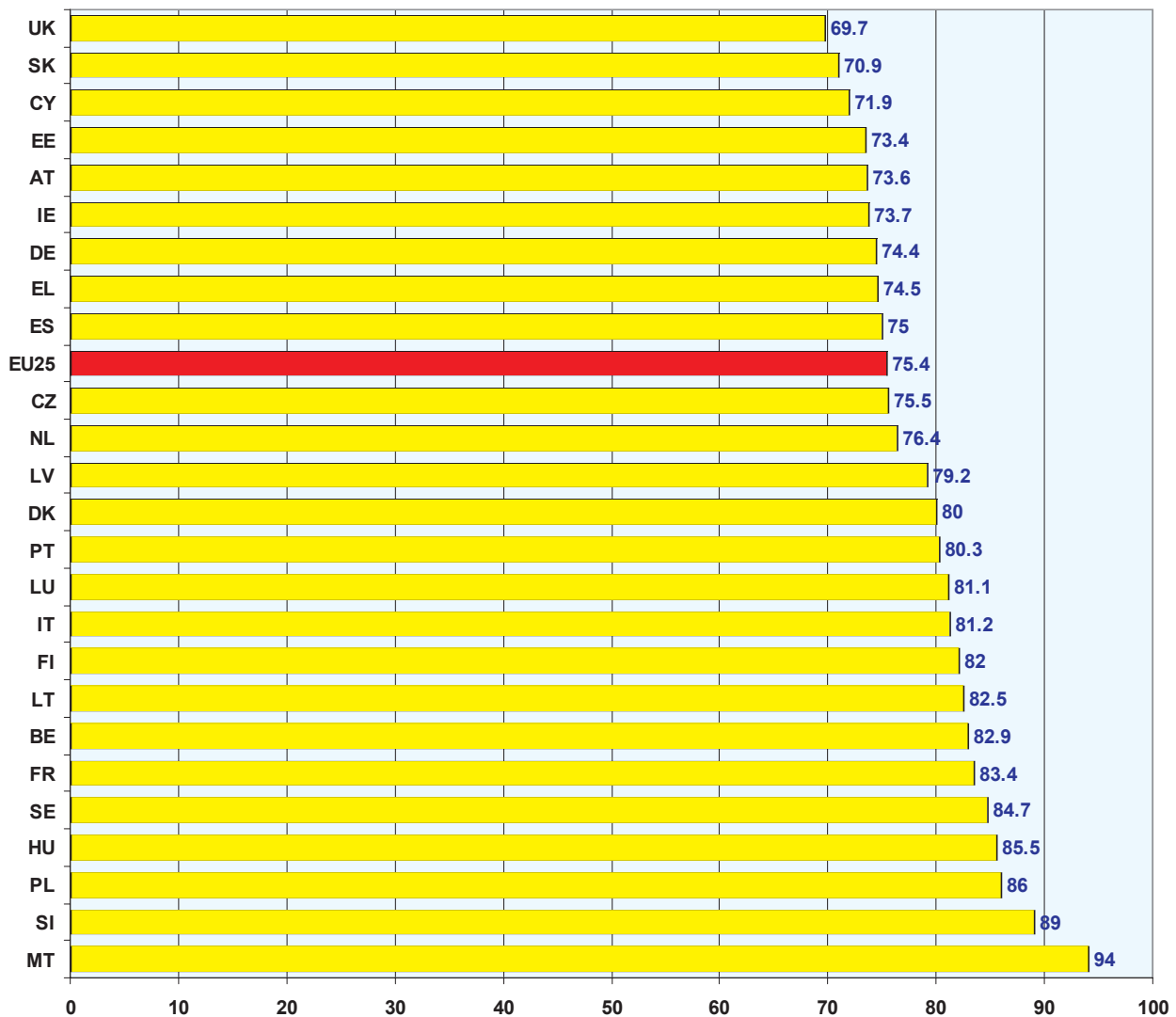
Notes: No data available for Malta and Portugal.

Source: Eurostat; SES, 2002

### Gender pay equity

As with other indicators, the difference in wage levels between men and women in the EU25 varies strongly across countries – although when adjusted for hours worked, in terms of full-time or part-time work, the differences between the countries largely disappear. Figure 12 shows the gender gap in terms of the percentage of average gross hourly earnings in industry and services (NACE C-K). An overall picture emerges of a considerable pay gap between men and women in Europe, ranging between 20% and 30%. The UK has the worst record in this regard, while Malta and Slovenia show the best results, followed by two other NMS countries, Poland and Hungary. The reasons for the gender pay gap in general, and for cross-country differences in particular, have to be interpreted in a wider context encompassing the following determinants: labour markets, industrial relations and pay setting systems, the general extension of sectoral collective agreements and national coverage rates, the existence of minimum wages, qualification structures and welfare state institutions in EU countries (Rubery et al, 2002). For example, in Malta, only a third of women are in employment.

