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Improving Trust in Central Government

A Report for TUNED and EUPAN

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Introduction

It would be difficult to argue that in participative democracies it is unimportant that citizens trust their elected governments and parliaments, precisely because these are the bodies ultimately responsible for issuing policies and passing legislation in line with their pledges to the population at election time. So it follows that it is also important for citizens to trust those who are responsible for the delivery of these policies and laws – the Central Public Administrations.

However the very notion of ‘trust’ is subjective and is therefore difficult to measure and results from opinion polls and qualitative research sometimes represent an inaccurate portrayal of the relationships between citizens and those that provide public services. For instance research from the UK has highlighted that there is a difference between citizens’ views about the service they have received and their views of the institution that provided the service¹. The research showed the general public’s satisfaction rating with National Health Service (NHS) outpatient treatment was 54 per cent in 2005, yet amongst recent users of these services satisfaction levels rose to 85 per cent². In addition, citizens’ views can often be influenced by the media as well as their own experience and so the views between trust and experience are not necessarily identical. Given that, a better service may not necessarily result in greater trust from service users of their central government administrations. However research by Eurobarometer³ demonstrates that trust in European institutions and central government administrations is low and it would be wrong to ignore this data, despite the often contradictory nature of views and experiences voiced by service users.

¹ Understanding Public and Patient Attitudes in the NHS for the Healthcare Commission, Ipsos MORI, (August 2006)

² Valuing Public Services, Amicus (2007)

³ Standard Eurobarometer 68: Autumn 2007

This research, funded by the European Commission⁴, has been commissioned by EUPAN and TUNED within the framework of the Social Dialogue test-phase for the central government administrations specifically to investigate how and what role social dialogue can play in improving trust primarily between the social partners in central administration and, as an effect of this, in increasing trust from citizens.

⁴ This document has been prepared with the financial support of the European Commission. However, the Commission is not responsible for its contents or the use that may be made of it.

Research and Methodology

The Research

This research was commissioned by TUNED and EUPAN and undertaken by a team of researchers from the Working Lives Research Institute in London. It sought to map out the main relevant changes in 15 central government administrations, the triggers, responses and the role of social dialogue. The European countries identified for this research are ***Austria, Bulgaria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Portugal, Slovenia, Spain, Sweden and the United Kingdom***. All of these countries are members of the European Union, with the exception of Croatia which is an EU candidate country.

The research aims to highlight the role of social dialogue in anticipating and managing change in central government administrations. The study examines employees' and employers' mutual trust and the possible effects of change on citizens' trust in central government administrations. The report analyses developments in central government and aims to provide an opportunity to understand and assess the following processes and policy areas:

- Transparency, information and consultation
- Competency development and training
- Diversity and equal treatment within Central Government workforces

The research also sought to look at ways of better disseminating the research findings throughout Europe in order to maximise cross border learning throughout the 15 states.

Methodology

The research has been undertaken using a number of methods. A profile of each of the 15 countries was undertaken

using desk research. The profiles follow identical structures and highlight the *structure of central government administration, employment and social dialogue, the main drivers for change and the resulting reforms*. A number of EUPAN and TUNED contacts have amended the country profiles to better reflect their experiences of reform in these countries. The researchers received amendments to the country profiles from the following countries – *Austria, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Portugal, Slovenia and Spain*. The researchers also received written responses from the social partners in Finland, Sweden, Denmark and the Czech Republic.

To allow for a more in-depth study of the 15 countries telephone interviews were undertaken to supplement the desk research. Ahead of the interviews all EUPAN and TUNED employer and trade union contacts were emailed a question sheet (Appendix B), the aim of which was to allow recipients to familiarise themselves with the types of questions they would be asked in the interviews. The researchers then carried out interviews with either employer or trade union representatives, or both, from the following countries – Austria, Denmark, Estonia, France, Germany, Slovenia, Sweden and the United Kingdom. The researchers also interviewed a French civil servant in relation to the process of social dialogue throughout the reform within the French pension system. Some initial results of the 15 country profiles were presented and discussed at the trust project working group meeting of 13th November 2008 in Brussels, following which a revised version was sent to TUNED and EUPAN members concerned.

The interviewees were asked questions about the drivers of change within their country's central government administration. Responses covered issues such as EU integration, public finances, demographic changes and e-government. Next the interviewees were asked to describe responses to these drivers and whether or not social dialogue

had been undertaken ahead of any reforms. The interviewees were asked to highlight any good practice in relation to social dialogue undertaken when reforms were implemented. The interviewer also asked participants to indicate the extent to which the reforms had had an impact upon employment with a particular focus on women, migrant workers, workers with disabilities and other categories of workers often under-represented in central government workforces. The researchers also sought responses to questions about workforce development and competencies in terms of the effects of any reform on these and social dialogue undertaken.

This process was followed by a period of desk research in which the authors searched existing literature on the subjects highlighted in the first phase of the research. All the evidence collected was reviewed and a comparative analysis was undertaken to highlight lessons that can be learned and to identify successful outcomes for future adoption by social partners within central government in other countries across Europe.

Finally the participants were asked whether they felt that the research being undertaken was useful and how EUPAN and TUNED could best disseminate its findings.

Executive Summary

Improving trust between citizens and their central government is a difficult and complex process and involves many actors. However there is a clear link between the perception of public service users about the quality of the service they receive and the quality of the employment relationship at the heart of the delivery of those services. New demands placed upon central government administrations and higher expectations from their citizens are major driving forces for modernising central government administrations and the services they provide. The research demonstrates that across Europe reforms are taking place within central government administrations, as a result of a number of key drivers common across all the countries examined. Reform within central government, given its size, role and its relationship to a Government's political agenda, can be difficult and controversial. Thus a central theme running through this report is that good quality social dialogue between the social partners is the bedrock, a prerequisite, which can set firm foundations for reform and that good social dialogue establishes trust between employees and their employer and in by doing so creates the right conditions for improving citizen's trust in their central government's administration.

This research has demonstrated that good public services require, among other things, good employment relations and that social dialogue underpins this relationship. Across the 15 countries surveyed there appears to be an intention by governments to ensure a degree of social dialogue although the extent to this varies from state to state as does its rate of success, and so too does, for a variety of cultural and legal reasons, the parties' capacity to engage in dialogue. The increased 'commoditisation' of public services in line with new public management techniques will mean that governments across Europe will be required to a greater extent to reconcile the fundamental principles of public services i.e. a commitment to equality, diversity, universal access and the needs of

individuals with the requirement to be efficient and effective and in many cases to be driven by the needs of the market as well as by the needs of the public or service users. This dynamic produces tensions that can only be tackled through social dialogue which must be adequately engineered to foster co-operation between employees and their representatives and central government administrations. The increase of 'customer' expectations also demands greater co-operation between employers and their workforce and this will only be achieved through structured dialogue which appreciates the differences in opinions and expectations of the social partners.

However good social dialogue is not just about discussions between the social partners on an *ad hoc* basis, following decisions by the employer to alter the provision of a service or alter the organisation of work, and the report sets out the various preconditions for effective social dialogue. Without adequate social dialogue, any reform will undermine the employment relationship resulting in outcomes such as total opposition by the workforce, severe delays of implementation and a weakening of the trust between the social partners with long term consequences for any future reforms.

The European Commission promotes social dialogue and sees it as a key component of the employment relationship within businesses throughout the EU, setting out this process within a number of key documents and Directives. The report seeks to highlight the role of social dialogue in reforms across central government administrations and it also seeks to identify best practice for the social partners in promoting good employment relations that, according to the research, underpins and strengthens the trust between citizens and their central governments. The research suggests that, despite the challenges facing central government administrations, good social dialogue represents an opportunity for the social partners to maximise the effectiveness of reform by allowing the experiences of the workforces, which provide our public

services, to inform the future construction of our public institutions. By doing so governments will harness good practice, reduce conflict and, through a commitment by both parties, deliver value for money for our citizens. The research also highlights good practice in this process, which illustrates that those reforms which have taken place without adequate social dialogue have been less successful than those properly undertaken. This has huge implications for governments who seek to make quick, bold changes and who have tended to impose change from the top, rather than to encourage and support social dialogue between the social partners.

Social dialogue is about a continuous dialogue between the social partners, based on trust and transparency and, if undertaken properly, can reduce costs, time, effort and mistakes. Social dialogue is a complex process in which the provision of information is only the beginning. The report highlights how the social partners ought to undertake future discussions over reform and suggests that changes to the delivery of public services will only be achieved with the full co-operation of both parties. The current pace of change within central government administrations is faster than ever before. Citizen's expectations are growing as societies become more affluent and establishing public service provision to meet these expectations is not an easy task. Nevertheless, by anticipating change together and co-ordinating their responses the social partners will achieve this.

All of the central government administrations within the countries studied had experienced significant changes over the past three decades and some, for example the Czech Republic, had witnessed fundamental change. Changes affecting the role and performance of public services within central government, examined by this research, include *changes in government; the environment; the introduction of New Public Management; Demographic change; budgetary priorities; technological change; equality and diversity; workforce*

development; working time; pension and collective bargaining reforms; and job losses. These issues are at the forefront of change within European central government administrations and will continue to be so for some time to come. Given these issues, it is unsurprising that the relationship between the social partners exhibits signs of pressure and tensions. However one of the goals of the actors is surely to strengthen and improve this relationship and the manner in which it functions. The question is how this should be done.

The report highlights existing good practices across the countries studied and suggests ways of improving social dialogue. While it is true to suggest central government administrations are often required to implement change rapidly, the social partners must create conditions for continual dialogue which is robust enough to either anticipate changes of this nature or to react quickly together to deal with unanticipated change. Even governments themselves have seen the need to improve their own reform process. The report highlights the case of **French** public sector pension reform and how different administrations, over a number of years, engaged with trade unions resulting in a range of outcomes from outright opposition to an acceptance for change and a willingness to support reform.

Overall, consultation between the social partners is viewed by the research participants as a positive activity and this is certainly the case within **Germany, Spain, Finland, Denmark, Portugal and Sweden**. There are other countries in the research in which, despite there being an inadequate provision in law to promote social dialogue, the social partners nevertheless engage and have good relations, for example, the employer representatives and trade union officials within **UK** central government.

The report illustrates the importance of the three pillars of good social dialogue - *information, consultation and transparency* -

and the report highlights the role of these pillars in case studies from **Denmark, Sweden, France, Portugal** and the **Czech Republic**, which serve as excellent examples of how the social partners ought to interact and offer lessons for future reforms. The report highlights the important roles *competency development and training*, and *equality and diversity* play in central administrations and highlights good practice through a number of case studies from **Denmark**, the **UK, Germany, France, Spain, Portugal** and **Finland**. The report concludes by examining a number of key reforms within the study and the extent to which central government administrations engaged with trade unions, and the ability of the social partners to engage in information, consultation and negotiation, while at the same time preserving transparency. Perhaps unsurprisingly the report finds that in those reforms where the employers were open to engaging the trade unions as real partners, the likelihood of successful reform was high. In contrast, where the employer sought to force employee representatives into accepting change the success rate was low, and where reform was achieved in this scenario it was done so in a climate of distrust between the social partners which, ultimately, only serves to weaken the trust between the citizen and their central government administrations. The report is unambiguous in its conclusion that good social dialogue is essential for a strong employment relationship, which, in turn is essential for enhancing trust between citizens and their central government administrations.

The research also makes several key recommendations for future work between EUPAN and TUNED to ensure that the public services within their own countries are enhanced and that the trust placed in them from their own citizens is further strengthened.

Chapter 1: 'Citizen Trust'

Introduction

The notion of citizen trust in terms of the degree to which citizens trust their central government administration is difficult to measure, but is nevertheless an important dimension to the delivery of public services. Given the links between the expectations of citizens, the quality of service, the capacity of adaptation of the public administrations and employee morale and employee satisfaction, we can see that public services are about the experiences of public service users and that citizens' perceptions of them are therefore highly dependent on the staff delivering those services and the organisation / structure of the management. In order to achieve high quality services, and in addition to making other changes such as taking into account the needs of service users and the adaptation of organisational rules and practices, employers ought to give sufficient consideration to the wellbeing of the staff delivering these services and a vital element in the process of employment relations, and therefore ensuring employee well-being, is the degree to which employees' views are represented at work and this process relies heavily on good social dialogue.

Social dialogue relies on three pillars and, as Chapter 4 demonstrates, it is a legal obligation in all of the countries examined in the research to a lesser or greater degree. The three pillars are information, consultation and transparency and the extent to which these three subjects are covered within social dialogue has implications for its outcome, the quality of service delivery and, ultimately, the views of service users. In **Sweden** the notion of transparency is supported by legislation which grants the public and the media access to documents held by central government and "this principle is enshrined in the Swedish Constitution and is thus one of the cornerstones of

the Swedish legal and administrative systems”⁵. In addition to the right to access information by citizens, public sector employees are permitted to divulge information anonymously to the media, without fear of repercussions. In the **United Kingdom** the Public Interest Disclosure Act (1998) permits whistle-blowing and offers protection against dismissal for reporting incidents that breach or are likely to breach health and safety standards or criminal law, cause damage to the environment or other issues that raise the possibility of a miscarriage of justice⁶.

Social dialogue is dealt with in a later chapter, but there are other issues that can have a negative impact upon employee well-being and morale, and in so doing jeopardise the delivery of high quality public services. The impact of continual change upon a workforce can, if badly handled, negate any improvements to the delivery of the service it was intended to produce. Continually adjusting work organisation to maximise outputs can improve the delivery of government services and ultimately may improve the perceptions of an institution by service users. However if change is undertaken without the involvement of employees, and therefore lacks stakeholder buy-in, it will be less effective and even damaging – particularly on the employment relationship, ultimately negatively affecting service users.

Other factors affecting employee wellbeing at work include the health and safety of employees and stress at work. Increases in stress levels due to increased workloads and change can also significantly affect employee morale and productivity. A **UK** report by the trade union Amicus suggests that “stress and overwork is an increasing problem, in the public sector” and that 57 per cent of union health and safety representatives cited

⁵ “Central government and delegated employer responsibility – a Swedish model”, Arbetsgivar Verket

⁶ For further information on the PIDA see

<http://www.berr.gov.uk/whatwedo/employment/employment-legislation/employment-guidance/page16186.html>

“change” as a cause of stress within the UK public sector, the same figure for the private sector was 39 per cent⁷. A study by the UK Audit Commission in 2002 found that “the key reasons why staff chose to leave their professions were feeling overwhelmed by bureaucracy and targets, insufficient resources leading to an increase in workload, a lack of autonomy in their role and imposed change⁸”. Frequent change can undermine the employment relationship and this can provoke conflict within central and local government. Due to the political dimension of the sector, central government administrations, whether as a result of a change in minister, government or even the existing leadership, are sometimes required to introduce change quickly. This poses challenges for the social partners to ensure an improvement in the delivery of public services, but also to ensure the continuity of the employment relationship. Other factors contributing to the issue of employee wellbeing include the long term commitment of their employer to training, equality and diversity.

While it will clearly be beneficial to workers, employers and governments to improve the level of trust in them from the eyes of their citizens, it must be made clear from the outset that there is unlikely to be a universal model for achieving this. All countries have developed their infrastructure, introduced marketisation, decentralised or centralised their services and collective bargaining at different times and in different ways. The increased expectations of the public of the services delivered by the state has in part led to, and in part is as a result of, the introduction of new methods of measuring outcomes - for example the introduction of Citizen's Charters which grew out of the US and the UK in the 1980s. The **UK** government, under Margaret Thatcher, viewed public services as consumer rights and the introduction of a Charter was intended to boost consumer rights in areas of public policy

⁷ “Focus on Health and Safety: TUC biennial survey of health and safety representatives”, TUC (2006)

⁸ “Recruitment and Retention: A Public Service Workforce for the 21st Century”, Audit Commission (2002)

where competition did not exist or could not exist. On the contrary, the **French** utilised the function of Charters to enshrine the notion of egalitarianism⁹. The key difference is that the Anglo-Saxons variants of Charters were top-down approaches whereas those introduced elsewhere were often 'bottom-up' approaches¹⁰. The Centre of Employers and Enterprises providing Public services (CEEP) and European Trade Union Confederation (ETUC) argue that "it is not acceptable to reduce the political responsibilities of the public authorities" in relation to public services and that political control is vital for the delivery of good public services¹¹. The apparent lack of accountability in privatisation could potentially weaken the trust between citizens and service providers. These issues raise questions of about the decentralisation of service delivery and its relationship with accountability and public trust. However it does not always follow that the decentralisation of service delivery meets the expectations of citizens for greater local accountability. A recent report, supported by TUNED, highlighted that a concern for trade unions within the public sector is that there is a greater need for information and consultation of employees and trade union representatives on the subject of decentralisation¹². If this is the case then the perceived benefits of decentralisation, in terms of better service delivery and greater local democracy, may be undermined by the lack of proper social dialogue.

This section of the report has suggested that there is a connection between citizen's trust in their central government administration and the employment relationship within central government. It has outlined that trust is difficult to measure and that the views of service users can often be contradictory. However trust is an important factor in the provision of public services and the following chapter will outline the role of social dialogue in promoting trust.

⁹ Clifton et al, "Empowering Europe's Citizens?" (2005)

¹⁰ Ibid

¹¹ CEEP and ETUC, "Proposal for a Charter for Services for General Interest" (2000)

¹² TRACE Project Report, ETUI-REHS (2006) Funded by the European Commission

Chapter 2: Social Dialogue

Introduction

There are legal requirements for central public administrations and trade unions and employers to discuss and negotiate over employment relations in all 15 countries examined in this research. This legislation, sometimes appearing on individual states' statute book only after a Directive agreed at the European level, underpins how employers must inform and consult with their workforce and is at the heart of good social dialogue between employers, their associations, employees and their trade unions. There is a requirement for all EU states to adhere to the Directive (2002/14/EC) which established a general framework for informing and consulting employees in the European Community and adopted in March 2002. The Directive applies to undertakings with at least 50 employees or establishments with at least 20 employees, and provides employees with rights to information and consultation on a range of business, employment and restructuring issues.

The directive requires that employers:

- Inform their workforce on the recent and probable development of the undertaking's or establishment's activities and economic situation
- Undertake information and consultation on the situation, structure and probable development of employment, and on any anticipatory measures envisaged, in particular where there is a threat to employment
- Undertake information and consultation, with a view to reaching an agreement, on decisions likely to lead to substantial changes in work organisation or in contractual relations.

