WIBAR-3 Project
Multi-Employer Bargaining
(December 2014 – November 2016, EC grant VS/2014/0533)

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WIBAR Transport & Telecom / ICT seminar
Ruskin College, Oxford
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Outline presentation

- (Chapter 2) Multi-Employer Bargaining: basis for the analysis
  - History 1960s-current
  - Main advantages, question marks
- (Chapter 3) Developments in employment
  - Employment in multinationals
- (Chapter 4) Results of WIBAR-3 Industrial Relations (IR) survey
  - Overview of survey
  - Bargaining coverage and employees’ bargaining preferences
  - Four IR characteristics
  - Development of employment and IR characteristics
  - Ownership categories and IR characteristics
  - Employment concentration and IR characteristics
  - Collective agreements database: outcomes
2.3/2.4 Multi-Employer Bargaining (MEB): history in Europe

- **History from 1960s - current:**
  - European Commission initially supportive of MEB, in 2000s retreat
  - Macroeconomic policy shift: from demand to supply side
  - Formation of EMU/ECB: price stability prime concern → adjustment of national economies through wages, employment, social protection
  - Growing spread of MNEs, ‘finance-dominated capitalism’
  - 2010-15: trends towards < union density, < declining employer org. density and < collective bargaining coverage
  - 2010: initial Keynesian crisis approach left for promotion of austerity, fiscal consolidation, ‘structural reforms’
  - 2011: Euro Plus Pact → ‘Sixpack’: review and reform of wage-setting mechanisms → *less room left for MEB*
2.2 Multi-Employer Bargaining (MEB): advantages and question marks

• **Main advantages**
  – MEB takes wages and working conditions largely out of inter-firm competition
  – MEB expels less productive producers, allows employers to concentrate on ‘high road’
  – MEB extends bargaining coverage to vulnerable groups (through mandatory extension) → less wage inequality
  – MEB demands less bargaining or transaction costs

• **Question marks**
  – MEB may hamper globalisation / international competition
  – MEB may hamper competition in international markets
  – And: what is an industry? Demarcation lines disappear: global value chains; new technology produces new configurations; sharing or gig economy (Uber, Airbnb, etc.)
3 Employment in multinationals

Summary T. A3.16: % employment in MNEs (FDI: FO=foreign-owned, HO=home-based), 2013, 4 industries, 10 countries

<table>
<thead>
<tr>
<th></th>
<th>M &amp; E</th>
<th>retail</th>
<th>ICT</th>
<th>T &amp; T</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FO</td>
<td>HB</td>
<td>FO</td>
<td>HB</td>
</tr>
<tr>
<td>BE</td>
<td>45</td>
<td>8</td>
<td>16</td>
<td>8</td>
</tr>
<tr>
<td>CZ</td>
<td>55</td>
<td>8</td>
<td>48</td>
<td>4</td>
</tr>
<tr>
<td>DE</td>
<td>20</td>
<td>37</td>
<td>8</td>
<td>28</td>
</tr>
<tr>
<td>ES</td>
<td>55</td>
<td>13</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>FI</td>
<td>22</td>
<td>15</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>HU</td>
<td>66</td>
<td>3</td>
<td>29</td>
<td>4</td>
</tr>
<tr>
<td>NL</td>
<td>32</td>
<td>13</td>
<td>18</td>
<td>13</td>
</tr>
<tr>
<td>PL</td>
<td>44</td>
<td>6</td>
<td>27</td>
<td>7</td>
</tr>
<tr>
<td>SE</td>
<td>36</td>
<td>16</td>
<td>20</td>
<td>14</td>
</tr>
<tr>
<td>UK</td>
<td>36</td>
<td>15</td>
<td>21</td>
<td>20</td>
</tr>
</tbody>
</table>
4. The WIBAR-3 Industrial Relations survey: overview

• **Country and Industry**
  – 5 industries: metal and electronics manufacturing, wholesale, retail, ICT, transport and telecom
  – 23 EU countries (EU28 excl. CY, CR, EL, HR, MT)

• **Objectives of survey**
  – identify bargaining patterns and parties in each industry
  – identify bargaining preferences of individual employees
  – identify characteristics and orientation of companies: dev’t of employment; employment concentration; ownership; country of origin (‘home effects’); relationship management – trade unions

• **Web-based survey**
  – completed by 8 WIBAR3 researchers between July‘15 - April‘16
  – Info about 115 industry/country combinations * 5 largest companies = 575 companies
Based on WageIndicator data

- Volunteer web survey; explorative data for 10 countries
- 2 questions / statements: ‘Are you covered by CLA?’ (CBC); ‘I think it is important to be covered by CLA’ (PREF)

Results

- Overall >20% ‘don’t know / covered’, high in BE, DE, NL, PT
- Preference to be covered nearly always > 50%, except ICT in CZ, DE, NL
- For 8 countries positive, significant relationship CBC-PREF (BE, BG, CZ, DE, FI, NL, PT, UK), independent high/low CBC
- For 2 countries positive but not significant relationship CBC-PREF (ES, IT)
- WageIndicator CBC outcomes close to ‘official’ CBC data for DE, IT, NL, UK
4.3 Four IR characteristics

• Four characteristics in 115 country/industry cells: Collective Bargaining Coverage (CBC), Trade Union Density (TUD), MEB, management – trade union relationship (MAN-TU, 2-low, 5-high)

