

Chapter 3

Multi-level governance in the making:

introducing the key processes

The multi-level system that European integration is prompting involves both formal and informal processes. Significant developments are taking place in these processes, and in the balance between them, which are integral to the system's dynamics. This chapter seeks to clarify what is involved. The initial focus is on collective bargaining, which together with legal enactment represent the two traditional methods of industrial relations regulation. Despite multiple challenges, collective bargaining not only appears to be surviving, but also gaining ground (Spyropoulos, 2002: 395). As well as assuming some of the functions traditionally performed by legal enactment, it appears to be taking on fresh roles. These developments are not restricted to the supra-national level, but also feature within national systems, irrespective of different legal traditions. In the process a distinct shift from 'hard' to 'soft' forms of regulation is apparent.

Attention then turns to seemingly 'new' processes - co-ordinated bargaining, benchmarking and the 'open method of co-ordination' (OMC) - which are more directly associated with European integration. A key issue is whether such processes will take over from the so-called 'Community methods' of legal enactment and collective bargaining inherited from national systems. Finally, the chapter discusses

the significance of the ‘informal’ processes of industrial relations. Coping with the common constraints that European integration brings means that the various forms of ‘isomorphism’ introduced in Chapter 1 are playing an increasingly important role. Indeed, it is difficult to understand some major developments, such as the convergence in the rates of change of wages across EU member states without reference to these processes. Figure 3.1 summarises the main formal and informal regulatory processes involved.

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Collective bargaining – traditional process in a state of flux?

It is collective bargaining that ‘distinguishes and gives strong identity to the EU, which is not found in the other similarly developed regions’ (European Commission, 2002: 2). Collective bargaining, though, is a complex process with many dimensions. The main variations along the principal dimensions, between and within countries, are summarised in Figure 3.2. Collective bargaining also admits of a wide range of meanings, reflecting the different traditions discussed in Chapter 2. Our operationalisation of the term embraces these main variations, and is therefore broader than that of some other authors (e.g. Visser, 1999: 87). In terms of level, collective bargaining can be single-employer and multi-employer; single-employer bargaining can also be single or multi-establishment and multi-employer bargaining single-industry or multi-industry. In terms of agents, it can be restricted to trade unions or extended to cover other collective forms of employee representation including works

councils or even work groups. In terms of subject, it can emphasise matters of substance or procedure. Following Walton and McKersie (1965), it can also deal with issues of distribution, such as wages, where one party's loss is another's gain, or integration, such as restructuring, where the parties may have complementary interests that agreement helps to promote. In terms of activity, it can be viewed as a rule making process leading to employment regulation or as a negotiating process, whose logic is as much about shaping on-going relationships as it is about resolving particular issues. Collective bargaining also involves a vertical as well as horizontal collective action problem: the parties have to reach some accommodation among themselves (the vertical dimension) before they are able to deal effectively with the other (the horizontal dimension).

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Changing roles for collective bargaining

In discussions of recent developments in collective bargaining, most attention has focused on changes in the level, where the dominant trend across western Europe has been towards greater decentralisation of collective bargaining structures, from the multi-sector to the sector, and the sector to the company level. Such decentralisation varies in extent and form the most important distinction being between 'organised' and 'disorganised' forms (Traxler, 1995). The dominant tendency amongst the EU-15 has been towards 'organised' or 'centrally co-ordinated' (Ferner and Hyman, 1992: xxxvi) decentralisation. These changes in level are closely associated with fundamental changes in the functions of collective bargaining. The authoritative Supiot report (1999: 140-7) provides a useful framework for understanding the

emerging trends. First, collective bargaining is taking over some of the legislative function of the state that has long been associated with the Nordic and (historically) the Anglo-Irish models. Collective bargaining is being given responsibility for determining the content of legislation, leading to so-called ‘negotiated law’ (*lois négociée*). This is nowhere more apparent than at EU-level where the Maastricht Treaty’s social policy protocol – subsequently Articles 137 and 138 of the Treaty - gives the social partners scope to negotiate and reach agreement on issues within a specified range of fields on which the Commission proposes to bring forward legislative proposals. Such agreements, which in late 2003 numbered those on parental leave, part-time working, temporary, fixed-term contracts and teleworking, may then be accorded legal force as directives. Although the Commission retains the right of initiation, effectively the thrust of the legislative process has shifted from legal enactment to collective agreement. Mirroring EU-level developments, there have been changes in collective bargaining and its relationship with legal enactment at national level too. This primarily affects countries under Latin model, where collective bargaining has traditionally been seen as a means of improving on the legal status of employees.

A second trend is closely related. Collective bargaining is also acquiring greater responsibility for implementing legal provisions (i.e. a regulatory function). At EU-level, the 1993 Working Time directive and 1994 European Works Council directives established a new pattern, the first by providing scope for negotiated arrangements to supersede statutory provision on a range of specific matters and the second by giving precedence to arrangements negotiated between the parties over the statutory model of last resort. At national level, a major example is the ‘*lois Aubry*’ in France

introducing the 35-hour week which provide for implementation via collective agreement. The result has been an upsurge of negotiations at sector and, above all, company levels (EIRO, 2002). The *lois* specify a central regulatory framework (with public financial incitements), which sets out the principles governing the contents and the rules of procedure at the lower levels. Through collective bargaining at sector and/or company levels, detailed substantive rules are agreed and applied within the central principles (Chouraqui and O’Kelly, 2001).

The third and fourth trends are more general. Collective bargaining, which has primarily been seen as dealing with the terms and conditions of employment, has also assumed a flexibility function and a management function. The third, reflects growing use of collective bargaining as an instrument of adaptability as the bargaining agenda is oriented towards questions of competitiveness and employment. Although such a shift is evident across all levels, it is fuelling the pressure for decentralisation.

Léonard (2001: 30) contends that ‘bargaining on employment reflects the development of a “different paradigm” of industrial relations, characterised by greater decentralisation, higher interdependency of social actors in the regulation of production processes, leading to agreements specifying contractual arrangements at the local level’. On the fourth, as Chapter 5 discusses, many national governments have responded to the adjustment pressures under EMU by seeking national level agreements with the social partners – so-called ‘social pacts’ – embracing wage moderation, greater labour market flexibility and reform of social protection systems. Collective bargaining has (re)assumed a key role in macro-economic management. At company level, as Chapter 6 describes, the negotiation of ‘pacts for employment and competitiveness’ (PECs) has, in some instances, involved employee representatives in

business planning and investment decisions. Many PECs also involve procedures for on-going monitoring and administration of the terms of the agreement, recalling an earlier emphasis in the study of industrial relations on collective bargaining as a form of ‘industrial government’ (Dunlop, 1958; Flanders, 1970).

