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Collective Bargaining in the Public Service in the European Union

Sectoral
Policies
Department

Collective Bargaining in the Public Service in the European Union

*Working papers are preliminary documents circulated to stimulate
discussion and obtain comments*

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List of Acronyms

ARAN	Agency for Bargaining Representation of Public Administration, Italy
BET	Interest Reconciliation Council of Internal Affairs, Hungary
CEACR	ILO's Committee of Experts on the Application of Conventions and Recommendations
dbb	German Civil Service Federation
EPSU	European Public Service Union Federation
EU	European Union
Eurofound	European Foundation for the Improvement of Living and Working Conditions
HEF	Armed Forces Interest Reconciliation Forum, Hungary
ILO	International Labour Organization
IMF	International Monetary Fund
JSC	Joint Staff Committee for the Civil Service, Cyprus
KEF	Interest Reconciliation Forum of Public Service Officials, Hungary
KOMT	National Labour Council of Civil Servants, Hungary
KS	Norwegian municipal employers' association
LO	Norwegian Confederation of Trade Unions
NHS	National Health Service, UK
NPM	New Public Management
PASYDY	Pancyprian Public Servants' Trade Union Cyprus
PRBs	UK pay review bodies
SECTOR	Sectoral policies Department, ILO
SKL	Swedish Association of Local Authorities and Regions
TdL	Employer Association of German States
ver.di	United Services Union, Germany
YS	Norwegian Confederation of Vocational Unions

Preface

Social dialogue, including collective bargaining, is one of the core enabling principles of the ILO's decent work agenda. It should form part and parcel of the regulation of labour relations in the public sector. Dialogue and bargaining can and should be key contributors to public sector efficiency, performance and equity. However, because competing interests can be involved, neither dialogue nor collective bargaining is conflict-free. If governments and public sector unions are to be encouraged to bring these dynamics into public sector work, where industrial peace carries a special premium in the public mind, then considerations of conflict management must be uppermost. This is more relevant than ever in times of fiscal consolidation and austerity measures.

The *Manual on Collective Bargaining and Dispute Resolution in the Public Service* (2011) sought to offer a compilation of good practices in dispute prevention and dispute resolution in public services. Its intention was to showcase an array of mechanisms, mostly interconnected, that governments and social partners around the world have developed to minimize and resolve disputes – and especially interest disputes in collective bargaining – in the public services. The manual has been received warmly among ILO constituents and beyond, and it has been translated into 10 languages so far.

The Global Dialogue Forum on Challenges to Collective Bargaining in the Public Service, held in Geneva on 2-4 April 2014, concluded with a recommendation that the Office carry out research on the diversity of practices in social dialogue, in particular collective bargaining, in different countries. Such research should provide countries with knowledge to improve their own practices, enable improved responses to situations of crisis and to address obstacles in the ratification of Conventions Nos. 151 and 154.

Building upon this foundation and on the mandate of the Forum, the ILO's Sectoral Policies Department (SECTOR) presents a compilation of practices in collective agreements in the public service in the European Union. This selection shows how the principles of Convention No. 151 have been implemented through legislation and/or collective bargaining. SECTOR trusts that these pages will contribute to a constructive engagement of worker organizations and government employers in this regard.

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1. Introduction

Collective bargaining in the public service is excluded from the fields in which the European Union complements Member State activities, according to Articles 152 and 153(5) of the Treaty on the Functioning of the European Union. For this reason, the practices differ widely from one country to another. The wages are set on the basis of national practices, and the main variance in wage setting is the mechanisms established for decision making.

Twenty-three of the 28 countries use some form of negotiation to determine working conditions and/or wages. Five governments take all decisions in this area unilaterally. Fourteen countries have mixed systems, in which both laws and collective bargaining agreements apply. According with the European Commission, in the European Union there are five major groupings within which countries set wages similarly, while every country also has its specific features.¹ The following table generally classifies each country according to the form of wage determination:

Country	Established by law	Established by decree	Negotiated/ consulted (level)	Minimum wage
Nordic countries				
Denmark			Sectoral	
Finland			Sectoral	
Norway			Sectoral	
Sweden			Sectoral	
New Public Management countries				
Cyprus	X	X	Sectoral	X
Italy			Industry	
Ireland	X		Sectoral	X
Netherlands	X		Sectoral	X
United Kingdom				X
Central European countries				
Austria			Sectoral/regional	
Belgium		X		X
Germany	X		Sectoral	X
Slovenia	X		Sectoral	X
Luxembourg			Undertaking	X
Government-centred countries				
France	X	X	Sectoral	X
Greece	X			

¹ European Commission: *European Economy, Government wages and labour market outcomes*. Occasional Papers No. 190 (April 2014), p.11.

Malta	X		Sectoral	X
Portugal		X	Sectoral	X
Spain		X	Inter-sectoral	X
Eastern European countries				
Bulgaria		X	Sectoral	X
Croatia			Sectoral	
Czech Rep.	X		Sectoral	X
Estonia		X		X
Hungary	X			X
Latvia	X		National	X
Lithuania	X		National	X
Poland	X			X
Romania	X		National	X
Slovakia	X		Sectoral	X

2. Nordic countries

These countries show a strong orientation of collective bargaining, but decentralization and coordination prevail at national level including public and private sector. Certain sectors take the lead in the annual bargaining rounds and usually other sectors follow these agreements. The main common characteristics of the public sector that were found in this group are: union density and high employment in the sector. None of these countries have a statutory minimum wage.²

2.1. Denmark

Pay and working conditions are usually established in collective agreements and not by legislation. These negotiations cover wages, pension, rules on working hours, dismissals, rules for workers representatives, participation, continued training, maternity leave, child care days, etc. Public sector bargaining mostly takes place at the central level between the public authorities and large bargaining coalitions of the public sector unions. At the municipal level, social dialogue was reinforced with a permanent forum that works with the participation of the elected chief negotiators even between collective negotiation rounds. The Danish central collective agreement for the national public service is negotiated and signed by the Government Employer's Authority (*Personalestyrelsen*), an independently managed body within the Ministry of Finance.

The armed forces and the police are covered by the same rules concerning freedom of association and the right to collective bargaining. However, those employees who are civil servants do not have the right to strike. Collective bargaining takes place when the previous agreement is about to expire. These agreements normally have a duration of two or three years and are renewed on 1 April of the final year of the agreement.

² Ibid.

Collective bargaining takes place within negotiation bodies. The legislation does not regulate how social partners conduct their negotiations. The Act on Conciliation in Industrial Disputes, last amended on 20 August 2002, aims to conciliate the parties, especially in connection with the renewal of collective agreements. There are two negotiation bodies at the regional and municipal sectors: the Danish Association of Local Government Employees' Organisations and the Health Confederation. The employers are represented by the Danish Regions and Local Government Denmark. The state sector is represented by the Ministry of Finance. Within the framework and general agreements, the single unions negotiate more special and detailed conditions.³

Minimum wages are set in practice by collective agreements at sectoral level. The macroeconomic and fiscal policy inputs to this process come from other parts of the Ministry of Finance, while both the Government Employer's Authority and the trade unions may contribute comparisons with salaries in the private and local government sectors. The final agreement must be approved by the Minister of Finance. The affordability restrictions are set by budget allocations, which take the national collective agreement into account.⁴ The main goal of the so-called 'New Wage' was to devise a public-sector pay system in which aggregate pay would consist of four separate pay components:

- A basic wage fixed at centralized level
- A supplementary amount negotiated at decentralized and/or centralised level based on job-function (special areas of work, responsibility, etc.)
- A qualifications allowance (education/further training, experience, etc.); and
- A component based on results/performance (i.e. efficiency), to be agreed at decentralised level.⁵

2.2. Finland

Under the Act on Collective Agreements for State Civil Servants, the negotiation authority of the state or branch of government recognizes the public servants' association that will negotiate and sign the corresponding collective agreement, based on the representativeness of the public servants' association and the degree of organisation where the group of public servants in question are concerned. The parties to the Finnish negotiation system are highly stable, and changes are relatively rare. Changes primarily stem from changes in the system of organisations, in connection with the organisation of employee groups or trade unions merging or splitting. The Finnish negotiation system discourages multiple unions representing the same group of staff, which promotes centralisation of the organisational structure.

The Finnish central collective agreement for the national public service is negotiated and signed by the Government Employer's Authority of the Ministry of Finance and comprehensive representation of each personnel group. The mandate and

³ Government of Denmark: *Reports on unratified Conventions and Recommendations 2013-14*.

⁴ OECD: *The Public Sector Salary System in Slovenia*, OECD Public Governance Reviews (2012).

⁵ C. Jørgensen: "Denmark: Wage formation" (Eurofound, 2009).

authorisation of the general government negotiating party, the employer, to act as a negotiating and contracting party are grounded in the law and decrees issued under it. Likewise, the validity of collective agreements for public servants is based on the Act on Collective Agreements for State Civil Servants.

Contract clauses pertaining to the validity of agreements are an established part of collective agreements for public servants and other collective agreements concluded by contracting parties. Collective agreements have been concluded primarily for a fixed term, by agreement period. After the end of an agreement period, the agreements may remain valid for one year at a time unless they are terminated in accordance with contract clauses regarding termination.⁶

The broad income policy agreement between the government and all relevant social and economic actors sets limits for acceptable wage increases in each economic sector, including the national service and the local public service sector. Salary negotiations follow.⁷ As a result, on June 2015 the Trade Union Confederations agreed to extend the 2013 national agreement (covering both Municipal and Central Government sector) on pay for another year, and settled also to keep the latest pay rises at a very low level so as to boost the ailing Finnish economy.⁸

2.3. Norway

Collective bargaining coverage in the public sector is 100%, and basic agreements are negotiated jointly with all the union confederations. The basic agreement for central government is signed by the union confederations Unio and Akademikerne, and LO Stat and YS Stat, the groupings of unions representing these employees in the Norwegian Confederation of Trade Unions (LO) and the Confederation of Vocational Unions (YS). Similar arrangements apply to the basic agreement with the municipal employers' association (KS). These basic agreements are negotiated every four years.⁹

There is no statutory minimum wage for public servants. Funds are set aside in central negotiations to finance undertaking-level agreements. In 2014 the trend-setting trades' estimated pay increase of 3.3% this year has been emulated by other sectors, including the public sector, and the ability to coordinate wage-bargaining across sectors has been stronger than previously. The public sector unions failed to secure their original goal of higher increases to compensate for lower wage drift in 2013 (and the years before 2013). However, if wage increases in the manufacturing sector exceed the 3.3% estimate, public sector unions have secured an option to match this in the 2015 bargaining round.¹⁰

⁶ Government of Finland: *Reports on unratified Conventions and Recommendations 2013-14*.

⁷ OECD: *The Public Sector Salary System in Slovenia*, OECD Public Governance Reviews(2012).

⁸ H. Jokinen: "JHL reaches accord on new collective agreements in Municipal and Central Government sectors", 1 July 2015. Available at: http://www.jhl.fi/portal/en/jhl_info/news/?bid=5369.

⁹ worker-participation.eu: "Collective Bargaining". Available at: <http://www.worker-participation.eu/National-Industrial-Relations/Countries/Norway/Collective-Bargaining>.

¹⁰ K. Alsos: "Norway: Two-year wage deals renegotiated" (Eurofound, 2014).

