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Sectoral Activities Department

**Collective bargaining in the public service:
Bridging gaps for a better future**

**Issues paper for discussion at the Global Dialogue Forum on
Challenges to Collective Bargaining in the Public Service**
(Geneva, 2–3 April 2014)

Geneva, 2014

INTERNATIONAL LABOUR OFFICE, GENEVA

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Preface

At its 317th Session the Governing Body decided that a global dialogue forum would be held in the 2014–15 biennium on the impact of the financial crisis on collective bargaining in the public service and other challenges to the development of good labour relations. At the 319th Session, the Governing Body decided that the Global Dialogue Forum on Challenges to Collective Bargaining in the Public Service would be held on 2–3 April 2014.

During the forum, tripartite participants will discuss this subject with a view to adopting points of consensus on a way forward, based on the results of the discussion of the General Survey of 2013.

This paper will focus on the Labour Relations (Public Service) Convention, 1978 (No. 151), and the impact of the financial crisis on labour relations and social dialogue in the public service. The concluding sections will consider the actions taken to promote the ratification and implementation of Convention No. 151. Three specific challenges were identified in the General Survey of 2013: (1) the slowness of administrative and judicial procedures in cases of anti-union discrimination or interference in trade union matters, and the lack of sufficiently dissuasive sanctions; (2) certain problems that can give rise in practice to a denial of the right to collective bargaining to all public servants; and (3) exclusion by some countries of certain subjects from collective bargaining, restriction of the right of the parties to determine the level of bargaining, or prohibition of collective bargaining for specific categories of workers or by federations and confederations.¹

¹ ILO: *General Survey concerning labour relations and collective bargaining in the public service*, Report III (Part 1B), International Labour Conference, 102nd Session, Geneva, 2013, para. 552.

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Convention No. 151, Recommendation No. 159 and related instruments, and the General Survey of 2013

1. Public sector decision-makers often seek to maximize social welfare both efficiently and equitably, and may choose employment policies that minimize the costs of providing public services or improve the general labour market. In doing so, policy-makers have inevitably taken decisions which affect employment conditions and the interests of workers. Recognizing that the public sector plays a key role in setting labour standards in a national context, the ILO encourages policy-makers to take into account the interests of workers in order to minimize conflicts. For that purpose, ILO constituents adopted the Labour Relations (Public Service) Convention, 1978 (No. 151), and the Labour Relations (Public Service) Recommendation, 1978 (No. 159), which provide minimum standards and guidance for government employers to follow.
2. The guarantees ensured in Convention No. 151 are summarized in five groups: protection of the right to organize; facilities to be afforded to public employees' organizations; procedures for determining terms and conditions of employment; civil and political rights; and settlement of disputes arising in connection with the determination of terms and conditions of employment. The term "guarantees" requires the Government's action, primarily through laws or regulations¹ necessary to ensure the rights stipulated in Articles 4–6 and 9 of the Convention.² Recommendation No. 159 provides guidance about recognition of public employees' organizations for bargaining purposes, suggesting that if a preferential or exclusive agent system is preferred, such determination should be based on objective and pre-established criteria with regard to the organizations' representative character.
3. In keeping with article 19(8) of the ILO Constitution, it should be borne in mind that: "In no case shall the adoption of any Convention or Recommendation by the Conference, or the ratification of any Convention by any Member, be deemed to affect any law, award, custom or agreement which ensures more favourable conditions to the workers concerned than those provided for in the Convention or Recommendation." Article 1(1) of Convention No. 151 provides similarly: "This Convention applies to all persons employed by public authorities, to the extent that more favourable provisions in other international labour Conventions are not applicable to them." This means that public servants who are not engaged in the administration of the State may have a more favourable position under Right to Organise and Collective Bargaining Convention, 1949 (No. 98), as regards collective bargaining, which constitutes a recognized right for such categories of public servants in accordance with that instrument. In the context of Convention No. 98, the ILO supervisory bodies have found that the right to collective bargaining could only be denied

¹ ILO: *Freedom of association: Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO*, fifth (revised) edition, 2006, Geneva, paras 224, 225 and 371.

² Antigua and Barbuda, direct request Convention No. 151, CEACR 2009, 80th Session.

to officials working in ministries and other comparable government bodies, but not, for example, to persons working in public undertakings or autonomous public institutions.³

4. Public service employment frameworks are usually designed to achieve uniformity for all public servants and are often financed by bodies that are not the direct employers of public servants. Taking these special needs into account, Article 1(3) of the Collective Bargaining Convention, 1981 (No. 154), allows for the fixing of special modalities of the Convention's application by national laws, regulations or national practice.⁴ Convention No. 151 guarantees minimum protections within these special modalities, and also provides for facilities to be afforded to public servants' organizations, civil and political rights, and specific forms of dispute resolution.
5. More than 30 years after the adoption of Convention No. 151, there is still a large gap in terms of recognition of the rights it embodies: while some countries have instituted highly developed mechanisms to advance the goals embedded in Articles 7 and 8 of the Convention, other governments determine working conditions unilaterally or have not been able to implement consultation mechanisms. The lack of consultation mechanisms has played a major role in the occurrence of severe and very costly labour strife in some countries. The need for consultations is also dire in some countries where the wages and working conditions of public servants lag behind those of their private sector counterparts, where public servants have not been paid for months at a time or where labour leaders risk their lives. Still other countries have ratified Convention No. 151 and/or adopted enabling legislation, but have not had the capacity to draft procedures to implement the Convention. In addition, the economic crisis has acted as a "stress test" both for the ability of the national systems to facilitate change and for the maturity of the parties to embrace dialogue in a creative fashion.
6. On the occasion of the General Survey on Conventions Nos 151 and 154, presented to the 102nd Session of the International Labour Conference (ILC) in 2013, the Committee of Experts on the Application of Conventions and Recommendations (CEACR) concluded that the progress in ratifying and implementing the Conventions was positive. Upon discussion of the General Survey, the Committee on the Application of Standards of the ILC highlighted the principles of free, voluntary and good faith negotiation. The Committee also underscored that collective bargaining in the public service can maximize the impact of the response to the needs of the real economy, particularly during times of economic crisis, and contribute to just and equitable working conditions, harmonious relations at the workplace and social peace. It can ensure an efficient public administration by facilitating adaptation to economic and technological changes, and the needs of administrative management. Collective bargaining may cover a broad range of subjects of interest to both workers and employers. Finally, the Committee said that governments could benefit from advice on different collective bargaining mechanisms and sharing experiences regarding the adaptation of systems for the promotion of collective bargaining appropriate to national conditions, and encouraged the Office to provide support for capacity-building and assistance mechanisms to promote the ratification and full implementation of Conventions Nos 151 and 154.

³ ILO: *Freedom of association: Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO*, fourth (revised) edition, 1996, Geneva, para. 795; CFA, 327th Report, Case No. 2104, para. 520; CFA, 334th Report, Case No. 2253, para. 312.

⁴ See further: S. Olney and M. Rueda: *Convention No. 154 – Promoting collective bargaining* (Geneva, 2005, ILO), pp. 13–15.

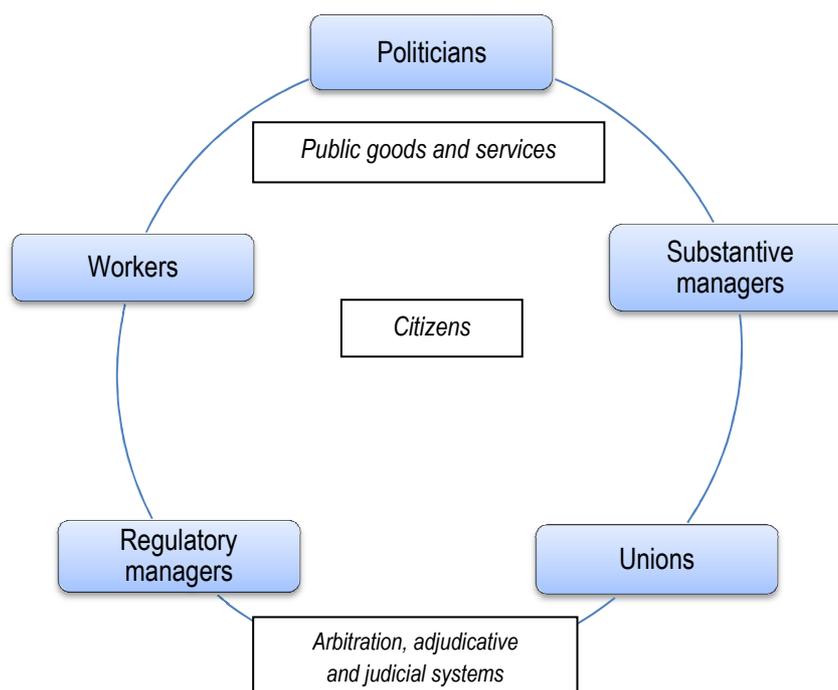
Overview of the public service

7. Quality public services seek to:

- provide access for all to safe, reliable and affordable services to meet basic human needs;
- facilitate sustainable economic and social development to promote the goals of employment promotion and the alleviation of poverty;
- provide a safe and healthy environment for citizens;
- improve and enhance democracy; and
- secure human rights.⁵

8. These services need the support of good labour relations systems, embodying effective dispute resolution approaches and mechanisms. Public service labour relations are key components of a comprehensive network of social relationships and institutions, which have been widely studied (see figure 1).

Figure 1. Relationships between the stakeholders within the public sector labour relations subsystem



Source: J.A. Bonifacio and G. Falivene: *Análisis comparado de las relaciones laborales en la administración pública latinoamericana: Argentina, Costa Rica, México, y Perú* (IADB-CLAD, 2002), p. 9.

⁵ See the preface to V. Ratnam and S. Tomoda: *Practical guide for strengthening social dialogue in public service reform* (Geneva, ILO, 2005).

9. Figure 1 shows the separation between political and administrative arenas. The political arena determines the rules and priorities, quality standards and resource distribution, while the administrative arena is responsible for implementing policy objectives. Politicians represent the authority of the State, and managers are the conduits through which this authority is exercised. The latter are divided into substantive managers, who implement public policy, and regulatory managers, who administer industrial relations. Political, legal or economic forces, as well as interventions by management, auditors and inspectors, and the regulation of professional practices⁶ also influence labour relations in the public service. The citizens are central to this process: many public sector unions have sought the public's support in their dealings with managers and in some cases end-users have displaced managers as ultimate decision-makers,⁷ at times in support of workers' organizations and at times seeking to reduce their bargaining power.

10. Some of the particularities of public sector labour relations are:

The method of establishing the relationship between the parties is not always contractual, but very often an administrative relationship and, even if some aspects of terms and conditions of work are similar for all categories of workers regardless of the sector in which they are located, at least the commencement and the termination of the relationship usually have different features.

...

Furthermore, institutions until recently non-existent within the public administration, such as workers' representation bodies, have now been created along the lines of the labour regime. The same has occurred with regulations creating forums for worker participation ... thanks to trade union representation and freedom of association, there is growing participation in the setting of terms and conditions of work, collective bargaining and increasingly even the right to strike.⁸

11. Labour relations in public administration continue this transition nowadays, and more countries are adopting consensual mechanisms to determine working conditions. As the Organisation for Economic Co-operation and Development (OECD) has noted, "Compared with the private sector, employment relations in the public sector are deeply rooted in country-specific legal, normative and institutional traditions, which make comparisons difficult."⁹ History, culture and legal frameworks are all relevant to this observation:

⁶ E. Bejerot and H. Hasselbladh: "Forms of intervention in public sector organizations: Generic traits in public sector reforms" in *Organization studies* (London, Sage Journals, 2013, Vol. 34(9)), pp. 1357–1380.