From compulsory rigid systems to flexible frameworks?

Paralleling the changing roles of collective bargaining has been a shift in emphasis from ‘hard’ to ‘soft’ regulation (Supiot, 1999: 145-6). More issues are being decided by collective bargaining, with the resulting tendency that laws are becoming divested of substantive rules, which tend to be ‘hard’ in form’, in favour of rules of procedure – specifying the parameters of subsequent negotiations - which tend to be ‘soft’.

‘Proceduralisation’ has also been affecting collective bargaining in ways which are elaborated below. There is no easy dividing line between ‘hard’ and ‘soft’ regulation, as legal analysts such as Kenner (1999) and Biagi (2000) have recognised. There are nonetheless a number of inter-related contrasts, which help understand the distinctions involved:

- ‘soft’ regulation tends to deal with general *principles*, whereas ‘hard’ regulation is concerned with specific *rights* and *obligations*
- ‘soft’ regulation, where it deals with rights and obligations, tends to be concerned with *minimum* provisions, whereas equivalent ‘hard’ regulation involves *standard* ones
- ‘soft’ regulation often provides for further negotiation at lower levels, whereas ‘hard’ regulation tends to assume the process is finished - following French usage, ‘hard’ regulation might be described as *parfait* or *complete* and ‘soft’ regulation as *imparfait* or *incomplete* (UIMM, 1968: 94)

- ‘soft’ regulation, in as much as it takes the form of ‘recommendations’, might be described as *permissive*, whereas ‘hard’ regulation is almost invariably *compulsory*
- ‘soft’ regulation tends to be concerned with *soft* issues such as equal opportunities or training and development, whereas ‘hard’ regulation deals with *hard* ones such as wages and working time.

The difference between ‘hard’ and ‘soft’ regulation is a question of degree. Different forms of regulation are best thought of as being arrayed on a continuum running from ‘soft’ to ‘hard’.

Streeck (1995: 45) rightly observes that: ‘what really distinguishes the emerging European social policy regime from traditional national ones is its low capacity to impose binding obligations on market participants, and the high degree to which it depends on various kinds of voluntarism’. ‘Soft’ regulation, however, is not the exclusive province of the EU-level. It is true that most employment regulation in national systems, be it in the form of laws or collective agreements, has historically been of the ‘hard’ variety. For example, the *standard* or *minimum* provisions dealing with pay or working time in the multi-employer agreements of most EU member states have been characterised as specific, automatic in their effect and compulsory. Yet many rules in these agreements have always had a soft dimension in their application. For example, in the areas of payment by results or training, multi-employment agreements have typically made provision for further negotiation in the workplace. Indeed, it was to capture this distinction that the terms *parfait* and *imparfait* referred to above were coined more than 30 years ago. Even softer have been the rules of *principle*, such as a statement of the employers' right to manage or a commitment on the part of trade unions and their members to improve productivity.

The intention is that something should happen in the workplace. The rule of principle, however, is not specific in its application and not easy to enforce.

The prevailing trend towards ‘organised decentralisation’ (Traxler, 1995) which characterises most of the EU-15 suggests significant growth in the extent of ‘soft’ regulation within national systems. Typically, the higher the level at which a collective agreement is reached, the more likely it is to take the form of a framework agreement or *accord cadre*, wherein much of the regulation is of the ‘soft’ or *incomplete* variety. A key rationale of much of the higher level activity – indeed, it is the essence of ‘organised decentralisation’ - is to pave the way for more detailed negotiations at lower levels that can embrace ‘hard’ regulation, tailor-made to specific circumstances. Most social pacts between national social partners take the form of ‘framework agreements’ (Pochet and Fajertag, 2000). An important feature of recent sector bargaining, discussed in Chapters 6 and 7, is provisions giving individual employers greater flexibility in applying the collectively agreed standards at company level.

Coping with complexity – between heteronomy and autonomy

The glib explanation for the emergence of ‘soft’ regulation is that employers will not accede to trade union demands for the ‘hard’ equivalent. Above all at EU level, employers are reluctant to contemplate such regulation. Yet it is neither a sufficient nor a complete explanation. A major consideration in the growth of 'soft' regulation is the growing complexity of the economic and social issues policy makers and practitioners have to deal with, stemming from growing differentiation and deepening interdependency. As Chouraqui (1998) insists, the development of ‘dynamic

complexity' is not a temporary phenomenon involving a transition from one fixed state to another, but a permanent one, with significant destabilising effects for traditional patterns of regulation. Put simply, many of the 'new' issues that industrial relations practitioners have to confront do not lend themselves to 'hard' regulation in the same way that wages and working time do. Consider, for example, the use of collective bargaining to link employment and competitiveness, which the Supiot report (1999) highlights. Some matters can be the subjects of 'hard' regulation, such as new working time arrangements. Other issues are much more difficult to specify, such as commitments to flexibility and continuous improvement or employee representative involvement in the organisation's future planning. In these instances, collectively agreed provisions are 'soft' in their definition. Achieving 'hard' outcomes from such provisions requires delegating responsibility for implementation to lower levels, not only from sector to company, but also within the company itself. Coping with increasing complexity reinforces the tendency towards devolution.

Drawing on Walton and McKersie's (1965) typology, handling complexity also frequently involves a mix of both integrative and distributive bargaining, augmented by changes in the negotiation process, which they term 'attitudinal structuring'. Reaching agreement involves complicated trade-offs and also forging a culture of on-going problem-solving. Thus, the 'soft' regulation of an initial collective agreement can encourage a process of on-going collective bargaining embodying a commitment to the principles of partnership, flexibility and employment security. The process may or may not give rise to written agreements, but produces tangible results reflecting the influence of employee representatives.

Contributing to this complexity is the spread of what has been termed a ‘contract culture’ (Supiot, 2000: 321), reflecting the growing importance of market principles in policy making. The liberalisation and privatisation that have dominated policy making since the 1980s have helped to change the role of the state. The result, however, has not been ‘deregulation’: if anything, the amount of regulation has increased. ‘The last fifteen years have been a period less of deregulation than of intense regulatory reform, where the latter term is used to denote the apparently paradoxical combination of deregulation and reregulation’ (Majone, 1996: 2).

