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

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Organized by CELSI
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(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
  – Ownership categories and IR characteristics
  – Size of companies/subsidiaries and IR characteristics
  – Development of employment and IR characteristics
  – Economic concentration and IR characteristics
  – Collective agreements database: outcomes
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 configurations related to new technology; ‘sharing economy’ (Uber, Airbnb, etc.)
### Summary T. A3.11: % employment in MNEs (FDI: FO = foreign-owned, HB = 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>58</td>
<td>7</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>
### 3. Employment in multinationals – 2

**10 most widespread MNEs in M & E**

<table>
<thead>
<tr>
<th>MNE</th>
<th>Among top 5 M &amp; E employers in</th>
<th>Empl. here in 2014 / % total employed</th>
<th>Expansion/job cuts 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volkswagen (DE)</td>
<td>BE, CZ, DE, ES, HU, PL, PT, SK, SE</td>
<td>351,400 (59%)</td>
<td>CZ+, PL+, DE-</td>
</tr>
<tr>
<td>ArcelorMittal (IN)</td>
<td>BE, CZ, ES, FI</td>
<td>31,600 (14%)</td>
<td>BE-, FR+</td>
</tr>
<tr>
<td>Siemens (DE)</td>
<td>CZ, DE, DK, PT, UK</td>
<td>141,900 (41%)</td>
<td>DE-, FR-, UK+</td>
</tr>
<tr>
<td>Groupe Renault (FR)</td>
<td>ES, FR, RO, SI</td>
<td>59,600 (50%)</td>
<td>FR+, RO+, SI+</td>
</tr>
<tr>
<td>PSA (+ Faurecia, FR)</td>
<td>FR, PL, PT, SK</td>
<td>85,900 (42%)</td>
<td>FR+</td>
</tr>
<tr>
<td>Robert Bosch (DE)</td>
<td>AT, CZ, DE, HU</td>
<td>145,000 (50%)</td>
<td>BE-, DE+/-, HU,PL,RO+</td>
</tr>
<tr>
<td>ABB (CH/SE)</td>
<td>BU, FI, SE</td>
<td>46,400 (33%)</td>
<td>BU+</td>
</tr>
<tr>
<td>Autoliv (SE)</td>
<td>EE, RO, SE</td>
<td>15,900 (27%)</td>
<td>RO+</td>
</tr>
<tr>
<td>Volvo AB (SE)</td>
<td>BE, FR, SE</td>
<td>39,300 (40%)</td>
<td>SE+/-/</td>
</tr>
<tr>
<td>Ford (US)</td>
<td>(DE), ES, UK</td>
<td>43,100 (23%)</td>
<td>DE+</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 the survey**
- identify bargaining patterns and parties in each industry
- identify bargaining preferences of individual employees
- identify characteristics and orientation of companies: ownership; size; growth/decline of employment; economic concentration, all related to relationship management – trade unions

**Web-based survey**
- completed by 8 WIBAR3 researchers between July‘15 - April‘16
- Information about 115 industry/country combinations * 5 largest companies = 575 companies
4.2 Bargaining coverage and employees’ bargaining preferences

• **Based on WagelIndicator 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)

• **Outcomes**
  – 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)
  – WagelIndicator CBC outcomes close to ‘official’ CBC data for DE, IT, NL, UK
4.3 Four IR characteristics

- **Four characteristics:** Collective Bargaining Coverage (CBC); Trade Union Density (TUD); CLA share of MEB; management – trade union relationship (MAN-TU, 1/2-low <...> 5-high)

- **Outcomes based on ratings country/industry cells** (p. 53-54)
  - 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, CLA share of MEB

- **MAN-TU outcomes based on ratings indiv. companies** (p. 54-57)
  - Av. score M&E industry highest (3.25, total av. 3.00)
  - In M&E manuf. av. score foreign-owned MNEs (3.30) slightly higher than home-based MNEs (3.29), but overall opposite
  - Av. scores of MNEs based in 8 EU countries slightly higher abroad than in their home countries (3.13 versus 3.11)
  - Av. scores of US-based MNEs quite low (2.38)
4.4 (1) Ownership categories and IR characteristics

- **Outcomes for other three IR characteristics (p. 59-60)**
  - 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 575 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>57</td>
<td>42</td>
<td>43</td>
<td>68</td>
<td>12</td>
</tr>
<tr>
<td>Home-based MNE</td>
<td>33</td>
<td>29</td>
<td>42</td>
<td>21</td>
<td>28</td>
</tr>
<tr>
<td>State firm</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>58</td>
</tr>
<tr>
<td>Domestic firm</td>
<td>10</td>
<td>29</td>
<td>15</td>
<td>10</td>
<td>2</td>
</tr>
</tbody>
</table>
4.4 (2): Size of companies/subsidiaries and IR characteristics

- **MAN-TU outcomes based on ratings indiv. companies (p. 60-61)**
  - quite industry-specific: in M&E manufacturing av. score over 5000 employed highest (3.30), higher than 1001-5000 employed (3.16) and smaller/equal 1000 (3.00)....
  - but not in the other industries: see Table 4.9A (N=463)

<table>
<thead>
<tr>
<th>Size</th>
<th>M&amp;E</th>
<th>Commerce</th>
<th>ICT</th>
<th>T&amp;T</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;= 1000</td>
<td>3.00</td>
<td>3.15</td>
<td>2.57</td>
<td>3.29</td>
<td>2.86</td>
</tr>
<tr>
<td>1001-5000</td>
<td>3.16</td>
<td>2.64</td>
<td>2.93</td>
<td>2.82</td>
<td>2.95</td>
</tr>
<tr>
<td>&gt; 5000</td>
<td>3.30</td>
<td>2.94</td>
<td>2.80</td>
<td>3.08</td>
<td>3.06</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3.25</td>
<td>2.96</td>
<td>2.77</td>
<td>3.02</td>
<td>3.00</td>
</tr>
</tbody>
</table>
4.5 Development of employment and IR characteristics

- **Outcomes (p. 61-63)**
  - No significant relationship between empl. growth / decline *in 115 industry/country cells* in 2008-2013 and TUD, CBC, MEB and *average* management – trade union relationship per cell
  - Relationship employment growth / decline *in individual companies* in 2012-2014 with MAN – TU rel.: av. score in growing (>5%) companies (3.02) higher than in declining (<5%) companies (2.98), av. score of ‘in between’ companies lowest (2.96) – yet differences small!

- **Summary Table A3.12: growth of employment 2008-2013 in %**

<table>
<thead>
<tr>
<th>Region</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>
Outcomes (p. 63-64)

- The *larger* the employment share of top5 companies per country/industry cell, the *poorer* management – trade union relationship (!)
- Yet also: the *larger* the employment share of top5 companies, the *higher* TUD (!)
- No relationship between employment share of top5 companies and CBC / MEB

Summary Table A4.4 (economic concentration = 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>15.3%</td>
<td>7.5%</td>
<td>21.8%</td>
<td>16.3%</td>
<td>28.7%</td>
<td>17.9%</td>
</tr>
</tbody>
</table>

Note: concentration in car industry 35.8! (17 countries)
• **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 Collective Agreements Database: add CLAs!
• Complete the analysis on which factors impact bargaining practices, in particular concerning MEB, relate this to current developments in *national* industrial relations
• Organize one more seminar: Amsterdam 7 October (wholesale and retail, by AIAS)
• Integrate presented cases of collective bargaining and seminar debates in final reporting
• 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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