



# Industrial relations in central public administration: Recent trends and features

## Executive summary

### Introduction

This report maps current developments in industrial relations systems in the central public administration sector across Europe, covering all EU Member States except Croatia, which joined the EU in mid-2013. The present study is based on data collected through the network contributing to the European Industrial Relations Observatory, which comprises experts from the EU Member States and Norway.

It is important to acknowledge that the sector in Europe is characterised by a high degree of variety in definition, nature and functions performed. In the current report, as in Eurofound's 2013 study on *Working conditions in central public administration*, the central public administration sector is defined as:

*'... those central government departments or ministries that carry out planning, management and coordination functions rather than public-service delivery functions.'*

The report examines formal industrial relations processes within central public administration, including the organisation of unions and employer representatives, the role of collective bargaining and consultation, and the specific features of central public administration in terms of both industrial relations processes and outcomes.

It also looks at reforms to formal industrial relations processes that have taken place since 2008, including reforms to collective bargaining, the changing balance of negotiation versus unilateral imposition of change by the employer, and the responses of trade unions to this. Finally, the report addresses, as much as possible, the role of social partners in determining the outcomes for employees of recent austerity measures targeting areas such as wages, job security, working time and pensions.

### Policy context

Across Europe in recent years, central public administration has been subject to multiple organisational reforms, and this process is ongoing in several countries. The recent austerity measures in many countries have primarily targeted the public administration sector, and in particular central public administration. Moreover, across Europe, reforms had been implemented even before the crisis, aiming at long-term structural changes.

The nature of central public administration is so specific that the existence of formal industrial relations systems should not be taken for granted. It is not always clear that there are formal industrial relations processes – or even what are the distinctive features of industrial relations – in central public administration.

In most countries, there is considerable scope for the implementation of unilateral decisions by lawmakers. Collective bargaining and consultation with worker representatives are not universal, and employer associations are rare. On the other hand, in many countries, the central public administration is subject to many of the same formal industrial relations practices as the rest of the public sector. The vast majority of countries have some form of collective bargaining and consultation governing wages or other aspects of employees' working conditions.

The specific features of the industrial relations practices and outcomes in the sector depend on how central public administration is defined – whether it is seen as being distinct from the rest of the public sector or not. In countries where it is considered to be part of the wider public sector, there are no separate collective agreements, consultative bodies, unions, or employer structures. In other countries, there may be

distinct processes governing industrial relations in the central public administration and broader public sector, but the government can still achieve the same concessions from workers in both. The question of central public administration distinctiveness is therefore a complex one.

## Key findings

- Social dialogue in the sector is well developed in many northern European countries but remains under-developed in central and eastern Europe. On the union side, fragmentation exists in a minority of countries where there is competition between trade unions in the sector, either within the workplace or at a national confederal level.
- The machinery of formal industrial relations has undergone profound change in several countries. There are few signs of strengthened collective bargaining, but several cases of continued or intensified government unilateralism.
- The environment in which trade unions operate has become more challenging, even in countries where collective bargaining and consultation structures are strong and stable.
- Since 2010, the central public administration sector has been extensively reduced. Although the downsizing began in most countries in the 1990s, this has accelerated as a reaction to the crisis. Downsizing has taken the forms of recruitment freezes, redundancies, privatisation, and mergers between government agencies.
- The status of central public administration workers has been eroded. The numbers with special, legally anchored civil servant status have reduced; these are being replaced by employees employed under private labour law.
- Austerity measures have had a significant impact on the pay and terms and conditions of workers in central public administration. The majority of countries have experienced pay restraints, pay freezes or pay reductions.

- Even when some form of negotiation on pay freezes or cuts and pension reform has been pursued by government, the overall result is an imposition of changes (although sometimes accompanied by flexibility in their implementation). There is little evidence that trade unions or formal industrial relations processes have been able to counter these trends.
- The quality of social dialogue has deteriorated in central public administration as a result of austerity. Where austerity is most severe, social dialogue is under the most acute strain, with the majority of measures being imposed and not negotiated.

## Conclusions

Across Europe, developments in industrial relations systems in central public administration continue to build upon the distinctiveness of the sector.

Recent developments accentuate the difficulties for social dialogue in central public administration. Social partners' organisations have remained quite stable: there have been few mergers of trade unions and no mergers of employers' organisations, and only a few examples of new trade unions being created to represent central public administration workers.

Strengthening of social dialogue has become the exception rather than the rule. The majority of governments are committed to using legislation to determine pay and working conditions. The impact of austerity measures has resulted in a weakening of the social dialogue process in central public administration in most countries.

The deteriorating quality of social dialogue is not only a result of reactions to the current crisis – the trend could be considered structural as it was apparent prior to 2008 in many countries that are currently experiencing little or no austerity. While the social partners are actively responding to the crisis at the European level, their actions have yet to halt these worrying trends at the national level.

### Further information

The report *Industrial relations in central public administration: Recent trends and features* is available at <http://www.eurofound.europa.eu/eiro/studies/TN1307019S/index.htm>

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