Public/private networks of diverse kinds have multiplied at every level, with decision-making involving regulatory agencies as well as representative institutions; formal authority has also been dispersed both upwards to supranational institutions and downwards to sub-national governments (Hooghe and Marks, 2002). In Supiot’s (2000: 341) words,

In face of the commercial contract, which is becoming internationalised, we then have to accommodate the entire contractual panoply which has accompanied decentralisation, regional development policy, agricultural policy and employment policy. In labour law this evolution has meant a decentralisation of the sources of law: from statute law to collective agreement, from industry-level agreement to company-level agreement to individual contract of employment.

Also influential is the example of the divisionalisation, budgetary devolution and marketisation that characterise large companies. As Ferner and Hyman (1998: xvi) perceptively recognise, the decentralisation of collective bargaining has ‘strong parallels – possibly not altogether accidental – with the widespread pattern of co-ordinated devolution of managerial responsibilities that has taken place within large

corporations in recent years'. The large corporation is decentralised operationally, but centralised strategically - helping to strike a balance between heteronomy and autonomy, i.e. central regulation and local responsibility.

The 'managed autonomy' that we have (Marginson and Sisson, 1996: 177) suggested sums up the way the modern corporation is run has strong parallels with the 'regulated autonomy' to be found in theories of so-called 'reflexive law'. In discussing 'reflexive law', Barnard and Deakin (2000: 341) more or less place our argument within a legal discourse:

The essence of reflexive law is the acknowledgement that regulatory interventions are most likely to be successful when they seek to achieve their ends not by direct prescription, but by inducing 'second-order effects' on the part of social actors. In other words, this approach aims to 'couple' external regulation with self-regulatory processes. Reflexive law therefore has a *procedural orientation*. What this means, in the context of economic regulation, is that the preferred mode of intervention is for the law to underpin and encourage autonomous processes of adjustment, in particular by supporting mechanisms of group representation and participation, rather than to intervene by imposing particular distributive outcomes.

Barnard and Deakin (2000: 341) go on to observe that the regulatory process initiated by the Maastricht Treaty is 'reflexive harmonisation writ large', citing the framework directives as examples of 'negotiated law'. Collective bargaining, as already indicated, is being affected as well as legal enactment.

Considerations of heteronomy and autonomy also return us to Walton and McKersie's (1965) framework. In any social relationship where collective action is an issue the

negotiating process assumes considerable significance in understanding the outcomes that emerge. Two main dimensions of such collective action may be identified. In the case of two individuals, it is simply the horizontal that is involved – A has to reach some accommodation with B and vice versa. In the case of relationships where A and B involve more than two individuals, however, there is a vertical as well as a horizontal relationship: the groups comprising A and B have to reach some accommodation among themselves about how they are going to deal with the other group. The greater the complexity on either dimension, the greater the collective action problem.

‘Soft’ regulation has distinct advantages in dealing with both the horizontal and vertical dimensions. It makes it possible for the principals to set a sense of direction and yet to avoid failures to agree over the details that often bedevil negotiations on the horizontal dimension. At the same time, by delegating responsibilities to representatives at lower levels to tailor solutions to their immediate situation, it helps to relieve the collective action problem on the vertical dimension. Important to note, though, is that the degree of ‘softness’ can vary, with significant implications for effectiveness of implementation. There is considerable difference between framework agreements elaborating a set of principles but having no further consequences for representatives at local levels and those whose express intention is to ‘incite’ negotiations at these levels and which also establish mechanisms to monitor implementation. The contrast is even greater with a framework agreement establishing a set of principles or minimum standards, which are binding on the parties at other levels, but within which these parties have scope to fashion their own solutions. In effect, the last outcome combines a ‘hard’ with a ‘soft’ dimension.

Co-ordinated bargaining – not necessarily second best?

Many commentators see co-ordinated bargaining, in which parallel sets of negotiators attempt to achieve the same or related outcome in separate negotiations, as one of the main likely vehicles for the ‘Europeanisation’ of industrial relations (Sisson and Marginson, 2002). Co-ordinated bargaining is also playing an increasingly important role within national systems, as policy makers and practitioners grapple with the pressures to build greater flexibility into their relationships. Explaining its growing appeal, Traxler and Mermet (2003: 231) distinguish between the ‘economic’ and ‘social’ functions of co-ordinated bargaining. The first refers to its potential in aligning bargaining outcomes with macro-economic objectives of price stability and employment; the second to its role in containing the effects of coercive comparisons across increasingly interdependent bargaining units.

A basic framework

Co-ordinated bargaining has long been a feature of national industrial relations systems, being found at different levels and in countries with varying institutional arrangements. As Sako (1997) suggests, it is a multi-dimensional concept. Although it shares many similarities with collective bargaining there are also significant differences. In Sako’s (1997: 40) words,

Co-ordination is certainly a more nebulous concept than bargaining structures or bargaining levels because it is about the process of information exchange, consultation, negotiation, decision-making and the exercise of sanctions over those who break any joint agreement ... Operationalising the concept ... involves

tracking both the formal and informal occasions for information exchange and decision making.

As with collective bargaining, a fundamental distinction can be drawn between single-employer and multi-employer co-ordination. The first involves a vertical dimension and covers bargaining units at different levels where there is a dependency relationship and where outcomes at the subordinate level conform to parameters set at higher level. The second involves both a horizontal and a vertical dimension, i.e. the co-ordination covers independent bargaining units at the same level as well as different levels internally within each of the participating organisations. Further variation involves the levels at which co-ordinated bargaining occurs, the forms it takes, the processes involved and its depth, i.e. the range of issues covered and the extent to which co-ordination can be enforced. Figure 3.3 maps these dimensions.

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Focusing first on the forms, three main types can be distinguished. Germany provides an example of *unilateral co-ordination* on the multi-employer dimension. The ‘peak’ confederations, the BDA and the DGB, are not bargaining agents. More unusually, there is no national level sector agreement in metalworking and most other sectors, the negotiations taking place at *Land* level. In practice, however, these negotiations have been independently co-ordinated on both sides for nearly half a century, the leading role of metalworking cementing the ‘pattern bargaining’ described below. The UK offers contemporary examples of unilateral co-ordination on the single-employer dimension. There is substantial evidence of widespread management co-ordination of

supposedly decentralised workplace bargaining (Marginson et al., 1993; Cully et al, 1999). In a third example, trade unions are the driving force in the initiatives towards unilateral, cross-border bargaining co-ordination at cross-sector and sector levels which are considered in Chapter 4.