2.4. Sweden

All employees in the public sector are covered by central collective agreements. The central government does not intervene in the negotiations in the public sector. A basic collective agreement was signed in 2014, which is the basis for the employees' right of codetermination in addition to the Civil Service Disputes Act, the Civil Service Act and the Working Environment Act among other statutes. The Agreement mandates the signing of separate "adjustment" agreements both in clusters of agencies and in individual agencies, depending on the need.¹¹ This agreement sets out in detail how these agreements should be drawn. First, "[e]mphasis shall be given to arrangements whereby the employees, through their unions, are able to exercise genuine codetermination at the different levels of the agency, and in such a way that they are able to participate in the decision-making process as early as practically possible."¹² Second, it includes an exhaustive list of mandatory subjects.¹³ Third, the resulting agreement must "lie within the employer's sphere of authority" and "within the framework of the budget resolution . . . or within the framework of [the employer's] budget authorit[y]," as well as "subject to and in accordance with the regulations or the priorities laid down for the agency by the competent ministry or, by authority, by the agency itself."¹⁴

As a result, there are 130 separate collective agreements in public administration. Since 1997, Sweden has a system of pattern bargaining where the "industrial agreement" for blue and white collar workers within the manufacturing sector serves as the benchmark for sectoral agreements that are to follow. The 2007 sectoral agreement between the Swedish Municipal Workers' Union (Kommunal) and the Swedish Association of Local Authorities and Regions (SKL) covers more than 400,000 workers, more than any other agreement on the Swedish labour market. The agreement covers some of the lowest paid jobs in the Swedish economy and most employees are female (about 16 per cent male employees, varying slightly over the years). The main occupations are within basic services such as child care and health care.

The minimum wage is negotiated as part of the collective agreements at sectoral level between social partners. In normal years the wage part of the agreement has three main components. First, it stipulates a minimum wage. This minimum wage is so low that it only is paid to about 10 per cent of young first-time employees and it has no direct impact on the wages of incumbent workers or older entrants. Second, some agreements establish the lowest wage increase which is payable to all incumbent employees. This minimum amount is typically far below the average wage increase. Finally, it stipulates a mandatory average rate of wage increases which should be calculated according to the

¹¹ Basic Agreement for the Civil Service, Secs. 2.2 and 3.

¹² Ibid., Chapter 2, Section 3 ("The planning of codetermination in individual agencies").

¹³ Mandatory subjects of bargaining include budget proposals; redefinition of posts; building projects; the agency's plans and plans for disposition of an adopted budget (plan of operations); options relating to procurement and distribution of equipment and utilities involving all forms of capital goods, including the requirements specification on which an offer is based; the implementation of adopted training plans for which money has been granted; setting up of work plans (duty sheets, duty rosters and the like); matters subject to section 7-2 (2) of the Work Environment Act, which will be the subject of discussion pursuant to the Basic Agreement and which the parties to the adjustment agreement agree shall be dealt with according to the rules laid down in these agreements; reallocations between salary costs and other operational costs; and any other subject if one of the parties requests discussions arguing that it has a significant impact on working conditions. Ibid., Section 12 ("Discussions").

¹⁴ Ibid., Section 13 ("Negotiations").

number of full-time equivalent employees on permanent contracts. This average should be distributed over all employees according to local, in principle individualized, bargaining. Wages cannot be different for staff on temporary contracts.¹⁵ The formal relationship between sectoral agreements and final wages differ greatly between sectors. In contrast to many other countries, public sector wages are set with an element of individual bargaining within all major agreements. National wage scales were abandoned throughout the Swedish public sector in the early 1990s.

3. New Public Management (NPM) countries

This group has many of the features of the Nordic group, although not as strong. Undertaking-level bargaining dominates.¹⁶

3.1. Cyprus

According to the Constitution and Rules of the Joint Staff Committee for the Civil Service (JSC), employment relations in the public sector are regulated by “schemes of service” agreed between the government and the Pancyprian Public Servants' Trade Union (PASYDY) and approved by parliament and not collective agreements. Collective bargaining and wage raises in the semi-public sector informs wage raises in the public sector.

There is no distinction between negotiable and non-negotiable subjects. Joint consultations are conducted within the JSC regarding all general principles on recruitment, promotion, working hours, leave, holidays, health care, discipline, pay and other economic benefits and any other matters affecting terms and conditions of service of public officials,. Three additional JSCs cover government industrial workers; technical school, basic and secondary education teachers; and members of the Police Force. Local government employees are covered by the main public sector agreement, where representatives from districts and municipalities are involved, and local negotiations are then limited to minor matters.¹⁷ To facilitate the consideration of any matter by the Council of Ministers, a special Ministerial Committee may be recommended, composed of three ministers (Ministers of Finance, Minister of Labour and Social Insurance, and Minister of Justice and Public Order). The Ministerial Committee undertakes a liaising role between the Joint Staff Committee and the Council of Ministers.¹⁸

¹⁵ T. Eliasson and O. Nordström Skans: "Negotiated wage increases and the labor market outcomes of low-wage workers: evidence from the Swedish public sector" (2014).

¹⁶ European Commission: *European Economy, Government wages and labour market outcomes*. Occasional Papers No. 190 (April 2014).

¹⁷ European Public Service Union Federation: “Cyprus Country profile”.

¹⁸ Government of Cyprus: *Reports on unratified Conventions and Recommendations 2013-14*.

Cyprus adopted the NPM with the active collaboration of unions, which nevertheless argued that the government wage bill was adequate.¹⁹ Wages are set at sectoral and undertaking levels with no national statutory minimum wage, except in nine specific occupations (sales staff, clerical workers, auxiliary, health services, early childhood education, schools, security guards, caretakers and cleaners). This minimum wage is set annually by the government in consultation with social partners, and enforced by decree.²⁰

3.2. Ireland

The employment relationship of central government employees is regulated by a mixture of legislation and collective bargaining which takes place predominantly at the national (peak) level. National pacts also regulate the employment relationship of central government employees – notably pay.²¹ Pay bargaining for local government is conducted at national level with the Local Government Management Services Board. This represents all local government employers in Ireland and also includes representation from the central government Department of the Environment. Bargaining on other conditions such as health and safety, leave, hours flexitime and sick leave are conducted on a sectoral basis.²²

Collective bargaining in the public services, as elsewhere in the economy, is now conducted within the parameters of social partnership agreements. The largest change to industrial relations in central public administration in 2009 was the breakup of the national level social partnership system and the move to public sector wide bargaining. In 2013, faced with impasse in the talks to renew the Croke Park Agreement, the government signed a series of bilateral agreements with public sector trade unions within the new framework of the public sector stability agreement (2013–2016), better known as the Haddington Road Agreement. In February 2015, the government established a Low Pay Commission modelled after its UK counterpart; in April 2015, the government invited the Irish Confederation of Trade Unions to discuss ways to phase out Section 2B of the Financial Emergency Measures in the Public Interest Act 2009, which allowed it to reduce wages unilaterally.²³ However, the Public Service Transformation initiatives have been launched without consulting public servants organizations.²⁴ On 29 May

¹⁹ M. Constantinou-Miltiadou: “New Public Management in Cyprus: Introduction, Adoption and Implementation of NPM, the Relationship Between the Public and Private Sector”, Doctoral Thesis, University of Leicester (2015).

²⁰ C. Aumayr-Pintar, J. Cabrita and D. Foden: *Wages: A working conditions and industrial relations perspective* (Eurofound, 2013).

²¹ T. Dobbins: *Industrial Relations in the Public Sector- Ireland* (Eurofound, 2008).

²² European Federation of Public Service Unions: “Ireland - collective bargaining” (2010).

²³ Irish Government News Service: “Minister Howlin invites the Public Services Committee of ICTU to discussions” (28 April 2015); see also, R. Farrelly: “Ireland: Industrial relations in central public administration- Recent trends and features” (Eurofound, 2014).

²⁴ Irish Government News Service, “The Taoiseach and the Minister for Public Expenditure and Reform launch The Civil Service Renewal Plan – A vision and three year action plan for the Civil Service” (30 October 2014).

2015, the parties signed the Public Service Stability Agreement for 2013-2018, known as the Lansdowne Road Agreement, which includes wage increases in 2016 and 2017.²⁵

For instance, the new national agreement, ‘Towards 2016’, sets the pay rates of civil servants, and also sets out a modernisation and change agenda – which civil servants are expected to cooperate with. This modernisation agenda encompasses more open recruitment, more competitive merit-based promotion procedures, performance management measures, attendance management pension reform.

The pay of civil servants is also regulated by the Public Service Benchmarking Body, whose task is to benchmark the pay of public servants with private sector comparators. The first public service benchmarking review awarded public servants average pay increases of 8.9% overall. For civil servants, top civil servants were awarded almost 14%, while some of their lower-ranking colleagues received just over 6%. A second benchmarking review is now underway, and it is to issue its findings in 2007. A separate pay body, the Review Body on Higher Remuneration in the Public Service, sets the pay of senior civil servants, as well as other top public servants.²⁶

3.3. Italy

The structure of collective bargaining in the public sector as a whole was established in 1993, partly amended in 1997, and more widely reformed in 2009. The unilaterally implemented Brunetta reform (Legislative Decree No. 150/2009) and an agreement between the government and the main trade union confederations (April 2009) aligned the bargaining structure in the public sector to the private sector model. Managerial and non-managerial staff have separate negotiation processes leading to separate collective agreements; but the bargaining structure is similar. There are 20 agreements covering non-managerial staff and 16 covering managerial staff. Each agreement has a duration of 3 years both for normative and wage issues, instead of the previous duration of 4 and 2 years respectively. These agreements examine the expected inflation rate based on an indicator elaborated by the EU statistical system, adapted to the Italian economic conditions.

Collective bargaining in the public service follows a two-tier structure. The main level is the national, sectoral level where national collective agreements are reached in each of no more than 4 sub-sectors covering non-managerial staff and 4 covering managerial staff. The precise number and composition of these bargaining units has to be decided by an agreement between the Agency for Bargaining Representation of Public Administration (ARAN) and the representative trade union confederations. Above these two bargaining levels there is a higher level where ARAN and representative trade union confederations negotiate agreements regulating matters that regard two or more sub-sectors (i.e., telework; flexible employment contracts; etc). At this level, the number and composition of the bargaining units are also decided before the start of each national level bargaining round.

Negotiations have started in 2010, but did not reach an agreement because the government froze national level collective bargaining between 2010 and 2014. As a result, all national level collective agreements currently in place for the central public

²⁵ Available at: <http://www.impact.ie/wp-content/uploads/2015/05/LRA1.pdf>.

²⁶ Dobbins, *Op. Cit.*

administration belong to the previous bargaining system.²⁷ In June 2015, the Constitutional Court ordered the government to reinstate negotiations.²⁸

The second level of bargaining is the almost universally decentralized, single employer level at individual administrative units (municipalities, universities, regions, departments, etc.). The national contracts establish which social partners will bargain at the local level, as well as the issues to be bargained (presently, economic conditions related to work and the evaluation system and workplace safety and security), the amount of resources available, and the procedures and controls.

ARAN reports that each national contract refers to a “compartment” that is made up by a group of administrations, such as Ministries, Fiscal Agencies, Schools, Regions, Research Entities, Universities, National Health Service, Public Entities, etc. During a bargaining, Directives are received from the “sector committee” which is the body that represents each compartment. These Directives must first be approved by the Government and set the objectives that have to be achieved through bargaining. They also fix the resources and set the guidelines that have to be followed in terms of working conditions. ARAN cannot sign the final contract without the Audit Court certification. The local agreements are also subject to approval of the Board of Auditors, which verifies the compliance of the local contract with the law and the national contract.²⁹

Italy adopted the NPM precepts more closely than France, especially in the 1997–2007 period.³⁰ There is no minimum wage legislation. Inter-confederal agreement provides maximum level of pay increase that has to be agreed in industry level. The Brunetta reform changed the wage system from seniority-based to production-based: however, in May 2012, an agreement signed with the trade unions and the participation of the municipalities, modified in various aspects the original reforms.

