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**Tripartite responses
to the economic crisis
in the principal
Western European countries**

Jacques Freyssinet

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DIALOGUE

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the principal Western European countries**

Jacques Freyssinet¹

**Industrial and Employment
Relations Department
International Labour Office • Geneva
October 2010**

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Foreword

The current world economic crisis is a genuine test of the capacity of governments of all countries to mobilise the actors and institutions involved in tripartite social dialogue, with a view to countering its impact on workers and their families, and on enterprises, and to hastening economic recovery. The Global Jobs Pact adopted by the International Labour Organisation in June 2009 teaches us that social dialogue and tripartism are key elements in any national strategy to attenuate the crisis and its impacts.

This working document written by Jacques Freyssinet examines the tripartite responses to this crisis that have emerged in the principal countries of Western Europe. The paper was delivered at the high level Forum on “Negotiating out of the crisis” organised by the International Training Centre of the ILO in Turin, 25-27 November 2009.

Jacques Freyssinet explains that, in 2008, in response to the unfolding economic crisis, the majority of Western European countries shared two common elements of reference. Firstly, many of these countries had acquired experience of the social pacts strategy, during the 1990s. After 2007, the States of the European Union and social actors rallied around a strategy of flexicurity. An analysis of the response to the current economic crisis reveals a range of national reactions. The author ascertains that countries with a strong tripartite tradition, and those combining tripartite consultation and collective bargaining, have successfully arrived at balanced compromises in an extremely difficult economic situation calling for rapid responses. In their responses to the crisis, the tripartite actors drew upon the lessons they had learned from earlier experiences of social dialogue and tripartism.

The document further relates that by the end of 2009 – in a context of rising unemployment – the need for tripartite social dialogue had become increasingly apparent in the countries of Western Europe, despite the fact that finding the way out of the crisis, which calls for new compromises on matters of competitiveness, employment and reducing public deficits, poses a challenge to social dialogue in these countries.

I strongly recommend close study of this document which summarises the tripartite responses arrived at by the countries of Western Europe to deal with the world economic crisis, and offers telling, albeit provisional, conclusions on the nature and effectiveness of these responses.

I thank Jacques Freyssinet, Professor Emeritus of Economic Sciences at the University of Paris-Sorbonne, for agreeing to prepare this paper and present it at the Forum.

October 2010

Tayo Fashoyin
Director,
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Summary

In 2008, faced with the unfolding economic crisis, most Western European countries had at least two things in common.

- At the time of the recession in the early 1990s, many had experimented with a “social pact” strategy, and had drawn various conclusions from it. Should they resurrect social pacts of this kind in response to the current crisis?
- Since 2007, with employment rates at a historic low, the European Union member States and European social actors had been adopting a common “flexicurity” strategy. Was this appropriate to a situation likely to result in massive unemployment?

An analysis of the diversity of national responses to these questions may be facilitated by using a simplified typology that divides countries into three groups.

- In some countries with strong tripartite traditions, institutions initially played a positive role, making it possible to arrive at balanced compromises. They were then subject to growing tensions which threatened to endanger their capacity for regulation unless there was a quick end to the crisis.
- Other countries, which combined tripartite dialogue and intersectoral (or “interprofessional”, i.e. collective) negotiation to varying degrees and in varying proportions, actively mobilised these resources to tackle the crisis. Whether these processes resulted in compromises or failures, each of the actors affirmed that it remains committed to them and blamed others for any breakdown in social dialogue.
- However, the present crisis has tended to swell the ranks of countries which do not have, or no longer have, recourse to official tripartite dialogue demanding a minimum of commitment from the participants. This tendency is in many cases the result of employers opting for decentralisation in negotiations. It is sometimes accentuated by centre-right governments attached to the principles of economic liberalism.

A general reorientation seemed to emerge between the end of 2008 and early 2010, reflected in the economic strategies adopted by the various governments.

- Initially, the serious danger of a collapse of the financial system, and its dragging down the whole economic system, was perceived by all the actors concerned. It led governments to adopt emergency recovery plans which, in many countries, were broad enough to satisfy both employers and trade unions, thus facilitating bipartite or tripartite agreements on wage restraint and alternative solutions to redundancies.
- Gradually, when the worst seemed to be over, employers began to give priority to restoring competitiveness and profits, while governments sought to counteract the growth of public debt. This has resulted in confrontations over job security, wage bills, social security and Labour market flexibility. At the end of 2009, the need for tripartite dialogue seems more urgent than ever, but the possibility of achieving tripartite compromises is increasingly under threat.

Introduction

Despite a few warning voices, the seriousness of the “sub-prime” crisis, which broke out in the United States in 2007, was for a long time underestimated in Europe. On the one hand, it was seen as a financial crisis that would have little impact in the realm of productive activity; on the other, it was deemed to be a consequence of the imprudent management of American mortgage credit, and initially it was thought that it would have only a marginal effect on the financial systems of European countries. Not until the summer of 2008 did people become aware of the global nature of the financial crisis and its spill-over into the realm of production.

Placed in a position they had not anticipated and that required a rapid response, the political, economic and social actors did not have time to think up institutional innovations. They have therefore used the procedures to which they are accustomed, despite doubts as to their effectiveness in such exceptional circumstances. The relationships established at national level between governments, employers and trade unions² have taken different forms: tripartite agreements, dialogue to arrive at coherent and complementary decisions, straightforward consultation organised by governments. Simplifying, it is possible to distinguish three major types of situation:³

- some countries have tripartite institutions which function on a permanent basis or meet regularly to work towards joint or coordinated decisions;
- other countries, though not having permanent tripartite institutions, has set up procedures with the aim of establishing a connection between collective intersectoral (or “interprofessional”) bargaining, on the one hand, and public policy, on the other;
- there is a third group of countries where relations between the three actors are established pragmatically and irregularly, often on an informal basis, depending on the case in hand and the circumstances.

To highlight the contrasts between one national situation and another, we shall illustrate these three models in the light of recent experience in certain countries⁴ (sections 2, 3 and 4). Our hypothesis is that it is not possible to understand the nature of the tripartite response adopted to tackle the crisis in each country without referring to the lessons learned by the actors from their previous experience of tripartism.

However, before emphasising the diversity of national situations, it should be pointed out that the process of European construction has created, for almost all Western European countries, a common framework within which tripartite relations are heavily institutionalised. This framework has exercised a direct influence on the way in which the problems arising from the economic crisis have been dealt with in the context of tripartite relationships in each country (section 1).

² This report is limited to tripartite relations at national level. A fuller analysis is needed to take into account the way in which such relations are connected, on the one hand, with economic policy and, on the other, the other levels of negotiation or consultation (branches, regions, enterprises). For analyses relating to these different connections, see: Cazes, Verick, Heuer, 2009; Eurofound, 2009a, 2009b, 2009c (2009d); Glassner, Galgoczi, 2009; Glassner, Keune, 2010; Haipeter, Lehndorff, 2009; Hurley, Finn, 2009; ILO, 2009a, 2009b, 2009c; Richly, 2009; Watt, Nikolova, 2009.

³ This distinction has a purely analytical function. The aim is to avoid a purely descriptive approach, whereby the case of each State is examined in turn. There is no rigid borderline between the three groups of countries concerned; moreover, their individual positions may change over time. It is interesting to note that such empirical distinctions, emerging from the study of a given issue over a limited period in time, corresponds only very approximately to the theoretical typologies most frequently employed such as, for instance, the contrast between pluralist and neo-corporatist industrial relations or, alternatively, between the Anglo-Saxon, Scandinavian, continental or Latin models.

⁴ Some countries are not featured in this report because it was not possible to find sufficiently comprehensive documentation reflecting the points of view of the actors involved. For a survey of the situation in the countries of Western Europe as a whole, please refer to the bibliography indicated earlier.

Before considering these points, attention should be drawn to two limitations of the analyses offered.

- Firstly, they relate only to those forms of tripartism that have produced public manifestations. Obviously, informal tripartite relationships exist and they may have an evident effectiveness. However, this could only be measured by conducting research among the actors involved.
- Secondly, the crisis is a powerful factor in compounding uncertainty. The behaviour of actors, and the nature of their relationships, evolves rapidly. It serves no purpose, in early 2010, to endeavour to learn lessons about the play of tripartite mechanisms in the presence of the crisis since, at any given moment in time, they may be invalidated by new developments.⁵

1. What is the European context within which national compromises for tackling the crisis been formulated?

Two factors have played a part in determining the behaviour of the different actors and defining the area in which compromises might be envisaged.

- At the time of the last major recession, that of the early 1990s, many countries resorted at national level to a so-called social-pact strategy; in the presence of the economic crisis of 2008, the question therefore arose as to whether or not it was appropriate to resurrect a procedure which had fallen into abeyance in the meantime.
- A second historical factor has conditioned the reactions of European Union (EU) member countries. Within the framework of the Lisbon strategy, adopted in 2000, they had agreed in 2007 to work towards a convergence of their policies in the areas of the Labour market and social protection, the objective being to achieve flexicurity. Faced with the immediate crisis, which they at first thought would be short-lived, their dominant reaction was to affirm the imperative of holding to their course in the medium term, rather than abandon it under pressure of the emergency.

Previous experience of social pacts and the recent adoption of the objective of flexicurity formed the framework in which, beginning in late 2008, the first tripartite discussions took place. In terms of individual countries, they were probably encouraged, to an extent which cannot readily be assessed, by the recent development of European social dialogue procedures.

1.1 Experience of social pacts

Social pacts became very common in Western European countries during the 1990s. The conditions prevalent during that period explain their specific content. The prevailing conditions also enable us to understand the participants' ambivalent assessments of them and the subsequent relative decline of this form of tripartism.⁶

The conjunction of a world economic slow-down and the restrictive policies implemented post the Maastricht Treaty by countries striving to meet the access criteria for adopting the euro resulted in the economies of the European Union experiencing, around 1993, their most serious recession since the great crisis of the 1930s. For five consecutive

⁵ An initial version of this text was delivered at the symposium *Negotiating out of the crisis* (International Centre of the ILO, Turin, 25-27 November 2009). The author has benefited from the reactions of the symposium participants and from observations by an anonymous expert. He is solely responsible for any remaining errors or omissions.

⁶ There is a great deal of literature on social pacts. For an overview, see: Fajertag, Pochet, 1997 and 2000; Natali, Pochet, 2009.

years, from 1993 to 1997, the average unemployment rate of the Union (then comprising 15 members) was in excess of 10 per cent. To tackle the problem of unemployment, almost all the countries concerned, with the notable exceptions of France and the United Kingdom, experimented with social pacts. The procedures differed from country to country. In some, such as Ireland and the Netherlands, there was an explicit national tripartite agreement; in others, like Italy, there was initially a bilateral agreement between employers and trade unions, followed by negotiations between unions and government. In some countries, global long-term agreements were signed and regularly renewed; in others, for example Spain and Portugal, there was an alternation of more or less general setbacks and compromises.

The initiative in most cases was taken by the government, either openly by its organising tripartite negotiations, or by its threatening unilateral intervention in the event of a breakdown in negotiations between trade unions and employers, the results of which the government said it was willing to validate. This approach is partly explained by the fact that, during this period, governments were seriously concerned with burgeoning economic, financial and social imbalances. The employers were not the driving force.⁷ Their input was often limited to emphasising such government proposals as suited them. The trade unions found themselves in a delicate in-between position. On the one hand, their participation in this process was a way of affirming their “political legitimacy”, i.e. their willingness and ability to participate in global decision-making on economic and social policy. It was also a platform for promoting their plans for reform and calls for solidarity. On the other hand, the nature of the compromises required, in an unfavourable economic climate, was in danger of undermining their “professional legitimacy”, i.e. their capacity to mobilise wage-earners to achieve classic union objectives. The vast majority of trade unions accepted this role, probably because they saw it as a lesser evil compared with the dangers of an unrestricted liberal economic policy. For some trade unions, there was also the prospect of a new tripartite model of social regulation, which might serve as the basis for constructing a “European social model”.

These pacts were always presented as exchanges of reciprocal concessions driven by the objectives of preserving and creating jobs, while taking into account the constraints of international competition. The measures most commonly discussed fell into five main categories:

- wage restraint and partial decentralisation of the setting of wage levels;
- trade-offs between reductions in total time worked and many forms of variability and diversification of working hours;
- compromise between wider use of non-standard employment contracts and greater protection for workers engaged in such jobs;
- State commitment to pursuing an active employment policy;
- more generous social security benefits for victims of restructuring, in conjunction with reform of benefits that might act as a “disincentive to seeking employment”.