There are two sub-forms of *joint co-ordination*: bipartite and tripartite. Austria provides an example of the former. As Traxler (1998) explains, since the early 1980s, Austria has undergone a step-wise shift to lower bargaining levels, while retaining macro economic co-ordination. While the Parity Commission provides the formal opportunity for regular dialogue, the ‘peak’ organisations (the BWK and ÖGB respectively) have themselves assumed responsibility for co-ordination. The vehicle is not a formal agreement between the ‘peak’ confederations, however, but sector level ‘pattern bargaining’ based on metalworking. The second sub-form, *tripartite co-ordination*, involves government as well as employers’ organisations and trade unions. The Netherlands is an example. Since the Wassenaar Agreement of 1982, there have been some 70 agreements, understandings and joint opinions emanating from the Foundation for Labour responsible for cross-sector social dialogue (Visser, 1998: 300-1). Two main features characterise this output (Huiskamp and Looise, 2000). The first is the wide range of substantive issues covered – it is much more than a matter of wages. The second is the process of implementation. Much of the output takes the form of recommendations to negotiators at sector and company levels, who can adapt them to their particular circumstances.

Belgium, which has a long-standing tradition of bi-partite multi-sector agreements, provides an instance of *state-imposed* co-ordination. In 1996, following the failure to

achieve a tri-partite agreement, the government unilaterally introduced three framework laws covering the main points of the negotiations. One established a range within which wage increases should be negotiated for the coming two years: the lower limit was set by index-linked cost of living and incremental rises and the upper by the weighted average of expected pay rises in its main trading partners, France, Germany, and the Netherlands (Vilrocx and Van Leemput, 1998).

As Figure 3.3 further indicates, co-ordinated bargaining involves a range of processes. *Information exchange* seemingly speaks for itself. The management of MNCs, employers' organisations and trade unions have routinely collected information from their subsidiaries/members about levels of and changes in pay and conditions, which they have deployed to their advantage in negotiations. However, co-ordinated bargaining involves more than a question of 'good quality information provided rapidly to those who need it. It also requires a high level of mutual understanding of what is possible in the different circumstances ...' (Euro-FIET/LRD, 1999). *Benchmarking*, which is considered in detail below, involves identification of best or preferred practice, which actors are encouraged to follow. In practice, the dividing line between benchmarking and *target setting* is blurred. Target setting tends to be more specific. For example, EMF's working time charter embodies the target of a maximum of 1750 hours annually. Another example, which might be described as 'avoidance' target setting, is the so-called '*tabu katalog*' of the German employers' confederation, the BDA. This sets out minimum or maximum standards on issues such as the basic working week from which members are not to depart (Sisson, 1987).

Pattern bargaining entails achieving a set target in one negotiation, which becomes the ‘key’ or ‘pilot’ agreement for negotiators elsewhere to emulate. Long associated with the US automotive and steel industries (Seltzer, 1951; Levinson, 1966), pattern bargaining is a widespread phenomenon. In Germany there is in effect a double process. A ‘pilot’ agreement in metalworking in one of the *Land* (often Baden-Württemberg) sets the pattern, which is spread across metalworking and then other sectors. *Synchronised bargaining* refers to negotiations in a number of companies and/or sectors taking place more or less simultaneously around a common platform. The most celebrated case is that of the *Shunto* or ‘Spring offensive’ in Japan described by Sako (1997).

The depth of co-ordinated bargaining is reflected in two considerations: the range of issues covered and the extent to which co-ordination can be enforced. Co-ordinated bargaining deals mainly but not exclusively with wages and working time. As mentioned above, the Netherlands’ cross-sector dialogue encompasses qualitative issues as well as pay (Huiskamp and Looise, 2000). In addition to its working time charter and bargaining co-ordination rule covering wage increases, described in Chapter 4, EMF adopted a target on the provision of life-long learning in 2001.

Turning to enforcement, first there is a significant difference between management’s practice of unilateral co-ordination in large companies and other contexts, which is mirrored in the discussion of benchmarking below. Large companies have a range of controls, formal and informal, to ensure local managers follow the line: co-ordination is, in the final analysis, ‘coercive’. Arguably too, much traditional pattern bargaining within countries has rested on the ability of trade unions to mount effective coercive

pressure. In other situations, especially where sovereign bodies are involved, the considerations involved in securing compliance in ‘traditional’ collective bargaining or principal-agent relationships play a relatively limited role. They may be important in specific cases, for example Austria, where Traxler (1998: 252-3) reminds us that membership of the Federal Chamber of Business, the BWK, is compulsory and the trade union confederation, ÖGB, ‘exercises control over the entire system of union finances’. Generally speaking, however, sanctions must be exercised sparingly for fear of undermining the project altogether. All this implies a considerable asymmetry in enforcement potential between the co-ordination activities of MNCs, on the one hand, and the ETUC’s industry federations – considered in Chapter 4 – on the other.

Second, considerable effort seems to go into the process of ‘attitudinal structuring’ (Walton and McKersie, 1965). Regular meetings help, along with monitoring and review. The first allow personal contact and face-to-face discussion which deepens understanding of each others perspectives and priorities. The second invoke peer pressure and the threat of ‘naming and shaming’. Presence at one another’s negotiations is another option, being a feature of the inter-regional co-ordination of bargaining of the metalworking unions from Belgium, the Netherlands and Germany’s Nordrhein Westfalen region (Gollbach and Schulten, 2000).

The circumstances in which co-ordinated bargaining is practised

Co-ordinated bargaining takes place in one of two main types of situation. The first, the unilateral form, is where one or other of the parties is opposed to collective bargaining at that level and/or believes it unnecessary. The second, the joint form, is where the parties develop an understanding, which may be implicit rather than

explicit, that co-ordinated bargaining is likely to open up options not available under established collective bargaining arrangements. In both cases, there is a need to understand employer and trade union motives and to appreciate the significance of specific economic and institutional structures.

The motives for engaging in co-ordinated bargaining are inextricably linked to the negotiating process, with considerations of intra-organisational bargaining being to the fore particularly for unilateral forms of co-ordination. In German metalworking, for example, it was trade unions who halted a trend towards national negotiations. In the late 1960s, the leadership of *IG Metall* was criticised by its members for its excessive centralisation and involvement in national-level ‘concerted action’. In 1969 widespread unofficial industrial action followed membership rejection of a wage settlement, forcing union negotiators to go back to the employers. *IG Metall* decided to press for regional negotiations: as well as meeting demands for more membership participation, they allowed pursuit of a more active policy - achieving a breakthrough in more profitable regions and/or those where *IG Metall* membership was strong, which could then be spread to other regions. For their part, although reluctant the employers went along with regional negotiations because, as well as encouraging their own membership participation, they reduced the scope for workplace bargaining (Sisson, 1987: 89-90).