Figure 12: Gender pay gap levels, EU25, 2002 (%)



Note: \*Average gross hourly earnings of women as a percentage of average gross hourly earnings of men = gender pay gap in adjusted form (taking into account part-time work because of calculation per hour). Data for Malta are taken from Eurostat structural indicators and remain unadjusted for part-time or full-time work.

Source: Eurostat; SES 2002

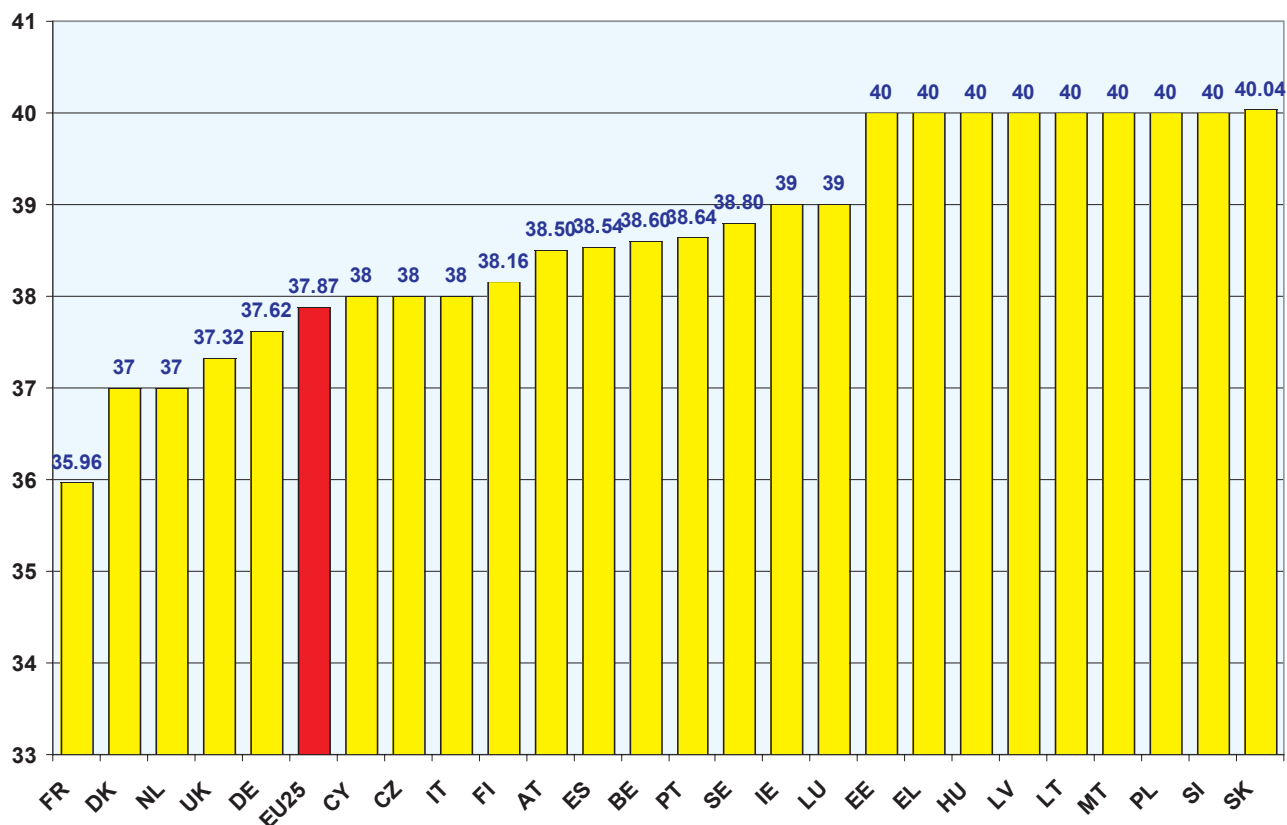
### Working time

Determining the duration of working time remains a fundamental issue in industrial relations. In all of the EU15 countries, collective bargaining plays a key role in the setting of working time. However, the nature of this role differs widely across countries, with different bargaining levels – intersectoral, sectoral or company level – playing diverse roles, and bargaining coverage varying considerably. Furthermore, the importance of bargaining differs considerably between sectors of the economy and groups of workers. At the same time, the involvement of workplace industrial relations varies enormously between countries. Co-determination rights at workplace level on working time, for instance, play a strong role in Austria, Germany and the Netherlands. In some countries, collective bargaining initiatives related to working hours have been taken with a view to safeguarding employment or improving work–life balance.

