



Social dialogue in the local and regional government sector: an overview



with the financial support of the European Commission

April 2009

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Social dialogue in the local and regional government sector: an overview¹

1) Introduction

This overview looks at how the different forms of social dialogue are working at different levels in the local and regional government sector in the EU Member States and at EU level. It has been prepared for the Council of European Municipalities and Regions (CEMR) and the European Federation of Public Service Unions (EPSU), the two bodies which respectively represent the employers and the employees in social dialogue in the sector at European level.

The sector is of great importance in Europe. In the different countries of the EU it delivers a wide range of services, including – depending on the country – health care, public transport, education, police services, fire services and water supply. In almost every country it provides services – from social care to refuse collection, from planning to parks – which are central to daily life. In total, expenditure by regional and local government accounts for 15.5% of GDP in the 27 EU states and 33.9% of total public sector expenditure.² The sector employs some 17 million people in Europe

Local and regional government is also an important part of the democratic fabric in Europe. Elected representatives take decisions close to those they represent. But although the sector has its own democratic legitimacy, it operates within national frameworks as well as the overall economic context. It faces major challenges as growing public demands for more and better services come up against tight constraints on

¹ This document has been prepared with the financial support of the European Commission. However, the Commission is not responsible for its contents or the use that may be made of it.

² *Sub-national public finance in the European Union*, Dexia; December 2008; figures are for 2007.

resources – which may intensify as a result of the current economic crisis. These tensions have a direct impact on those who deliver the services – the employees.

Social dialogue – discussions and negotiations between employers and the unions who represent employees – can help to find ways to meet these challenges. It can help to ensure that the provision of efficient, cost-effective public services of high quality goes hand-in-hand with good employment practices. This overview tries to clarify and summarise the existing position on social dialogue in the sector. It draws on work undertaken jointly for CEMR and EPSU and specifically for EPSU (available on the EPSU and CEMR websites).³ It also benefits from the comments and contributions of those present at the EPSU/CEMR workshop in Bratislava on 11 December 2008 and the CEMR/EPSU plenary meeting the following day.

³ *Strengthening social dialogue in the local and regional government sector in the “new” Member States and candidate countries*, by ECOTEC Research and Consulting Limited on behalf of EPSU and CEMR; December 2005; and *Trade unions, collective bargaining and social dialogue in local and regional government in the EU Member States, EEA and candidate countries, A report for EPSU by the Labour Research Department*, December 2008

2) *A definition for social dialogue*

A joint statement, agreed by the CEMR and EPSU in 2006, provides a definition for social dialogue which indicates its wide scope. The jointly agreed document states that “Social dialogue operates at various levels and exists in a number of forms, which include

- the consultation of employees on important issues affecting work organisation,
- the negotiation of the terms and conditions of employment and implementation of collective agreements, and
- cooperation through various participatory procedures.⁴”

The joint statement also makes clear that social dialogue is “essentially an autonomous matter for social partners [employers and unions]”, in other words it is not under the control of the state.

⁴ CEMR – EPSU joint statement on the development of social dialogue in local and regional government; adopted at the plenary meeting of the sectoral social dialogue Committee on local and regional government held on 29 November 2006.

3) Social dialogue at EU level

In its current form, social dialogue in local and regional government was established at EU level in 2004. The two parties involved are EPSU, representing the employees, and CEMR, representing the employers. Representatives of the two organisations meet regularly as a sectoral social dialogue committee. A steering group (chairs, vice-chairs and secretariats) coordinates the activities that take place in the form of working groups and one plenary meeting per year. These meetings fit within the overall framework of sectoral social dialogue established by the European Commission in 1998 – at present, there are 36 such committees. The Commission requires that the organisations involved must meet a number of criteria relating to the representativeness and capability of the bodies who are their members before they can take part in sectoral social dialogue at European level.

The work of the sectoral social dialogue committee provides a forum for consultations and joint recommendations. These may be in response to EU policy – such as the labour law Green Paper – or they may be policies that EPSU and CEMR affiliates at national level are encouraged to discuss and implement – such as the joint statement on telework. It is up to national affiliates how they deal with such joint statements: in some cases they will be tackled through their collective bargaining procedures, in others through some other form of social dialogue or consultation.