Different considerations apply in the case of *joint co-ordination*. The common thread linking instances of such co-ordination is the complexity of the agenda and levels involved, referred to earlier when considering collective bargaining. For example, national cross-sector ‘social pacts’ based on tripartite co-ordination can cover

employment policy and social protection arrangements as well as wage moderation. In these circumstances, the decentralisation that co-ordination is premised upon enables representatives at lower levels to tailor solutions to their immediate situation, thereby relieving the collective action problem on the vertical dimension. As argued above, it also enables the principals at central level to avoid failures to agree over the details that often bedevil negotiations.

Turning to the specific economic and institutional structures associated with co-ordinated bargaining, a common feature under unilateral co-ordination is that similar economic activities are involved. Most multi-employer forms of unilateral co-ordination involve bargaining units in the same industry. In the absence of the strong state support for multi-employer bargaining found in Europe, US and Japanese employers in highly concentrated industries such as automotive manufacturing were able to resist trade union pressures to enforce the common rule through multi-employer bargaining. Trade unions were obliged to resort to 'pattern bargaining', subsequently leading to 'synchronised bargaining' in Japan. In highly competitive industries such as clothing and printing, however, employers were willing to join with trade unions to enforce the common rule through multi-employer bargaining in the interests of both market and managerial regulation (Sisson, 1987; Ulman, 1974).

At national cross-sector level, commentators have identified a connection between co-ordination and small country size, citing examples such as Austria, Finland, Ireland and the Netherlands (Kauppinen, 1998; Fajertag and Pochet, 1997). Yet the experience of Germany and Japan suggests such co-ordination is not the preserve of small countries. Of arguably greater importance is the role of the state, which helps

explain the contrast between two of the EU's large economies, Italy and the UK. As Traxler et al. (2001: 164) establish, it is the form of the co-ordination that tends to differ according to country size, reflecting the nature of the collective action problem. Table 3.1 indicates that state sponsored and intra associational co-ordination are more likely to be found in smaller countries, whereas 'pattern bargaining' features more often in the larger ones. Large countries lack the 'institutional preconditions' for peak-level macro co-ordination since associational centralisation significantly decreases with country size' (Traxler et al., 2001: 170).

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Reaching an assessment of the potential for bargaining co-ordination as a regulatory process at European level requires two alternative scenarios to be kept in mind: supranational collective bargaining and unco-ordinated bargaining, in which there is neither horizontal nor vertical co-ordination. The establishment of supranational collective bargaining arrangements at either cross-sector or sector levels is distinctly unlikely (Keller and Platzer, 2003; Marginson and Sisson, 1998; Traxler, 1999). At first glance unco-ordinated bargaining at European level appears more likely. As Traxler (1999) observes, some of the factors standing in the way of supranational collective bargaining apply with similar force to co-ordinated bargaining. Yet it is possible to identify economic, political and social factors under present circumstances which might favour the development of European-level co-ordinated bargaining. The macro-economic dialogue prompted by EMU, and outlined in Chapter 4, which involves the ECB, the Commission and the social partners in ongoing deliberations about the links between prices, pay, employment and economic performance, is stimulating interest

in the economic function of co-ordinated bargaining. Politically, co-ordinated bargaining is consistent with the subsidiarity so important to government and non-governmental national organisations. Socially, trade unions fear the consequences of the downward spiral in terms and conditions that competition between bargaining regimes under unco-ordinated bargaining promises to unleash.

Moreover, successful co-ordination does not necessarily rest on the willingness of both parties to collaborate. Cross-border co-ordination can emerge on a unilateral basis, as the trade union initiatives described in Chapter 4 confirm. Importantly too, pattern bargaining – which Traxler and Mermet (2003) consider to be the most feasible prospect - rarely rests on an inclusive process at national level. Indeed, the size of the pattern setting group may be relatively small. Thus in Austria, Japan and Germany, the share of the pattern setting industry in the total number of employees was, respectively, no more than 12.3 per cent (1997), 13.3 per cent (1995) and 10.4 per cent (1995) (Traxler et al., 2001: 171). The implication is that effective bargaining co-ordination at EU level may be built around sub-group coalitions of trade unions and/or employers' organisations and MNCs in particular countries and/or sectors which come to be accepted as pattern setters.

The rise of benchmarking

The rise of benchmarking from management tool to regulatory instrument has been one of the most striking recent developments. Benchmarking is now at the heart of the EU's approach to co-ordinating economic and social policy within and across the member states. It is the integrative driver of the 'open method of co-ordination'

(OMC) which in contrast to the traditional, top-down Community methods, is based on mutual learning, identification and transfer of best practice, monitoring and peer review. It appears at various levels (company, sector and cross-sector, national and transnational) and is widely used to promote delivery of the economic goals of competitiveness and growth and the social goals of cohesion and improved quality and quantity of employment. In the EU, it seems, benchmarking is everywhere.

From management tool to regulatory process

Benchmarking started life as a management tool to increase competitive performance. There is no universally accepted definition: IRS (1999: 15) suggest it is a broad term ‘encompassing the simplest comparison of performance data to complex strategic exercises examining how the world's best companies are run’. Three main types, of varying complexity, have evolved (Sisson et al., 2003). First is ‘performance benchmarking’, involving quantitative comparisons of input and/or output measures. Second is ‘process benchmarking’, covering detailed scrutiny of the efficiency of particular business processes and activities, plus arrangements such as quality standards accreditation. Third, is ‘strategic benchmarking’, which is closely associated with the concepts of the ‘learning organisation’. This involves comparing the driving forces behind successful organisations, including leadership and the management of change, to identify possible alternative ways forward. By the mid 1990s almost four out of five companies in Europe, North America and South East Asia were reported to be using benchmarking (Hastings, 1997).

The appeal of benchmarking rests on two foundations. The first is the connection with learning, which many commentators see as key to developing competitive advantage

in a rapidly changing environment. The skills of the workforce, it is argued, form the organisation's core competencies and, potentially, its unique competitive advantage. In order to develop and enhance these competencies, training needs to go beyond individual learning to organisational learning. Through systematic learning, the organisation can continuously improve its performance (Keep and Rainbird, 1999). Benchmarking offers organisations a practical tool around which to structure such organisational learning through dynamic comparisons with others.

