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

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THEORETICAL APPROACHES ON CONTINUITY AND CHANGE IN IR

- ‚Varieties of Capitalism' (Hall/Soskice 2001):

- economic interestes 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 th threaten European Economic and Monetary Union (EMU)

- 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 chang

- Liberalization theories (Baccaro/Howell 2011; Streeck 2009)

- Common trajectories of neoliberal institutional change: form *and* functioning of institutions towards *greater employer discretion*

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 speficif 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.* pesupposed prescribed and pre-defined economic interests of actors !**

- **Transnational field of power: powerful actors (OECD, IMF, EU, TNUs) struggle over legitimacy of different principles of domination (symbolic struggles) → Who will have a say in economic policy – business experts or social partners?**

CASE SELECTION

- **Assumptions**:

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

A *dominated position in transnational markets* likey to correspond with *subordinate position of coll. bargaining* field (national, transnational)

German metal sector:

strong export-orientation, relatively quick recovery from crisis 2008/9, export position has strenghtenend (EMU-effect)

Italian metal sector:

-lacks innovation and management competences, weak investments,

- value chaines were restructured sind economic crisis 2008: large and medium sized companies substituted local supply chains by international suppliers

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 rarey 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 it‘s 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

STRUGGLES FOR STABILITY?

- IG Metall‘s membership stabilized since 2010
- New organizing approaches and ‚conditional collective bargaining‘
- Campaign ‚Same Wage. Same Work‘ (2007): participation of agency workers in internal structures, involving works councillors and political lobbying
- Since 2011 minimum wage for agency work, since 2012 branch-level supplements for agency workers in metalworking and chemical industry
- Legal initiatives, e.g. ‚Tarifautonomiestärkungsgesetz (2014) to strenghten collective agreements
- Introducing more flexibility in wage-setting, e.g. ‚Differenzierungsregeln‘
- Increasing conflict-orientation of trade unions and increasing strike activity since mid-2000s, in particular in service sector.

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)

STRUGGLES AGAINST DECENTRALISATION

- ECB ‚secret' letter 2011: further decentralization, derogation from coll. Agreements and labour legislation (‚proximity contracts') – counter-statement TUs and employer assoc.
- FIAT left employers' association to conclude company-agreement, lead to conflict with strongest trade union (FIOM-CGIL)
- 2009-2011 crisis of IR in metal sector brought social partners to mobilize resources to find a joint solution.

- Employers': modernisation of production system by collective agreement

„Schau, der europäische Rahmen sollte, denke ich, so wenig wie möglich mit den KV-Verhandlungen und den Arbeitsbeziehungen zu tun haben. Denn, wenn man von Arbeitsbeziehungen und Verhandlungen spricht, sollte man sich den Betrieben annähern und nicht von ihnen entfernen. Ich glaube, dass der Schwerpunkt sich immer mehr in Richtung Betrieb verlagern wird. Wenn wir von Europa sprechen, dann entfernt man sich enorm von ihnen." (Repr. *Federmeccanica*, Ü. K. Neundlinger)

- Trade unions: maintaining central level of CB.

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.

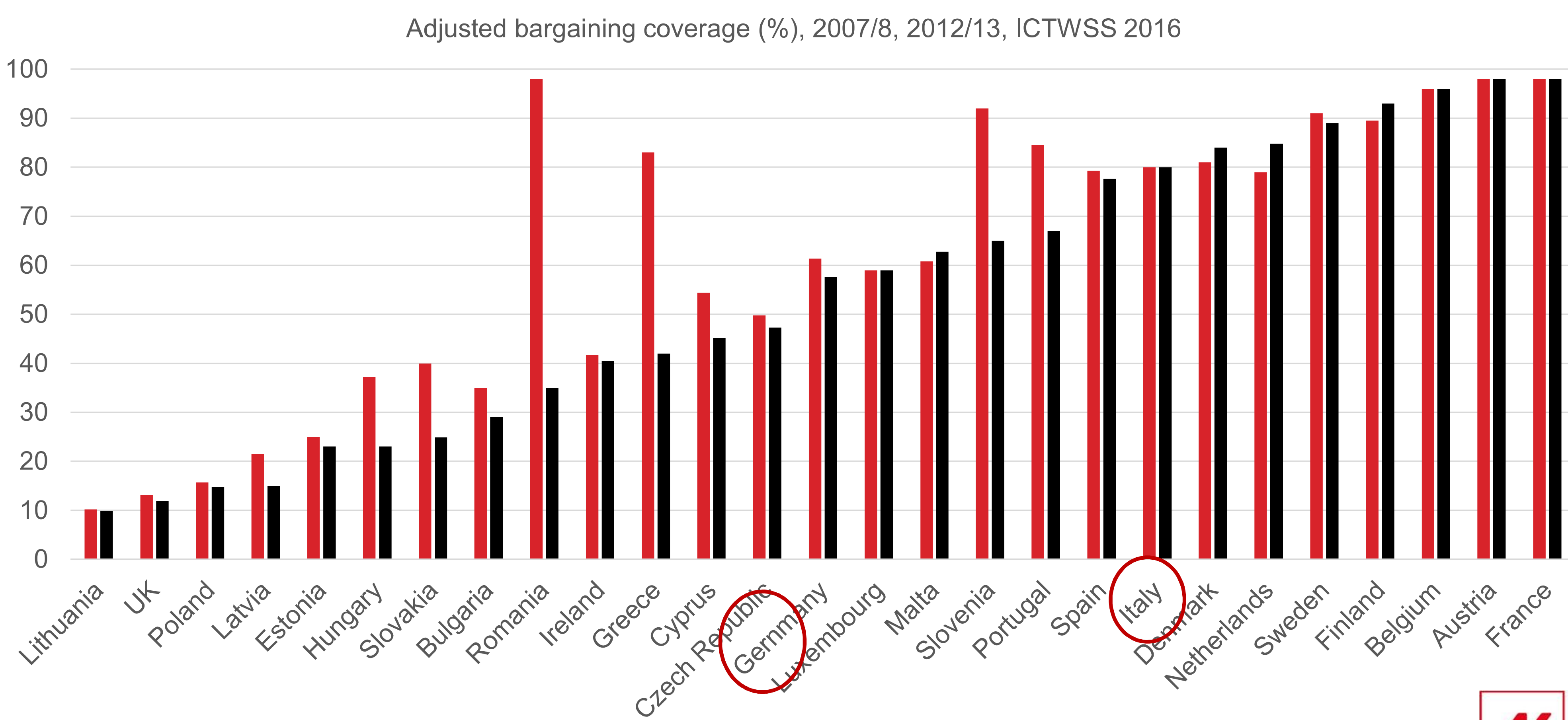
- Perceptions and values of legitimacy of CB differ according to the position of actors in trans/national fields

- 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



TRADE UNION DENSITY 2007 AND 2016