The essential point is the multidimensional character of these agreements, as opposed to the generally specialised nature of public policy and traditional collective agreements. No agreement covered all the fields mentioned above, but several of these fields were included. This was a condition for ensuring the acceptability and legitimacy of such agreements: their sheer diversity broadened the scope for compromise as mutual concessions were made. Each actor in the negotiations, particularly the trade union, could plead with its members to accept sacrifices for the sake of the corresponding advantages obtained. Of course, this principle did not in any way guarantee an equal balance of mutual concessions and advantages, which were often difficult to quantify. This explains the very

⁷ This was a period during which they advocated the decentralisation of collective bargaining.

different conclusions which the social actors drew from the exercise. For simplicity's sake, we will consider two contrasting interpretations.

From one point of view, these pacts and agreements were presented, in Western Europe during the 1990s, as a specific way of legitimising the sacrifices that had to be made by workers in a context of massive unemployment and accelerating European economic and monetary integration. The majority of trade unions accepted the need to take what was a risky and costly route for their members because they saw it, firstly, as way of limiting losses⁸ and securing some advantages⁹ then, secondly and more importantly, as a condition for their continuing to be recognised as actors in the process of economic and social regulation. The other possible strategy was to engage in a defensive struggle, with the risk of becoming trapped – and gradually swallowed up – in an archipelago of “union bastions” and “workers’ strongholds”. In most countries, governments and employers’ organisations preferred this route, rather than brutally exploiting a power relationship which was in their favour, because it generated compromises legitimised by trade-union signatures and so encouraged a non-conflictual acceptance by workers of the objectives of competitiveness.

According to a second optimistic interpretation, all the actors concerned became aware that the new conditions of global competition created the possibility of, and at the same time made it essential to aim for, positive outcomes or “win-win” agreements. Negotiations should no longer focus on sharing out the gains of productivity, but on ways of maximising gains in competitiveness. Repetition of this mechanism, in accordance with adaptational strategies, created the basis for mutual trust between the actors: there was a shift from adversarial bargaining to partnership agreements.

The debate between these two ways of looking at things is not yet concluded. It should however be emphasised that the economic slow-down that began in 2001 did not lead to any large-scale return to the negotiating of social pacts. Subsequently, the momentum of social pacts would appear, with rare exceptions, to have been eliminated (section 2 above and Natali, Pochet, 2009). In 2008, faced with the prospect of a recession even more serious than that of 1993, the political and social actors had to consider whether or not to resurrect social pacts of this kind.

1.2 The European flexicurity strategy

The Lisbon strategy was adopted in the spring of 2000, at a time when a majority of EU governments were of social-democrat persuasion. In the expectation of on-going economic growth, ambitious objectives were adopted. However, the economic situation quickly deteriorated, while the political majority shifted to the right in several countries. Since the installation of the Barroso Commission in 2004, a neo-liberal orientation has been evident in the Community's economic policy. This tendency was strengthened by the – generally pessimistic – mid-term evaluation of the implementation of the Lisbon strategy. The priority given from this point on to increasing levels of employment has in fact put job quality considerations on the back burner and has led the Commission to advocate a “modernisation” of Labour law to improve enterprises’ adaptability.¹⁰ The wide critical reaction to its proposals and the rising tide of social dissatisfaction with regard to the European project may explain why the Commission has adopted the notion of flexicurity, which it presents as a “win-win” strategy to secure “more and better jobs” (Commission 2007). The proposals are sub-divided into four chapters: flexibility and security of employment contracts, life-long training, active Labour market policies and modernisation of social security systems. Where the implementation of these proposals is concerned, the

⁸ Primarily in terms of wages and precariousness of jobs.

⁹ Primarily in terms of protecting existing jobs and of social protection.

¹⁰ In November 2006, the Commission published a Green Paper on this topic (Commission, 2006).

Commission ascribes an essential role to social dialogue, which should lead in each country to the adoption of an “integrated national flexicurity strategy”.

The Commission has secured qualified support for this approach from the European Economic and Social Committee, the Parliament and the Council, which have been careful to consider it only as a further development of the Lisbon strategy. After much lively debate, the *European Trade Union Confederation* (CES-ETUC) agreed to go along with a flexicurity approach, while opposing one of pure flexibility. In October 2007, in conjunction with all the employers’ organisations, it co-signed a joint analysis of European Labour markets which confirmed this position: “*Applied in the right way, the flexicurity approach can create a win-win situation and be equally beneficial for employers and employees.*”¹¹

At European level, the social aspects of the 2008 crisis have therefore been dealt with after all the actors had agreed, at least formally, to act within the framework of a flexicurity approach (European Commission, 2008). Often dependent on bipartite activities developed within the framework of the employer and trade union organizations’ “employment programmes”, tripartite dialogue has an important place in the European Union’s institutional arrangements. However, it does not seem to have produced any noteworthy results in the management of the present crisis (Degryse, 2009).

Since November 2008, the Commission has been preparing a recovery plan, which has been approved by the European Council (11-12 December 2008) and has been fairly positively received by the social partners, though the CES/ETUC has expressed disappointment that it does not go far enough. This same organisation reacted very negatively when the European Council of 19-20 March 2009 decided not to convene the employment summit scheduled for 7 May. In the end, a meeting restricted to a “troika” of presidents, the Commission and the employer and trade union organizations nevertheless took place on this date, with disappointing results.¹² On 8 June 2009, the European Council adopted conclusions pointing out that “the implementation of flexicurity is all the more justified in a difficult economic context” (Council, 2009).

For its part, the CES/ETUC has produced numerous documents calling for an economic recovery programme and a “new social deal”.¹³ It has emphasised the inadequacies of the Community’s recovery plan and the danger of wages, social protection and workers’ rights being degraded. For its part, the main employers’ organisation, BUSINESSSEUROPE, has been calling for a reduction in indirect wage costs and the speeding up of structural reform: “*We need more than ever security for companies and more flexibility for workers*” (Lücking, 2009). In May 2009, the employer and trade union organizations agreed on the content of their third “employment programme” for the period 2009-2010. It is an extension of the preceding programme and does not introduce any initiatives geared to tackling the specific problems raised by the crisis. It provides for joint monitoring of the implementation of the flexicurity principles, particularly with a view to evaluating the role and involvement of the social partners in the process and to learning joint lessons (ETUC/CES *et alii*, 2009). On 9 December 2009, in the context of the implementation of their preceding programme of work (2006-2008), the employer and trade union organisations adopted a draft framework agreement on “inclusive Labour markets”. This document advocates action to benefit those encountering the greatest difficulty in accessing or keeping jobs. It is couched in very general terms, to be implemented through national agreements over a period of three years. Negotiations were initiated prior to the onset of the economic crisis, which subsequently caused them to be ramped up, but the implementation periods involved are not sufficient to enable the

¹¹ ETUC/CES, BUSINESSSEUROPE, CEEP, UEAPME, 2007, p. 53.

¹² See for example: “Le Sommet européen pour l’emploi adopte dix recommandations dans l’indifférence”. *Liaisons sociales Europe*, n° 226, May 2009.

¹³ See for example: CES, 2009a, 2009b and 2009c. These positions are consistent with those adopted during the same period by the International Trade Union Confederation (ITUC, 2009).

agreement to generate the instruments to cope with the economic crisis, unless it proves to be long-lasting.

* * *

The actors of the various Western European countries are mindful of their past experience of social pacts; they have to act with reference to the flexicurity strategy adopted by the EU in 2007 and confirmed in 2009. They therefore all have to answer the questions:

- should social-pact strategies be resurrected, albeit in modified form?
- should the flexicurity policies adopted before the crisis be given a new direction and emphasis?

In this new context, without European guidelines developed on a tripartite basis, tripartite responses to the crisis cannot emerge from the institutional mechanisms peculiar to each country. We shall present them in this article, focusing on two or three countries which best illustrate the most typical of each of the three forms of tripartism specified earlier. The situation of other countries will be discussed more briefly, depending on the degree to which they coincide with the three typical forms.

2. Institutionalised tripartism: instances of varying capacity to withstand the tensions triggered by the economic crisis

Some Western European countries have permanent tripartite institutions which provide a framework for, on the one hand, explicit consultations or agreements between government and the social actors and, on the other, guidelines or regulations for collective bargaining, by branch and by undertaking.

We shall consider the cases of three countries with a long history of institutionalised tripartism: Belgium and the Netherlands, which instituted it immediately after the Second World War; and Ireland, which adopted it later but in a more ambitious way. The question is to what extent institutions set up to foster long-term compromises, involving a long process of consultation, are able to cope with brutal, unexpected shocks requiring a rapid response. The answer differs from country to country.

Other countries, such as Norway, Finland and Austria, provide more complex illustrations of more flexible or less stable institutionalisation of tripartism.

2.1 Belgium

In Belgium, an agreement known as a “social pact” was concluded in 1944, in secret, between employers’ organisations and trade unions. It established the conditions for the sharing of responsibility between the government and the employer and trade union organisations, the latter retaining their autonomy in the negotiated setting of wage levels. Two tripartite bodies, the Conseil National de Travail (National Labour Council) and the Conseil Central de l’Économie (Central Council for the Economy), were responsible for consultation, in the social and economic fields respectively. This system worked well until the 1974 recession, when it entered a period of crisis. After a long phase of alternating disputes, provisional agreements and unilateral measures on the part of the State, a new institutional mechanism was eventually established (Arcq, Pochet, 2000).

- A bi-annual collective agreement sets out the main points for negotiation and the demands addressed by the signatories to the government. Initially concerned with setting a maximum rate for wage increases, the content of the agreement has gradually been extended to other fields.

- The law on competitiveness, revised in 1996, requires that the maximum rate of wage increases be compatible in terms of competitiveness with the results observed and forecast in Belgium's three partner/competitor countries (Germany, France and the Netherlands). Reports by the Central Council for the Economy provide the basis for calculation, with the result that this tripartite council has become the setting for framing wages policy.
- Despite repeated appeals by the employers' organisations, the clause providing for the automatic indexing of wages to the prices of consumer goods has been maintained.
- The biannual negotiation is therefore subject to these two latter constraints. If negotiations fail, as occurred in the case of the agreement that should have covered the years 2005-2006, the government acts in place of the social partners.

Negotiation of the agreement for 2009-2010 began in November 2008 in manifestly difficult circumstances. On 6 October, the *Fédération générale du travail de Belgique (FGTB)*, the *Confédération des syndicats chrétiens (CSC)* and the *Comité national du syndicat libéral (CGSLB)* organised a national day of action, with work stoppages, to protest against the reduction in employees' purchasing power. The trade unions' demands focused on the minimum wage, the status of part-time workers and improvements in unemployment benefits, especially for temporary workers. For its part, the *Fédération des entreprises de Belgique (FEB)* refused to agree to any wage increase over and above the increase determined by automatic indexing and, at the same time, called into question the very principle of indexation.

Awareness of the seriousness of the economic situation,¹⁴ combined with a domestic political crisis, led on 22 December to the conclusion of an agreement that was presented by the signatories as exceptional¹⁵ and which incorporated the proposals of a government-appointed arbitrator. Formally, this was not a tripartite agreement. However, the process was effectively tripartite in the sense that the measures the government took, or promised to take, were the condition for the agreement between the social partners, while its attempts at mediation, and its threat of unilateral intervention in the event of failure, put effective pressure on the negotiators. The agreement states that it seeks to achieve "a fair balance between competitiveness, purchasing power and employment".

- Despite appeals by the employers, the indexing of wages to prices was confirmed.
- Otherwise, the maximum envelope for wage increases was limited to a small amount, to which were added a few indirect advantages for employees (employers to cover the costs of meals and transport).
- Some improvements were also introduced in respect of pension arrangements and unemployment benefits.
- In exchange, the employers benefited from reductions in payroll costs and various financial advantages, particularly if they recruited certain categories of unemployed worker. The funding of these measures was included in the stimulation plan adopted by the government.

The fact that a compromise was reached does not mean that consensus now reigns. In April, the president of the FGTB accused the employers' organisations of sabotaging the implementation of the agreement.

- On 2 April, intersectoral negotiations to include white-collar workers in the partial unemployment benefit system (which in Belgium is restricted to manual workers) broke down. This technique has been widely employed in many European countries as a way of avoiding redundancies (Messenger, 2009). It has been presented as an

¹⁴ In December, the government announced a stimulation plan to re-launch the economy.

¹⁵ "Exceptional agreement with a view to negotiations at sector and enterprise levels during the period 2009-2010. Contribution to the restoration of trust". (*Accord exceptionnel en vue des négociations au niveau des secteurs et des entreprises durant la période 2009-2010. Contribution au rétablissement de la confiance*).

illustration of the principle of flexicurity. The Belgian trade unions were only willing to envisage it as part of an overall review of the inequalities in status between blue and white-collar workers, for which they had been militating for a long time. The employers' organisations refused this prior condition and the issue was batted back to the government. The government secured agreement from the social partners for a provisional solution (6 months or one year), to be implemented by legislation. Without using the term "partial", three mechanisms were introduced making it possible to compensate employees for temporary reductions in working hours. The ongoing disagreement regarding the principle led to the breakdown, in November 2009, of negotiations between employers and trade unions, and the government opted unilaterally to extend these mechanisms for a further six month period.

