



TRADE UNIONS, COLLECTIVE BARGAINING AND SOCIAL DIALOGUE IN LOCAL AND REGIONAL GOVERNMENT IN THE EU MEMBER STATES, EEA AND CANDIDATE COUNTRIES

PART I

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FEDERATION
OF PUBLIC
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UNIONS

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EUROPEA DE
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ÖFFENTLICHEN
DIENST

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Introduction

This report looks at trade unions, collective bargaining and social dialogue in local and regional government in the 27 EU member states, as well as the EEA states of Norway and Iceland and the candidate countries, Croatia and Turkey. It aims to establish the current position and identify both common features and areas of difference.

The report shows that while social dialogue / collective bargaining is a central feature of the local and regional government sector in the majority of countries, more can be done to strengthen cooperation between employers and trade unions in the sector at all levels.

The information is drawn from a questionnaire circulated by European Public Service Unions (EPSU) to its affiliates in 2007 but it has also been supplemented from information from other sources, in particular the study on the 'new' member states and candidate countries undertaken in 2005¹ on behalf of both EPSU and the Council of European Municipalities and Regions (CEMR). In addition a number of individuals, primarily from the unions, but also from the employers, have provided very useful information and comments.

The Labour Research Department and EPSU is very grateful to the 27 EPSU affiliates who completed the questionnaire or otherwise sent material and all those who have helped in this study in other ways. Details of respondents and the main sources used are set out in Appendix 1. Other sources are included in the individual national reports.

¹ Strengthening social dialogue in the local and regional government sector in the 'new' Member States and candidate countries, a study carried out by ECOTEC Research and Consulting Ltd on behalf of EPSU and CEMR, 2005

The context

At the start of any attempt to compare unions, collective bargaining and social dialogue across the EU and more widely, it is important to emphasise that the context in which unions operate and collective bargaining and social dialogue takes place, varies enormously between countries.

It is not the function of this report to look at the more general differences in the industrial relations framework which exists in each of the states examined, such as the variations in union density or the contrast between those states where workplace representation is primarily through works councils and similar bodies and those where the local union is dominant.²

However, in looking specifically at unions, collective bargaining and social dialogue in local and regional government, it is worth identifying some of the main differences which exist in the way that local and regional government is structured and the functions that it undertakes.

The structure of local and regional government

One obvious difference is the number of tiers involved in local and regional government, excluding the decentralised parts of the national administration. Most countries (26 out of 31) have either two or three levels of local and regional government. Only five states, four smaller states, Estonia, Iceland, Luxembourg and Slovenia, and Bulgaria have a single tier. (Bulgaria and Estonia also have other tiers of administration but these are essentially part of the central administration – the counties in Estonia and the districts in Bulgaria – or have only a planning function – the regions in Bulgaria – and so have not been treated as part of regional and local government.)

France provides an example of a state with a three-tier system with 22 regions, 96 departments and 36,000 municipalities, and nine other countries follow a similar pattern. These are Belgium, Germany, Greece, Hungary, Ireland, Italy, Poland, Spain and Turkey. Perhaps unsurprisingly this list is largely composed of the larger countries – six of the seven EU member and candidate states with more than 35 million inhabitants have a three-tier system, although smaller countries like Ireland are also present.

Portugal can also be seen as having a three-tier system, with regions, municipalities and parishes (there are also districts which are effectively a local arm of central government). However, although the constitution provides for regions throughout Portugal, at present they only exist in the islands of Madeira and the Azores.

The one exception among the larger states without a three-tier system is the United Kingdom. It has two tiers and in some cases only a single tier of local and regional government, although there are variations within the UK. In Scotland, Wales and Northern Ireland there are regional assemblies and single-tier authorities; in England there are some (115) single tier authorities, but in some places there is a two tier-system with 34 counties and 238 districts. There are also indirectly elected regions in England, which have a role in co-ordination and liaison with central government. However, they cannot be compared with similar regional bodies in Germany or France.

² An overview of some of these differences is provided by the National Industrial Relations section of the ETUI-REHS website <http://ww.worker-participation.eu>

A more typical example of a two-tier system is provided by the Czech Republic, with 14 regions and 6,200 municipalities. A further 13 countries, Austria, Croatia, Cyprus, Denmark, Finland, Latvia, Lithuania, Malta, the Netherlands, Norway, Romania, Slovakia and Sweden, also have a two-tier system.

However, this tidy distinction between countries with one, two and three tiers of local government is in many ways illusory. There are problems of definition: for example, should the non-elected English regions with their very limited powers be classed as a third tier? Similarly, should Romania's regions, which deal with development planning and have been largely set up to bid for and administer EU regional funding be considered a third tier?

There are also exceptions within countries. In almost every case, for example, the arrangements for local and regional government in the capital city are not the same as those for the rest of the country. Isolated and geographically distant areas are often treated differently. The Portuguese island regions of Madeira and the Azores are one example, Åland in Finland is another. Even where local government units have the same legal status, variations in population mean that the reality is very different. Stockholm and Bjurholm are both Swedish municipalities but Stockholm has 783,000 inhabitants; Bjurholm has just 2,541.

The functions of local and regional government

Perhaps even more important than the structure of local and regional government are the functions it performs, and here too there are wide variations between the states examined.