• Mutual relations
  – The higher CBC, the higher TUD and CLA share of MEB
  – The higher TUD, the higher CLA share of MEB
  – No relationship MAN-TU with CBC, TUD, share of MEB

• Management – trade union relationship
  – Av. score ICT (3.05) and T & T (3.13) = below total av. (3.15)
  – Av. score domestic firms (3.23) higher than MNEs (3.13), stronger in ICT (3.22 - 3.00) and in T & T (3.28 - 3.00)
  – Av. scores for home countries of MNEs highest for DK (3.64)/SE (3.53)/NL (3.50), medium for DE/ES/FR/UK (3.13-3.14), lowest for US (2.94)
4.4 Development of employment and IR characteristics

• **Results**
  
  – No significant relationship between empl. growth / decline in industry / country cells in 2008-2013 and TUD, CBC, MEB and *average* management – trade union relationship per cell
  
  – Relationship empl. growth / decline *individual* companies with MAN - TU: score in growing (>5% in 2012-2014) companies higher than in declining (<5%): av. 3.24 vs 3.07; companies in between score av. 3.11

• **Summary Table A3.17: dev’t employment 2008-2013 in %:**

<table>
<thead>
<tr>
<th></th>
<th>M&amp;E</th>
<th>wholes.</th>
<th>retail</th>
<th>ICT</th>
<th>T&amp;T</th>
</tr>
</thead>
<tbody>
<tr>
<td>W/N/S Eur.</td>
<td>-8.3</td>
<td>5.2</td>
<td>4.7</td>
<td>15.6</td>
<td>-2.3</td>
</tr>
<tr>
<td>10 CEE c.</td>
<td>-9.1</td>
<td>-11.1</td>
<td>-3.6</td>
<td>36.0</td>
<td>-4.8</td>
</tr>
<tr>
<td>TOTAL 23c.</td>
<td>-8.5</td>
<td>1.7</td>
<td>3.3</td>
<td>17.8</td>
<td>-2.8</td>
</tr>
</tbody>
</table>
4.5 Ownership categories and IR characteristics

• **Results**
  - The *larger* the employment share of *foreign-owned* MNEs in top5, the *lower* TUD and CBC
  - The *larger* the employment share of *home-based* MNEs in top5, the *higher* TUD, CBC and MEB
  - Employment shares of state firms or domestic firms not related to any IR characteristics

• **Summary Table A4.2 (vertical = 100) concerning 565 companies**

<table>
<thead>
<tr>
<th>Ownership Category</th>
<th>M&amp;E</th>
<th>wholes.</th>
<th>retail</th>
<th>ICT</th>
<th>T&amp;T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign-owned MNE</td>
<td>56</td>
<td>41</td>
<td>49</td>
<td>70</td>
<td>12</td>
</tr>
<tr>
<td>Home-based MNE</td>
<td>33</td>
<td>29</td>
<td>36</td>
<td>22</td>
<td>28</td>
</tr>
<tr>
<td>State firm</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>58</td>
</tr>
<tr>
<td>Domestic firm</td>
<td>11</td>
<td>30</td>
<td>15</td>
<td>8</td>
<td>2</td>
</tr>
</tbody>
</table>
4.6 Employment concentration and IR characteristics

- **Results**
  - The *larger* the employment share of top5 companies, the *poorer* management – trade union relationship
  - Yet: the *larger* the employment share of top5 companies, the *higher* TUD
  - No relationship between employment share of top5 companies and CBC / MEB

- **Summary Table A4.3** (concentration measured as share top5 companies in employment of industry/country cells)

<table>
<thead>
<tr>
<th>metal &amp; electr.</th>
<th>wholesale</th>
<th>retail</th>
<th>ICT</th>
<th>transport &amp; telecom</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.8</td>
<td>7.5</td>
<td>21.5</td>
<td>16.4</td>
<td>28.5</td>
<td>17.8</td>
</tr>
</tbody>
</table>
• **Collective agreements**
  – The survey asked about collective agreements per industry
  – Data available on 181 agreements from 5 industries, of which 5 in more than one industry
  – These are preliminary results, more agreements needed (!)

• **Results: MEB versus SEB**
  – 173 agreements with signatories: 60% MEB, 40% SEB, but biased because MEB agreements are much more easy to find
  – Most MEB CLAs in wholesale (80%), retail (67%) and M & E manuf. (60%), least in transport & telecom (51%) and ICT (36%)
  – Transport & telecom often exception, even in countries where MEB practices overall dominate: in for example NL transport & telecom 55% of employees covered by SEB CLAs (NL 5 industries total: 17%; NL overall total: 11%)
Results: which topics are covered by collective agreements?

- ‘wage increase’, ‘working hours’, and ‘training’ significant more often in MEB agreements
- ‘work organisation’ significant more often in SEB agreements
More to be done ...

- Complete the databases for trade unions, employer organisations, collective agreements
- Complete the analysis on which factors impact bargaining practices, in particular concerning MEB, relate this to developments in *national* industrial relations (cf. Chapter 2, 2.5).
- Write draft reports on Metal & Electronics manufacturing and on Wholesale and Retail (Commerce)
- Organize two more seminars: Bratislava 23 September (M & E, by CELSI), Amsterdam 7 October (wholesale and retail, by AIAS)
- Also on behalf of these seminars: find relevant cases of collective bargaining, have them presented
- Final reporting: 5 industry reports (November 2016), one overall report / book (Spring 2017), ETUI Policy Brief (Spring 2017)
Thank you for your attention 😊 😊

Questions? Today +

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