3.4. Netherlands

The Dutch central government sets a financial framework for the negotiations, and a statutory minimum wage is set by government twice a year. In 1993, decentralized collective negotiations and labour agreements were established for eight public subsectors such as central government, municipalities and education. This number later expanded to 14. There is a separate representation of relevant public sector employers for each agreement. On the workers’ side there are a limited number of unions, mostly represented in all negotiations. In 2011, 25 per cent of civil servants were union members. Of the current 2.3 million public sector employees, one million are covered by

²⁷ L. Bordogna: “Italy: Industrial relations in central public administration – Recent trends and features” (Eurofound, 2014).

²⁸ D. Colombo and M. Rogari: “Consulta: stop al blocco contratti Pa,” *Il Sole 24 Ore*, 25 June 2015. Available at: <http://www.ilsole24ore.com/art/notizie/2015-06-25/consulta-stop-blocco-contratti-pa-100528.shtml?uuiid=ACI1baG>.

²⁹ S. Gasparini: “The Italian experience”, presentation to the Meeting of the European Public Administration Network (EUPAN) Directors General and TUNED (December 2014).

³⁰ L. Bordogna and S. Neri: “Convergence towards an NPM programme or different models? Public service employment relations in Italy and France”, *The International Journal of Human Resource Management*, Vol. 22, Issue 11 (2011).

public sector agreements. These sectors were considered “followers of the trend”, with the central public administration agreements as their point of reference.³¹

In May 2015, the government and several public sector unions reached an agreement which included wage raises for the first time in four years. However, the Dutch Federation of Trade Unions (the largest in the country) refused to support it citing large reductions in pensions.³²

3.5. United Kingdom

Bargaining at the undertaking level prevails, and multi-employer agreements are very common in the public sector. Collective bargaining is underpinned by a universal legislative framework, which does not distinguish between employees in different sectors. Specific arrangement exists for some groups of public sector workers such as the military and police.

Separately, the Safety Representatives and Safety Committees Regulations 1977 and Health and Safety (Consultation with Employees) Regulations 1996 mandate employers to consult with employees on health and safety issues either through a trade union representative, directly or through an otherwise elected representative. The duties of such a representative may include entering into a collective bargaining negotiation and agreement on health and safety standards in the workplace concerned. There is statutory negotiating machinery presently in place for police officers, fire fighters, local authority schools in Scotland, and the National Health Service (NHS).³³

There are statutory obligations placed upon all employers with regards to pay- the most important of which is the National Minimum Wage (NMW). The National Minimum Wage Act 1998 stipulates minimum pay rates for adult and young workers, reviewed annually, and it is illegal for employers to pay less than these rates. The Low Pay Commission (LPC) is an independent statutory non departmental public body set up under this Act to advise the Government about the NMW levels.

There are four levels of national minimum wage. Pay awards for many public sector workers are set by the government, based on the recommendations of independent pay review bodies (PRBs). PRBs cover groups such as NHS nursing and other staff (1.45 million employees), school teachers (450,000), NHS doctors and dentists (200,000), the armed forces (200,000) and prison officers (30,000). Pay for most of the UK’s 440,000 civil servants is set by bargaining at the level of over 200 individual departments, agencies and non-departmental bodies, conducted within the framework of central government guidance and subject to government approval. The PRBs essentially set national pay rates, although since 2003 they have been required to take account of regional and local factors in their recommendations. In cases such as pay rates for teachers and prison officers, there is now a degree of regional variation through the use of zonal pay bands. Some civil service bargaining units have also introduced geographical pay zones with differing rates. The process has gone furthest in the courts

³¹ ILO: *Public Sector Shock: the impact of policy retrenchment in Europe* (Geneva, 2013).

³² Robbert van het Kaar: Netherlands: “Collective bargaining breaks through gridlock in public and construction sectors” (Eurofound, 2015); EPSU: “Union refuses to sign deal with government” (14 August 2015).

³³ Government of the United Kingdom: *Reports on unratified Conventions and Recommendations 2013-14*.

service, where local pay rates were introduced in 2007.³⁴ The unions opposed further expansion of the local pay rates.

The wage in public service is also established by collective agreements. The United Kingdom sets bargaining parameters and adjustments of budget allocations after bilateral negotiations between the Treasury (i.e. the ministry responsible for the budget) and individual budget users. The *ad hoc* nature of these negotiations and the fact that they are spread over a time period has led to inconsistencies in the public salary structure. In addition, salary increases for selected groups, such as teachers and medical staff, are based on the recommendations of independent pay boards; this has also contributed to a lack of coherence in the public sector salary structure.³⁵

4. Central European countries

This group of countries is characterized by intermediate levels of trade union density. They have many features of sector-level collective bargaining, but governments can set wages unilaterally in some cases. There are certain elements of decentralisation, but it is not a common practice. Public employment rates are average for the EU.³⁶

4.1. Austria

As regards the legal status of public employees, a distinction must be made between civil servants (*Beamte/Beamtinnen*) and staff employed on a contractual basis (*Vertragsbedienstete*). Determination of conditions of employment in the public sector by agreement is only permitted where this is provided for in law. It is typical, however, for the rights and duties of civil servants to be established by law or ordinance.³⁷ The legal status of contract employees is similar to that of workers or employees in the private sector, but the terms of employment are governed by separate laws.³⁸ Hence, for both types of employment, duties and remuneration are largely determined by legislation. For employees in the *Länder*, municipality groupings and municipalities, the provisions of the laws of the respective *Länder* apply.

Apart from the terms and conditions of employment for civil servants and contract employees, there are also, to a lesser degree, terms and conditions of employment based on general labour law. These conditions are partly based on collective agreements.

Similarly, there is a “secondary social partnership” featuring negotiations between the territorial units as employers and the public service trade unions as employees. In

³⁴ M. Carley: “Government seeks local pay rates in public sector” (Eurofound, 2012)

³⁵ OECD: *The Public Sector Salary System in Slovenia*, OECD Public Governance Reviews (2012).

³⁶ European Commission: *European Economy, Government wages and labour market outcomes*. Occasional Papers No. 190 (April 2014)

³⁷ For example, the Civil Service Act 1979 (BDG) (BGBl. No. 333/1979, as amended by BGBl. I. No. 140/2011); Pensions Act 1965 (PG) (BGBl. No. 30/1965, as amended by BGBl. I. No. 140/2011); Salaries Act 1956 (GehG) (BGBl. No. 54/1956, as amended by BGBl. I. No. 140/2011).

³⁸ For example, the Contract Employees Act 1948 (VGB) (BGBl. No. 86/1948, as amended by BGBl. I. No. 140/2011).

accordance with this political culture shaped by social partnership, regular and comprehensive negotiations are held with representatives of the public service trade unions regarding conditions of employment for public employees – contract employees and civil servants- before any legislation is adopted. In this connection, no provision is made in the Federal Employee Representation Act for participation by the employees. Since departmental staff representative bodies cannot have any influence on salary and remuneration issues, it is the interdepartmental public service unions that have this active role.

The staff representative body deals only with internal matters. Its mandate, according to the provisions of the Federal Employee Representation Act, is to defend and promote the professional, economic, social, cultural and health-related interests of employees. In performing this task, it seeks to ensure the observance and implementation of the laws, ordinances, agreements, regulations, decrees and instructions that apply to employees. Since departmental staff representative bodies cannot, for example, have any influence on salary and remuneration issues, it is the interdepartmental public service unions that have this active role.

At the level of the *Länder* and municipalities, employee representatives have rights of participation with regard to issues of: public service employment law; the introduction of different working methods; key issues of employment law; transfers, terminations and dismissals; changes in duties; and the allocation of staff accommodation (for example Sec. 10 of the Vorarlberg Land Employee Representation Act; Sec. 10 of the Vorarlberg Municipal Employee Representation Act; Sec. 39 of the Vienna Employee Representation Act; §15 Styria Land Employee Representation Act; and Sec. 10 of the Styria Municipal Employee Representation Act).

There is no statutory minimum wage, and the collectively agreed minimum wage is established by a grading system. Wage increases in public sector are negotiated each year in an informal way.³⁹ A new payment scheme introduced the concept of seniority, consisting of the time worked as a (contractual) public servant; additionally, some previous periods worked for official authorities, and up to ten years relevant work experience in the private sector are considered. The details of these laws are being negotiated with the unions at the time of writing.

4.2. Belgium

There is a nation-wide detailed trade union statute providing for procedures in public service labour relations. The 1974 framework Act “organises relations between public authorities and the unions of officials” and the 1984 royal decree implements the framework Act. The statute applies to ministries and public institutions at federal, regional and local government level. It does not apply to the police, the military, the autonomous public enterprises and the French-speaking broadcasting agency. It provides for the working of a multitude of negotiation and consultation committees. The negotiation committees are subdivided into general committees, sector committees and the special committees. The general committees are the committee for all public services (Committee A), the committee for federal, community and regional public services (Committee B), and the committee for provincial and local public services (Committee C). Committee A discusses matters of common interest for all public services, similar to the bipartite National Labour Council and the Higher Council for Prevention and

³⁹ Aumayr-Pintar et al.: *Ob. Cit.*

Protection at Work for the private sector. Every two years negotiations take place in the A-committee on intersectoral social planning.

Sector committees deal with matters of special interest to the sectors, and have become especially significant in the course of the state reform that has transformed Belgium from a decentralised unitary state into a fully-fledged federal state. The reform of 1988/9 allowed community and regional governments to adopt their own terms and conditions, albeit within a framework of general principles adopted by royal decree. Committee B negotiates only matters of common interest to the federal administration.

Each local government has its own special negotiation committee. The organisation of consultation committees is closely linked to the organisation of the negotiation committees. Each sectoral or special committee has a higher consultation committee: there are also intermediate consultation committees and basic consultation committees.⁴⁰

There is a dedicated system for establishing wages in the public sector. Besides indexation, protocols are signed on an increasingly irregular basis and by government level (federal, regional, local). These protocols are implemented through state regulation. Whatever the level, the principles remain largely the same: the union must have the ability to verify the classification process.

The national bargaining committee has a limited impact on the field of the classification of functions, but sets the guidelines that govern sectoral negotiations. In the last decade, two of these guidelines were important: (a) the attention paid to the societal relevance (such as gender neutrality) of occupational classifications and (b) the proposed legal measures to fill the gaps. Since its creation, occupational classification is fundamental as it determines the minimum wage, and is always present in the collective agreements.⁴¹ Sectoral classifications (and thus the scales associated with them) follow the lines of separation of joint committees. The distinction between contractual workers and civil servants is also followed consistently, even within the same sector. Sectoral classifications are always based on benchmarks.⁴²

Salaries are subject to negotiations between authorities and officials of trade unions, although contrary to the private sector, no real collective labour agreement is concluded on the subject, and it does not always lead to wage increases or changes in status. Each authority in the Belgian civil service is to a large extent autonomous in terms of wage policy, but the underlying philosophy differs little from one authority to another. The formation of the wages of federal employees serves as a model for other public authorities and institutions.