- In July, the FEB presented proposals aiming to make the possibility of early retirement exceptional and to calculate regular pensions on the basis of life expectancy. Trade union reactions were extremely negative. The debate continues.
- In late 2009, the government adopted a stringent budget deficit reduction programme which prompted mixed reactions. Trade unions rejected any reduction in spending on health, pensions and unemployment benefit. Employers rejected any new taxes and advocated a reduction in public spending.

Hence, in Belgium, tripartite arrangements have definitely proved effective in various ways in responding to the most urgent problems caused by the crisis. Tensions have been acute at times, but so far this has not prevented the achievement of compromise.

2.2 The Netherlands

Like Belgium, the Netherlands also set up coordinating institutions in the aftermath of the Second World War, and these worked harmoniously during the period of strong growth and full employment:

The Labour Foundation (*Stichting van de Arbeid*), established in 1945, ensures joint consultation in the formulation of agreements between trade unions and employers. Twice a year, it meets with the government to discuss budgetary and collective bargaining matters.

- The Economic and Social Council (*Sociaal Economische Raad*), established in 1950, includes a third component consisting of government-appointed experts. The opinions formulated by the three parties working together generally have a determining influence on the public authorities.

The recession which began in 1974 had the same destabilising effect as in Belgium and saw a gradual deterioration of the economic and social situation, culminating in the recession of 1982-1983. In these circumstances, all the actors became aware of the need for a change in the method of regulation. The foundational event was the signature of the Wassenaar Agreement (November 1982) between employers and unions, adopted under threat of imminent government intervention. This social pact was the first in a series of long-term agreements laying down directions for collective bargaining and a programme of legislative changes in the employment and social protection fields. As with other economies faced with fierce international competition, the main purpose of successive pacts has been to determine the benefits secured by trade unions in return for the concessions asked of them in terms of wage restraint¹⁶ and more flexible operation of the Labour market. These benefits have included reductions in working hours, tax reliefs and active employment policy measures. The areas covered by the pacts have gradually been extended, particularly to the field of social protection. Depending on the short-term economic and political circumstances, phases of agreement, tension and conflict have alternated, but, despite the difficulties and interruptions, all parties have been consistent in

¹⁶ The Netherlands has experienced the longest and most stringent wage restraint policy in western Europe.

their attachment to tripartite consultation regarding global, medium-term issues (Visser, Hemerijck, 1997; Hemerijck, Van der Meer, Visser, 2000).

The conditions in which they faced up to the 2008 crisis were influenced by two matters which were the focus of debate at the time.

- There had been long-standing plans to reform the particularly complex system governing redundancies. New draft legislation was put forward in July 2007 by the government. It met with violent opposition from the trade unions, which denounced it as going back on the protective measures enjoyed by workers (Wierink, 2007-2009). Faced with an impasse, the government set up a committee tasked with making proposals. This committee's report (June 2008) broadened the terms of the debate and gave priority to proposals to deal with future Labour shortages. It stated that the issue of the system governing redundancies was, in this respect, marginal and did not call for immediate measures (Grünell, 2008). Although this matter seemed to have been dropped, it came up again, surprisingly, in the context of a separately negotiated agreement between the principal trade-union organisation, the FNV,¹⁷ and the employers' organisation representing large-scale enterprises, the VNO-NCW.¹⁸ Signed in September 2008, the text is concerned only with a reduction in the maximum amount of redundancy benefits for the highly paid. The government immediately incorporated the agreement into draft legislation. One major cause of discord in tripartite relations therefore seemed to have been eliminated, at least for the time being.¹⁹
- Whereas unpromising economic circumstances had forced the trade unions to accept a near-freeze on wages since 2003, renewed growth and a return towards full employment led them in the autumn of 2007 to call for an end to wage restraint in 2008. In the first half of 2008, wage negotiations resulted in significant gains in the private sector, which helped to relax bipartite relations²⁰ (Wierink, 2008).

After acute tensions, the climate for tripartism therefore seemed to have settled down again by the autumn of 2008. It was against this background that policies to deal with the crisis were discussed. In the traditional springtime tripartite consultation, bearing in mind the danger of an economic slow-down, employers and trade unions had jointly requested that the government postpone its decision to raise the rate of VAT. At the time of the autumn consultation, in early October, the three parties ascribed great importance to achieving a consensus. They all approved the agreement on redundancy benefits (see above). In addition, they reached agreement on a policy of wage restraint accompanied by a decision not to increase the rate of VAT, a reduction in unemployment contributions and government measures in favour of certain disadvantaged categories.²¹

In late November 2009, the government introduced, for a limited period, a temporary or partial unemployment benefit in cases of financial hardship ("Assistance plan for reduced working hours"), but on a restricted basis with the intention of limiting the attendant costs and forestalling any windfall effect. At the end of 2008, employers and unions jointly requested an extension of the arrangements. They also agreed to use such periods for training purposes and to encourage the creation of regional job pools which would take charge of supernumerary employees in their own firms and make them available to other employers. And the "assistance plan" was replaced in April 2009 by a "partial unemployment" regime, the eligibility criteria for which were tightened up in July. These mechanisms have frequently given rise to tension between the government and

¹⁷ *Federatie Nederlandse Vakbeweging*

¹⁸ *Vereniging van Nederlandse Ondernemingen – Nederlands Christelijk Werkgeversverbond.*

¹⁹ In parallel, the courts decided jointly (the "judges' formula") to reduce the redundancy benefits granted in the event of a dispute by half.

²⁰ Conflicts were concentrated in the private sector because of the liberalisation policy being applied and the budgetary restrictions.

²¹ In particular, maintaining the purchasing power of the minimum wage.

social partners, both as regards their duration and of the funding allocated to them by the government. However, in March 2010, they were again extended to July 2011 by some industries.²²

In January 2009, the government and social partners agreed on the objective of using the crisis as an opportunity to modernise the Labour market. A tripartite “crisis team” was set up by the government to define a policy for responding to the recession (Grünell, 2009a).

In March 2009, an agreement was concluded within the Labour Foundation for the years 2009 and 2010. It comprised a diagnosis and guidelines formulated in fairly general terms, from which certain priorities and proposals emerged:

- employment must come before income; the fixed part of salary increases would be limited to maintaining purchasing power;
- employment policy must put the accent on training, particularly apprenticeships for young people, and on organising mobility;
- to facilitate adaptation, as a temporary measure employment contracts might be envisaged in which the duration of the employment was not predetermined but would vary depending on the level of activity;
- the social partners renewed their support for the provision of benefits for partial unemployment;
- in the context of the Economic and Social Council, they would prepare counter-proposals to the government’s plan to gradually postpone the basic retirement age from 65 to 67.

On this foundation, although the social partners had at first criticised the weakness of the government’s action, a tripartite agreement was reached in March 2009 on a “package of measures” to counter the crisis. As part of this, on the assumption that growth would recover, the government postponed the implementation of planned budget cuts until 2011. The principle of wage restraint, respected in the negotiations conducted since the beginning of 2009, would be maintained until 2012, with the rate of wage increases not exceeding the rate of inflation (Grünell, 2009b).

However, the autumn of 2009 saw the emergence of two potential sources of major conflict.

- The plan to postpone the basic retirement age from 65 to 67, which had been on the political agenda since 2006, was re-launched by the government in early 2009 (Wierink, 2010). The tripartite agreement reached in March provided for its gradual application from 2011, unless the Economic and Social Council proposed an alternative, financially equivalent solution by 1 October 2009. After a marathon negotiation, on 30 September the Council announced that it had failed in this endeavour. The government was therefore obliged to introduce legislation: the bill submitted in October 2009 provides for the raising the retirement age from 2020 (66 years), and subsequently 2025 (67 years). This was supported by employers, but initially met strong opposition from the FNV.²³
- At the end of September, the government announced its determination to reduce the level of public spending by 20 per cent. The implementation of this measure was scheduled to begin in the spring of 2010, the planning being undertaken by twenty of so working groups.

²² Initially, the government sought to make such extensions conditional upon a commitment by trade unions to exercise overall wage restraint, but it ultimately had to drop this requirement.

²³ However, in November 2009, it decided to yield in the face of the majority approval by Parliament and ceased to oppose the transition to 67 years.

Until the summer of 2009, the tripartite principle, which has long been a part of the Netherlands' industrial relations system, worked well²⁴ (*Planet Labor*, 2009a) As a result of the crisis, its nature became more openly apparent. Tripartism does not mean the existence of consensus and an absence of conflicts. It is a way of managing conflicts and finding compromises, and this is accepted by all the actors. The conflicts are of the same nature as those observed elsewhere in Western Europe, and their resolution similarly affected by immediate economic circumstances and the balance of power. The originality of Dutch tripartism lies in the fact that compromises are, without exception, formulated in an agreement which binds all three parties. The breakdown of the majority coalition and the call for legislative elections in the spring of 2010 served to test the soundness of this tradition.

2.3 Ireland

Ireland's experience of tripartite relations is more recent than that of Belgium and the Netherlands, but it has been more ambitious (O'Donnell, O'Reardon, 2000; Baccaro, Lim, 2007; Teague, Donaghey, 2009). In 1987, Ireland broke with the British model of voluntarism that had prevailed until that time. Under this system, employers and trade unions organised their negotiations independently. The State did not intervene and introduced only an indispensable minimum of social legislation. The change in the mode of regulation was brought about by the seriousness of the economic situation. In 1986, a multi-party consultative body, the National Economic and Social Council (NESCC), formulated a "development strategy" which served as a basis for the first tripartite agreement, adopted for the period 1987-1990. Since then, similar agreements have regularly been reached after more or less difficult negotiations, depending on the prevailing economic circumstances. A tripartite organisation was set up to oversee the implementation of these agreements, the principal element of which is a centralised policy of wage restraint which applies to both the public and the private sectors. The aim of this policy is to ensure the competitiveness of the private sector and the reduction of public debt. In return, the government accepts certain commitments, the scope of which has gradually broadened: reductions in taxation, improvements to social services, Labour legislation,²⁵ an active employment policy, public investment, etc. There is an ongoing debate as to the part these tripartite agreements have played in promoting Ireland's remarkable economic performance up to the recent crisis. Whatever the uncertainties, it should be stressed that successive governments, the employers' organisations,²⁶ the trade unions²⁷ and other representatives of civil society have constantly supported the principle of multi-dimensional global compromises in the medium term.

When the crisis struck, an agreement adopted in 2006 (*Towards 2016*) was being implemented. Unlike earlier agreements, which had been concluded for three-year periods, this one had been concluded for ten years. This new development signalled a change in the concept of tripartite agreements (Ughetto, 2006). As well as arrangements concerning wages, which were established for periods of two or three years,²⁸ the text gave prominence to matters requiring a longer time-span: on the one hand, public investment programmes in collective facilities, on the other, a strengthening of public arrangements for protecting workers' rights, together with a commitment on the part of employers to comply with agreements concluded in their enterprises. The crisis struck Ireland early and with great force (Levasseur, 2009). It came at a time when the country's international competitiveness had been in decline for several years. Like other Eurozone countries, it has

²⁴ The Netherlands has the lowest strike record in Europe. In 2009, they declined to the lowest level since 1985.

²⁵ We would draw attention, in particular, to the introduction in 2004 of a national legal minimum wage. It was frozen in 2008 and 2009.

²⁶ *Irish Business and Employers' Confederation - IBEC.*

²⁷ *Irish Congress of Trade Unions - ICTU.*

²⁸ Signed in June 2006, *Towards 2016* fixed wage increase rates and timetables for the first 27 months of its period of application.

no other means of reacting in the short term than to put pressure on wage costs. The country's deep budgetary deficit raised the same problem where public-sector pay was concerned. As a result, the wage issue again took centre-stage in tripartite debate, in potentially conflictual terms.

The wage negotiations for the second phase of *Towards 2016* began in difficult conditions in April 2008. During the first phase, accelerating inflation had caused a decline in purchasing power.²⁹ Wanting to make up lost ground, the trade unions therefore asked for a wage increase higher than the rate of inflation, which the employers refused, basing their case on the fact that in recent years wage bills had increased considerably faster than the EU average. Several times, the negotiations seemed to have reached an impasse. However, the deterioration of the economic and budgetary situation, fears of intervention by the International Monetary Fund (IMF)³⁰ and a drop in the rate of inflation caused the trade unions to scale down their demands.³¹ An agreement was concluded in September 2008 for a duration of 21 months³² (Sheehan, 2008; Ughetto, 2009; Delahaie, 2009).