The detailed picture is extremely complex and the extent of the available information does not permit a precise analysis of the different functions undertaken at regional and local level. However, one key distinction is between countries where compulsory education and/or health services are provided by local and regional government and those where these services are provided in another way.

Countries where local and regional governments are not responsible for the bulk of education and health include Cyprus, France, Greece and Ireland. Those where this level of government provides them both include Austria, Belgium, Bulgaria, the Czech Republic, Denmark, Estonia, Finland, Germany (although here as in many other countries health responsibility is shared), Hungary, Italy, Latvia, Lithuania, Norway, Poland, Slovakia, Spain and Sweden. Examples of countries where education is the responsibility of regional or local authorities but health is not, include Iceland, the Netherlands (although local authorities have a growing advisory role), Romania and the UK.

However, here as elsewhere in local and regional government, clear distinctions are not always easy to make. In Estonia, for example, municipalities have had no direct responsibility for health care since 2001, but most hospitals continue to be owned by them, either as limited companies or non-profit making foundations. In the Czech Republic, while the regions own hospitals and polyclinics for example, much of the funding comes from health insurance funds. In France, while teachers are employed by the state at national level, schools are built and maintained locally (primary schools by the municipalities, lower secondary schools by the departments and upper secondary schools by the regions).

The range of issues covered by local and regional government has a significant impact on the numbers employed. Cyprus, with a population of 780,000, employed 4,000 in local government in 2005; Iceland, with half the population (300,000) employs 22,000. The wider overall reach of the welfare state in Iceland explains much of this difference, but it is also the result of the fact that, while in Cyprus both education and health are the responsibility of central government, in Iceland education at primary and lower secondary level is the

responsibility of local authorities. A similar contrast is found in the numbers employed in local and regional government in France and Sweden. In France, where hospital services are provided by a separate administration and teachers are employed by national government there are 1.61 million employed in local and regional government – one employee for every 38 inhabitants; in Sweden, where both health and education are the responsibility of the municipalities and counties, there are 1.05 million employed in local and regional government – one employee for every nine inhabitants.

The fact that local and regional authorities in different countries employ different types of workers also has an impact on the nature of industrial relations. Health service workers caring for members of the public have both constraints and opportunities for pressure that are not the same of those facing workers dealing with waste disposal or municipal planning. They may also sometimes feel they have different interests as the 2007 dispute on nurses' pay in Finland indicated.

Employment status

Another key element in the context in which unions in local and regional government operate, negotiate and become involved in social dialogue, is the status of those working in the sector – are they normal employees, or do they have a special employment position?

The name given to those with this special status varies from country to country. For example, they are “Beamte” in Germany and Austria, “funcionarios” in Spain and “fonctionnaires titulaires” in France – terms sometimes translated as “civil servants” or “public servants” in English. Although the precise employment conditions of those with this special status also vary from country to country, in most cases they combine both greater protection and greater restrictions on their freedom and increased requirements on them to act in line with the state's needs. For example, while it may be very difficult to dismiss these public employees with a special status and a life-time career may be guaranteed, there may also be precise rules setting out how they can be recruited and promoted and they may also be required to move around the country as required by their employer and they may be subject to a different disciplinary procedure from those employed in the private sector.

The status of those working in local and regional government is important in industrial relations terms as it can affect both the extent to which their pay and terms and conditions are subject to collective bargaining, rather than being set unilaterally by the government through legislation and, in more extreme cases, it can determine whether or not they are able to take industrial action.

In fact in the 19 of the 31 countries examined, at least some of those working in local and regional government have a special employment status, which is substantially different to those in the private sector. Only in 12 states, Cyprus, the Czech Republic, Ireland, Italy, Latvia, Malta, the Netherlands, Norway, Poland, Slovakia, Sweden and the UK, is this not the case. (This does not mean that in all these countries there are no differences in status between those in local and regional government and private sector employees. For example, there are differences between the situation of public and private sector employees in the Netherlands. However, these differences are much less than they were.)

However, while there are 19 states where some of those working in local and regional government have a special status, the proportion of those who have this status is very varied. In France, for example, almost four-fifths (79%) of those in local and regional government have this status, whereas in Estonia it is only a small minority. The proportion of those with special status also varies in line with the level of government in which the individuals are working, although generally those working at regional or district level are more

likely to have a special status than those working at municipal level. In Germany, for example, 61% of those at regional level have a special status (they are mostly teachers, police officers or work in the justice system), while only 14% of those at municipal level have this special status. Similarly in Spain, only 11% of those working at regional level are normal employees; at provincial level this rises to 51% and at municipal level to 61%.

Other elements

There are other elements in the context in which local and regional government operates which also have an impact on unions, collective bargaining and social dialogue. These include, whether local and regional government is growing or contracting in terms of the services provided or the numbers employed, structural changes, and the financial situation that local and regional authorities face. The context for bargaining may also be very different depending on whether local and regional authorities raise their own funds or are dependent on central government.

However, this would involve a much wider and more extensive study. The next section therefore looks directly at the unions involved.