While the nature and methods utilised to achieve this vary from state to state, the European Commission clearly sees social dialogue as a central component of the EU employment framework (EU Treaty, Articles 138 and 139) which relates to the discussions, consultations, negotiations and joint actions undertaken by the social partner organisations representing the two sides of the employment relationship (management and labour). The process of social dialogue has resulted in the production of over 300 joint texts by European social partners. In addition to the process of dialogue between management and labour social dialogue is also the mechanism by which the social partners assist in the formulation of European social standards, and it plays a vital role in the governance of the European Union. The European Commission stresses the need for strong and robust social dialogue, particularly throughout the restructuring process. The Commission acknowledges the knowledge and expertise of the social partners and their role in informing and alerting the authorities at all levels. Research (MIRE¹³) suggests that for workers the process of social dialogue is often just as important as the outcomes. That is, the prospect of change at work can seem overwhelming to the individuals affected, and to a degree those unaffected, and the involvement of employees in this process, through their representatives, can ease their fears. Having the opportunity to voice a concern or influence the outcome offers individuals a sense of participation and this is an important role of social dialogue, even if the proposed change still occurs. Successful cases of managing change generally involve an active partnership between management and workforce – they require strong social dialogue (TRACE¹⁴). In addition to

¹³ The MIRE project promoted the cross border exchange of experiences of the social partners during restructuring and made recommendations to tackle arising problems. The study covered five European countries (Belgium, France, Germany and the UK) and was funded by the European Social Fund. More information can be found on the MIRE website at <http://www.mire-restructuring.eu/>

¹⁴ The TRACE project examined industrial and economic restructuring across Europe and how trade unions can defend the interests of working people facing this challenge. The project was funded by the European Social Fund and more information can be found on the project website at <http://www.traceproject.org/>

complying with European and national legal requirements there is a business case for social dialogue. Consultation with the workforce can help reduce opposition to the proposed restructuring because workers are more likely to feel that their views and interests have been heard and taken into account. A consultative approach may also encourage a consensual process. This 'buy in', or at least acceptance, of the restructuring process can help reduce any disruption to the employer from those workers adversely affected by the change and also reassure those workers not directly affected about their employer's commitment to treating the workforce fairly. However this process can only be effective if workers believe that their trade unions are actively promoting their interests and are not simply acting as a tool of management. In other words for trade unions to be effective representatives of workers during social dialogue they need to be seen to maintain their independence from the employer, whilst working constructively with the employer. Another advantage to the employer of engaging in social dialogue with trade unions is cost. Employers are able to lower the cost of consultation with the workforce by entering into social dialogue with trade unions as the collective voice of the workers rather than having to establish a mechanism for collective consultation or to communicate with workers directly and individually. The process also adds value by bringing new ideas to the change process, injecting additional experience and knowledge into discussions and thereby widening the circle of influence. A further advantage to involving the social partners in discussions over changes is that if the parties reach a consensus then change has a greater likelihood of succeeding. On the contrary, if employers push ahead without any 'buy in' from trade unions reforms can result in delays and opposition. For example, pension reforms, without adequate social dialogue, resulted in major opposition in **Austria, France, Germany and Italy**¹⁵. A recent report by the Swedish employers and trade

¹⁵ Safarti, H, "Welfare and Labour Market Reforms: A new framework for social dialogue and collective bargaining?" European Journal of Industrial Relations (265-282:2003)

unions within central government highlights the need for social dialogue and, especially, to involve individuals within discussions on change, asking them for their views and considering the impact upon their lives as a result¹⁶.

The limited disclosure of information can also act to prevent proper dialogue. The disclosure of information can act to bring the parties closer together and supports open and honest discussions (MIRE). If either party fails to disclose information that could promote dialogue then discussions will be undermined and potential solutions will be difficult to find. However, simply exchanging information between two parties does not constitute social dialogue. Early, active collaborative and holistic intervention is a key objective for employers in the restructuring process. Bringing issues to discuss with the trade unions can ensure active engagement from the workforce at an early and critical stage of the process. Employers should view the process of social dialogue as an opportunity to involve the workforce, bringing in their knowledge and expertise, leading to meaningful discussions with the trade unions over the future of the organisation. Social dialogue is not simply the expression of parties' views articulated within a forum, but describes a comprehensive, co-ordinated and collaborative approach to problem solving where each party listens, respects and tries to integrate the other's view point. In one sense social dialogue is co-ownership of the situation in the workplace and of the solutions. It should also ensure that the transition sought through the restructuring process is as smooth as possible.

A number of European wide projects have explored the value of social dialogue in periods of change (MIRE and TRACE). These have suggested that social dialogue is not just about talking. It is a two-way process which involves trust, honesty and realism from both sides. It is the exchange of information, which must be genuine and timely and this exchange must

¹⁶ "See the Individual in the Business – Group Diversity as an Asset", The Development Council for the Government Sector (2007)

allow the parties to influence and shape decisions. Social dialogue and collective bargaining structures and processes need to be robust and flexible as employers and trade unions try to tackle a range of challenges. These challenges have certainly led to industrial conflict in several of the countries in this study but the key factor is that, in most cases, normal service has been resumed and the social partners have been able to continue to negotiate over reforms and restructuring. Finally, good social dialogue requires monitoring and evaluation.

The frameworks and structures for the purposes of social dialogue between the partners vary from state to state, but there are a number of common themes. For instance, the research shows that differences in the social dialogue frameworks within central government administrations are largely characterised by the following issues:

Right for civil servants to initiate negotiations on collective agreements

The law in the vast majority of member states varies between public officials, under public law, and private employees under labour law. For example civil servants or 'Beamte' in **Germany** are forbidden to engage in formal collective bargaining, while public employees or 'Angestellte' are not¹⁷. However the **Swedish** central administration is obliged by law to treat its civil servants in the same way as all other employees and they are therefore permitted to participate in collective bargaining.

The legal status of civil servants may have an impact upon social dialogue and may account for the lack of information and consultation in some member states. However entering into dialogue with a party does not constitute collective bargaining so the prohibition of collective bargaining for a select section of

¹⁷ Demmke, C, "Are Civil Servants Different Because they are Civil Servants ?", European Institute of Public Administration (2005)

the workforce ought not to be used as an excuse for failing to inform and consult with those employees.

Structure and organisation of both the social partners

A number of newer EU member states have less well developed organisations on both sides of the employment relationship. If employer or employee organisations are under-developed this will no doubt prevent full consultation among the stakeholders and will limit the success and 'buy in' from constituents. For example the **Scandinavian** model of social dialogue depends heavily upon strong representative bodies. The experience of the social partners to undertake social dialogue is also an important factor in determining the likely success of discussions. Social dialogue within Central European States is not as well established as it is in the older EU member states and this may exert pressures upon the social partners throughout social dialogue.

Level at which collective bargaining takes place

With the exception of a handful of central government administrations, the majority undertake social dialogue at the Ministry level. It is important, if either party is to influence the others' position, that social dialogue takes place as close to decision making machinery as possible. If dialogue occurs at a distance from those making decisions, there is little hope of discussions being seen to be meaningful by either party. Important consideration should therefore be given, by the social partners, to the scope and role of social dialogue when decision making has been or is being decentralised. Where this is done well it will allow social dialogue to be undertaken at a local level which is both relevant and meaningful.

Collective bargaining within central public administrations has undergone dramatic changes over the last two decades. Decentralisation of collective bargaining has occurred in many European states (**Austria, Belgium, Finland, Portugal,**

Sweden and the **UK**). Hessel¹⁸ suggest that this process of decentralisation has not been accompanied by a shift in the level of organisation of the social partners but by a “delegation of the social dialogue practice to lower levels”¹⁹, which can reduce the effectiveness of social dialogue. However it is important to note that although decentralisation has occurred, the day to day collective bargaining still displays evidence of centralisation – even in the UK. Where decentralisation has occurred it has done so, in the main, in those countries which have introduced New Public Management policies (see below). In the case of **Denmark** decentralisation has supported both central and local social dialogue by offering opportunities for the social partners at the national level to set out frameworks which can be implemented flexibly at the local level. So decentralisation itself does not remove the ability to promote and undertake good social dialogue. However it can prove more difficult and will require greater co-ordination between the social partners and, as the example of Denmark illustrates, decentralisation can support discussions and agreements at the centre as well as strengthening discussions at the local level. In the case of **Greece**, a law was passed in 2008, establishing a framework for local bargaining. However it is too early to tell whether this has been successful.

Scope of bargaining topics

Preventing specific issues from being raised within social dialogue prevents discussion and limits the impact of information and consultation. It is important that together the social partners are able to determine the scope of social dialogue. However this is not always within their gift due to the involvement of parliament or government in the process. A recent report by the European Institute of Public

¹⁸ Hessel, R “Comparative Analysis of the Social Dialogue in the Central Public Administrations of the EU member states”, European Institute of Public Administration (2008)

¹⁹ Ibid

Administration²⁰ (the “Hessel report”) highlights a number of key subjects that social dialogue tends to cover *working conditions, wages, social security and pension issues*.

❖ *The Spanish experience*

In Spain, despite there being no legal regulations concerning the scope or coverage of social dialogue, the social partners and the Government agreed in 2004 an ambitious work programme to 2008 which included topics that the social partners would undertake dialogue²¹, and these are:

- Minimum salary
- Industrial policy
- Immigration
- Labour market
- Active employment policies
- Lifelong Learning policies
- European Employment Strategy
- Occupational injuries
- Collective bargaining
- Social Security
- Trade union institutional arrangements policies

Setting out a framework in this way offers transparency, which can improve social dialogue.

In contrast to the Spanish example above, and with the exception of pay, there are no formal mechanisms for the parties to undertake social dialogue in the **Estonian** central public administration. This prevents the parties from formally informing and consulting in a clear and transparent way,

²⁰ Hessel, R, “Comparative Analysis of the Social Dialogue in the Central Public Administrations of the EU member states”, European Institute of Public Administration (2008)

²¹ “Initiatives of social partners for the improvement of labour market access for disadvantaged groups” Gago, E G and Ruiz, D (2008)

offering no forum in which to raise grievances over change and for trade unions to influence decisions.

Monitoring

The role of the partners continues even after change has occurred. Monitoring the process and its outcomes is often neglected, but is nevertheless important. This process will mirror existing mechanisms at national and regional levels and is important because it allows the parties to evaluate solutions and outcomes in the short, medium and long term and is especially useful for promoting cross border learning.

Adequate time off for trade union representatives

To enable local trade union representatives to effectively represent their members and fully engage with their employer they will need to be given adequate paid time off by their employer. Without this local trade union representatives will not be able to properly prepare for consultation and negotiation or to fully participate in discussions with their employer. Trade union lay representatives also need to meet with their constituent members to communicate management proposals, elicit their views and consult over any joint management-union initiatives. Management will also need to give time off in working time for union meetings at the workplace. In the absence of these measures meaningful social dialogue will fail.

Outcomes of collective bargaining

In a number of countries examined the central government employer is under no obligation to uphold decisions arrived at by bargaining between the social partners in law. This legal situation may erode any sense of trust between the parties and may impact on the trade unions' ability to raise interest among their constituencies for discussion and support for the process of social dialogue.

The following example illustrates how social dialogue can sometimes fail to produce a consensus between the social

partners. However disagreement and conflict are sometimes inevitable and should not be used as an excuse for failing to inform and consult adequately.

❖ *The Austrian experience*

In the case of pension reform within Austria, the Government proposed changes and consulted the social partners as usual. These consultations did not result in agreement and despite this the Government then passed the changes through Parliament which resulted in union demonstrations expressing their disappointment in the reform. Although a number of issues have now been settled (a new severance system and part-work for older workers), this entire process could endanger the traditionally peaceful Austrian industrial relations system²². The lessons to learn here are that pressing ahead following a failure to agree can be costly both in financial and political terms and can damage the parties' relationship, possibly beyond repair.

❖ *The Swedish experience*

The Swedish central government administration is covered, like the rest of the economy, by the Co-Determination Act. Under this law government agencies are obliged to regularly brief those trade unions that it is bound into a collective agreement with on how the agency is developing in terms of its production and finances as well as its staff policy guidelines. In Sweden social dialogue also takes place when the government intends to make changes to its agencies' activities or to the working conditions of the union's members. This does not always ensure that the voices of employees and their representatives are acted upon because, as with other central administration employment relation systems across the EU, the employer is under no obligation to take on board these opinions. However the legal requirement for social dialogue evolves into a legal

²² Sivananthiran, A and Venkata, R, "Best Practice in Social Dialogue" International Labour Organisation (2003)

requirement to negotiate once the government agency makes decisions affecting its employees.

Conclusion

It is essential for effective social partner interaction that both parties plan ahead so that the aims and objectives are clear and all involved are working towards identical goals. Trade unions and employers will naturally have different interests, but it is possible to come to agreement on specific processes and outcomes and sufficient planning around these at the outset will offer a greater chance of success. Union strategies in the context of social dialogue have been characterised as ranging 'from co-operative partnerships and negotiated accommodation to militant resistance'²³, even moving between resistance and negotiated accommodation throughout the course of the reform process. Just as with management attitudes, there may be different responses to restructuring between union representatives at a local and national level and this dynamic ought to be given due consideration throughout the reform process. Different attitudes between local and national management and local and national trade union representatives can facilitate alliances between or promote hostilities, at each level.

For social dialogue to be effective, it must be timely, active, collaborative and through trade unions, fully engage the workforce to be affected by the employers' plans or aspirations. It should be undertaken at the appropriate organisational levels and must be transparent. Social dialogue must rest upon a realistic understanding of the positions of both partners, which may involve an honest appreciation of the economic impact of processes such as liberalisation and privatisation. It should also be an undertaking that is monitored and evaluated throughout. For social dialogue to be properly effective, trade union representative should have adequate time and resources to fully engage the workforce in the impact of restructuring. Social

²³ Blyton et al (2001)

dialogue is particularly important in outsourcing activities, and where a significant number of agency or temporary workers are involved. The following chapter will attempt to explain the drivers and responses to them by the social partners within central government. It will also seek to highlight good practice.

Chapter 3: Issues affecting central government administrations

Introduction

The objective of this chapter is to provide general background information regarding factors affecting central government administrations within the 15 countries in the study, which were identified by TUNED and EUPAN prior to the study, include *changes in Government; new methods of managing public service sector workforces; the environment; demographic change; budgetary constraints; and technological innovation*. In addition, though sometimes in response to these primary issues, the social partners also identified *equality and diversity; collective bargaining; workforce development and competencies; working time and contractual variations; and pensions* as important factors that have altered employment practices within central government. Chapter 4 will go into greater details on the role social dialogue plays in tackling issues of equality and diversity and training/competence development, which are only touched upon here.

Over the last three decades governments across Europe have sought to maximise the impact of public spending and to increase accountability across the public sector for the benefit of wider society. Precisely because this sector employs a large proportion of the total workforce within a country, whose wage bill is met by the taxpayer, the structure, management, employment density and the delivery of public services within the sector, including central government, has often been the subject of political debate and discussions within society to a greater extent than has been the case with other sectors of the economy. However the current global financial crisis has meant that this discussion is now taking place across all sectors of all economies. It is the very nature of the public sector that ensures the discussions around value for money and efficiency are never far away and pressures upon this

workforce to deliver on a Government's objectives, which are often made public during general elections, are greater than other sectors of a country's workforce. It could be argued that, due to the uniqueness of the public sector and its important role as a lever for economic policy generally, the dialogue between the social partners within this sector ought to be respected by governments and citizens alike and should be considered an essential part of the employment relationship by both governments and citizens.

The driving factors behind these issues have come from internal as well as external sources. An example of an external driver is the budgetary constraints placed upon government spending which are imposed by membership of the European Union. The rise of the environment as a driver over the last decade could largely be as a result of the European Commission's targets to reduce green-house gases. Examples of internal drivers are changes in Government, increased productivity demands and the wider use of new technology. In some cases what appear to be drivers can in fact also be identified as responses. For example the introduction of new technology for e-commerce within the public sector could be labelled as a response to the new demands placed upon government by its citizens. Drivers can be borne from the perception of how a particular government views public service delivery and public sector management. For example the Introduction of New Public Management across EU states over the past 30 years was driven by an particular attitude towards public sector management and service delivery that has seen the public sector employment relationship reformed to mirror that of the private sector which has been achieved by altering the management of the employment relationship, the measurement of outcomes and a change in the relationship between the citizen and the state. This perception of how the public sector ought to operate has driven changes in how governments provide for their populations and has altered the relationships between the state, citizens, the social partners

and the workforces, Sarfati²⁴ suggests that welfare reform across Europe has sought to change the role of welfare to:

- Providing incentives that are favourable to employment
- Offering lifelong education and training opportunities, particularly to unemployed or disadvantaged workers, to women returning to the labour market and to older workers
- Making it easier for parents to reconcile employment and family life
- Developing social protection schemes that take into account non-linear employment tracks

Restructuring has been seen as a major factor affecting the workforce of central government administrations, by the social partners, and it is derived from an ambition by the state to improve services and could be classified as a driver introducing change or as a response to changing ideologies or management trends. Leading up to the implementation of public sector reform in **Denmark** in 2007, detailed procedures for dealing with the transfer of staff were negotiated by the trade unions and the relevant employers' organisations. In the **UK** legislation has been introduced to allow for the populations in Northern Ireland, Wales and Scotland to elect an assembly, following referendums in Wales and Scotland in 1997. The Welsh Assembly and Scottish Parliaments now have the power to introduce legislation for their respective citizens and this process has involved negotiating new agreements covering civil servants in each country. In **Belgium** the debate over the country's political future has focused on the region of Flanders and its desire for greater regional autonomy.

Upon examining the research findings, largely through the responses from the social partners, it could be suggested that the responses in central government to ongoing change could not have been adequately achieved without social dialogue.

²⁴ Sarfati, H, "Welfare and Labour Market Reforms: A new framework for social dialogue and collective bargaining?" European Journal of Industrial Relations (2003)

The research highlighted the cases of pension reform within **France** and **Austria** where it was apparent that the difficulties faced by the different governments were largely due to their lack of willingness to engage with the recognised trade unions.

The following issues have been identified in the research as having an impact on reform within the 15 countries examined.

1 Change of Government

Change of the Government within a country often acts as a driver for the reform of public services but has also altered the structure and objectives of social dialogue as different government's interpretation of what constitutes social dialogue vary. The election of a Conservative government in 1979, in the **UK**, not only signalled changes in the delivery of public services but also in the very nature of social dialogue. A change in Government can have implications going beyond the nature of social dialogue and changes in the nature of social dialogue can be independent of a government's policy objectives in terms of service provision. The election in the UK of a Labour Government in 1997 altered the approach to industrial relations within the public sector. A more progressive approach to information and consultation was taken, although the new government did not abandon a New Public Management approach to the provision of public services.

❖ *The Spanish experience*

In **Spain** there have been major changes in the structure and nature of social dialogue. Following the election in 2004 of the Socialist Government a declaration was signed between the trade unions and the Government which included provisions on equality, pensions and violence at work. The aim of this declaration was to improve employment conditions within central government and to enhance the professional capacities of public service workers as part of a strategy to overall improve public service provision. In 2007 the trade unions entered into detailed negotiations, for the first time ever, over a wide range of issues including pay and employment conditions.

This was a recognition that social dialogue had to be at the heart of an administration that was looking to implement major reforms and modernisation.

Changes in political parties can bring about changes in government income too, with major implications for government and the viability of the delivery of public services. For example, the current administration in **Estonia** has reduced income tax from 26 per cent to 23 per cent, and the decreases have continued to the present day where it stands at 21 per cent. This reduction will no doubt have implications upon the ability of the central administration to fund salaries, pension for government employees in addition to the services it must provide for its citizens.

2 Environmental

Of the survey responses received only the **Spanish** response highlighted environmental pressures as being a driver for reform within central government. It is possible that the European Commission's target for cutting CO₂ (carbon dioxide) emissions by 20 per cent by 2020 will have greater impact across European states as we draw closer to 2020.

Issues for social dialogue might include anticipating change in terms of skills and competencies. In this area the social partners already have a wealth of information at their disposal and it is certain that this issue will become more relevant and perhaps more urgent over the coming years. The social partners could consider discussing this issue now with a view to implementing a change programme over the coming months and years.

3 New Public Management

The debate around New Public Management (NPM) is as old as the concept. However the social partners within European central government administrations might give consideration to an evaluation on the impact, both positive and negative, of NPM as a process which seeks to improve the delivery of

public services and accountability and modernise the management of the employment relationship within the public sector.

The term New Public Management is used to describe a very wide range of policies aimed at mirroring the private sector, where citizens are seen more as 'clients' or 'customers', and have been adopted by many central governments over the last two decades. The first developments of NPM came in the late 1970s and early 1980s and were particularly pronounced in the policies pursued by the British Conservative governments, lead by Margaret Thatcher and in some state municipalities within the US, followed closely by governments in New Zealand and Australia²⁵. In the UK the introduction of NPM was not part of social dialogue, resulting in hostility towards the administration by the trade unions. However good social dialogue and the introduction of NPM need not be mutually exclusive and in **Sweden**, contrary to the **UK** experience, the social partners have reached a consensus on the reforms of public management.

