



FORCES OF CONTINUITY AND CHANGE IN COLLECTIVE
BARGAINING IN THE GERMAN AND ITALIAN METAL SECTOR

VERA GLASSNER

19 SEPTEMBER 2019, AK WIEN

THEORETICAL APPROACHES ON CONTINUITY AND CHANGE IN IR

- **,Varieties of Capitalism'** (Hall/Soskice 2001):
 - economic interests transformed by national institutions into strategic behaviour
 - Institutional complementarities within/across different spheres of political economy (e.g. IR, corporate finance, vocational training system) → resilience and stability of national institutions
 - Newer approaches (Hall 2014; Höpner/Lutter 2014) highlight **macroeconomic imbalances** betw. national economies that threaten **European Economic and Monetary Union (EMU)**
- **Liberalization theories** (Baccaro/Howell 2011)
 - Common trajectories of neoliberal institutional change: **form and functioning of institutions** towards *greater employer discretion*
- **Comparative employment relations** (Doellgast/Lillie/Pulignano 2011; Benassi et al. 2016): both *institutions* and *power relations and resources* (structural, institutional, associational) shape actors' strategies and, thus, institutional change

OUR APPROACH: TRANSNATIONAL FIELD PERSPECTIVE

- **Social fields** (Bourdieu/Waquant 1992), such as collective bargaining fields as *force fields* organized around a certain form of *power* or (economic and social) *capital*, with specific logics, interests and ,rules of the game‘ (*illusio*)
- **HABITUS** links structures and action: = system of durable dispositions, constrains but does NOT determine thought and action shaped by *perceptions*, *interests* and *cultural orientations* – vs. presumed prescribed and pre-defined economic interests of actors !
- **Transnational field of power**: powerful actors (OECD, IMF, EU) struggle over **legitimacy** of different **principles of domination** (symbolic struggles) → Who will have a say in economic policy – business experts or social partners?
- **Assumptions**:

A dominant position in transnational markets likely to correspond with favourable position of collective bargaining field, nationally and transnationally (EU) - DE

A dominated position in transnational markets likely to correspond with subordinate position of coll. bargaining field (national, transnational) – IT

POSTIONS OF ITALIAN AND GERMAN METAL SECTOR

	Germany	Italy
Share in EU28's total turnover in metal industry (Eurostat 2018)	34 %	12 %
Share in EU28's total employment in metal industry	30 %	12 %
% of employees according to firm size:		
0-9	4.6	15.8
10-49	12.1	28.7
50-249	21.3	24.7
>250	62.0	30.8

POSITIONS OF COLLECTIVE BARGAINING FIELDS

Transnational field of power:

- **German** field of collective bargaining (CB) enjoys high esteem among European and international actors. Why?
 - Moderate wage increases *below* productivity developments promoted Germany's export position
 - Social partners contributed to quick economic recovery (short-time work, wage restraint)
- **Italian** CB considered as culprit for macroeconomic imbalances as wage increases not aligned to productivity → European Commission regularly demands reforms of wage-setting system

Asymmetric way to evaluate CB systems within Eurozone: To Germany, requests to speed up wage growth to productivity growth were rarely made and wage restraint is not subject to EU sanctions as it is the case for 'excessive' wage growth



GERMAN COLLECTIVE BARGAINING FIELD

- Employers' Association Gesamtmetall **lost almost half of its members 1990-2004** and **CB coverage declined from 70% to 49% of employees 1991-2017**
- Introduction of **OT-associations** where members are not bound to a collective agreement
- **Derogations** from coll. agreements increasing up to **2004** when procedure to gain **control over derogation** was established
- Increase of **atypical employment** and **contractual differentiation** among workforces
- Habitus: fundamental **change in values** part of employers: legitimacy of CB partly questioned, dependig on postion in field, e.g. dominated or dominant regional employer associations



ITALIAN COLLECTIVE BARGAINING FIELD



- **Conflictual relations** between **trade unions** and **fragmented labour movement**
- **Role of government in CB: challenged legitimacy (2011) of CB or support, e.g. incentives to conclude collective agreements were extended from company to national level (2016)**
- **Deep crisis of the metal sector and pressure from EU led employers' association and trade union(s) to strengthen national level of CB in order to modernize production system**
- **2016 collective agreement** includes **innovative** elements (e.g. vocational training, additional health and pension insurance)
- **Agreements on the modernisation of IR between trade unions and employers' association (2018)**