⁷ R. Hickey: "End-users, public services, and industrial relations: The restructuring of social services in Ontario", in *Industrial relations* (autumn 2012) pp. 590–611.

⁸ J.L. Daza Pérez: *Social dialogue in the public service* (Geneva, ILO, 2002), pp. 6–8.

⁹ European Foundation for the Improvement of Living and Working Conditions: *Industrial relations in the public sector* (Dublin, 2007), p. 2, citing OECD: *Management in government: Feasibility report on the development of comparative data* (Paris, 2005), p. 7. www.eurofound.europa.eu/docs/eiro/tn0611028s/tn0611028s.pdf [accessed 27 Oct. 2011].

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- The public administration in several Middle East and North Africa (MENA) countries, such as Egypt, constitutes a parallel labour market, dominated by nationals, while there are many more immigrants in private sector employment, who are paid less and who have poorer working conditions.¹⁰
 - In several countries in West Africa, the public sector constitutes the main pillar of the so-called “modern sector,” as opposed to the “traditional sector” which follows different dynamics.
 - In several countries in Latin America and elsewhere, public administration employment has served the purposes of political parties.
 - The public administrations of many developing countries reflect the models implemented by former colonial powers¹¹ or under agreements with international financial institutions, not necessarily adjusted to local conditions.
 - Many governments across the world advance equal opportunity policies and poverty reduction goals through public sector employment.
 - The workforces who deliver public services at different levels (national, regional or municipal) or in separate operational activities often have different demographic and gender compositions, priorities and labour processes.
12. Any analysis of labour relations in the public service must take these realities into account. In order to address these issues, many national labour relations systems adopt a sectoral approach.

Transmission mechanisms of the financial crisis in public administration

13. The economic downturn caused increased demand for government intervention and for public services at the same time as it reduced governments’ capacity to respond.¹² In countries with a developed social security system, the recession also increased the payment of unemployment and other benefits and services. This increase in government spending had the beneficial effect of limiting the fall in consumption, acting as an automatic stabilizer. In addition, many governments sought to stimulate demand by expanding government spending and/or reducing taxation or holding it at current levels. In all, 101 developing countries and 43 developed countries responded to the crisis by increasing

¹⁰ R. Gatti et al.: *Jobs for shared prosperity: Time for action in the Middle East and North Africa* (Washington, DC, World Bank, 2013).

¹¹ See M. Shamsul Haque: “Theory and practice of public administration in Southeast Asia: Traditions, directions, and impacts” in *International Journal of Public Administration* (2007), pp. 1297–1326; T. Olaopa: *Assessment and prospects of administrative and institutional reforms in Africa: Progress made since independence, major reform challenges and new orientations for the future*, paper presented before the 6th Pan-African Forum on the Modernization of Public Services and State Institutions (Rabat, Morocco, 7–8 June 2010).

¹² GB.307/STM/1.

public spending in 2008–09.¹³ Reduced government resources from lowered tax income or other sources of revenue, and higher expenditures in bailouts of financial services and stimulus packages, led to increases in public debt in many countries.¹⁴

- 14.** In countries where the banking sector was proportionately large, the crisis itself had a particularly acute effect on public finances – for example Iceland and Ireland. Where external borrowing or trade deficits were particularly high, there was also additional pressure on public finances, for example in Hungary, Latvia, Romania and Ukraine. Beyond Europe, Pakistan also fell into this category. In all these cases, governments were given support by the International Monetary Fund (IMF).¹⁵
- 15.** The crisis also quickly affected the countries where banks were more exposed to the global economy.¹⁶ A 2009 ILO working paper identified the principal transmission mechanisms of the crisis to developing countries as the weakening linkages with the global economy, such as lower trade and private capital flows, migration and remittances, deteriorating terms of trade and aid transfers.¹⁷ Public revenues have been affected in proportion to their dependence on such linkages. Many developing countries have seen steep reductions in tax and non-tax revenue from their main sources of foreign capital: tourism in the Caribbean, mining in sub-Saharan Africa, and textiles in Asia.
- 16.** In 2010, investors began selling bonds issued by European countries. Initially this focused on Greece, and then other southern European countries, including Portugal and Spain. These market pressures increased the cost of government finance, and placed in doubt the ability of other European governments to finance their deficits. The European Union (EU) and the IMF provided Greece with financial support. These developments strengthened political pressures within countries and the EU, as well as from international institutions, to reduce government debt and deficits, and to constrain fiscal deficits, mainly by reducing public spending. By June 2010, many major international institutions or government groupings were calling for a reduction in public deficits and spending as a greater priority than providing economic stimulus to counter recession. Financial support from the IMF has been conditional on reductions in public deficits and public spending, including payrolls.¹⁸

¹³ I. Ortiz and M. Cummins: *The age of austerity: A review of public expenditures and adjustment measures in 181 countries*, Initiative for Policy Dialogue and the South Centre Working Paper (Mar. 2013), p. 4.

¹⁴ R.U. Mendoza: “Aggregate shocks, poor households and children: Transmission channels and policy responses” in *Global Social Policy* (2009, Vol. 9, No. 1, April, suppl.) pp. 55–78.

¹⁵ D. Hall, V. Corral and S. van Niekerk: *The impact of the economic crisis on public sector pay*, Public Services International Research Unit (PSIRU) Reports, 2010, p. 3.

¹⁶ G. Kamber and C. Thoenissen: *Financial exposure and the international transmission of financial shocks*, CAMA Working Paper 39/2013, p. 1.

¹⁷ I. Islam: *The global economic crisis and developing countries: Transmission channels, fiscal and policy space and the design of national responses*, Employment Working Paper No. 36 (Geneva, ILO, 2009).

¹⁸ Hall, Corral and van Niekerk, op. cit., p. 3.

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17. This situation has brought about a debate between those who argue that inefficient administration of public resources before 2008 imposed the need for budget-reduction policies in order to increase liquidity, and those who argue that market speculation, perverse incentives in the financial sector, tax evasion and corruption played a large role in the crisis and reduced the capacity of governments to confront it. These phenomena may have the effect of disconnecting productive capacity from government revenue, resulting in poorer public services than a country's gross domestic product (GDP) would suggest. This has prompted calls for international regulation of bank information and by public servants' organizations for international protection of control officials and revised taxation policies. In addition, the IMF found in 2012 that "fiscal multipliers" of budget reductions were between 80 per cent and 320 per cent higher than it had assumed when it provided its original advice to governments.¹⁹
18. A previous but related debate, regarding the role of expanding state involvement in the economy, was reinvigorated during the crisis. The IMF argued that public employment "crowded out" the private sector, hindering competitiveness,²⁰ while critics countered that public services were a crucial element in economic and social development.²¹ This discussion has been central to the austerity measures: their proponents have acknowledged short-term negative impacts but argue that increased competitiveness will lead to growth. This paper does not mean to test these arguments, but to describe the state of employment in the public service since the onset of the crisis.
19. Austerity measures cannot always be attributed to immediate pressures for fiscal consolidation: there are other factors that have impacted public administrations and their institutions of social dialogue, especially where countries have a greater degree of latitude in how they react to these pressures.²² The term "austerity" does not define every process of restructuring that has detrimental consequences for the workforce in public administration.

Uneven impact of the recession on employment in public administration

20. The Global Jobs Pact confers priority attention to employment promotion and creation through, among other approaches, the provision of quality public services. The ILO's *World of Work Report 2010* found that employment in public administration "played an important role in preventing employment from declining further at the beginning of the crisis",²³ but it had less impact on job creation than other types of government spending. By way of example, social services create more direct employment than spending on

¹⁹ IMF: *World Economic Outlook October 2012*, p. 43.

²⁰ A. Behar and J. Mok: *Does public-sector employment fully crowd out private-sector employment?* (IMF, 2013).

²¹ D. Hall: *Why we need public spending* (PSIRU, 2010).

²² S. Bach and A. Stroleny: *Social dialogue and the public services in the aftermath of the economic crisis* (King's College, 2013), <http://www.kcl.ac.uk>.

²³ ILO: *World of Work Report 2010*, p. 69.

infrastructure. On the other hand, budget reduction plans include the reduction of the public payroll, mainly because it is the largest expenditure item.

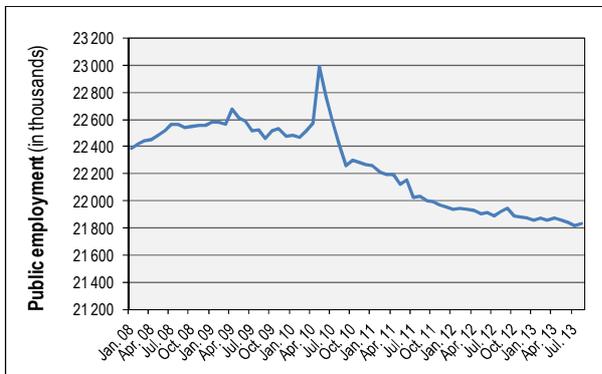
Impact on employment

United States

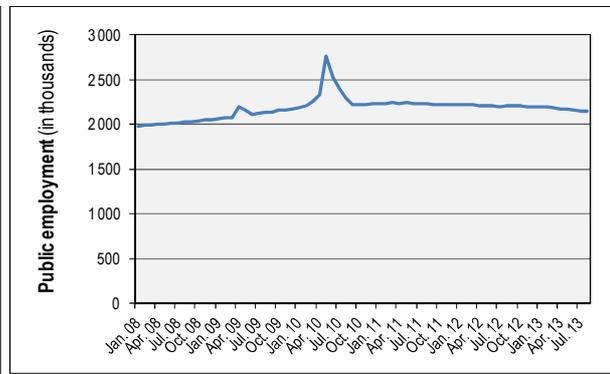
21. The decrease in public employment began in the United States shortly after the bankruptcy of Lehman Brothers. Local governments began reducing employment in July 2009, and had shed 438,000 jobs (3.2 per cent) by June 2013, but employment then picked up slightly in the next three months; state governments joined the downward trend in August 2009, reducing employment by 145,000 (2.8 per cent) by July 2013 (see figure 2). Partly as a result of the response to the crisis, the federal Government increased its payroll by 376,000 (18.6 per cent) between August 2008 and July 2010 (after census staff had stopped working) – as shown in the spike in the centre of the corresponding graph below – but it was reduced by 133,000 (5.8 per cent) by July 2013. Including state and local governments, the United States reduced public employment by 557,000 (2.5 per cent) between July 2010 and August 2013, to levels not seen since July 2005. In local government, the levels were below those of November 2005, and in state employment, below those of June 2005.