While there is some evidence, particularly at the onset of the current global financial crises, that NPM is not being utilised to the extent it was a decade or so ago, it is still a fundamental driver in the quest for efficiency and improved productivity. The introduction of NPM has two dimensions – the first is the effects upon the service and the second refers to the change in nature of the employment relationship. The change in the nature of delivery as a result of the introduction of NPM, i.e. the introduction of a market led approach can be outlined as thus:

- Policy of privatisation of businesses that are not regarded as core government
- Decentralisation within an organisation
- Market-oriented approach to measuring performance

²⁵ Budding, T and Groot, T, "New Public Management's Current Issues and Future Prospects", Financial Accountability and Management (1-13:2008)

- Service users seen as clients or customers
- Flexible and individualised employment relationship²⁶

In terms of the employment relationship the introduction of New Public Management, according to Bordogna²⁷, is followed by a typical set of outcomes for employment relations which include, but are not limited to:

- A reduction in the number of employees with a special employment status
- A wider diffusion of “free” collective bargaining and its decentraliation
- Individualised mechanisms for determining pay increases and career paths
- Less prejudicially favourable approach to trade unions and collective bargaining

❖ *The Estonian Experience*

Throughout the 1990s, during a period of political change in **Estonia** the perceived necessity to introduce New Public Management methods came to dominate much of the debate within the public sector. This centred largely upon discussions over decentralisation of services, outsourcing, customer orientation and performance management. Yet the various governments elected since Estonia’s independence have been inconsistent in their approach. While the general thrust of most of these governments has been to support market-oriented policies and the idea of restricting the role of the state, the regular changes of governments and coalition partners have meant that reform programmes for the public sector have not progressed very far. Although NPM imposes a radical change upon work organisation and the workforce, it is not by any means permanent as can be illustrated with the example of

²⁶ Lucio, M, “Trade unions and employment relations in the context of public sector change”, *International Journal of Public Sector Management* (5-15:2007)

²⁷ Bordogna, L, “Moral hazard, transaction costs and the reform of public service employment relations”, ILO (2008)

Estonia. The Estonian government privatised the railways in 2001, shortly after the country gained its independence, to an American company for 1 billion EEK (640m Euros). However after a relatively short period of time the Estonian government bought the railway back under state control. The purpose of this renationalisation was to improve the railway infrastructure and as a nationalised entity the railway would attract EC money. In addition, and again contrary to the ethos of NPM, the Estonian government is planning to further centralise the public institutions over the coming years and has decided, on the grounds of cost, not to privatise the prison service.

In the mid 1990s the use of NPM reached **Austria** where there has since placed a reduction in the numbers of civil service employees through a process of outsourcing, involving the full or partial privatisation to agencies. In the UK there has been a shift under New Labour away from earlier policies more characteristic of NPM, with issues such as transparency, accountability, equity, equality and working in partnership taking more centre stage. However the **UK** government will need to reconcile these principles with the commoditisation of public services, as the Julius report on “Public Service Industry”²⁸ highlighted that as the public sector accounts for a large share of the country’s overall economic output, it should therefore be developed accordingly with an emphasis on economic efficiency and effectiveness.

In **Belgium**, the phrase ‘citizen trust’ is used to describe a methodology which has based performance effectiveness and citizens as ‘clients’ at the heart of the reforms, terms clearly identified with the ideas of New Public Management. How much these changes have improved the trust of central government among citizens is difficult to say at this stage without a proper evaluation.

²⁸ “Public Service Industry Review”, UK Department of Business and Regulatory Reform (2008). See <http://www.berr.gov.uk/files/file46965.pdf>

4 Demographic change

Demographic change, in terms of an ageing population, threatens the viability of EU member welfare systems. The issue of the dependency ratio²⁹ of European countries' populations has been further compounded by the late entry and the early exit to and from the labour market and Safarti argues that "the state and social partners have too easily agreed to institutionalised early labour exit, seen as the least painful solution to massive economic restructuring and high unemployment in Europe"³⁰. This all suggests that this method of dealing with restructuring and downsizing needs to be replaced by alternatives if countries are to be able to afford to offer their citizens state pensions and their workers government pensions and to maintain their knowledge and skills base.

A number of countries in this research cite demographic change as a major driver for change, both in terms of their workforce and their population as a whole. Workers' pension schemes can face financial difficulty if the age profile of the workforce has a disproportionate number of older workers. Likewise the ageing workforce requires that governments increase resources to fund adequate welfare and health services. In the case of **Denmark** in 2007, this placed pressure upon the Government to introduce a major reform programme aimed at delivering high quality public services, with a particular focus on welfare services. Tripartite negotiations between the government, public sector employers and the trade union confederations followed immediately producing some 180 proposals for action. These proposals were then integrated into the normal process of collective bargaining so that the reforms could be included in both the state sector and local regional government agreements that were due for renewal from 1st April 2008. Some of the highlights are the agreement

²⁹ The dependency ratio, in this context, is the number of people over the age of 65 relative to the number working age people.

³⁰ Safarti, H, "Welfare and Labour Market Reforms: A new framework for social dialogue and collective bargaining?" *European Journal of Industrial Relations* (276:2003)

on working time which permits employees to work longer if they wish and a 3 per cent salary 'bonus' payable to those employees who choose to remain in post beyond the normal retirement age. Unfortunately these reforms are too recent to evaluate. In Italy the social partners have led the way in agreeing a diversity of working-time arrangements, the provision of family friendly 'proximity' services, and improved local infrastructure both public and private³¹.

❖ *The Finnish experience*

Finland is the country within the EU 27 with the fastest rising share of older workers and this means that a large number of workers employed within central government will soon be reaching retirement age and a declining labour pool from which to recruit. Added to this is the increased demand for services for the older population. In response changes have been made in the retirement schemes, including narrowing possibilities to enter into early retirement schemes and making retirement age flexible from 63 up to 68 years of age. Further measures to lengthen working careers are being discussed on a tripartite basis and the focus will be in developing working life. At the same time, the social partners are also examining the possibilities to ensure recruitment practices encourage candidates from ethnic minorities and from workers with disabilities. The Government wants to ensure it employs a representative proportion of women at all levels, including at the highest management level, throughout the public sector and seeks to achieve equal pay between women and men (see chapter 4). The government is also giving consideration to how it can use its current resources to their fullest potential, for instance by maximising the use of workforce competencies and the skills of the existing workforce.

In addition the social partners have been involved in discussions to introduce a productivity program of the state administration through which approximately 15,000 'work-years' could be eliminated by 2015. The present work force of the

³¹ *ibid*

state administration is 124,000 and the reduction should be possible with the increasing retirement by filling only 2 out of 3 vacancies left by retired employees. Work organisation will also be enhanced by improving management, well-being and innovation at work, training, introducing flexi-work and a greater, and extensive, use of ITC.

❖ *The Austrian experience*

In **Austria** proposed pension reforms brought conflict between the social partners. However when the proposed changes were finally implemented both sides worked closely to maximise the dissemination of information about the changes, establishing a pensions hotline and pensions advice service to ensure that employees were fully aware of the implications of reform for their future. The trade unions are still concerned about the impact of the reforms on younger workers and the pension fund collective agreement includes a provision that pension contributions should be increased when possible to improve the likely benefits for younger employees. As in Finland the ageing of the workforce in Austria has led to current and potential labour and skills shortages and governments have responded by looking beyond the normal constituencies in recruitment and promotion. This can mean encouraging more women into senior positions or trying to attract more ethnic minority and/or migrant workers into central government employment. Strategies such as these can involve significant changes to employment conditions in order to improve work-life balance or ensure measures are in place to deal with discrimination or harassment.

5 Budgetary constraints

Financial restrictions are important drivers for change, not least because they have affected every country in this research to a lesser or greater degree. However newer member states, for instance **Czech Republic** and **Bulgaria** have been required to meet certain budgetary criteria as part of their acceptance into the European Union. This has meant that central government spending has been reduced, which can have a knock on effect

on the delivery of public services. These pressures can vary significantly between countries and over time. In **Germany**, for example, the public sector faced a decade of financial restraint following re-unification, but this has been much less of a factor in reforms over recent years. In the **UK** strict financial targets were the order of the day during the Conservative administrations of the 1980s and 1990s and were only relaxed by the Labour government at the end of the last century. Several years of significant public spending growth followed but outsourcing and cuts in employee numbers across the public sector have once again moved up the reform agenda following the publication of the Gershon report in 2004. In **Spain** following a change of Government in 2000 reform became focused on controlling costs and staff numbers across all levels of government. This was also the case in Portugal where the reform process, which began in 2005, sought to reduce the public deficit and ensure efficiency in the public administration. The **Austrian** government has shifted the focus of its measurements of departments' performance from inputs to outputs. This has been achieved by introducing 'performance budgeting' which includes performance indicators tied to future budgets for departments.

6 Technological Innovation

E-government is having an impact upon virtually all 15 countries, with the objectives of improving service delivery and reducing costs. In 2006 the German government produced a package of proposals contained in its policy document "Focused on the Future – innovations in administration". Concrete proposals to improve service delivery included 25 specifically connected with e-government and within **Germany** there has been a significant increase in the use of IT to improve efficiency, which place 'efficiency' as the key driver for change rather than IT itself. In other words the view from Germany is not so much that e-government is, of itself, a driver for change that requires a particular response but that the continuing pressure to improve service delivery and boost efficiency and

effectiveness requires that administrations harness the full potential of IT.

In the same year a study by the European Commission which surveyed 20 public services within all European member states found that **Austria** came top in Europe for introducing e-government. Austria introduced an E-Government Act in 2004 which introduced the idea of Citizen Cards which allow individual citizens to make secure transactions over the internet when dealing with government.

Belgium has also introduced an e-initiative and it is the biggest electronic ID card operation in Europe. By 2009 all Belgian citizens over the age of 12 will have their own 'eID card', resulting in over 8 million cardholders. As e-government and technology surge ahead as issues for governments across Europe the Belgian government has introduced eID cards. These are electronic identity cards which are used, according to UNPAN³², "to secure applications ranging from online income tax returns and medical scheduling, to online applications for a "Certificate of Residence" and safe chat rooms, plus private sector applications such as online banking".

In 2007 the **Portuguese** central administration developed the 'citizen's card' which every person from age 6 is legally obliged to hold. The new card combines the ID card, taxpayer's card, voter's card, social security card and the National Health Service card and enables the identification of citizens by the public administration and private organisations.

7 Equality and Diversity

The current workforce of an organisation is undoubtedly an asset in terms of its ability to promote it as a place of work. That is, those employees who enjoy working for a central government administration should be seen as a positive

³² UNPAN is the United Nations Public Administration Network (see <http://www.unpan.org/>)

recruitment advert for future employees. In addition if the workforce within a central government administration is representative of the wider community it serves then service users will identify with those providing the service, thus promoting trust. So the diversity of a workforce, as an outcome of a recruitment strategy, particularly in a working environment where the service is provided face to face, must be viewed positively.

In response to the changing population of a number of states, governments have been required to introduce reforms that ensure equality of opportunity for women, ethnic minorities and other under-represented groups and some examples of this are included in the previous section on demographic change. In **Belgium** the government has begun undertaking measures to improve the perception of central government as an employer and to target particular groups, such as workers with disabilities and migrant workers with the intention of making central government workforce representative of the population as a whole.

8 Collective Bargaining

Collective bargaining has undergone many changes over the last decade with **Germany, Spain, Finland, Denmark** and **Sweden** being highlighted as countries where employers have acknowledged that social dialogue structures and processes are central to the reform process. This does not mean that relations between the social partners are without conflict. Working time reform in **Germany**, for example, has produced some significant changes in terms of work-life balance but employers' demands for a longer working week have met with considerable resistance from the trade unions and industrial action that led to some limitations upon the employers' original plans for increased hours.

❖ *The Nordic experience*

In **Finland, Denmark** and **Sweden** there are already strong mechanisms and structures which ensure an effective process

of consultation and negotiation over how reforms are implemented. This model, which views consultation as a positive process, generates real social partnership. Indeed the reform of pay structures for many white-collar workers in the Swedish state sector, with significant moves towards individualised pay, demonstrates that strong traditions of collective bargaining and high levels of unionisation and workplace organisation can facilitate radical changes in employment conditions.

9 Workforce Competencies and lifelong learning

Up-skilling and lifelong learning, in line with the Lisbon Strategy³³, have become more important as governments seek to maximise outputs among employees. In response to reform a number of government employers have introduced training programmes which aim to equip employees with the necessary skills to ensure high quality public services. This process has been undertaken with the involvement of the social partners and forms an essential dimension to the process of social dialogue. In 1995 a report in the *United Kingdom* by the Institute for Public Policy Research³⁴ stated that those most in need of training the most were the least likely to receive it. It is not clear if the picture has changed, or whether it is universally applied across EU member states, but this research, albeit over ten years old, does throw up some vitally important questions for the development of skills policy and for the role of good social dialogue in determining who gets training and what type of training they receive.

10 Job Losses

A number of states acknowledged that job losses were anticipated, or indeed expected, in the reform of governments'

³³ The Lisbon Strategy was adopted by the European Council in Lisbon in March 2000, the aim of which is to make the EU "the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment by 2010".

³⁴ Machin, S and Wilkinson, D, "Employee Training: Unequal Access and Economic Performance", IPPR (1995)

administration. In **Portugal**, for example, the central government administration achieved a high level of staff reduction in the period 2006 to 2008 due to natural wastage and the policy of replacing every two leavers with one new recruit. A new 'mobility' or 'transferability' scheme has been introduced by which employees affected by restructuring are re-assigned to new posts or, if there are none available, are sent home on reduced wages. Whilst it is claimed by the employer that, under this scheme, employees would be entitled to return to the civil service once new jobs become available, unions are concerned this will not happen because of the tendency to recruit younger workers on lower wages.

❖ *The UK experience*

The **UK** Government's own report highlighted the need to reduce the civil service by up to 140,000 employees. However the job losses were announced by the government initially without any consultation with the trade unions. This provoked public outcry and the Public and Commercial Services Union (PCS), to which the majority of civil servant union members belong, took industrial action as a result of the announced job losses. The union has suggested this put pressure on the Government to act differently.

Fortunately due to the good working relationship between the union and civil service management, there was a degree of sympathy about the huge losses announced by the Government. This enabled the parties to deal with the situation and limit the damage already caused. This example neatly illustrates why central governments must consult at an early stage. Behaviour such as failing to discuss large scale job losses is not conducive to supporting trust within the employment relationship.

Natural wastage, redeployment and voluntary redundancies played a big part in reducing the total workforce and, due to the agreement between the unions and the government, it is

relatively expensive to make civil servants redundant and this also played a part in bringing the parties together to negotiate over the government's proposals.

11 Working time and contractual variations

Altering the status of civil servants or reducing their number and employing a greater number of non-civil servants have been identified as responses to reform by a number of countries. In **Austria** the government has tended to increase the number of contract agents (who have a similar status as employees within the private sector) as a proportion of the total workforce, while at the same time reducing the proportion of Officials. However this reform has been opposed by concerns that it will fail to maintain the impartiality of civil servants and fulfil the needs of the civil service. Since the beginning of 2007 in **Portugal** the majority of public administration employees no longer have the status of civil servant. Their employment contract is now governed by the general employment contract in the public sector which brings it more in line with the Labour Code, with necessary adaptations to safeguard public interests.

The reform of social dialogue has been a priority for the current **French** administration and this has been achieved, with the agreement of six of the eight trade union federations. Reform of the **German** civil service, on the other hand, was agreed on the condition that it would be carried out in such a way as not to reduce the incomes of employees. In addition the Government's strategy document highlighted that, to deliver public services well, the workforce needed to be qualified, motivated and efficient which would only be achieved with transparency in the reform process and a clear role for collective bargaining.

The **Slovenian** government, despite its focus on ensuring that the public sector mirrors the private, has made no moves towards substantial privatisations or outsourcing. In fact the government opposed the outsourcing of IT and as a result has invested heavily in this area.

12 Changing Employment Terms and Conditions

Changing terms and conditions of employment, if perceived by the workforce to be a worsening of existing practice, is a sensitive issue which can place greater strain the relationship between the social partners. Good social dialogue is therefore vital to ensure employees perceive these changes to be justified and dialogue throughout this process must be transparent and open. Tensions are bound to build when employees fear change and undermining information and consultation early on will exacerbate the problem. Once trust within the employment relationship is destroyed it is very hard to rebuild.

13 Pension reform

Due to the cost of providing state sector pension schemes combined with the age profile of central government workforces and financial pressures, governments across Europe have been re-examining the pension provision for their central administration workforces. The **French** and **Portuguese** governments have introduced reform of the retirement scheme of the central government workforce so that the civil service pension scheme now mirrors that of the private sector. Pension reform in **Austria** generated a significant amount of industrial unrest as the government sought to ensure that pensions in the public sector were harmonised with those within the private. This change has resulted in a lower pension entitlement in future for civil servants.

The case study below of the reform of the **French** public sector pension scheme highlights the importance of social dialogue. Throughout the past 15 years, various French governments have attempted to reform the public sector pension provision so that it mirrors the pension provision within the private sector. Finally, in 2003, the government of Jean-Pierre Raffarin introduced reform to achieve this. However this was done through consultation and negotiation with the trade unions, something previous administrations had failed to do.

14 Impact of European legislation

In recent years the European Commission has introduced a number of measures which have had an impact upon working life across EU member states and which central government administrations, as employers, are obliged to adhere to and these are, amongst others which are not directly related to this report:

- Rights of workers to be informed and consulted over issues of importance affecting them at work and citizens' right to a good administration
- Measures to improve equality and diversity at work
- A commitment to improve the skill levels of all citizens throughout EU member states by 2010
- Greenhouse Emissions to be reduced by 2020

These issues have been seen as central to ensuring that the EU remains competitive and the European Commission has highlighted the important role that social dialogue can play in promoting these measures and, overall, promoting good working conditions within EU member states.

Chapter 4: Social Dialogue and Dealing with Change

Introduction

This chapter sets out the research findings in terms of the role of social dialogue in dealing with changes within central government administrations across the countries studies. The chapter will illustrate good practice for the promotion of information, consultation and transparency across the issues of equality and diversity and competencies and training.

Central governments across Europe, like other sections of the public sector, are increasingly preoccupied with improving services and offering their tax payers greater value for money. In fact the public sector as a whole appears to be operating in a world of constant change in an attempt to meet the challenges posed by a number of substantial trends, for example population ageing, improving services via new technology and meeting the demands and expectations of citizens. . At the same time central government administrations need to maintain an awareness of the importance of issues such as equality and diversity, social dialogue and training as these are vital to the improvement of the delivery of public services in that they support and underpin central government's objectives of developing a workforce representative of society at large as well as gaining better value for money for the taxpayer. As we have seen, these are also legal requirements both at national and EU levels.

Over the last two decades central governments have reformed the way they deliver services and the methods they employ to manage their employees. Many of the countries in this report have undergone similar changes and the drivers experienced by the 15 largely differ only in their perceived importance. For example a number of countries highlighted that demographic change within the workforce or amongst the populations central

government's serve has been a major factor leading to changes in work organisation and employment conditions. However, the specific response in different countries has varied considerably. In **Denmark** and **Portugal** a number of measures have been introduced to improve the retention of older workers, providing them with incentives to stay at work beyond the usual retirement age. In contrast in **Austria** the impact of demographic changes within the workplace upon pension provision has been more challenging for social dialogue. Changes to the state pension system have been introduced bringing it more in line with pension provision in the private sector. This resulted in one of the biggest conflicts between trade unions and employers in Austria for many years but was eventually resolved with the social partners working together to tackle the process of implementation and consultation with employees. In parallel to these developments, we will see in this section that in some countries promoting equal treatment at the workplace between women and men and/or between nationals and non-nationals has been part of a broader strategy to recruit and retain employees. This indicates that pension reforms are not the only response to demographic challenges.