The second source of benchmarking's appeal, which may not sit easily with the first, lies in its use as a means of control, especially in large companies. MNCs in particular have put in place management systems and structures to establish and diffuse 'best practices' across locations (Coller, 1996; Martin and Beaumont, 1998). Methods include the regular convening of meetings of managers from different countries, rotation of managerial personnel from one location to another, compilation of manuals of best practice and the setting up of task forces and/or nomination of 'lead' operations with responsibility for directing change. Important in encouraging such developments in Europe has been the adoption of the continent-wide production and market-servicing strategies described in Chapter 2. Benchmarking enables senior management to withdraw from the 'murky plain of overwhelming detail' (Neave, 1998: 12), but maintain 'control at a distance' through the use of comparisons and target setting. It supposedly avoids senior managers having to impose particular solutions from above. Instead, local managers are encouraged to find their own paths to continuous improvement. Benchmarking helps strike a balance between heteronomy and autonomy.

The logic underlying managers' pursuit of benchmarking reflects DiMaggio and Powell's (1983) 'mimetic' and 'coercive' forms of isomorphism, introduced in Chapter 1. Moreover, the designation 'best practice' gives solutions greater legitimacy akin to 'normative' status. Such legitimacy can be important in helping to persuade employee representatives of the course of action being proposed, but also in winning over uncertain managers. The widespread promotion of Japanese 'lean production' methods is an example of the use of benchmarking to justify change to both managers and employees and their representatives (Delbridge, et al, 1995).

Taking their cue from business organisations, national governments increasingly resorted to benchmarking throughout the 1990s. They did so internally as deregulation and marketisation led them to apply private sector management methods to the operation of public services. Externally, two kinds of development were involved. First several governments encouraged negotiators to refer to developments in other countries as the basis for wages policy, the most notable examples being Italy's 1993 Social Pact and Belgium's 1996 competitiveness law. Here, benchmarking's control aspect is to the fore. Second, was the emergence of benchmarking of so-called 'framework conditions' related to tax systems, labour market regulations and infrastructure more generally. This form of benchmarking, which aims to promote convergence towards best practice through an emphasis on learning, is associated with the OECD's promotion of policy transfer: its *Job Study* (OECD, 1994) was a catalyst for subsequent EU developments.

Since the mid-1990s, benchmarking has rapidly acquired prominence as a regulatory tool across a range of EU policy fields, leading European Commission President

Jacques Santer to suggest that ‘We are all benchmarkers now’ (quoted in Richardson 2000: 22). As well as the Community institutions and member states, trade unions too have embraced benchmarking as a means of underpinning the cross-border bargaining co-ordination initiatives described in Chapter 4. Two main phases may be identified (Arrowsmith et al., 2004). Until the late 1990s, benchmarking was still largely seen as a management tool that policy-makers could utilise to promote improved competitiveness. By the turn of the decade it had become something more ambitious: a central plank of policy development and implementation across a range of strategic activities. According to its former Secretary General (Richardson, 2000), it was the European Round Table (ERT), which groups major MNCs, that came up with the solution. Anxious to avoid further social regulation, and yet keep labour market reform on the agenda, it enthusiastically promoted the idea of benchmarking to policy makers as ‘more than simply number-crunching’. ‘It was a communication tool of enormous value’ which, crucially, ‘would help them work together towards common goals without jeopardising their freedom to take their own decisions in the light of their own circumstances’ (Richardson, 2000: 4).

As an EU policy tool, benchmarking began to gather momentum with the approach of EMU. As Chapter 4 elaborates, it was in the area of employment policy that benchmarking came to prominence and the OMC developed, involving the setting of common objectives, the preparation of national action plans and peer group review (Goetschy, 2003). The 1994 Essen European Council asked member states to establish employment programmes and to report annually to the Commission on their implementation. The 1997 Amsterdam Treaty institutionalised this procedure and, as Teague (1999: 196) underlines, introduced a Treaty basis for benchmarking. Article

118 stipulates that the Council can ‘encourage the member states to adopt initiatives aimed at improving knowledge, developing exchange of information and best practice, promoting innovative approaches and evaluating experiences in order to combat social exclusion’. Subsequently the 2000 Lisbon Summit explicitly confirmed the OMC as a governance method. According to Wallace, quoted in Hodson and Maher (2001: 721), this confirmed the shift of the OMC from a ‘transitional mechanism’ used as a technique to develop ‘light co-operation and co-ordination in order to make the case for direct policy powers’ to ‘a policy mode in its own right’.

It is not difficult to understand the appeal to EU-policy-makers. Benchmarking helps to deal with both the horizontal and vertical dimensions of the EU’s collective action problem. A broad direction can be set, minimising the scope for disagreement over detail on the horizontal dimension. At the same time, deference to the principle of ‘subsidiarity’ helps to relieve the collective action problem on the vertical dimension. Benchmarking and the OMC have a ‘logic of appropriateness’ (Wallace, 2001: 592) promising greater democratic legitimacy *and* effectiveness in policy development and implementation. The centre adopts the role of policy entrepreneur, but consults and involves the member states, social partners and other interested parties such as NGOs in decisions on strategy. Involvement of national actors means that interventions may be more appropriate, and therefore more likely to be put into practice. Rather than being tied down with ‘institutional harmonisation’, EU policy-makers can take a problem-solving approach with a longer-term focus that is flexible enough to adapt to changing circumstances and extend itself to new areas. The iterative cycle of benchmarking also means that the policy process becomes less opaque (and therefore more legitimate) with the elaboration of clear goals and targets, the identification of

best practice and member state and social partner scrutiny. Benchmarking helps ensure the value of the OMC as a coherent policy mode, and one that acknowledges democratic principles of voluntarism and subsidiarity (Borrás and Jacobsson, 2003; Goetschy, 2003).

The two faces of benchmarking: coercion and consensus

There are similarities in the practice of benchmarking at the different levels, including the emphases on learning, identifying ‘best practice’ and target setting. Some of the issues that benchmarking raises also appear to be similar, but there are also marked differences. Much attention has focused on technical problems. A common refrain is that meaningful benchmarking is more difficult than it seems (Delbridge et al., 1995; Tronti, 1998; Arrowsmith and Sisson, 2001). Defining ‘best practice’ is no easy matter, especially when there are potentially conflicting policy goals. Data have to be collected and collated in comparable terms, and where benchmarking is external, reaching agreement on the most appropriate bases can be difficult. All this is to be resolved before the implementation of findings can be addressed. In practice, performance benchmarking rarely becomes process benchmarking, let alone strategic benchmarking. Instead, it tends to be concerned exclusively with quantitative measures. ‘Focusing on the numbers’, as Elmuti and Kathawala (1997: 236) put it, is so much easier than analysing the reasons for the differences behind them. At company level, it can mean attention to the costs and flexibility of labour rather than adaptability in its widest sense. At national and EU levels, it can mean an obsession with placings in ‘league tables’ to the detriment of the quality of outcomes.