EPSU and the CEMR have exchanged views and examined a range of issues of joint interest, such as violence at work, demographic changes, different forms of service provision, training and life-long learning. They have produced a number of joint statements since the start of 2004 including:

- telework (2004);
- EU employment policy (2005);

- the development of social dialogue in local and regional government – the document quoted above (2006);
- a response to the Commission’s Green Paper on the modernisation of labour law (2007);
- active inclusion of those furthest from the labour market (2008); and
- Joint message on the financial and economic crisis (2009)

In addition in 2007, EPSU and CEMR produced joint guidelines on drawing up gender equality action plans in local and regional government. These are intended “to support regional and local initiatives on equality, and to encourage a joint, long-term and sustained approach to equality by EPSU and CEMR members.” They include an equality checklist, which as a recent European Commission report points out “helps social partners to assess equality performance over time”⁵.

Finally the committee has, with the financial support of the Commission, produced a number of reports intended to promote social dialogue in the sector, notably a survey of developments in Central and Eastern Europe⁶ and a report including a series of case studies on the role of social dialogue in changes in local service provision⁷.

The work of the social dialogue committee is ongoing and in 2009 is likely to cover: the integration of migrants and the development of diversity policies; policy development on the role of social dialogue in the restructuring of social services; social issues in public procurement; as well as other issues linked to the current economic situation.

⁵ *Industrial Relations in Europe 2008*, European Commission 2009, Chapter 4

⁶ *Strengthening social dialogue in the local and regional government sector in the “new” Member States and candidate countries*, by ECOTEC Research and Consulting Limited on behalf of EPSU and CEMR; December 2005

⁷ *Reform of public services: What role for social dialogue?* by the Working Lives Research Institute on behalf of the CEMR and EPSU; July 2008.

4) The context of social dialogue within member states

Social dialogue in local and regional government within member states is well-developed overall and in individual states takes a range of forms including both consultation with employee representatives from national to workplace level and collective bargaining.

However, the precise methods used and the participants involved vary greatly from country to country. One of the reasons for this is that there are major national differences in the context in which unions and employers operate and in which collective bargaining and consultation takes place.

It is not the function of this report to look at the more general differences in the industrial relations framework which exists in each of the states examined, such as the variations in union density or the contrast between those states where workplace representation is primarily through works councils and similar bodies and those where the local union is dominant⁸.

There are also major differences in the legal context in which local and regional government operates in each of the member states. Although there are common principles which determine how public administration, including local and regional government, should operate throughout Europe – the

⁸ The most recent European Commission report on industrial relations includes a typology of national industrial relations, which, drawing on other research, groups the 27 EU states into five clusters: the “organised corporatism” of the Nordic states, Denmark, Finland and Sweden; the “social partnership” of Austria, Belgium, Germany, Luxembourg, the Netherlands and Slovenia; the “state-centred” approach of France, Greece, Italy, Portugal and Spain; the “liberal” approach of Cyprus, Ireland, Malta and the UK; and a “mixed” cluster made up of Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania and Slovakia. *Industrial Relations in Europe 2008*; European Commission 2009, Chapter 2

four normally identified are reliability and predictability (legal certainty), openness and transparency, accountability and efficiency⁹ – the specific rules that apply in each country and the impact they have on social dialogue are very different.

This report cannot look at all of these variations. However, it is worth identifying some of the main differences which exist in the way that local and regional government is structured, the functions that it undertakes, the employment status of those who work within it and its financing.




























The structure of local and regional government

One difference is the number of levels of administration involved in local and regional government, excluding the decentralised parts of the national administration. Most countries (21 out of 27) have either two or three levels of local and regional government. Only six countries, five smaller states, Estonia, Lithuania, Luxembourg and Slovenia, plus Bulgaria, have a single level, although the distinctions are not always clear. Also, the arrangements for local and regional government in the capital city are not the same as those for the rest of the country. Isolated and geographically distant areas are often treated differently. Even where local government units have the same legal status, variations in population mean that the reality is very different.

The following table gives a general overview.

⁹ See for example *European Principles for Public Administration*, Sigma Papers: No. 27, November 1999

How many levels of government?

One tier (6)	 Bulgaria	 Estonia	 Lithuania	 Luxembourg	 Malta	 Slovenia
Two tiers (12)	 Austria	 Cyprus	 Czech Republic	 Denmark	 Finland	 Ireland
	 Latvia	 Nether- lands	 Romania	 Slovakia	 Sweden	 UK
Three tiers (9)	 Belgium	 France	 Germany	 Greece	 Hungary	 Italy
	 Poland	 Portugal	 Spain			




























The functions of local and regional government

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

One key distinction is between countries where most compulsory education and/or health services are provided by local and regional government and those where these services are provided in another way. There are also other differences in the functions carried out by local authorities. For example, the supply of water and energy is an important responsibility of local authorities in many countries. But in others this has ceased to be the case. Public transport too is a municipal responsibility in some countries but not in others.

The following table gives a general overview.