As with other areas of industrial relations statistics, there are numerous difficulties involved in making international comparisons on the collectively agreed length of working time. Figure 13 provides a broad insight into current

developments based on EIRO reports. The collectively agreed or statutory working hours' norm ranges from 35.6 hours to 40 hours a week. In 2004, the average weekly working time in the EU25 amounted to 37.8 hours. With the exception of the Czech Republic and Slovakia, the statutory 40-hour working week has remained the norm in the NMS.

Figure 13: Average number of collectively agreed or statutory weekly working hours, EU25, 2000–2004

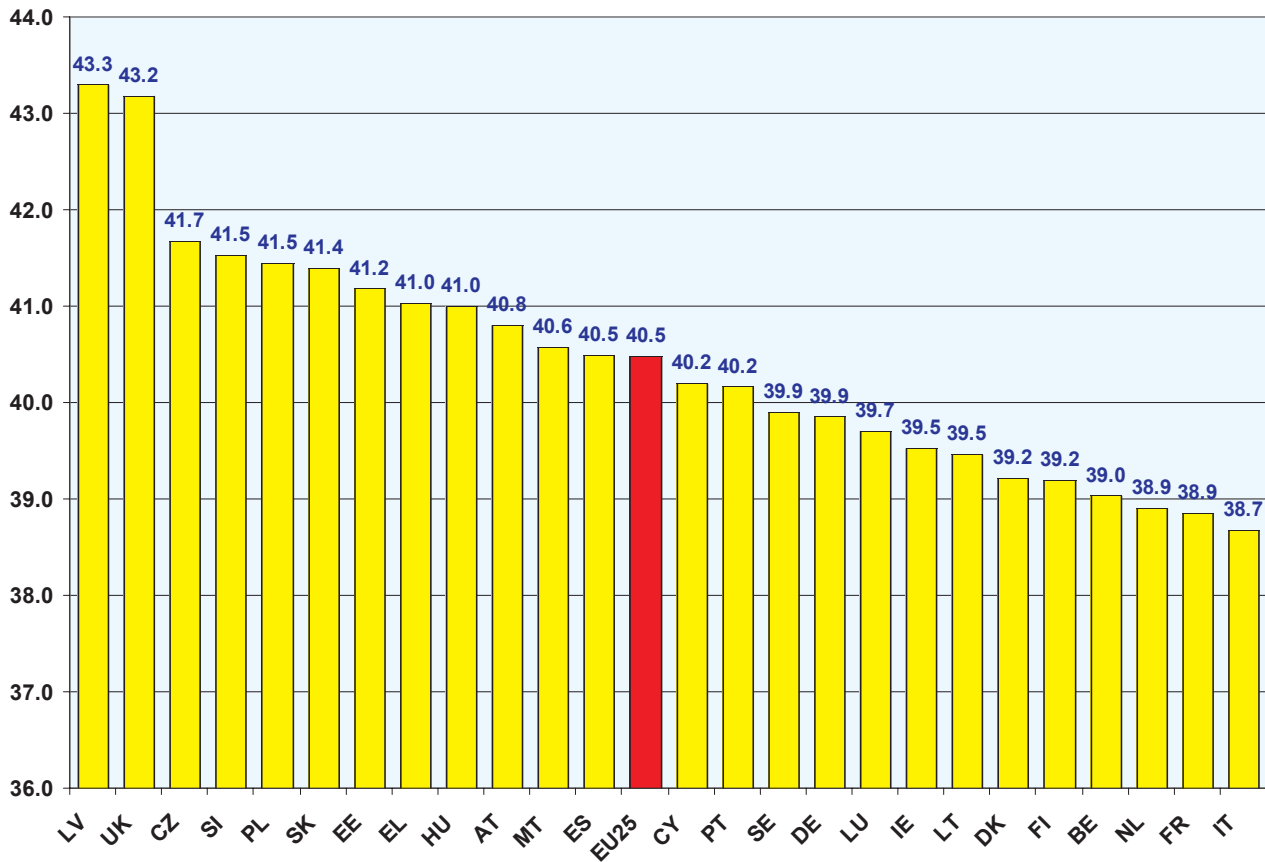


Source: EIRO studies

Other than the agreed or statutory hours, the hours usually worked by full-time workers range from between 39 hours and 42 hours a week in the majority of EU countries (Figure 14). The most notable exceptions in this instance are Italy, France and the Netherlands where people work less than 39 hours a week, and Latvia and the UK where the average weekly working time is 43 hours. In recent years, some of the NMS countries have quite rapidly narrowed the gap between agreed or statutory working time and hours usually worked.