Unions

Types of union

There are a wide variety of types of union involved in local and regional government. Some, such as Ver.di in Germany and UNITE in the UK (the new union into which both Amicus and the TGWU have merged), also organise in many sectors of the economy, including large parts of the private sector. Others, such as Funzione Pubblica CGIL in Italy, ABVAKABO FNV in the Netherlands, CSC Services Publics/ ACV-Openbare Diensten in Belgium, IMPACT in Ireland, ROTAL in Estonia or PASYDY in Cyprus only organise in the public or semi-public sector, but have members across all of it. There are others which confine their activities to the areas covered by local and regional government. Examples of unions of this type are Kommunal in Sweden, FSP CGT in France, STAL in Portugal and GdG (only at municipal level) in Austria. There are also unions which only cover some of the areas, for which local and regional government is responsible. These include the fire-fighters' union OSH in the Czech Republic, the health and social services union SOZPZASS in Slovakia, and the health and social care union Tehy in Finland.

There are also powerful unions organising teachers, who are frequently employed by local and regional government. They are not covered in this report as they do not fall into the organising area of EPSU. EPSU affiliates are, however, involved in education as they often organise large numbers of support staff, such as teaching assistants or school administrative staff.

As well as differences in the areas covered by the unions there are also contrasts in their internal structure. Some, like the French and Romanian unions, the Polish FZZPGKiT and the Icelandic BSRB are federations of local union groupings, whereas others, like UNISON and the GMB in the UK, ABVAKABO FNV in the Netherlands, and Sloves in Slovakia have a clear centralised structure. There are also some, like the Public Service Employees Section of the General Workers' Union in Malta, and the Służb Publicznych (public service) section of Solidarność in Poland, which officially are simply part of an overall union structure which covers the whole of the economy.

Links with the main national union confederations

Whatever the variations in union coverage and structure, in the majority of the 31 states the dominant unions operating in local and regional government are affiliated to the main union confederations in their countries and their organising arrangements are typical of other unions in the same country.

In Sweden, for example, there are three main union confederations, each dealing with a different part of the occupational structure. These are LO which mainly organises manual workers; TCO, which organises mostly non-manual workers; and SACO which organises graduate employees. This breakdown is reflected in local government where Kommunal is the LO affiliate, SKTF and Vårdförbundet, which represent health professionals such as nurses, midwives and radiographers, are the TCO affiliates and Akademikerförbundet SSR, representing graduate staff across a range of professions, and the doctors' union Sveriges Läkarförbundet are the SCAO affiliates.

In Portugal, on the other hand, confederations are traditionally divided on political rather than occupational lines. There are two main competing confederations – the CGTP and the UGT – the local government union STAL is affiliated to the CGTP while broader public union

SINTAP is affiliated to the UGT. The situation is similar in the Netherlands where there are two confederations, the FNV and the CNV, initially divided on ideological/confessional lines, and a third grouping, the MHP, representing more senior staff. Affiliates of all three confederations organise in local and regional government – ABVAKABO FNV, CNV Publieke Zaak and CMHF, which is part of MHP and itself is a federation.

In Austria, Latvia, Slovakia or the UK, where almost all unions are affiliated to a single dominant confederation, this is also the case for the unions operating in local and regional government.

However, although in most states the structure of unions in local and regional government reflects the overall national picture, there are countries where this is not the case.

In three cases, there are union confederations other than those that are dominant nationally, which have members in a range of sectors but which are stronger in the public sector, including local and regional government. The countries in this position are:

- France, where UNSA has a relatively strong position in the public sector as compared with the rest of the economy;
- Italy, where CISAL is much more influential in the public sector (and in finance) than elsewhere; and
- Poland, where the FZZ confederation has its greatest strength in the public sector.

In another seven countries there are union groupings, which do not belong to the main confederations and operate only in the public or former public sector, where they have a strong position. These are:

- Cyprus, where PASYDY, which states it organises 90% of non-manual public servants, is not part of the three main confederations;
- Germany, where the DBB, which operates in the public sector and is outside the main confederation, the DGB, states it has 1.27 million members. The DBB union komba states it has 70,000 members in local and regional government, although this is substantially fewer the membership of Ver.di, the DGB union in the same sector. It records a membership of around 300,000 in local government alone;
- Greece, where the confederation ADEDY organises the employees in the public sector with special status, including those in local and regional government. ADEDY is not part of GSEE the larger union confederation in Greece, although two confederations have agreed to work together with the intention of moving towards an eventual merger;
- Hungary, where there are six confederations organised largely on a sectoral basis and two confederations SZEF and ESZT cover public services, such as health, education and local and central government. ESZT's members are higher-grade graduate employees, particular in higher education and research institutes and SZEF has the rest, although the two unions cooperate. The main local government union in Hungary, with perhaps 20,000 members in the sector, is MKKSZ;
- Luxembourg, where the FGFC, which belongs to neither of the two main union confederations, OGB-L and LCCB, is the most influential union in local government, as reflected in elections to the bodies representing local government employees;
- Slovenia, where a large part of the public sector workforce is organised in unions outside these confederations, which until recently were autonomous, but which came together in a new confederation KSJS. With around 80,000 members it is now probably the second-largest union confederation in Slovenia, behind the main confederation ZSSS, which stated that it had 300,000 members, including the unemployed and pensioners, in 2005; and
- Spain, where the CSI-CSIF is an important union grouping outside the two main confederations CCOO and UGT, although in local government it has fewer members than they have.