The functions of local and regional government – the broad picture

Responsible for both compulsory education and health (16)	 Austria	 Belgium	 Bulgaria	 Czech Republic	 Denmark	 Estonia
	 Finland	 Germany	 Italy	 Hungary	 Latvia	 Lithuania
	 Poland	 Slovakia	 Spain	 Sweden		
Responsible for compulsory education but not health (5)	 Luxembourg	 Netherlands	 Romania	 Slovenia	 UK	
Responsible for neither compulsory education nor health (6)	 Cyprus	 France	 Greece	 Ireland	 Malta	 Portugal




























The range of issues covered by local and regional government has a significant impact on levels of expenditure. As Table 1 shows, the countries where the share of local and regional spending in overall public spending is highest – Denmark (63.1%), Spain (54.6%) Sweden (46.6%) and Germany (44.2%) – are also those where regional and local government is responsible for education and health on top of their other functions.

The range of responsibilities that fall to local and regional government naturally also affects the numbers employed. For example, in Spain both education and health are the responsibility of local and regional government; in Portugal they are not.

A similar contrast is found in the numbers employed in local and regional government in France and Sweden. For example, in France, hospital services are provided by a separate administration and teachers are employed by national government, whereas in Sweden both health and education are the responsibility of the municipalities and counties.

Table 1 provides details on local and regional government spending as a proportion of all public spending, as well as an indication of the numbers employed. However, employment figures are not available for some countries, particularly some states in Central and Eastern Europe, and in others they are an estimate, drawn from UN figures rather than national sources.

Table 1: Expenditure and employment in local and regional government

Country		Local and regional public expenditure as percentage of all public spending - 2007	Employees in local and regional government
Austria		33.1%	332,300
Belgium		42.4%	340,600
Bulgaria		17.4%	211,200
Cyprus		4.6%	5,200
Czech Republic		26.2%	343,200
Denmark		63.1%	669,000
Estonia		27.7%	n.a.
Finland		40.7%	428,000
France		21.4%	1,613,200
Germany		44.2%	3,355,000
Greece		6.0%	90,000
Hungary		23.5%	620,700
Ireland		20.0%	35,000
Italy		31.2%	680,400
Latvia		29.9%	n.a.
Lithuania		23.8%	n.a.
Luxembourg		13.3%	4,100
Malta		1.4%	300
Netherlands		33.8%	184,000
Poland		31.8%	1,731,700
Portugal		13.3%	126,700
Romania		26.3%	353,000
Slovakia		17.6%	n.a.
Slovenia		19.9%	n.a.
Spain		54.6%	1,862,600
Sweden		46.6%	1,051,200
United Kingdom		29.0%	2,904,000
Total		33.9%	16,941,400
Sources: Expenditure: EU sub-national governments : 2007 key figures, Dexia CEMR 2008, plus other national sources			

The fact that local and regional authorities in different countries employ different types of workers also has an impact on the nature of industrial relations. Health service workers caring for members of the public have both constraints and opportunities for pressure that are not the same of those facing workers dealing with waste disposal or municipal planning.

Employment status of those working in local and regional government

Another key element in the context in which unions in local and regional government operate, negotiate and become involved in social dialogue, is the status of those working in the sector. Are they normal employees, or do they have a specific employment position, reflecting the fact that they exercise powers on behalf of the state and as part of an approach to public service where much of the working of the public sector is governed by specific legislation?

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

they may be subject to a different disciplinary procedure from those employed in the private sector¹⁰.

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

In fact in the 16 of the 27 EU states examined, at least some of those working in local and regional government have a specific employment status, which is substantially different to those in the private sector. Only in 11 states, Cyprus, the Czech Republic, Ireland, Italy, Latvia, Malta, the Netherlands, Poland, Slovakia, Sweden and the UK, is this not the case. This does not mean that in all these countries there are no differences in status between those in local and regional government and private sector employees. For example, there are differences between the situation of public and private sector employees in the Netherlands. However, these differences are much less than they were.

However, while there are 16 states where some of those working in local and regional government have a specific status, the proportion of those who have this status is very varied. In France, for example, almost four-fifths (79%) of




























¹⁰ For an examination of the differences between what is sometimes referred to as the “career” system, where employees have a specific status, tend to be recruited at the start of their careers and advance through it on the basis of seniority, as opposed to the “employment” system, where employees do not have specific status, are recruited for specific posts and move through applying for new posts, see *Les Fonctions Publiques Locales en Europe*, edited by Patrice Azan, CNPT, March 2005. It classifies the following countries as being based primarily on the “career” system: Belgium, Bulgaria, France, Germany, Greece, Ireland, Lithuania, Luxembourg, Portugal, Romania and Spain. Those based primarily on the “employment” system are: Denmark, Finland, Italy Netherlands, Sweden and the UK. Not all 27 EU states are classified and the report emphasises that in most countries the two systems exist alongside one another.

those in local and regional government have this status, whereas in Estonia it is only a small minority.