The financial status of federal public servants is governed by the Royal Decree of 29 June 1973. They are divided into five levels, determined by the nature of the function.

⁴⁰ K. Nomden: "Labour Relations in the Belgian, French, German and Dutch public services," Paper presented to the permanent study group on personnel policy of the annual conference of the European Group of Public Administration (September 2001). No substantive amendments have been made to the bargaining procedures since 2001.

⁴¹ Decree of 9 June 1945.

⁴² General Confederation of Liberal Trade Unions of Belgium: "The weighting functions and classification functions" (2011). Available at: http://www.slfp.eu/sites/default/files/Brochure_Functieclassificatie_2011_FR.pdf.

These levels normally require a particular academic degree, and passing an accession test after working sufficient time at the lower level.⁴³

4.3. Germany

Trade unions and employers associations can legally conclude collective agreements, which is strong at sectoral-level. Wages and other conditions for civil servants are set by law. In Germany there are two categories of public service workers: *Beamte* (civil servants) and public employees (*Beschäftigte des öffentlichen Dienstes*). Wages and other conditions for work for civil servants are set out by national and local law. Civil servants have the right to participate in the setting of their employment conditions (*Beteiligungsgerecht*), but this is limited to apex organizations who can lobby Parliament. Civil servants do not have the right to strike. German law technically does not provide for civil servant's salary, but calls for the lifelong alimentation of civil servants and their families, corresponding to the status and duties of their post. Public employees, on the other hand, engage in collective bargaining on conditions of work. This has led to a split between conditions of work between 1.7 million civil servants and the estimated 4.6 million public employees.

The most recent collective agreement was finalized on 28 March 2015 between the Employer Association of German States (TdL) and the two main public unions, the United Services Union (ver.di) and the German Civil Service Federation (dbb). The agreement covers a number of public employees, including teachers, social workers and public transport workers. Inter alia it provides for a 2.1% increase in wages as of 1 March, and another 2.3% as of 1 March 2016. In some German states (Bavaria, Hamburg, Rhineland-Palatinate), the conditions of collective agreement of public employees have been applied to civil servants. Baden-Württemberg will do so in the future, and four other *Länder* are considering the measure. Seven *Länder* have excluded the possibility of an extension of the collective agreement.⁴⁴

4.4. Luxembourg

The employment conditions of state officials and employees are determined by statute and regulation. To the extent that the legislative and regulatory procedures do not involve negotiation with the trade unions, the Government does not have to negotiate with unions on employment conditions, but in practice the Government does enter into negotiations with the most representative union regarding the reforms it intends to launch in the public service, and also concludes every two to three years a wage agreement with such union. Moreover, the amended Law of 4 April 1924 provides that the union should be consulted regarding all the laws and orders which mainly concern public officials and employees.⁴⁵ Negotiations between the Government and union representatives are not limited to a particular field, but can cover all matters affecting the status and careers of State employees. Most of the bargaining is at the level of the undertaking. Staff representatives may also:

⁴³ National Museum van: "Wages and Hours of Work" (2010). Available at: <http://www.nbbmuseum.be/doc/seminar2010/fr/bibliographie/salaires/duree.pdf>

⁴⁴ G. Bosch, L. Mesaros, G. Schilling and C. Weinkopf: "The public sector pay system and public procurement in Germany, National report" (IAQ, University of Duisburg November 2012).

⁴⁵ Article 43bis, paragraph 3.

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- Provide advice regarding proposed changes to the personnel system and the regulations governing the organization and operation of services, from the stage of development;
 - Make proposals for improving working conditions, organization, restructuring and rationalization of services ; and
 - Propose measures to ensure safety and prevent accidents.⁴⁶

Public sector salaries, allowances and salaries are established by index points. The annual value of 100 index points was determined by the modified law of 22 June 1963, which established the numerical value of the salaries of civil servants; value currently corresponds to 2,796.42 euros for pensionable elements and 2,647.94 euros for non-pensionable pay elements. Furthermore, Article 11 of the law of 22 June 1963 on the pay of state employees provides for periodic adaptation to changes in the cost of living. The index of the cost of living as of 10 January 2013 was 775. 17.⁴⁷

4.5. Slovenia

The Collective Agreements Act⁴⁸ regulates collective bargaining in both public and private sectors. The government negotiates collective agreements covering state bodies, administrations of local self-governing communities, public agencies, public funds, public institutes, public commercial institutes and other legal persons in private law, if they are indirect users of the state budget or budgets of local self-governing communities. There are different levels of bargaining, defined in the Law as “broader” and “narrower”. A collective agreement at a narrower level can include rights and working conditions which are different or less favourable to employees only if authorized by a collective agreement at a broader level. Collective agreements can have a definite or indefinite duration, and the Act prescribes the procedures for bargaining, for registration of the agreement, and for dispute resolution.

The collective bargaining system is compulsory and rather formal: negotiations take place several times per year, depending on the subject (pay, working conditions and working time, absence arrangements, redundancy terms, training and a range of procedural issues such as dispute resolution, trade union facilities and information arrangements). The governmental bargaining group is represented by several governmental offices, agencies and ministries, while public sector employees are represented by over 20 trade unions, so trade unions have been a rather stable negotiating partner for the past decade.

The Law on the Pay System in the Public Sector was adopted in July 2005 and required a Collective Agreement for the Public Sector to come into effect, which occurred in July 2007. The latter presents a basic framework for sectoral collective agreements. In September 2008, a new public sector pay system for about 155,000 public sector employees came into effect after seventeen collective agreements were

⁴⁶ Government of Luxembourg: Reports on unratified Conventions and Recommendations 2013-14.

⁴⁷ Grand-Duché de Luxembourg: *Portail de la fonction publique*, available at: <http://www.fonction-publique.public.lu/fr/carrieres-remunerations/parametres-calcul-remuneration/>

⁴⁸ No. 001-22-52/06 (2006).

concluded: the Collective Agreement for the Public Sector, the Collective Agreement on a common methodology for the placing of orientation jobs and titles into pay grades, thirteen sectoral agreements and two company collective agreements.⁴⁹ In December 2014, a new collective agreement was signed.⁵⁰

The Wage for public servants is established through a basic salary grade into which the post is classified and 65 additional grades, with a 4% increase between grades. Each post belongs to a salary group and subgroup, with a range of salary grades for each wage subgroup. Each post also has a tariff group that reflects difficulty, education and training required for the position, with a minimum salary established through collective agreements. There are also several Bonus supplements as follows: position bonus; length on service increment; mentorship; specialisation, masters or PhD; bilingualism; disadvantageous working conditions; dangers; working during less convenient hours.⁵¹

Under the Public Sector Wage System Act, the amount of funds for wages for an individual budget year shall be stipulated in financial plans in accordance with the number of affected civil servants, their basic wages including anticipated promotions, the amount of funds for performance-related pay and the amount of funds for bonuses pursuant to acts of law, implementing regulations and yearly collective agreements. Wage reductions were agreed with the unions in December 2014.

5. Government-centered countries

These countries have centralised mechanisms led by the government, implemented through laws or national or inter-sectoral agreements. Union density varies, and public employment is below the EU average.⁵²

5.1. France

The Act on renewal of social dialogue in the public sector⁵³ entered into force in 2010, with the exception of local governments where it applied since 2014. The Act extended the scope of the collective negotiations to include wages and purchasing power, the conditions and organisation of work; career pathways and professional advancement; vocational training and continuing education; social protection, security and health at work; and issues around gender equality. The agreements are concluded at different levels, and agreements signed at a lower level, may only clarify or improve a higher level agreement. All trade unions with at least one seat on the advisory bodies relevant to the subject covered by the negotiation may participate in the negotiations. According to the European Foundation for the Improvement of Living and Working Conditions (Eurofound), “[t]he law represents a shift in the rules governing public sector employees

⁴⁹ Š. Skledar: “Slovenia: Industrial relations profile” (Eurofound, 2014).

⁵⁰ Sta: “Most Health Care Unions Against Public Sector Pay Deal” (5 December 2014).

⁵¹ OECD: *The Public Sector Salary System in Slovenia*, OECD Public Governance Reviews, (OECD 2012).

⁵² European Commission: European Economy, *Government wages and labour market outcomes*. Occasional Papers No. 190 (April 2014).

⁵³ Act of 5 July 2010.

so that they converge with those in the private sector.”⁵⁴ At the same time however, collective agreements in the public sector did not become legally enforceable so those parts of the unilateral system that benefited the state remained intact.⁵⁵

The Act was adopted pursuant to the Bercy agreements concluded on 2 June 2008 between the Ministry of the Public Service and six of the eight representative organizations of the public service. The Act creates a Joint Public Service Council responsible for examining draft legislation relating to the three main branches of the public service (state administration, local government and the hospital service). It also established from 2013 the principle that an agreement will be valid if it is signed by unions representing an electoral base of more than 50 per cent of voters. This system will cover the main fora for dialogue in the public service, among them the technical committees, joint administrative commissions, and national consultative committees. In addition, the Law expands the scope of negotiation in the public service to all subjects, beyond purely wage matters, and specifies the criteria for determining the validity of an agreement (number and level of representativeness of the signatory organizations, absence of opposition from organizations which have received the majority of votes in the latest occupational elections, etc.).

The Act was supplemented by an implementing Decree of 17 February 2012, published in the Official Journal on 17 February 2012, which redefines the exercise of trade union rights in the state public service. *Inter alia*, it amends the rules governing union representativeness, union meetings and working hour arrangements granted to union organizations. Union representativeness is now based on the results of elections to technical committees.

The newly created Joint Public Service Council is chaired by the minister responsible for the public service or his or her representative, and is composed of representatives appointed by the public servants’ organizations; representatives of the administrations, state employers and public institutions; representatives of local government employers, including the president of the Higher Council of the Local Public Service, appointed by the representatives of the municipalities, departments and regions to the Higher Council of the Local Public Service; and representatives of public hospital employers appointed by the most representative organizations of the hospital service.

The situation is different in public enterprises, where enterprise agreements have been recognized by law since 1982 as a means of supplementing statutory provisions or specifying the manner in which they are to be given effect. Nevertheless, the Council of State has confirmed that agreements covering personnel who are recognized as public employees cannot modify the statutory rules applicable to them. Collective agreements may determine the conditions of employment and work and social benefits for other categories of personnel not covered by specific legislative conditions of service or regulations, under the conditions established by the Labour Code. Moreover, the employer is under the obligation to engage in bargaining with the representative unions at the enterprise level on the procedures for the exercise of the right to organize (time off to participate in trade union meetings, conditions governing the dispensation from employment duties for permanent union officials, conditions and limits on time off for union leaders, the collection of contributions). Similarly, in the electricity and gas

⁵⁴ H. Tissandier: “Act on renewal of social dialogue in the public sector” (Eurofound, 2011).

⁵⁵ Emploi-collectivités.fr: “Grilles indiciaires: comment est calculé mon salaire” (2015). Available at: <http://www.emploi-collectivites.fr/salaire-fonction-publique>.

industries, occupational agreements may supplement statutory provisions, under conditions that are more favourable to employees, or determine the modalities for their application within the limits set out by the national conditions of service of the employees concerned. The rules established by the Labour Code in relation to collective labour agreements are applicable in these cases.