Figure 2. Public employment in the United States January 2008–August 2013 (thousands)

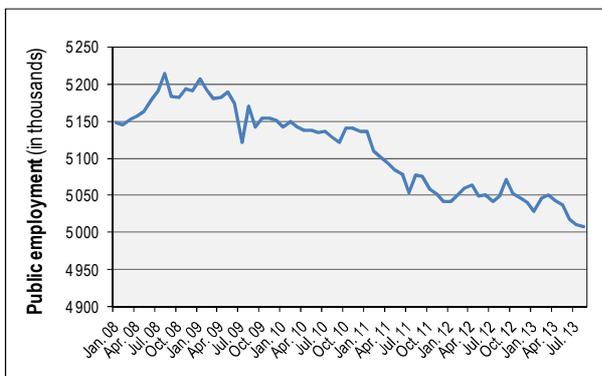
2(a) All



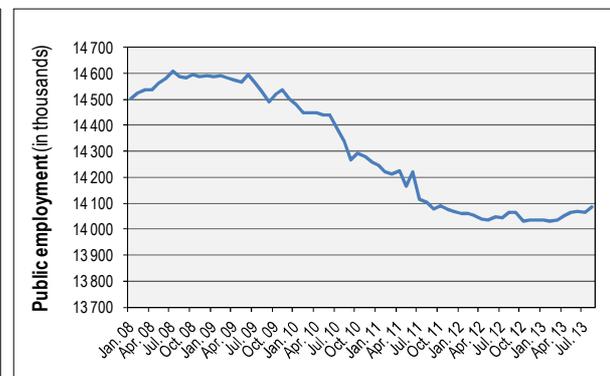
2(b) Federal



2(c) State



2(d) Local



Source: US Bureau of Labor Statistics.

Europe

22. After the focus on initiatives to maintain aggregate demand in the first phase of the crisis, governments redirected their attention to reducing public debts.²⁴ Governments have sought to reduce public payrolls, which has had a profound effect on public administration workers and existing mechanisms of social dialogue. There has been no relationship between the size of public administration in a country and the scale of fiscal retrenchment. There has been more variation between local governments at sectoral and decentralized levels.
23. European countries have taken specific measures to reduce public payrolls, including the following:²⁵
- Austria – hiring freeze until 2014;
 - Belgium – 5.5 per cent reduction during 2008–12;
 - Cyprus – reduction of 5,000 posts over the next five years;
 - France – replacement freezing scheme affecting 30,400 civil servants;
 - Greece – 1:10 hiring attrition rule; reduction of up to 150,000 public sector jobs by 2015;
 - Ireland – reduction of 24,750 staff over 2008 levels;
 - Portugal – recruitment freeze;
 - Romania – replacement of one staff member for seven leaving;
 - Spain – hiring freeze in 2012;
 - United Kingdom – 7.4 per cent drop in public employment since late 2009; 330,000 jobs cut by 2014 (target);²⁶ 730,000 by 2017.²⁷
24. Public administration employment in the 32 European countries for which data is available increased between March 2008 and March 2011, stabilized during 2011, and dropped by 2 per cent during 2012 (see figure 3). The relative stability for 2011 was due to increases in Germany and Hungary. Employment in public administration dropped during the year ending in March 2010 in 15 of the countries. This figure increased to 19 in 2011, and decreased to 12 in 2012. Of those countries that increased the average government employment in 2010, eight (Czech Republic, Finland, Hungary, Italy, Malta,

²⁴ S. Bach: *Public services in the aftermath of the economic crisis*, <http://www.kcl.ac.uk>. The study analyses the Czech Republic, Denmark, France, Italy, Netherlands and United Kingdom.

²⁵ Z. Laven and F. Santi: *EU austerity and reform: A country by country table*, <http://www.europeaninstitute.org/April-2012/eu-austerity-and-reform-a-country-by-country-table-updated-may-3.html>.

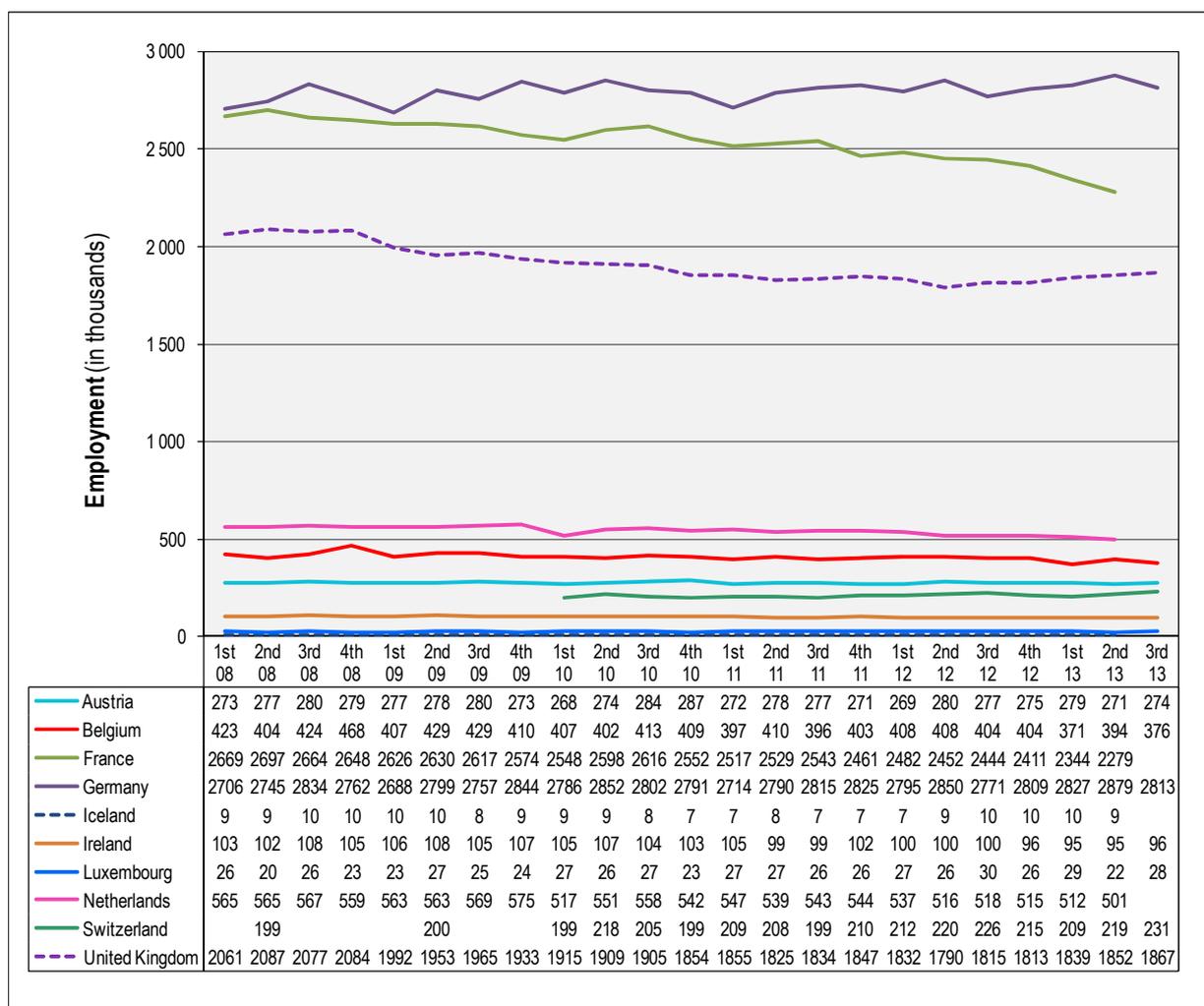
²⁶ Vaughan-Whitehead (ed.), *op. cit.*, pp. 14–15.

²⁷ Bach, *op. cit.*, from the UK Office for Budget Responsibility, 2012.

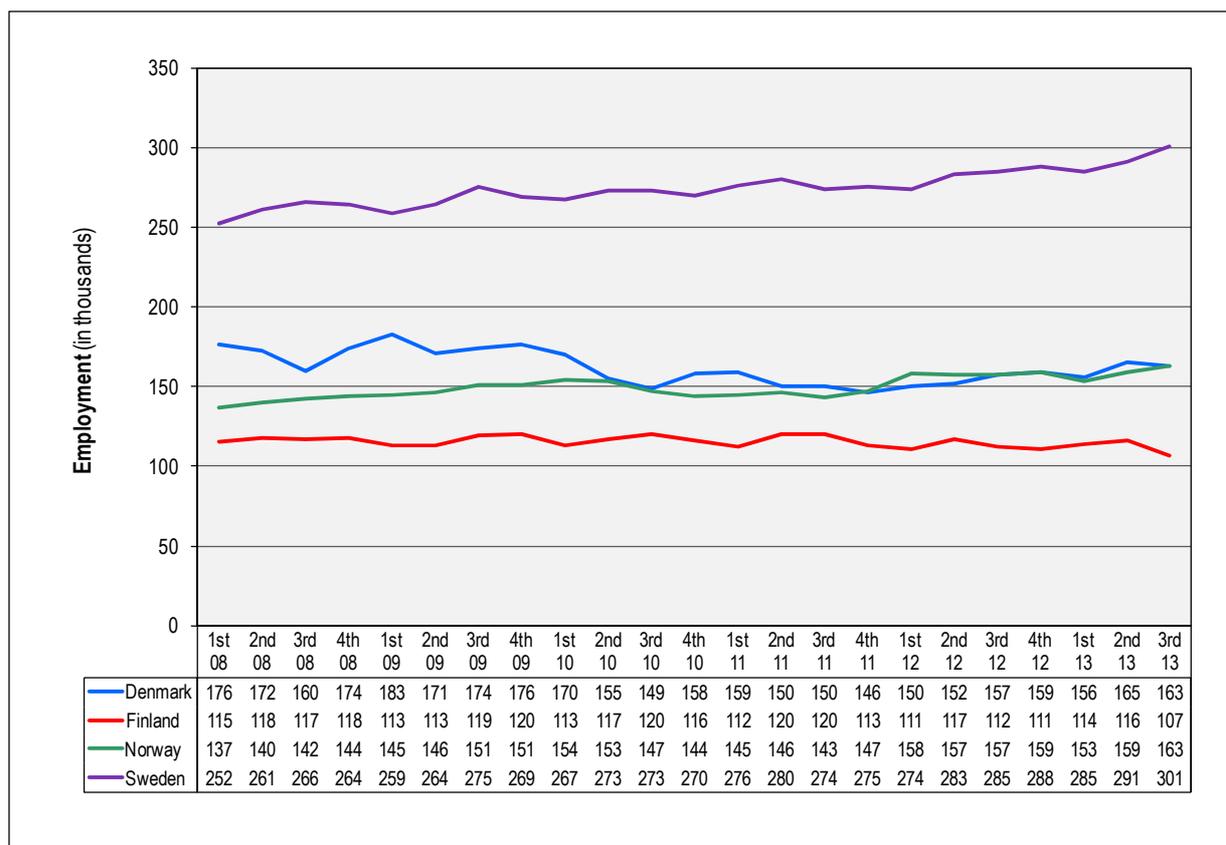
Poland, Slovakia and Spain) resorted to reductions during 2011. On the other hand, 11 countries increased employment in the latter period; four of them (Lithuania, Netherlands, Romania and Slovenia) did so to recover part of the reductions that had been made between 2009 and 2010. The distinguishing feature of the period between October 2012 and September 2013 was that the largest four public employers (France, Germany, Russian Federation and United Kingdom) accounted for the reduction of 378,000 jobs, representing 3 per cent of their joint 12.6 million-strong workforce in the fourth quarter of 2011. In all of these countries, employment in public administration was lower than in the third quarter of 2008.