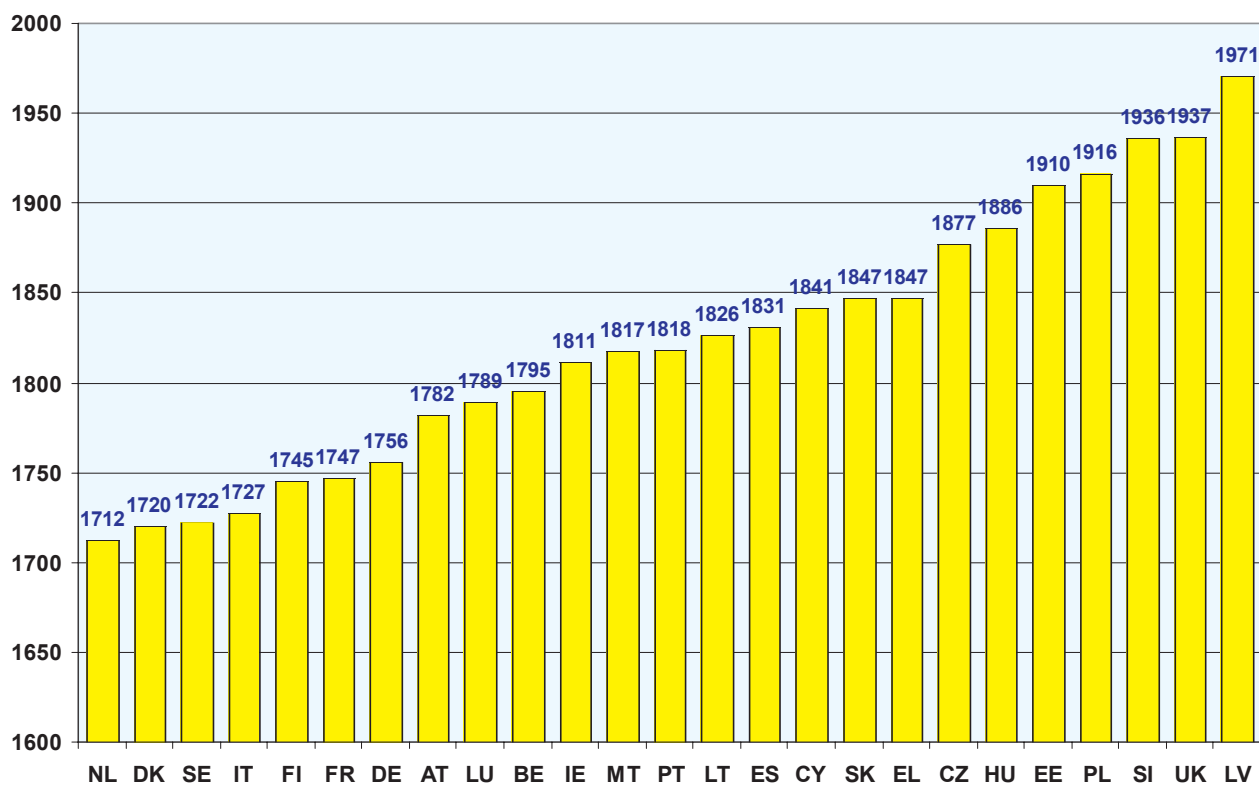
Figure 14: Average number of weekly hours usually worked by full-time workers, EU25, 2000–2004



Source: Eurostat, European Labour Force Survey

Another measure of working time that is widely used is the comparison of actual working hours each year, including paid leave and national holidays. Figure 15 shows the results for annual hours usually worked by full-time workers in the EU25 in 2004.

Figure 15: Annual average number of hours usually worked by full-time workers, EU25, 2004



Source: Bosch et al, 2005 (includes information on the calculation method, which is based on labour force survey data).

Note: EU25: average weighted figure based on LFS-estimates of full-time employed in all countries (LFS, 2004).

With some modifications, a distinct pattern in working time can be distinguished across Europe. Full-time employees in the Nordic countries work the shortest hours, along with their Italian and Dutch counterparts, followed by the two larger core countries of France and Germany and their neighbours Austria, Luxembourg and Belgium. Meanwhile, the UK can be found at the other end of the scale, along with countries like Slovenia and Latvia – the latter of which has the longest working hours.

## Conclusions

The main remit of this report has been to draw up brief industrial relations profiles of the EU25 Member States, resulting in a basic comparative overview of industrial relations systems in the EU. The profiles focused on collective industrial relations, coordinated by the trade unions, employer organisations and government. The EU encourages this method of industrial relations and social dialogue in an effort to modernise the European social model. The national context and time period of 2000–2004 have been taken as the reference period for this comparison, largely because of the availability of comparative data for these points of reference. In particular, the report has focused on the comparison of available quantitative indicators on industrial relations actors, processes and outcomes of national industrial relations processes in the EU25. The central goal of the report has been to present a cross-country description of the industrial relations landscape across the EU Member States, as well as trying to provide an explanation for these comparative facts.