- Private-sector pay, after a pause of three months, was to increase by 3.5 per cent then, six months later, by 2.5 per cent.³³ The “inability to pay” clause was retained unchanged. The parties agreed on an inflation target equal to or lower than the European Union average.
- The government undertook to push through legislation on temporary work, linked to the adaptation of the European Directive on the same subject to Irish law.
- Public-sector pay, after a pause of eleven months, was to increase by 3.5 per cent on 1 September 2009 and 2.5 per cent on 1 June 2010.³⁴
- The application of these pay rises was subject to an absence of collective disputes in the areas covered by the agreement and to trade-union cooperation on modernisation, productivity and the flexibility of public services.

At the end of 2008, the social pact seemed to be safe, but the deterioration in the economic outlook triggered further tensions (Sheehan, 2009). The budgetary situation led the government to announce, after the failure of consultation at the end of January 2009, a freeze on public-sector salaries until the end of 2010, together with a hefty increase in the pension contributions of employees in this sector and a reduction in staffing levels. At the same time, the employers' organisations asked that implementation of the agreement in the private sector be postponed for at least a year. The trade unions protested against the government's overall policy towards the crisis, claiming that the resulting sacrifices were not fairly shared between the parties. They demanded a “social solidarity pact” as part of a national recovery plan³⁵ and organised a massive demonstration in Dublin on 21 February. In March, the tripartite NESC proposed a new overall strategy for tackling the crisis, combining measures to clean up the banking sector, re-establish the public finances, restore competitiveness and promote social action in favour of the hardest-hit categories. A one-day national strike, scheduled for 30 March, was postponed following a government proposal to re-open tripartite negotiations over the recovery plan, but these negotiations were soon suspended after the presentation of a budget which the trade unions deemed incompatible with their call for solidarity.

In September, the ICTU announced a “sustained opposition” campaign backed by national strikes, to protest government's inaction over employment, the wage freeze and

²⁹ Wage increases of 10 per cent had been agreed over the first 27 months of the agreement.

³⁰ International Monetary Fund.

³¹ As well as wage increases, the trade unions were demanding improvements in the rights of temporary workers and were opposed to the employers' desire to extend the scope of the “inability to pay” clause. This clause allows enterprises in difficulty to avoid paying wage increases set under the central agreement.

³² *Towards 2016. Review and Transitional Agreement 2008-2009.*

³³ At this time, those on low wages will benefit from an additional 0.5 per cent increase.

³⁴ With the same supplement of 0.5 per cent for those on low pay.

³⁵ ITUC, *There is a better, fairer way. Congress Plan for National Recovery*, February 2009.

the announced public service cuts. In December, two decisions brought the rationale of the tripartite agreements into question.

- Following the breakdown of negotiations with trade unions, the government opted unilaterally to reduce civil service wages in 2010 by an average of 7 per cent.
- Employers rejected the agreement in September 2008 which meant that, for the first time in 23 years, wage bargaining fell to enterprise alone.

The miracle achieved over twenty years by the “Celtic tiger” was the product of exceptional circumstances. Within the 15-member EU, Ireland attracted multinational companies, particularly American-based ones, by offering them generous tax advantages, access to the single market and, within it, relatively low wage costs. The social pacts ensured wage restraint and social harmony. The resulting economic growth enabled the State to offer the trade unions advantages in a number of areas: workers’ rights, direct taxation, expenditure on social projects, collective facilities, etc. When full employment was achieved, the trade unions were no longer content with these benefits. Despite the pressure resulting from the increasing use of immigrant Labour, they demanded a process whereby wages would “catch up” with those of the European Union’s most developed economies, even though its enlargement gave multinationals opportunities to delocalise to the new member States. The present recession has brutally amplified the interplay of factors which were already raising question marks over Ireland’s growth model. The fact is that this model provided the underpinning for the social pacts. It is too soon to say whether the present situation represents a temporary crisis or a complete break-down. It is however certain that any rebirth of the social pact would have to be on different foundations, taking into account that Ireland has lost the specific relative advantage which has made it possible for the last twenty years.

* * *

2.4 Other forms of institutionalized tripartism

When the experiences of countries with strong traditions of tripartite consultation are analysed, the Nordic model and Austria are often the principal point of reference. It is therefore a matter of some amazement, which cannot yet be fully explained, that there are now strong contrasts among these countries in the degree to which tripartite mechanisms have been mobilised to deal with the current economic crisis. Norway and Finland have remained attached, at least initially, to tripartism, as has Austria, whereas it seems that Denmark and Sweden now have to be classed in our third group of countries.

Except for brief interruptions, **Norway** has for many years held centralised negotiations, concerned mainly with wage levels. The State exerts the full weight of its influence and, if necessary, mediates to ensure that the results do not upset the country’s macroeconomic balance and are compatible with its international competitiveness.

Faced with the present crisis, the three parties have coordinated their reactions. After an initial series of emergency measures taken at the end of 2008, in February 2009 the government introduced a set of complementary provisions (Alsos, 2009). These were presented as intended to satisfy, in whole or in part, the demands made by employers and unions. They were concerned, in particular, with facilitating and broadening the scope for temporary lay-off, and with vocational training arrangements. On 31 March, the two main organisations representing employers and trade unions,³⁶ concluded a wage restraint agreement for the private sector for 2009 (Nergaard, 2009). The agreement included an additional pay rise for the poorly paid and an “opt-out clause” that could be incorporated into company agreements in the event of their facing economic difficulties. In early 2010, a pilot agreement was concluded in the iron and steel sector in the wake of difficult

³⁶ *Næringslivets Ovedororganisasjon – NHO; Landsorganisasjonen i Norge – LO.*

negotiations requiring the intervention of a mediator. This would serve as a model for other sectors. Trade unions accepted wage restraint in the interests of protecting jobs and, in return, demanded the principle of equality of treatment, particularly between men and women (*Planet Labor*, 2010d).

In 1968, **Finland** initiated a series of centralised agreements on incomes policy, which has continued with only rare interruptions. Though it does not sign such agreements, the State approves and complements them with appended measures concerned, for example, with labour legislation, social protection or taxation. Gradually, the content of these central agreements has extended to cover matters other than wages: quality of life in the workplace, redundancy protection, employability... However, in the spring of 2008 the employers' confederation, the EK,³⁷ announced that it wanted to abandon centralised agreements in favour of decentralised bargaining (Jokivuori, 2008). It was against this background, with the tripartite model in question, that the country faced the economic crisis. Developments since then have been contradictory.

- Where wages are concerned, the employers were refused by the trade unions when that asked, first, that the wage increases planned for 2009 under the current collective agreement be scrapped, then that wages be frozen in the negotiations due to take place in 2009 at branch level.
- The employers' organisations and trade unions approved the "package" of measures to stimulate the economy adopted by the government at the start of 2009. The government stated that it had adopted measures which would have maximum impact on employment.
- In February 2009, the government announced a unilateral decision to gradually postpone the retirement age from 63 to 65, beginning in 2011, and to do away, from 2013, with benefits favouring early retirement. The timetable was planned to postpone the effect of these measures to a time when, hopefully, the crisis would be over. The trade unions were highly critical of this initiative, not only on account of its content but also as an infringement of the principle of tripartite dialogue, which had traditionally applied in this field.
- On the other hand, after several months' negotiation, in January an important agreement on social protection was signed by the EK and the three trade-union confederations (*Planet Labor*, 2009b). Unemployment benefits were increased. The agreement perpetuates an experimental system of long-term leave, whereby an employee can be replaced by an unemployed worker. To make up for these additional costs, employers were to be exempted from helping to fund the minimum state pension system, while the age at which employees could access unemployment/early-retirement benefits was increased.

It would appear therefore that, although seriously shaken in the wake of the economic crisis, tripartism in Finland nonetheless recovered a measure of vitality in order to respond to the crisis. It was again put the test, in late 2009-early 2010, on the occasion of the renegotiation of a large number of agreements at the branch level which expired almost simultaneously. The government convened a tripartite meeting to prepare the ground for these negotiations; it promised tax concessions in exchange for a wage-restraint-based agreement. However, using the justification of increasingly frequent strike action, employers decided in December 2009 to withdraw from these informal negotiations. In addition, employers urged the government to introduce more restrictive legislation in regard to use of the right to strike. The stage is therefore set, in the immediate future at the least, for a deterioration in tripartite dialogue (*Planet Labor*, 2010c).

Austria has often been regarded as the most complete example of the neo-corporatist model that emerged after the Second World War (Hermann, Flecker, 2009). As recently as December 2007, a constitutional amendment was adopted enshrining the role of the social

³⁷ *Elinkeinoelämän keskusliitto.*

partners and of social dialogue (Adam, 2008). However, institutionalised tripartism is not the principal mechanism involved. The different actors come to terms mainly through collective negotiations at branch level³⁸ and through the close ties that exist between employers' organisations and trade unions and the two political parties which, with few exceptions, share government responsibility. The economic crisis has been managed quite simply through consultation with the social partners, which have approved the principal measures, even when they believed that some of them did not go far enough (Dufour, 2009):

- two classic economic recovery programmes (*Konjunkturpakete*) were adopted in February and in the autumn of 2009;
- the duration of partial unemployment (*Kurzarbeit*) was extended from 12 to 18 and then 24 months, combined with training measures.

The emphasis has now shifted to the forthcoming wage negotiations, mostly scheduled for the autumn. The ÖGB trade-union confederation³⁹ is mobilizing against the employers' proposal of a wage freeze (*Nullrunde*).

The first group of countries whose recent developments we have just analysed have one thing in common. For many years, they have relied on tripartite consultation institutions and on more or less complex arrangements which give an official stamp to the agreements or commitments that emerge from them. Although these agreements or commitments are not generally legally binding, compliance with them determines the legitimacy and credibility of the actors involved. We shall now examine the situation in countries where the existence and fruitfulness of tripartite dialogue is subject to the immediate political, economic and social circumstances, with all the attendant uncertainties and fluctuations.

3. A flexible combination of bipartite and tripartite relations: dynamism maintained, but difficulties in aligning partial agreements

Several European countries have arrived at an evolving two-stage system of, on the one hand, negotiation of collective intersectoral agreements⁴⁰ and, on the other, dialogue with the public authorities, sometimes confirmed by the signature of a joint document. When it is successful, the bipartite phase often fuels a dialogue between the social partners and the State. To evaluate tripartite reactions to the current crisis, two cases are deserving of special attention:

- the French situation enables us to assess the impact of a new law adopted in 2007 governing the relationship between public action and collective bargaining;
- that of Spain provides an example of a country hard hit by the crisis at an early stage, when there had recently been a renewal of coordination between bipartite and tripartite relations.

Italy and Portugal followed the same pattern, but a particular set of circumstances in social relations precluded the forging of a tripartite response to the economic crisis.

³⁸ It is noted that, by way of exception, and interprofessional agreement was concluded in 2007 between employers and trade unions to the effect that future agreements at the branch level would be subject to a minimum wage level to be achieved by 2009 at the latest.

³⁹ *Österreichischer Gewerkschaftsbund*.

⁴⁰ Intersectoral (or interprofessional) agreements cover all the branches of activity represented by the employers' organisations that sign them, generally enterprises in the commercial sector, often with the exception of agriculture. The State may then adopt a procedure to extend their scope across the board.

3.1 France

France experienced a prolonged period of complex interdependence between public action and collective bargaining (Berrebi-Hoffmann *et alii*, 2009; Freyssinet, 2007a). Explicit tripartite was never pursued, except for purposes of consultation. From 1950 onwards, collective bargaining legislation progressively came to encompass all spheres of wage relations, with an unstable sharing and frequent overlaps between elements relating to the interprofessional level, the branch level and the enterprise level. All these elements may likewise be governed by public standards.

A partial, although central, aspect of coordination was introduced in January 2007 in the form of a law to modernise social dialogue. It laid down rules governing the relationship between public action and collective (“interprofessional”) bargaining.

- The government must each year provide information regarding the content and timetable of the initiatives it is planning in the fields of Labour relations, employment and vocational training. It provides them with “guideline documents” on these different points.
- If the subject is relevant to national collective bargaining, the social partners may make known their desire to negotiate.
- In the event of an agreement being reached within the set period, the government drafts legislative and regulatory texts insofar as they are necessary to its implementation. Parliament remains sovereign and is therefore not obliged to accept the terms of the agreement in their entirety. However, when an agreement is signed by all the employers’ organisations and trade unions, Parliament can hardly reject it.

