

## **Chapter 2**

# **The 'resistible' rise of decentralised bargaining: a cross-country and inter-sectoral comparison**

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### **1. Introduction**

The common thesis that emerges from the national studies in the present volume is that collective bargaining systems and industrial relations have been 'under stress' and in transition over the course of the past decade. Although all the studies testify that there has been a – more or less pronounced – move away from traditional structures revolving around national sectoral agreements, along with a redesign of bargaining structures, this has not led to anything clear and definitive.

On this basis the object of this report – the role and trends of decentralised bargaining – becomes a kind of general litmus test for the tendencies and changes in industrial relations in European countries.

It is worth emphasising that the studies in this volume, which analyse in depth the quantitative and qualitative developments in two sectors – the metal industry and the retail trade – in five countries, enable us to substantially improve our understanding of the processes involved in decentralised bargaining – but more generally within the bargaining framework – on a larger scale than the studies previously available. In fact, there is no shortage of comparative research and interesting case studies (see, for example, Pulignano and Keune 2014), but by and large they have been limited to a few cases in the same sector. In this report we provide a more extensive and systematic framework of information and analysis.

The decentralisation of collective bargaining in all the countries examined in this volume emerges as the key issue around which various proposals, debates and attempts at implementation revolve.

Decentralisation is presented here both in the European public debate and in public debates in the individual countries under examination not only as desirable, but also as necessary, not least in its positive effects on economic performance, such as an expected increase in competitiveness. However, while this linkage is presented as a matter of course, there is considerable doubt concerning whether decentralisation of collective bargaining really is compatible with the attainment of other public goods. As the French researchers remind us in their chapter, authoritative international institutions such as the OECD have called into question whether the effects of decentralisation are self-evident not only with regard to employment growth – or other social matters – but also in relation to the aim of improving economic performance, which is generally presented as

inevitable. This means that such outcomes are not automatic, but that decentralisation requires accompanying measures, government policies and the support of the social partners if it is to yield positive results, whether economic or social.

This more fragmentary and rather more nuanced way of looking at things, in contrast with more confidently straightforward representations, seems to be confirmed by the fact that, in all the relevant countries, the gap between the importance attributed to this issue and its real substance varies substantially. Essentially, bargaining decentralisation, to the extent that it is desired and pursued, does not appear to be a government priority within the various collective bargaining systems. This means that its practical implementation is taking place more laboriously and ambiguously than institutional pronouncements might lead one to believe. For this reason the work carried out in the five countries analysed here turns out to be extremely useful. Indeed, it represents a substantial contribution to the available knowledge concerning this phenomenon. And it puts particular emphasis, for the first time, both in depth and on a comparative basis, on the quantitative development of company-level bargaining, but also the specific features it assumes within the national context.

## **2. Some aspects of interpretation**

The focus of academic discussions of decentralisation is usually the extent to which it is controlled and organised (based on the interpretative categories worked out by Traxler 1995). This variable appears to be indispensable in helping us to classify the case study findings and their ramifications for individual national systems. We shall therefore examine it in due course.

But the Decoba project country reports confirm a high degree of differentiation with regard to the behaviour of the parties concerned, and the substance and outcomes of collective bargaining. Indeed, it is reasonable to declare that the bottom line with regard to decentralisation, quite apart from whether it is negotiated or monitored, consists precisely in the following: it is connected to increasing differences between companies, sectors and national systems. It would therefore make sense to avail oneself of other monitoring and classificatory instruments to examine the internal workings of the changes under way, rather than top-down or only in the aggregate.

For this reason one might envisage at least three varieties of decentralisation or corporatisation of collective bargaining:

- (i) wholesale decentralisation, in other words, a broader and more ambitious decentralisation that asserts itself at the expense of other levels of negotiation and tends to crowd out the competition, overturning collective bargaining structures by means of the priority assigned to the company level as opposed to the national one;
- (ii) incremental decentralisation, when it develops into an enhancement – more or less significant – of the framework of regulations and protections already in operation by means of sectoral collective bargaining;

- (iii) equivalent decentralisation, which takes shape in cases in which corporatisation does not result in substantial modifications in the framework of collective bargaining overall or in the balance between the bargaining levels.

But how does the propensity towards decentralisation come into being and develop, along with its – whether real or assumed – increasing importance in industrial relations systems?

As highlighted in the national case studies, first and foremost we can identify:

- pressures and arguments, and a certain commitment on the part of the European institutions, as well as unelected technocratic bodies (such as the ECB) leading towards an affirmation of this issue's key importance;
- declarations, pledges and elaborative or normative processes instigated by national governments, often retranslating and redefining commitments of European origin;
- a focus on this issue as the outcome of cultural innovation, attesting to collective bargaining systems' capacity to reform and modernise, instigated by the industrial relations actors themselves through the systems' internal dynamics.

The picture that emerges from the country reports testifies to how these elements are often found mixed together, but except in the case of Germany, where the role of the employers' side and of the agreements between the negotiating parties is crucial, the main initiative in this context largely derives from national and European public institutions.

This trend enables us to underline something of a more general character. In fact, a standpoint that we might categorise as of neoliberal origin seems to be particularly influential, one that links the prescriptiveness of decentralisation to the consideration that it can establish itself naturally or spontaneously as an epiphenomenon of the self-regulating market. However, the national case studies provide us with a quite different picture. Decentralisation is applied to a greater or lesser extent but it takes shape and assumes a certain quantitative consistency only in the presence of a clear political or institutional impetus, through the use of a variety of instruments.

To summarise the framework that underpins the promotion of decentralisation we might list the following:

- The commitments of European instigation operating in the various countries to varying degrees and resonance. This variable seems more important in countries such as Spain and Italy, which were hit particularly hard by the great recession, while it is much less amenable to circumstances in Germany.
- National study commissions that amplify and orient the European impetus (as in the case of France).
- Legislative interventions designed to reorganise the collective bargaining system in the direction of more marked decentralisation (France, Spain and Belgium).
- Incentives within the framework of company bargaining aimed at boosting productivity increases (Italy).

- The prevalence of unilateral government actions, planned or implemented in almost all the relevant countries, concerning resort to concertation, except for the attempts – generally unsuccessful – on the part of the Hollande administration in France to reach a tripartite agreement; in some cases, such government decisions have been accompanied by partial accords between the parties, approved by some of the interested organisations.
- A willingness, in some cases, among the social partners (Italy), an active role for employers' associations (to a greater extent in Germany, to a smaller extent in France) and generally a certain puzzlement and a wait-and-see attitude on the part of the trade unions.

Thus it is not actors' particular attitudes – at least not alone or taken in isolation – that affect the development of decentralised bargaining. When this phenomenon manages to attain a foothold in the industrial relations domain it is because it is backed by the organisations of collective representation, as is particularly evident in the case of Germany. In other cases the social partners' apparent agreement or willingness appear to be more for show. Take the example of Italy, with regard to which it is also worth mentioning the interconfederal agreement between Confindustria and the trade unions (2016), signed in order to extend company bargaining to small businesses with regard to productivity and related benefits.

The cultural and institutional background from which the bargaining experiences of the different countries under examination derive should also be considered. Path dependence, to be sure, explains the difficulties and resistance that can be observed as frequently among the trade unions as among the employers: and among the latter, they manifest themselves as much in individual attitudes as in collective choices. However, this applies in particular to union organisations. Generally speaking they regard company bargaining as problematic, given its peculiar features, and the possibility that it is just an tool of management interests.

The only country that really stands out from this viewpoint is Italy. Indeed, in the Italian system, which traditionally is strongly voluntarist, it was originally trade union pressure in the 1960s – supported by the organisations of state-owned companies – that fostered the emergence of experiments with company-level bargaining (at the time, presented as 'articulated' bargaining – in other words, supplementary to national bargaining). This historical background enables us to understand the reasons for the greater willingness generally displayed in this regard by Italian trade union confederations.