The proportion of those with a specific status also varies in line with the level of government in which the individuals are working: generally those working at regional or district level are more likely to have a specific status than those working at municipal level. In Germany, for example, 61% of those at regional level have a specific status (they are mostly teachers, police officers or work in the justice system), while only 14% of those at municipal level have this specific status. Similarly in Spain, only 11% of those working at regional level are normal employees; at provincial level this rises to 51% and at municipal level to 61%.

There is also a clear downward trend in the number of employees with this specific status in many countries – at least in the “old” member states – that still maintain this distinction. In Denmark, for example, some 10% of those working in local and regional government have a specific status, that of a “tjenestemand”. However, the proportion of staff with this specific status has dropped as a result of a deliberate policy to restrict it to “men and women in uniform”, such as firefighters, prison staff and the police, and very senior civil servants.

The employment status of those working in local and regional government

Some employees have a specific status (16)	 Austria	 Belgium	 Bulgaria	 Denmark	 Estonia	 Finland
	 France	 Germany	 Greece	 Hungary	 Lithuania	 Luxembourg
	 Portugal	 Romania	 Slovenia	 Spain		
No employees have specific status (11)	 Cyprus	 Czech Republic	 Ireland	 Italy	 Latvia	 Malta
	 Netherlands	 Poland	 Slovakia	 Sweden	 UK	























The financing of local and regional government






Financial and budgetary issues are also a crucial part of the context in which local and regional government operates and have an impact on social dialogue, both in the areas of wider consultation and collective bargaining. For example, the context for bargaining in particular may be very different depending on whether local and regional government expenditure is expanding or contracting. Figures from the 2008 Dexia/CEMR¹¹ survey show that in 2007 local and regional government spending grew by 2.0% in the EU as a whole, and by 4.3% in the new Member States. However, this rate of growth is unlikely to continue into the future.

Local and regional authorities' room for manoeuvre in negotiations may also vary according to whether they are able to raise their own funds or are dependent on central government for finance. The Dexia/CEMR survey shows both local and regional government expenditure and the amount raised regionally and locally by taxes and other contributions as a proportion of GDP in 2007. These figures indicate that on average, locally raised revenue accounted for around 45% of local and regional expenditure. Most states were fairly close to this, with locally raised income accounting for between 60% and 30% of local and regional expenditure in 17 of the 27. However, in three states, Romania (76%), Sweden (66%) and Germany (64%), locally raised income accounted for a higher proportion than this, while in six others it accounted for less. These are Cyprus (25%), UK (15%), Ireland (13%), Greece (12%), Netherlands (11%) and Bulgaria (11%). The Dexia/CEMR figures show nothing being raised locally in Malta but local expenditure was also very low.

¹¹ *Sub-national public finance in the European Union 2007*, Dexia December 2008

Table2: Local and regional expenditure and taxes as a percentage of GDP – 2007

Country		Local and regional public expenditure as percentage of GDP	Local and regional receipts from taxation and social contributions as percentage of GDP	Proportion of local and regional government expenditure covered by local taxes and contributions
Austria		16.0%	8.2%	51%
Belgium		20.5%	6.1%	30%
Bulgaria		7.2%	0.8%	11%
Cyprus		2.0%	0.5%	25%
Czech Republic		11.2%	5.1%	46%
Denmark		32.0%	17.1%	53%
Estonia		9.8%	4.1%	42%
Finland		19.2%	9.2%	48%
France		11.2%	4.8%	43%
Germany		19.4%	12.5%	64%
Greece		2.6%	0.3%	12%
Hungary		11.7%	4.4%	38%
Ireland		7.1%	0.9%	13%
Italy		15.0%	6.5%	43%
Latvia		11.3%	5.2%	46%
Lithuania		8.4%	2.9%	35%
Luxembourg		5.0%	1.6%	32%
Malta		0.6%	-	-
Netherlands		15.3%	1.7%	11%
Poland		13.4%	4.2%	31%
Portugal		6.1%	2.3%	38%
Romania		9.8%	7.5%	77%

Slovakia		6.1%	3.4%	56%
Slovenia		8.4%	3.0%	36%
Spain		21.2%	11.3%	53%
Sweden		24.5%	16.1%	66%
United Kingdom		12.9%	1.9%	15%
Total EU27		15.5%	7.0%	45%

Source: : EU sub-national governments : 2007 key figures, Dexia CEMR 2008

5) Collective bargaining in local and regional government

Does collective bargaining take place?