Yet the technology of benchmarking is not the only source of problems; so too is the political nature of the process involved. The elevation of benchmarking to the macro level has not only underlined its potential, but also exposed weaknesses. Depending on the level, the balance between the internal and external dimensions of benchmarking is very different, with profound implications for the choice of comparisons and for implementation. At the micro level, benchmarking takes place within the vertical or hierarchical structure that typifies the business organisation. As industrial relations analysis has long recognised, benchmarking within MNCs is not so much used to identify 'best practice' externally but internally (Coller, 1996; Coller and Marginson, 1998; Mueller and Purcell, 1992). Moreover, it plays a key role in the operation of management control systems, being inextricably linked with the use of 'coercive comparisons' to help discipline the behaviour of local management as well as local workforces. The collection and analysis of data on performance practices and outcomes is used to exert pressure on business unit management within the context of an internal 'market' for investment.

At (inter)governmental and EU levels, the balance between the internal and external dimensions is significantly different. Benchmarking is essentially a consensual rather than coercive process, with profound implications for the choices of comparisons and for implementation. Governments, and trade unions also, are democratic organisations, which complicates internal compliance. Even more problematic is that the external dimension involves sovereign bodies. This is particularly acute given the heterogeneity of contexts and institutions and level of abstraction involved in benchmarking framework conditions across member states. The choice of comparator and the focus of comparison are complex and potentially controversial issues,

involving immensely political as well as practical issues of identification (deciding what to measure), measurement (how to standardise criteria and data collection) and transferability (how to take account of specific context). Topping these is the problem of enforcement: benchmarking between sovereign bodies, be they governments or trade unions, relies on voluntary mechanisms of enforcement through regular monitoring, peer review and even 'naming and shaming'. In its essence, the relationship is horizontal and so the controls available in vertical structures are of little avail.

**Coping with common constraints:
the informal processes of 'isomorphism'**

Informal processes are also integral to understanding the impact of European integration, as Chapter 1 explained. 'Competitive isomorphism', suggests that market forces will encourage actors to adopt similar solutions when confronted by common constraints, regardless of institutional processes. Several lines of reasoning can be found (Traxler et al., 2001: 5-6). The view of Dunlop (1958) and Kerr et al. (1960) holds that using similar technology is the main driver. By contrast, the 'efficiency view' associated with transaction cost analysis (Williamson, 1986) suggests that there is a process of 'social Darwinism' at work, in which the 'natural selection of market forces weeds out inferior institutions' (Traxler et al., 2001: 5). A third view emphasises 'market-led opportunism'. Implicit in the notion of 'regime competition', for example, is that negotiators will come under pressure to make sacrifices, which will then set in motion a downward spiral of emulation elsewhere.

Underpinning ‘competitive isomorphism’ is the ‘rational choice’ approach introduced in Chapter 1. A specific application concerns wage determination. A fundamental premise of a non-accommodating monetary policy is that negotiators will adjust their behaviour to take into account the constraints such policy brings. If they do not, they risk unemployment as a result of the central bank adjusting interest rates. As Scharpf (2002: 11) observes, ‘rational-choice institutionalism tells us that the centralisation or fragmentation of wage-setting institutions should not matter. Large or small unions alike should find it in their organizational self-interest to save the jobs of their members through wage restraint’. Convergence in the rates of change of wages and in unit labour costs across EU member states in recent years would appear to bear this out, previous relationships between institutional arrangements and measures of economic performance, considered in Chapter 1, seemingly breaking down under the spread of non-accommodating monetary policy and the prospect and subsequent reality of EMU (Traxler et al, 2001: 253).

‘Mimetic isomorphism’ recognises that there is a strong tendency for actors faced with common constraints to copy one another. Again, wage determination provides an illustration. As Traxler et al. (2001: 147-8) observe, much co-ordination in the form of ‘pattern bargaining’ does not involve formal organisation. It results from negotiators emulating the level of settlement reached elsewhere. Such ‘unintended pattern bargaining’ helps to explain Hancké’s (2002) contention that ‘convergence without co-ordination’ in the rates of change of wages has taken place across EU member states. Traxler et al. suggest that this emulative behaviour follows from ‘differential union power across sectors, such that one particular union sets the pace simply because the other unions are too weak to go beyond this standard’ (p253). This

underestimates the wider significance of the resort to comparisons, however. As Ross (1948: 52) observed many years ago, following the ‘pattern’ enables employers and trade unions to reconcile the former’s competitive constraints with the latter’s need to achieve fairness.

The ready-made settlement provides an answer, a solution, a formula. It is mutually face-saving ... it is the one settlement which permits both parties to believe that they have done a proper job, the one settlement which has the best chance of being ‘sold’ to the company’s board of directors and the union’s rank and file’.

Similar ways of doing things can become accepted and established, even in the absence of any formal processes of co-ordination, reflecting the third process of ‘normative’ isomorphism. Marsden (1999: 269) puts it like this:

Employment systems are institutional frameworks which enable firms and workers to organise their collaboration while protecting both parties from certain kinds of opportunistic behaviour ... even in sectors from which collective representation is absent, the pressure on firms to conform to the prevailing methods of contracting are very powerful. In this sense, even though each decision by a firm and its workers may be taken individually, there are strong pressures to conformity ... These pressures do not necessarily arise from direct constraints on the parties, but ... from the benefits that stem from using commonly applied rules. It is important that people trust the rules by which they bind themselves. ... As they diffuse across an economy, the transaction rules are transformed from being techniques for solving the problem of opportunism in employer-employee relations into a social institution.

Marsden adds the important rider that an employment rule may be adopted 'even though it may not be the one best suited to a particular type of service, because people prefer a rule with which they are familiar and which they trust' (p269). Industrial relations behaviour is better understood in terms of 'sociological' rather than 'rational choice' institutionalism.