**Figure 3. Employment in public administration and defence in Europe
Quarter 1 2008–quarter 1 2013 (thousands/quarters)**

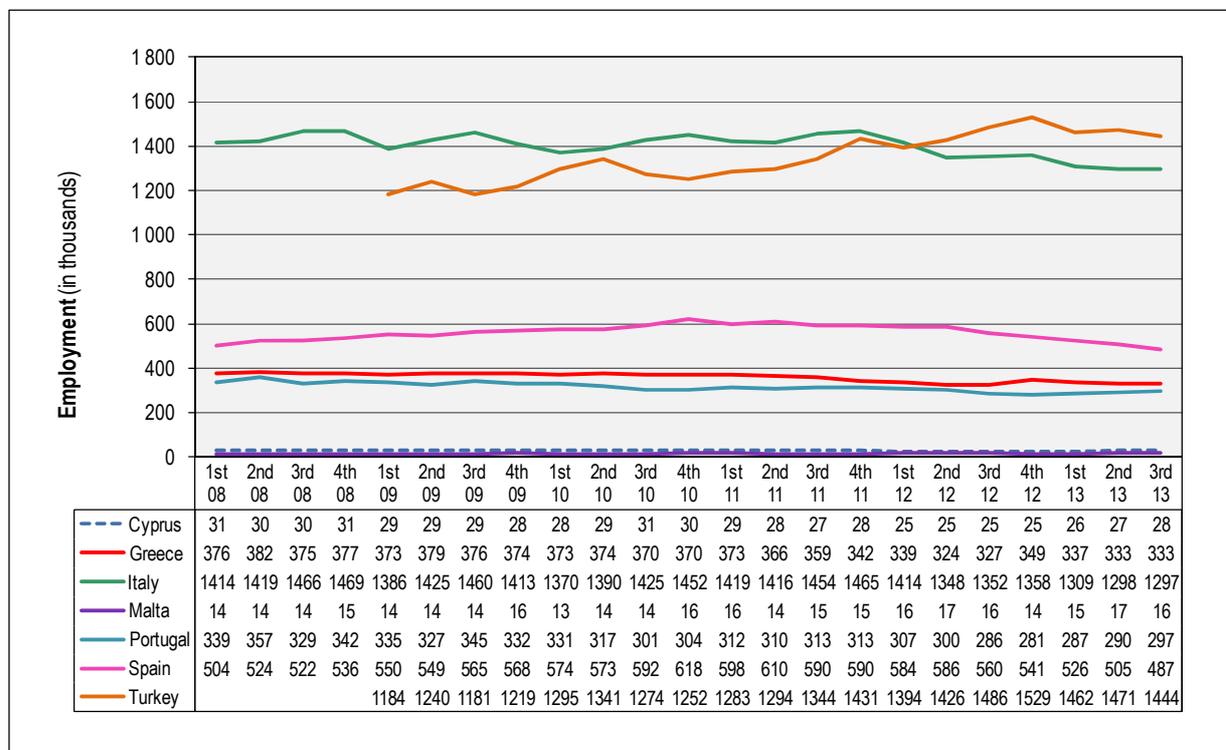
3(a) Western Europe



3(b) Northern Europe

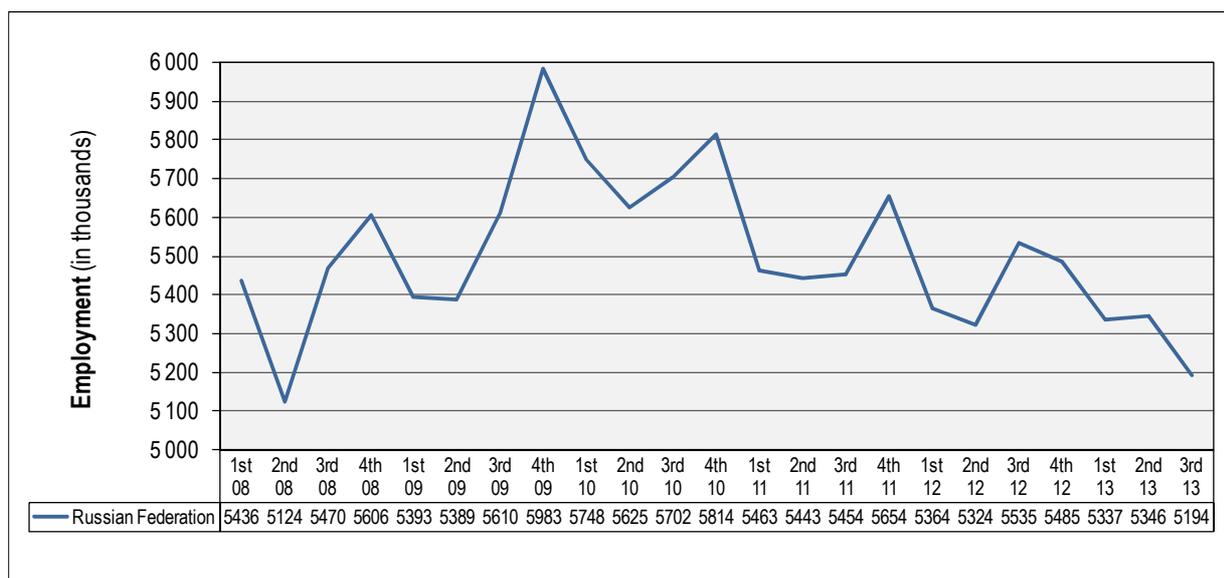


3(c) Southern Europe

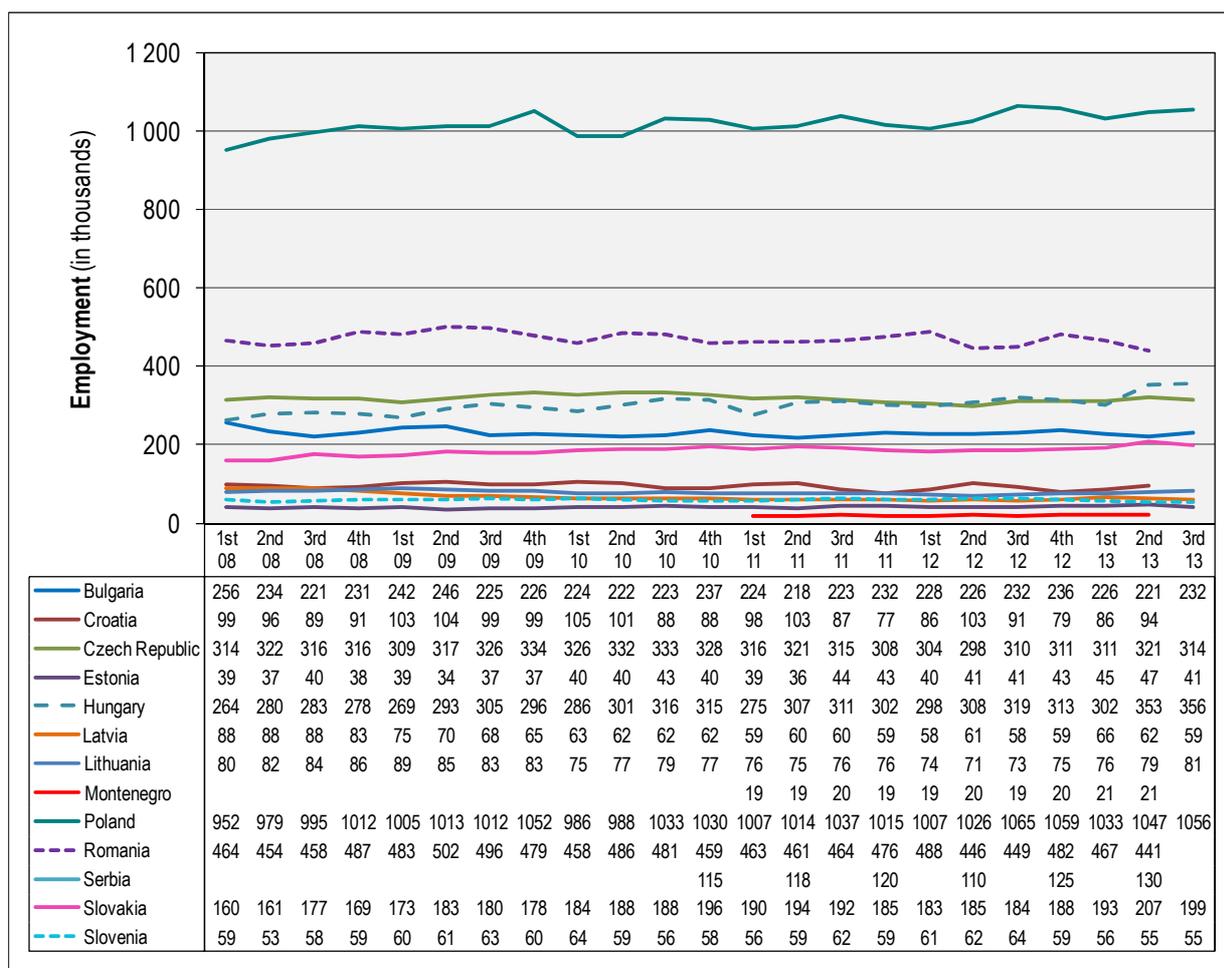


3(d) Eastern Europe

Russian Federation



Other countries



Source: ILO: Short-term indicators of the labour market, ISIC-4.

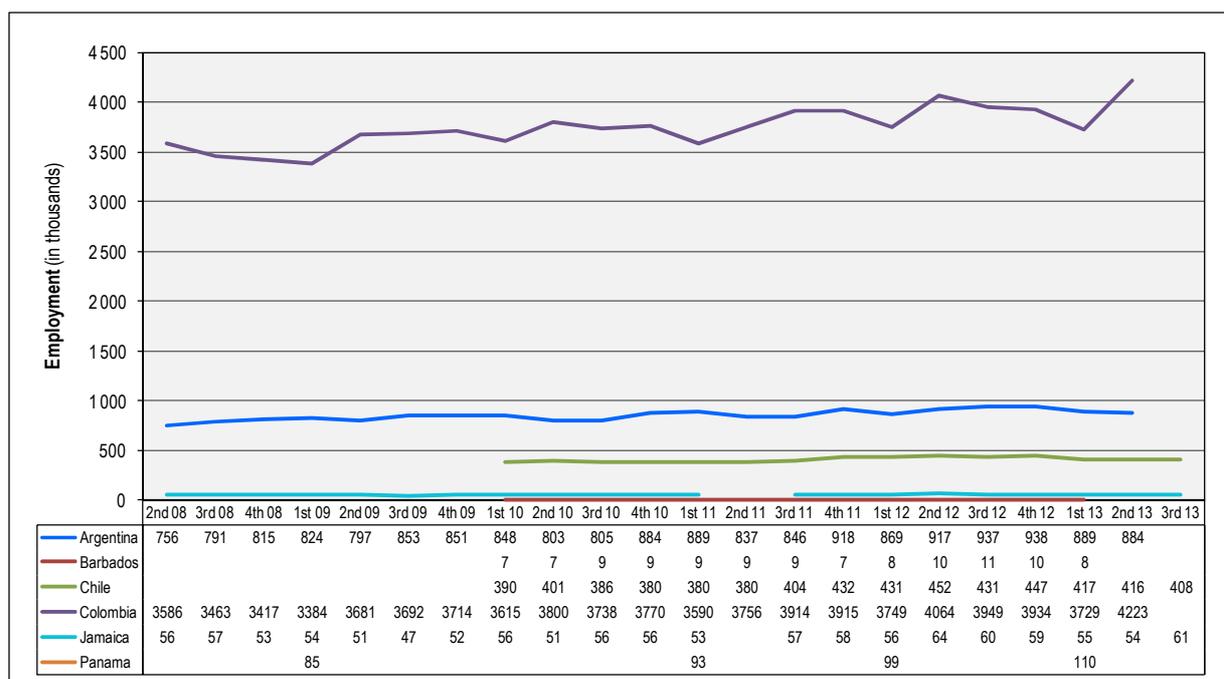
25. The French Government responded to the crisis by choosing a policy of decentralization of public services to the local level and also cutting the budget for these services.²⁸ Local authorities are thus currently implementing budget cuts, re-engineering or staff redundancies. In Germany, which has seen continued growth during the recession, the proportion of workers in the public service was reduced from 14 to 13 per cent between 2008 and 2011, but the proportion of them represented by works councils remained stable at 76 per cent.²⁹ The proportion of fixed-term and part-time public service workers increased, as did the “further training” rate.