Clearly in examining the operation of collective bargaining in local and regional government, the first thing to establish is whether collective bargaining takes place at all. In fact, in all 27 states, there are negotiations about pay and conditions, although in some countries these only cover a part of the workforce, and in others the process is not formally known as collective bargaining.

One crucial difference is between the 11 states where all those employed have effectively the same status as private sector employees and the remaining 16, where some of those working in local and central government have a specific status.

Unsurprisingly, in all 11 states where all those working in local and regional government are treated as normal employees, there is also normal collective bargaining. These are Cyprus, the Czech Republic, Ireland, Italy, Latvia, Malta, the Netherlands, Poland, Slovakia, Sweden and the UK. This does not mean that the pay and conditions of all employees in these countries are subject to bargaining. In Latvia and Poland, for example, where collective bargaining is largely local, there are negotiations only where the union is strong enough to compel the employer to negotiate. However, the fact remains that there are no legal barriers to collective bargaining applying to the entire workforce in local and regional government. (This does not include those working for the central government who are based at local level, who may have specific status. This is the case in Slovakia, for example, where workers with and without specific status work

alongside one another in the local offices of central government, but not in local and regional government.)

Most of the remaining 16 states, where some of those working in local and regional government have a specific status, also have some form of collective bargaining for both those with specific status and those without. However, there are some states where bargaining for those with specific status does not take place and others where there is bargaining, but it has a different legal status, or is subject to other procedures.

Set unilaterally by government

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

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

Not negotiated in the same way as other employees

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

- in Austria, Beamte, those with specific status, are not covered by collective bargaining as such but in fact there are annual negotiations on pay before pay levels are set. Results are the same for both Beamte and normal employees;
- in France, the terms and conditions of the vast majority of the workforce – those with specific status (fonctionnaires titulaires) – are set by legislation and regulations. In strictly legal terms, therefore, there is no collective bargaining. On the other hand legislation passed in 1983 states that trade unions are entitled to conduct “negotiations with the government” before decisions on pay rises are taken, and to “debate questions relative to the conditions and organisation of work”. The whole process has been criticised by the unions and others particularly the fact that there is no calendar for negotiations or for increases, with the timetable often depending on political considerations. However, in an agreement signed by some unions at the start of 2008, a broad timetable for pay negotiations for the next three years was agreed;
- in Greece, the pay and conditions of those with specific status as public servants are set centrally, and although in principle there is collective bargaining, and unions are able to submit proposals on pay increases, in practice pay is set unilaterally by the government.

- in Luxembourg, the pay and conditions of those with specific status as well as non-manual employees of local government are negotiated for all municipalities but these negotiations are followed by legislation to give them legal effect. For manual workers, there are direct negotiations with individual municipalities.

Subject to legislative approval

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




























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

No need for legislation

This leaves five states where some of those in local and regional government have specific status but they are covered by collective bargaining, which does not require legislation to take effect. These are Belgium, Denmark, Estonia, Finland and Slovenia.

The distinction between these various categories is not clear cut, and in practice the balance between government decisions and collective bargaining varies substantially within the groups. In France, Greece and Portugal, for example, the government appears to play a greater role in the final settlement than elsewhere.

The extent of collective bargaining

Employees with specific status not covered by collective bargaining* (3)	 Bulgaria	 Germany	 Lithuania		
Pay and conditions of those with specific status not negotiated in the same way as other employees (4)	 Austria	 France	 Greece	 Luxembourg (non-manuals)	
Pay and conditions of those with specific status need legislative approval (4)	 Hungary	 Portugal	 Romania	 Spain	
Pay and conditions of those with specific status negotiated : no need for legislation (5)	 Belgium	 Denmark	 Estonia	 Finland	 Slovenia
No employees have specific status so normal bargaining (11)	 Cyprus	 Czech Republic	 Ireland	 Italy	 Latvia
	 Malta	 Netherlands	 Poland	 Slovakia	 Sweden
	 UK				
* It is important to emphasise that other employees are covered by collective bargaining					

The level of negotiations

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

Agreements for the whole of the public sector

There are ten countries (11 if Germany is included – see below) where the pay and conditions of local and regional government employees are settled as part of an overall public sector deal. They are:

- Austria, where apart from an interruption between 2000 and 2003, negotiations cover employees at national, regional and local level. The representatives of the municipal employers are present throughout the talks;
- Cyprus, where wages and conditions for all public sector employees are set in national negotiations in which representatives from the districts and municipalities are involved;
- the Czech Republic, where there are national negotiations between government and unions for the whole public sector;
- France, where there are three clear groups of public servants, in the central ministries, the hospital service