The corporatist literature of the 1970s found significant empirical evidence supporting the hypothesis that the capacity of advanced western societies to cope with social conflict and improve economic performance was enhanced by an institutional infrastructure which incorporates the interests of organised capital and labour into the national political

economy. In particular, ‘encompassing organisations’ were believed to pursue responsible strategies supportive of the objectives of full employment and price stability (Molina and Rhodes, 2002). This system of organised industrial relations was one in which workers and employers negotiated with each other and participated in policymaking. It consisted of four broad components: integrating associational structures; arrangements for wage setting and coordination; participation in public policy; and company-level workers’ representation (Kenworthy and Kittel, 2003).

In the 1980s, however, corporatist theory seemingly lost much of its rationale, as many corporatist political economies ran into serious socioeconomic difficulties; this in turn provided ammunition for neoliberal criticisms of negative interference with market mechanisms. In terms of national industrial relations systems, experts predicted a decline of organised industrial relations and the convergence of industrial relations in the direction of disorganisation (Lash and Urry, 1987). Three main arguments were used to underline this trend: deregulation; decentralisation; and the decline in associational capacities. The shift from mass production towards diversified methods of production was difficult to reconcile with this type of organised industrial relations (Locke, Kochan and Piore, 1995). European economic integration since the mid 1980s was expected to compound the decline of national corporatism and organised industrial relations.

Contradicting these frequently aired expectations, the basic comparison outlined in this report shows that organised collective systems of industrial relations still exist in the EU, although in a diversified nature. This divergence in national organised industrial relations systems in Europe has even been reinforced by the Economic and Monetary Union (EMU), along with the accession of the NMS to the EU. The idea of different systems of industrial relations ‘coexisting together’ in the EU is complemented by a growing multi-level system of European governance. In this regard, the term ‘horizontal Europeanisation’ (Visser, 2005b, p. 18) could be highlighted: the latter envisages a process of bringing the European level closer to national and local discussions and practices, and to bringing European, national and local actors closer to each other, whilst at the same time maintaining considerable national differences. Ultimately, this report offers a basic comparison of these national differences in European industrial relations systems.

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## Annex 1: Strike activity index – Method of calculation

The construction of a comprehensive strike activity indicator has to take account of three different effects of industrial action: the number of strikes, the number of workers involved, and the number of working days lost due to this industrial action. Information on these three subindicators must be gathered in order to present an overview on this type of activity. A small number of strikes can be important, for example, when many employees are involved.

The yearly strike indicator per country has been calculated as the average intensity of these three aforementioned components. The indicator can be interpreted as the relative intensity of strike activity in a country.

The first component (C1) – the number of strikes – is the expression of the relative number of strikes compared with the maximum level in the EU25 in the considered period, 2000–2004. Thus:

$$C1 = (N/E)_{\text{country}} / (N/E)_{\text{max}}$$

with N representing the number of strikes and E corresponding to the number of employees.

The second component (C2) – the number of workers on strike – is a similar expression of the number of workers involved in strike activity. Accordingly:

$$C2 = (S/E)_{\text{country}} / (S/E)_{\text{max}}$$

with S representing the number of workers involved and E corresponding to the number of employees.

The third component (C3) – the number of working days lost – is the expression of the number of working days lost per employee in country X compared with the maximum level of working days lost per employee in the EU25. Therefore:

$$C3 = (W/E)_{\text{country}} / (W/E)_{\text{max}}$$

with W representing the number of working days lost due to these strikes and E corresponding to the number of employees.

Finally, the strike indicator (A) for country X in year Y is calculated as follows:

$$A = 1/3 * (C1 + C2 + C3)$$

### Example

In 2001, the strike indicator (A) recorded for Finland stood at 4.9%. This represents an average of the three components 4.1% (C1), 3.1% (C2) and 7.3% (C3).

The first indicator – the number of strikes – was calculated as follows. In the EU25, the maximum value of N/E was found in Cyprus in 2001. According to the International Labour Organisation (ILO), 236 strikes were registered in Cyprus in this particular year. Cyprus has 236,300 registered employees. Therefore, N/E in Cyprus in 2001 equals 236/236.3 or 0.999. N/E in Finland in 2001 equals 84/2095.2 or 0.041. Consequently, C1 equals 0.041/0.999 or 0.041.