These new arrangements came into force in 2008 (Fabre *et alii*, 2008; Freyssinet, 2007b). Employer and unions had decided in October 2006 to engage in a “social debate” (*délibération sociale*)⁴¹ on reforming the labour market. In June 2007, pursuant to the law enacted in January 2007, the governments submitted to social partners a guidance document on “modernisation of the labour market and increased occupational security”. It provided that negotiations should be completed before the end of 2007, failing which it threatened to legislate directly. These were the circumstances under which the agreement of 11 January 2008 was concluded on the modernisation of the labour market.⁴² A law dated 12 June 2008 amended several provisions of the Labour Code, pursuant to this agreement.

The agreement of 11 January occurred at a time when unemployment rates were at an historic low. It is programmed three implementation agreements (forward management of jobs and competencies (GPEC), unemployment benefit and career development assessment)⁴³ which were negotiated between September 2008 and March 2009 under circumstances dominated by increasingly prevalent layoffs and unemployment. This resulted in a dual shift. On the one hand, the negotiators tried to change the content of the three complementary agreements to take new priorities into account. This was difficult to achieve, as the substance of the negotiations had been largely predetermined by the text of the 11 January agreement. On the other, they initiated further emergency negotiations geared to managing the problems raised by the crisis.

⁴¹ This “social debate” was not a negotiation in the legal sense of the term, but a prior phase during which the organisations concerned could explore the possibilities of opening negotiations with some chance of success.

⁴² The agreement was signed by three employer organisations: Mouvement des entreprises de France (MEDEF); Confederation generale des petites et moyennes entreprises (CGPME) and Union patronale de l’artisanat (UPA). On the trade union side, following rejection by the Confederation generale du Travail (CGT), it was accepted by the other four nationally representative trade union confederations: Confederation francaise democratique du travail (CFDT), Confederation generale dy travail-Force ouvriere (CGT-FO), Confederation francaise des travailleurs chetiens (CFTC) and Confederation francaise de l’encadrement-Confederation generale des cadres (CFE-CGC).

⁴³ The career development assessment is intended to allow employees periodically to assess their skills and needs in terms of vocational evolution.

The implementation of the agreement of 11 January 2008 emerges as a semi-failure:

- The agreement of 14 November 2008 on GPEC merely expressed a desire on the part of the signatories to develop in-company negotiations on introducing GPEC (Fabre, 2009). It did not appear to respond to the immediate problems existing at that time in undertakings and was signed by only two trade unions (CFDT and CFE-CGC).
- Three trade union organisations (CGT, CGT-FO and CFTC) were of the view that the agreement on career development assessments (March 2009) contained marked ambiguities and primarily protected the interests of employers. They stated their opposition, which rendered the text null and void.⁴⁴
- The agreement of December 2008 on unemployment insurance (Cornilleau, Elbaum, 2009) introduced a new method for calculating how long benefits would be paid. It included more people in insecure employment, but reduced the maximum period during which some employees with a long history of contributions can receive benefits. In addition, the employers demanded the inclusion of a clause whereby their contributions would be automatically reduced if they had over-contributed in the past.⁴⁵ This being the case, only one trade union confederation (CFDT) was willing to sign the agreement but, as only two officially opposed it (CGT and CGT-FO), the government was able to have the agreement approved and it came into force.

In the end, only the agreement on unemployment insurance was to have a direct effect, and only because the government decided to rubber-stamp it despite the fact that only one of the five union organisations had signed up. This was a very singular manifestation of tripartite relations. Fortunately, the results were positive in other fields.

Continuous vocational training has been the subject of regular collective bargaining since 1970.⁴⁶ Beginning in July 2008, the government brought intense pressure to bear to achieve a re-negotiation of an agreement dating from 2003, primarily to permit a sizeable share of jointly managed funds to be allocated to employees and the unemployed with minimal qualifications. It announced its intention to push through legislation if a satisfactory agreement was not concluded before the end of the year. Concerned to maintain the independence of the jointly managed funds, all the organisations signed an agreement on 7 January 2009 (Alleki, 2009; Luttringer, Williams, 2009). It provided for the creation of a Joint Employment Security Fund (*Fonds paritaire de sécurisation des parcours professionnels*/FPSSP) for the benefit of less qualified workers. These measures were validated by a law adopted on 24 November 2009.

- As early as December 2008, several measures were adopted to prevent or deal with redundancies determined by economic factors. Firstly, partial unemployment benefits were improved. This involved the coordinated formulation of a joint agreement on the contractual benefits regime and a ministerial order increasing the State's contribution to the provision of benefits (Jolivet, 2009). Secondly, for redundancies on economic grounds, benefits in the vocational rehabilitation/retraining phase were improved under a joint agreement covering personalized redeployment contracts (*conventions de reclassement professionnel*/CRP), while the State increased by stages the number of job catchment areas in which it funded more advantageous vocational transition contracts (*conventions de transition professionnelle* /CTP).
- In March 2009, the government announced the creation of a two-year Social Investment Fund (*Fonds d'Investissement Social*/FISO) to coordinate the actions of

⁴⁴ In France, five trade-union confederations (CGT, CFDT, CGT-FO, CFTC and CFE-CGC) are currently recognised as representative at the national level. The signature of one organisation is sufficient to ensure the legal validity of an agreement, unless a majority of the organisations declare their opposition.

⁴⁵ According to forecasts available at that time, this clause would have resulted in a reduction in contributions as at 1 July 2009, on the basis of figures for 2008.

⁴⁶ Enterprises are required by law to devote a minimum percentage of their wage bill to funding continuing vocational training. The enterprise devotes the greater part of this to its own training programme, but must pay a minimum proportion into jointly managed funds.

State and social partners in aid of employment and training. The contributions of the social partners were to come from the joint vocational training and unemployment insurance funds. Initially reluctant because they feared a loss of independence in managing the joint funds, the social partners became involved in managing the FISO, having been assured that it would perform a purely coordinating function.

- In June 2009, the employer and trade union organisations engaged in negotiations on “the social management of the consequences of the economic crisis on employment”. Signed on 8 July,⁴⁷ the agreement was concerned mainly with improving the content or extending the use of existing measures. A second round of negotiations, concerned with creating the conditions for emerging from the crisis, was begun in October, but had still not been completed by April 2010.

The various ways of coordinating public action and collective bargaining, have been pressed into service to cope with the economic crisis. However, it would not be correct to see this as a manifestation of implicit tripartite consensus.

- Although the government understands the advantages of relying on collective agreements to legitimise its actions, it does not limit its input to waiting for and validating the results of negotiations. It proposes topics for negotiation, draws up guidance documents, sets deadlines for results and threatens, in the event of failure, to intervene with legislation.
- Where the flexibility of working hours is concerned, it has imposed by law, quite apart from collective agreements and in contradiction of them, measures which, though approved by the employers’ organisations, have aroused unanimous opposition on the part of the trade unions, first on the subject of overtime (August 2008), then on Sunday working (August 2009).
- Finally, the existence of consultation has not prevented trade union organisations from taking up critical positions on the insufficiencies and inadequacies, as they see them, of the government’s policy. Having drawn up common positions in January 2009,⁴⁸ the trade unions together organised a number of major national demonstrations during the first half of the year to defend their claims vis-a-vis the government and the employers (Robin, 2009).

What makes the French situation unique is the tight interweaving of intersectoral negotiation and public policy. The crisis has both deepened differences between the actors and made the coordination of their efforts all the more necessary. Although the prospect of an explicit social pact is not on the cards, this does not prevent permanent tripartite confrontation/cooperation, which produces many partial results in a wide variety of legal forms.

3.2 Spain

Tripartite relations in Spain have had a unique and interesting history, not without its ups and downs (Banyuls *et alii*, 2009; Pérez, 2000). Although their beginnings, in 1977, were a major component of the transition to democracy, they were also accompanied by economic recession and the emergence of massive unemployment. Compromises have revolved around one central issue: acceptance of wage restraint in return for the construction of a system of Labour legislation and democratic industrial relations. Although there have been breaks in continuity, depending on the attitudes of successive governments, the movement

⁴⁷ By all the organisations concerned, except the CGT.

⁴⁸ CFTD, CFTC, CFE-CGC, CGT, FO, FSU (Fédération Syndicale Unitaire), Solidaires, UNSA (Union nationale des syndicats autonomes), *Déclaration commune de propositions et de revendications des organisations syndicales* (Common declaration of proposals and demands of the trade-union organisations), 28 January 2009.

has maintained its vitality by adopting variable approaches, sometimes tripartite, sometimes bipartite.⁴⁹ In the early 2000s, a new dynamic began to emerge.

- Every year since 2001, there has been a national bipartite agreement⁵⁰ setting wage levels, which collective branch negotiations are bound to comply with, depending on inflation and productivity forecasts, and the wage review clauses.
- In 2004, the new Zapatero government relaunched tripartite consultation. This resulted in a declaration in favour of social dialogue (*Competitividad, empleo estable y cohesión social*),⁵¹ establishing a framework for public policy and collective bargaining. The negotiations that followed resulted, in February 2005, in a tripartite agreement on a statutory minimum wage, then, in May 2006, in a tripartite agreement on reforming the Labour market⁵² (Vincent, 2006).

Spain therefore entered the crisis with an active system of bipartite and tripartite negotiations at national level. In these circumstances, the early onset and seriousness of the recession brought about a rapid tripartite reaction. As early as July 2008, the three parties issued a joint declaration on promoting the economy, employment, competitiveness and social progress. This text presented a joint diagnosis of the situation. It set out the measures adopted by the government, approved by the employers and trade unions, to help enterprises in difficulty. On the other hand, the ensuing discussion showed that employers and unions in fact disagreed on the measures necessitated by the crisis in the areas of wages and employment. This disagreement has since intensified and has deadlocked the bipartite and tripartite mechanisms (Vincent, 2009).

- The employers have re-tabled their traditional demands for a more flexible Labour market, to be achieved by reducing the costs of redundancies in the case of open-ended employment contracts. In February 2009, they proposed an “anti-crisis employment contract”, which would reduce redundancy benefits from 45 to 20 days’ wages per year of seniority. Moreover, they wanted the administrative regulation of collective redundancies to cease. This proposal was rejected by both government and unions. As a result, the tripartite negotiations promoted by the government on reforming the Labour market were deadlocked (Thibaut, 2009).
- In March, the negotiations for the 2009 ANC broke down completely as a result of the contradiction that was apparent everywhere in Europe: the employers, in the name of re-establishing profitability and competitiveness, were calling for sacrifices in terms of wage restraint, while the unions were defending the purchasing power of employees as the most direct means of upholding demand. After this failure, the setting of wages for 2009 was referred to negotiation at branch or enterprise level, but in most cases these negotiations were deadlocked by the employers.
- In early March, the government was obliged to adopt emergency measures to combat unemployment, without securing the agreement of the social partners. These consisted mainly in exemptions from social security contributions for employers and improvements in unemployment benefits.
- On 20 May, the CCOO and UGT together presented proposals for a tripartite agreement on employment and social protection. Their text combined emergency measures (for example, help for the unemployed) with strategic adjustments (changes to the production model). Despite pressure applied by the government, the negotiations broke down on 24 July, when the unions rejected the amendments to the text of the

⁴⁹ On the trade union side, the *Union General de Trabajadores (UGT)* has signed all agreements, whereas the *Comisiones Obreras (CCOO)* have signed only some of them. On the employers’ side, the agreements have been signed by the *Confederación española de organizaciones empresariales (CEOE)* and, more recently, by the *Confederación española de pequeñas y medianas empresas (CEPYME)*. A special case was the 1996 agreement on retirement pensions, signed only by the government and the two trade-union organisations, after the employers had refused to do so.

⁵⁰ *Acuerdo interconfederal para la negociación colectiva – ANC*.

⁵¹ Signed by the government and all the national organisations: CEOE, CEPYME, CCOO, UGT.

⁵² *Acuerdo para la mejora del crecimiento y del empleo – AMCE*.

draft agreement proposed at the last moment by the CEOE, particularly regarding reform of redundancy procedures and a reduction in employer social security contributions. Each party blamed the other for the breakdown of dialogue. The unions believed the employers were taking advantage of the crisis to impose structural reforms of the Labour market they had long been seeking, but which had been ruled out in earlier compromises. The government insisted that discussions be re-opened in September.

- In September, following negotiations between the government and the unions, agreement was reached on creating a form of assistance for unemployed people who had exhausted their rights to benefits. Parliament voted almost unanimously in favour. The employers' organisations have not stated their position.