European affiliation

There is less variation in terms of the European affiliations of unions in local and regional government in the 31 states. In the overwhelming majority of countries, 27 out of 31 – including all the larger states, the major unions representing local and regional government employees are affiliated to EPSU. The four countries where this is not the case are:

- Hungary, where MKKSZ, the main union in local and regional government is affiliated to CESI (Confédération Européenne des Syndicats Indépendants – European Confederation of Independent Trade Unions);
- Slovakia, where the main union, Sloves, is affiliated to Eurofedop (European Federation of Public Service Employees);
- Slovenia, where no local government union is affiliated to EPSU; and
- Luxembourg, where the main local government union, FCFC is affiliated to CESI.

There are also some countries, where unions that are influential although not dominant in local and regional government are not affiliated to EPSU. These include:

- Germany, where the DBB is affiliated to CESI;
- Spain, where CSI-CSIF is affiliated to both CESI and Eurofedop;
- Poland, where FZZ is affiliated to CESI;
- Romania, where FNSA has no European affiliation;
- Malta, where the UHM is affiliated to Eurofedop.

Finally there are three countries where unions representing workers in regional and local government are affiliated to both EPSU and Eurofedop. These are:

- the Netherlands, where CNV Publieke Zaak is affiliated to both;
- Belgium where CSC Services Publics/ACV-Openbare Diensten is also affiliated to both; and
- Austria, where the structure of unions allowing the formation of political factions means that the Christian Democratic grouping of the GÖD, which has substantial membership at regional level, is affiliated to Eurofedop, while the Social Democratic group of GÖD is affiliated to EPSU.

However, again it should be emphasised that these are exceptions. The unions representing the largest number of local and regional government employees in Europe, such as UNISON in the UK, Ver.di in Germany, FP CGIL-SP in Italy, ABVAKABO in the Netherlands, and Kommunal in Sweden are all affiliated to EPSU.

Collective bargaining

Does collective bargaining take place?

Clearly in looking at the operation of collective bargaining in local and regional government, the first thing to establish is whether collective bargaining takes place at all. In fact, in all 31 states, there are negotiations about pay and conditions, although in some countries these only cover a part of the workforce, and in others the process is not formally known as collective bargaining.

One crucial difference is between the 12 states where all those employed have effectively the same status as private sector employees and the remaining 19, where some of those working in local and central government have a special status.

Unsurprisingly, in all 12 states where those working in local and regional government are treated as normal employees, there is also normal collective bargaining. These are Cyprus, the Czech Republic, Ireland, Italy, Latvia, Malta, the Netherlands, Norway, Poland, Slovakia, Sweden and the UK. This does not mean that the pay and conditions of all employees in these countries are subject to bargaining. In Latvia and Poland, for example, where collective bargaining is largely local, there are negotiations only where the union is strong enough to compel the employer to negotiate. However, the fact remains that there are no legal barriers to collective bargaining applying to the entire workforce in local and regional government. (This does not include those working for the central government who are based at local level, who may have special status. This is the case in Slovakia, for example, where workers with and without special status work alongside one another in the local offices of central government, but not in local and regional government.)

Most of the remaining 19 states, where some of those working in local and regional government have a special status, also have normal collective bargaining for both those with special status and those without. However, there are some states where bargaining for those with special status does not take place and others where there is bargaining, but it has a different legal status, or is subject to other procedures.

There are three states, Bulgaria, Germany and Lithuania, where the pay and conditions of those with special status is not subject to bargaining, but instead determined unilaterally by the state, without negotiation. In Germany, for example, individual regions (Bundesländer) set the terms and conditions of the Beamte (the German title for those with special status) they employ by regulation rather than negotiation. In the past their terms and conditions used generally to follow those of other employees, whose pay and conditions were set by collective bargaining. However, more recently the regions have used their right to determine the terms and conditions of Beamte unilaterally to drive down conditions. Bavaria, for instance, increased weekly working time for its Beamte from 40 to 42 hours a week in September 2004.

However, it should be emphasised that, although the pay and conditions of those with special status in these states are set by regulation or legislation, the pay and conditions of other employees are subject to collective bargaining.

There are five other states, where the pay and conditions of those with special status are not negotiated in the same way as other employees, although the extent of the difference varies greatly, with the possibility of effective collective bargaining for these groups of workers, clearly much greater in Austria or Luxembourg than in France, Greece or Turkey. The individual national positions are set out below:

- in Austria, Beamte, those with special status, are not covered by collective bargaining as such but in fact there are annual negotiations on pay before pay levels are set. Results are the same for both Beamte and normal employees;
- in France, the terms and conditions of the vast majority of the workforce – those with special status (fonctionnaires titulaires) – are set by legislation and regulations. In strictly legal terms, therefore, there is no collective bargaining. On the other hand legislation passed in 1983 states that trade unions are entitled to conduct “negotiations with the government” before decisions on pay rises are taken, and to “debate questions relative to the conditions and organisation of work”. The whole process has been criticised by the unions and others particularly the fact that there is no calendar for negotiations or for increases, with the timetable often depending on political considerations. However, in an agreement signed by some unions at the start of 2008, a broad timetable for pay negotiations for the next three years was agreed;
- in Greece, the pay and conditions of those with special status as public servants are set centrally, and although in principle there is collective bargaining, and unions are able to submit proposals on pay increases, in practice pay is set unilaterally by the government.
- in Luxembourg, the pay and conditions of those with special status as well as non-manual employees of local government are negotiated for all municipalities but these negotiations are followed by legislation to give them legal effect. For manual workers, there are direct negotiations with individual municipalities;
- in Turkey, the pay and conditions of those with special status – “civil servants” – are set by the government after taking into account the views of the unions. There is a “reconciling committee” to aid agreement, but the government continues to take unilateral decisions.