In public bodies and social security institutions, measures relating to elements of remuneration must be transmitted to the Minister concerned before any decision is taken, who then requests the opinion of the Inter-ministerial Public Sector Wage Audit Commission, chaired by the Minister of Finance. In addition to annual wage increases, the Commission examines the draft texts of agreements and conditions of service establishing permanent rules for staff remuneration.⁵⁶ The Commission only supervises 94 public entities with over ten employees including the Post, the National Railway Company, the Independent Parisian Transport Board, the Bank of France, Social Security, *Électricité de France* and *Gaz de France*, which have the largest number of employees.⁵⁷

The statutory minimum wage covers all workers, and specific minimum wages are also agreed through collective bargaining. A special government decree covers civil servants, but in addition to the basic wage, substantial wage supplements are granted. These supplements, which can be up to 40 per cent of the basic wage, are related to career development. The unions take part in bodies advising on career paths, and in practice have more influence on wage formation than the regulations suggest.

The remuneration of an employee is based on the grade and the level to which it belongs. The grid for the Public Service was created by the law of 19 October 1946 and is currently governed by Article 20 of the Law of 13 July 1983, on the rights and obligations of civil servants. The base salary depends on an index plus (IM) held by the agent. The index increased is itself a function of the level held by the agent. All state civil servants are classified in a single salary scale. The different elements used to calculate the total pay consist of a basic index in euros, a multiplier corresponding to the corps and grade, diverse benefits and indemnities relating to family situation (e.g. housing), as well as deductions, such as contributions to pension and taxes, and bonuses varying by corps. Under this system, civil servants at the same hierarchy level within the same corps in the same ministry receive the same basic pay, but cash supplements vary.⁵⁸ A compensation for the “individual guarantee of purchasing power” (GIPA) is granted under the conditions and in the manner established by the Decree of June 6, 2008. Some officials and non-permanent staff can benefit when their gross salary is less than the consumer price index over a period of 4 years. Also the guaranteed compensation, calculated on the basis of gross annual compensation, was implemented for the first time in 2008. A decree published in the Official Journal of 16 January 2014, extended its application through 2014.

⁵⁶ Decree No. 53-707 of 9 August 1953, section 6.

⁵⁷ ILO: General Survey concerning labour relations and collective bargaining in the public service, Report III (Part 1B) of the Committee of Experts on the Application of Conventions and Recommendations, International Labour Conference, 102nd Session, 2013, para. 342.

⁵⁸ OECD: *The Public Sector Salary System in Slovenia*, OECD Public Governance Reviews (2012).

5.2. Greece

The 1975 Constitution (revised on 1986, 2001 and 2008) guarantees the right of civil servants to conclude collective agreements⁵⁹, but restricts the formation of the amount of wages or any other kind of remuneration in the public sector to special provisions in the Law.⁶⁰ Collective bargaining in the public sector is regulated by the Law on Collective bargaining in the public administration, permanent status for workers employed under open-ended contracts and other provisions.⁶¹ Its provisions apply to all salaried civil servants under public-law employment relationships, including state judicial employees, employees of public entities and first- and second-level public authorities. Under this law, there are three levels of collective bargaining: a) the general collective labour agreements, which regulate the overall terms and conditions of employment of public servants, b) the individual collective labour agreements, which may regulate all issues that by their nature require more specific treatment or involve particularities and special working conditions, provided that they are not acceptable for inclusion in a general collective labour agreement, c) regulation of specific employment issues arising in a specific workplace and not involving any particular financial costs.

Collective bargaining covers a broad scope of issues concerning public servants, but the resulting texts are not considered collective labour agreements. Instead, the State or other entity will either (a) issue regulatory acts, regarding the issues that were covered by the agreement may be regulated under an existing relevant statutory authorization, or (b) initiate a respective legislative regulation of the issues covered by the agreement. Joint decisions of the Ministers of Finance and Economy, Interior, Public Administration and Decentralization and any other competent Minister regulate the details regarding collective agreements, and concerning salaries and remunerations. Similar decisions may extend all or part of these regulations to the remaining personnel of the Public Sector, of local government organizations or other legal persons (entities) operating under public law.⁶²

Under this Law, most bargaining proposals are communicated in writing by one of the sides involved to the other as well as to the Ministry of the Interior, Public Administration and Decentralisation, and the people authorised to bargain are also notified. The general collective labour agreements are signed between the most representative third-level trade union organisation and the state at the central level.

The individual collective labour agreements are drawn up for each ministry and supervised state-law entity and independent public service, or for each group of state-law entities of the same kind or group of administratively decentralized services or group of self-governing local state-law entities, following bargaining carried out among the competent state bodies and the most representative second-level trade union organisation. Finally, regulation of specific employment issues may be the subject of dialogue between the competent primary trade union organisation of the employees and the competent body representing the state in the undertaking. An agreement that has been terminated applies until a new collective agreement is signed and published.

⁵⁹ Art. 22, para. 3.

⁶⁰ Art. 80, para. 1, 2001 revision.

⁶¹ Act No. 2738/1999.

⁶² Art. 14 of Act No. 3016/2002 (OJ A 110/17.5.02), on “Implementation of collective agreements”.

The remuneration policy across the public sector is not a matter for negotiation: every year, the economic staff of the Greek government brings in a bill to establish it. Insurance issues and those relating to the method of recruitment also lie outside the scope of collective bargaining for civil servants. Nonetheless, the government engages in consultations with the economic staff about these issues. Other institutional issues like health and safety are the object of consultation between the relevant ministries to which civil servants belong and the respective sectoral workers' organisations. Since the regulations permitting collective bargaining in the public sector came into force in 1999, few collective agreements have been concluded.

The right to collective bargaining for employees in a position of subordination under private law in an enterprise, undertaking or service of the private or public sector of the economy is regulated by the Law on Free collective bargaining and other provisions.⁶³ A collective agreement is concluded every year, in which the Greek state is represented by officials of the Ministry of Economy and Finance. This collective agreement provides that the remuneration policy intended for civil servants with public-law employment relationship is extended to those whose employment relationship is governed by private law.

Since 2010, the State enacted several legislative measures to regulate conditions of work in the public sector. First, it abolished the mechanism of setting minimum standards of pay and conditions of work through the National General Collective Agreement. This also affected employees under private law contracts in the public sector, subject to the general framework concerning collective bargaining, who represented one third of all workers in the public sector. Second, it implemented a "labour reserve", which entailed an 8-month reserve with payment of 60 per cent of base salary, after which the employee would be dismissed, without any prior information or opportunity for consultation with the central trade union organizations. Third, in August 2011 it merged several public agencies and a large number of public sector workers were dismissed without prior consultation with their representatives.⁶⁴

The government abolished all collective agreements in force in the broader public sector, imposed a compulsory start to collective negotiations with a pre-defined content by law and, in some cases, obligation to conclude the collective bargaining process within a month after its commencement, failing which the terms of work are to be exclusively determined by Law.⁶⁵ The measures included an increase in the working time of public employees to 40 hours from a collectively agreed 37.5 hours, although the issue is a mandatory subject of bargaining.⁶⁶ Further reductions were planned by the Government through the implementation of a new harmonized wage scale for public sector workers which would lead to additional wage reductions without any consultation with the workers' representatives.

⁶³ Act No. 1876/1990.

⁶⁴ Act No. 4002/2011.

⁶⁵ Acts No. 3846/2010, N 4024/2011, and 4093/2012.

⁶⁶ Act No. 3979/2011.

5.3. Malta

The Employment and Industrial Relations Act covers public servants with very limited exceptions. The Act regulates the registration and conduct of trade unions in detail, but does not regulate the negotiation process other than to allow either party to request mediation regarding the establishment of the machinery for negotiation or consultation. The current Collective Agreement for Employees in the Public Service, which will expire on 31 December 2016, establishes that the negotiation of a successor agreement will begin in March 2016, and extends the effectiveness of the current one until the next one is signed.⁶⁷ This agreement is supplemented by 69 sectoral agreements, pertaining to various grades in the public service.⁶⁸ The unions may request negotiation on behalf of any group of employees not covered by sectoral collective agreements.⁶⁹ The Act (Sec. 64) establishes minimum levels of service in essential services, enforceable through tort law, and a Joint Negotiating Council for essential services (Sec. 72). It also establishes voluntary mechanisms for dispute resolution.

A minimum wage mechanism is established by law; it is increased by the “cost of living adjustment” in the public service, which transfers to the private sector. The general agreement (Appendix II) includes wage increases of 61 Euros for 2011, identical increases of between 247 and 988 Euros depending on the salary scale from 2012 to 2014, and between 247 and 1,081 Euros in 2015 and 2016.

5.4. Portugal

The principle of collective bargaining was implemented in the framework of labour relations in the public sector starting in 2009, and a collective agreement has already been signed for the general system of careers (covering careers that cross the whole public administration) and another for special medical careers, as well as 25 other agreements covering particular services or bodies. Under the legislation in force since 1998, the Government initiates a general negotiation in September of each year with the most representative trade union structures for public administration, which is expected to be completed before the state budget for the next year is voted.

It is mandatory for the parties to bargain over matters regarding the establishment or modification of salaries and other remunerations; retirement pensions; periodic payments of regular and complementary social security; the constitution and extinction of the employment relationship; the careers in the general and special regimes and those integrated into special bodies, including their salary scales, the duration and schedule of work, holidays, absences and leaves; the system of collective exercise of rights; hygiene conditions; workplace health and safety; vocational training and retraining; the disciplinary regime; the mobility scheme; the system of recruitment and selection; and classification and service arrangements.

The unions also have the right to participate in the elaboration of employment programs; the oversight and implementation of measures relating to hygiene and health and safety at work; the management of social security institutions for public servants and

⁶⁷ Art. 5.2.

⁶⁸ L. Grech: *Malta: Industrial relations profile* (Eurofound, 2014).

⁶⁹ General Collective Agreement, Art. 7.1.

other institutions which aim to address the interests of workers; amendments to the Retirement Laws; the elaboration of professional development policies for public administration; verification of the execution of economic and social measures to improve the quality of public services; management audits of public services; and the elaboration of proposals for legislative authorization of matters subject to negotiation or consultation.

During negotiations, each party may request from the other the information it considers necessary to properly exercise collective negotiation and participation rights, in particular studies and unclassified technical or statistical data, to be used as indispensable justification for their respective proposals and counterproposals.⁷⁰

However, Eurofound reports that collective bargaining in public administration deals with a very limited set of issues and has a very low coverage.⁷¹

5.5. Spain

Collective bargaining for non-statutory public employees is governed by the labour legislation. However, collective bargaining of the terms and conditions of employment of public employees is covered by the Conditions of Service and is subject to the principles (a) that it must be lawful, its outcomes are covered by the budget and (b) that it is compulsory, undertaken in good faith and is in the public domain and is transparent. For this purpose, bargaining “tables” (*mesas*) are established consisting of representatives of the public administration, on the one hand, and those of the most representative unions, on the other. In particular, a general bargaining “table” is established for the general state administration, for each autonomous community and for each local authority.

These general bargaining tables negotiate the common terms and conditions of employment of the covered public employees. Upon agreement by these general bargaining tables, sectoral tables may be established to cover the specific terms and conditions of employment in a particular sector. The Framework Conditions of Service for health service personnel, adopted in 2003, confirm their right to collective bargaining.⁷² In these bargaining tables, each party must negotiate in good faith and to provide the information required for bargaining. For a bargaining table to be validly constituted, the participating trade unions have to represent as a minimum the majority of the members of the representative bodies in each field.