26. The scarce data available for Asia, Latin America and the Caribbean suggests that employment in public administration was not as severely affected as in Europe and the United States (see figure 4).³⁰ The public administration in Barbados had, by March 2011, recovered 2,500 of the 4,200 jobs that had been lost between March 2009 and March 2010 (15.3 per cent of the total) as a result of the severe slowdown in tourism. However, by December 2011 a further 2,000 of them had again been cut.

27. Asian countries have fared similarly, with long-term employment remaining stable.

Figure 4. Employment in public administration and defence in the Americas and Asia, 2008–13 (thousands)

4(a) Americas

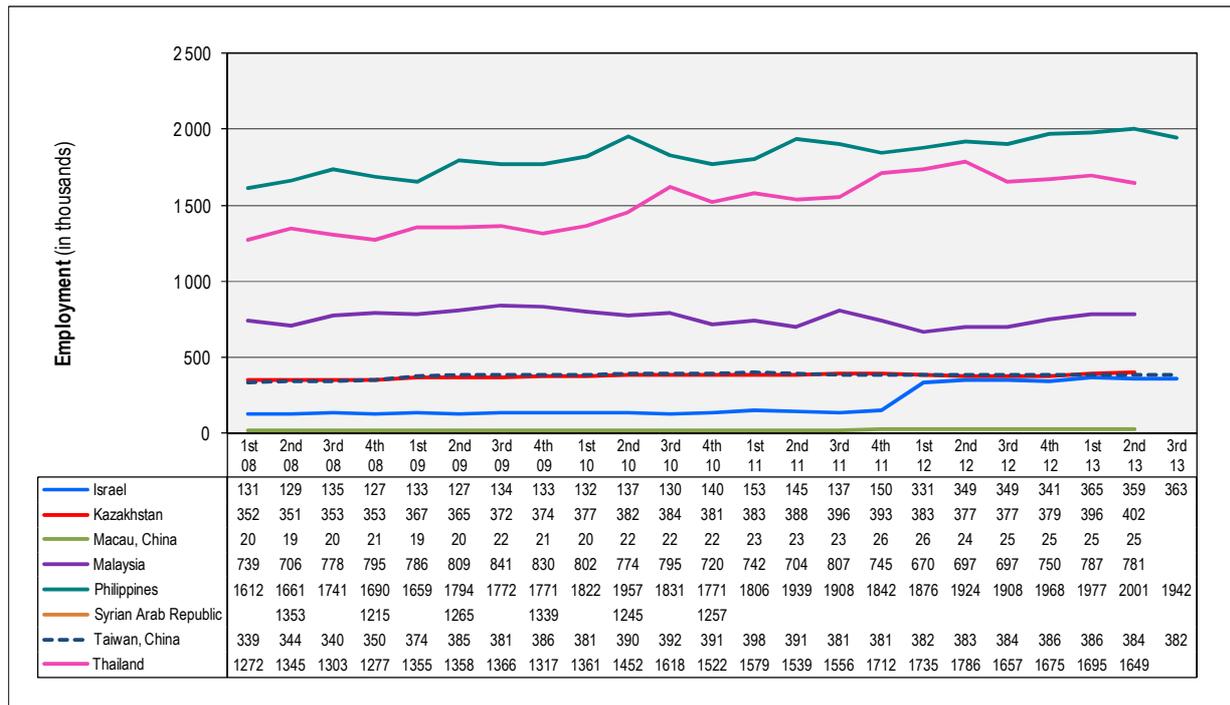


²⁸ G. Jeannot: *Public sector restructuring and employment relations in France*, paper presented at the European Conference of the International Labour and Employment Relations Association (ILERA), 2013, <http://ilera-europe2013.eu/uploads/paper/attachment/56/amsterdamfinal.doc>.

²⁹ P. Ellguth and S. Kohaut: *Public employment in Germany before and after the worldwide recession*, paper presented at the ILERA European Conference, 2013.

³⁰ ILO: *Recommendations of the ILO Regional Workshop on the Impact of the Global Financial and Economic Crisis on Finance Workers in the Southern Cone Countries*, Santiago, Chile, 7–9 Oct. 2013.

4(b) Asia



Source: ILOSTAT, based on labour force surveys.

Note: Since Jan. 2012, Israel included the members of its armed forces in its Labour Force Survey for Public Administration and Defence. At the time, these represented 176,500 of the 181,000 increase shown.

28. Other countries not represented in figure 4 also reported mixed results. Public employment in the Plurinational State of Bolivia increased by 6.4 per cent in 2008, 4.9 per cent in 2009, 7 per cent in 2010, 10 per cent in 2011 and 4.9 per cent in 2012, although it fluctuated in some branches.³¹ The Dominican Republic also increased its public administration staff by 23.7 per cent from June 2008 to June 2009; 7.6 per cent in 2009–10; 5 per cent in 2010–11; 46 per cent in 2011–12, due to the addition of 63 new ministries and increasing public employment as an anti-crisis measure; and 2.2 per cent in 2012–13, continuing the increase by 9.3 per cent in the third quarter of 2013.³² Jamaica also increased public service employment both in 2009–10 and in 2011–12, although it was reduced in 2010–11.

29. Peru, on the other hand, adopted a strict debt reduction scheme in 2001. As a result, the Government reduced public employment (including public enterprises) by 40,000 in the year ending in March 2008. These posts were recovered in the next two years, while the prescribed debt limits were waived, but in the third quarter of 2011 it began reducing staff, shedding 32,000 employees in 2012 and 71,400 in the first two quarters of 2013.³³ In

³¹ National Institute of Statistics, Plurinational State of Bolivia: *Salario, remuneración, empleo y promedios salariales del sector público 2004–12* (2013), p. 105.

³² Ministry of Public Administration, Dominican Republic, statistics and indicators portal, <http://map.gob.do:8282/estadisticas/Forms/EstadisticasMensuales.aspx>.

³³ National Institute of Statistics, Peru.

2013, the public debt was considered by the IMF to be below prudent levels.³⁴ Still, the 2013 and 2014 budgets prohibit the creation of new posts, with certain specific exceptions.³⁵ Paraguay also planned to dismiss up to 24,000 public employees in 2013, citing reduced tax revenues and illegal hiring procedures. In 2010, Cambodia initiated measures to reduce temporary employment by 50 per cent in all ministries except health and education.³⁶

30. Similarly, the Australian public service slowed down its pace of growth from 9.5 per cent in the year ending in June 2006 to 6.3 per cent in 2006–07; 2.8 per cent in 2007–08; 1.3 per cent in 2008–09; 1.7 per cent in 2009–10; 1.1 per cent in 2010–11; and 1.4 per cent in the following year.³⁷ In 2012–13, when tax revenues dropped, the public service gained 0.2 per cent – but if the Defence Ministry is not considered, it was reduced by 0.3 per cent.³⁸
31. Similar to the situation in the European economies between March 2008 and March 2009,³⁹ men were more affected than women by loss of employment in public administration during the crisis. It appears that the austerity measures have had a greater impact on the services employing more men than women.

Table 1. Compared impact of employment reductions by sex, Europe

Period	June 2009–10	Dec. 2010–11	Jan. 2012–June 2013
Larger employment reduction for men than women	17	13	12
Larger employment reduction for women than men	12	3	2

32. Australia registered faster growth in the employment of women than of men between 1994 and 2010, after which their participation has remained stable at close to 57 per cent.
33. Morocco, on the other hand, reported a 3:2 ratio of men to women employed in public administration in 2010;⁴⁰ similarly, Argentina reported a growth in this ratio, from 4:3 in the first quarter of 2012 to 5:3 in the second quarter of 2013. Other countries that reported a mostly male public administration workforce in 2013 include Israel (200,000 to 131,000), Republic of Korea (639,000 to 369,000), Panama (60,000 to 50,000), Saudi Arabia (1.7 million to 49,000) and Taiwan, China (199,000 to 186,000).

³⁴ IMF: *Peru: Selected issues paper*, IMF country report, No. 13/46 (Feb. 2013).

³⁵ Public Sector Budget Act for the 2014 Fiscal Year, Peru, art. 8(1).

³⁶ Ortiz and Cummins, op. cit., p. 28.

³⁷ Australian Public Service: *State of the service 2011–12, Appendix I: Workforce trends*, <http://www.apsc.gov.au/publications-and-media/parliamentary/state-of-the-service/new-sosr/appendix-1-workforce-trends> [accessed 15 Oct. 2013].

³⁸ Australian Bureau of Statistics.

³⁹ GB.306/STM/1.

⁴⁰ Ministry of Public Administration and Modernization: *Administrations en chiffres*, <http://www.mmsp.gov.ma/fr/decline.aspx?m=6&r=244> [accessed 16 Oct. 2013].

34. Although gender wage gaps are smaller in public administration than in the private sector in OECD countries, women are much less likely than men to work as legislators, senior officials or managers.⁴¹

Wages and working conditions

35. The downturn has affected public service working conditions in different ways in each country since 2008, although they have faced increased pressures to reduce their public service remuneration to the level of their private sector counterparts, whose incomes have been stagnant in the past decades. A recent survey of 314 IMF country reports published from January 2010 to February 2013 identified that governments implemented wage cuts or caps in the public service between 2010 and 2013 in 14 of 25 member States in Latin America; 22 of 43 in sub-Saharan Africa; seven of ten in the MENA region; four of eight in South Asia; 13 of 21 in East Asia and the Pacific; and 14 of 21 in Eastern Europe and Central Asia.⁴² The study found that public spending reduction policies have affected developing countries more than developed ones, and forecast that by 2016 up to 90 per cent of the world's population will be impacted by austerity measures.⁴³

Table 2. Measures taken in Europe and the United States regarding wages and pensions, 2009–13

Country	Wages	Pensions
Austria	Wage freeze for 2013	Stricter eligibility conditions on pensions and early retirement
Belgium	<ul style="list-style-type: none"> – Increases of €260 for 2009–10, 0.3 per cent for 2011–12, and freeze in 2013–14 (escalations and increments are always guaranteed) – wage indexation frozen until 2016 	Retirement age increased from 59 to 62
Bulgaria	Freeze 2010–13	<ul style="list-style-type: none"> – 1 year increase of retirement age in 2012 – 9.3 per cent average pension increase in 2013 to compensate for three years' inflation
Croatia	<ul style="list-style-type: none"> – 6 per cent reduction in 2009, return to 2008 levels, then freeze – 15 per cent for state officials in 2010, 3 per cent in 2013 	Plans to raise the penalty for early retirement and the retirement age to 67 for both men and women at a pace of six months per year, and stop indexation of privileged pensions

⁴¹ B. Anghel, S. de la Rica and J. Dolado: *The effect of public sector employment on women's labour market outcomes* (Institute for the Study of Labor, 2011), <http://www.ilo.org/public/libdoc/igo/2011/465429.pdf>, pp. 37, 22–25.