CONCLUSIONS

- Power resources alone do not explain developments in collective bargaining fields, it's rather positions and dispositions of bargaining actors, affected also by field-external forces (e.g. EU, market and political fields), that might explain developments in collective bargaining fields.
- **Perceptions** and **values** of legitimacy of CB **differ** according to the **position of actors** in trans/national fields
- **DE**: high levels of legitimacy, structural and associational power have not helped social partners to re-extend the field but rather to **reproduce** bargaining **institutions** in the **core** of the field.
- **IT**: **external pressure** on CB institutions and severe **economic problems** gave rise to experimentation and strengthened belief in collective solutions. Mobilisation of trade unions and employers' association to avoid complete decentralisation of the system. **BUT**: fragile compromise

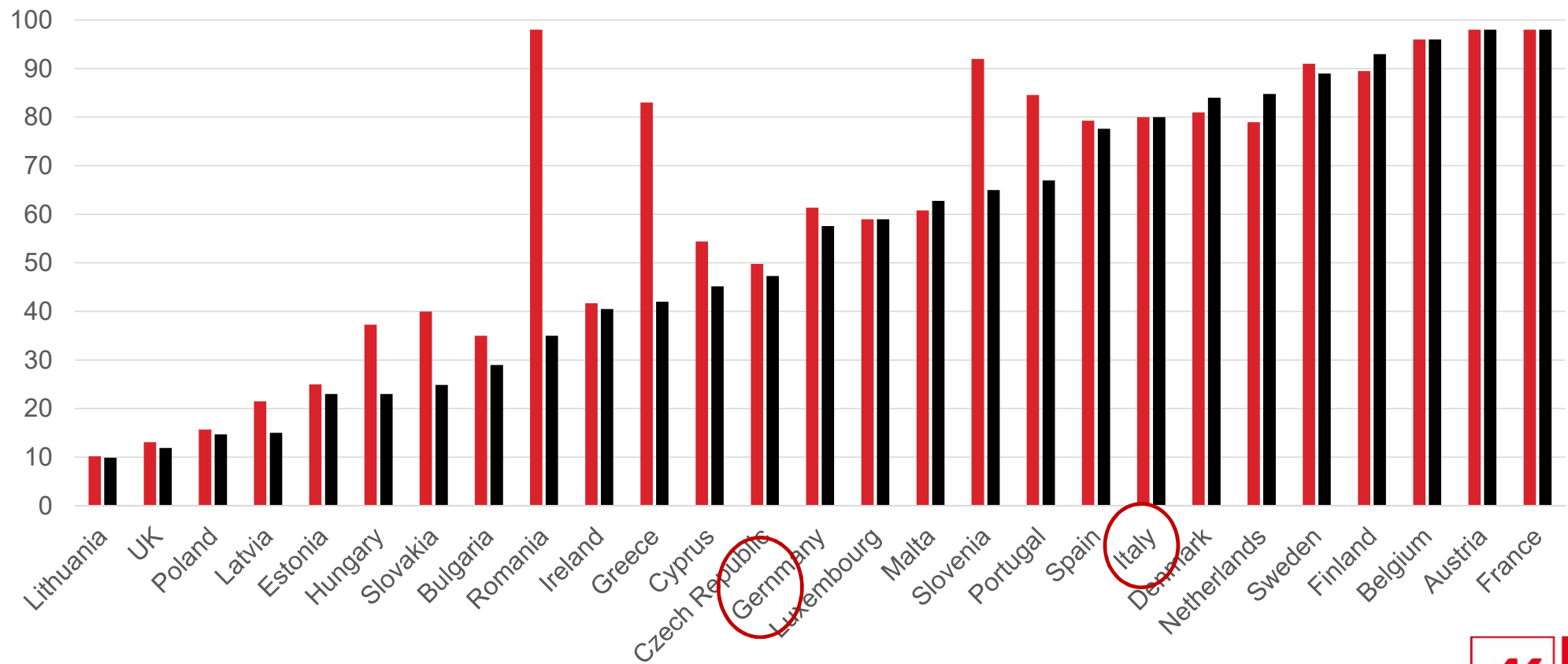


GERECHTIGKEIT MUSS SEIN



COLLECTIVE BARGAINING COVERAGE, EU

Adjusted bargaining coverage (%), 2007/8, 2012/13, ICTWSS 2016



TRADE UNION DENSITY 2007 AND 2016

Trade union density (adjusted, in %)