There are also four states, Hungary, Portugal, Romania and Spain, where the pay and conditions of all employees in the public sector are subject to legislative approval, after they have been negotiated, although in recent years there has been a clear difference between Portugal, where the government has consistently imposed settlements that the unions have rejected, and the others. The detailed position in each of these states is as follows:

- Hungary, where collective agreements for the public sector are not legally binding unless they have been implemented through legislation;
- Portugal, where terms of employment in the public sector are currently in the process of a major reform, and where there are negotiations on the pay and conditions of those employed in local and regional government, but the government reserves the right to take the final decision and has frequently imposed its own settlements;
- Romania, where following negotiations the government implements pay increases for those with the status of public servants through a government ordinance and
- Spain, where the general pay increases for public employees are negotiated before being included in the legislation on the budget every year, and the legislation on public sector pay says that while normally agreements will be honoured, the state reserves the right to suspend or modify them in cases where “substantial changes in the economic circumstances” result in a serious threat to the public interest.

The level of negotiations

One important element in the picture is the level at which the main negotiations are conducted. Here it is possible to divide countries into three broad groups, although the boundaries between them are not always precise. First, there are those states where negotiations are for the whole of the public sector, including local government. Second, there are those where there are separate negotiations for those working in local and regional government but all, or most, of those working in the sector are covered by a single agreement. Finally, there are those where there is no national agreement for local and

regional government employees and individual municipalities or regions reach their own deals³.

Agreements for the whole of the public sector

There are 10 countries where the pay and conditions of local and regional government employees are settled as part of an overall public sector deal. They are:

- Austria, where apart from an interruption between 2000 and 2003, negotiations cover employees at national, regional and local level. The representatives of the municipal employers are present throughout the talks;
- Cyprus, where wages and conditions for all public sector employees are set in national negotiations in which representatives from the districts and municipalities are involved;
- the Czech Republic, where there are national negotiations between government and unions for the whole public sector;
- France, where there are three clear groups of public servants, in the central ministries, the hospital service and local and regional government, but the pay increases for all 5.2 million are set by a single ministerial decision;
- Hungary, where annual negotiations set the pay and conditions for all public sector employees;
- Ireland, where in practice pay for the whole public sector is set as part of the series of national pay agreements that have been in place for the last 20 years, although negotiations are formally with the Local Government Management Services Board,;
- Portugal, where there is a common increase for the whole public sector;
- Romania, where negotiations set pay at national level for those working in both central and local government, although individual local authorities can agree to make additional payments
- Slovakia, with a single agreement for those without special status in both local and central government; and
- Spain, where legislation in 2006 introduced a new top-level negotiating committee for the whole of the public administration.

The position in Germany is similar, although it does not precisely fit this pattern, as there is no longer a single set of negotiations for those employed by central, regional and local government. In 2004, during negotiations on a major restructuring of the agreement, the employers at regional level withdrew. As a result, there are now two separate sets of negotiations, one for central and local government employees and one for employees in regional government.

Agreements for the whole of local government

The second and largest group is made up of 12 countries where the main settlements for employees in local and regional government are reached nationally but are not part of an overall public sector agreement, although there are important differences between countries in the group. Those negotiating in this way are:

- Belgium, where regional and local government issues are dealt with in a separate committee known as “committee C”, in Belgium’s tightly defined negotiating structure. There are separate committees in each of Belgium’s three regions, and issues relating to employees’ social security rights, such as pension or sickness absence are dealt with by a committee covering the whole of the public service in Belgium “committee A”;
- Denmark, where there are negotiations between the union and the local government employers’ association KL;

³ Not all countries are covered in this section. There are no details on Iceland.

- Finland, where there are five major national agreements for different groups in the local and regional government sector. The most important is the general collective agreement (KVTES) covering around 70% of all employees;
- Greece, where the unions representing employees in local and regional government negotiate with central government (Ministry of Finance and Ministry of Internal Affairs). The local government association KEDKE is an observer in the discussion between the two sides;
- Italy, where the unions conduct negotiations with a state agency ARAN, for each of the sub-sectors in the public sector, one of which is local and regional government;
- Luxembourg, where there are central negotiations for all those with special status and non-manual employees, although the pay and conditions of manual employees are negotiated in each municipality;
- Malta, where a national agreement for the sector is agreed;
- the Netherlands, where there is a national agreement for municipal employees, signed by the unions and the Netherlands local authorities association (VNG);
- Norway, where a national agreement for all local government employees is signed with the Norwegian local authorities' association KS;
- Slovenia, where bargaining is sectoral;
- Sweden, where there are a number of separate centralised collective agreements for local and regional government employees, although on the employers' side, both counties and municipalities negotiate together as SKL; and
- the UK, where bargaining is centralised for most local authorities, although authorities can break away and some have done so. There are separate negotiating arrangements for Scotland and Northern Ireland.