⁴² Ortiz and Cummins, op. cit., p. 15.

⁴³ *ibid*, p. 3.

Country	Wages	Pensions
Cyprus	<ul style="list-style-type: none"> – 10 per cent cut for new entrants in 2013 – freeze for two years 	Freeze in pensions, introduction of a 3 per cent contribution by public employees towards their government (occupational) pension and the termination of the public sector pension scheme for new entrants into civil service
Czech Republic	10 per cent wage cut in 2011 (excluding teachers)	<ul style="list-style-type: none"> – Increased retirement age in 2011 – Reduced indexation in 2012 – Indexation will not be compensated after 2015
Estonia	Freeze at 2011 level	<ul style="list-style-type: none"> – Increase in pension age in 2010 by three months a year until it reaches 65 (2026)
France		<ul style="list-style-type: none"> – Increase retirement age from 60 to 62 – Increase in the social contribution pension equal to a 3.5 per cent loss in net wages
Germany	<ul style="list-style-type: none"> – New lower pay scale to avoid outsourcing – Christmas bonus reduced: reduction of annual bonus 	n/a
Greece	<ul style="list-style-type: none"> – 10 per cent cut for local political staff – 15 per cent cut in public sector salaries 	<ul style="list-style-type: none"> – Reduction of supplementary pensions by 10–20 per cent
Hungary	Freezing gross wage bill and abolishing bonuses	<ul style="list-style-type: none"> – Removal of 13th monthly pension – Restrictions to disability pensions – Reduction in housing, student, pharmaceutical subsidies
Ireland	<ul style="list-style-type: none"> – 10 per cent pay cuts to new entrants – Wage cuts introduced in 2009 from 5 per cent for lowest wage to 15 per cent for highest wage; 4.7 per cent average in 2010 	<ul style="list-style-type: none"> – Progressive tax-relieved levy on the gross pay of pensionable public servants – Calculation of pensions for new workers on the basis of “career average” earnings, rather than on the employee’s final salary
Italy	<ul style="list-style-type: none"> – Freeze until 2014 – Incremental cuts to central government ministries between 2012 and 2014 	<ul style="list-style-type: none"> – Increase in women’s retirement age to 65 – Requirement to work 41 years before retirement
Latvia	25 per cent wage cut in public administration and 20 per cent cut in education in 2009–10	n/a
Lithuania	15 per cent wage reduction in public administration in 2009–10	n/a
Luxembourg	Negotiated wage increases in 2012	n/a
Malta	Negotiated wage increases in 2012	n/a
Netherlands	<ul style="list-style-type: none"> – Real wage decline of 1–2 per cent in 2010 – 11.2 per cent in public administration and 2.5 per cent in education 	n/a

Country	Wages	Pensions
Portugal	<ul style="list-style-type: none"> – 5 per cent pay cuts for senior public sector staff and politicians – 2.5 per cent real wage reduction in public administration in 2010, further cut of 3.5–10 per cent in 2011 – Constitutional Court has revoked other measures in 2012 and 2013 	10 per cent reduction in 2013
Romania	<ul style="list-style-type: none"> – 25 per cent cut in 2010, 10 per cent in 2011 despite some attempts to compensate for previous reductions – Wage freeze in 2012 	– Increase in retirement age to 65 (men) and 63 (women) by 2030
Slovakia	– 10 per cent cut in state wage bills	n/a
Slovenia	– 15 per cent cut	n/a
Spain	<ul style="list-style-type: none"> – 5 per cent wage cut in 2010, frozen in 2011 and 2012; includes autonomous regions – Result: 10 per cent loss in real income in 2010–11 – Suppression of Christmas bonus in 2012; – Suppression of three days leave and half of social welfare payments in 2013 	n/a
United Kingdom	– Freeze for two years until 2014	– Removal of child benefits for high-income families
United States	<ul style="list-style-type: none"> – Freeze since 2010 (federal) – Reductions in working hours since 2011 at state level, since 2012 at federal level 	n/a

Sources: ILO: *Global Employment Trends 2013: Recovering from a second jobs dip*, p. 28; D. Vaughan-Whitehead (ed.), *Public Sector Shock* (Edward Elgar, 2013), pp. 14–15; Eurofound; national authorities.

36. As a result, public sector employees in several countries have lost the wage premium they previously enjoyed over the private sector.⁴⁴ In Romania, for instance, the wage differential fell from 40 per cent in 2010 to minus 15 per cent in 2011. When discussing the public to private wage ratio and the impact of wages in public administration on the private sector, attention must be paid to the fact that comparable compensation analyses must include other economic aspects, rather than only cash payments, and take into account the educational requirements of public administration posts. Discussion of the influences on public administration wages must take into account “the role of union organisation, the political complexion of governments, the legal status of collective

⁴⁴ Vaughan-Whitehead (ed.), *op. cit.*, pp. 18–29.

agreements, [and] the role of external actors such as the IMF or the bond markets”.⁴⁵ Also, the European Central Bank has found that public sector pay determination is much less likely to affect private sector wage settlements where “stricter employment protection legislation gives unions greater bargaining power in the private sector, independent of public sector outcomes”.⁴⁶

- 37.** The lower compensation has downgraded skill levels, reduced the level of investment in public occupations and stopped public administrations from attracting the quantities of young qualified graduates which hitherto have been its lifeblood. At the same time, uniform wage cuts along the wage scale have affected lower grades more and put many workers below the poverty threshold. As a result, the new phenomenon of the “public sector working poor” has emerged in Europe.⁴⁷ In Hungary, this affects more than 50 per cent of public sector employees without tertiary education and has led to increased migration of public sector workers from the Czech Republic, Hungary, Poland and southern Europe.
- 38.** In contrast, working conditions in Germany remained better in the public service than in the private sector between 2008 and 2011.⁴⁸ The crisis did not have a major impact during this period – there was neither divergence nor convergence with the private sector. German public sector workers saw lower agreed pay increases than in other sectors during the current crisis and no reductions in nominal wages, but instead suffered major reductions in social benefits and an increase in working time.⁴⁹ Decentralization due to the constitutional reform of 2005–06 caused some differences to emerge between the civil servants (*Beamte*) and the employees working in state-owned enterprises, but there has been no surge in unilateralism or anti-union activity. As in Austria and Sweden, the previous reductions may have helped avoid the impact that the crisis has had in other countries.
- 39.** In the Plurinational State of Bolivia, real wages for public servants increased in 2009, 2010 and 2012, after several years of decreases;⁵⁰ in Colombia, the Government and the unions agreed on a 3.44 per cent wage increase for public servants in 2013 and another in 2014 equal to the consumer price index plus a productivity index. Other countries or areas benefiting from a sustained economic expansion – such as Argentina, Hong Kong (China) and Singapore – have raised public sector wages.

⁴⁵ Hall, Corral and van Niekerk, op. cit., p. 14.

⁴⁶ F. Holm-Hadulla et al.: *Public wages in the euro area: Towards securing stability and competitiveness*, Occasional paper series, No. 112 (European Central Bank, June 2010), p. 27.

⁴⁷ Vaughan-Whitehead (ed.), op. cit., pp. 23–24; Eurofound: *Working poor in Europe* (2010), p. 22.

⁴⁸ P. Ellguth and S. Kohaut: *Public employment in Germany before and after the worldwide recession*, paper presented at the ILERA European Conference, 2013.

⁴⁹ B. Keller: *The public sector during and after the financial and debt crisis: Germany in comparative perspective*, paper presented at the ILERA European Conference, 20 June 2013.

⁵⁰ National Institute of Statistics, Bolivia, op. cit., p. 24.

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40. Public administrations employ proportionately more women than other sectors, and cuts to pay and conditions are likely to increase the gender pay gap and stall any progress towards gender equality.⁵¹ Several States have taken measures to address the gender pay gap. In Canada, the Public Sector Equitable Compensation Act of 2009 obliges employers (and in unionized settings, bargaining agents) to take measures to provide workers with equitable compensation in accordance with the Act, including “equitable compensation assessments” with specific gender dimensions. Many of the Act’s obligations are directly tied to the collective bargaining process. The Australian Fair Work Act 2009, which covers public and private sector workers, empowers the federal tribunal “to make orders to ensure that there will be equal remuneration for men and women workers for work of equal or comparable value”. Applications for such orders may be made by interested workers, unions and the Sex Discrimination Commissioner. The statute also effectively prohibits the inclusion of any discriminatory term in a collective agreement. The concept of sex discrimination extends to sexual preference, age, marital status, family or carer’s responsibilities and pregnancy.
41. Job losses in the public sector have also contributed to increased workloads and working hours for the remaining employees, while payment rates for overtime have been reduced or even frozen in some countries. The simultaneous reduction in expenditure has also reduced the human and material resources available to carry out services, the demand for which generally remained the same or even increased – as in health and education.
42. The Committee of Experts has observed other trends in labour relations in the public service, such as: the extension of contracts ruled by private sector labour law; the admission of temporary public servants, agency workers, or regular workers on a non-permanent recurrent basis or working part time; the use of civil or administrative contracts to provide services specific to public administration; the increasing uncertainty linked to the geographical and functional mobility of public servants; and the use of performance incentives and evaluations typical of the private sector. Studies conducted by the Sectoral Activities Department (SECTOR), which will be published in 2014, have confirmed this trend. As the ILO’s Director-General remarked, “The supposedly ‘atypical’ has become typical; the ‘standard’ has become the exception. Views are strongly divided about whether and how this matters for the attainment of decent work for all and, if so, what if anything should be done about it.” The Committee was among those who believe it does matter, and warned of potentially negative repercussions for the independence of public servants and for compliance with constitutional requirements for the recruitment of civil servants.⁵² It may also reduce the confidentiality of the information entrusted to public servants. Other consequences for the quality of work may include lower compliance with labour regulations, such as occupational safety and health guarantees, and reduced opportunities for training if these are considered an unnecessary expense. Finally, the reduction of public services has led to an increase in physical attacks on public servants by citizens.⁵³

⁵¹ D. Grimshaw et al: *Public sector pay and procurement in Europe during the crisis: The challenges facing local government and the prospects for segmentation, inequalities and social dialogue*, <http://research.mbs.ac.uk/european-employment/Portals/0/docs/Comparative%20report%20final.pdf>.

⁵² ILO: *General Survey concerning labour relations and collective bargaining in the public service*, Report III (Part 1B), International Labour Conference, 102nd Session, Geneva, 2013, paras 231–238.