Many of these trends, threats and opportunities are internal while others are external. Some of these can be controlled by the social partners, for instance training and development, and others, such as demographic change, can only at best be managed. It is often difficult to disentangle the drivers from responses to them, for example New Public Management is seen as a driver by all the countries researched. However this process of managing employees and measuring their outputs stems from a view that the public sector should mirror the private and is often introduced as a result of a change in government.

Overall, consultation between the social partners is viewed by the research participants as a positive activity and this is certainly the case within **Germany, Spain, Finland, Denmark**

Portugal and **Sweden**. There are other countries in the research in which, despite there being an inadequate provision in law to promote social dialogue, the social partners nevertheless engage and have good relations, for example, the employer representatives and trade union officials within **UK** central government.

Information, Consultation and Transparency

These three issues are the bedrock of good social dialogue. It is worth highlighting here again that although a number of states in the research prohibit their civil servants from entering into formal collective bargaining with their employer, this should not be seen as a way of avoiding strong and robust social dialogue, in terms of information and consultation. On the contrary social dialogue is a process which ought to be seen as a central component of any employment relationship and in particular for those sections of central administration workforces excluded from collective bargaining social dialogue is even more important.

The role of the **Danish** trade unions and employers within the central government administration and the implementation of the European cross-sector agreement on work-related stress provide a good illustration of how these factors can be enshrined in social dialogue, providing strong and robust outcomes for central government and its workforce. The European Commission has highlighted the need for good information in a 27-member EU and the role of best practice in suggesting approaches to stress at work. The main legislative instrument for well-being at work is Framework Directive 89/391/EEC (1989) on health and safety at work, which includes a reporting mechanism through which member states are obliged to send information about the status of implementation to the Commission.

❖ *The Danish experience*

In **Denmark**, the model of implementation, as approved by both trade unions and employers, sets out the methods of implementing European directive and agreements by collective agreement. The implementation of the European framework agreement on work-related stress was undertaken during the renewal of the collective agreement in 2005.

The aim of the ‘co-operation agreement’ is to:

- Establish a framework for co-operation between management and staff with a view to involving staff in the work on the goals and strategy of the workplace
- To establish a personnel policy framework that will foster competence development and generate an inclination and motivation to fulfil the targets of the workplace
- Contribute to creating optimum working conditions and a good work environment

In addition the social partners have established a Joint Co-operation Secretariat whose purpose is to promote the work of the joint consultation committees through comprehensive information, provide advice for the social partners and provide training for the Committee members. It also hosts a website on co-operation issues, including a joint guide on work-related stress and specific cases and examples from state sector workplaces. Joint follow up activities at the central level include information meetings for members of the co-operation committees, the production of Guides for committee members on work related stress, and a ‘Stress Barometer’ which is a tool to measure stress.

Despite the best efforts of social partners, lessons can always be learned and this case study is no different. The Danish social partners, at workplace level, have identified a number of key lessons that can be learnt for the future, and these are:

- The inclusion of all relevant actors, from an early stage in the process.
- Ensuring sufficient time to discuss the subject, including making the distinction between 'positive' and 'negative' issues.
- Gaining the support and active involvement of managers
- Making the management of stress part of the daily life.

The profound changes that have been made to combat the demographic situation in **Finland** (Chapter 3) have been fully discussed between the social partners. In Finland any legislation, or even guidelines, introduced will have been through a period of discussion between the social partners, on a tripartite basis, at the national level, the level of the organisation, agency or municipality.

The example below highlights the innovative way the Swedish social partners work together to enhance social dialogue, and promote information, consultation and transparency.

❖ *The Swedish experience*

Sweden has a tradition of strong co-operation by the social partners in the labour market to improve the work environment and create productive and efficient workplaces. The social partner's council for joint support within central government agreement sector (Partsrådet) is a resource for the social partners within Swedish government administration. The Council has established a fund to support local joint development and implementation of central agreements. These activities encompass the whole government sector, with a total of around 240,000 employees, which is roughly 6 per cent of the Swedish labour market. The partners in the Council are the Swedish Agency for Government Employers and the trade union organizations in the government sector, namely OFR (the Swedish Public Employees' Negotiation Council), SACO-S (the Swedish Confederation of professional Associations

Government) and SEKO (the Swedish Union for Employees in Services and Communication).

The purpose of the Council is to facilitate local joint development efforts in the form of financial support, arrange working networks between government institutions, provide guidelines, books, arrange seminars and conferences. All activities are based on the cooperation between the social partners, locally and at the central level. Representatives of employer and employee organisations form steering committees and work together in central and local projects. The Council has provided funds for project management, documentation and evaluation, the local institutions usually provide resources of their own to participate in the development projects. In the report emphasis is given to the early stages of change. The report states that, prior to undertaking change, all employees must “understand that change is needed [they should] feel involved in the development work and have the right skills to connect the changes to their daily work”³⁵. The publication states that the process of change involves working with employees to ensure that they are informed and involved in the phases prior to change both through their trade unions and as individuals.

During the last year the council has changed its priorities to give an increased focus to the central social partner’s core issues, such as joint cooperation at work, local pay formation, dialogue and increased individualisation of pay and gender equality.

❖ *The French experience*

This case study from **France** demonstrates why it is important for employers to inform and consult and to enter into negotiations with the appropriate trade unions and the added-value of transparency in this process. When the Government

³⁵ “See the Individual in the Business – Group Diversity as an Asset”, The Development Council for the Government Sector (2007)

first attempted to alter the pension scheme of public sector employees there was very little dialogue between the social partners and this produced hostility and culminated in a large general strike across the entire public sector paralysing the French economy. The subsequent Government's learnt from this and a number of years later when the Government sought to genuinely engage the social partners, the process bore positive results and far less opposition to the reform. In France the pension scheme for public sector employees mirrors that found within the private sector. However this was only achieved through social dialogue.

Prior to the reforms a worker in the private sector would need to have been employed for a total of 40 years before they could receive a complete pension. In contrast, to be eligible for a complete pension within the public sector employees would have been required to work for a total of 37.5 years. Following the reforms both pension systems are now identical and all employees must work for a total of 40 years in 2008 and 41 in 2012.

Following his election in 1993, the then Prime Minister Edouard Balladur sought to reform the country's pension provision. Beginning with the private sector, Balladur implemented reforms to ensure that individuals must have worked for 40 years to be able to draw a complete pension. But he declined to do the same thing within the public sector. The public sector here includes all public servants, including those working for SNCF, RATP, the Banque de France and also those employed within the civil service. In 1995, following the election of President Jacques Chirac, the new government sought to impose the necessary reform in the public sector's pension system. Juppé, the new Prime Minister, made a speech in which he stated that he was going to reform the pension system in the whole of the public sector. In the speech he outlined what he was going to do but made no mention of consultation with the relevant trade unions - he was seeking to

impose reform without social dialogue. There then followed a serious public sector strike which lasted for six weeks and paralysed the country. In 1997 Juppé lost the general election and Lionel Jospin became the new Prime Minister.

Jospin's government learned the lessons from the previous governments of '93 and '95 and understood need for consultation with the trade unions. In 2000 the Jospin government established the *le Conseil d'Orientation des Retraites* on which trade unions, employers, state officials, family organisations and pension experts sat. The first step of the Council was to write a report in 2002 outlining the need for reform and the government proposals. The report highlighted a number of points which needed to be discussed in order to tackle the pension crisis, which included the issue of the so-called 'baby boom period' and the deficit this left in pension provision, which would result, if neglected, in a pension crisis by 2020. Most importantly, through this body the government and trade unions worked together to create a consensus. In 2002 a new government, under Raffarin, continued with this process and in his first speech to the National Assembly, Raffarin talked about the issue of pension reform. However he did not make the mistake of earlier governments by announcing how the changes would be imposed. He outlined why reform was necessary but that it would be achieved through negotiation. Most importantly, and in stark contrast with the Juppé government, his plans for reform had not yet been written up. It was to be for the trade unions and government to work together to decide as best they could, how reform would be undertaken.

Reform began in earnest in 2003 and the main objective of the government was to ensure convergence between public and private sector pension provision arrangements by 2008. Between January and May 2003 Ministers met with trade unions on several occasions to discuss reform and the rationale for it. The trade unions were seen by the government as

partners in this process, rather than adversaries. On 6th January 2003 the seven trade unions involved in the discussions, within the public sector, published a general letter explaining what they sought from the reforms and what they opposed. In this letter the ten key questions, raised in the government's report in 2002, were tackled one by one, thereby setting out the views of all seven trade unions. These included the proposed increase to 40 years of work, family issues and the possibility of individual workers collecting their pension before they had reached 60 years of age. However the trade unions did not all agree on all of the issues so there only a partial agreement was made between a number of the trade unions over some of the issues.

On 15th May 2003 the Alliance with the trade unions was broken. The trade unions organised a strike for June that year which had less of an impact than previous demonstrations and did not paralyse the country. On 21st August the reforms became law and the public and private pension provision arrangements converged in 2008.

The failure of previous governments to undertake social dialogue with trade unions contributed to the lack of constructive progress and to the opposition of trade unions over reform. Once the government explained to the unions its rationale for reform, treating them as partners rather than opponents, the trade unions became actively engaged and 'bought in' to the idea and to the process of reform, albeit not comprehensively and not unanimously. This is a useful case study which highlights the vital importance of involving the social partners, on an equal footing, to find a joint solution to problems presented. The final law did not gain the support of all the trade unions. However by engaging with the social partners the government of Raffarin achieved reform with less hostility and opposition than had previous administrations.

❖ ***The Czech Republic experience***

There is seldom change within a country on a grand scale as when a country is split into two, as in the case of Czechoslovakia. In the case study below it is clear that not only did the consultation with trade unions support the process and helped to maintain stability throughout, it also added value by the trade unions offering alternatives and other ideas that were integrated into the final reforms. This is at the heart of social dialogue and the potential of this process to improve and build upon the employer's original plans should not be underestimated.

In the early 1990s the Czechoslovakian government began undertaking a gradual territorial reform of the public administration. The main feature of the reform was a transition to a decentralised government. Nationally, at the republic level, a number of new administrative bodies were established, for example employment offices and tax offices. While at the federal level a completely new social security office with territorial offices in both republics (the Czech and the Slovak) was established. Throughout this process the trade unions, through negotiations with the relevant Ministry, worked to resolve employment issues. They expressed their opinions to the changes proposed and had the possibility of commenting on draft legislation. This is an important dimension to social dialogue. For social dialogue to work effectively the social partners must exchange information and be prepared to take on board the considerations and opinions of the other party.

In 1992 a fundamental tax reform took place within the country and the Government's proposals were discussed with the trade unions. Note that at this point within the process of dialogue between the social partners it is vital that the employer has not yet made their final decision on their proposed reform. Thus, the unions had the opportunity to express their opinions to the proposals with the ministry of finances, which took these on board. On 1st January 1993, Czechoslovakia, which until then

had been a federal state, split into two independent states. Throughout this entire process the trade unions, as well as local trade union organisations, actively participated in the preparation ahead of change in relation to employment issues.

The resulting procedures and measures were embedded within a written agreement between the trade unions within central government and the Prime Minister of the then federal government and the Prime Minister of the government of the Czech Republic. The agreement sought to support the movement of employees from federal level to the national level and also dealt with situations of staff redundancies. The trade unions also participated in the preparation of a special law supporting employees whose employment had been terminated due to the splitting of the state. This was difficult because such a legal situation had not been experienced before and so it was not covered by the Labour Code at that time. This is an important element of social dialogue – exchanging information, but also acting on the information.

To support the preparation of the new tax law, a small working group was established on which sat a member of the trade unions. The meetings of the working group involved discussions around very complicated processes, with a tight timescale and which required the close co-operation of the unions and the state as the employer until splitting of the state had been completed.

In 1998 the preparation of the public administration reform began and was undertaken in two phases - to 1st January 2000 and then to 1st January 2003. The principal concept of public administration reform was endorsed by the government in 1999 and all citizens, including the trade unions, had the possibility to express their comments to the draft of the reform. The trade unions gave their support to the public administration reform since they considered it an inevitable step in the decentralisation of the public administration and its

democratisation. The concept of the public administration reform was submitted by the government to the Chamber of Deputies of Parliament, which rejected the proposal and recommended that the government accept a variation on the original proposals. However, although these new proposals were accepted by Parliament, the trade unions refused to endorse them and it is worth noting that in the course of time the justification of their argument has been confirmed. Transparency is an important element within social dialogue and although the Parliament overruled the views of the social partners, it is useful to know that Parliament is accountable for its decisions and this helps build confidence in the process and allows transparency.

On the basis of the concept for reform being approved, a legislative framework for public administration reform was prepared and passed by Parliament in 1999. The trade unions had very actively participated in this process, both on the level of government and Parliament and a number of their comments and proposals were accepted. By allowing the unions to influence the decisions of the Government, the employer had engaged employee representatives and brought them into the process of change.

The drafts of laws, associated with the public administration reform, were also discussed within the working team of the Council of Economic and Social Agreement of the Czech Republic (CESA - a tripartite working body) which recommended the Chair (the Prime Minister) to summon a plenary session of the CESA of the Republic where the drafts of the laws would be discussed even before their hearing in the government. An extraordinary session of the tripartite took place. The contents and results of the hearing of both the working team and the plenary sessions were minuted and archived as are the responses and positions of the Trade Union for public administration and the Czech-Moravian confederation of trade unions. A working group of Ministry deputies was

established by the Ministry of the Interior to prepare and introduce public administration reform. The working group included trade union representation which allowed the union the opportunity to express its opinion on employment and other relevant issues. The majority of the opinions of the representative of the trade union were accepted by the group and the activities of the working team were seen as a vital requirement for a successful introduction of reform within the public administration.

The preparation of the second phase of the public administration reform took place throughout 2002 and this centred upon legislation and technical organisation. The drafts of the proposed changes to the laws were submitted to the trade unions for comments and a number of recommendations made by the trade unions were enacted. The proposals of the changes of laws were the subject of negotiation of through a tripartite working team as well through a tripartite plenary session before their hearing in government. During this phase of reform legislation relating to the employees of the Republic's territorial self-governing units was adopted by the Parliament and come into effect by on 1st January 2003. The working group, established by the ministry of interior for the preparation of this Act, contained representatives of the trade unions including the trade union for public administration. Within this group the trade unions had the opportunity to make substantial recommendations for change of the Act, for example changes to the status of the officials of territorial self-governing units and of their terms and conditions, including their training. This second phase of reform involved transferring employees, which was a complex issue, and which included the transfer of employees into the offices of local government. Within the negotiations between the Ministry of Interior and the trade unions it was proposed by the trade unions that they would prepare a draft procedure for those employees who had complaints or were aggrieved at the process and its results. This proposal by the unions was accepted by the Ministry of

Interior and the Ministry established procedures for the voices of aggrieved employees to be heard. This is a central part of social dialogue – that is permitting the expression of concerns or grievances, and serves to strengthen social dialogue as it allows opinions of individual workers to be expressed, which ought to be taken into consideration by the employer when finalising their plans.

This request by the unions was acted on in line with the rules set out by the Ministry of the interior. This methodology proved in practice to be so good that it is now applied in all cases where organisational change or partial reform is required. The role of the trade unions within this process is to highlight and explain any grievances employees had and to present this information to the relevant Ministry. The participation of the trade unions in the preparation and resolution of problems encountered by the workforce throughout this period, including the tripartite system of discussions and negotiations, was publicly acknowledged by the then minister of interior.

This example illustrates how the social partners can, despite their differences, reach an agreement on implementing reform in such a way that the process is strengthened and lessons learnt for the future. The main point to note here is that transparency is essential for good social dialogue and, even though the trade unions ultimately refused to endorse the proposals by Parliament, the process was open and they had the opportunity for proper information and consultation. In addition the model chosen by the trade unions to achieve this proved good in practice and has been in use since then.

❖ The Job Security Foundation in Sweden

The Job Security Foundation (TSN) in **Sweden** provides a useful illustration how the social partners can work together to support individuals who face redundancy. The Foundation, established in 1990 through the Job Security Agreement for Government Employees, is funded through a levy paid by each

Government agency which is set at a percentage (currently 0,3 %) of their total monthly payroll costs. Essentially the main role of the TSN is to, as far as practically possible, ensure that those individuals who are given notice of redundancy find alternative employment. One of the ways of doing this is to provide further training to meet the demands of the labour market. Training can also be provided in a preventive manner, by working with employers when they face skill shortages. The TSN offers a personal service to each individual but it is also expected that they assume responsibility for this process and plays an active part in it.

The support given by the TSN consists of a number of processes:

- Production of an individual's profile – background, qualifications, skills and interests.
- Preparation of an individual Action Plan
- Provision of information and advice both to employees and their employer
- Support and advice on searching for new employment
- Receiving the support of a Job Coach
- Training to support new employment or to remain with their existing employer
- Help with arranging contact with other employers in the area
- Financial support – for example help with business start-up or a salary while being trained for a new job

The TSN is composed of a Director and a Board made up of the state sector's social partners and has a number of regional offices throughout Sweden. There are additional individual rights under the agreement, which are designed to protect individuals at risk of redundancy and these are:

Paid leave for those individuals participating in the scheme, for example while undertaking training and education

Job security income supplements for those who find a new job that pays a lower salary. In this case the supplement provides full compensation for 2 years and 50 per cent for the following 2 years.

Subsequent Job Security which means that a person can return to the scheme if they are made redundant from a new job within seven years from the time their employment with the government ceased.

Early retirement and pension are granted to people who have reached the age of 61 at the time of the termination of their employment if they choose not to seek a new job. Under special circumstances such pension may also be granted to those who were between the age of 55 and 61 when their government employment ceased

Competency development and training

Precisely because training and development can be undertaken to the benefit of both the employer and employees it would seem that this area of policy within an organisation has the potential to bring the social partners together to discuss issues of common interest. From the evidence in the responses from the research participants it is clear that the social partners in a number of countries already participate in social dialogue over training and development. The terms of reference between different states and their social partners over dialogue on this issue vary, from the partnership approach in the **United Kingdom** via the Sector Skills Council 'Government Skills', to the negotiating rights of **Danish** trade unions which enabled them to achieve a commitment from the government to an increase in spending on training of some €1.3bn. In addition through social dialogue, the Danish unions managed to ensure that training matches demand so that occupations with skill shortages, in this case social and health care workers, will be entitled to free training and guaranteed training posts. It is this holistic approach in Denmark that has the added strategic

advantage of matching supply and demand for training, for the future.

In a recent report³⁶ on the general contribution of collective bargaining to continuing vocational training (CVT) the various degrees of involvement of the social partners were found to range from no involvement to direct consultation, formal consultative councils, participation in vocational training and involvement in tripartite or public bodies. The social partners in a number of countries within this study had a high degree of involvement in CVT and these included **Austria, Belgium, Estonia, Finland, Portugal and Spain.**

In the **Austrian** central administration training has been tailored to the requirements of the particular department with ministries having the power to determine course content. The increased professionalisation of the civil service within Austria has also been achieved by the introduction of a Public Management Degree and the establishment of a Federal Academy of Public Administration.

The importance of training and the competence development of workers in the **Portuguese** public administration modernisation process is recognised by the employer. Through this the workers are entitled, and have the duty, to attend training courses each year. Further competency development is also supported through the award of an annual credit of 100 hours for studying and 'self-training', during work for senior officers and 70 hours for other staff.

❖ *The UK experience*

The role of Sector Skills Councils within the **United Kingdom** is to promote training at work and the work of these bodies requires the involvement of the social partners for their legitimacy and acceptance by employers and their workforce.