Local negotiations

The final group are those countries where pay and conditions are negotiated locally with individual local and regional authorities. There are seven countries in this group (eight if Luxembourg is included – see below), and it is particularly noticeable that most are countries from Central and Eastern Europe. The states are:

- Bulgaria, although there are no negotiations for those with special status;
- Croatia;
- Estonia;
- Latvia,
- Lithuania, although there are no negotiations for those with special status;
- Luxembourg, although only for manual employees. There are central negotiations for all those with special status and non-manual employees;
- Poland; and
- Turkey, although again, there are no negotiations for those with special status.

Blurring boundaries

This categorisation of agreements is helpful in analysing the systems of collective bargaining in the countries examined. However, often the boundaries are in reality less precise than is indicated here. Firstly, pressures from the centre are present even in countries whose bargaining arrangements appear to be entirely sectoral or local, and secondly, even in centralised systems, there is often scope for local flexibility.

Pressure from the centre

Belgium and Finland, for example are both countries where there are separate negotiations for those in local and regional government, rather than an overall public sector deal. But these negotiations take place within the context of an existing national framework.

In Belgium, it is the national framework agreement, reached every two years for the private sector which sets strict limits on pay increases. In Finland, it is the national agreement between the union confederations and the employers' associations, which fixes a recommended framework for pay increases for lower level bargainers, normally for a period of two years or more.

In other countries, the fact that central government provides much of the finance for local and regional government may mean that it can influence the outcome of the negotiations. This is clearly the case in Greece, for example, where the central government is the negotiating partner for the unions. It is also the case in Italy. Here where before negotiations on local government start there are negotiations on the extent of pay increases across the whole public sector between the government and the main union confederations and when negotiations for local government have been completed and been signed by the negotiating agency ARAN, they go back to the government for final ratification. In the UK, the national government exerts considerable pressure on local government negotiators. And in Poland too, although individual local authorities conduct their own negotiations, central government sets the overall financial framework.

However, while in many states which appear more decentralised there are pressures from the centre, in many apparently more centralised arrangements there is substantial local flexibility. This is examined in the next section.

Local flexibility

There are three main ways in which local flexibility can be provided within an apparently centralised system.

One possibility is that individual local authorities unilaterally improve pay levels for those they employ. In Spain, for example, municipalities and regions can agree higher pay increases than those agreed at national level. In the past, their legal right to do so has been called into question. However, the practice is common, both at municipal and regional level. In Romania too individual local authorities can agree to make additional payments.

A second possibility is that the national agreements are essentially framework agreements, which set a total value of the increase to be paid but leave the question as to how the increase should be distributed to local negotiation. This is very much the approach in the Nordic countries, and agreements along these lines have been signed in Denmark, Finland, Norway, where the 2007 settlement does not leave room for local negotiations, and Sweden.

The 2005 agreement with the manual union Kommunal in Sweden gives an indication of how this works in practice. It provided for an increase of 510 SEK in 2005 and 500 SEK in 2006, equivalent to a 2.95% increase in the first year and a 2.8% increase in the second. But only 175 SEK was guaranteed to individuals in each of the years, leaving an average of 335 SEK per person for local negotiation in the first year and 325 SEK in the second. The only other fixed points on pay in the agreement were minimum rates.

The third possibility is that national agreements allow some scope for local authorities to vary some aspects of pay and/or conditions. This is probably the most common way of permitting local flexibility and it occurs in Belgium, the Czech Republic, France (where despite the highly centralised nature of the system, individual local authorities have some freedom to vary pay arrangements for bonuses and other supplements, although within national limits), Germany, Hungary, Italy and the UK.

Broader social dialogue

Definitions

Collective bargaining is, of course a form of social dialogue, but this section looks at discussions between unions and employers in local and regional government, which go beyond the immediate negotiation sessions on pay and conditions, and look at wider issues, ranging from those very close to the workplace, such as the organisation of working time or health and safety, to those further from it, such as the reform of local government or the challenges, such as migration, changing age profile, or the need for increased diversity, that it faces.

The section also concentrates on discussions at the higher levels in the structures – national or regional – rather than local arrangements, although these cannot be ignored completely.

Forms of social dialogue – formal or informal

One obvious distinction between countries is whether social dialogue is formal or informal – whether discussions between unions and employers on broader issues take place in a clearly defined forum, possibly set up by legislation – or whether they happen in ad hoc working groups, or at the edges of negotiation.

France provides a clear example of formal social dialogue, with the national council for local government, the CSFPT, which must express its opinion on legislative proposals which may have an impact on public servants employed in local government. Others include the Municipal Council for Tripartite Cooperation in Bulgaria, the Local Authority National Partnership Advisory Group in Ireland and the National Interest Reconciliation Committee of Civil Servants in Local Government in Hungary.

Informal social dialogue is, by definition, more difficult to identify. However, the UK unions consider that the discussions that they have with local government employers on a wide range of issues constitute informal social dialogue.

Overall, the responses from the survey and other available information indicate that 17 states have formal social, dialogue. These are Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Luxembourg, Norway, Spain and Sweden.

In the others the situation is less clear, although most have some discussions between employers and unions in local government, which go beyond issues of terms and conditions.

It should be emphasised at this point that the dialogue referred to here is dialogue relating specifically to local and regional government employees or in some cases the public sector as a whole. National social dialogue institutions are not included – Slovakia, for example, has clear and precise institutions for social dialogue at national level. However, they are not present for local and regional government.