- and local and regional government, but the pay increases for all 5.2 million are set by a single ministerial decision;
- Hungary, where annual negotiations set the pay and conditions for all public sector employees;
 - Ireland, where in practice pay for the whole public sector is set as part of the series of national pay agreements that have been in place for the last 20 years, although negotiations are formally with the Local Government Management Services Board;
 - Portugal, where there is a common increase for the whole public sector;
 - Romania, where negotiations set pay at national level for those working in both central and local government, although individual local authorities can agree to make additional payments
 - Slovakia, with a single agreement for those without specific status in both local and central government; and
 - Spain, where legislation in 2006 introduced a new top-level negotiating committee for the whole of the public administration.

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

Agreements for the whole of local and regional government

The second, equally large group is made up of 11 countries where the main settlements for employees in local and regional government are reached nationally but are not part of an overall public sector agreement. This is the broad

picture, although there are important differences between countries in the group. Those negotiating in this way are:

- Belgium, where regional and local government issues are dealt with in a separate committee known as “committee C”, in Belgium’s tightly defined negotiating structure. There are separate committees in each of Belgium’s three regions, and issues relating to employees’ social security rights, such as pension or sickness absence are dealt with by a committee covering the whole of the public service in Belgium “committee A”;
- Denmark, where there are negotiations between the union and the local government employers’ association KL;
- Finland, where there are five major national agreements for different groups in the local and regional government sector. The most important is the general collective agreement (KVTES) covering around 70% of all employees;
- Greece, where the unions representing employees in local and regional government negotiate with central government (Ministry of Finance and Ministry of Internal Affairs). The local government association KEDKE is an observer in the discussion between the two sides;
- Italy, where the unions conduct negotiations with a state agency ARAN, for each of the sub-sectors in the public sector, one of which is local and regional government;
- Luxembourg, where there are central negotiations for all those with specific status and non-manual employees, although the pay and conditions of manual employees are negotiated in each municipality;
- Malta, where a national agreement for the sector is agreed;
- the Netherlands, where there is a national agreement for municipal employees, signed by the unions and the Netherlands local authorities association (VNG);
- Slovenia, where bargaining is sectoral;




























- Sweden, where there are a number of separate centralised collective agreements for local and regional government employees, although on the employers' side, both counties and municipalities negotiate together as SKL; and
- the UK, where bargaining is centralised for most local authorities, although authorities can break away and some have done so. There are separate negotiating arrangements for Scotland.

Local negotiations

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

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

The level of negotiations

Negotiations for the whole of the public sector (11)	 Austria	 Cyprus	 Czech Republic	 France	 Germany*
	 Hungary	 Ireland	 Portugal	 Romania	 Slovakia
	 Spain				
Negotiations for the whole of local and regional government (11)	 Belgium	 Denmark	 Finland	 Greece	 Italy
	 Luxembourg	 Malta	 Netherlands	 Slovenia	 Sweden
	 UK				
Local negotiations at the level of individual authorities (5)	 Bulgaria	 Estonia	 Latvia	 Lithuania	 Poland
* Excludes the regions (Länder)					

Blurring boundaries

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

Pressure from the centre

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

In Belgium, it is the national framework agreement, reached every two years for the private sector which sets strict limits on pay increases. In Finland, it has been the national agreement between the union confederations and the employers' associations, which fixes a recommended framework for pay increases for lower level bargainers, normally for a period of two years or more. However, following pressure from the employers the framework agreement was not renewed in September 2007.

In other countries, the fact that central government provides much of the finance for local and regional government may mean that it can influence the outcome of the negotiations.

This is clearly the case in Greece, for example, where the central government is the negotiating partner for the unions. It is also the case in Italy. Here where before negotiations on

local government start there are negotiations on the extent of pay increases across the whole public sector between the government and the main union confederations and when negotiations for local government have been completed and been signed by the negotiating agency ARAN, they go back to the government for final ratification. In the UK, the national government exerts considerable pressure on local government negotiators. And in Poland too, although individual local authorities conduct their own negotiations, central government sets the overall financial framework.

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

Local flexibility

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

One possibility is that individual local authorities unilaterally improve pay levels for those they employ. In Spain, for example, municipalities and regions can agree higher pay increases than those agreed at national level. In the past, their legal right to do so has been called into question. However, the practice is common, both at municipal and regional level. In Romania too individual local authorities can agree to make additional payments. In the UK local authorities are not obliged to follow the national agreement for the sector and 46 local authorities – some 10% of the total – have their own agreements.