³⁶ Contribution of collective bargaining to continuing vocational training, European Foundation for the Improvement of Living and Working Conditions, 2009

There are 25 Sector Skills Councils (SSCs) in the UK and Government Skills, the SSC responsible for central government, has the stated aim of “improv[ing] the delivery of public services to customers, by building the skills of people working in government departments”³⁷. The governing board of the SSC is populated by employers and trade union representatives who work together with the SSC secretariat to define the skills needed by central government and then to ensure the appropriate skills are enshrined in the available qualifications. The training and development of the UK’s central government employees is clearly central to the delivery of high quality public services and social dialogue forms a central part of this process. The rights for Union Learning Representatives (ULRs)³⁸, enshrined in law, to have paid time off to undertake their duties allows trade unions within the workplace to create and stimulate demand for training. Co-operation between trade unions and employers from the level of the workplace to the board of the SSC helps to promote good information and consultation over training issues and transparency in terms of the objectives and outcomes of both parties. ULRs within the workplace work with their employer to collect information about the current skill levels of the workplace and then determine the appropriate training required for the employees and the employer. All SSCs must produce Sector Skills Agreements, which set out the SSC’s work programme and projections for the demand for skills over the coming years, and these agreements must be agreed between the social partners.

In **Germany** the Lisbon Agenda is highlighted as an important issue and central government there is seeking to ensure workers are able to retain knowledge and pass it on to other

³⁷ From the Government Skills website last viewed 27th February 2009. For further information see <http://www.government-skills.gov.uk/>

³⁸ Union Learning Representatives (ULRs) are union members who take on this role within their workplace. The legislation governing their role is set out in the Employment Act 2002 and can be found here: <http://www.berr.gov.uk/whatwedo/employment/employment-legislation/employment-act-2002/index.html>

workers and this process will inevitably involve in-depth planning and co-operation between the social partners. In response to labour market shortages, the **Finnish** government wants to make better use of existing employees through the development of skills and competencies. However this will depend on the willingness of individual employees taking up training opportunities and for them to consider changing careers, perhaps, several times in their working lives. Training and development relies heavily on the employers' willingness to allow time off for study, for all types of workers, and for the training offered to be of real benefit to employees. There is an opportunity for central government employers to develop coherent social dialogue policies around this subject matter to ensure all employees have this opportunity and for training to be of use to both employers and their employees.

❖ *The Danish experience*

In **Denmark**, as part of the Quality Reform, tripartite negotiations between the government and social partners in the public sector lead to an agreement in the summer of 2007 on a wide number of initiatives with the aim of improving welfare to citizens and improving education and working conditions for public sector employees. This tripartite agreement included initiatives and extra funding to be further agreed upon between the social partners in the state, regional and local; public sector in connection with the 2008 round of collective bargaining. In relation to collective bargaining in the state sector, an additional fund of approximately DKK 220m was set aside for educational and competence development purposes for the period 2008-2011. In total DKK 410m has been reserved for competency development of state sector employees in this period.

❖ *The French experience*

In **France** the social partners play an important role in the governance of the Continuing Vocational Training (CVT) system and jointly manage initiatives, monitor, audit and assess the CVT provision, which has the effect of legitimising the process and for providing transparency throughout the process. Social dialogue is undertaken on a continual basis by three main actors – the Regional Council, the social partners and the state.

The new Individual Right to Training (DIF - *droit individuel à la formation*) was created by the agreement of September 2003 is set to become a major 'career tool', firstly agreed for those employees within private companies and then extended in 2007 to those working within the public sector. Employees with over a year's employment can benefit from a credit of 20 hours training per year (pro rata equivalent for part-time employees), which can be built up over six years. The agreement enables employees to receive training during or outside working hours and in accordance with the provisions of the relevant sector wide or company agreement. For those hours of training undertaken during working hours, the employee receives their normal salary, and for the hours of training received outside of normal working the individual received 50% of their net hourly salary. The employee must take the initiative to implement his or her right to training although this must be covered by a formal agreement with the employer. The minimum number of training hours accrued has already been altered by a number of sector-wide agreements (changed to 21 hours in the cleaning sector and 24 hours at SNCF for schemes leading to a higher level of skills and qualifications). Through these changes the French government has particularly targeted young-people, the over-fifties, women and workers from an ethnic minority.

The social partners were the lead actor in the process of law making and have been actively pursuing the rights of

employees for training in a number of sectoral agreements. In fact the majority of sectors within the French economy now have provisions for training³⁹ agreed by the social partners. In January 2008, employer organisations and four trade union confederations reached an agreement on 'modernising the labour market'. The agreement lays the basis for a French version of 'flexicurity'; it establishes more flexible conditions regarding recruitment of workers and termination of employment, on the one hand, while maintaining some employee rights if the employment contract is terminated, on the other.

In addition, the French social partners agreed in 2007 to expand the existing rights for employees within the private sector on lifelong learning to those employed in local and central government. The new law (the Civil Service Modernisation Law) sets out an individual right to training to ensure individuals are able to continue with their training, providing it offers transferrable skills, when they are made redundant or move jobs.

Equality and diversity

The changes in the demographics of societies across Europe demand that the social partners work together to establish new mechanisms for encouraging non-traditional workers into central government at all levels of the hierarchy, and social dialogue, by harnessing the views and attitudes of the current workforce, will enable the widest possible debate within government to provide the most appropriate solutions. All countries within the research are experiencing an ageing population and a number of countries are taking measures to tackle this process.

In **Finland** for example, the social partners have introduced new recruitment strategies to encourage workers with

³⁹ European Foundation for the Improvement of Living and Working Conditions website. www.eurofound.europa.eu/eiro/studies/tn0804048s/fr0804049q.htm Last accessed 23rd March 2009.

disabilities or from ethnic minorities to apply to join the civil service. In recent negotiations the social partners agreed a package that link gender equality plans with money earmarked for addressing the gender pay gap. In addition there is a tripartite working group which examines the ways to reduce the gender pay gap by 5 % by 2015.

Others, for example **Spain**, have achieved far reaching agreements to tackle equality and diversity issues within central government. Part of this process has involved an admission, by the social partners, of the current problems and shortcomings of the present system and their willingness to adapt it to meet the challenges of the modern central government workplace. The introduction of the Concilia Plan in Spain highlights the potential of good dialogue in the area of equality and diversity and illustrates precisely what can be achieved through a holistic, participative and co-operative approach by the social partners. This major and wide ranging agreement would not have been achieved without the involvement and support of the Spanish central government social partners.

To illustrate the challenge of demographic change in **Germany**, a recent report stated that in “some major cities in Germany, more than half the population below the age of 40 will have a migration background in 2010”⁴⁰. The German government has already acted to improve the recruitment of migrant workers into local and central government. In **Belgium** the civil service ministry has targeted specific groups, including workers with disabilities and migrant workers, in order to ensure that the workforce reflects the wider community.

⁴⁰ Böhmer, M, “The National Integration Plan – A Contribution of Germany Towards Shaping a European Integration Policy”, State Minister in the Federal Chancellery and Commissioner of the Federal Government for Migration, Refugees and Integration (2008)

Strategies such as these can involve significant changes to employment conditions in order to improve work-life balance or ensure measures are in place to deal with discrimination or harassment. For example, trade union and central government employers within **Spain** are required by law to negotiate equality plans in any workplace with more than 250 workers. The plans cover a number of issues, such as job classification, promotion, training, pay and working time. Trade unions in **Germany** have been able to negotiate more flexible working time arrangements aimed at improving work-life balance, particularly for employees with caring responsibilities out of work.

❖ *The UK experience*

According to the **UK** Equality and Human Rights Commission⁴¹, in terms of service delivery there are a number of reasons why central administrations ought to promote race, disability and gender equality:

- to improve the representation of different communities at all levels
- to improve customer satisfaction within all communities
- the involvement of all communities
- targeted services and information about public services
- to promote accessibility of all services.

In addition, and in terms of their workforce, central government administrations might want to consider the advantages of promoting race, disability and gender equality in terms of their employment functions. By promoting equality at work public authorities can, for example:

- achieve a more representative workforce
- attract and keep able staff

⁴¹ CEHR Website. Last viewed on 22nd March 2009
<http://www.equalityhumanrights.com/en/forbusinessesandorganisation/publicauthorities/Pages/Benefitsofequalityanddiversity.aspx>

- improve staff morale and productivity
- improve staff management
- identify and develop good practice
- identify discriminatory outcomes for any groups of employees
- avoid claims of unlawful discrimination.

All public authorities in England, Wales and Scotland, by virtue of legislation that came into power in April 2007, must demonstrate that they are promoting equality for women and men and eliminating sexual discrimination and harassment. The new law states that public authorities must prepare and publish a scheme demonstrating how they intend to fulfil their obligations under the law and in doing so they must consult with employees, service users and others, including trade unions. This process is designed to ensure public authorities are transparent and accountable to their stakeholders for the scheme they introduce and it demonstrates how trust can be improved in central government administrations both in the eyes of service users, and in the eyes of the workforce.

❖ *The Spanish experience*

In **Spain** the Basic Statute for employees within the public administrations has incorporated most of the rights and duties of the 'Concilia Plan which were agreed by the Spanish social partners in 2005 and comprises a package of measures aimed at improving the living standards of central administration employees. The Statute acknowledges that gender inequality in the public administration is an important issue and it sets out a wide range of measures that trade unions and employers believe will help improve the situation. Within the Statute there are changes affecting working time and flexibility, flexible working hours, paternity leave, additional maternity leave, more flexible arrangements for single parents and those with caring responsibilities for children or other dependants. The plan also includes specific proposals to deal with sexual harassment at work as well as policies to assist women who are the victims of

domestic violence. The Statute, and the Concilia Plan before it, was produced in response to the partners' concerns about gender equality and it established a series of measures for civil servants in the general state administration with regard to flexible working time, work-life balance, care of dependants, and sexual harassment. It is hoped that the agreement, which covers half a million workers, would be seen as a good example for companies and other public sector bodies to follow.

The Statute outlines central government administrations' employees' rights in a number of key areas, including⁴²:

Working time

The number of working hours per week has been maintained but the period of the working day has been reduced to between 09.00h to 15.00h, with a minimum lunch break for workers on split shifts. Single parents and workers with disabled children may extend the flexibility to a further two hours of their working day. Workers with dependent elderly or disabled relatives, or with children under the age of 12 years, are entitled to extend the flexibility by one hour. In all cases, the working day must end no later than 18.00.

Parental leave

The document establishes several measures relating to paternity and maternity leave. Workers are entitled to 15 days' paternity leave for the birth, fostering or adoption of a child. They are also entitled to add their holidays to the maternity, breastfeeding and paternity leave. Breastfeeding leave for children up to the age of 12 months may now be added to maternity leave as an additional four weeks. The possibility of working shorter hours has been extended from parents with children up to six years of age to those with children up to 12 years of age. In the cases of premature birth and newborn children who have to stay in hospital, workers are entitled to

⁴² This information was extracted from the European Industrial Relations Observatory website and can be found at:
<http://www.eurofound.europa.eu/eiro/2006/02/feature/es0602104f.htm>

two hours' paid leave per day. In these cases, the maternity leave may be counted from the date of leaving hospital. Workers are also entitled to be absent from work to undergo fertility treatments. In cases of international adoption, when the parents must travel to the child's country of origin, they are entitled to two months on basic pay. Public employees are entitled to receive continuing training during maternity and paternity leave, and when they are on leave of absence for family reasons.

Care of dependants

A further package of measures established by the Basic Statute concerns the care of dependants. The maximum period of leave of absence for public employees to take care of a dependent person who is a close relative has been extended to three years. During the first two years, their job is reserved, and thereafter they are guaranteed a job at the same level and pay in the same town.

Sexual harassment

Finally, the document deals with protection against sexual harassment or violence. Public employees who are victims of such an attack, and forced to change their job, may apply for transfer to another administrative unit or another town. They are also entitled to take a leave of absence with no time limit in order to ensure their protection or full social care, even if they do not have the seniority normally required for this entitlement. During the first two months of this leave, they receive full pay.

Conclusions

Overall the public sector has an important role to play in mainstreaming equality and diversity and adopting practices that the private sector can replicate. However mainstreaming requires that good practice is embedded within formal structures and this requires co-operation between the social partners and time to develop long lasting, sustainable programmes.

This chapter has outlined how the process of social dialogue can be undertaken to ensure the social partners are permitted an adequate involvement in the decision making and implementation processes within central government reform. It is clear that if both parties are willing to engage in information and consultation the intended outcomes will be less onerous and challenging to meet. All of this can influence the delivery of a public service and strengthen the trust of citizens and service users in their central government administrations.

The table below sets out the proposals considered within this study and the extent to which the social partners engaged in social dialogue, illustrating the results of reform proposals as a result.

State	Reform	Page	I	C	N	T	Outcomes and comments
Au	Pension Reform	13	✓	✓	□	□	General strike in opposition to change
Cz	The formation of two states	16	✓	✓	✓	✓	Little disruption to the process.
Dk	Demographic change	20	✓	✓	✓	✓	Agreement reached without conflict.
Dk	Funding for training	26	✓	✓	✓	✓	Agreement reached without disruption
Es	Equality and Diversity	23	✓	✓	✓	✓	Agreement reached without disruption
Fr	Training	36	✓	✓	✓	✓	Agreement reached through negotiation
Fr	1995 Pension	31	✓	□	□	□	Process stalled and strikes – ‘opponents’ not ‘partners’
Fr	2001 Pension	31	✓	✓	✓	✓	Implementation of change through dialogue ‘partners’
Fi	Demographic change	20	✓	✓		✓	Full programme of change endorsed by the social partners
Uk	Job losses (announcement)	26	□	□	□	□	Opposed and industrial action taken
	Job losses (social dialogue)	26	✓	✓	✓	✓	Agreements reached on job losses

Key: I = Information C = Consultation N = Negotiation T = Transparency

Perhaps unsurprisingly it is clear to see from this table that the key determining factors of success when central government administrations seek to introduce reform are the extent to which the government undertakes social dialogue with employee representatives and whether this includes *information, consultation, negotiation and transparency*. The rate of success increases as the number of these factors is utilised, with the most successful reforms being undertaken with all four factors, and the least successful reforms undertaken with none of these. This research has demonstrated that if central government administrations seek to improve the trust of their citizens, in terms of the quality of public services, they must begin by examining the employment relationship within their administrations.

Employee morale, well-being and commitment are all affected by the extent to which workers are involved in the decisions at work, whether these relate to their own terms and conditions or the structure or delivery mechanism of the public service they offer. These factors, in turn, are part of the wider employment relationship and feed into the discussions and negotiations between employees, their representatives and their employer. If these discussions are felt to be open, honest and genuine worker will commit to a greater extent to change. If these discussions are felt to be opaque, pointless and irrelevant then it follows that workers will be more likely to resist change. The nature, structure and timing of these discussions determine the outcome both for the employee and for the citizens who use our public services.

It is clear from this research that social dialogue has been an important element in the reforms within central government. However social dialogue appears to have been undertaken, with a few exceptions, after the decision to reform has been made by the employer and this precludes any attempts by the trade unions of anticipating change. Whether this is so due to

the nature of reform or simply due to the reluctance of employers to adequately engage their counterparts it is unclear. What is clear though is the less time and energy given to social dialogue, the greater the chances of the process haemorrhaging, ultimately destroying the employment relationship and citizens' trust in their central governments. There ought not to be any shocks or surprises to either party and good social dialogue should prevent this at the conception of reform, through to the implementation and evaluation.

Report recommendations for further work

What follows are set of recommendations, arising from the study, to support the work of the social partners within central government administrations.

✘ Skills and competencies

Given the challenges facing central government in terms of demographics, the environment and technological innovation, issues around competency development are crucial in order for central government administrations to continuously offer good value for money to the taxpayer and at the same offering high quality public services and fulfilling employment opportunities. So what is the role of the social partners in setting out the training policies for the future? This must surely include the distribution of training, especially to those with lower skill levels who are often left behind. How can the social partners ensure that the central government workforce is fit for purpose for the years to come? Of course labour mobility should not be limited to an employee's opportunity to move within their central administration, but it should also include mobility within the wider labour market.

✘ Coping with decentralisation

Trade unions may criticise the decentralisation of public services, and their accountability, if social dialogue at the local is not adequately resourced and if the purpose of the process is to privatise the service rather than being a genuine effort to make improvements in the delivery of the service.

However there is no reason why the decentralisation of services needs necessarily to have a negative impact upon social. Of course this depends very much on the commitment by the social partners to engaging in meaningful dialogue and on the commitment from employers to genuinely offer well resourced local social

dialogue which has the potential to genuinely influence decisions and contains a commitment to providing adequate resources to achieve the desired improvements.

Overall, given that decentralisation requires greater co-ordination by the social partners, how do the social partners in the future ensure that a movement of accountability and service delivery to the local level does not result in weaker social dialogue? It is important that EUPAN and TUNED develop a continued dialogue over these key principles.

✘ **The environment**

Of the survey responses received only the Spanish response highlighted environmental pressures as being a driver for reform within central government. It is possible that the European Commission's target for cutting emissions by 20 per cent by 2020 will have greater impact across European states as we draw closer to that date. Central governments will need to adapt to the requirements of this target. How can the social partners do this and maintain high quality public services?

✘ **Equality and Diversity**

Progress has been made with reforms to improve equality and diversity within central governments. However to ensure these gains are not undermined in the future, the social partners ought to consider mainstreaming the positive progress made to date and this may require co-ordination at the European level. Solutions ought to be tailored to the specific needs at the local level but also set within a common framework.

✘ **Anticipating Change**

The fast pace of change within the 21st Century makes early planning and anticipation very difficult though, at the same time, essential. If employees within the sector and

its service users are to maintain the trust with their central government, the social partners must overcome this challenge. More time must be given to proper information and consultation at an early stage, before decisions are made. If it is not this risks undermining relationships as the parties will fail to see the relevance of social dialogue, weakening the employment relationship and ultimately the trust from citizens. How could the social partners improve their joint anticipation of change?

✘ **Improving national social dialogue**

Social dialogue varies from state to state in the countries examined in the research. Both partners require strong, well organised counterparts able to participate fully and this requires the transmission of the necessary information to enable them to do so. The challenge of improving social dialogue, at all levels, and at all stages of reforms (conception, implementation and evaluation) is important for both employers and trade unions. Although the scope for these discussions is often restricted by law or by national customs, the social partners ought to give consideration to establishing a framework which could outline the stages and the rationale at each point of their dialogue, for instance discussing relevance of reforms; their impact on equality; impact on quality of services; fairness and the long term impacts upon the employment relationship. Like any other process, social dialogue is seldom perfect and there may be room for improvement while at the same time respecting national traditions. How can the social partners plan better to inform their discussions and negotiations so that citizens' trust in their own administrations is enhanced for healthy democracies and for good employment relations?

✘ **Employees' information and consultation rights**

Related to the above, throughout the course of this study, it was not possible to examine closely the implementation of the European directive on workers' rights of information and consultation in central government administrations. As this legislation is a major tool to improve anticipation, manage change and improve trust, the issue of implementing the Directive ought to remain on the joint work programme of TUNED and EUPAN.

✘ **European Social Dialogue**

Exchanging good practices, as this study has attempted, is vital if the social partners are to develop a greater understanding and awareness of the most efficient methods of improving dialogue, supporting reform and improving trust within central administrations. Cross border learning is an activity that should continue to support both parties in their future endeavours. European social dialogue should be used as a tool to help promote better social dialogue at national level and to promote trade union and worker's rights in line with European and international charters, treaties and conventions

Appendix A: Country Profiles

Austria

1. Structure of central government administration

Austrian government is a federal system with nine regional governments. At the national level there are 13 ministries and each of these has a number of Directorates General, which are further subdivided into divisions, directorates and units. While individual Ministries are responsible for their own Human Resources, the Federal Chancellery plays an important role within the Federal Administration in co-ordinating such issues as the employment regulations for the federal staff, administrative reform, training and salaries.