Nevertheless, overall the diffusion of company-level bargaining remains unsatisfactory, especially if we relate the data presented in this volume to the – extremely strong – commitment of the public institutions and to the willingness exhibited by the social partners, including to a certain extent the trade union organisations. The reasons underlying this slow – or at any rate below expectations – growth are well explained in the chapter on Spain. It correctly underlines the transaction costs in setting up company bargaining, which are perceived as very high by most of the actors. Adopting this mechanism, whose benefits are hardly a foregone conclusion, requires from companies a substantial organisational, cultural and financial commitment and increases their costs.

This particularly concerns smaller companies, which do not have the means necessary to cope with these requirements. To the organisational and economic difficulties can be added a certain cultural resistance. On the employers' side, many companies prefer to stick with tried and tested national agreements, which do not require any additional commitments or added costs. Furthermore, the benefits of multi-employer agreements, appreciated or preferred by a substantial proportion of the same employers, include that fact that they keep sectoral cost competition under control, thereby avoiding – more or less opportunistic – dumping. Thus it is not just the trade unions that have a problem or are reluctant to get on board with decentralisation, even though, generally speaking, they seem to take the view that decentralisation mainly favours company strategies and shifts the balance of power in favour of the management side.

The paradox arising from the picture we have painted thus far is that the decentralisation of collective bargaining currently in the making in various countries – excluding opt-outs exercised by a number of companies – should be regarded mainly as a kind of 'centralised' decentralisation; in other words, desired and promoted by central, national or European bodies, laws and institutions and thus a higher-level centralisation than that of sectoral agreements. This approach, which is strongly evident in key regulations on decentralisation, seems rather oriented towards creating a 'climate' favourable for what has been described as 'neoliberal decentralisation' (Baccaro and Howell 2012). Its application does not consist so much in the concrete reinforcement of decentralised industrial relations as in making the erosion of national-level rules and constraints more plausible.

### **3. Bargaining structure and coordination**

The Decoba project's choice to focus on two important sectors appears to be fully borne out.

In fact, the metal industry figures prominently in the history of sectoral agreements, in which it has had a pivotal role. Partly, this remains the case, as may be seen from the case studies of Germany and Italy, and to a considerable extent in those of France, Belgium and Spain. In particular because of its size and well-established role in negotiations the metal sector continues to play a prominent role in Germany. Company-level bargaining does not seem to have called this into question – notwithstanding the reduction in collective agreement coverage – and instead rather complements it.

The retail sector, which is highly fragmented and dominated by small businesses, has generally not featured prominently in traditional industrial relations. But the domain of private services is vast and growing, besides being extremely heterogeneous, and trade union activities and collective bargaining have found it hard to gain a foothold there. This has resulted in a renewed effort to reorganise industrial relations.

In other words, as the data presented in the country reports confirm, the metal sector generally functions well above average, with significant sectoral bargaining, widespread company agreements (thanks to the presence of large leading firms) and consolidated

and well structured relations between the parties. In the retail sector, by contrast, things generally seem to be going in the opposite direction: it is rather below average, certainly in terms of collective agreement coverage.

In fact, bargaining experiences in the retail sector provide us with an outline of collective bargaining's general lines of development. As the case studies make evident, in this domain decentralised collective bargaining is struggling to become established and appears linked above all to reorganisation measures or some group-wide agreements (especially in large retailers). This is hindered by various factors, such as the smaller size of businesses and their fragmentation, the weak trade union presence and the difficulty of finding any bargaining chips in the face of strong management pressure to cut costs and increase flexibility. Developments in this sector make it easier to understand the wide range of trade union trajectories. For example, the downward trend in the membership of the ver.di union federation in Germany turns out to be related to the failure of collective bargaining to gain ground in this sector. By contrast, the often unpredictable growth in unionisation in Italy in the same bargaining sector forms the basis – even in a non-linear way – of a more entrenched and extensive bargaining activity.

If, therefore, we adopt a quantitative approach, referring to the substance and importance of collective bargaining and decentralisation in the two sectors under examination it is safe to say that the data – to be sure, incomplete or not exhaustive in some instances – indicate a difference between the two sectors with regard to the breadth and robustness of collective bargaining. In a broad sense collective bargaining in the metal sector covers a large number of workers and exhibits a greater capacity for regulation. This also applies to company-level bargaining which stands out as comparatively more extensive and, at the same time, does not merely play second fiddle to national agreements. Conversely, we can say that the picture is the opposite for the retail sector, albeit with some differences and nuances: bargaining coverage is smaller and generally appears to be less innovative and more defensive in nature.

In the countries under examination, not surprisingly, a structural obstacle is mentioned that makes it difficult to extend company-level and decentralised bargaining. In a nutshell, company-level bargaining is developing in companies in which conditions are generally favourable, namely medium-sized and large companies. This functions as a kind of access barrier that is difficult to break down. Its effects are similar in the various countries, although the degree of impact differs. This gap between small companies, on one hand, and medium-sized and large ones on the other is particularly evident in the Mediterranean countries – Spain and especially Italy – in which small enterprises (sometimes even micro enterprises) predominate, to a greater or lesser extent. Having said that, the effects even in Germany, France and Belgium are not to be underestimated, as the national reports confirm, although this is somewhat attenuated by the leading role of a fairly broad swath of large companies.

As we have already shown, this helps explain the differences and varying robustness of bargaining structures between the metal sector and the retail sector.

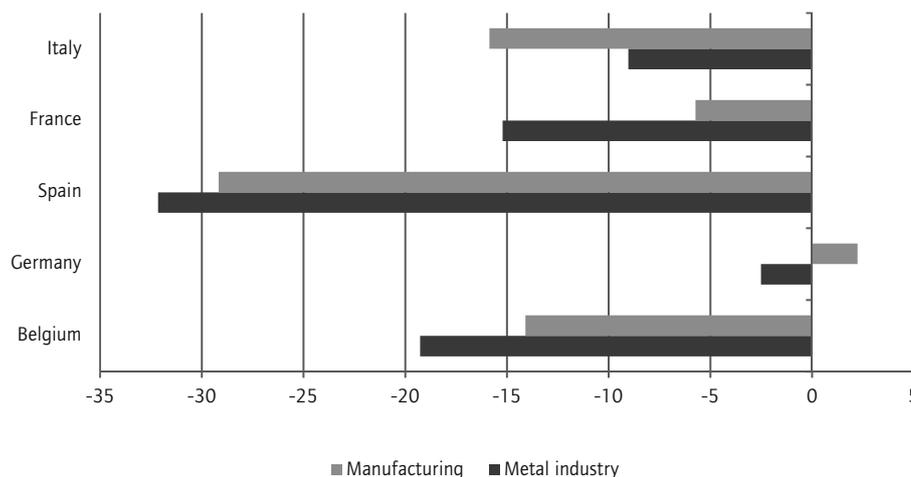
In all the countries under examination here more or less significant sectoral and company-level agreements have been signed in the metal sector, often renewed from previous agreements. The retail sector, on the other hand, is characterised by weakness and fragmentation, tending – for example, in the case of Germany – more in the direction of erosion of collective bargaining and 'disorganised' decentralisation; in other words, outside the rules agreed by the relevant actors at aggregate levels.

While a significant part of the metal sector includes companies committed to introducing technological and organisational innovations and to boosting quality and competitiveness, that hardly applies to the retail sector. There the competition between companies largely involves cutting costs and therefore may be best described as 'taking the low road'. With the exception of a few sectors with more collective agreement coverage and otherwise protected the overall impression is one of worsening working conditions, longer working hours (with a particular emphasis on Sunday opening in some countries), flexibility and precarious terms of employment.