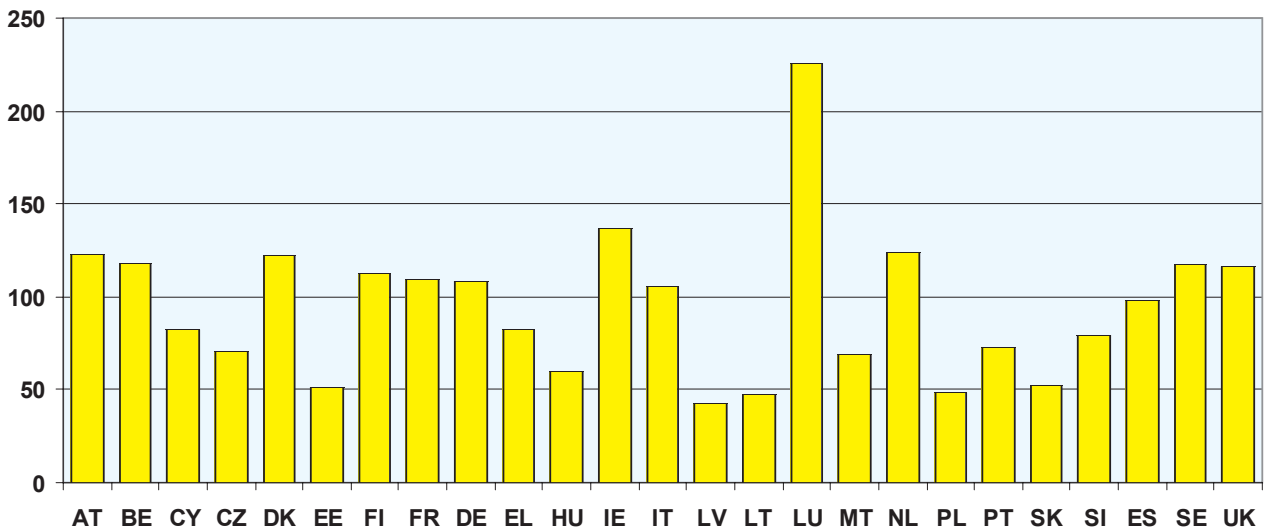
The second indicator refers to the number of workers on strike. In the EU25, the maximum value of S/E was found in Spain in 2002. In Spain, 4.5 million employees were involved in strike activities in 2002 according to Eurostat data. Spain has 13.5 million registered employees. S/E in Spain in 2002 equals 4.5/13.5 or 0.336. N/E in Finland in 2001 therefore equals 21.7/2059.2 or 0.011. Consequently, C2 equals 0.011/0.336 or 0.031.



The third indicator is on the number of working days lost. In the EU25, the maximum value of S/E is found in Austria in 2003. In Austria, 1.3 million working days were lost due to industrial action in 2003 according to Eurostat data. Austria has 3.3 million registered employees. S/E in Austria in 2003 equals  $1.3/3.3$  or 0.401. N/E in Finland thus equals  $61/2059.2$  or 0.029. Consequently, C3 equals  $0.029/0.401$  or 0.073.

## Annex 2: Background data

Figure A1: Gross domestic product (GDP) per capita in PPS, EU25, 2004



Note: EU25=100

Figure A2: Average real GDP growth rate, EU25, 2000–2004 (%)