2. Employment and social dialogue

The Public Service Union (Gewerkschaft Öffentlicher Dienst - GÖD) represents federal officials at both the federal and regional level and trade union density within the former is 53%. The GÖD along with the local government trade union (Gewerkschaft der Gemeindebediensteten - GDG) participate in annual negotiations over pay and conditions with the Federal Chancellery. The negotiations cover the entire public sector and in recent years have set pay increases that apply across the federal, regional and local government sectors. Bargaining, over wages and employment conditions, between the government and the public sector trade unions follow established procedures and do not have any legal status. However the negotiated outcomes are usually honoured and form the basis of the draft legal proposals of the government. The main topics for Social Dialogue within the Austrian central public administration are pay and reform of pay systems, pension system and staff regulations. Employment in externalised public institutions is governed on the basis of collective agreements between the unions and the respective employer representatives. However it is important to note that

these institutions do not form part of the central government. Social dialogue takes place at the national, regional (Länder) and local level and wage bargaining is undertaken with reference to informal procedures

Contract agents have a similar legal position as employees in the private sector. As a result of the reform of the Contract Staff Act in 1999, employment under contract was defined as a regular form of employment in the Federal Administration. Rules governing pension funds for contract agents were established following a collective agreement between the GÖD and the Federal government, and this process has recently been applied to officials, or Beamte, too. Probably the most significant reforms to public sector employment have been the changes to pensions provision having an impact in particular on civil servants with harmonisation of the public and private schemes resulting in lower pension entitlement in future for civil servants. The overall changes to pensions have been the one area that has generated significant industrial unrest in a country otherwise characterised by a very low level of strike action and industrial conflict.

Articles 12 and 13 Staatsgrundgesetz über die allgemeinen Rechte der Staatsbürger RGBI 1867/142 and Art 10 and 11 EMRK form the basis of collective action. Most recently a Constitutional Amendment has recognized the role of the Social Partners (Article 120a para 2 Bundes-Verfassungsgesetz, BGBl. Nr. 1/1930 amended by BGBl I Nr. 2/2008).

The staff regulations for officials, or “Beamte”, are governed by Federal law and the staff regulations for contract agents (“Vertragsbedienstete”) are also regulated by Federal Law (“Vertragsbedienstetengesetz”).

3. Main drivers for change and resulting reforms

During the 1990s central government in Austria focused on personnel development, quality management and performance measurements.

The change of government following the general election in 2000 gave rise to a reform agenda whose central theme was administrative reform focusing on controlling costs and cutting staff numbers across all levels of government. However, the reform programme also included restructuring of competences between different levels of government with some decentralisation and regionalisation of responsibilities. There were moves towards improving services to citizens through the setting up of “one-stop shops” at the district administrative level.

Reforms also included the “back-office” services and a range of initiatives were introduced, for example new IT systems for budgeting and personnel management, benchmarking between ministries, and the establishment of government wide agencies to co-ordinate procurement and accounting services.

Apart from the pension reforms mentioned above, the main areas of reform in recent years have covered salary patterns and specific aspects of labour law. The trend within the central government administration has been to increase the proportion of contract agents as opposed to officials. However this reform is not universally supported and those opposing this change question whether it can fulfil the specific needs of the civil service and maintain the impartiality of civil servants.

There has also been a reduction in civil service numbers through a process of outsourcing that has affected a growing number of institutions. This has sometimes involved full or partial privatisation or the transfer of responsibilities to an agency from direct ministerial control. The Public Employment

Service, the Federal Computing Centre of Austria, the Statistics Austria, the universities, the federal railways, the postal and telecommunication services, several museums and theatres and even some authorities like the Financial Market Authority have been outsourced. This process started in the 1990s and was implemented in consultation with the public sector Trade Unions. As a consequence collective bargaining in these organisations is now taking place.

There was a major reform of the basic public sector training system in 2002 with course contents now defined by the individual ministries and administrative units in order to ensure that the training is as relevant as possible to the needs of modern personnel development. The Federal Academy of Public Administration has been entrusted with the task of producing basic training modules with cross-sectional subject matters. Professional development training for Federal employees has been extended to include, since the beginning of 2008, the possibility of attaining a Public Management degree (Baccalaureat) at one of the universities of applied sciences.

The overlap of financing and responsibility for a range of different services between the federal, regional and local levels of government may have contributed to what internationally could be seen as a relatively slow adoption of reforms. In its 2007 economic survey of Austria, the Organisation for Economic Co-operation and Development (OECD) argued, for example, that “improving the quality and efficiency of public services will require overcoming fragmentation of decision-making in various spending programmes, such as hospital care and social assistance benefits, and concentrating financing and spending responsibilities on one government level.” However any reform has to respect the Austrian federal structure which is one of the defining elements of the Republic of Austria.

The OECD survey also reports how the public sector is currently working through a second period of major administrative reforms that are having an impact on federal government including the promotion of administrative cooperation between different levels of government and cooperation of public authorities with less bureaucratic and more citizen-friendly e-government. There has been considerable progress in terms of e-government.

Austrian reform measures take account of the particular responsibilities of democratic government and public service provision. An important pillar of the current Austrian budgetary reform is the introduction of performance budgeting, with the inclusion of performance measures and indicators into the regular budgetary process. This should help to move the budgetary debate from its focus on inputs to outputs.

Belgium

1. Structure of central government administration

The national federal state administration in Belgium is part of a complex structure of public administration that is composed of two communities (Flemish and French speaking), and three regions (Flanders, Wallonia and Brussels) as well as 10 provinces and 589 local authorities. This system has been established over the last 20 years with the main reforms setting up the community and regional administrations in the 1980s. The federal administration now consists of five main groups of organisations – 14 ministries, six bodies that co-ordinate issues across ministries (such as sustainable development and consumer protection), 16 research institutes, 14 agencies (dealing with a wide range of issues from medicines and health products to gender equality) and 15 bodies that deal with various elements of social security. The federal public service for personnel and organisation has responsibility for the

workforce at federal level and is the responsibility of the Minister for Public Administration and Public Enterprises.

2. Employment and social dialogue

The main trade union organisations within the Belgian central administration are the General Confederation of Public Services (CGSP), the Federation of Christian Public Service Unions (FSCSP) and the Free Trade Union of Civil Servants (SLFP). There is no corresponding central government employers' organisation. Collective bargaining is carried out by those political authorities responsible for determining working conditions and pay.

Around three quarters of federal government employees are civil servants with a range of statutory conditions that provide them with greater employment rights than employees covered by private law contracts. However, the stricter rules that apply to the recruitment and employment of civil servants have meant that there has been an increase in the use of contract employees who now make up around 25% of the federal workforce. The aim is to gradually reduce this reliance on contract workers with an initial target to reduce it to 20%.

Although there is a legal right to engage in collective bargaining, any agreements reached are not legally binding.

Collective bargaining coverage overall is very high in Belgium (over 90%) although trade union density is around 40-55%. Collective bargaining arrangements cover most of the public sector with a system of four Negotiating Committees (A to D) responsible for setting the pay and conditions of employees, depending in which level of government they are employed. Committee A covers the public administration workforce as a whole while Committee B covers federal employees. Committee C covers provincial and local public service. There are three main trade union confederations based on socialist, Christian and liberal traditions and all three have public sector

affiliates which are represented on the each of the negotiating committees. Trade union density in the public sector is between 50% and 60%. In addition to the Negotiating Committees there are 19 Consultation Committees. The main topics for social dialogue are remuneration, pensions, working time and work organisation (statutory regulations).

3. Main drivers for change and resulting reforms

Over the longer term a key driver for change has been to meet the needs of the demands for representation from the communities and regions, and the present administrative structure is relatively recent with redeployment and relocation of staff taking place throughout the 1990s in a process that has led to an overall increase in employment in public administration. The debate over the country's political structure continues with some political parties in the Flanders region pushing for greater powers for the regional government. This debate has dominated political developments over the last few years with a long period following the 2007 general election passing before a coalition government emerged.

The issue of citizen trust has been an important issue in government reforms and was behind policies that were formulated following the 1999 general election when the new government set out plans for modernising the public administration. The reforms emerged from ideas about performance and effectiveness and viewing citizens as clients. It is unclear to what extent the reform plans produced significant change as no arrangements were put in place to monitor the process or to provide ministries with assistance and advice in implementing them. However, most governments over the intervening period have adopted policies which reflect New Public Management, that target competency-based reforms and performance-based management and also that attempt to move away from career-based employment systems. The federal government has based many of its human resource

management incentives, for example training, salaries and career development on competencies more than performance.

Some of these issues are central to the most recent civil service ministry reforms and are outlined in the Government's strategy document for the 2007-2011 period. These reforms consist of three main elements - a client orientation, the creation of an administration that is responsible, efficient and focused on results, and developing public administration in an integrated way with a view to being an innovative, dynamic and attractive employer. The civil service ministry launched a strategy for the 2005-2007 period aimed at raising the profile of the federal government as an attractive employer. This was targeted particularly at specific groups such as workers with disabilities and migrant workers making it clear that the federal government was striving to be a model employer and wanted to ensure that its workforce reflected society as a whole where diversity was seen an added value. Another important element of this recognition of diversity was the evaluation of how candidates are assessed in order to ensure no bias in selection procedures.

Governments have already tried to plan to deal with the challenges of an ageing society by aiming to pre-fund future increases in demand for services and by seeking to increase the productivity of workers in public administration.

Bulgaria

1. Structure of central government administration

The Bulgarian Government is composed of 16 state Ministries, plus a Minister of European Affairs without Portfolio. There are 28 provinces and a total of 264 municipalities. Interestingly there are more women in central government employment in Bulgaria than there are across the Bulgarian economy as a whole. While the size of the civil service in Bulgaria is small in

comparison with OECD countries, its composition reflects a disproportionate share of health and education employment.

2. Employment and social dialogue

Although permitted by law, in practice collective bargaining does not take place within central government and wage levels and increases are determined by government regulations. Social dialogue takes place though at the governmental, sectoral, branch and municipal levels. In Bulgarian law, a trade union organisation must have the appropriate legal status. In order to be classified as a representative union it must have at least 50,000 members and have at least 50 local trade union organisations, each with at least five members affiliated to it and these must be in more than half of Bulgaria's industries. Trade union density within central government is 35%.

Civil servants have a special status within Bulgaria and form 57% of central government employees. They have the right of association and to strike, but not the right to collective bargaining. However they are, under certain circumstances, permitted to strike although this was introduced as recently as 2006. There are also particular rules governing strike action, for example striking civil servants can carry and mount appropriate signs and symbols, protest posters and ribbons etc but without stopping the work of the civil service. During the strike the representatives of the civil servants and their counterparts within Government are obliged to make efforts to resolve the dispute. Social dialogue is undertaken between the trade unions and the appropriate Ministry employing those workers.

Social dialogue is carried out by the National Council for Tripartite Partnership, which consists of two representatives from the Council of Ministers, two representatives each from the employees' organisations and the employers' organisation. The Council is chaired by the Deputy Prime Minister and the deputy chairman is elected by the employee and employer

organisation according to the rotation principle.

The employee side representatives are the Confederation of Independent Trade Unions and the Confederation of Labour Podkrepa. The main topics dealt with through social dialogue are working conditions (pay, holidays etc) performance appraisal and legal frameworks. The employer is obliged to introduce agreements resulting from collective bargaining.

3. Main drivers of change and resulting reforms

The reforms to establish a democratic society and market economy began in the early 1990s. Throughout this period Bulgaria has elected 11 governments and only two of these successfully completed their full term in office. In 2007, when Bulgaria joined the EU, economic reform was a prerequisite for its membership and the main drivers for change have been in relation to this.

Croatia

1. Structure of central government administration

Central government within Croatia is comprised of 13 ministries, 4 central administrative offices, 6 State administrative organisations and numerous public agencies and institutions.

2. Employment and social dialogue

Social dialogue is undertaken between the employer and the trade unions (Union of Autonomous Trade Unions of Croatia SSSH).

3. Main drivers of change and resulting reforms

The Croatian Government in 2000 outlined its objectives for the reform of public administration and this included:

- Freezing any expansions of state administration
- Decentralisation of state administration to autonomous organisations
- Critical analysis of state machinery
- Strengthening role of local and regional government
- Consolidation of public bodies
- Decentralisation of health, education and social services

Improving competitiveness is central to the country's objectives under its membership of the EU and this includes improving the "organisational effectiveness of public administration". Increasing the country's competitiveness also includes a drive to reduce the relative size of the public sector and public expenditure. Croatia is planning strategic action in order to improve competitiveness, based mainly on the promotion of a dialogue between the private and public sectors in order to sustain competitiveness in leading sectors such as tourism and information technology.

Czech Republic

1. Structure of central government administration

Central state administration, as it is called in the Czech Republic, is composed of 15 departmental ministries, 12 central administrative bodies and a further 8 institutions, such as Office of the President of the Republic and the Supreme Audit Office. Central government employs over 18,000 people, less than 0.36 per cent of the working population. Altogether there are 606 administrative offices, comprising 28 central authorities and 578 subordinated offices in the regions, districts and some towns. The whole state administration employs a total of 94 507 employees.

2. Employment and social dialogue

Trade unions, with densities of less than 20 per cent, operate within the majority of the 35 Central Government units. The terms and conditions of those employed within Central Government are largely determined by legislation, leaving little room for wage collective bargaining arrangements. Social dialogue takes place at central public administration level. However collective bargaining does take place at departmental level and collective agreements are usually revised annually. The country has a legal minimum wage and this can be increased through collective bargaining. Generally speaking negotiations between the social partners are carried out between the Union for State Bodies and the Minister responsible for that particular department, in conjunction with the Finance Minister. Strikes and lock-outs can take place within Central Government so long as the action does not put lives or health at risk. However certain sections of the workforce, e.g. those employed at nuclear or health care facilities are prohibited from taking industrial action. The country's national Labour Code applies to all employees, however workers in the security services are governed by a special Act.

Central Government employees within the Czech Republic have no special status. With the exception of the armed forces, central government employees have the right of association, the right to collective bargaining (although this is significantly restricted in terms of pay) and the right to strike with the exceptions of those employed by the courts, state prosecution, armed forces and security forces.

The Council of Economic and Social Agreement (RHSD) is a tripartite body with representatives from government (Deputy Ministers) and the employer (Ministers) with the Czech-Moravian Confederation of Trade Unions (CMKOS) also having seats in the Council. The Council discusses working conditions, equal opportunities, modernisation of social security

systems and training. Any agreements reached here are binding.

3. Main drivers of change and resulting reforms

Following its independence in 1989, the Czech Republic government embarked on a number of reforms within public administrations, beginning with the decentralisation of the state apparatus. Financial drivers are a major force for reform and according to the IMF, the Czech Republic has been pressurised to introduce new policies to reduce taxation as a result of the country's membership of the EU.

Changing demographics are another major driver for reform within central government. Based on Eurostat projections, the working age population is expected to decline starting around 2010 and the elderly dependency ratio, that is the ratio of population aged 65 years and above to the population aged 15-64 years, to nearly triple from around 20 percent in 2003 to almost 60 percent in 2050. The resulting increased demand on pension and long-term care benefits will place significant pressures on age-related spending.

In line with its membership of the EU in 2004, the Government set out further reforms within central government:

- Rationalisation of processes in central state administration
- Improvement of management within central state administration
- Quality improvement of central state administration
- Improvement of civil service in central administrative authorities
- Rationalization of financing of central state administration

The reforms have placed a particular emphasis on the improvement in the quality of central state administration services and on the dynamics by which the state focus on the delivery of high quality regulation.

In 2006 a new Labour Code introduced a number of changes, including the strengthening of the contractual principle in collective agreements and the widening the scope of collective bargaining. In 2007 the centre-right Government pushed through a number of significant changes in the areas of taxation, healthcare and social insurance, which were designed to reduce the country's debt.

Denmark

1. Structure of central government administration

The Public Sector in Denmark consists of central, regional and local authorities. At the central level there are 19 Ministries and each ministry has a Minister and Permanent undersecretary along with Heads of Department and Heads of Divisions. Agencies typically are headed by Ministers, Directors-General and Heads of Divisions. The State Employer's Authority is an agency within the Ministry of Finance which administers the state's general responsibilities as an employer in the areas of wages, pensions, human resources and general management policy.

The public sector has been through a major restructuring that was aimed mainly at achieving some economies of scale across the municipal sector which is the main deliverer of welfare services. Following this, in January 2007, there are now 98 municipal authorities (down from 271) and five regions (replacing 14 counties). However, this process also affected central government which has taken on some new responsibilities on the environment, school and adult education. It has also assumed responsibility for tax collection which was previously a municipal responsibility and one that generated more than half of all enquiries from local citizens.

2. Social dialogue

Denmark has a strong tradition of collective bargaining in both the private and public sectors. In the state sector the State Employer's Authority negotiates with three trade union federations, which together represent around 80 separate trade unions. Trade union density in the state sector is around 90%. Since 1999 negotiations have taken place every three years and the current collective agreement runs from 1 April 2008 to 31 March 2011. The issues that are negotiated are very broad and go beyond the basic elements of pay and working conditions.

The implementation of the public sector restructuring process was subject to negotiations between the social partners in the lead up to signing the collective agreements that took effect in April 2005, which ensured that the transfer of staff was carried out in line with proper procedures.

3. Main drivers for change and resulting reforms

One of the main drivers for change across the whole public sector has been the ageing population. Social partners at the state, regional and municipal levels are aware of the need to respond to their ageing workforces and the increasing proportion of workers who are expected to retire over the coming years. At the same time the ageing of the population implies increasing demands on a range of public services, particularly health and welfare services.

A trend in society that is also shaping how the public sector responds to demographic change is the increasing individualisation of the demand for services. This is based on the perception that citizens are increasingly making the same demands on public services as they make of private services in terms of availability and their ability to choose when, how and where these services are accessed and delivered.

In August 2007, in response to these pressures the Danish government announced a major reform programme aimed at

delivering high quality public services with a particular focus on welfare services. Immediately following the launch of the initiative tripartite negotiations took place involving the government, public sector employers and the trade union confederations. By the end of 2007 these negotiations had established a reform agenda with eight main themes and some 180 concrete proposals for action. These proposals were then integrated into the normal process of collective bargaining so that the reforms could be included in both the state sector and local and regional government collective agreements, due for renewal in April 2008.

The key themes were

- Improvements in the field of competence development and lifelong learning
- Work environment
- Health and safety
- Good management
- The inclusion of quality targets for HRM in contracts.

While there were some tough negotiations over some of the issues, the state sector agreement was signed without conflict. Two of the main initiatives taken in response to demographic change and the difficulties in recruiting and retaining skilled and experienced workers, are the “senior bonus” and “plus working time”. The senior bonus aims to retain older workers in employment for longer by automatically paying them an additional three per cent of salary if they remain in post beyond the average retirement age. This age varies between different parts of the state sector but is generally between 62 and 64. The bonus can be paid for up to three years but employees also have the option to exchange the bonus for additional days’ of leave or extra pension entitlement.

‘Plus working time’ is a voluntary option making it possible for the employer and the individual employees to agree additional

working hours. The normal working week is 37 hours but the new arrangement makes it possible to work anything up to 42 hours a week. The arrangement can be for a limited period or on a permanent basis. Although this is a matter for individual, voluntary agreement, the collective agreement specifies that local trade union representatives have a role to play in monitoring implementation and to authorise any such agreement.

The Danish social partners have taken a number of initiatives to improve the recruitment of ethnic minorities into central government. In 2005 an agreement was reached and the co-called “integration and training positions” were introduced. These policies are specifically targeted at ethnic minorities who have difficulty obtaining employment due to insufficient education, language skills and / or a lack of work experience. Many of the reforms that were negotiated as part of the quality public service package only came into effect with the new collective agreement in April 2008 and so it is too early to say whether they are an effective response to demographic change. However, the process clearly demonstrates that trade unions and employers in the state sector have some common perceptions of the challenges facing central government in being able to deliver quality services. It also shows that it is possible to take a flexible approach to pay and working time as long as flexibility is part of a negotiated framework and implemented in close cooperation with the trade unions at local (workplace) level.