#### 4. Organised versus disorganised decentralisation: metal industry

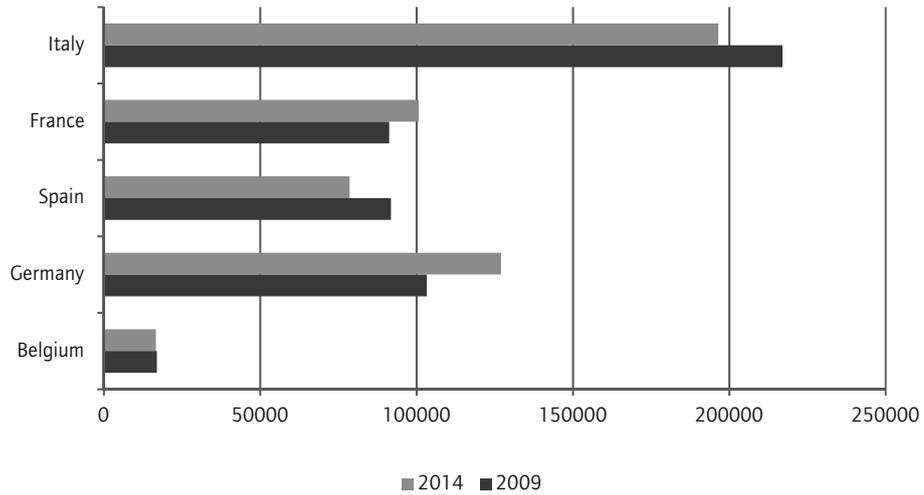
In this section we focus on the recent changes in collective bargaining in the metal industry. As in many other economic sectors the financial and economic crisis had negative effects on the metal sector, triggering job losses and a general deterioration in the labour market. Apart from Germany, severe employment declines affected metalworkers in many European countries, especially Italy and Spain, as we can see in Figures 1 and 2. A general negative trend also affected value added, which declined

Figure 1 Employment trends in the manufacturing and metal sectors in selected European countries, 2008–2014 (%)



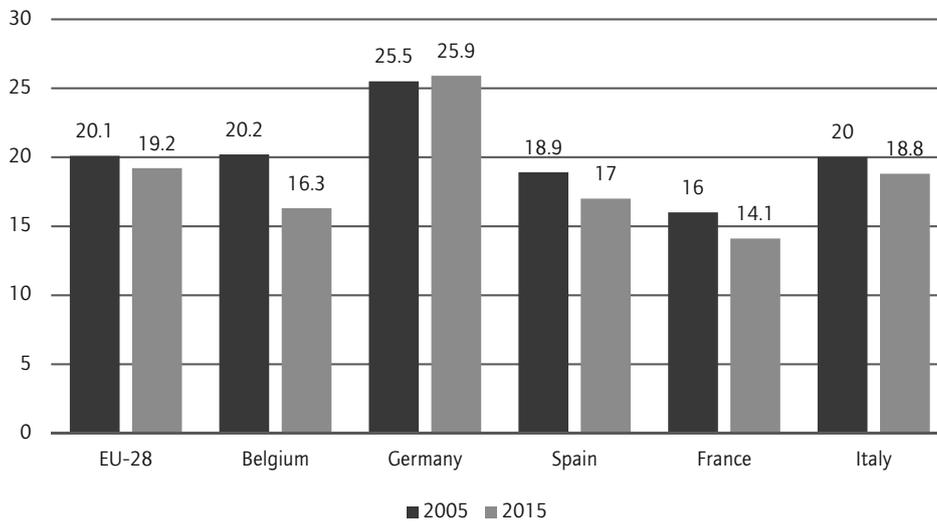
Source: Eurostat Business Statistics.

Figure 2 Number of enterprises in the metal sector in selected European countries, 2009–2014



Source: Eurostat Business Statistics.

Figure 3 Value added in the metal sector, 2005 and 2015 (%)



Source: Eurostat Business Statistics.

Against this background it is worth examining how and to what extent the social partners – both employers and trade unions – reacted to the pressures imposed by the economic downturn and the institutional changes promoted by governments in order to boost productivity and sustain economic recovery. The metal industry retains a higher union density and collective bargaining coverage than other economic sectors, especially trade and retail (see next section). However recent changes in the institutional setting and the effects of the crisis have challenged the unions. In view of this, the aim of this section is to analyse the manner in which common trends towards decentralisation can be traced in the five countries under investigation: Belgium, France, Spain, Germany and Italy. As widely recognised, in the metal industry, bargaining encompasses a higher number of workers and has a stronger regulatory impact. This also concerns company bargaining, which is comparatively more widespread and, at the same time, plays a relatively prominent role in national agreements. In many countries the sectoral level is significant in collective bargaining. However in the more recent years, this does not mean that this organised system of social dialogue and collective bargaining is 'dead'. It has rather shifted to a different setting, depending on countries' specific institutional arrangements.

Even those countries – such as Belgium – that traditionally have been characterised by a high degree of centralisation have partially shifted their collective bargaining systems towards organised decentralisation. Sectoral bargaining is the main pillar of the metal industry's industrial relations system. At the sectoral level, collective agreements are concluded in joint committees or joint subcommittees by all the social partners. Joint committees make decisions on pay levels, classification schemes, working time arrangements, training and working conditions. Also, minimum wages are still negotiated at the sectoral level. In these circumstances the trend towards decentralisation appears to be grounded in coordinated bargaining at sectoral level. It is worth noting that derogation or opening clauses are not part of this decentralisation tendency. In fact, the social partners have managed to preserve an intermediary role. As noted by Van Gyes *et al.* in the Belgian report, neoliberal reforms have not been incorporated into collective bargaining and social dialogue. Conversely, the state has opted for more radical reforms aimed at strengthening wage moderation. It has to be said that government intervention has not affected the bargaining structure, but rather the autonomy of the bargaining system, especially after the reform of the wage-setting system in 2017. In response to the impact of such state-driven wage moderation on industrial relations and collective bargaining, the social partners have tried to bargain on various type of benefits at company and sectoral level (occupational pensions, variable pay beyond the 'fixed' basic wage increase and so on). Most of these flexible approaches have led to a new form of coordinated decentralisation that has limited the wage freeze imposed by central governments. With more limited room for manoeuvre at the intersectoral level, social actors have been able to regain autonomy and influence at sectoral and company level. As the authors provided for the Belgian chapter emphasise, they were able to mount their response to decentralisation pressures with a high degree of coordination.

Together with Belgium, France is one of the European countries with a higher degree of industrial relations institutionalisation, characterised by state intervention even

at company level. Extensive regulation by the state is a traditional feature of French industrial relations. Since the Auroux laws of 1992 negotiations at company level are mandatory. As reported by Rehfeldt and Vincent, in 2015, 4,310 company agreements were signed by union delegates in the metal industry, corresponding to 10 per cent of the companies in the sector (1.17 million employees, around 70 per cent of all employees). Against this background it is worth noting that only the biggest companies used such agreements, with a focus on wages and working time. However, as Rehfeldt and Vincent report, such accords often represent only general agreements on job guarantees and social standards at company level. Other companies, in particular in the automobile sector, have signed different agreements, focusing on competitiveness, representing what Rehfeldt and Vincent call the French version of ‘concession bargaining’. In France, bargaining has traditionally been underpinned by legislation at all levels, including derogation. However, as the authors highlight, the laws on derogation have not had a significant effect in practice. Despite labour market reforms and changes in collective bargaining, the number of collective agreements has remained remarkably stable in recent years. Rather than legislation, it was the crisis and the impact of international competition that encouraged new decentralised agreements at company level in the metal industry. It is worth noting that none of these agreements needed any legal stimulation with regard to derogation. However, this might change in the future as a consequence of the El Khomri law of 2016 and the awaited reforms proclaimed by the new French President Emmanuel Macron.

Rehfeldt and Vincent outline how French legislation has sought to foster company bargaining in the past few years – even before the El Khomri labour law – through derogation and the assignment of new tasks to unions at sectoral level in the form of a permanent joint committee on bargaining and interpretation. This joint committee is to have several tasks, from representing the sector with the public authorities to monitoring working conditions and interpreting branch agreements for the courts. According to the El Khomri law, competitiveness has to be fostered by greater decentralisation of collective bargaining at company level, in order to boost productivity and labour flexibility. However, it remains to be proven that such decentralisation can have a positive influence on wages and productivity.

All these changes confirm a trend towards decentralisation, with unions pushed by legislation and state intervention to perform new tasks at company level. The relevance of horizontal coordination remains, due to the SMIC. However, most of the recent changes promoted by President Macron may reinforce single-employer bargaining by limiting the areas reserved to sectoral agreements.