Underpinning mimetic and normative processes is information and learning. The nation state plays a key role in setting the parameters to these processes, but so too do the sector and company. Both are organisational fields comprising more than a set of 'objective conditions', such as market structures and technology. They are 'cognitive arenas', where ideas about 'accepted' and 'best' practice are generated. They are 'collaborative networks', offering a wide range of opportunities, formal and informal, to acquire and diffuse the information and experience going to make up shared understandings (Smith et al., 1990; Arrowsmith and Sisson, 1999). In establishing a single market with a common currency the EU constitutes an important catalyst to these informal processes, by extending the range of reference groups with which comparisons are made and widening the opportunities for learning. Furthermore, as Teague (2000: 439) concludes, 'Active engagement with EU-level policy deliberations not only introduces national actors to new ideas, routines and practices, but it also, on occasions, encourages them to pursue regulatory or collaborative solutions to integration problems that are more ambitious than first considered necessary'. He cites two major studies of how this 'deliberative supranationalist' process has had a significant impact: Eichener's (1997) on health and safety, where the *acquis communautaire* is now considerable; and Dolvik's (1997) on the role of the ETUC, where the European social dialogue pushed trade unions to rethink the objectives they

should pursue in engaging at EU-level. A key informal process, in other words, is 'Europe learning from Europe' (Teague, 2001: 23).

Conclusion: complementary rather than alternative processes?

Significant developments are taking place in industrial relations governance in the light of European integration. One is the changing balance between legal enactment and collective bargaining, reflecting two common developments: the growing complexity of the issues that the regulatory processes are having to deal with; and the spread of a 'contract culture' (Supiot 2000: 321). More and more issues are being delegated to collective bargaining as policy makers seek to balance heteronomy with local responsibility. For collective bargaining, 'organised decentralisation' (Traxler, 1995) is the prevailing trend as negotiators likewise try to combine providing a central steer with the scope for flexibility that increasingly differentiated local circumstances require. The overall effect is a significant shift in emphasis from 'hard' to 'soft' regulation both in legislation and collective agreements, raising fundamental questions about future directions. Admittedly, European integration is not the only consideration, but it is fundamentally important in as much as it is adding considerably to complexity.

Seemingly new processes have also made their entry. Thus, as well as the tendency towards framework directives and agreements, there is co-ordinated bargaining, benchmarking and the OMC. Such processes are not altogether new, however, and are integral to national industrial relations systems as well. One way of viewing growing emphasis on co-ordinated bargaining and benchmarking is as institutional expressions

of the processes of isomorphism that European integration is encouraging. Reflecting the strong tendency for actors faced with common constraints to adopt similar solutions, these include the informal processes of ‘competitive’, ‘mimetic’ and ‘normative’ isomorphism. A further reason why co-ordinated bargaining and benchmarking have become prominent lies in the nature of the collective action problem policy makers and practitioners are faced with. At EU levels in particular, given the non-appearance of a vertically integrated system, they offer the inestimable advantage of apparently helping to resolve both the horizontal and vertical dimensions of the collective action problem. They also resonate with the subsidiarity principle.

Chapters 11 and 12 return to the issues raised. There is one, however, which merits attention at this stage. It is whether the new processes represent a ‘durable alternative’ to the traditional EU political mode (Hodson and Maher, 2001: 739); whether they will lead to the ‘slow death’ of the traditional methods of legal enactment and collective bargaining (Goetschy, 2001). The barriers to ‘hard’ regulation, above all at EU levels, will remain formidable. Employers, if anything, are becoming even more resolute in their opposition to further binding regulation. Moreover, the barriers will grow with EU enlargement since the increase in the number of member states and the further institutional diversity that they bring will exacerbate both the horizontal and vertical dimensions of the collective action problem. Seemingly the OMC provides a viable alternative for managing and regulating such diversity and the more it does so, the less likely will be the prospects for the ‘harder’ forms of regulation.

Even so, despite their obvious attractions, co-ordinated bargaining and benchmarking, do not resolve the problems associated with the traditional methods. There are

fundamental differences in practice between business organisations, on the one hand, and employers' organisations, trade unions and governments, on the other. In the former, the processes are essentially coercive, whereas in the other instances they are 'voluntary', requiring agreement between sovereign bodies. There are also strong grounds for doubting whether, in these instances, the new processes can exist in a vacuum, that is in the absence of the harder, more traditional forms. Following Wedderburn (1997: 11), the effectiveness of voluntary processes – and the social dialogue to which we turn in Chapter 4 - depends on a 'fundament' of 'hard' regulation, giving employee representative the sense of security that is necessary to engage in voluntary processes as well as legitimising them in the eyes of employers.

Figure 3.1 The main processes

The formal processes

- legal enactment
- collective bargaining
- co-ordination
 - joint (e.g. the OMC)
 - unilateral (e.g. MNCs' 'coercive comparisons'; EMF's bargaining 'rules')

The informal processes

- 'competitive isomorphism' ('convergence without co-ordination')
- 'mimetic isomorphism' (e.g. 'unintended pattern bargaining'; 'Europe learning from Europe')
- 'normative isomorphism' (e.g. 'best practice')

Figure 3.2 The key dimensions of the structure of collective bargaining

Level – national/ regional company/business unit/workplace

Agency – company managers/employers' organisations – trade union representatives/works councillors

Coverage in terms of employers – multi-employer/single-employer -sector multi-sector -extendable/non-extendable

Coverage in terms of employees - comprehensive/partial (blue-collar/white collar) - extendable/non-extendable

Scope of subject matter –substantive/procedural - broad/narrow

Types of substantive rule – minimum/standard - complete/incomplete

Form of rules--voluntary/legally-enforceable - compulsory/permissive-formal/informal

Depth or application – agreement making/agreement making and administration

Enforcement/monitoring/disputes resolution– private/public

Figure 3.3 Co-ordinated bargaining: a basic framework

Levels

Coverage

- single employer
 - division
 - group
- multi-employer
 - single sector
 - multi-sector

Agency

- associational
- non-associational

- trade unions
- works councils

Geographical reach

- sub-national
- national
- cross-border

Forms

- unilateral
- joint
 - bi-partite
 - tri-partite
- state imposed

Processes

- information exchange
- benchmarking
- target setting
- pattern bargaining
- synchronised bargaining

Depth

- subject matter
- enforcement

Table 3.1 **Types of wage bargaining co-ordination**

<i>Type of wage regulation</i>	<i>1991-93</i>	<i>1994-96</i>	<i>1997-98</i>
State-imposed coordination	F	B, F	B, DK (1998), F
State-sponsored (tri-partite) coordination	B, DK, FIN, I, IRL, N, NL, P, S	DK, I, IRL, N NL	DK (1997), FIN, I, IRL, N, NL
Intra-associational coordination	E	E, P	E, P
Pattern bargaining	A, D	A, D	A, D S (1998)
No coordination	UK	FIN, S, UK	S (1997), UK

Source: Adapted from Traxler, Blaschke and Kittel, 2001: 150