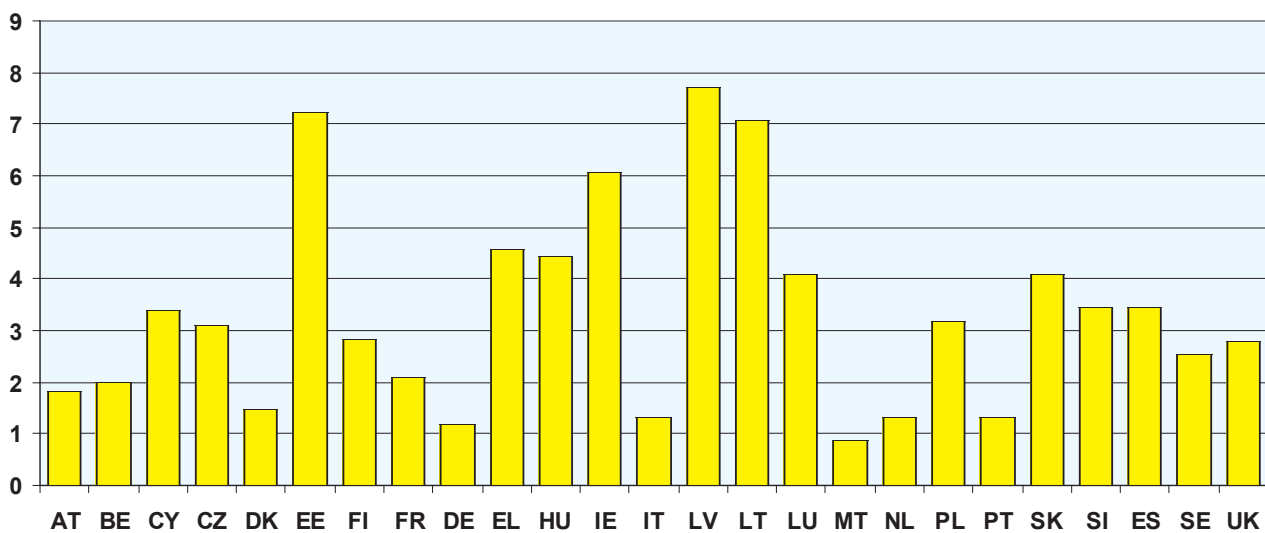


Figure A3: Average productivity growth, EU25, 2000–2004 (%)

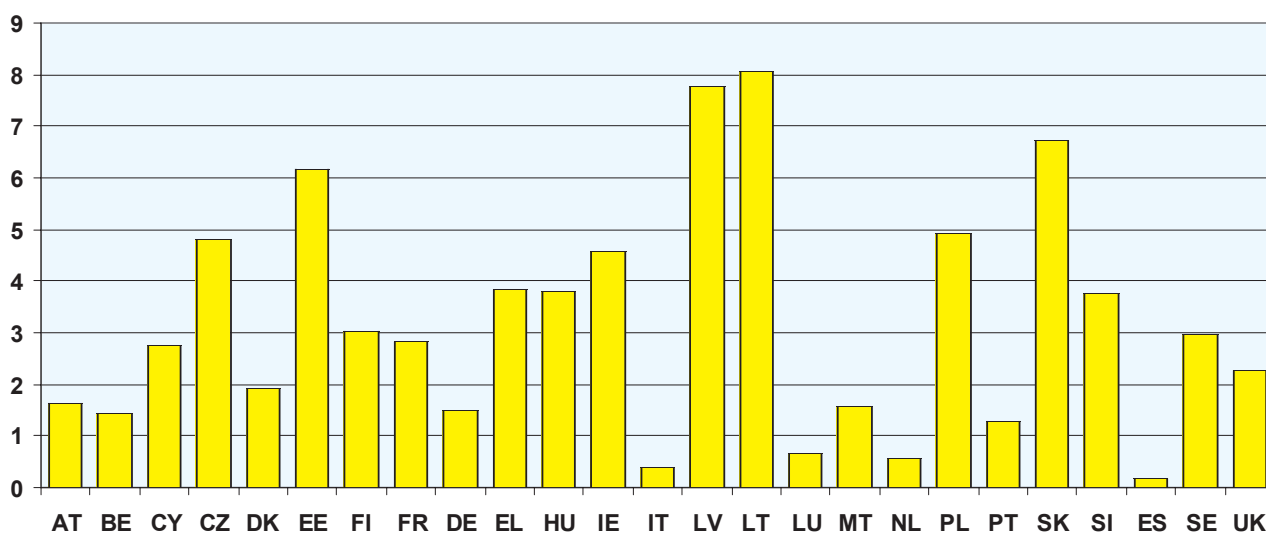


Figure A4: Average inflation rate, EU25, 2000–2004 (%)