In the general bargaining tables, compulsory subjects for negotiation include the implementation of pay increases for the staff, as determined by the Budget Act; the determination of supplementary compensation; the rules setting out general criteria governing access to employment, careers, job classification and human resources planning; the rules establishing the general criteria and procedures for job appraisal; supplementary social benefit plans; general criteria for the determination of social benefits and pensions; proposals relating to trade union rights and participation; general criteria for social action; the prevention of occupational risks; working conditions and

⁷⁰ Government of Portugal: *Reports on unratified Conventions and Recommendations 2013-14*.

⁷¹ C. Aumayr-Pintar, J. Cabrita and D. Foden: “Wages: A working conditions and industrial relations perspective” (Eurofound, 2013).

⁷² ILO: General Survey concerning labour relations and collective bargaining in the public service, Report III (Part 1B) of the Committee of Experts on the Application of Conventions and Recommendations, International Labour Conference, 102nd Session (2013), para. 364.

remuneration requiring provisions with the rank of law; general criteria relating to vacancies, working time arrangements, schedules, working hours, holidays, functional and geographical mobility; and the strategic planning of human resources, if the working conditions of public employees are affected.

Increases in remuneration of personnel are limited to the general increase for the overall payroll set by the general state budget. Under the new Conditions of Service, the State maintains the power to control staff costs through budgetary laws. This approach conforms to long-standing Constitutional Court precedent. Nevertheless, the parties can conclude agreements and “accords” in the bargaining tables for the determination of the terms and conditions of employment of public employees, with autonomy to determine different supplementary remuneration schemes in the various administrations. This allows a margin for decision-making so that the remuneration system established by laws on the public service of the general state administration and of the autonomous communities can adapt to specific needs.

Agreements are applied directly to the personnel concerned, whereas “accords”, which address matters relating to government bodies, have to be explicitly and formally approved by such bodies. Where “accords” address matters relating to the law, the government body with the legislative initiative has to submit draft legislation to Parliament or the assemblies of the autonomous communities in accordance with the accord within the period established by the parties. If it is not approved by the legislative body, the subjects covered are renegotiated within a period of one month if one of the parties so requests. Joint commissions are established to monitor agreements and accords, and the implementation of an accord is guaranteed except where, on an exceptional basis and for a serious reason relating to the public interest deriving from a substantial alteration in economic circumstances, the executive bodies of public administrations suspend or modify the implementation of agreements or accords that have already been concluded to the extent that is strictly necessary to safeguard the public interest. In such cases, the public administrations concerned have to inform the trade unions of the reasons for such suspension or modification.

The government regulates the Inter-professional minimum wage after consulting the most representative unions and employer organisations. The salary is composed of a basic wage, extraordinary payments, post adjustment, length of service, bonus for working during less convenient hours, indemnizations and other retributions. The basic wage, extraordinary payments, length on service and extra hours are set annually. The wages of public servants is set by these conditions:

- a. *Professional classification system*: based on professional group, functional area, category and/or specialisation.
- b. *Professional group (aptitudes)*: five groups established by the level of knowledge and experience, initiative, autonomy, responsibility and complexity.
- c. *Functional area (tasks)*: three main areas which are management and services, technic and professional or specific activities.
- d. *Specialization*: reflects education and training.⁷³

⁷³ Ministerio de Trabajo e Inmigración: Resolución de la Dirección General de Trabajo, por la que se registra y publica el III Convenio colectivo único para el personal laboral de la Administración General del Estado. *Boletín oficial del Estado*, No. 271, Sec. III, p. 95145 (12 November 2009).

6. Eastern European countries

In these countries Government generally determines wages, although in some cases it is decentralized for the local government. Low union density is found at the government sector and public employment rates are below European Union average.⁷⁴

6.1. Bulgaria

Under the Civil Servants Act, trade union organizations represent and protect the interests of civil servants in dealings with the state bodies on matters of civil-service relationships and social-security relationships by means of proposals, grievances and participation in the preparation of drafts of internal regulations and ordinances relating to civil-service relationships.⁷⁵ The European Public Service Union Federation (EPSU) reports that the government unilaterally sets the pay and conditions of civil servants and so there is limited scope for collective bargaining at this level, but collective agreements do exist at ministry and agency level.⁷⁶ In 2013, there were nine voluntary agreements for civil servants in national agencies as well as for the military and police officers related to issues such as working time, leave, and workwear,⁷⁷ but seven in 2014. The Agreement for civil service and social security relations for civil servants has been attached to the collective agreements since 2011. The main topics negotiated are employment conditions, health and safety, working time, training and retraining, vacations and holidays, social security and compensations, conditions for trade union activities, social benefits. The Agreement for civil servants including policemen and jailers also contain provisions for social dialogue and for trade union activities. The trade union representatives participate in the development of normative and internal regulations concerning labour and social rights of civil servants. In addition, issues related to labour and social security relations concerning the employees on labour contracts are negotiated, with the exception of pay and work organisation. All issues which are not covered by agreements are discussed in the Councils for Social Cooperation.⁷⁸ There were 161 collective agreements in force covering municipalities in 2011.⁷⁹

The ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) has requested the Government to amend the Civil Service Act so that the right to collective bargaining of all public service workers, other than those engaged in the administration of the State, is recognized in the national

⁷⁴ European Commission: *European Economy, Government wages and labour market outcomes*. Occasional Papers, No. 190 (April 2014).

⁷⁵ Government of Bulgaria: *Reports on unratified Conventions and Recommendations 2013-14*.

⁷⁶ EPSU, *Collective bargaining in the public services- Country Profile: Bulgaria* (2013).

⁷⁷ L. Tomev, T. Mihailova and N. Daskalova: *Bulgaria: Industrial relations profile* (Eurofound, 2013).

⁷⁸ T. Mihailova and N. Daskalova: *Bulgaria: Industrial relations in central public administration – Recent trends and features* (Eurofound, 2014).

⁷⁹ L. Tomev et al., *Ob. Cit.*

legislation.⁸⁰ A proposed bill to this effect was not approved by the Commission on Labour Legislation of the National Council for Tripartite Cooperation in January 2015.⁸¹

Wages are centrally determined. A policy for freezing incomes affected both social transfers and payments funded by the state budget since mid-2009. Increases in wages in the public sector decreased over time: by 8.5% in 2009, 6.2%, in 2010 and just 1.7% in 2011. These growth rates were a result of optimisation of the staff and annual bonuses received in some departments and not a result of the scheduled wage increases agreed in the budget.⁸²

6.2. Croatia

Sectoral centralized collective agreements determine wages for more than 70% of public service employees. According to Eurofound, “wage bargaining in the public sector is largely based on past wage developments in the economy, as observed in the official statistics.”⁸³ The General Collective Agreement for Employees in the Public Services as the only cross-sector collective agreement in Croatia. It covers 185,000 workers, which is around 22% of the total number of employees covered.⁸⁴ A widely used extension mechanism and well established bargaining in the public sector explains the high coverage rate of collective agreements, whereas autonomous bilateral dialogue is relatively weak.⁸⁵ The Labour Act binds the parties to negotiate in good faith, but not to conclude collective agreements.

Collective bargaining covers conditions of work, employment and contractual relationships. A collective agreement may also regulate the rights and obligations of parties, and may contain legal rules which regulate entry into, the contents and termination of contracts of employment, issues related to a works’ council, social security issues, and other issues concerning contracts of employment. There are no prohibited subjects of negotiation and collective agreements cover general subjects, like amendments to the Annex to the Agreement on basic salaries in the public service, as well as individual rights of public employees such as salary, bonus, Christmas bonus, and gifts for children. Upon request from a party of a collective agreement, the relevant Minister may extend the application of collective agreements to other parties, or to those who subsequently joined the bargaining unit.

When more than one trade union or higher-level trade union association represent workers in the area covered by a collective agreement, the employer representative may

⁸⁰ Observation (CEACR) adopted 2013, published 103rd ILC session (2014), re Convention No. 98 – Bulgaria.

⁸¹ Minutes of the meeting of the Commission on Labour Legislation of the National Council for Tripartite Cooperation, 19 January 2015; Podkrepa Bulgarian Confederation of Labour: *Opinion of the "Podkrepa" in the draft Law amending the Law on Civil Servants*, 23 February 2015.

⁸² L. Tomev et al: *Ob. Cit.*

⁸³ P. Bejaković and I. Klemenčić: *Croatia: Industrial relations profile* (Eurofound, 2014).

⁸⁴ H. Butkovic: “Croatia: Representativeness of the European social partner organisations in the cross-industry social dialogue” (Eurofound, 2014).

⁸⁵ P. Bejaković and I. Klemenčić: *Croatia: Developments in collectively agreed pay* (Eurofound, 2013).

negotiate only with a bargaining committee composed of representatives of these trade unions. The usual practice is that the parties sign a protocol before the start of collective bargaining. Coordination and arrangements for meetings have been guided since 2003 by agreements between the negotiating teams, and often through the Government Office for Social Partnership, the usual ways of business communication.⁸⁶ Public health sector employees paid from the funds of the Croatian Health Insurance Fund can only bargain collectively with a bargaining committee appointed by the Government, under a 2015 amendment to the Act on Representativeness of Employer Associations and Trade Unions.⁸⁷

6.3. Czech Republic

The Labour Code (Sec. 4b) states that the terms of collective agreements can deviate from the Code where it does not expressly or implicitly forbid so. The basic differences between the scope of collective bargaining in the public and the private sector are the following:

- a. it is impossible to shorten working hours (Sec.79(3));
- b. working time accounts cannot be implemented (Sec.86(2));
- c. possibility of partial unemployment does not apply (Sec. 209(1));
- d. length of leave of absence is 5 weeks instead of four (Sec. 213(2));
- e. mandatory creation of fund for cultural and social needs; and

The conditions for establishing wages are mandatory, and the parties can only deviate from these conditions or specify more detailed conditions for some components when the law allows it.

According to Sec. 8 of the Act No. 2/1991 Coll., the parties must negotiate and provide assistance to each other unless it is contrary to their legitimate interests. When more than one trade union is active at the enterprise, the employer must negotiate with all of them (Sec. 24 of the Labour Code); trade unions negotiate and act with legal consequences to all employees together and in concert, unless otherwise agreed among themselves and the employer. Parties to collective agreements also have to notify the employees on the content of the collective bargaining agreement within 15 days of its date (Sec. 26 of the Labour Code). The employer shall ensure that all its employees have access to the collective agreement.⁸⁸

A collective agreement went into effect in November 2015, including a pay increase of 3% to civil servants paid out of the state budget, including fire fighters, police officers,

⁸⁶ Government of Croatia: *Reports on unratified Conventions and Recommendations 2013-14*.

⁸⁷ European Labour Law Network: “The Act on Representativeness of Employer Associations and Trade Unions of 2014 has been amended (Official Gazette No. 26/2015)”

⁸⁸ Government of the Czech Republic: *Reports on unratified Conventions and Recommendations 2013-14*.

the culture sector and labour and tax offices. The teachers' agreement included an identical wage increase.⁸⁹

6.4. Estonia

The Collective Agreements Act does not establish special modalities for employees of the public service, and applies in full capacity also to the armed forces and to the police. The only limitation is that an authorized representative of the employees shall negotiate on behalf of employees who are not represented by a trade union in an enterprise, agency or other organization. A collective agreement can be entered into by

- a. an employer and a union, federation or authorised representative of employees;
- b. an association or federation of employers and a union of federation of employees;
- c. a local government association and a union or federation of employees and officials;
- d. a central federation of employers and a central federation of employees;
- e. the central federation of unions of employees, a central federation of employers and the Government of the Republic, or
- f. between local federations of unions of employees, a federation of employers and local governments.