There may also be arguments about whether social dialogue exists in reality as well as on paper. In March 2008, the Portuguese local government union STAL accused the secretary of state for local administration of refusing to take part in dialogue about the large-scale reorganisation of the employment structure in the public service, currently underway in Portugal.

The level of social dialogue

A second issue is the level at which this broader social dialogue takes place. In some countries, social dialogue institutions are at the level of the whole of the public sector. This is the case, for example in Cyprus, where there is a Joint Staff Committee for the whole of public sector, in Luxembourg, where there is a chamber for those with special status and public non-manual employees (Chambre des Fonctionnaires et Employés Publics), and Spain, where the body for social dialogue is the Forum for Social Dialogue in Public Administration (Foro para el Diálogo Social en las Administraciones Públicas). This covers the whole public sector and it was set up in September 2004.

Elsewhere, as for example in Belgium, there is a structure of social dialogue which starts at the national level for the whole of the public service, moves through local government, and goes down to individual regions and municipalities. In France, as well as the national council for local government, there are also local committees (CTPs) dealing with work organisation, in each local authority employing at least 50 people – authorities with fewer employees than this are linked to a larger authority – and separate local committees, CAPs, at departmental level dealing with career development. These are all joint committees with elected employee members. The unions take the seats in line with the support they receive in the elections, although at national level the membership of the committees also guarantees seats to nationally representative trade unions. These bodies only represent public servants with special status. The “non-titulaires” are not covered.

In Germany there are local bodies “Personalräte” which represent the interests of employees at local level and must be consulted on a range of issues, but there is not a national structure. In the UK many local councils have “Consultative Committees”, which bring together unions and senior managers on a regular basis

The issues covered by broader social dialogue

However, in many ways, it is the content that is more important than the form or level of social dialogue. Here it is clear that in many cases the key concerns for social dialogue are those which are closest to the working environment – the organisation of work, health and safety, and proposals to increase productivity. In Belgium, for example, there must be consultation on the following issues “concrete decisions in the areas of the framework of personnel, the length of working time, and the organisation of work, problems of health and safety, proposals which aim to improve human relations or increase productivity”.

In the responses to the survey and the terms of reference of social dialogue institutions, the organisation of work and working time is also specifically referred to in Cyprus, France, Italy, Norway, Sweden and the UK, while health and safety is referred to in the Czech Republic, Finland, France, Latvia, Sweden, Turkey and the UK – where third-party violence at work is a particular concern.

Another direct concern comes when there are proposals to change the pay or career structure – although here, as in many similar areas, social dialogue and consultation shades into negotiations. Discussions on changes to pay and career structures have been major topics in recent years in both Germany and the UK, and they are currently of central importance in Portugal and in Sweden, overall pay levels in local and regional government are also on the agenda. In France, Spain and Turkey the employment status of those working in local and regional government, and the extent of atypical working is part of the wider discussion between employers and unions.

However, it is clear that social dialogue discussions go beyond these issues of very direct relevance to employees. Training and life-long learning is an issue taken up in consultation in many countries, including Cyprus, Denmark, Finland – where the issue of training for those who have been in work for a long time is on the agenda – Ireland, Sweden and the UK..

Unions are also naturally interested in changes in the way services are delivered, as they are likely to have an impact on their members' working conditions. Social dialogue has dealt with restructuring, outsourcing and privatisation in Bulgaria, Ireland and Italy, while reform of local government itself has been discussed in Bulgaria, Denmark, Estonia, Greece and the UK.

There have also been more general discussions on the relationship between unions and local and regional government as an employer, including mechanisms to resolve labour disputes, in Bulgaria, Croatia, the Czech Republic, Finland and Greece.

Other issues covered in social dialogue discussions include equality and diversity issues in Norway and the UK, the impact of migration and the ageing workforce in Sweden, environmental issues in the UK and the implementation of EU directives in Denmark, Estonia and Ireland.

This is not an exhaustive list, particularly in terms of which countries have discussed which topics. However, it indicates the range of topics being discussed and is evidence of the fact that employers in many countries are willing to enter into discussion with unions on topics which go far beyond the immediate concerns of pay and conditions.

Appendix 1

Unions responding to EPSU questionnaire

| Country | Unions responding |
|----------------|---|
| Croatia | SDLSN |
| Cyprus | FPSEK |
| Czech Republic | OS ZSP & OSH |
| Denmark | Dansk Metal, FOA & KRIS (international co-operation body) |
| Estonia | ROTAL |
| Finland | JHL |
| France | INTERCO-CFDT & material from CGT-FSP |
| Germany | Ver.di (detailed comments on draft) |
| Greece | POE-OTA |
| Ireland | IMPACT |
| Italy | FP CGIL |
| Latvia | LAKRS & LVSADA |
| Norway | Fagforbundet & KFO |
| Spain | FSAP-CCOO |
| Sweden | Kommunal & SKTF |
| Turkey | Tüm Bel sen, Genel-Is & Hizmet-Is |
| UK | Unite (Amicus Section) & Unite (T&G Section) |

Key sources used

Fonctions Publiques Locales en Europe: Décentralisation et réforme des conditions d'emploi des agents publics dans l'Europe élargie, by Patrice Azan: Centre National de la Fonction Publique Territoriale; March 2005