A second possibility is that the national agreements are essentially framework agreements, which set a total value of the increase to be paid but leave the question as to how the

increase should be distributed to local negotiation. This is very much the approach in the Nordic countries, and agreements along these lines have been signed in Denmark, Finland and Sweden.

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

6) *Broader social dialogue*

Definitions

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

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

In Poland, there is a regional structure for social dialogue – the WKDS. These are regional committees made up of representatives of the national government, the regional authority, the employers' associations and the unions. However, they deal with a range of regional issues, not just those relating to regional government.

Broader social dialogue – where does it take place?

One obvious way of distinguishing between countries is to establish where this broader social dialogue takes place. In

some states these discussions are in a clearly defined forum, possibly set up by legislation, in others they happen in ad hoc working groups, or at the edges of negotiation. An important factor influencing this, although it is not decisive, is the extent to which overall employment in the public service is governed by specific legislation.

France, whose public service is tightly regulated by legislation, provides a clear example of formally structured broader social dialogue in a system tightly governed by legislation. It has a national council for local government, the Conseil Supérieur de la Fonction Publique Territoriale (CSFPT), which must express its opinion on legislative proposals which may have an impact on public servants employed in local government. In the seven years from 2002 to 2009, the CSFPT examined a total of 239 pieces of legislation. Other examples of formal structures in countries where important aspects of public sector employment are governed by legislation include the Municipal Council for Tripartite Cooperation in Bulgaria and the National Interest Reconciliation Committee of Civil Servants in Local Government in Hungary. On the other hand, the Local Authority National Partnership Advisory Group in Ireland, which was set up in 1999, operates in country with much less specific legislation on public sector employment.

In some countries the term social dialogue is not used. This is the case in Denmark, for example. It has formal structures for discussions between unions and employers on issues which deal with similar issues to those dealt with by social dialogue committees in other countries. However, in Denmark, these are seen as part of the ongoing relationship between the two sides.

There are also differences between states in the level at which discussions take place. In some countries, broader social dialogue institutions are for the public sector as a

whole. This is the case, for example in Cyprus, where there is a Joint Staff Committee for the whole of public sector, in Luxembourg, where there is a chamber for those with specific status and public non-manual employees (Chambre des Fonctionnaires et Employés Publics), and Spain, where the body for social dialogue is the Forum for Social Dialogue in Public Administration (Foro para el Diálogo Social en las Administraciones Públicas). This covers the whole public sector and it was set up in September 2004.

Elsewhere, as for example in Belgium, there is a structure of broader social dialogue which starts at the national level for the whole of the public service, moves through local government, and goes down to individual regions and municipalities. In France, as well as the national council for local government, there are also local committees (CTPs) dealing with work organisation in each local authority employing at least 50 people – authorities with fewer employees than this are linked to a larger authority – and separate local committees, CAPs, at departmental level dealing with career development. These are all joint committees with elected employee members. The unions take the seats in line with the support they receive in the elections, although at national level the membership of the committees also guarantees seats to nationally representative trade unions. These bodies only represent public servants with specific status. The “non-titulaires” are not covered. In Ireland, the Local Authority National Partnership Advisory Group has established a network of facilitators in each local authority whose role is to “assist management and unions at individual local authority levels to develop partnership and to work effectively together.”¹²

In Germany there are local bodies “Personalräte” which represent the interests of employees at local level and must

¹² *Partnership Activities 2006 & 2007*, Local Authority National Partnership Advisory Group, 2008

be consulted on a range of issues, but there is not a national structure. In Austria, elected employee representatives, the “Personalvertretung”, have extensive information and consultation rights. Romania has joint committees (comisiilor paritare) in individual authorities and institutions, which should be set up by law. In the UK many local councils have “Consultative Committees”, which bring together unions and senior managers on a regular basis, although there is no legal obligation for these to exist.

Overall, the responses from an EPSU survey¹³ and other available information indicate that 17 states have either a formal national structure for social dialogue on a broader range of issues, or legislation which requires that there should be consultation with unions at national level on a wide range of issues. These states are Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Portugal, Spain and Sweden.


















In the others the situation is less clear. Social dialogue outside formal structures is, by definition, more difficult to identify. However, there are clear signs that it exists. The UK unions, for example, consider that the discussions that they have with local government employers on a wide range of issues constitute informal social dialogue on broader issues. In Austria, the union view is that there is a “social partnership approach” in local and regional government. In Estonia, unions and the two associations representing the municipalities in Estonia, ELL and EMOVL, have issued joint statements and held joint seminars. Overall in most countries there are some discussions between employers and unions in local government, which go beyond issues of terms and conditions.