⁵³ “El aumento de agresiones a funcionarios obliga al Estado a diseñar un protocolo de prevención”, 11 July 2013, <http://noticias.lainformacion.com/economia-negocios-y-finanzas/politica-economica/>

Impact on public service delivery

43. Budget reductions have had an adverse impact on the delivery of public services and growth. The most drastic example was the United States, where a US\$85 billion budget reduction in 2012 and a 16-day government shutdown in 2013 had the effect of slowing down growth and reducing consumer confidence.⁵⁴ Austerity measures in Europe have: increased the possibility of spending more resources in fewer public services; potentially reversed improvements from previous reforms; shrunk national economies; produced higher ratios of debt to GDP; deprived disadvantaged groups of services; produced delays in judicial processes, which may damage efforts to tackle corruption; provided poorer school services for low performers and reduced teacher to student ratios; increased brain drain; and reduced skills in every sector.⁵⁵ A recent ILO study⁵⁶ recommends: instituting predictable and gradual measures; negotiating measures with workers' representatives; better combining quantitative and structural measures; reinforcing the role of the public service; and focusing on increasing revenues while reducing expenditures. The IMF has agreed with the first of these recommendations.⁵⁷
44. A recent study of the situation in Australia, Canada, India, Singapore, South Africa, Trinidad and Tobago, and United Kingdom concluded that: "public service institutions at the provincial/state level are under more strain than their federal counterparts. Pressure on provincial/state governments will increase in the coming years, as federal governments will lessen transfers to them in the process of balancing their federal budgets."⁵⁸

Social dialogue

45. The ILO supervisory bodies have emphasized that "social dialogue is essential in normal times and becomes even more so in times of crisis".⁵⁹ They have also expressed concern in certain cases under Convention No. 98 about a tendency to subordinate collective bargaining to the Government's economic policy in several countries. Recent research has

el-aumento-de-agresiones-a-funcionarios-obliga-al-estado-a-disenar-un-protocolo-de-prevencion_d6yUwVybEzXwIP62T0t3R5.

⁵⁴ A. Lowry et al.: "Gridlock has cost US billions, and the meter is still running" in *New York Times*, (16 Oct. 2013).

⁵⁵ Vaughan-Whitehead (ed.), op. cit. The book compiles studies of the Baltic States, Croatia, France, Germany, Greece, Ireland, Netherlands, Portugal, Romania, Spain, Sweden and United Kingdom. Some of these findings, related to Hungary, are also found in E. Berki and L. Neumann: *Public sector pay and procurement in Hungary*, paper presented at the ILERA European Conference, Amsterdam, 2013.

⁵⁶ Vaughan-Whitehead (ed.), op. cit.

⁵⁷ IMF: *World Economic Outlook October 2012*, p. 21.

⁵⁸ Commonwealth Association for Public Administration and Management (CAPAM): *The global financial crisis: Environmental turbulence and public service institutions* (2010). http://www.capam.org/_documents/capamfeaturedreport_globalfinancialcrisis.pdf.

⁵⁹ CEACR Observation on Ireland (Convention No. 122) adopted in 2012 and published at the 102nd Session (2013) of the International Labour Conference. This is a recurrent phrase in the Committee's comments.

found that unions played an active role in furthering public sector reform in several Western European countries,⁶⁰ and that restricting the scope of collective bargaining may have an adverse effect on reform, by driving unions to a defensive position on the few areas they can influence rather than encouraging them to cooperate on furthering the quality of the services.⁶¹

46. The Committee on Freedom of Association has pointed out the need for consultation with representatives of government workers when considering crisis-related measures that affect their terms or conditions of work. In fact, many States have used collective bargaining to moderate the impact of the crisis in public administration. Extensive social models and well-developed systems of social dialogue are not associated with poor public finances.⁶²
47. In 2013 the Committee of Experts pointed out that social dialogue and collective bargaining can help public services to maintain:

... a qualified and motivated staff and a dynamic and depoliticized public management and administrative culture, with an ethical focus, which combat administrative corruption, make use of new technologies and are founded on the principles of confidentiality, responsibility, reliability, transparent management and non-discrimination, both in access to employment and in the provision of benefits to the public.⁶³

Collective bargaining also contributes to social peace, adaptation to economic and political change, the fight against corruption and the promotion of equality.⁶⁴

48. ILO research shows that out of 131 countries with data, in 51 countries (39 per cent) the main anti-crisis measures before 2011 were approved in consultation with the social partners. Countries with a weaker tradition of social partnership had less recourse to it: 22 per cent of the countries in the MENA, 30 per cent of those in Central and South Eastern Europe, 35 per cent of those in sub-Saharan Africa, and half the advanced economies.⁶⁵ Two recent ILO studies found that social dialogue actually increased the speed with which new measures were adopted.⁶⁶

⁶⁰ E. Ongaro: *Public management reform and modernization: Trajectories of administrative change in Italy, France, Greece, Portugal and Spain* (Edward Elgar, 2009), p. 224.

⁶¹ M. Malin: "The paradox of public sector labor law", in *Indiana Law Journal* (2009, Vol. 84).

⁶² Bach and Stroleny, op. cit.

⁶³ ILO: *General Survey concerning labour relations and collective bargaining in the public service*, op. cit., para. 224.

⁶⁴ *ibid*, paras 227–229.

⁶⁵ ILO: "Employment protection and industrial relations: Recent trends and labour market impact", in *World of Work Report 2012* (Geneva, International Institute for Labour Studies, 2012), pp. 35–57.

⁶⁶ Vaughan-Whitehead (ed.), op. cit.; Y. Ghellab et al.: "Social dialogue and social security governance: A topical ILO perspective", in *International Social Security Review* (2011, Vol. 64, No. 4, Oct.–Dec.), pp. 39–56.

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49. However, the political will for social dialogue has been weakened by the crisis, even in some countries with long histories of dynamic public administration labour relations. In Italy, collective bargaining was suspended between 2010 and 2012, while in Ireland, the Government and the unions agreed that pay would not be reduced until 2014. As a result, austerity measures that had been imposed in other regions in the past were implemented in European countries, such as Bulgaria and Latvia. Extended social unrest has been stronger in those countries where crisis responses have been introduced by unilateral decision-making,⁶⁷ and government leadership has been changed in several countries, such as France, Greece, Italy and Spain. In the past, similar austerity measures have impacted negatively on labour inspection systems.⁶⁸
50. Most wage reductions have aimed at reducing either public debt or the upward pressure on private sector wages. The introduction of austerity measures has been contested and has severely tested the resilience of social dialogue.⁶⁹ The social partners have often disagreed over the need for austerity.⁷⁰ Most trade unions have opposed it, arguing that it would weaken aggregate demand and thus be recessionary. They have also strongly criticized the sidelining of social dialogue during the process of designing and implementing policy reforms, and the haste of the reforms, and have questioned the permanence of the measures. Some employers' organizations have supported government moves to reduce debt, but often with reservations over specific measures, and have sometimes distanced themselves from austerity policies, given their negative impact on aggregate demand and thus on enterprise profitability and sustainability.
51. In Europe, social dialogue arrangements played an important role in the early stages of the crisis but have been relatively weakened in the face of major budget cuts and a determination of the State to enforce changes to wage systems.⁷¹ Changes are often not based on any assessment that pay and other conditions are too high, and may bypass explicit commitments to social dialogue. Austerity measures have been formulated and implemented without recourse to the social partners, but local governments and more decentralized levels have shown more resilience and reconfiguration where social dialogue has taken place.⁷² New social movements, broad protests and demonstrations have been

⁶⁷ ILO: *World of Work Report 2013*, p. 14.

⁶⁸ ILO: *Labour administration and labour inspection*, Report V, International Labour Conference, 100th Session, Geneva, 2011, p. 18.

⁶⁹ ILO: *Social dialogue: Recurrent discussion under the ILO Declaration on Social Justice for a Fair Globalization*, Report VI, International Labour Conference, 102nd Session, Geneva, 2013, para. 172.

⁷⁰ See, e.g., Italy: Working Paper No. 50, *Coping with the crisis in Italy: Employment relations and social dialogue amidst the recession*, http://www.ilo.org/ifpdial/information-resources/publications/WCMS_223695.

⁷¹ D. Grimshaw et al.: *Public sector pay and procurement in Europe during the crisis: The challenges facing local government and the prospects for segmentation, inequalities and social dialogue*, <http://research.mbs.ac.uk/european-employment/Portals/0/docs/Comparative%20report%20final.pdf>. The paper explored the impact of the crisis on social dialogue in the Czech Republic, Denmark, France, Italy, Netherlands and United Kingdom.

⁷² S. Bach and A. Stroleny: *Social dialogue and the public services in the aftermath of the economic crisis*, <http://www.kcl.ac.uk/sspp/departments/management/Comparative-Report.doc>. The study analyses the Czech Republic, Denmark, France, Italy, Netherlands and United Kingdom.

more prevalent than traditional forms of industrial action, but they have rarely altered the main provisions and direction of austerity programmes. In France, recent massive state administration reorganization has not involved social dialogue, but some cities held continuous negotiations about public service reorganization and working conditions.⁷³ A recent study concluded that both municipalities and workers' representatives still have some choice in terms of how they respond to austerity measures at local level.⁷⁴

52. A March 2012 working paper prepared by the Industrial and Employment Relations Department (DIALOGUE) examined the development of social dialogue in pension reforms in China, France, Greece, Jordan, Mauritius, Netherlands, Slovenia, Sweden and Uruguay. It concludes that "it is worrying to see a decline in social dialogue even in countries with long traditions of social consensus on macroeconomic issues and on pension reforms in particular".⁷⁵ However, later that year the Government and unions in Slovenia reached an agreement to implement austerity measures.⁷⁶

Examples from the United States, Spain, Ireland, Grenada and Australia

In the United States, where most bargaining takes place at local, county and state levels, some jurisdictions have changed benefits or working conditions without bargaining. The states of Wisconsin and Ohio adopted legislation to restrict the scope of collective bargaining.¹ However, in September 2012, key parts of the Wisconsin law were struck down by a state circuit court,² and the Ohio law was repealed by popular vote in November 2011.

In Spain, an agreement not to cut wages for 2010 was broken by the Government, which then unilaterally imposed a 5 per cent reduction, followed by a wage freeze in 2011.

In contrast, the Irish social partners reached an agreement on the public service in 2010 (the Croke Park Agreement 2010–14), which aims at no more pay cuts for public servants in return for industrial peace, reform of bonus payments, a recruitment freeze in health and education, and new pay and conditions for new entrants to the public service. Importantly, the majority of cost reductions made in public administration to reduce the pay bill are via voluntary redundancies.³

Similarly, the new Government of Grenada has proposed a three-year structural adjustment programme which envisions broad consultations with unions, private sector organizations, churches, NGOs and creditors, including collective bargaining on wage measures, while explicitly discarding salary reductions.⁴

The Australian Government and the Community and Public Sector Union also confronted reduced tax revenues and stimulus-led budget deficits in 2011 through the Government's commitment to collective bargaining and the creativity of both parties, which managed to minimize losses in real wages and working conditions.

¹ ILO: *The sectoral dimension of the ILO's work: Update of sectoral aspects regarding the global economic downturn: Public administration*, Governing Body, 309th Session, Geneva, Nov. 2010, GB.309/STM/1/1. ² M. Elk: "Wisconsin anti-union law struck down", in *Truth-out News* (15 Sep. 2012), <http://truthout.org/news/item/11558-wisconsin-anti-union-law-struck-down?tmpl=component&print=1> [accessed on 6 Nov. 2012]. ³ A. Regan: *The impact of the Eurozone crisis on Irish social partnership: A political economic analysis*, paper presented at the EU-ILO-ITC workshop, "The Governance of Policy Reforms in Europe: Social Dialogue Actors and Institutions in Times of Economic Downturn and Austerity", Geneva, 28–29 May 2012. ⁴ Government of Grenada: *Committee of Social Partners to sign memorandum of intent*, http://www.gov.gd/gov/news/2013/sep13/30_09_13/item_1/committee_social_partners_sign_memorandum_intent.html.