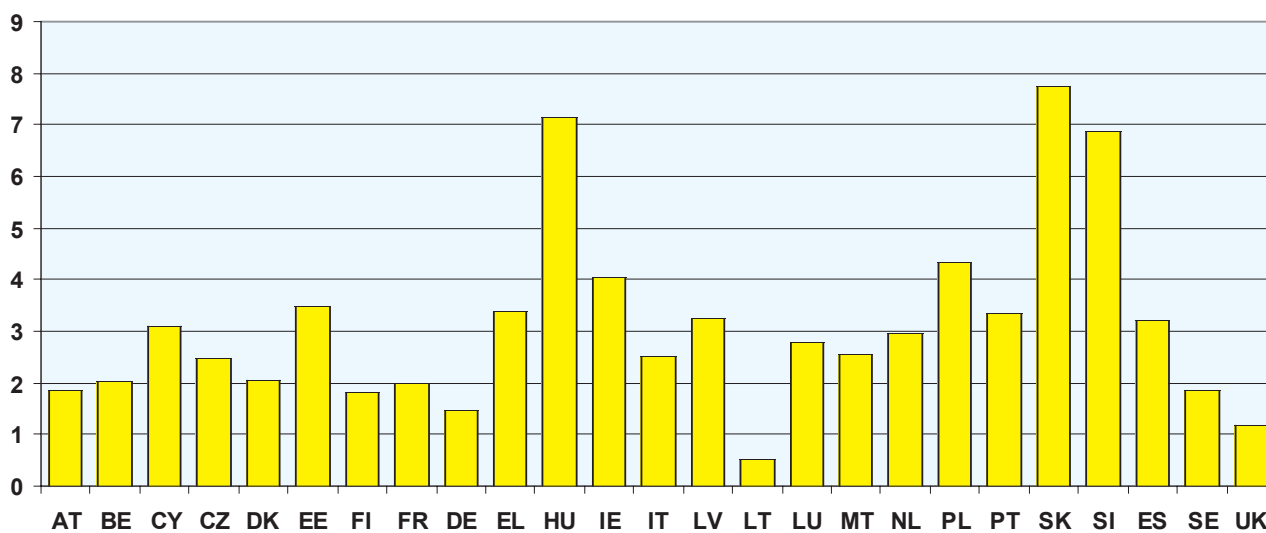
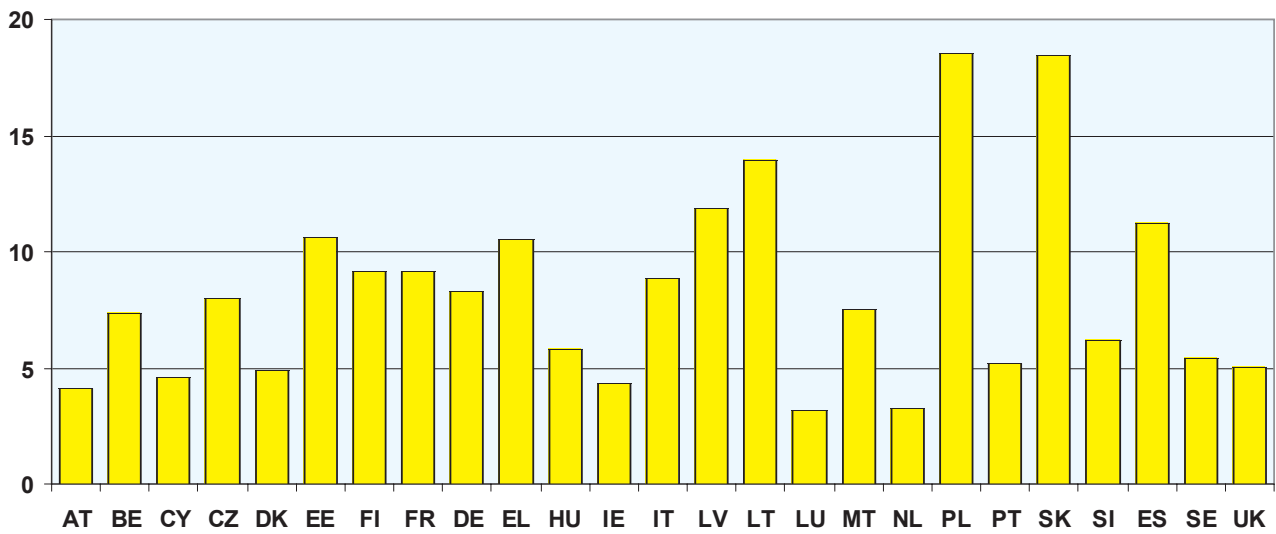


Figure A5: Average unemployment rate, EU25, 2000–2004 (%)



### Annex 3 – Country codes and web links to country profiles

#### EU25 = EU15 + NMS10

*EU15 (former 'old' Member States pre-enlargement 2004 and 2007)*

AT	<a href="#">Austria</a>
BE	<a href="#">Belgium</a>
DK	<a href="#">Denmark</a>
FI	<a href="#">Finland</a>
FR	<a href="#">France</a>
DE	<a href="#">Germany</a>
EL	<a href="#">Greece</a>
IE	<a href="#">Ireland</a>
IT	<a href="#">Italy</a>
LU	<a href="#">Luxembourg</a>
NL	<a href="#">Netherlands</a>
PT	<a href="#">Portugal</a>
ES	<a href="#">Spain</a>
SE	<a href="#">Sweden</a>
UK	<a href="#">United Kingdom</a>

*NMS (10 new Member States that joined the EU in 2004)*

CZ	<a href="#">Czech Republic</a>
CY	<a href="#">Cyprus</a>
EE	<a href="#">Estonia</a>
HU	<a href="#">Hungary</a>
LT	<a href="#">Lithuania</a>
LV	<a href="#">Latvia</a>
MT	<a href="#">Malta</a>
PL	<a href="#">Poland</a>
SL	<a href="#">Slovakia</a>
SI	<a href="#">Slovenia</a>

EF/07/15/EN