Spain is a paradigmatic case in this regard, since it is the industrial relations system most affected by unilateral state intervention towards decentralisation and wage devaluation. Compared with Belgium and France the Spanish metal industry is characterised by an inverse relationship. As outlined by Rocha in the Spanish report, collective bargaining in the metal industry has been under pressure due to the combined impacts of the crisis and the labour market reforms, especially those of 2012. This combined effect and the traditional fragmentation of collective bargaining due to the high number of micro and small companies led to huge deterioration in the industrial relations system, without any

intermediary role for trade unions. According to data reported by Rocha these changes led to a reduction in the coverage rate, with a decline of 173,000 workers covered by collective agreements between 2008 and 2015 (around –14 per cent). Employers in the metal industry have taken advantage of this reform by adjusting working conditions at company level. As a result, such disorganised decentralisation has helped to strengthen companies' unilateral power to impose wage devaluation and greater flexibility with regard to working time distribution. According to Rocha, companies' unilateral power reinforces the trend towards internal devaluation through three main mechanisms: the establishment of new bargaining units at company level that can bargain in pejus to achieve wage cuts; temporary derogations from sectoral agreements; and, last but not least, a steady deterioration of working conditions.

Employers in the metal sector favour decentralisation at company level. However, in some cases they have tried to preserve collective bargaining at territorial level. In contrast to the government's position, employers' confederations have defended this level because it represents a traditional pillar of the Spanish industrial relations system. Against this background, Spanish trade unions have reacted by defending provincial collective agreements and ensuring better coordination among the different bargaining levels. Secondly, as Rocha highlights, they reacted by promoting defensive agreements aimed at mitigating the negative effects of the crisis at company level. Thirdly, after 20 years of failed attempts, they were able to negotiate the first statutory national-level collective agreement pertaining to industry, technology and services in the metal sector.

The trend towards decentralisation has affected both Germany and Italy, but in different settings. In Germany the Pforzheim Agreement marked a turning point in the long-standing debate on decentralisation. Starting from this agreement the decentralisation of collective bargaining via opening clauses became the new normal in the German metal industry. According to data provided by the authors provided for the German chapter of this book, there was a steady rise in company-level derogations following the Pforzheim Agreement, from only 70 cases in 2004 to 730 in 2009, with the key issues being wages and working time. For the period 2012–2014, the data reported by the authors show an increase in such agreements: one-third of companies deviated from the sectoral agreement. In 2014 roughly half of all companies (representing 60 per cent of total employment in the metal industry) were covered by a derogation agreement.

The Pforzheim Agreement introduced opening clauses into the metal industry. Against this background it is worth noting that, contrary to earlier opening clauses, the Pforzheim Agreement focused on procedural rules rather than derogations. As Schulten and Bispinck (in this volume) highlight in the case of deviation from sectoral agreements, the company and the works council are obliged to make a joint application to the sector-level bargaining parties. As a second step, unions negotiate a supplementary agreement with the company, on various issues, including working hours and wages. All these procedures allowed unions to regain control over opening clauses. With the establishment of such a general framework the social partners were able to influence decentralisation process, even during the first years of the crisis, when unions and companies came under particular pressure. On the union side, it is important to note that the Pforzheim Agreement allowed unions not only to regain control over

decentralisation, but also to experiment with new strategies to recruit new members and foster their presence at company level. According to the new strategy, opening clauses can be accepted only with the active involvement and consent of union members at company level. Moreover, the metal union confederation IG Metall used company-level bargaining to recruit new members and to launch a new campaign to boost collective bargaining coverage. As Schulten and Bispinck highlight, the new strategy aimed at fostering collective bargaining coverage against outsourcing, temporary agency work and contract work and at preventing wage dumping in those sectors – such as logistics – in which sector-wide collective agreements are still lacking.

To some extent, this same trend can be observed with regard to the Italian metal industry. Despite pressure towards disintermediation the sector has maintained a certain degree of inter-sectoral coordination, with the role of the two traditional levels confirmed. In the past few years, the employers' association Confindustria has called for more decentralisation in wage setting, in the direction of firm-level bargaining. In the metal industry, the biggest company, FIAT, withdrew from Confindustria in 2009 in order to evade the exigencies of collective bargaining and to impose its own establishment-level agreements. Against this background, negotiations for the new national industry-wide agreement took more than one year and the last two renewals were signed without FIOM-CGIL. At the end of a difficult negotiation, an agreement was reached in November 2016 with all the most representative trade unions, and signed after the workers approved the draft in a ballot.

The new agreement provides a wide range of novelties:

- duration (from three to four years);
- wages (a new inflation adjustment mechanism defined every year ex post, not ex ante, as in other sectoral agreements);
- occupational welfare (both at sectoral and company level: health insurance, complementary pensions and a wide range of benefits provided at company level through vouchers);
- training;
- working conditions (total overtime limited to 120 hours per year for companies with more than 200 employees, and 128 hours for smaller firms);
- work–life balance (extension of parental leave); and
- workers' participation (new sectoral and national commissions on active labour market policies and participation in larger companies).

The trade unions were able to circumvent the huge pressure towards decentralisation by using the new contractual architecture to relaunch collective bargaining. As pointed out in the Italian report (Leonardi, Ambra and Ciarini, in this volume), trade union confederations have reacted to the new contractual architecture with a certain degree of openness, considering the challenge as an opportunity to relaunch collective bargaining in terms of both coverage and contents. By contrast, employers stress the changes in order to improve flexibility and labour productivity. As the new collective agreement does not grant significant wage increases, the trade unions reacted by extending bargaining on occupational welfare and flexible benefits at company level. Occupational welfare

and flexible benefits are seen as a way of improving both welfare service provision and labour productivity. The flexible benefits included in the metal industry's agreement are additional ones, provided by the second-tier negotiation, conferring on all workers 100 euros in 2017, 150 euros in 2018 and 200 euros in 2019. As noted by Leonardi, Ambra and Ciarini (in this volume) the vast majority of company-level agreements have been signed in larger companies – especially multinationals – with more than 1,000 employees (39.7 per cent of the total). In fact, small and micro-enterprises are rather left out in the cold in this respect because it is difficult to introduce such flexible benefits without the economies of scale that larger companies enjoy.

To sum up, collective bargaining was under constraint in all the five countries analysed, subject to pressure from the economic crisis, on one hand, and from employer demands for greater flexibility and wage freezes, on the other. As a consequence of these pressures a new wave of decentralisation occurred in many countries. However, this does not mean that the previous system of collective bargaining is doomed. Rather its contents and tools are being relocated to a new decentralised setting in which the social partners can promote new strategies and initiatives in order to minimise the social cost and boost collective bargaining coverage. In many cases, the trend towards decentralisation and wage freezes has been reinforced by the state, through new legislative frameworks and direct intervention aimed at mitigating wage increases and promoting company-level bargaining. In Spain, pressures towards decentralisation and wage freezes imposed by state intervention have endowed companies with more unilateral power, which has had enormous consequences for both the labour market and industrial relations. In the other countries, state intervention has been counterbalanced to some extent by a new activism among the social partners, using new contractual arrangements to relocate

Table 1 Collective bargaining in the metal industry: structure and trends in a cross-country comparison

	Industrial relations in the metal industry	Trends towards decentralisation
Germany	The main pillar of the collective bargaining system in the German metal industry is sectoral bargaining. The metal industry is historically subdivided into 21 regional bargaining areas, in which the employers' associations negotiate with the regional IG Metall organisations.	The trend towards decentralisation of collective bargaining has affected the German metal industry for more than three decades. For a long time, IG Metall was very sceptical of using opening clauses, which were criticised for undermining the principle function of sectoral agreements.
France	Sectoral agreements guide collective agreements in the French metal industry. In order to gain more flexibility employers advocate company-level agreements.	Two types of collective agreements are negotiated at the sectoral level: <i>conventions collectives</i> (CC) and <i>accords collectifs</i> . Despite labour market reforms and changes in the collective bargaining process, it is worth noting a remarkable stability in the number of collective agreements in recent years.