Industrial relations in the public sector, by Lorenzo Bordogna, EIRO; 2007 <http://www.eurofound.europa.eu/eiro/studies/tn0611028s/tn0611028s.htm>

Institutional representativeness of local public sector trade union and employers' organisations in the EU by Pierre Walthery: Université Catholique de Louvain Institut des Sciences du Travail

Local and regional structures in Europe: CEMR; 2005

Strengthening social dialogue in the local and regional government sector in the "new" Member States and candidate countries, by ECOTEC Research and Consulting Limited on behalf of EPSU and CEMR; December 2005

Appendix 2

EPSU survey on union membership, collective bargaining and social dialogue in local and regional government

EPSU would like to get a better picture of developments in the areas of union membership, collective bargaining and social dialogue in local and regional government, so that we can be more effective and provide a better service to our members. We have therefore commissioned the Labour Research Department, a trade union research body based in London, to undertake a study on the present situation.

This will use existing material, including the joint CEMR-EPSU survey in 2005 on the 12 states that joined the EU in 2004 and 2007, as well as Turkey. But to get a fully up-to-date and detailed picture, we need you to provide some additional information.

A short questionnaire is attached, which we would like you to return **as soon as possible**. If you cannot answer all the questions, please answer those you can and return it. But it would be a great help if you could provide the NAME, TELEPHONE NUMBER AND E-MAIL ADDRESS OF A CONTACT who can answer follow-up questions.

If necessary, please use additional sheets to complete your answers.

For the purposes of the questionnaire we use the following terms:

Collective bargaining – this term is used to refer to the negotiation of pay and terms and conditions of employment. Collective bargaining can take place at the national, regional or local/enterprise level. It can be cross-sectoral, sectoral or cover a single organisation and can be bipartite (involving only representatives of labour and management) or tripartite (involving government representatives). In circumstances where employees of regional and local government are civil servants, such negotiations involving representatives of State authorities are characterised as bi-partite rather than tripartite bargaining, as the State fulfils a dual function in such cases.

Social dialogue – the term social dialogue is used to cover a wide range of bi-partite and tripartite information, consultation and negotiating arrangements. Collective bargaining (see below) is one specific form of social dialogue. Here the term “social dialogue” is used to deliberately distinguish between negotiations on wages and terms and conditions of employment (referred to as collective bargaining) and other information and consultation arrangements between social partners on issues affecting their sector (referred to as social dialogue). It may be that while there is no collective bargaining at sectoral or local and regional level, there may be a social dialogue between trade unions and representatives of municipalities.

Country:

Name of organisation:

Scope and representativity

1. How many members are there in your union?

.....

2. How many members in your union are in local and regional authorities?

.....

3. If possible please also give the number of your members in each of the following categories:

_____ Housing

_____ Firefighters

_____ Libraries, museums and other cultural services

_____ Road maintenance

_____ Police

_____ Cemeteries, parks and gardens

_____ Environmental health

_____ Planning

_____ Finance and administrative staff

_____ Energy supply and distribution

_____ Water

_____ Waste collection and disposal

_____ Local transport

_____ Healthcare

_____ Social care (including child care and elder care)

_____ Education (other than teachers)⁴

_____ Others (please specify) _____

4. What are the main trends in membership, for example, where is membership decreasing or increasing?

.....

.....

⁴ Teaching is covered by another industry federation

5. Are there other organisations/unions which also represent workers in local and regional authorities? If yes, please list the most important.

.....

Collective bargaining

6. Is your organisation involved in collective bargaining for workers in local and regional authorities? Yes No

7. If you are involved in collective bargaining, please state if this is at sectoral level, regional level or local level (or a combination of these). Please give as much detail as you can.

.....

8. If you are involved in collective bargaining, who are the main employers and/or employers associations you negotiate with?

.....

9. Are there any other organisations, representing employees, involved in these negotiations? If yes, please list them.

.....

10. Are specific collective agreements negotiated for certain sub-sectors or categories of workers within local and regional government? If yes please tick the relevant box(es).

- Housing
 Firefighters
 Libraries, museums and other cultural services
 Road maintenance
 Police
 Cemeteries, parks and gardens
 Environmental health
 Planning
 Finance and administrative staff
 Energy supply and distribution

- Water
- Waste collection and disposal
- Local transport
- Healthcare
- Social care (including child care and elder care)
- Education (other than teaching)
- Others (please specify):
-

11. What role does central government play in determining employment conditions in local and regional public government?

.....

12. What are the main issues that the employers are pushing for?

.....

13. What are the main demands you are making?

.....

Social dialogue

14. Does a social dialogue take place with representatives of local and regional government (occasional meetings, joint activities, etc)?

- Formal social dialogue Informal social dialogue No social dialogue

15. What are the three main issues being discussed in the social dialogue?

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.....

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Contact details

Name of contact:

Telephone number:

e-mail address:

Organisation:

Postal address:

.....

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.....

.....

We would be very grateful if you could return this questionnaire **as soon as possible** to:

Lionel Fulton
Labour Research Department
78 Blackfriars Road
London SE1 8HF
UK

Telephone: +44 (0) 20 7902 9810
Fax: +44 (0) 20 7902 9815
e-mail : lfulton@lrd.org.uk

THANK YOU FOR YOUR COOPERATION!