⁷³ G. Jeannot, op. cit.

⁷⁴ P. Leisink et al.: *Are there possibilities to influence austerity policy outcomes? A comparative study of social dialogue in local government in Italy, the Netherlands and the UK*, http://ilera-europe2013.eu/uploads/paper/attachment/278/Leisink_et_al_Austerity_Paper_Ilera_ID_215_v2_060613.pdf, paper presented to the 2013 ILERA European Conference.

⁷⁵ H. Sarfati and Y. Ghellab: *The political economy of pension reforms in times of global crisis: State unilateralism or social dialogue?* DIALOGUE Working Paper, No. 37, 2012.

⁷⁶ European Industrial Relations Observatory: "Agreement reached on austerity measures in the public sector", <http://www.eurofound.europa.eu/eiro/2012/05/articles/si1205019i.htm>.

Sources: ILO: *Social dialogue: Recurrent discussion under the ILO Declaration on Social Justice for a Fair Globalization*, Report VI, International Labour Conference, 102nd Session, Geneva, 2013, paras 108–109; O. Molina and F. Miguélez: *From negotiation to imposition: Social dialogue in austerity times in Spain*, ILO, 2013; C. Roles, M. O'Donnell and P. Fairbrother: "The aftermath of the global financial crisis and union strategies in the Australian public service", in *Industrial Relations* (autumn 2012, Vol. 67, No. 4), pp. 633–653.

53. Some countries have also restricted existing collective bargaining mechanisms. In Latvia, the crisis led to a weakening of the rules on collective bargaining. In Croatia, attempts to reduce the scope of collective agreements generated trade union mobilization and thus withdrawal of proposed changes. In Romania, a new law on social dialogue abolished the collective agreement at national level and dismantled the automatic extension of collective agreements at sectoral level, effectively limiting the scope of collective bargaining. The law also tightened the representativeness requirements, making trade union action harder.⁷⁷
54. Some trade unions have appealed to the courts to challenge government decisions, and have submitted comments to the ILO supervisory bodies alleging violations of ratified Conventions. An ILO high-level mission visited Greece at the request of the CEACR⁷⁸ and the Conference Committee on the Application of Standards in 2011. On the basis of the findings of the high-level mission, the CEACR formulated observations on the application of 11 Conventions, notably the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and Convention No. 98, paying particular attention to public administration.⁷⁹ The Committee on Freedom of Association⁸⁰ reached conclusions and recommendations on Case No. 2820 concerning alleged violations of freedom of association standards and principles in Greece in November 2012, pointing to an important deficit of social dialogue and the alteration of the institutional framework of key fundamental rights of freedom of association and collective bargaining. The European Committee on Social Rights also reached decisions criticizing these measures when they considered them in light of the requirements of the European Social Charter in 2012.⁸¹ However, the European Court of Justice has refused to intervene, noting that austerity measures do not emanate from EU decisions.⁸²

⁷⁷ ILO: *Social dialogue: Recurrent discussion under the ILO Declaration on Social Justice for a Fair Globalization*, op. cit., para. 110.

⁷⁸ ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations* (articles 19, 22 and 35 of the Constitution), Report III (Part 1A), International Labour Conference, 101st Session, Geneva, 2012.

⁷⁹ ILO: Report on the High-level Mission to Greece, Athens, 19–23 Sep. 2011.

⁸⁰ ILO: 365th Report of the Committee on Freedom of Association, Governing Body, 316th Session, Nov. 2012, GB.316/INS/9/1, paras 784–1003.

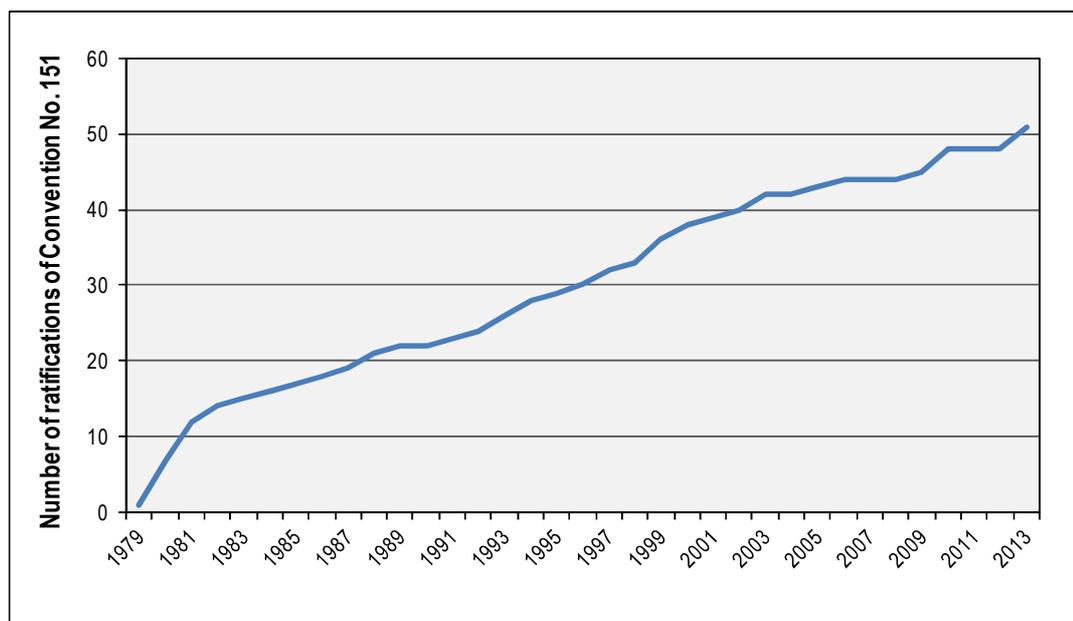
⁸¹ European Committee on Social Rights (ECSR): *General Federation of Employees of the National Electric Power Corporation (GENOP–DEI) and Confederation of Greek Civil Servants' Trade Unions (ADEDY) v. Greece*, complaints 65/2011 and 66/2011.

⁸² C. Kilpatrick: *Legal defences of social Europe in the crisis*, keynote lecture at the 2013 ILERA European Conference, 21 June 2013.

Overview of the constituents' actions to promote and implement Convention No. 151

55. At the end of 2013, 51 member States had ratified Convention No. 151. This compares favourably with the average of 34.6 ratifications of up-to-date technical Conventions. Convention No. 151 ranks 12th among 65 included in this classification.

Figure 5. Progress of ratification of the Labour Relations (Public Service) Convention, 1978 (No. 151) since 1978



Recent ratifications and measures to implement Convention No. 151

56. The Governments of Brazil, El Salvador, Gabon, Slovakia and Slovenia ratified Convention No. 151 between 2006 and 2010. After three years without ratifications, 2013 saw ratifications by Morocco, the former Yugoslav Republic of Macedonia and Tunisia, while Serbia began drafting a ratification bill. There has been increased interest in strengthening consultation and negotiation mechanisms: since 2008 Botswana, Colombia,⁸³ Mozambique, Turkey and Uruguay have adopted measures granting collective bargaining for government workers; Costa Rica, Dominican Republic and Republic of Korea have adopted other consultation mechanisms; the Decent Work Country Programmes for Benin, Bosnia and Herzegovina, Dominican Republic, Lesotho, Madagascar, Namibia and Serbia include Convention No. 151 as a priority; and those for Cambodia, Lao People's Democratic Republic, Republic of Moldova, Mozambique and Ukraine include support for collective bargaining in the public service. The Philippines Labor and Employment Plan 2011–16 and the 2011 Resolution of Southern African Development Community Labour Ministers also include it as a priority.

⁸³ The collective agreement signed in May 2013 in Colombia calls for an amendment to the 2012 Decree to align it with Convention No. 151.

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57. However, the Governments of Austria, Bangladesh, France, Germany, Republic of Korea, Japan, Lithuania, Malaysia, Mauritius, Mexico and Romania reported in their responses to the General Survey that they do not envisage ratification, some of them because of “fundamental discrepancies between national law and practice and the provisions of the Conventions.”⁸⁴ Some cited legislation or government policies that empower the State to decide the wages and working conditions of government employees. The Committee of Experts invited them to engage in tripartite dialogue for possible ratification, noted that the obstacles raised by these Governments should not prevent ratification, and hoped that the Survey would clarify the scope of the Convention.

Current ILO activities to promote ratification of Convention No. 151

58. The conclusions concerning the recurrent discussion on social dialogue (International Labour Conference, 102nd Session, 2013) encouraged the ILO to undertake a campaign on Conventions Nos 151 and 154, among others. SECTOR is currently carrying out activities to promote the ratification of Convention No. 151 in the Dominican Republic and the Philippines, and is promoting its implementation in Brazil and Botswana. The ILO’s High-level Mission to Greece has addressed specific issues affecting public service labour relations. Technical advisory services have helped to set up or strengthen dispute resolution systems in several countries, including Bosnia and Herzegovina, Cambodia, Colombia, Democratic Republic of the Congo, Swaziland and United Republic of Tanzania. In Zimbabwe, collective bargaining mechanisms in the public service underwent reform, with ILO assistance, with a view to establishing a Public Service Collective Bargaining Council in 2009.⁸⁵
59. EU–ILO collaboration on social dialogue has intensified through annual high-level meetings. One area of intensive work has been capacity building for social partners from EU enlargement countries and from new Member States to engage in EU social dialogue. This has involved training by the International Training Centre of the ILO (Turin Centre); research and analysis on issues such as working conditions and wages in the private and public sectors; and taking stock of national social dialogue practices in new Member States.⁸⁶
60. In their responses to the General Survey on Conventions Nos 151 and 154 conducted by the CEACR, the following countries requested technical assistance: Benin, Plurinational State of Bolivia, Bosnia and Herzegovina, Brazil, Chile, Colombia, Costa Rica, Czech Republic, Honduras, Indonesia, Jordan, Panama, Paraguay, Senegal, Serbia, Seychelles, Viet Nam and Zimbabwe. During the Latin American Regional Meeting on Collective Bargaining in the Public Sector, held in Brasilia in August 2013, the Government and the workers’ organizations of Peru also requested technical support.

⁸⁴ ILO: *General Survey concerning labour relations and collective bargaining in the public service*, op. cit., para. 512.

⁸⁵ ILO: *Social dialogue: Recurrent discussion under the ILO Declaration on Social Justice for a Fair Globalization*, op. cit., para. 284.

⁸⁶ ILO: *Social Dialogue: Recurrent discussion under the ILO Declaration on Social Justice for a Fair Globalization*, op. cit., para. 319.

61. The ILO has published several tools to provide such technical advice, and has carried out dissemination activities in several of the countries listed since these requests were made. Some of these tools are:

- *Manual on collective bargaining and dispute resolution in the public service*, available in English, French, Spanish, Arabic, Russian, Portuguese, Bosnian, Greek, Macedonian and Serbian.
- *Promoting collective bargaining and dispute resolution in the public service: An ILO training workbook*, available in English, Spanish, Portuguese and Macedonian.
- *Practical guide for strengthening social dialogue in public service reform*, available in English, French and Spanish.
- *Guidelines on social dialogue in public emergency services in a changing environment*, available in English, French and Spanish.