Table 1 **Collective bargaining in the metal industry: structure and trends in a cross-country comparison (cont.)**

	Industrial relations in the metal industry	Trends towards decentralisation
Belgium	Industrial relations in the Belgian metalworking sector are structured in terms of three interlinked levels: national, sectoral and company.	Sectoral bargaining is the main pillar of the metal industry industrial relations system. At the sectoral level collective agreements are concluded in joint committees or joint subcommittees by all social partners. Joint committees make decisions on pay levels, classification schemes, working time arrangements, training and working conditions. Sectoral collective agreements apply to all employers and employees covered by the joint committees or subcommittees concerned.
Spain	Collective bargaining in the metal industry is traditionally fragmented and atomised, with a large number of agreements at provincial and company level. This is due to the high number of micro and small companies.	In recent years there has been a slight increase in the weight of company-level agreements, although this has not caused a substantial alteration in the existing structure of collective bargaining in the metal industry.
Italy	Since 1993 collective bargaining has taken place at two levels in Italy. The two-tier bargaining system is based on industry-wide agreements. More recently the trade unions have reinforced the role of second-level bargaining, with the main aim of increasing flexibility and productivity.	In contrast to the countries examined here, in Italy there is neither a statutory minimum wage nor a legal extension mechanism. However, courts tend to honour minimum wage claims based on sectoral agreements for workers performing similar work.

collective bargaining and to extend welfare provision at sectoral and/or at company level.

Tables 1 and 2 present the key evidence in the metal industry sector, distinguishing between structure and trends towards decentralisation (Table 1) and changes at sectoral and company level (Table 2).

Table 2 Collective bargaining at sectoral and company level in the metal industry (cont.)

	Collective bargaining at sectoral level	Collective bargaining at company level
Germany	<p>In 2004 the Pforzheim Agreement introduced, for the first time, a general opening clause for the whole metal industry. According to this agreement, companies can derogate from sectoral agreements.</p> <p>The Pforzheim Agreement reorganised 'wild' decentralisation. With the definition of a general procedural framework the sectoral bargaining parties were able to regain control of the decentralisation process</p>	<p>According to data provided by Gesamtmetall, there was a steady rise in company-level derogations following the Pforzheim Agreement. In September 2004, only 70 cases were reported by Gesamtmetall, but by April 2009 the number had increased to 730. The key topics addressed by derogation agreements were pay and working time. Other important employer concessions have included extension of workers' and unions' codetermination rights, and commitments to undertake new investment and retain operations at existing sites.</p>
France	<p>Collective agreements (CCs) guide wages, working conditions and sectoral welfare benefits. The <i>accords collectifs</i> treat only specific topics. In addition to <i>conventions collectives</i>, there are in the metal sector 76 <i>conventions collectives territoriales</i> (CCTs). They represent local agreements, mostly at département level.</p> <p>CCs generally have unlimited duration. However, minimum wages for different qualification levels are renegotiated annually and have the form of amendments to the CCT.</p> <p>None of the minimum wages in the metal industry are below the statutory national inter-sectoral wage (SMIC)</p>	<p>Annual negotiations at company level are mandatory. As the amendments to the CC only fix the level of conventional minimum wages, these company agreements have a decisive impact on the evolution of real wages. Bargaining in big companies (Renault, PSA and so on.) influences the evolution of real wages in the whole sector.</p> <p>Most company agreements concern wages and working time.</p> <p>In 2015, 4,310 company agreements were signed by union delegates in the metal sector. This corresponds to 10 per cent of the companies in the sector. As these agreements are negotiated mainly by the biggest companies, they cover 1.17 million employees, around 70 per cent of all employees.</p>
Belgium	<p>The trend towards decentralisation is based on coordinated bargaining at the sectoral level.</p> <p>Sectoral bargaining is organised in several joint committees that jointly discuss a wide spectrum of topics: wage increases, flexibility, working time, time credits and working conditions</p> <p>Minimum wages are still negotiated at the sectoral level as well and are increased with the established wage margin.</p>	<p>Sectoral agreements are complemented by lower-level flexibility in bargaining additional income components and working time features.</p>

Table 2 Collective bargaining at sectoral and company level in the metal industry (cont.)

	Collective bargaining at sectoral level	Collective bargaining at company level
Spain	A slight increase in derogations from the contents of sectoral collective agreements. After Article 41 of the Workers' Statute in 2012 employers reinforced their unilateral power regarding working conditions. This reform was basically aimed at reducing the role of collective bargaining and reinforcing unilateral internal flexibility to the benefit of companies	Labour market reforms aimed at boosting decentralisation of collective bargaining, through the establishment of new bargaining units at company level, which can be labelled agreements in pejus, namely, agreements targeted mainly at fostering cuts in wage costs.
Italy	Second-level bargaining was used as a defensive option in the crisis years, with the aim of tackling the negative effects of the economic downturn at company level. More recently a new wave of decentralised agreements reflects the changes introduced by the stability laws of 2016 and 2017 with the provision of new fiscal incentives for flexible benefits at company level and occupational welfare schemes.	In general, the extension of company-level bargaining in the metal industry increases with size of company. Second-level bargaining is limited in small companies. In contrast there is a higher incidence of individual and territorial bargaining.

## 5. Country or sector? A cross-country comparison of industrial relations in the retail sector

The decentralisation of collective bargaining in Europe is a well-known issue in the industrial relations' literature (Traxler 1995, 1996, 2008; Marginson 2014; Marginson *et al.* 2016; Visser 2016). However, many studies focus on a country-specific industrial relations model, biased by the adoption of an approach centred on manufacturing. By contrast, few studies have looked at other sectors (Bechter *et al.* 2011) or have examined the retail sector in depth (Gautié and Schmitt 2010; Eurofound 2012; ILO 2015).

The very first study that found that industrial relations tend to vary more by sector than by country was that of Bechter *et al.* (2011). They showed how sectoral industrial relations regimes could vary, depending on the degree to which each sector is internationalised. Traxler and Brandl (2012) developed this argument, focusing on inter-sectoral productivity differentials between the tradeable (exposed) and non-tradeable (sheltered) sectors.

Concerning research that has examined retail specifically, Gautié and Schmitt (2010) in their international comparative analysis underlined that the employment models

characteristic of the retail sector differ fundamentally from those in manufacturing. Retailing is typically a low-wage and low-skill sector, which generally involves a higher share of low-wage workers, part-timers and female employment (Carré *et al.* 2010). Moreover, it has a low union density (Dribbusch 2005) with lower collective bargaining coverage compared with other sectors (Visser 2015). According to Carré *et al.* (2010) working conditions and terms of employment have deteriorated in the sector. Working conditions are adversely affected in particular by a trend towards the fragmentation of working hours and compensation, experimentation with non-standard contracts and a 'variety of other exit options from the institutions that safeguard job quality'. By contrast, Geppert *et al.* (2014) claim that it is wrong to generalise these working conditions to the retail sector, because company size makes a big difference. Organising a union is very difficult in smaller retail establishments than in larger stores. But does size of firm matter so much? Do unions have more room to manoeuvre in larger firms to bargain for better wages and working conditions?

The aim of this contribution is to obtain a better understanding of the factors that might explain similarities and differences across the five countries examined (German, Belgium, France, Spain and Italy) within the retail sector.

Although each country has its own model of work regulations and a distinctive national industrial relations system, a general convergence can be observed towards deteriorating wage and working conditions in the retail sector in all the countries examined in this book as an outcome of collective bargaining at sectoral and company or local level. What other factors could contribute to explain this converging trend?

By focusing on the retail sector across five different countries, our findings confirm the specificity of working conditions in the retail sector, which have been observed in other research. They are characterised by more articulated working time arrangements (Eurofound 2012) and growing use of atypical contracts, with less social protection (ILO 2015). In addition, as Eurofound (2012) outlined, retail has undergone a considerable transformation over the past decade, especially regarding its competitive structure and the growth of large companies at the expense of the numerous small and micro businesses.