Spain went into the crisis with a system of tripartite consultation which had demonstrated its vitality since the beginning of the decade and therefore it at first seemed likely that a tripartite agreement would be reached. However, the brutality of the crisis quickly hardened antagonisms, regarding both wage rises and the freeing-up of the Labour market. None of the actors wanted to bear responsibility for breaking off the social dialogue, to which all parties affirmed their commitment. This explains the reopening of a tripartite dialogue in late 2009 in three contrasting directions.⁵³

- Employers and trade unions agreed to launch negotiations regarding a new inter-confederation framework for collective bargaining (ANC), which made it possible firstly to overcome the impasse in wage negotiations by branch, and subsequently to conclude, on 9 February 2010, a triennial framework agreement (*Preacuerdo...*, 2010).⁵⁴ This agreement represents a typical exchange between, on the one hand, the explicit commitments to engage in stringent wage restraint for a period of three years⁵⁵ and, on the other, the objectives intended to facilitate the internal flexibility of employment vis-a-vis its internal flexibility, specifically by eliminating the non-justified use of temporary jobs, but without operational mechanisms or quantified objectives.
- In November 2009, the government obtained the agreement of employers and trade unions to commence the tripartite negotiations on reform of the labour market on the basis of flexicurity. In February 2010, it submitted proposals (Gobierno, 2010b)⁵⁶ which further refined in early April (Gobierno, 2010 c).⁵⁷ Three priority objectives were put forward: to promote permanent jobs and internal flexibility; to promote the use of part-time employment and partial unemployment (on the German *Kurzarbeit* model – see above); to promote training-based jobs for young people.
- Lastly, in January 2010, the government submitted for discussion with the social partners a key plan for reform of the pensions system (Gobierno, 2010a). The main thrust sought progressively to raise the retirement age from 65 to 67 years, at a rate of two months per year from 2013. While employers were favourable, trade unions were violently opposed and initiated a campaign of mobilisation and demonstrations. This is a very long-term problem which is not directly linked to the economic crisis, but it is possible that, as in other countries, the government could see this as an opportunity to more easily impose the measure.

⁵³ Here again, the search for compromise was inextricably linked with a show of force. On 12 December 2009, the two trade union organisations held a day of national mobilisation, constituting the first mass demonstrations since the advent of the crisis. They sought to effect a change of attitude on the part of employers, are more ambitious public policy and, essentially, a change in the production model.

⁵⁴ *Preacuerdo para el empleo y la negociacion colectiva 2010, 2011, 2012.*

⁵⁵ Wages could increase by up to 1 per cent in 2010, between one and 2 per cent in 2011, between 1.5 and 2.5 per cent in 2012.

⁵⁶ *Líneas de actuación en el mercado de trabajo para su discusión con los interlocutores sociales en el marco del diálogo social.*

⁵⁷ *Diálogo social sobre actuaciones en el mercado de trabajo.*

3.3 Alternative means of incorporating bipartite and tripartite approaches

The developments observed in Spain and France, where the crisis has intensified tripartite relations, with both successes and failures, contrast with those experienced in Italy and Portugal, two countries which have similar traditions in this field but have not reacted in the same way. In both cases, it would seem that major issues which had come to the fore prior to the crisis continued to dominate tripartite relations well into 2009. As a result, responsibility for taking measures to cope with the crisis has fallen on their governments alone, to which the social partners have addressed their demands and criticisms, without any real tripartite consultation opening up. Finally, in 2009, in both these countries, recent tripartite compromises have been rejected by the principal trade union organisations, which has changed the nature of the situation.

Italy has been dynamic and creative where tripartite arrangements are concerned (Simonazzi *et alii*, 2009). Since the foundational pact of 22 January 1993, employers, unions and government have managed on many occasions, and despite periods of breakdown, to conclude agreements covering various matters: organisation of collective bargaining, management of the Labour market and social protection, taxation and public investment...

However, since the crisis struck, the tripartite mechanisms have barely been invoked. Various factors may explain this.

- Firstly, an ambitious tripartite agreement signed in July 2007⁵⁸ had been presented as the Italian version of the flexicurity model. However, in June 2008 the new Berlusconi government began to decree measures running counter to the 2007 agreement, and this was interpreted as the government withdrawing from the tripartite approach. This attitude was confirmed on 6 May 2009, when the Council of Ministers approved a “white paper on the future of the social model”. The plan is to replace the “workers’ charter”, adopted in 1970 as a result of tripartite consultation, by a “work charter” designed to ensure remuneration on merit and a virtuous alliance between capital and Labour.
- Secondly, the anti-crisis programme adopted by the Italian government in November 2008 was far more limited in volume terms than those of other Western European countries (Watt, Nikolova, 2009). It therefore offered little scope for negotiation. Employers and unions, for different reasons and on different issues, expressed a mixture of overall approval and partial dissatisfaction. Only the CGIL⁵⁹ reacted with strikes and mass protests. “Packages” of complementary measures adopted by the government in March and June 2009 provoked similar reactions.⁶⁰
- Thirdly and most importantly, the tripartite sphere was monopolised in 2008 by an important negotiation concerning reform of the way collective bargaining has been organised since the 1993 agreement signed by all the organisations concerned. The discussions, begun as far back as 2004, were relaunched in May 2008 with the adoption of a joint trade-union platform. The final agreement⁶¹ was signed on 22

⁵⁸ The agreement was signed by the Prodi government, the three trade-union organisations and the main employers’ organisation, *Confindustria* (*Confederazione Generale dell’Industria Italiana*). It is set up as an interchange of a broad range of concessions: combination of restrictions and minimum guarantees for pensions, introduction of “social shock absorbers” (*ammortizzatori sociali*) for workers bearing the brunt of restructuring, reform of rules regarding various forms of atypical jobs, encouragement through tax concessions to sign productivity agreements in enterprises, measures to promote recruitment of young people and women, etc.

⁵⁹ *Confederazione Generale Italiana del Lavoro*.

⁶⁰ There have, however, been some tripartite agreements to implement “shock-absorbing measures” to complement the government plan at regional and provincial level (*Planet Labor*, 2009d).

⁶¹ *Accordo quadro riforma degli assetti contrattuali*. [Framework agreement for reform of contractual arrangements]

January 2009 by the government, the employers and two trade-union confederations, the CISL and the UIL,⁶² the CGIL having refused to sign (Hege, 2009; Nadalet, 2009).

It is difficult to judge the validity and effectiveness of a tripartite approach whose results are rejected by the principal trade-union organisation. The employers are aware of the problem and in September Confindustria re-opened dialogue with the CGIL. Lastly, on 17 February 2010, a framework agreement on guidelines regarding training for the unemployed and workers in a situation of mobility was concluded, for the year 2010, between the government, the regions, employers and the three trade union confederations. Although the scope and duration of the agreement were limited, the fact that the first unitary agreement was signed under the present government constitutes a event of great symbolism for the future.

In **Portugal**, a tripartite consultation body (*Comissao permanente de concertacao social*) was set up in 1984. Two important tripartite agreements were adopted in 1990 and 1996, but on the union side were signed only by the UGT.⁶³ The main trade-union organisation, the CGTP⁶⁴ rejected these social pacts, just as it had assumed a negative position regarding the establishment of the tripartite commission.⁶⁵ In 2005, as promised, the new Socialist government initiated a process of tripartite discussion regarding a reform of the Labour Code, which had been adopted in 2003 under the Barroso administration. After long negotiations, a tripartite agreement was signed on 25 June 2008, again without the adherence of the CGTP, considering that several major negative elements of the earlier text had been retained⁶⁶ and passed into law on 17 February 2009 (Mestre, 2009; Pernot, 2009a). Above and beyond a straightforward reform of the Labour Code, this text may be seen as Portugal's version of the European flexicurity strategy.⁶⁷ It in fact covers various aspects of the employment relationship (flexibility of working hours, redundancy procedures, freelance work...) and several major aspects of collective bargaining (the preferential principle, arbitration procedures in the event of a collective agreement nor being renewed...).

Three observations are suggested by the present workings of tripartism in Portugal (Pernot, 2009b).

- Tripartite activity continues but, while the principal trade union organisation, the CGTP, participated in the negotiations it nonetheless rejected all agreements of a multi dimensional nature. It preferred negotiations centring on specific topics in regard to which, in some cases, it supported the outcomes.⁶⁸ In addition, the tripartite approach is not helped by fragmentation on the employers' side, though they are making efforts to regroup.
- In essentials, the February 2009 legislation adopted the terms of the tripartite agreement of June 2008. The latter text was produced before the crisis struck, but the fact of the crisis has not led to a review of its content.
- Because this issue has dominated tripartite relations, they have not been invoked to define reactions to the economic crisis. In December 2008, the government adopted an anti-crisis plan for 2009 ("Initiative for investment and employment"), followed by a

⁶² *Confederazione Italiana Sindacati Lavoratori; Unione Italiana del Lavoro.*

⁶³ *Uniao Geral de Trabalhadores.*

⁶⁴ *Confederaçao Geral dos Trabalhadores Portugueses.*

⁶⁵ Its position simultaneously reflected a criticism of the content of the pacts, which it considered to be excessively imbued with economic liberalism, and with the overall tripartite approach which, it considered, had neocorporatist overtones (Paz Campos ima, Naumann, 2000).

⁶⁶ Particularly those relating to the erosion of the right to collective bargaining and to protection against dismissal.

⁶⁷ Even though union aversion to the term "flexicurity" led to the adoption of an alternative formulation: "adaptability and security".

⁶⁸ For example, it signed agreements on health and job security, on vocational training and, more recently (see above) on the minimum wage.

new “package” of measures in January 2010, “Initiative for employment” (Paz, 2010). These programmes were not the subject of formal tripartite consultation.

- However, the government did respect the terms of a tripartite agreement dating from December 2006 on updating the level of the national minimum wage, an agreement that had been signed by both union confederations. The minimum wage was increased by 5.6 per cent in January 2009, and by the same percentage in January 2010, to the satisfaction of the trade unions, but the move provoked sharp protests from the employers.

The crisis has therefore maintained, if not intensified, opposition between employers and unions, as well as internal conflict within the two camps. Although the government is trying to maintain the forms of tripartism and, although limited agreements remain possible, tripartite relations are not currently robust enough to generate compromises in managing the crisis.

* * *

The fact that a historical tradition exists is not sufficient to determine the reactions of a national industrial relations system when it is confronted with an unforeseen crisis. The intensity of tripartite dialogue in the teeth of the economic crisis and the nature of the agreements it has engendered vary considerably, if we compare Spain, France, Italy and Portugal, and the results do not necessarily match what their respective historical traditions might lead us to expect. We cannot rely on an analysis based on “path dependency”. Actors’ reactions to exceptional circumstances are always to some extent unpredictable.

4. Pragmatic and occasional tripartism: specific rules for sharing responsibility which provide for only limited cooperation

Some Western European countries have never wanted to set up official tripartite dialogue bodies, nor adopt explicit tripartite agreements. Others have tried but given up. This does not mean that tripartite dialogue does not exist, only that it does not take place regularly within a framework of permanent institutions. Depending on the nature of the problems to be dealt with, and the economic, social and political circumstances, the three parties may decide to engage in consultation or cooperation following procedures which remain to a large extent informal. Germany and the United Kingdom provide two contrasting illustrations of this approach.

4.1 Germany

Influenced by its past history, after the Second World War the Federal Republic of Germany adopted a constitutional principle of strict separation between the responsibilities of the State and those relating to collective bargaining; the latter was seen as a matter for the social partners acting entirely independently. Moreover, there is no intersectoral collective bargaining.⁶⁹ The scope for institutionalised tripartism is therefore much reduced.⁷⁰ Attempts to institute it have all ended in failure.

- In 1967, the CDU-SPD grand coalition government launched a “concerted action” (*Konzertierte Aktion*) initiative with the aim of producing tripartite commitments. They never achieved the desired result, although the Alliance continued until 1977.
- A similar fate befell the “Chancellor’s conversations” (*Kanzlergespräche*), from which the DGB⁷¹ withdrew in 1966 following the government’s unilateral adoption of a programme of budget cuts.
- At the end of 1998, the new coalition government of Socialists and Greens launched an “Alliance for employment, vocational training and competitiveness” (*Bündnis für Arbeit, Ausbildung und Wettbewerbfähigkeit*). This consisted in tripartite work groups seeking to define common positions (Bispink, Schulden, 2000). Some texts were drafted, but the initial impetus was soon lost. At the beginning of 2003, Chancellor Schröder put a stop to the experiment, having diagnosed incompatibility between the positions of employers and unions (Rehfeldt, 2003).

These repeated failures to some extent explain the reluctance to adopt a tripartite approach to the crisis, except on a purely consultative basis. It should perhaps be added that, since 2002, with the Harz laws and “Agenda 2010”, Germany has embarked on a particularly radical programme of Labour market reform (Lehndorff *et alii*. 2009; Chagny, 2008), some aspects of which have provoked lively opposition from the trade unions.⁷² In 2008, the climate was therefore not favourable to tripartite consensus, which explains why responses to the crisis took the form of public policy decisions on which the social partners

⁶⁹ Most collective bargaining takes place at branch level, usually on a regional basis.