A collective agreement may determine wages; working conditions; rest time; conditions for suspension, amendment and termination of an employment contract, and the rules for calculating the continuous length of employment with the same employer; conditions and procedure for layoffs and guarantees in the event of layoffs; occupational health and safety; vocational training, in-service training and re-training, and assistance to the unemployed; guarantees and compensation which the parties consider necessary; procedures for monitoring the performance of the collective agreement and providing necessary information; procedures for amendment and extension of the collective agreement, and for entry into a new collective agreement; additional liability for non-performance of the collective agreement; the procedure for submitting demands of employees and employers in the event of a collective labour dispute; the terms which regulate other relations between the parties to the collective agreement.

6.5. Hungary

Laws regulate the terms and conditions of employment in the public service. In addition, provisions that define the terms and conditions of employment may be set forth in government decrees for sectors, and in ministerial decrees and commander orders for service and military service relations. The employer's instructions may also determine the terms and conditions of employment. Civil servants may engage in collective bargaining at the workplace, as a result of which some of the terms and conditions of

⁸⁹ Prague Daily Monitor: *Public sector employees' pay to rise by 3%*, 16 September 2015; "Teachers' salaries to rise by 3% next year." Available at: <http://praguemonitor.com/2015/09/16/public-sector-employees-pay-rise-3>; <http://praguemonitor.com/2015/08/31/teachers-salaries-rise-3-next-year>.

employment may be regulated by collective agreements. there is also a Council of Civil Servants for each workplace. The agreements can cover some issues concerning the terms and conditions of employment within the framework of the applicable legal regulations. Apart from civil servants, public service employees may not conclude collective agreements.

National, status-determined intersectoral and sectoral consultation (interest conciliation) fora exist at national, sectoral, regional and local level .

In the National Public Service Interest Reconciliation Council (Hungarian abbreviation: OKET), the Government consults with national trade union federations and confederations that represent employees of the public sector and with the national interest representation organisations of employees of the public sector and with the national interest representation organisations of local governments. OKET provides an institutional framework for the national social dialogue and agreements on remuneration and wage policy, and labour and employment issues concerning all public employees and helps enforce the right to express opinion of interest representation organisations.

Other status dependent national, intersectoral and inter-ministerial interest representation fora for discussing living, working and employment conditions of public employees include:

- The National Labour Council of Civil Servants (KOMT). KOMT can request information, express its opinion and make proposals regarding civil servants and to make decisions with regard to internal matters concerning its organisation, work programme and operation.
- The Interest Reconciliation Forum of Public Service Officials (KEF) is composed of representatives of the Government and groups delegated by the national interest representation organisations of local governments, and national interest representation organisations of government officials and public servants. The issues related to the living, working and employment conditions of government officials and public servants employed in public administration fall within the competence of KEF. In issues of sector level importance concerning public service statuses, the competent ministers discuss in sectoral interest reconciliation fora.
- The Armed Forces Interest Reconciliation Forum (HEF) has a right to obtain information, express its opinion and make proposals on issues concerning professional, contracted, voluntary and reserve soldiers, as well as civil servants, public service employees of the armed forces. The parties can conclude non-binding agreements.
- The Police Interest Reconciliation Council discusses interests of the parties in law enforcement agencies.
- The Interest Reconciliation Council of Internal Affairs (BET) can make proposals, express opinions and serve as consultation body for the internal affairs sector. There are also several sectoral interest reconciliation fora in that domain, including:
 - the Police Interest Reconciliation Council,
 - the Disaster Management Interest Reconciliation Council, and

-
- the Reconciliation Council of Prison Administration.

Their activities are defined in the agreements concluded by the parties establishing them.

The minister responsible for each sector of the civil service and the national interest representation organisation of local governments, discuss issues of industrial relations having importance on sectoral level with trade unions representative in the relevant sector, sub-sector or branch. The discussions take place in sectoral interest reconciliation fora, specific to the characteristics of the different sectors:

- Interest Reconciliation Council of the Cultural Sector,
- Interest Reconciliation Council of Health Sector,
- Interest Reconciliation Council of Higher Education,
- Interest Reconciliation Council of Public Education, and
- Interest Representation Fora for Local Governments.

Labour issues related to public servants and government officials are managed by public servant interest reconciliation at the workplace.⁹⁰

Military and law enforcement personnel have the right to establish trade unions, but only information rights. The laws recognise no collective bargaining, elected workplace representation (participation), or the right to strike. A 2012 report summarizes their conditions as follows:

Collective bargaining and contracts are in some cases replaced by agreements, which in their substance are conform to the definition of collective bargaining, but which are not recognised by Hungarian law as contracts, i.e. their enforcement may not be imposed by a court. Furthermore, the law does not deal with the collective disputes emerging in the course of these negotiations, which means that there are no regulated collective dispute settlement procedures either.⁹¹

The same study found that KEF's predecessor (ÖKET) exercised no influence in practice or voice over the laws reshaping public administration and public services. In the public sphere trade union coverage is somewhat above 20%, but the coverage of organisation level collective agreements in the public health sector is 85%, despite the lack of a sectoral collective agreement.

In 2013, the wage level of the public sector was 20 per cent below the private sector for people of the same gender, age and educational attainment. A 2014 study described the wage determination system as follows:

⁹⁰ Government of Hungary: *Reports on unratified Conventions and Recommendations 2013-14*.

⁹¹ E. Berki, L. Neumann, M. Edelényi and K. Varadovics: "Public Sector Pay and Procurement in Hungary-National report", National Report for the European Commission project 'Public sector pay and social dialogue during the fiscal crisis', coordinated by the European Work and Employment Research Centre of the University of Manchester (2012).

For government civil servants the remuneration range ran from –20 per cent to +50 on a performance basis (in the ministries and the prime minister’s office, the maximum is +30 per cent). The salaries of office workers with lower qualifications are set by the office chief and must be as high as the guaranteed wage minimum for skilled staff but may not exceed six times the “base salary”. The other considerations for setting the basic salary must be set down in the public service regulations of the given administrative unit. The wage of a public service employee can be set between the minimum wage and ten times the average national economy-wide gross monthly wage for the previous year.⁹²

6.6. Latvia

Civil servants and armed services staff are not covered by the Labour Law. Other public employees have collective bargaining rights, but all main issues concerning employment in the central government institutions are prescribed by laws and regulations. In ministries where bargaining exists, the topics of negotiation are some aspects of working time, work organisation, job security and employment protections.⁹³

Employees covered by the Labour Law can exercise the defence of their social, economic and occupational rights and interests directly or indirectly through trade unions or other elected employee representatives. Employee representatives may:

1. request and receive from the employer information regarding the current economic and social situation of the undertaking, as well as regarding possible changes;
2. request information and consult with the employer before the employer takes decisions affecting the interests of employees, in particular if they substantially affect work remuneration, working conditions and employment in the undertaking;
3. take part in the determination and improvement of work remuneration provisions, working environment, working conditions and organization of working time, as well as to have access to workplaces;
4. hold meetings of employees in the premises of the undertaking;
5. monitor how regulatory enactments, the collective agreement and working procedure regulations are being observed in employment legal relationships.

A Cabinet Regulation establishes a procedure to elect trusted persons for a “trusted persons committee”, and the rights of its members.⁹⁴ Trusted persons represent employees’ interests in labour protection issues, while authorized representatives of employees are elected also in other cases, if there is no trade union in the company. The government asserts that these committees do not limit the rights of the employees’

⁹² Fazekas Károly and Neumann László (eds.): *The Hungarian Labour Market 2014* (Szerkesztette).

⁹³ K. Karnitis: *Industrial relations in the public sector – Latvia* (Eurofound, 2008).

⁹⁴ Cabinet Regulation No. 427 on “Procedures for the Election of Trusted Representatives and the Activities Thereof” (September 17, 2002).

organizations.⁹⁵ However, the European Committee on Social Rights reached in 2014 the following conclusion:

[C]ollective negotiations in the public sector are promoted within the activities of the National Tripartite Cooperation Council (NTCC), and . . . a number of important labour issues are examined in this context. These negotiations refer to remuneration aspects (with due regard for the applicable legislation) . . . [but] even if civil servants are involved and consulted in the process of conclusion of collective agreements through their representatives, the decision concerning the possible conclusion of a collective agreement is taken by the head of the responsible administration exclusively. . . . [T]he situation in Latvia is not in conformity with Article 6§2 of the 1961 Charter on the ground that the voluntary negotiations are not sufficiently promoted in practice.⁹⁶

The European Public Service Union Federation, in turn, indicates that higher level collective agreements are more like policy documents, dealing with questions of social partnership, rather than binding agreements on employment conditions.⁹⁷

6.7. Lithuania

Civil servants are covered by the Labour Code, which defined public employers' representation at sectoral level only in June 2014, paving the way to more centralized collective bargaining. Art. 5(1) of the Civil Service Law regulates collective bargaining, indicating that "The collective agreement may include the following conditions:

1. office (working) time and rest time of civil servants;
2. creating safe and healthy working conditions;
3. remuneration for work;
4. procedure for the implementation of the collective agreement;
5. improvement of professional qualifications;
6. exchange of information and consultations between the parties; and
7. other conditions which are not contrary to the valid legal acts and do not make the position of civil servants less favourable.

Any additional conditions cannot involve budget allocations. Under the 2014 amendments to the Labour Code, bargaining should finalize before the Ministry of Finance prepares the State budget proposal and the Bill of financial indicators of municipal budgets. Public sector employers are represented by the government or an institution authorised by the government, and sectoral collective agreements also require a decision from the Ministry of Finance.⁹⁸ The maximum term of a collective agreement

⁹⁵ Government of Latvia: *Reports on unratified Conventions and Recommendations 2013-14*.

⁹⁶ European Committee of Social Rights: *Conclusions XX-3 (2014) (Latvia)*.

⁹⁷ EPSU: "Collective bargaining in the public services Country Profile: Latvia".

⁹⁸ I. Blaziene and R. Zabaraskaite: "Lithuania: Right to strike and public sector social dialogue" (Eurofound, 2 September 2014).

in the public sector is three years. Under the Code, the Government determines the minimum wage for different sectors, upon recommendation by the Tripartite Council. The civil servants are covered by the law.⁹⁹

6.8. Poland

Under Article 239 (3) of the Polish Labour Code, collective agreements shall not be concluded for Members of the civil service corps, Employees of State offices employed by nomination and appointment, persons employed under a service relationship and others, excluding the majority of public sector employees. Moreover, Article 240 (4) of the Polish Labour Code states that collective agreements for employees of State budget entities and territorial self-government budget establishments may be concluded only within the scope of financial means available to them, including remuneration fixed under separate provisions. Multi-establishment collective agreements can be signed by a competent government or self-government administration body in lieu of employers' organisations (which are practically non-existent, in particular in the public sector). Most multi-establishment agreements functioning in Poland were negotiated through this mechanism.

Soldiers cannot join trade unions, but can establish representative bodies of professional military officers to represent their interests in matters that relate to the conditions of service and social security and to present any issues affecting the morale of professional soldiers to their direct superiors that cannot be settled within the military unit. They may present these to the higher representative body, submit comments and suggestions relating to legal solutions (including draft laws) regulating the service of professional soldiers and the activity on the military unit to competent commanders, and represent professional soldiers before the Minister of National Defence, other public authorities, non-governmental organisations and the mass media.