Since firm size could be a crucial factor in unionising workers and obtaining better conditions, we further compared retail companies by size across the countries examined. We distinguished four different firm sizes: (i) *micro*: from zero to one employee; (ii) *small*: from two to nine employees; (iii) *medium*: from 10 to 49 employees; and (iv) *large*: over 50 employees. Table 3 shows that the retail sector is structurally characterised by a large number of micro-firms and/or self-employed.

The percentage of micro-firms in the French retail sector is very high (about 83 per cent). Rather than talk about 'firms' in such a case, it seems more correct to talk about self-employed workers. These percentages are quite high also in Belgium (about 59 per cent), Italy (about 55 per cent) and Spain (about 50 per cent).

**Table 3 Enterprises and persons employed in the retail sector, 2015 (by firm size)**

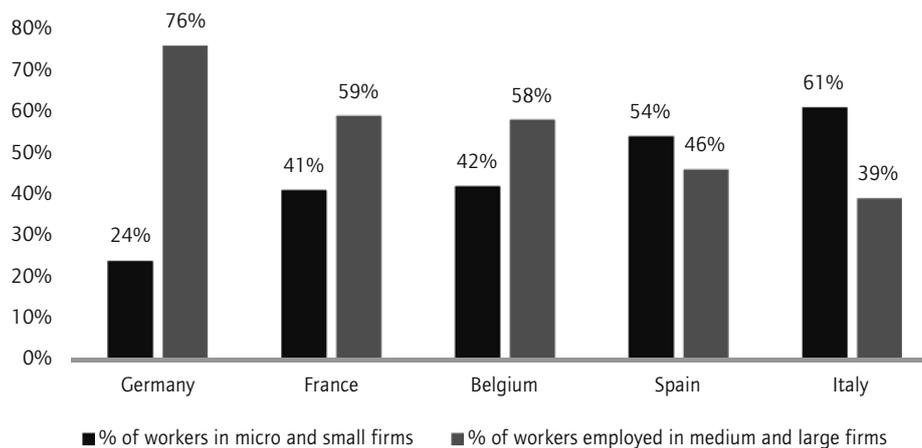
	Enterprises	Micro-enterprises (0–1 employee)	Employees	Employees in medium-sized and large enterprises (more than 10 employees)
	a.v.	%	a.v.	%
Germany	338,742	22.2	3,705,195	76.1%
France	526,254	83.4	1,966,245	58.9%
Belgium	75,034	58.7	321,993	57.9%
Spain	450,958	50.0	1,646,089	46.4%
Italy	606,355	54.9	1,821,435	39.1%

Notes: Firm size: Micro: from zero to one employee; small: from 2 to 9 employees; medium: from 10 to 49 employees; large: over 50 employees. Data for Belgium and France refer to 2014.

Source: Eurostat, Distributive trades by employment size class (NACE Rev. 2, G) [sbs\_sc\_dt\_r2]; Last updated 11.09.17.

In the French, Spanish and Italian retail sectors, micro- and small firms taken together (or firms with fewer than 10 employees) account for 98 per cent of all firms operating in the sector. The percentage of medium-sized and large firms (with more than 10 employees) is relatively higher only in Germany (about 17 per cent), followed by Belgium (about 5 per cent of firms). Besides the structure of the retail industry across countries, since it is assumed that trade unions are likely to find more conducive conditions for organising workers in large firms, it is important to examine the different proportions of

**Figure 4 Employees in the retail trade, by firm size, 2015**



Source: Eurostat, Distributive trades by employment size class (NACE Rev. 2, G) [sbs\_sc\_dt\_r2] (last accessed 11.09.17). Data for Belgium and France refer to 2014.

workers employed in medium-sized and large retailers in each country. According to the latest Eurostat data (2015), the majority of the retail workforce is employed in medium-sized and large firms (with more than 10 employees) in all the examined countries, except for Spain and Italy. German medium-sized and large retail companies employ about 76 per cent of workers in the sector, as against 59 per cent in France and 58 per cent in Belgium. Only in Spain and Italy do we find less than half the retail workforce in medium-sized and large companies (46 per cent and 39 per cent, respectively).

We can expect that German unions will have more room to manoeuvre with regard to representing and organising retail workers than Italian unions. However, as the German country report shows, trade unions (in this case Ver.di) nevertheless seem weak and unable to reach collective agreements with very large companies, such as Amazon or Zalando. This calls into question the idea that unions can bargain better wages and working conditions in bigger firms, with higher union density. Perhaps company size is a necessary condition for a union presence, but insufficient for improving wages and working conditions. It would also be worth analysing the differences between large retailers with different business models; big, global players such as Amazon or Zalando operate within e-commerce, with characteristic products and different strategies from those pursued by multinational food distributors, such as Carrefour, Auchan, Metro and Lidl.

Other factors that could help us in explaining this convergence towards lower wages and worse working conditions in the retail sector are the structure and characteristics of employer and union organisations and the way their relationships are changing in different countries.

We have focused, for each of the examined countries, on the most significant transformations in employment relations in the retail sector. The aim is to identify the main changes in the national industrial relations system that may have an impact on the retail sector, collective bargaining at sectoral and company level and, particularly, on relations between collective actors affecting wages and working conditions.

In the German retail sector, as outlined by Schulten and Bispinck (2017), one of the most relevant changes affecting labour relations has been the refusal of the employers' association to adopt the extension of collective agreements. Since 2000, retail agreements have not been generally binding. As a result, collective bargaining coverage has declined dramatically (Felbermayr and Lehwald 2015). In addition, a significant number of large retail corporations decided to withdraw from collective bargaining (Glaubitz 2017). The withdrawal of companies (especially large companies) from collective agreements is considered one of the driving forces towards more disorganised employment relations in the German retail sector (Schulten and Bispinck 2017). Consequently, working conditions in German retail have worsened, in terms of both wages (which are below the average wage levels in the economy) and prolonged working time. For instance in 2014, about 22 per cent of all retail workers earned less than 8.50 euros per hour. Only in 2015 did the introduction of a national statutory minimum wage begin to reverse this trend, with the aim of raising low wages. According to Bosch (2016), in conjunction with the introduction of a minimum wage in Germany in 2015, measures to make it easier

to declare collective agreements generally binding were enacted. However, the author also stresses that these measures cannot be implemented without the agreement of the employers. In many industries not covered by collective agreements, the only way to achieve this is the mobilisation of employees and trade union action. Regarding the practice of extension rejected by the employers' association since 2000, the situation has not changed. A significant number of companies have declared that they take the existing sectoral agreements as 'orientation'. Therefore the proportion of employees covered by collective agreements at sectoral level decreased from 50 per cent in 2010 to 39 per cent in 2016, while the share of establishments covered by collective agreements fell from 33 per cent in 2010 to 27 per cent in 2016. Since this practice is rooted mainly in different strategies pursued by different groups of employers (officially, the employers' association is against extension, although some individual employers are in favour) it is crucial to investigate employers' strategies further.

In the French retail sector (as in Spain and Italy), there are many collective agreements at national/sectoral level (about 89). The company agreements – also in major retailers – generally take over the contents of sectoral agreements, with the addition of certain provisions, such as complementary health care or training schemes and (very rarely) wage benefits. The main issue for HR management is the organisation of work schedules. The main change has been the latest legislative developments, which made negotiations at company level prevail over the sectoral level, especially with regard to working time. In addition, with the Macron law of 2015, and the El Khomri law of 2016 opening possibilities on Sundays have widened. As Rehfeldt and Vincent highlight in their chapter, Sunday working and the extension of opening hours have become central issues in company negotiations. Low wages are prevalent in the French retail sector (similar to other countries). The proportion of employees paid close to the statutory minimum wage (SMIC) is the highest (between 20 and 32 per cent) in this sector. Moreover, the sector is characterised by great flexibility with regard to working time (29 per cent of retail workers have schedules that vary from week to week, compared with 22 per cent in the private sector as a whole). Almost nine out of ten people employed in this sector (88 per cent) work usually or occasionally on Saturdays or Sundays (as against 52 per cent in the private sector as a whole).