¹³ See *Trade unions, collective bargaining and social dialogue in local and regional government in the EU Member States, EEA and candidate countries, A report for EPSU by the Labour Research Department*, December 2008

There may also be arguments about whether social dialogue exists in reality as well as on paper. The Portuguese local government union STAL has repeatedly accused the secretary of state for local administration of refusing to take part in dialogue about the large-scale reorganisation of the employment structure in the public service underway in Portugal. Under Portuguese legislation, unions have rights to consultation (participação) on a range of issues, including training, improvements in public services and internal rules for individual services.

All these developments indicate that although there is widespread discussion of broader issues between employers and unions, there is some distance to be travelled before there is effective social dialogue in all states on the wide range of issues of interest to both sides.

Structures and/or legislation covering social dialogue on broader issues

States with formal structures for, or legislation on, social dialogue on broader issues at the level of the whole public sector and/or local and regional government (17)	 Belgium	 Bulgaria	 Cyprus	 Czech Republic	 Denmark
	 Finland	 France	 Greece	 Hungary	 Ireland
	 Italy	 Latvia	 Lithuania	 Luxembourg	 Portugal
	 Spain	 Sweden			

The issues covered by broader social dialogue

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

In the responses to the EPSU survey and the terms of reference of social dialogue institutions, the organisation of work and working time is also specifically referred to in Cyprus, France, Italy, Sweden and the UK, while health and safety is specifically referred to in the Czech Republic, Finland, France, Latvia, Portugal, Sweden and the UK. (In both Sweden and the UK third-party violence has been a major concern.)

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

Training and life-long learning is also an issue taken up in consultation in many countries, including Cyprus, Denmark,

Finland – where the issue of training for those who have been in work for a long time is on the agenda – France, Ireland, Portugal, Sweden and the UK.

Changes in the way services are delivered are also of great interest to both sides. Social dialogue has dealt with restructuring, outsourcing and privatisation in Bulgaria, Ireland and Italy, while reform of local government itself has been discussed in Bulgaria, Denmark, Estonia, France Greece and the UK.

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

Other issues covered in these broader social dialogue discussions include equality and diversity issues in the UK, gender equality in France, the impact of migration and the ageing workforce in Sweden, environmental issues in the UK, bullying in Italy and reforms in elder and child care in Estonia.

The link with European social dialogue

It is also clear that there are links between this broader social dialogue at national level and social dialogue at EU level in the sectoral social dialogue committee for local and regional government.

Firstly, there is an extensive overlap between the issues covered at European and at national level. Gender equality, demographic changes, life-long learning, training, third-party violence at work, the restructuring of local government, employment policies for local government and forms of service provision, are all topics which are on both the national and European agendas. The extent of the overlap in practice was also indicated by a survey carried out jointly by CEMR

and EPSU in 2004. It found that many of the initiatives taken in relation to employment in local government were in line with the topics included in the joint CEMR / EPSU work programme. Bodies in Denmark, Finland, Greece, Ireland, Lithuania, Sweden and the UK all reported that this was the case¹⁴.

Secondly, unions and employers at national level use the sectoral social dialogue as mechanism to influence policy at European level. As the Swedish local authorities employers' association SKL noted in 2007, this provides "provides unique opportunities to affect labour market issues in the EU."

Thirdly, there is a further link. In a number of cases, national organisations have taken up issues raised at European level. In Denmark, for example, there has been discussion of the implementation of EU framework agreements, such as that on telework on which the sectoral social dialogue issued a joint statement. In Estonia, employers and unions have issued joint statements on developments at European level. In Sweden the local authority employers' association endorsed the CEMR declaration on gender equality in 2006, and the fact that there are now joint EPSU / CEMR joint guidelines on gender equality is likely to lead to greater national activity in this area.

There is clearly further to go, but the examples indicate that topics and proposals being discussed at European level are reappearing on national agendas. There is a positive feedback loop.

¹⁴ Involvement of the social partners in the local and regional government sector in the European Employment Strategy (EES) and National Action Plans on employment, Summary of responses to EPSU / CEMR-EP joint questionnaire, October 2004



EPSU is the European Federation of Public Service Unions.
It is the largest federation of the ETUC, with 8 million public service workers from over 200 trade unions. EPSU organizes in health and social services, and local and national administration, and energy, water and waste sectors. For more information on EPSU and our work: <http://www.epsu.org>

The Council of European Municipalities and Regions (CEMR)
is the representative organisation of over 100,000 local and regional authorities federated through 50 national associations in 38 European countries. Its Employers' Platform (CEMREP) acts as the employers' side of the European social dialogue committee for local and regional government.
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