Estonia

1. Structure of central government

Estonia has a two-tier system of national and local government with central government consisting of 11 ministries but has no minister with specific responsibility for public administration.

The State Chancellery has a Department of Public Service (DPS) that plays a co-ordinating role for human resources across the state sector. However, the actual responsibility for human resources is devolved to each ministry within a framework established by the Public Services Act. The co-ordination role is divided between the Ministry of Finance and State Chancellery.

2. Employment and social dialogue

Estonia only began to construct its public service system as an independent state from the mid-1990s with the Public Service Act coming into force at the beginning of 1996. There are approximately 26,500 public servants in Estonia (excluding military personnel) with 20,200 in central government civil servants and 6,300 in local government. Most public servants, of which there are 14,600, work for one of the 30 boards and inspectorates (including Police Board, Border Service and Tax and Customs Board). Estonian ministries undertake a policy-making role only and employ around 3,000 people. The trade union ROTAL represents employees within the Estonian central administration. Trade union membership stands at around 15% within central government. Civil servants do not have the right to strike.

Social dialogue within the Estonian central public administration is ad hoc and there are no special committees - except over pay when this tends to be more formal. The Department of Public Governance in the Ministry of Finance determines policy on public sector pay and analyses the pay structures and salary levels of individual agencies. The Ministry takes part in negotiations with the trade unions of state employees, although the negotiations are led and chaired by the Minister of Social Affairs. The Finance Ministry is also responsible for developing and implementing the principles of performance management and quality management that have broader influence on the public service system. Social dialogue and collective bargaining are relatively weak in the Estonian state

administration. The level of trade union membership is low and constitutes less than 15% of the total central government workforce. Employees are represented by the Confederation of Estonian Trade Unions and the key issues for discussion are pay, working conditions, modernisation of social security systems and public sector reform etc.

3. Main drivers for change and resulting reforms

The construction of the Estonian public service not only reflects an antipathy towards state institutions, a legacy of the period of Soviet rule, but it also was undertaken at a time when New Public Management came to dominate much of the debate about public service provision. This means that decentralisation, outsourcing, customer orientation, performance management, quality management and similar concepts have been important elements in debates within the public sector.

In Estonia's recent history as an independent country the electoral system has thrown up a large number of political parties and a series of coalition governments. While the general thrust of most of these governments has been to support market-oriented policies and restricting the role of the state, the regular changes of governments and coalition partners mean that the reform programmes have not progressed very far. For example, a document on administrative reform, "A Concept for Public Administration Development" was adopted in 1999 with a focus on privatisation, increasing policy-making competence, improving quality and efficiency through better co-ordination. However, the document didn't survive the elections of that year which produced a new coalition government with a different programme for administrative reform. The new government promoted the notions of increasing transparency, budgetary reform, citizen-orientation and civil service training and development but this rhetoric again overtaken by a change in government, a few years later.

The current Government's identified priorities are:

- Improving coordination across Government
- Developing a more strategic approach to HRM
- Recruitment, selection and development of top officials
- Reinforcement of public service ethics and values
- Reorganisation of the public service pay system, with greater transparency in remuneration
- A more proactive role of training in policy implementation and management of change
- Promoting mobility of staff
- Administrative and HRM innovation to improve competitiveness
- Social dialogue with trade unions.

Quality management issues have been given much greater priority since 2001 with the promotion of a number of initiatives, including: ensuring public sector managers have an increased awareness of quality issues; use of public service standards in order to provide more transparent and citizen-oriented services; development of effective consultation mechanisms with citizens; widespread usage of information and communication technology; and the introduction of quality awards.

Finland

1. Structure of central government administration

The government consists of 12 ministries with the Ministry of Finance taking the lead in terms of public administration through its Public Management and Personnel Departments. These departments have been responsible for drawing up public management reforms and can provide advice and assistance to the individual ministries that then implement these reforms.

2. Employment and social dialogue

As a result of restructuring and particularly the devolution of responsibilities to state enterprises and companies, the number of state employees has fallen from 215,000 in 1988 to around 124,000 today (this figure includes over 30,000 higher education workers). Around 5,000 employees work for the national ministries while 20,000 are employed by the 100 or so agencies that are responsible for certain areas of administration. Regional and district offices of the state administration employ a further 55,000 workers.

Around 85 per cent of central government employees are members of trade unions and in collective bargaining are represented by the JUKO and Pardia federations or directly by the JHL trade union. With the exception of some small groups of senior civil servants collective bargaining covers all state sector employees and is normally carried out in two-year cycles. The Ministry of Finance is represented by the State Employers' Office, which manages the State's general employer policy. The current collective agreement runs for 28 months coming into force in October 2007 and running until 31 January 2010. This provides a basic framework of pay and conditions across the state sector but also allows for a considerable element of local bargaining with significant numbers of local agreements covering individual agencies. A significant development in recent years has been the gradual introduction of a new salary system with an element of performance-related pay which now covers practically all staff in the state sector. Key topics discussed throughout social dialogue are pay, working hours, general conditions of work and the pay system.

The state administration acknowledges the importance of having a constant dialogue with the trade unions over reform. In fact the partners at central government level have reached agreement that social dialogue must be undertaken whenever one side demands it. The high level of collective bargaining

and trade union membership across the whole economy is important particularly in as far as it provides some protection of pay and pensions for those employees affected by restructuring and those being transferred to public enterprises. While the law on consultation and co-operation as well as co-operation agreements establish the obligation to consult over restructuring, employers and trade unions also make use of informal structures on all levels of the administration to exchange information and influence reform. The government has, after consultation with the trade unions, made a resolution on principles of personnel policy and change. Any agreements reached by collective bargaining must be implemented. Civil servants have a right to strike.

3. Main drivers of change and resulting reforms

The Finnish economy experienced a very severe economic recession in the 1990s, which brought about a large deficit in public sector finances. This led the government of the time to embark on a radical reform of the public sector and economic policies. Throughout the 1990s public expenditure was cut while efforts were made to retain the heart of the welfare state. This was achieved, inter alia, through the use of public management techniques including opening public services to competition, reform of the budget system and performance management techniques.

Public management reforms have been part of all government programmes since 1987 and all coalition partners have taken part in the various committees established to formulate and implement the reform process. They have also given specific ministers responsibility for these reforms. An important element throughout this process is the evaluation, which takes place not only after the process has been completed but also throughout by interim evaluations, which make sure that reforms are delivering their intended results.

Finland is facing serious challenges as a result of its ageing population with the ratio of the labour force to the retired population falling more rapidly than in any other EU member state. This means an increase in the proportion of central government employees reaching retirement age and a declining pool of labour from which to recruit new workers. At the same time there is an increasing demand for services. There has been a programme in place since 2004 looking at how to boost the productivity of state administration. The productivity programme will reduce the number of state workers by 14,500 to 109,000 by 2015. The creation of shared service centres is a major single reform.

Among other major reforms are the proposed changes to the regional administration and the university sector. From 2010 the universities will be transformed into new legal entities and their current 35 000 employees will no longer come within the state budget. There is also a decentralisation process being undertaken with the relocation of between 4,000 and 8,000 employees from Helsinki to the regions by 2015. In view of the tightening of the labour market government employers are looking at the extent to which employees can increasingly be recruited from among migrant workers and people with disabilities. There is already a 50:50 balance of men and women in the state sector but more work is being done to ensure that balance is achieved throughout all levels of public administration, as women are under-represented in higher management grades. The other main response to labour market shortages is to make better use of existing staff through the development of skills and competencies. Part of this depends on the willingness of individual workers to take advantage of training opportunities and to consider changing jobs or even professions several times during their careers.

France

1. Structure of central government administration

As a result of a law introduced in 1983 trade unions are recognised for the purposes of collective bargaining. However, although collective bargaining is permitted for employees within the French central government, until agreements are transposed into decrees or legislation, any decisions reached are not legally binding. There are a wide variety of outcomes from this – in some departments there are no negotiations, in others there are, but these are not adhered to, and in other departments there are agreements and they are acted upon by the employer. Despite this complicated picture, a number of agreements have been reached over the last two decades,

including agreements on retirement schemes, vocational training and one on the reduction of precarious employment conditions.

Within French central government most workers are employed on permanent contracts. Excluding the armed forces, 12 per cent of central government workers are employed part-time. Within central government, a majority of employees are 'Fonctionnaires de l'Etat' (civil servants) and have the right to association and the right to strike with the exception of those in the armed forces, prison and probation officers and judges.

2. Employment and social dialogue

Currently trade union density within French central government stands at around 15 per cent. Within French central government there are criteria that determine whether a particular trade union is 'representative' enough to represent members within this area of the public sector and this test is mainly based upon elections. There are eight trade unions which have been declared representative of the central government workforce. These are the public service federations of the national confederations CGT, CFDT, FO, CFTC, CGC. The other three unions SUD, FSU and UNSA, are not affiliated to a confederation. Some other unions represent a particular ministry workforce.

Within central government there are two main consultative systems in place – the 'Commission Administrative Paritaire' (CAP) for dealing with individual issues, and the 'Comité Technique Paritaire' (CTP) for dealing with collective issues. Collective bargaining is undertaken at a national level, between the trade unions and the Ministry for the Budget, Public Accounts and the Civil Service, which receives technical support via DGAFF (General Directorate for Administration and Civil Service), which reports in turn to the Prime Minister. Pay agreements are made for one year at a time– the latest social

dialogue reform, however, foresees negotiations every 3 years. However with other issues, indefinite arrangements are made.

3. Main drivers of change and resulting reforms

Reform within central government has been driven by the desire of the Government to improve the efficiency of public services and to mirror to a greater extent practice within the private sector. It is anticipated that reducing the public sector workforce will help the Government achieve this. This will be achieved by not replacing 50 percent of those retiring, enabling the government to cut between 40-45,000 public sector jobs annually.

Since the election of the current government in 2007, an audit was undertaken according to the RGPP⁴³ (General Review of Public Policies). The aim of this exercise was to examine the policies and objectives of the public sector in relation to its resources. Consultation between the social partners occurred but decisions were undertaken unilaterally by the employer.

Another key reform within the civil service has been the retirement scheme. In 2003, a new law changed pension contributions within the public sector so that they now generally mirror those within the private sector. One priority for the French Government has been to reform social dialogue within central government. In 2008 the Bercy agreements were introduced to reform social dialogue within the three public administrations (central government, local government and hospitals). These agreements were reached with six of the eight trade union federations, representing 75 per cent of the civil service workforce. The objective of the Bercy agreements was to *strengthen the legitimacy of the trade unions, to improve the mechanisms for social dialogue, to improve negotiations and to improve the rights and enhance the reputation of the union officials elected to represent their members' interests.*

⁴³ Révision Générale des Politiques Publiques (RGPP)

Following just over 12 months of discussions, the Bercy agreements were concluded and the main outcomes were:

Strengthening the legitimacy of trade unions

- All the trade unions will have the opportunity to stand in the professional elections
- All the constituent workforce (both 'agents under status' and 'contract agents') will elect the members of Administrative and technical Committees
- The election cycles for those in hospitals, the central administration and local authorities will be harmonised

Improving mechanisms for social dialogue

- A new structure – the Superior Council to cover all three civil services (central administration, hospitals and local authorities)
- Technical Committees will play a greater role in examining issues, for example issues of employment, competencies and equality etc
- The negotiation will be held at all levels, national and local

Improving negotiations

- A widening of the scope of issues to be negotiated upon
- Establishment of a legal basis for determining the validity of agreements reached through negotiation
- A strengthening of the political value of negotiated agreements. Agreements will be valid when signed by trade unions representing at least 50 per cent of the workers voting in professional elections.

Improving the rights and reputation of elected union officials

- Tackling discrimination to elected union officials throughout their career
- Promotion of trade union work and its positive impact upon individuals' careers

Germany

1. Structure of central government administration

The federal government is part of a three-tier system that allocates considerable powers to the regional level local authorities. There are 14 ministries with the Ministry of the Interior taking responsibility for issues of public administration and human resources in the federal government. The Ministry has a directorate-general on public service that produces laws, regulations and guidance on public service issues. Each ministry has the responsibility for making sure these regulations are followed and for following central guidelines.

2. Employment and social dialogue

There are around 300,000 federal government employees (excluding the armed forces) out of a total public sector workforce of over 4.5 million. This figure has fallen by 16% over the last 10 years with some jobs lost through outsourcing.

The main trade unions at federal level are the Ver.di services union, one of eight affiliates to the DGB trade union confederation, and the DBB, the federation of civil service trade unions, which is comprised of 39 member trade unions, representing specifically civil servants, which is not a DGB affiliate. Ver.di, along with the DBB association of public employees, the “dbb tarifunion”, negotiates the collective agreement that covers federal and local government employees. The government is represented by the Ministry of the Interior.

Civil servants, which constitute around 40% of central government workers, are not covered by collective bargaining and have no right to strike but elements of their pay and conditions follow the federal collective agreement. There are participatory elements involving the central government, the

DBB and the DGB, which guarantee social dialogue for civil servants.

The main pay system covering public sector workers was overhauled in 2005 for the first time in over 40 years. The current agreement covering federal and local government workers runs until the end of 2009. Collective bargaining coverage is high if civil servants are excluded while trade union membership (between 40 and 55 per cent) is significantly higher than in the private sector.

Typical issues for social dialogue include working conditions, equal opportunities, training and public sector reform. Agreements reached through collective bargaining are binding and there is an obligation to implement these.

3. Main drivers for change and resulting reforms

A more cost-effective and flexible public sector are two of the drivers for change that led to the major process of negotiating a revised pay and conditions agreement for the public sector. Cost efficiency in particular has been a central concern for German government institutions for much of the last two decades as the country has adjusted to the challenges posed by unification. Financial pressures were one of the main drivers behind a major programme of reform set out in 1999 in the document *Modern State – Modern Administration*. This identified four main areas of action – the creation of an enabling state - one that guarantees service delivery without necessarily delivering those services itself; improving transparency and the flow of information; increasing co-operation between different levels of government; and focussing more on performance and cost efficiency with greater development of competencies and use of benchmarking.

One element of the programme covered employment conditions, with the federal government seeking a more modern agreement with a simplified basic pay structure and an

agreement that would allow public authorities to compete more effectively with private companies. It also introduced an element of performance-related pay which ends the traditional differentiations in pay based on age and marital status. Civil servants had already seen performance-related pay introduced by legislation in 1997 and 2003. In fact the trade unions supported the move towards performance related pay. An advantage of the new system was that it would be a step towards a pay structure free of gender bias and it meant a harmonisation of the different terms and conditions that had previously applied to workers and employees.

Although the reform programme generated a large number of initiatives and specific projects, in the first place the DBB and Ver.di initiatives in 2004, the grand coalition government launched in 2006 a new package of proposals in *Focused on the future: innovations in administration*. This set out four main pillars in a new reform strategy – human resources, management, organisation and e-government. It recognised the need to keep control of public finances and reduce bureaucracy but it was also outward looking in that it acknowledged the impact that government could have in contributing to economic growth and attainment of some of the goals set in the Lisbon agenda. A key element in the new programme was the focus on staff and the understanding that budgetary constraints could not be resolved by relying on cutting employees' incomes. The document underlined the need for qualified, motivated and efficient employees and this would involve transparency in the reform process and a clear role for collective bargaining. There was also a stress on training and the need to encourage lifelong learning with a particular emphasis on retaining and passing on the knowledge and expertise of older workers.

Focused on the future underlined the importance of seeing the federal government as not just a supplier of public services but as part of a network of organisations that had to work together to improve service delivery. While new proposals were being

developed the document also made clear that it was important to build on many of the initiatives first launched in the mid-1990s such as strategic management, quality management, cost accounting, time analysis and benchmarking. Above all this latest programme of reform urges government departments to critically review all their tasks order to identify any outdated methods, structures and systems.

Based on the overall policy package, concrete proposals were drawn up in early 2007 with 32 projects covering human resources, management and organisation and a further 25 specifically dealing with e-government. The Ministry of the Interior is committed to report annually to the Cabinet on progress with the reforms and the first report this year indicated that most of the projects were underway although some with slight delays as resources were being found and allocated. Although the federal government has recognised the importance of negotiating changes to employee terms and conditions, those negotiations have not always progressed smoothly. For example, both employers and trade unions have been keen to negotiate flexibility and changes to working time. However, the push from the employers has been for longer working hours and the trade unions conceded a 30-minute increase for government workers in the west of the country. However, trade unions have been able to negotiate more flexible working time arrangements aimed at improving work-life balance. At the Ministry for Family Affairs, for example, individuals can opt for a range working hours of anything between 20% and 100% of the normal working week and 25% of employees are now on part-time hours.

The country's changing demographics also pose issues for the social partners. By 2020 it is estimated that 50 per cent of the German population will be immigrants. A campaign, by the Minister of the Chancellery, has been launched examining equal opportunities and seeks to raise awareness of the issues

at the local level and actively recruiting young people into the public sector.

Portugal

1. Structure of central government administration

In Portugal there is a distinction between employees in the public sector and those employed within the private sector and the two groups are governed by different codes. Those employed in the private sector are governed by the Labour Code; while those in the public sector, from the 1st January 2009, are governed by 2 specific regimes: a small group of workers like police, military or foreign representation (diplomats) bounded by the Legal Regime of the Public Sector; another group of workers is governed by an adapted Labour Code for Public Administration. The majority of workers who were civil servants prior to 2009 are now contractual staff, following changes to the nature of their employment status. These workers, although they have a new labour regime, they maintain some of their former guaranties: disciplinary procedures, social protection, specific healthcare system, mobility or unemployment protection.

In 2008, 522,661 people were employed within central government in Portugal which includes the health sector, education, social security, financial, legal and judicial services. It consists of both direct and indirect central administrations and the latter includes those employed by institutes, hospitals and universities. Due to the ongoing change in public employment in Portugal, public servants (with an open-ended contract of a permanent nature) represent the majority of the workers employed within central government, and their employment contract is regulated by the Law of the Employment Contract in Public Functions.

2. Employment and social dialogue

In accordance with the above changes the employment status of the majority of those employed within the public sector will now be of a contractual nature and the majority of public functions are to be fulfilled by signing an Employment Contract in Public Functions.

In Portugal there are two methods of social dialogue within central government. The first is collective bargaining and the second the collective labour agreement. Collective bargaining is compulsory and takes place annually and covers issues like wages or general careers negotiations, although the conclusion of an agreement at the end of the negotiations is not compulsory. When a stalemate does occur the Government will make the final decision. These decisions apply to all public service workers within the scope of the Employment Contract in Public Functions.

Issues such as competencies, human resource policy, management and the functioning of the public administration are all excluded from within the scope of collective negotiation which, within Central Government, is different from the private sector. Typical issues for social dialogue include salaries and general remuneration as well as questions related to the status of civil servants. In general, social dialogue agreements are concluded by the member of the government responsible for Finance and Public Administration.

In the case of the collective labour agreement, discussions can result in the signing of a collective agreement, as is the case in the private sector. According to the “new” Employment Contract in Public Functions there are two types of collective labour agreements: Career Collective Agreements and Public Entity Collective Agreements, which will only apply to workers affiliated to the trade-union(s) which negotiated the Collective Agreement. The scope of future collective bargaining will be: specific working conditions, wage supplements, annual limit of

overtime, working time flexibility, and work organisation. Annual negotiations on salary, wage structure and general law regarding public administration sector will continue to be negotiated by the main central government trade unions, under the remit of collective bargaining. Through this method the State acts in the capacity of the employer and bargains at the same level as the trade union associations with which it contracts.