⁷⁰ These legal and institutional constraints did not, however, prevent there being close interdependence of an informal nature between the economic policy of the federal government, the monetary policy of the *Bundesbank* and the unions’ wages policy, driven by *IG Metall*.

⁷¹ *Deutscher Gewerkschaftsbund*.

⁷² In particular, readier use of various forms of atypical employment and reduction in unemployment benefits.

were merely consulted,⁷³ the only way they could exert any influence was through the traditional intervention channels.

- Having initially assumed a minimalist attitude, in January 2009 the government adopted a wide-ranging recovery plan (Watt, Nikolova, 2009). The discussions seem to have taken place between the two coalition parties, with no institutionalised debate involving the social partners. The employers approved the plan; the unions welcomed some of its provisions, but thought they did not go far enough.
- As in many Western European countries, the principal measure deployed from the outset to prevent massive job losses was increased resort to partial unemployment/short-time working (*Kurzarbeit*). Its scope was increased from 12 to 18 months, then to 24; the number of individuals involved reached a peak of 1.5 million during the second quarter of 2009. It was made easier and less expensive for enterprises to implement. Financial assistance was provided to encourage the use of the time for training. At the national level, the three parties expressed agreement on this priority in a joint statement. Branch level agreements introduced supplementary provisions on conditions governing the use of partial unemployment. In particular, its implementation at the enterprise level required the agreement of the establishment's Council (*Betriebsrat*). In the context of the crisis, and in the absence of tripartite institutions or agreements, the *Kurzarbeit* emerged, as stated by Stephan Lehndorff, as the prime example of informal tripartisan in Germany.⁷⁴
- The worsening of the crisis weighed heavily on a debate that had developed in Germany regarding the introduction of a minimum wage. A minimum wage can be imposed in certain sectors if the actual amount is set by collective agreement. Failing this, the government can fix a lower limit. At the time of its second recovery plan in January 2009, the government announced that it was tabling a bill to apply this procedure to six further sectors of activity. The legislation was voted through in February, despite opposition from the employers.⁷⁵ Within this framework, a tripartite committee⁷⁶ was set up to study the conditions for introducing a minimum wage in branches poorly covered by collective bargaining. In August 2009, it proposed that a minimum wage be introduced in three new branches.
- In 2009, for the first time, it proved impossible to reach agreement regarding the “apprenticeship pact” (*Ausbildungspakt*) which the employers had concluded bilaterally with the government in 2004 and renewed for three years in 2007. Under this pact, enterprises make quantitative commitments on the creation of new apprenticeships in application of the principle “offer an apprenticeship to every young person who wants one and has the necessary ability”. In addition, prior work placements are offered to prepare young people for apprenticeships. The enterprises refused to commit themselves on the number of contracts requested by the government for 2009/2010. The number of places offered by enterprises seemed to have dropped by more than 10 per cent compared with the previous year. This was a significant setback, in that the apprenticeship system is traditionally presented as a key illustration of consensus on a high-quality production model.

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⁷³ It should be noted, however, that a tripartite “Employment Summit” was held on 29 April 2009, bringing together the Minister for Employment and Social Affairs (SPD) and the presidents of the DGB and the employers’ federation (*Bundesvereinigung der Deutschen Arbeitgeberverbände – BDA*). Its purpose remained purely consultative.

⁷⁴ “Implicit tripartism was boosted to an extent formerly unknown in Germany in the course of the present crisis. The institutional framework for this turn of the tide is the short-time working scheme” (Lehndorff, 2009, p. 23).

⁷⁵ The effect of the Law was to add 1.2 million employees to the 1.8 million already covered by this mechanism. However, no solution was found for the temporary employment sector (0.7 million), which brought strong criticism from the unions.

⁷⁶ With unequal representation: two representatives for the employers, two for the unions, three for the State.

The combination of a major recovery programme and massive recourse to partial unemployment/short-time working made it possible in 2009 to dampen the impact of the economic crisis on the German Labour market. Although the social partners supported these two principal measures (with the unions critical that they did not go far enough), we cannot speak of tripartism in the way they were planned, let alone implemented. The past failures of tripartite bodies, the nearness of a parliamentary election, the tensions between the competing coalition parties, the complexity of the links between employers and unions and the two political parties all conspired to make the organisation of a tripartite dialogue undesirable, apart from some straightforward consultation of the social partners on the part of the government. Nevertheless, major conflicts between the three parties have been avoided thanks to successive compromises.⁷⁷

It would appear that this balance might have been jeopardised by the accession to power, in September 2009, of a new coalition between Christian-Democrats and Liberals. Indeed, the Liberals had advocated the elimination of measures providing protection against dismissal, at least for the newly-employed,⁷⁸ together with a freeze on any increase of the minimum wage. However, the government has not as yet announced any major reforms on the social front. The exceptional *Kurzarbeit* regime, which was originally to remain in force to end 2009, was initially extended to end 2010, with the maximum period of benefit limited to 18 months for new entrants. In April 2010, the government passed a bill confirming the provision until end 2012.

The most significant recent developments relate to collective bargaining. At the instigation of *IG Metall*, which has made jobs its absolute priority, agreements on extreme wage restrictions were signed in early 2010, in exchange for job security commitments (*Planet Labor*, 2010a). The prime objective is, over a given period, to protect employees in enterprises adopting *Kurzarbeit*. Such agreements are desired and welcomed by the government, but its open intervention would be constitutionally and politically unacceptable to the social partners. It would appear therefore that informal and pragmatic tripartism continues to prevail in the German experience, with a proven track record.

4.2 The United Kingdom

The United Kingdom is the country where the principles of voluntarism in industrial relations were first defined and established. Employers and wage-earners set up organisations which freely decided to negotiate on matters of their choice with interlocutors whose representativeness they recognised. State intervention was reduced to a minimum, as regards both Labour legislation and the organisation of Labour relations. After the Second World War, this model was affected by the determination of Labour governments to establish national tripartite institutions. From 1979, Conservative governments methodically dismantled all forms of tripartism.⁷⁹ Since 1997, the New Labour governments have not called this approach into question (Rubery *et alii*, 2009), as two pre-crisis examples may illustrate:

- When a national minimum wage was introduced in 1998, a Low Pay Commission was appointed to give advice and make recommendations to the government. Among its nine members, as well as experts, there were indeed persons holding important positions in trade unions or enterprises. However, it was explicitly stated that they must sit in an individual capacity, not to represent the organisations to which they belong. The government seeks advice from experts of all backgrounds, but not from representatives of the social partners.

⁷⁷ The most innovative compromises have been adopted on a bipartite basis in the context of decentralised collective bargaining (Zagelmayer, 2009).

⁷⁸ As of August, German employers had also put forward the same demand.

⁷⁹ All that remains are two organisations set up to regulate industrial relations: the *Advisory Conciliation and Arbitration Service* and the *Central Arbitration Committee*. Their members are appointed by the government on an individual basis.

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- Following the openly anti-union policy of the Conservative governments, in 1999 their New Labour successors introduced more favourable legislation, and subsequently further changes. However, this focused on trade-union activity at enterprise level: procedures governing trade-union recognition, collective bargaining and disputes. No form of consultation, dialogue or bipartite or tripartite negotiation at national level was envisaged.

It would seem that neither the government nor the employers want to see bipartite or tripartite procedures or institutions at national level. The unions, which in the past were keen on the idea, now seem to have reconciled themselves to this fact. The reactions of the different actors to the current crisis have only marginally changed this state of affairs (Lefresne, 2009).

- In October 2008, the Prime Minister announced the creation of a National Economic Council to deal globally with the different aspects of the emergent crisis. This Council comprised only the ministers or secretaries of state with competence for these matters.
- On 12 January 2009, the government organised an “Employment Summit”. This was its way of presenting its policy to combat unemployment to an audience of economic and social actors (Carley, 2009a). The debate boiled down to a question-and-answer session.
- An unusual joint initiative was taken by the social actors in the spring of 2009. The “Unite for Jobs” campaign, launched by the Unite union, received support from important representatives of the business sector, as well as from union circles. The emphasis was on setting up a public mechanism to provide partial unemployment benefits, like those existing in many continental countries. The TUC⁸⁰ and various employers’ organisations wrote a joint letter to the government in support of this demand, and also asked that reduced working hours be used as an opportunity for training activities. However, in July the main employers’ organisation, the CBI,⁸¹ proposed another solution, the granting of long-term leave,⁸² a proposal rejected by the TUC. The apparent convergence therefore did not last.
- In September 2009, the Prime Minister received the trade-union leaders to discuss the government’s policy to counter unemployment. It is revealing that this event was highlighted by observers on account of its exceptional nature.

In the case of the United Kingdom, it is difficult to find any signs of tripartite dialogue in relation to the crisis, much less the adoption of joint positions,⁸³ similarly, there has not been any national bipartite negotiation or dialogue on the issue. The government takes its responsibilities,⁸⁴ the employers’ and union organisations act on the one hand to influence its decisions and, on the other, give their members guidelines for decentralised negotiations, as and when they take place. The local balance of power frequently plays a decisive role.⁸⁵ The voluntarist model remains fully in force.

⁸⁰ *Trades Union Congress.*

⁸¹ *Confederation of British Industry.*

⁸² Such leave would have a maximum duration of six months. The non-working employee would receive normal unemployment benefit (*Jobseeker’s Allowance*) plus an equal amount paid by his or her employer (Carley, 2009b).

⁸³ It is interesting to note that, as far as we know, the only recent adoption of a tripartite position, on 20 May 2008, was concerned with how the principle of equality of treatment should apply to temporary workers (Hall, 2008). This was because it was necessary to define a joint British position for the final phase of negotiation of the Community Directive on this subject. It was therefore an external constitutional constraint that made this tripartite agreement possible.

⁸⁴ This was the case, for example, in November 2009, when the government announced a “skills strategy” (*Skills for growth: The national skills strategy*) to boost a recovery of growth (Payne, 2010). Or, in March 2010, when it opted for a very moderate minimum wage (2.2 per cent) in October 2010.

⁸⁵ A recent analysis by the ACAS (independent institution for conciliation and arbitration), focused on the risk of a multiplication and radicalisation of social conflict in early 2010 (Podro, 2010). In contrast to earlier such occurrences, the most recent recession triggered cooperative attitudes in enterprise. Employers endeavoured to avoid layoffs; employees accepted wage sacrifices, partial unemployment or reduced overtime and reduced employer contributions to pensions. With the prospect of economic recovery however, employees wished to recover the benefits they have lost,

4.3 Other rationales of pragmatic and occasional tripartism

As we mentioned earlier, Denmark and Sweden, two countries with strong traditions of tripartite dialogue, seem to have had little recourse to this approach in tackling the economic crisis. They may therefore be classified, in the specific context of the current crisis, with the third group of countries. This approach is dictated by an empirical consideration: it implies new prediction regarding the future of tripartite in these countries.

In **Denmark**, since the foundational agreement of 1899 between employer and trade union organisations, collective bargaining has played a central part in determining wages and working conditions. Recent developments have been in the direction of “centralised decentralisation”, whereby basic standards negotiated at national intersectoral level for industry leave a growing margin of freedom for sectoral and local negotiations. The State, out of a concern for competitiveness, has reserved the right to intervene, exceptionally and unilaterally, in the event of national negotiations breaking down. In parallel, forms of tripartite guidance or management were gradually introduced after the Second World War in the areas of vocational training, then active employment policy.

Today, these coordinating arrangements are probably regarded as sufficient by the actors concerned, and therefore the economic crisis has not engendered any specific tripartite or bipartite activity, but has only affected the management of certain issues.

- Tripartite negotiations began in the autumn of 2008 concerning Labour shortages and reform of the Labour market. Within this framework, a tripartite agreement was signed in September 2008 covering a very limited area: reducing sickness-related absences (Jorgensen, 2008). Since then, no further progress has been made.
- In June 2009, the government secured broad support in Parliament for a plan to reform the welfare state, but this was not a tripartite compromise, nor an initiative relating to the economic crisis,⁸⁶ although the pressure of the crisis helped in achieving broad-based political agreement.
- On the other hand, the government announced that, because of the crisis, it would not put into effect the proposals contained in the report presented in August 2009 by the “Labour market Committee”. Set up in December 2007, this committee was tasked with defining a structural growth strategy for the Labour supply in the years to 2015.
- Finally, it is worth noting that, in February 2009, employers and unions had asked for great flexibility and wider use of partial unemployment arrangements, and criticised the inadequacy of the government’s response as expressed in an “employment package” presented on 19 March 2009 (Jorgensen, 2009).