New rules on the deregulation ('liberalisation') of retail sector working time were introduced also in Italy in 2012, thus having a strong impact on industrial relations in the sector, in particular by fostering a split within the main employers' association (see Ambra in this volume). This trend toward more fragmentation of collective actors has had an impact on collective bargaining at sectoral level, pushing toward further segmentation of the retail sector:

- (i) the traditional retail sector (made up of micro-, small and medium-sized firms associated with *Confcommercio* or *Confesercenti*);
- (ii) large-scale and modern distribution (made up of large multi-national companies associated with *Federdistribuzione*);
- (iii) the cooperative distribution sector (made up of cooperatives, with their specific 'cooperative' business model).

The three trade union confederations, which started joint negotiations with all the employers' associations, were able to sign (for the first time jointly) the renewal of the national collective agreement at sectoral level only with two employers' associations (Confcommercio in 2015 and Confesercenti in 2016), representatives of the vast array of micro-, small and medium-sized firms, but not of large firms. Negotiations with Federdistribuzione, on one side, and with the cooperative distributors, on the other, are still under way. Therefore, since 2012, after the split between the two main employers' organisations, about 220,000–230,000 workers in many large firms still lack a sectoral agreement at national level. In addition, since 2013, about 80,000 workers are awaiting the renewal of the sectoral agreement with the so-called 'Distribuzione Cooperativa'.

Moreover, in recent years, the economic crisis has reduced the level and quality of decentralised collective bargaining. Even large retail companies and multinationals unilaterally cancelled many of the previous collective agreements at company (or establishment) level. Sometimes trade unions have been able to negotiate new collective agreements, at the cost of lowering wages and worsening working conditions in exchange for job retention. In addition, many new employers' associations and unions – which are not really representative – have been signing new collective agreements at national and sectoral level, giving rise to what we call 'pirate bargaining'. Another anomalous phenomenon is the option for companies to choose the sectoral agreement they prefer. For instance some firms operating in the logistics and transportation sector decided to associate with Confcommercio and to adopt the national collective agreement signed for the small and medium-sized retail sector instead of the national agreement in the logistics and transportation sector. These practices raise questions about who decides where the borders of a sector lie. How can it be established which sectoral collective agreement shall apply to which sector?

To better understand the phenomenon it would be useful to further analyse the employer associations' strategies and company strategies (especially those of multinationals) designed to take advantage of institutional loopholes. Regarding working conditions in the Italian retail sector, significant changes have strongly affected workers, including increases in temporary contracts and involuntary part-time work (which increased from 43 per cent in 2008 to 71 per cent in 2015). The introduction of new part-time contracts (such as the '8 hours contract' on Saturdays and Sundays for students and young people below than 25 years of age). More working time flexibility was introduced at sectoral level (for instance, the Confcommercio agreement renewed in 2015 prolonged working time from 40–44 hours a week to 40–48 hours).

The growing fragmentation of collective actors at national and sectoral level is not a peculiar feature of the Italian retail sector nor of Italian industrial relations. In France, there is a similar– or higher – degree of pluralism. However, within the framework of the French model of 'state-regulated' employment relations, recent new laws (in 2008 and 2014) introduced further and clear rules on the representativeness of collective actors (both unions and employers' organisations). By contrast, Italian trade unions and, above all, employers' associations have showed strong resistance not only to the possibility of legally regulating the social partners' representativeness, but also to the introduction of some form of statutory minimum wage, as proposed by the Renzi government in

2014. A widely shared position among the social partners – both unions and employers' organisations – was that a statutory minimum wage was not necessary because of the extensive coverage of sectoral agreements (Colombo and Regalia 2016: 315). For this reason Italy's industrial relations system still stands out among the countries under examination here due to its lack of a statutory minimum wage. Italy is in fact the only country considered in this volume in which minimum basic wages are fixed by the social partners through sectoral agreements.

In Belgium, every two years trade unions, employer representatives and government conclude an inter-professional agreement, which includes a wage norm. The most important transformation affecting the Belgian retail sector was the changing of this wage norm from indicative to imperative. The Belgian retail sector is regulated through different committees (large firms versus small firms) that settle on different standards (in order to take into account, for example, the different conditions of the self-employed). Negotiations in the concertation committees of small companies are friendly, since there are no statutory representative bodies in small enterprises and workers' representation is more limited. Agreements at sectoral level provide a generally agreed minimum by leaving few possibilities for the company level (for instance, the possibility to choose between alternatives such as meal vouchers or group insurance). Derogations and opt-outs are allowed only in exceptional cases as part of drastic restructuring processes. In addition, in Belgium every sectoral agreement includes a legally required extension norm, which makes it binding for unaffiliated companies. This is crucial in the Belgian retail sector in order to limit (wage/cost-based) competition and to secure the (income) protection of all employees. Nevertheless, it is difficult for trade unions to monitor companies' compliance, especially in the case of small retailers because there is almost no employee representation. On the other hand, increasing competition and restructuring are putting pressure on employers and making it more and more difficult to aggregate interests. Consequently, employers are becoming more and more interested in decentrally-bargained variable pay.

In Spain, the most significant change affecting labour relations in the retail sector was the 2012 labour market reform aimed at fostering the decentralisation of collective bargaining. As outlined by Rocha (in this volume), after the 2012 changes most of the new company-level agreements signed can be defined as '*in pejus*', in the sense that these agreements focused mainly on cutting wages ('wage costs'), extending the annualised working day and further flexibilising working time. Also in the Spanish retail sector there is a high number of sectoral collective agreements (about 387 in 2015, covering about 1.44 million workers), while the coverage of company-level agreements decreased from 7.3 per cent of all workers covered in 2012, to 4.3 per cent in 2015. Similar to other countries, wages in the retail sector are lower (with an average of 19,771 euros a year against an average of 22,858 euros a year in all economic sectors). However, there is a statutory minimum wage of 9,034 euros a year. Wages increases are linked to sales (taking as a reference the volume of sales in 2010). In a context of increasing deregulation of shopping hours, the elimination of paid Sundays and holidays has worsened working conditions.

In conclusion, in each of the examined countries (which have different institutional characteristics), we always found worse wage and working conditions in the retail sector than in manufacturing. The retail sector has undergone a great transformation during the past decade, especially in terms of its competitive structure and the growth of large companies at the expense of small and micro businesses. Nevertheless, the high presence of micro-firms and the self-employed – which seems to be a common trait of the vast world of 'traditional retail' across all the examined countries – may have influenced the characteristics and structures of retail industrial relations and the relations among the collective actors, resulting in a general drop in average wages and worsening working conditions (more atypical contracts, prolonged working time, involuntary part-time, Sunday working and so on).

Company size is a necessary condition for a trade union presence and worker organisation, but even it is insufficient to allow trade unions to act collectively (through traditional collective bargaining) to improve wages and working conditions. Another factor related to firm size is the range of business models adopted. The retail industry may be divided into 'traditional retailing', made up of micro-firms and self-employed, 'modern and large-scale organised distribution', made up of large companies, franchising and multinationals, and finally e-commerce, mainly made up of global players. Therefore it would be useful to analyse horizontal coordination not only in the sense of inter-sectoral coordination, but also in a new light, focusing more attention on the dynamics between employers' and union organisations within the sector.

## **6. Final considerations**

However much it may be proclaimed company-level bargaining does not emerge automatically. This is demonstrated by the case of Spain, where it remains weak despite repeated institutional attempts to strengthen it and to make it the centre of gravity of the whole bargaining system.

The data presented in this volume make it clear that it is France and Germany where a marked tendency towards rising company-level bargaining is to be found.

In the case of France this growth, measured over recent years and an indication that the constraints arising from the so-called great recession have been overcome, appears due mainly to the favourable institutional framework and, in some cases, promotional efforts. This framework was imposed in the early 1980s by the Auroux laws, which enshrined an obligation to negotiate. It remains to be seen whether another push will be provided by the measures currently being contemplated by the Macron government, which were also inspired by the general thrust towards decentralisation.