Since 2009, the maximum amount of the basic remuneration of officials of self-governing entities is specified by regulations rather than ordinances, and such regulations can be replaced by a collective agreement. The national minimum wage is set annually by a Tripartite Commission including the wage setting growth indicator for companies and the public sector. Trade unions participate in the bargaining process. The wage in public sector is regulated by law.¹⁰⁰

6.9. Romania

Collective bargaining is stipulated by Law No. 62/2011 and special legislation.¹⁰¹ Collective agreements in the 'budget sector institutions' may contain clauses about employment conditions such as the work program and rest, working conditions, safety and health at work, vocational training, as well as other rights that are the subject of collective bargaining. Wages and other compensations are not subject to collective bargaining, but regulated by Law No. 284/2010 on setting staff salaries paid by public funds. Economic rights can be negotiated under certain conditions, within the approved

⁹⁹ Aumayr-Pintar et al.: *Ob. Cit.*

¹⁰⁰ *Ibid.*

¹⁰¹ Acts No. 188/1999 and No. 833/2007.

budget for the institution. Governmental Decision no. 833/2007 on collective agreements provides the normative framework and organization of social dialogue in public institutions, with the participation of public officials in the joint committees, and to conclude collective agreements.

Joint committees are consulted in the preparation of measures to improve the performance of authorities and public institutions, to provide training for public servants if the cost is covered by the budget funds, and other situations. Joint committees provide advisory opinions, verify compliance with agreements between unions or other representatives of public officials and the authorities and public institutions, and submit monthly reports on compliance with agreements concluded under the law.

Apart from collective bargaining, there are social dialogue joint committees and commissions for permanent consultation of representatives of public employees and public officials on normative initiatives and administrative measures.¹⁰²

In 2006, the CEACR requested the Government “to take any necessary measures to amend section 12(1) of Act No. 130/1996 so that it no longer excludes from the scope of collective negotiations base salaries, pay increases, allowances, bonuses, and other entitlements of public service employees. . . . [and] to take the necessary steps to amend Act No. 188/1999 so as not to restrict the scope of subjects for negotiation in the public administration, in particular those normally pertaining to conditions of work or employment.”¹⁰³ However, collective bargaining agreements were cancelled between 2008 and 2012, and some previously agreed economic clauses were ignored.

In 2009, a new public sector union federation was formed and more than half the public servants participated in a strike. A 2010 pay reduction was later voided by court order. In 2011, the CEACR requested that the Government indicate “if Law No. 330/2009 on Unitary Salaries of the Staff Paid from Public Funds is considered as an exceptional measure within the context of an economic stabilization policy, if adequate safeguards were established in order to protect workers’ living standards and if it provides for a limited length of application.”¹⁰⁴ The International Monetary Fund (IMF) and the European Commission urged the government to guarantee that any amendments to comply with the CEACR’s request “ensure that public sector wage developments are aligned with productivity and budgetary prudence.”¹⁰⁵

State employees were one of the categories most seriously affected by the legislative modifications operated in 2011. Law No. 118/2010 diminished by 25% the gross quantum of salaries and financial rights owed to state employees, while Law No. 285/2010 increased them by 15% for the month of October 2010. Also, the government limited the possibility of such employees to submit any financial rights to collective negotiation. Article 138 of the Law on social dialogue bar clauses referring to financial rights or in kind rights in collective agreements concluded with state employees, other than those stated by current legislation for the respective category of personnel. The wages of public employees are established by law within specific limits which cannot be

¹⁰² Government of Romania: *Reports on unratified Conventions and Recommendations 2013-14*.

¹⁰³ CEACR: Case No. 2632 (Romania).

¹⁰⁴ Observation adopted 2010, published 100th ILC session (2011), Convention No. 98 – Romania.

¹⁰⁵ IMF and European Commission, “Romania: Draft Emergency Ordinance to Amend Law 62/2011 on Social Dialogue, Joint Comments of European Commission and IMF Staff” (October 12, 2012).

modified through collective agreements. Wage levels can be determined through collective negotiations covered by special laws, but only within the legal thresholds established by those laws.¹⁰⁶

In 2012, the government increased wages by 8 per cent, without negotiation; signed an agreement at the Ministry of Interior/trade unions level, covering several substantive matters but not wages;¹⁰⁷ six collective agreements covering public sector institutions; and one sectoral agreement for the pre-university education.¹⁰⁸ In July 2013, Act No. 248/2013 reorganized the Economic and Social Council and expanded its scope.

In November 2014, social workers received wage increases through collective bargaining,¹⁰⁹ and the government agreed to pay public servants 1.2 Billion Euros to comply with the previous court order.¹¹⁰

The national minimum wage is set by law at national level after government had consultations and negotiations with the national trade unions and employer confederation.¹¹¹ It was raised on 1 January 2014 and on 1 July 2014, but public employees did not receive any other wage increases,¹¹² which compressed the public sector wage scale.¹¹³ Currently, public administration staff earn between RON 900 (EUR 202) and RON 1,900 (EUR 426) monthly, according to union representatives.¹¹⁴ A new wage increase of 15% is expected in 2016.

6.10. Slovakia

The Act on collective bargaining, the Labour Code and the Act on civil service regulate collective bargaining in central public administration. Collective bargaining can take place at the sectoral and local, company levels. The Act on collective bargaining also defines mechanisms for the resolution of labour conflicts related to the collective bargaining. There is some limitation of the subjects of collective bargaining for civil servants and public servants working in organisations of the central public

¹⁰⁶ L. Chivu, C. Ciutacu, R. Dimitriu, and T. Țiclea: “The Impact of Legislative Reforms on Industrial Relations in Romania” (ILO, 2013).

¹⁰⁷ Agreement No. 4257 of 12th March 2012. See, European Committee of Social Rights: “Conclusions on the application by Romania of the European Social Charter” (2014).

¹⁰⁸ L. Chivu et al.: *Op. Cit.*

¹⁰⁹ European Public Service Union Federation: “Unions make breakthrough with agreements in social services”, (14 November 2014). Available at: <http://www.epsu.org/a/10935>.

¹¹⁰ *Romanian Insider*: “Romanian state could pay due salaries to state employees who won in court”, November 2010. Available at: <http://www.romania-insider.com/romanian-state-could-pay-due-salaries-to-state-employees-who-won-in-court/135342/>.

¹¹¹ *Ibid.*

¹¹² European labour Law Network: “New normative acts on wages have been adopted”, November 2013.

¹¹³ IMF: “Romania 2015 Article IV Consultation—Staff Report; Press Release; and Statement by the Executive Director for Romania”, IMF Country Report No. 15/79

¹¹⁴ *Romanian Insider*: “Public sector wages, a disaster, says Romanian Prime Minister”, February 2015.

administration. However, multi-employer collective agreements for civil servants can contain clauses to reduce working time; increase wage tariffs, paid holidays and severance pay; and establish discharge benefits for retiring employees. The scope of local collective bargaining is specified in multi-employer collective agreements.¹¹⁵

The Collective Bargaining Act covers public employees under the same conditions as other workers. Five collective agreements were in place in the state and public sector (state service, public service, state organisations, self-governing regions) in 2012, covering 362,183 public servants.¹¹⁶ The Collective Bargaining Act specifies four types of collective agreements:

- a. company collective agreements, between the respective trade union body and the employer who is also a service office;
- b. collective agreements of a higher degree, covering a large number of employers between the respective higher trade union body and the organisation or organisations of employers;
- c. collective agreements of a higher degree, between the respective higher trade union body and the employer who is the state; and
- d. collective agreements of a higher degree covering employers who, as regards remuneration, proceed in compliance with separate regulation between the respective higher trade union body, representatives authorised by the government and representative employers' proxies.¹¹⁷

A collective agreement of a higher degree must contain a designation of the sector for which it is concluded. The collective agreement mentioned in paragraph (c) above must have the same starting date as the National Budget Act. However, if it is not signed during the relevant calendar year and a service office collective agreement under paragraph (a) above has lapsed, the effectiveness of the latter collective agreement is extended until the successor collective agreement of a higher degree enters into force. Upon request by one or both parties and on certain conditions (e.g., if it covers a larger number of employees in the sector than any other agreement), the Ministry may extend such higher level collective agreement to all employers and employees within the sector, with the final decision being taken by the government following discussions in the tripartite consultative committee. The Act also prescribes the procedures for bargaining, for registration of the agreement, for dispute resolution and strikes or lockouts. Civil servants are allowed to strike with very specific exceptions.¹¹⁸

If social partners do not come to an accepted offer about minimum wage, it is proposed by the Ministry of Labour. A statutory minimum wage is established by law. In October 2013, the government and trade unions agreed to increase the wages of public

¹¹⁵ L. Cziria: "Slovakia: Industrial relations in central public administration – Recent trends and features" (Eurofound, 2013).

¹¹⁶ Council of Europe: *Fourth National Report on the implementation of the European Social Charter submitted by the Government of the Slovak Republic* (2013).

¹¹⁷ Act No. 2/1991, as amended.

¹¹⁸ Government of Slovakia: *Reports on unratified Conventions and Recommendations 2013-14*.

sector workers by 2% in January 2014.¹¹⁹ On 30 March 2015, the government and public sector trade unions met for the first time to begin bargaining on the changes of the salary system in the public sector.¹²⁰

7. Conclusion

The examples in this paper show that countries with no national minimum wage have high collective bargaining coverage, so the great majority of workers are protected by collective agreements; however, trade unions are usually deeply involved in determining even statutory minimum wages. This is usually a public debate which gives unions the opportunity to influence wage setting mechanisms.¹²¹ Despite much press exposure of unilateral arrangements, social dialogue and collective are quite vibrant in the EU member states' public services.

The European Commission launched reform initiatives after the financial crisis with the goal of “ensuring that wage settlements in the public sector support the competitiveness efforts in the private sector (bearing in mind the important signalling effect of public sector wages)”. The IMF in 2014 concluded that “[h]istorical (1979–2009) and recent (since 2009) episodes of public wage bill reduction are similar in many respects, especially the frequency with which measures targeted the average wage vs. the number of employees. The main difference is that there has been less social dialogue in the recent episodes. . . . [E]pisodes with social dialogue tend to have lower increases in public employment and similar reductions in the average wage.”¹²² Also, the IMF found in 2012 that “[a]ctivity over the past few years has disappointed more in economies with more aggressive fiscal consolidation plans,” because “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.¹²³

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,¹²⁴ while critics countered that public services were a crucial element in economic and social development.¹²⁵ 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.

¹¹⁹ “State employees to get €16 more”, *The Slovak Spectator*, 14 October 2013.

¹²⁰ European Labour Law Network: “Wages in the public sector”, 23 April 2015.

¹²¹ ILO: “Social justice and growth: the role of the minimum wage,” in *International Journal of Labour Research*, Vol. 4. Issue 1 (2012).

¹²² L. Forni and N. Novta: “Public Employment and Compensation Reform During Times of Fiscal Consolidation”.

¹²³ IMF: *World Economic Outlook October 2012*, p. 43.

¹²⁴ A. Behar and J. Mok: *Does public-sector employment fully crowd out private-sector employment?* (IMF, 2013).

¹²⁵ S. Bach and A. Stroleny: *Social dialogue and the public services in the aftermath of the economic crisis* (King's College, 2013). Available at: <http://www.kcl.ac.uk>.

It must be clarified that 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.¹²⁶

¹²⁶ D. Hall: *Why we need public spending* (PSIRU, 2010).