The branch level agreements negotiated in early 2010 for the period 1 March 2010 and 1 March 2012, in the eyes of some specialists, provide for a strengthening of the Danish model (*Planet Labor*, 2010b). They reside on the acceptance of wage restraint in exchange, primarily, for clauses to combat social dumping⁸⁷ and to establish the amount of severance pay. The mechanisms for joint regulation have unquestionably proved effective, but their prime function is to achieve consistency between branch level agreements before they are used as a reference for decentralised negotiations. Once negotiations had been concluded, the government does not intervene.⁸⁸

while enterprises sought to restore profitability, and budget cuts were announced in the public sector. This led to an escalation of conflict, frequently taking the form of wildcat strikes.

⁸⁶ This project emerged from three years of discussions within a “Well-being Commission”, with the purview to consider primarily the consequences of the ageing of the population.

⁸⁷ Collective agreements must apply to foreign workers.

⁸⁸ Public mediators play an important role in collective bargaining, but they are a separate entity that is independent of government.

In **Sweden**, the model of consensual tripartite regulation, long held up as a model (Anxo, Niklasson, 2009), has been badly shaken (Jolivet, Mantz, 2009).

- Since 1989, the employers have refused to conclude centralised wage agreements, which were one of the pillars of Swiss social solidarity. The result has been permanent tension between strategies to decentralise negotiation, attempts at partial intersectoral coordination and government efforts to impose mediation procedures.
- The centre-right government elected in 2006 has broken with the tradition of seeking consensus established by social-democratic governments, a tradition previously respected when a government of different political persuasion came to power. It has not hesitated to confront the trade unions, for example over the unemployment benefit regime, and to introduce legislation affecting the workings of the Labour market.
- The Laval judgment handed down by the Court of Justice of the European Communities (December 2007) challenges the very principle of Labour market regulation not being based on collective bargaining.

Against this difficult background, the economic crisis has not been an appropriate time for renewing tripartite dialogue (Kullander, 2009).

- To tackle the crisis, the government has adopted programmes which have not created consensus among the social actors, but rather have drawn criticism from opposite directions (Brunk, 2009).
- Initiated in June 2008, collective negotiations to reform the foundational *Saltsjöbadsavtalet* agreement (1938), which governs the national system of industrial relations, broke down in March 2009 (Lovén, 2009; *Planet Labor*, 2009c). The decision to withdraw was taken by the employers, who believed that the unions would refuse to make any concessions in respect of their two main demands: a restriction on rights to initiate collective disputes (in particular, the right to strike in solidarity) and, in the area of redundancies, abolishing the “last in, first out” (LIFO) rule. For their part, the unions were demanding stricter management of wage negotiations and security guarantees covering the whole of a worker’s career. These negotiations were not brought about by the crisis, but by the desire to modernise a very long-standing agreement. However, the fact of the crisis gave added weight to some of the more conflictual matters (LIFO, job security), and this determined the failure of the negotiations.
- In 2010, there will be branch-level wage negotiations covering almost 90 per cent of private-sector employees. The employers’ organisations have made their objectives known: a wage freeze, a reduction in starting wages for young people, more flexible working hours, and the possibility of exemptions for enterprises when concluding local agreements. The unions will be militating for “realistic” wage increases with a view to maintaining demand, job security guarantees and improvements in training. In view of the circumstances, the conflict is likely to become more intense.

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In countries characterised by a pragmatic and occasional approach to tripartite regulation, the economic crisis has evidently not created conditions favourable to such procedures. In some countries with a long tradition of tripartism, the changes in employers’ strategies and/or government orientations seem to have pushed things in the same direction. It is however important to remember that our analysis focuses solely on the institutional manifestations of tripartism. The potential effectiveness of informal tripartism cannot be ignored, Germany being a case in point. This can only be elucidated through in-depth investigation among the actors involved.

Some provisional conclusions

The shortness of the period of observation and the diversity of national situations makes it impossible at this stage to draw general conclusions as to the nature and effectiveness of tripartite responses to the economic crisis. However, a few hypotheses can usefully be stated and discussed, first concerning common trends, then national peculiarities and, lastly, prospects for the future.

- 1) For the Western European countries as a whole, there seems to have been a change during 2009 in the content and likely success of tripartite dialogue.
 - The brutal nature of the shock experienced in the summer of 2008, and the perception that the financial system, followed by the economic system, was in immediate danger of collapse, led to emergency government measures, in the preparation of which employers' and union organisations were not involved, except with rare exceptions and then only informally. However, over the following months, the very seriousness of the crisis laid the bases for a limited consensus between the three parties on some key objectives: to save the financial system; to ensure the public funding of recovery plans, particularly as regards infrastructure and support for the most endangered industries; to limit social damage by keeping down the number of lay-offs (adjustments to working hours and part-time working); to accept a temporary increase in public indebtedness to achieve these ends.
 - Obviously, employers and unions did not have the same priorities. The former were more concerned with the provision of assistance to enterprises, the latter with maintaining workers' purchasing power. But the magnitude of the recovery budgets was, in most countries, sufficient to satisfy both parties, especially since some measures met their common demands, for example, public funding for infrastructure projects or provision for partial unemployment.
 - In some countries joint criticisms were made of the government by employers' and union organisations. This occurred mainly where the government had announced important measures without consulting them, or in circumstances where both parties thought that public action did not go far enough.

When people became aware that the crisis was likely to be prolonged, or the recovery slow and fragile, the actors' diagnoses and strategies gradually tended to diverge.

- The employers increasingly emphasised the imperatives of international competitiveness, which in their view demanded rigorous pressure on wage costs and the speeding up of reforms to make the Labour market more flexible.
- Governments feared the risk of unsustainable budget deficits. They announced cost-cutting measures affecting public-sector employment and salaries, and social security provision as a whole, in particular retirement pensions and resources for the public services.
- The union consequently protested that the sacrifices necessitated by the crisis were unfairly shared among the parties. and the following slogan began to gain ground: "those who have caused the crisis should pay for the consequences, not the workers, who are not responsible for it". Arguments concerning social justice were compounded by issues of economic efficacy. The unions argued that policies to promote competitiveness, implemented in parallel in the various countries, led to a general reduction in purchasing power, which adversely affected deficits in sustainable demand, and so prevented recovery.

Our hypothesis is that, between the autumn of 2008 and that of 2009, the dominant tendency shifted from the first to the second situation, thus reducing the possibility of compromise in tripartite debate.

- 2) This conclusion is an over-simplification, given that different national situations led to differing ways of implementing tripartite processes. First, let us bear in mind that this article is concerned only with forms of tripartism which have achieved public

visibility; this must be taken into account when endeavouring to interpret the differences between countries.

- In most countries with strong tripartite traditions, the institutions initially played their part well. They were then subject to growing tensions which risked endangering their capacity for regulation unless there was a marked economic recovery.
- Some countries, which combined tripartite dialogue and collective bargaining to varying degrees and in differing proportions, actively mobilised these resources to tackle the crisis. Whether these processes resulted in compromises or failures, each actor affirmed that it remains committed to them and blamed others for any breakdown in social dialogue. Tripartite relations retain their vitality within heterogeneous modalities.
- However, the present crisis has tended to swell the ranks of countries which do not engage in, or no longer have recourse to, official tripartite dialogue involving a minimum degree of commitment on the part of the participants. This tendency is often the result of employers opting for decentralisation in collective bargaining, and is sometimes accentuated by governments of the right or centre-right attached to the principles of economic liberalism.

In those cases where it has functioned, tripartism in whatever form has proved to be effective in arriving at solutions that simultaneously incorporate the amortization of the economic and social costs of the crisis, measures to effect economic recovery, and commitment to carry out reform in the medium-long term. It has been consistently subject to growing tensions.

- 3) This consideration may serve as a reminder that tripartism is but one, albeit highly desirable, form of social regulation. Its content reflects the diagnostics, strategies and balance of power pertaining to the various actors involved in a given historic context. Our final hypothesis is that the development of tripartite regulation will be very much dependant on the economic policy choices made by governments to tackle unpredictable and changing circumstances.
 - If the present “mini-recovery” leads people to think that the crisis is over, arguments for national competitiveness will again get the upper hand. With employers keen to restore profit margins and governments giving priority to reducing public indebtedness, confrontations over wage costs and labour market flexibility, which are now becoming entrenched in early 2010, will result primarily, depending on the relative strength of the parties locally, in social conflicts and the negotiation of concessions. In situations where it tripartite commitments remain, it is possible that national rationales of competitiveness may augur a return to the *national competitive corporatism* of the 1990s (Rhodes, 1997).
 - If the political, economic and social actors believe that the present crisis reveals structural imbalances and this requires them to take concerted action to create the conditions for sustainable long-term growth, they will opt for cooperative strategies involving both selective support for material and human investment and a reduction in inequalities to satisfy individual and collective needs. This is the approach adopted by the *Global Jobs Compact* proposed by the ILO. This will in turn create the conditions for a tripartite debate from which all the parties will benefit in the medium and long term, as they have benefited in the short term from the recovery plans adopted in late 2008 and early 2009.

Post script

This document was originally completed in April 2010. A number of significant developments have since occurred, of which the most important are listed hereafter.

1.2 Netherlands⁸⁹

A change in the FNV's position in regard to the government's pension reform project created the conditions allowing all employer and trade union organisations to sign a global agreement, on 4 June 2010, in the Economic and Social Council, on the State regime and enterprise regimes. The age for pension entitlement will be raised to 66 years in 2020, and possible further adjustments will be considered every five years in the light of changes in life expectancy (in principle, rising to 67 years in 2025). The signatories requested the future government to promptly adopt this reform.

1.3 Ireland⁹⁰

In early 2010, attempts were made to limit the impact of breakdowns occurring in late 2009.

- Following a period of intense activity to back demands, trade unions in the public sector signed an agreement with the government, on 31 March 2010 on “wages and modernisation of the civil service for the period 2010-2014”. In exchange for a series of government commitments (specifically, to refrain from further wage reductions until 2014, reduce employee numbers without lay-offs ...), trade unions agreed to desist from further protest action, accept the redeployment of agents within the civil service, and the introduction of merit and performance-based promotions. Effectively, they acknowledged the measures decided upon by the government for 2010.

In the private sector, the IBEC and the ICTU on 24 March concluded a national protocol to remain in force until November 2010. Its objective was to provide a framework for enterprise wage negotiations focusing on the priority of protecting jobs and accepting enterprise competitiveness constraints. The two parties undertook actively to resolve local conflicts.

2.2 Spain⁹¹

Following the total breakdown, in June 2010, of negotiations on reform of the labour market that had been ongoing for two years, the government decided to assume the initiative. A decree-law, adopted 18 June 2010, and subsequently enacted in law, combined a series of measures, of which the most significant and controversial were the following:

- markedly increased flexibility of conditions for carrying out dismissals, with a considerable reduction in the cost to employers of compensation,
- broadened possibility of using the CFCI (*Contrato de fomento*) to hire any unemployed person,

⁸⁹ (Grunell, 2010, “Netherlands: social partners agree on retirement age and pension schemes”, EIRO, NL 10070191).

⁹⁰ (Seehan B., 2010, “Ireland: social partners agree voluntary private-sector pay control”, EIRO, IE 10050291)

⁹¹ (Gomez Aelleira F., 2010 “Spain: comment on the decree-law reforming the Labour market”, Planet Labor, no. 100484)

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- direct access by all undertakings experiencing difficulties to the “opt out” (*descuelge*) clauses of collective agreements, which had previously been conditional upon the signature of a collective agreement,
 - elimination, subject to exceptions, of restrictions on use of temporary work.

Further provisions endorsed the areas of agreement reached between the social actors during the course of uncompleted negotiations, for instance, broadening of conditions of access to better paid partial unemployment or public aid for apprenticeship and occupational insertion of young people.

3.1 Germany⁹²

Several high-profile cases of social dumping increased trade union pressure to achieve the introduction of a minimum wage in the low-wage sectors. The risks connected with the total opening of the German labour market, to occur on 1 March 2011, prompted a rethinking of positions by a number of employer organisations and by the political parties of the current majority. Despite the fact that the previous coalition government had introduced a minimum wage in the new sectors, opposition by the Liberal party suggested that the new government might block the process. This did not occur and further extensions were introduced or planned, for instance in the temporary work and individual care sectors.

⁹² (Planet Labor, 2010, (Germany: the Ministry of Employment wishes to introduce a minimum wage by branch in the temporary work sector” no 100492).

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Please note: We have systematically used specialised websites up to 31 October 2009: *EIRO* (European Industrial Relations Observatory), *ETUI - Collective Bargaining Newsletter*, *LabourStart*, *Planet Labor*, as well as the sites of international, governmental, employers' and trade union organisations. The main analytical texts they feature are included in the following bibliography, but not references to the information they publish.

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