In Germany, by contrast, decentralisation, which has progressively become more entrenched in recent years, appears to be the outcome of changes in bargaining strategy that have taken place within the framework of industrial relations, and thus brought about by the actors themselves through successive agreements, encouraged in particular by the employers.

As for Italy, it seems to be on the rise, sustained by various public incentive mechanisms developed over recent years. However, it would be jumping the gun to try to draw conclusions from this, whether quantitative or qualitative. Only future observation will show whether the previously limited space for decentralised bargaining is being expanded (practiced to date by only 20 per cent of companies) to cover a proportion of small enterprises, and also whether bargaining topics are significant and in line with the pursuit of more innovation or are more 'utilitarian' in nature, seeking to exploit economic incentives.

Still on the subject of the contents of bargaining the information supplied by the national reports is certainly useful, but will require more systematic investigation in the near future.

Generally speaking, it emerges from the data and the qualitative assessments that the main bargaining topics in the metal sector are concentrated on wages and working time, although other, currently less important topics are not neglected, such as organisational and technological changes and work organisation. The first two issues were important in the years leading up to the financial and economic crisis because they were subject to demands for more flexibility or, to put it another way, for adjustment to more difficult circumstances. In most cases, as the data show, flexible adjustments of this kind occurred in a negotiating context that differed from the past (when it was oriented largely towards commercial ends). In general, they tended to revolve around job retention guarantees or, in some countries, such as France, were oriented towards an agreed reduction, underpinned with guarantees, of jobs deemed surplus to requirements.

Flexibilisation of working hours and of terms of employment tends to be more characteristic of the retail sector. But even in this case not everything is necessarily stagnant or to be criticised. Here, too, spaces are opening up – although not generally and it is unknown whether generalisation is even possible – in pursuit of new 'terms of trade' and compromise in negotiation in response to other considerations. One might mention, in some countries, agreements in which other topics have been introduced into the bargaining framework, in the form of non-wage compensation. Such trends are evident, for example, in the design of working hours (flexible working hours among other things), various welfare services or other benefits, as well as greater attention to conciliation and more besides.

The national case studies provide a robust cognitive and interpretative framework within which we can draw up an initial overall assessment concerning bargaining system trends, the substance of decentralised bargaining, the quality of the various processes and the outcomes emerging in company-level bargaining.

Turning to the initial questions the first point to make is that bargaining decentralisation is less widespread than desired or expected and that overall – at least in the countries under examination here – it does not call into question previous bargaining structures and the framework of disorganised decentralisation. In the case of Spain there have been repeated attempts to dismantle the collective bargaining system in favour of company-level bargaining (in contrast to multi-employer bargaining), which is considered to be

'closer' to the problems of both management and workforce. Here, too, however, the data show that these repeated attempts have not produced the expected effects and established a lower centre of gravity for collective bargaining, but rather have led to more ambiguous outcomes, first and foremost an erosion of bargaining, especially in the retail sector.

In the case of France, too, the push to boost decentralised bargaining both quantitatively and qualitatively has to date led to uncertain outcomes and although the legislation provides the necessary basis for this, it cannot be said that, to date, company agreements have taken off and displaced sectoral agreements.

Even more ambiguous is the situation in Italy, where, in response to a law (Article 8 pushed by the Berlusconi government in 2011) favourable to the primacy of so-called 'proximity bargaining' the decisions and actions of interest-representing organisations have taken a rather different direction, tending rather largely to reaffirm traditional bargaining structures. It should be noted that during the last parliament government did not tackle bargaining structures and instead worked towards strengthening decentralised agreements, although without impinging on the prerogatives of national bargaining (without prejudice to provisions otherwise specified, but only partially implemented).

On this basis, what we defined at the beginning as 'wholesale decentralisation' has become established, for the time being, only in a limited – albeit important – part of the economy in the countries under examination. This applies primarily to big players in international markets who prefer their bargaining 'made to measure' and closely in accordance with management preferences.

But also the company-level bargaining that we have defined as 'incremental' does not really seem to have taken off, despite a number of examples cited by the authors of the case studies. The most noteworthy instance in this respect seems to be Germany, where company-level bargaining could help to expand room for negotiation and also help to increase bargaining coverage, which would be extremely valuable.

The substance of this phenomenon is difficult to measure in the case of Italy, where there have been numerous significant instances of bargaining (see, for example, Pero and Ponzellini 2015). Certainly a wide range of enterprises have been reaching agreements introducing new organisational models, making cost savings and productivity increases, with variable, but positive benefits on job quality. These agreements are widespread in the metal sector, but less so in the retail sector. Apart from the fact that they indicate a certain dynamism in some companies (especially medium-sized ones), what proportion they represent of companies as a whole is not clear; nor is their ability to serve as a positive reference for other companies in these sectors.

It should also be noted that the larger companies in this category, in all the countries under consideration, would also – under certain conditions – be the ones most tempted to switch (to wholesale decentralisation). It must be said, however, that decentralisation, where it really takes place, rather belongs in the third category, namely 'equivalent

decentralisation', which at least on the surface does not rock the boat with regard to existing agreements. It also seems reasonable to suppose – as indicated by the German data – that in such cases a shift is occurring in favour of management, while the trade union role is primarily to contain disruptive impulses.

All in all, the bargaining activities described in this report and in the various countries largely come in the category of 'organised decentralisation'. However, as the German chapter shows, this broad formula is liable to induce complacency, masking bargaining agreements' underlying features and dynamics, particularly their quality and depth. In fact, this assessment covers a wide range of phenomena, which only increases the heterogeneity of bargaining solutions and situations, both within and across sectors. This also explains the major complications that beset collective representation.

When decentralisation is managed the system overall continues to function, albeit more slowly. All the case studies complain about lower levels of collective bargaining, both quantitative and qualitative. Their worries include the resilience and viability of national sectoral agreements, even though they are not lacking in innovation and potential, not to mention whether they will be able to maintain the broad scope they had in the past. The national sectoral agreement signed in Italy in late 2016 can be regarded as something of a relaunch of this instrument, even though the new bargaining issues – such as training, welfare and grades – put forward in them at present lack adequate redistributive mechanisms.

According to the authors of the German chapter it would be worth exploring in more detail the extent to which decentralisation represents an opportunity for trade unions. They describe, taking the example of Germany, positive – albeit still in the minority – experiences that could conceivably serve to support union organising. This can be confirmed by the other national case studies, with the exception of companies with a long tradition and well established institutional rules that nurture decentralised bargaining and enable its ongoing adaptation (which seems to be happening in some quarters among Italian companies).

To sum up, the extension and quality of decentralisation in the countries examined in this book still seem to be variable, ambiguous or inadequate. For this very reason, however, it would be a good idea to try to build on this by increasing the actors' participation to expand it and make it more effective. But such an advance would be possible only by means of a veritable cultural evolution, in which those involved might emerge as stakeholders in decentralisation, enhancing reciprocity in decision-making and mutual benefits. This would clarify the possible advantages for employees, beyond job retention.

It is clear from the picture presented here that, while important, the (main) institutional factors are not up to the job of engineering a real take-off for decentralisation. The cultural 'glue' that we referred to above would also be a great help. The envisaged scenario thus stands a chance only if the collectively organised actors play a more prominent role and show more commitment. They would help realise the full potential of the 'social factors' that could bring about an effective upgrade in decentralised bargaining processes, as the driving force behind their take-off.

But as can be seen from the present volume, these social factors are struggling to materialise and to get up and running. Resistance remains formidable in some quarters of the business community, where collective organisations face problems in their efforts to work out an adequate approach that is recognised by all those involved.

There are also critical issues on the trade union side, despite the fact that substantial progress has been made, as evidenced by the document produced in 2016 by the Italian trade union confederations, which are clearly pushing in this direction. Having said that, adequate structures and practical outcomes have yet to manifest themselves. Overall, trade union organisations are making heavy weather of a clear strategic choice in favour of decentralised and company-level agreements, both because of their difficulty in convincing their members of the benefits and due to the continuing prevalence of largely defensive attitudes.

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