In addition there are sectoral negotiations for collective bargaining over public careers, for example the police, military, nurses and doctors. Again this type of collective bargaining is compulsory but it is not compulsory to reach an agreement.

Currently, there are three trade unions within the Portuguese central government: Frente Comum (CGTP-IN), SINTAP/FESAP (UGT), and STE. Trade union density within central government is unknown by the government as it is forbidden to collect this information under the terms of the Portuguese Constitution. The workers of the Portuguese Public Administration have the right to strike, with the exception of military and security forces as well as judges.

3. Main drivers for change and resulting reforms

Issues such as efficiency, value for money and controlling public expenditure have been priorities for the Portuguese administration, with public expenditure accounting for 6.1 per cent of GDP in 2005 which, due to its membership of the EU, posed challenges for the Portuguese Government. The Central Administration Restructuring Program (PRACE) has almost concluded its reduction of the number of public bodies from 518 to 331, with huge implications for 'mobility' and 'transferability' of the civil servants involved. The 'special mobility regime' issue has already prompted to reaction by the central government trade unions and both the Portuguese national union federations.

Over the last few years Portuguese Governments have reorganised the public sector, in particular Central Government. In order to decrease employment in this sector the current Government has introduced a recruitment rule of only new one entrant for every two leavers. This reorganising takes place in a context in which the country's labour costs within the public sector represent a higher proportion of GDP than the EU average, despite of having a lower number of public servants than EU average. One difficulty in this programme is the fear of trade unions that employment reductions within the public sector have not been matched by gains in the private.

In 2007 the civil service appraisal system was reformed, integrating three subsystems: *i)* assessment of services; *ii)* assessment of managers, top and intermediate; and *iii)* assessment of remaining workers, so too was the civil service pension scheme. The appointment process for senior civil servants was also revised, in order to limit the appointments by political confidence as well as to introduce simplified open competitions for middle managers. The PRACE reforms introduced in 2006 are aimed at restructuring and rationalising central government, among other public sector bodies. One of the key drivers within this reform is the encouraging market style mechanisms for service delivery and decentralising it at local level.

Slovenia

1. Structure of central government administration

There are 15 ministries within the Slovenian governmental structure and 58 territorial units. In order to ensure their greater autonomy, special bodies within these ministries are organised, for example Police within the Ministry of the Interior, Tax Administration within the Ministry of Finance, etc. Over the last 15 years the number of employees within Slovenia central

government has increased four-fold to 34,000 in 2005 (including the Police and Military). Until 2008 the reduction in employment has been maintained at 1 per cent, but this has been by natural wastage. In the period 2005 – 2008, the Government introduced a law which narrowed the differences in job protection and in dismissal rights between public and private employees.

Within Slovenian central government there are criteria determined by law, which decides whether a particular trade union is 'representative' enough to represent members within this area of the public sector. Collective bargaining is generally the accepted method of regulating the employment relationship between employees of the central government in Slovenia and their employer, the Government. There is a special mechanism, through legislation, for dispute resolution and minimum service provision during any industrial action.

2. Employment and social dialogue

Social dialogue is centralised and is undertaken, at central public administration level, between trade unions and the governmental bargaining group, which includes representatives of all ministries, some governmental offices, agencies, parliament and the associations of the municipalities. A state secretary for social dialogue in the country has been appointed to co-ordinate activities between the social partners. An important role in this field has been the social agreement (signed for a two-year period between 2007–2009) between the trade unions and government dealing with the most relevant questions concerning social and economic welfare such as economic growth, inflation, public finance, tax system, employment and labour market, social dialogue, salaries, health and the social security system etc.

A new Public Sector Wage System Act, adopted in 2002, was recently implemented which aims to resolve disparities in wage levels within different branches of the public sector.

Social dialogue is structured in Slovenia. Part of the new Civil Servant Act (2002) and also parts of some other relevant Acts - Collective Agreements Act, Public Sector Wage System Act and Employment Relationship Act - set out how social dialogue should be conducted. The Act states that there must be discussion and negotiations between social partners and, where previously either party could attempt to force changes on the other, now both parties must endeavour to reach an agreement before changes can be made.

Travel costs to work for Civil Servants are met by the employer in accordance with laws, collective agreements or governmental decrees.

3. Main drivers of change and resulting reforms

The drivers for change within Slovenia are e-government, better regulation, quality management on services (making them open, transparent and more user friendly), New Public Management and efficiency measurements.

A new wage system has been adopted for public sector and negotiations with unions have recently been concluded. New training systems and performance appraisals have been introduced throughout the public sector, as the Government attempts to ensure that the public sector mirrors the private.

However, despite these drivers the country has not witnessed any substantial privatisations or outsourcing from the public to the private sector. One reason suggested is that the Government is working hard to invest in e-government and that it has prevented I.T work from being privatised or outsourced. The government has been concerned that private companies could misuse data and act inappropriately when handling confidential information.

Spain

1. Structure of central government

Spain's current public administration has been in a process of development since the Constitution of 1978, which was agreed during the transition to democracy. The 17 autonomous regions can take on a wide range of responsibilities but the extent to which they have done so varies from region to region. The Map of the Autonomies has been built up gradually as Spain's regions have taken up their autonomous rights. All the Autonomous Communities were constituted between 1979 and 1983, and the associated Map was completed in 1995 with the approval of the Special Statutes for Ceuta and Melilla. Since 2005, a movement has begun to reform the Regime of the Autonomies, leading to a process in which these Regions' Statutes have been modified and this has already happened in a number of Communities such as Andalusia, Aragon, the Balearic Islands, Catalonia and the Community of Valencia.

At national level there are 17 ministries, including the Ministry of Territorial Policy (MTP), which has responsibility for the Autonomous Communities and which co-ordinates human resources policy within the financial limits set by the Ministry of Finance. The individual ministries work within the general framework set by the MTP but have some scope to develop specific policies.

2. Employment and social dialogue

There are around 554,755 employees in the general State Administration, including military and police, while 1,260,575 work for the Autonomous Regions and 607,294 for Local Authorities. Civil servants continue to have a special status with their employment conditions covered by statute and with stronger employment protection than workers covered by private law. Around 70 per cent of central government workers

are civil servants. There have been some changes to the civil service employment system over the years with reforms in the mid- to late 1990s introducing elements such as appraisals and incentives, increased mobility and some flexibility in working time along with measures to postpone retirement.

The two main trade union confederations UGT and CCOO have public sector federations (FSP and FSAP). The CSI-CSIF federation organises specifically in the public sector. Trade union density in the central administration stands at around 27%. Although union membership is low the Spanish system is similar to France in that collective bargaining coverage is very high and trade union strength and influence is reflected more in the support that trade union representatives receive in elections to works councils. The current structures and processes for social dialogue in central government and public administration have really been significantly developed since the election of the socialist government in 2004. Formal recognition on the rights of trade unions to negotiate came from two laws, in 1985 and 1987, and there is a requirement to negotiate in good faith in an open and transparent way. Topics for discussion between the social partners include remuneration, working conditions, evaluation of positions, conditions of service and training.

There are three negotiating bodies at the central administrative level and these are:

- 1 Committee responsible for the negotiations of working conditions common to all staff
- 2 Committee responsible for the negotiations dealing with civil servants only
- 3 Committee responsible for the negotiations concerning all employees – civil servants included.

There is also a Committee that deals with the collective bargaining of state employees.

3. Main drivers for change and resulting reforms

Some of the key factors influencing change include the shift in powers and responsibilities to the autonomous regions; the impact of EU integration; new demands arising from environmental pressures and immigration; recognition of the needs to make greater use of information technology and also to improve effectiveness and efficiency across the public services.

Reorganisation of some parts of the central administration has taken place through the setting up of agencies and new public offices that provide improved ways for citizens to access services. In order to address properly the question of service quality the government has set up an Agency for the Evaluation of the Quality of Services and Public Policies. The trade unions have recognised the pressures for change and in 2002 they signed an agreement for the modernisation and improvement of public administration. Further reforms that have been implemented in recent years cover improvements to service charters, complaints management, quality awards, self- and external assessment.

There is some evidence that public management reforms since the 1980s have not had as widespread an impact as might have been expected. One reason for this has been the overlapping process of regionalisation and the suggestion that implementation of reforms at national level might have been hampered by the prospect that the service might soon be decentralised to the regions. The degree to which reforms have been carried out has also depended on the organisation itself with some of the more radical changes taking place in agencies that are more independent and which may also be under more pressure to improve their service delivery to citizens – as in the agencies dealing with taxation and the autonomous body depending on the Ministry of Labour and Social Affairs, called the National Institute of Social Security, for example.

Following the election of the socialist government in 2004 it signed a declaration on social dialogue with the trade unions setting out a major programme of change covering equality, pensions, violence at work and other issues. The overall aim was to improve employment conditions and enhance the professional capacities of public service workers as part of a strategy of improving service quality. A new basic statute for employment in public administration was adopted in April 2007, which came into force in May 2007, setting a framework of employment conditions. The trade unions regard this as a major reform initiative where detailed negotiations have allowed them to take a full part in negotiating a wide range of issues covering pay, employment conditions and other issues.

The framework established by the new code establishes a career structure for public servants and a response to the increasing use of precarious employment contracts by aiming to increase the recruitment of employees covered by the statutory rules. The unions regard the foundation of a stable public employment system as necessary factor in guaranteeing the quality of efficient public services. Two important areas that were negotiated in 2002 are telework and equality plans, elements in an overall approach – the Concilia plan – to more flexible working aimed at helping workers in public administration achieve a better balance between work and personal life. The Concilia plan recognises that action still needs to be taken to tackle gender inequality in the public administration and it sets out a wide range of measures that trade unions and employers believe will help tackle this. Firstly, there are changes affecting working time and flexibility with a normal working day set to end by 6pm at the latest, flexible working hours, paternity leave, additional maternity leave, more flexible arrangements for single parents and those with caring responsibilities for children or other dependants. The plan also includes specific proposals to deal with sexual harassment at work as well as policies to assist women who are the victims of domestic violence.

Trade unions and employers also have to negotiate equality plans in any workplace with more than 250 workers. These plans cover job classification and promotion, access to work, training, pay and working time and the impact these have on gender equality at work. The fundamental premise behind the plan is that the question of inequality has to be addressed if there is to be real progress towards a fair and equal society.

Sweden

1. Structure of central government administration

Employment within Central Government administration is confined to businesses responsible directly to the Government. Total employment within this sector is 235,000 of which roughly 200,000 are white collar workers. In 2008 50 per cent of central government employees are women. The total number of employees within the public sector as whole (including county councils and municipalities as well) is high compared with other EU countries and represents around one third of all employment.

Central government administration is composed of 250 government agencies, including the Universities, the Courts the Police Forces, The Armed Forces, the Swedish Social Insurance Agency, the Swedish Tax Agency, the Employment Offices, the Prisons, the Swedish Road Administration, the Airport Administration and the National Museums. The Swedish government also runs a number of state owned companies.

2. Employment and social dialogue

Despite the changes within Swedish Central Government, as with Swedish corporate life generally, the Swedish model has retained much of its collective bargaining and partnership ethos. All sectors of the economy are well organised and trade

union density remains high, and is slightly higher in the public sector than in the private sector.

The state employers are represented nationally by the Swedish Agency for Government Employers and the employees' representatives are formed from three confederations which are the Swedish Confederation of Professional Associations (SACO-S), The Public Employees' Negotiation Council (OFR) and The Union of Service and Communication Employees (SEKO). The right to strike for Government employees, although provided for by law, is a relatively recent right within Sweden and was only introduced in 1966. However, this right is limited to actions that do not endanger public safety, although this limitation is voluntary and the right to strike is not limited by legislation. Since 1998 national sectoral pay agreements usually last for a period of three years.

In 2006, the Employers' Council, which is comprised of all Government Employers, set out its agenda for 2007 – 2010. In this it outlined the measures it wanted to take to meet the following challenges:

- Flexible solutions within the framework of common values
- Globalisation and flexible business demands flexible agreements
- Efficiency and effectiveness demand a good working environment, equity and diversity and a sustainable allocation of competence and skills
- Leadership as a key issue
- Employers' policy as a strategic issue for leadership

3. Main drivers of change and resulting reforms

The Swedish economy, and as a result its Government's finances, suffered perhaps disproportionately more than others in the recession in the early 1990s and the central government administration was comprehensively reorganised and slimmed down. There are still restrictions on central government

finances in the way that allowances are automatically cut by a productivity factor based on the increase of productivity in private sector administration. Still, and according to the generation shift, many government agencies recruit new staff. The staff turnaround in the government administration is currently about 12 per cent.

The key priorities for Swedish Governments, over the last decade or so, have been the search for higher productivity and effectiveness. The search for improvements in these areas has led the Government to examine various issues for the public sector including privatisation, decentralisation and further clarification of economic responsibility.

The means for this then can be seen to be:

- Reduced appropriations and permanent productivity demands
- Increased use of evaluations
- Supervision improvements
- E-government, automation, self-service by citizens
- Decentralisation of services
- Competence of public administration
- Diversity as an asset in public administration
- Greater employer responsibility for government agencies

Since 2006 the Government's objectives are to reduce public spending and social insurance costs are a large part of this. The Government has introduced measures to reduce sickness absence, to increase the number of economically active adults aged between 20 and 64 and to half the number of people who are dependent on social assistance.

United Kingdom

1. Structure of central government administration

Around 500,000 people are employed in the civil service with over 300,000 in the four main departments – Work and Pensions, Revenue and Customs, Defence and Justice (including the Prison Service). There are over 80 Executive Agencies, answerable to government ministers, across the civil service. Most government departments have at least one agency and others such as Defence many more. The devolution of various powers to Scotland, Wales and Northern Ireland means that the coverage of ministerial departments varies while there are separate civil service structures in Northern Ireland.

Outside of the civil service are non-departmental public bodies (NDPBs) which are headed by governing boards appointed by and accountable to central government. In addition audit bodies and the “Ombudsmen” are answerable directly to one of the parliaments or devolved assemblies of the United Kingdom

2. Employment and social dialogue

The level of trade union membership – at around 66 per cent – is comparable to the rest of the public sector but significantly higher than the private sector (less than 20 per cent). The biggest trade union is the PCS civil and public services union but several other trade unions also organise in central government.

Collective bargaining coverage is also high with the vast majority of civil servants covered by collective agreements. The system was changed radically by Conservative governments in the 1980s, through a process of derogation. National civil service wide bargaining was ended and devolved to departments or agencies, which means that it is possible that terms and conditions can vary between departments. This has

an impact upon collective bargaining and employees' ability to move between departments, particularly to enable mobility which may be required when the Government needs to recruit in a particular department and reduce employee numbers in another. Nevertheless civil service pay is strongly controlled by the HM Treasury remit process and remains a major area of conflict between management and unions.

3. Main drivers of change and resulting reforms

For most of the 1980s and first half of the 1990s the civil service in the UK was subject to Conservative Party policies that had at their core the aim of rolling back the state and subjecting a growing range of services to market mechanisms either directly by privatisation or as a minimum by some form of market-testing. The advent of a Labour government in 1997 introduced a different approach to industrial relations in the public sector and a greater willingness to take part in social dialogue, even if policies of public management maintained some of the policies introduced by previous governments, maintaining a role for the private sector in delivering public services.

A major programme of reform was set out in 1999 in the Modernising Government document that focused on six main themes: stronger leadership; better business planning; sharper performance management; improving diversity; changes to recruitment practices; and a better deal for staff. However, further strategic change was set out in 2002 with the appointment of a new head of the civil service. Among the new priorities were a better understanding of "customers"; improved connections between central departments and frontline deliverers; better leadership and development of future leaders; and improved efficiency through re-engineering back-office functions.

Overall there was a shift from earlier policies that were more characteristic of New Public Management to a greater

emphasis on a public governance approach that stressed issues such as transparency, accountability, equity, equality, diversity and working in partnership. At the same time there was, for a time, a shift away from efficiency savings as a core priority. However, with the publication of the Gershon Report in 2004 financial savings, outsourcing and cuts in employee numbers have moved up the reform agenda. More recently with the Julius report on the “public service industry” has been developing the notion that government services fall into a general category that makes up a significant element of overall economic output and that should be regarded in much the same way as other key industries and so developed accordingly with an emphasis on economic efficiency and effectiveness irrespective of what organisation actually delivers the service.

The impact of these centrally determined programmes has varied considerably across central government as the extent of their implementation has depended on the way they have been interpreted and supported by the management in each Department and agency.

Appendix B: Questionnaire

TUNED/EUPAN project

Improving trust in central government administrations through effective social dialogue

Questions for telephone interviews of TUNED and EUPAN contacts to be carried out by the Working Lives Research Institute

Timescale

The aim is that these interviews should take place in October allowing the WLRI time to prepare the country profiles for circulation for comment by 30 October.

Aims

The aim of the interviews will be to provide information for the country profiles that will summarise the key reforms that have taken place in central government administrations in recent years.

Relevant published/online information

Interviewees are encouraged to inform the project co-ordinators (David Tarren and Sian Moore) about any published and/or internet sources that are directly relevant to the project and that would make it easier for the researchers to compile the country studies.

Initial written responses

If they have time, interviewees are also invited to respond to questions in advance by email if they wish in order that the telephone interview can then be used for follow up questions or clarification.

Background information

Interviewees are asked to provide any additional or updated information on employment and collective bargaining that would complement the data in the 2007 study on representativity in the central government sector.

<http://www.eurofound.europa.eu/eiro/studies/tn0611028s/tn0611028s.htm>

Main interview questions

The main focus of the interview will be on recent reforms in central government and the extent to which they have been subject to a process of information and consultation through collective bargaining or social dialogue.

What have been the main drivers for change in central government in your country over the last five years?

These could include any or all of the following:

- European Union integration and EU policies
- Public finances – budgetary constraints
- Demographic change – impact of ageing workforce and migration on labour supply and skill needs
- Trend towards e-government
- Trend towards adopting new policies as part of “new public management”

What have been the main responses to these drivers for change?

- Major restructuring of central government through devolution or decentralisation?
- Significant changes to employment – job cuts or increased recruitment?
- Changes to employment conditions – moves away from civil servant status, reform of pay systems, changes to working time, increased use of agency or temporary contract staff?

- Outsourcing or other forms of privatisation and contracting out whether to the private sector, voluntary sector or other parts of the public sector?

Can you indicate which of the various drivers for change and responses to them are the most important?

Can you say whether the main processes of reform have been subject to a process of information or consultation through collective bargaining or social dialogue?

Can you whether the social dialogue or collective bargaining process had any impact on the way that reforms were implemented?

Can you identify any examples of innovative or good practice in the way that specific reforms were implemented? You can indicate in what way these might be examples of innovative or good practice by comparing them to previous practice in central government or perhaps in relation to what you know of more general industrial relations practice in your country.

Can you indicate to what extent the reforms have had an impact on employment across central government, particularly in terms of the employment of women but also of other categories or workers than might be under-represented in central government employment – workers with disabilities, workers from minority ethnic groups?

The information from this interview and an interview with a representative of the other national social partner will be used to compile a 2-3 page country profile. We will try to provide you with a draft for comment but as we are working to a very tight deadline you may only receive this along with the other country profiles at the end of October. We will deal with comments following the meeting on 13 November so that final drafts of the country profiles will be available at the end of November.



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du Conseil de l'UE

2009



TUNED

EUPAN is an informal network of the Directors General responsible for Public Administration in the Member States of the European Union (www.eupan.eu).

TUNED is the Trade Unions' National and European Administration Delegation, representing state sector trade unions affiliated to EPSU (www.epsu.org) and CESI (www.cesi.org) and, based on country majority representativity criteria, GÖD-FCG, SLOVES and KSZSZ. The contact is nsalson@epsu.org