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1. Introduction

This is a report in the framework of the WIBAR project. This project aims to promote the input of cross-country, comparative analyses at the level of themes and industries using the *WageIndicator* survey data about wages, working conditions and working hours. The Amsterdam Institute of Advanced Labour Studies (AIAS) / University of Amsterdam has developed the WIBAR project in co-operation with the European Trade Union Confederation (ETUC): the project is focused on the European trade union involvement in developing workplace industrial relations and Europe-wide bargaining. ETUC has formulated four major bargaining spearheads and related guidelines for 2006: wages in general and low pay work; working time; gender equality; training and lifelong learning.² For the ETUC, the European industrial secretariats and their national trade unions, the need for detailed and industry-specific comparisons is more urgent than ever. The WIBAR project should produce usable tools and intensify dissemination and debate on Europe-wide bargaining.

In section 2 we explore a number of issues concerning collective bargaining and its coverage. We already now have to make clear that this report does not explore the impact of collective bargaining coverage on wages and other terms of employment. The report concentrates on collective bargaining coverage as such, explores the extent to which coverage is the case in a number of EU member states, and aims to understand which factors influence an individual to be covered by a collective agreement. This report aims to contribute to the understanding of collective bargaining coverage by using employee survey data, based on the *WageIndicator* survey. Thus far this approach has hardly been tried in the European context: collective bargaining coverage is typically studied at aggregated levels of analyses, as part of the national industrial relations systems, using data provided by the bargaining parties. Micro data on self-perceived collective bargaining coverage is not common, and definitely not across countries. Section 3 treats some measurement problems encountered in our approach using such micro data. Section 4 presents the main results of our efforts, analysing coverage rates by country, gender and age, and industry and firm size. Section 5 goes into employees' opinions. Until now, little is known how employees value being covered by a collective agreement. High correlations may be expected between actual coverage and positive attitudes towards coverage, but this topic needs more study. This report aims to extent knowledge in this field too.

Our survey data include information mostly gathered in September 2004 – September 2006 for nine EU member states: Belgium, Denmark, Finland, Germany, Hungary, the Netherlands, Poland, Spain and the United Kingdom. Unless other reports in this WIBAR series, our collective bargaining data also covers Hungary.

2. Collective bargaining coverage: major issues

According to the Charter of fundamental rights of the EU, adopted by the European Council in Nice (2000), “workers and employers, or their respective organisations, have, in accordance with Union law and national laws and practices, the right to negotiate and conclude collective agreements at the appropriate levels” (Art. II-88). In 18 out of the 27 EU member states, the right to collective bargaining is explicitly or implicitly secured by the national Constitution. For the nine member states studied

² Keune, 2005; ETUC, 2005.

in this report, this is the case for Finland, Germany, Hungary, Poland, and Spain, but not in Belgium, Denmark, the Netherlands, and the United Kingdom. Laws on collective agreements are in force in Belgium (1968) and the Netherlands (1927), and basic agreements between central trade unions and employers' associations in Denmark (going back to 1899), which leaves the UK as the only member state without any statutory regulation for collective bargaining.³

The core of collective bargaining in EU member states regards wages and working hours. Collective bargaining is certainly of great importance for wage-setting processes, yet the extent to which individual wages are dependent upon collective agreements is not straightforward and differs widely across countries. Apart from wages and working conditions, in many EU member states collective agreements cover a growing range of issues, including 'collective goods' like vocational training arrangements. It is seducing to go into this development. So far, cross-country comparisons have been performed on a small-scale basis only, mainly because collecting, reading and comparing industry and company agreements is extremely time-consuming. Electronic databases are lacking in this field; this even holds for national libraries with these documents. The European Foundation in Dublin has only partly been able to cover this gap by a number of studies. The contents of collective agreements remain largely beyond the topic of this report.

It is widely accepted to distinguish three, not necessarily mutually exclusive, levels of bargaining. *Economy-wide* or *national* bargaining is a bipartite or tripartite form of negotiation between union confederations, central employers' associations and government agencies. It aims at providing a floor for lower-level bargaining on the terms of employment, often taking into account macroeconomic goals. *Sectoral* or *industry* or 'intermediate' bargaining aims at the standardization of the terms of employment in one industry. Sectoral boundaries do not necessarily match the sectors measured in industry classifications, and the range of industrial activities covered may change over time. Jointly national and sectoral bargaining is called multi-employer bargaining. The third bargaining level involves the *company* and/or *establishment*: this by definition is single-employer bargaining. Collective bargaining at sectoral and company/ establishment levels is the responsibility of employers' and employees' organizations.⁴

The data sources on collective bargaining used by ETUI, the European Foundation and Eurostat come primarily from national correspondents. Therefore, a relatively good insight is available and regularly updated as for the industrial relations systems related to collective bargaining. These data show that bargaining levels vary widely across EU member states. Table 1 (next page) gives recent indications of the recent importance of various bargaining levels in the nine EU member states that are also covered by our *WageIndicator* data. Industrial relations are far from static, yet it can be noted that in the last decade changes in the importance of levels remain rather limited, a major exception being the significant decline in multi-employer bargaining in the UK.⁵

³ Schulten, 2005; Keune, 2006.

⁴ Bispinck, 2004.

⁵ Brown *et al*, 2003.

Table 1 Importance of collective bargaining levels in 9 EU member states and indicative share of workforce covered by collective agreements, 2003

	National	Sector	Company	Coverage
Belgium	***	**	*	91-100%
Denmark	*	***	**	81-90%
Finland	***	**	*	81-90%
Germany	-	***	*	61-70%
Hungary	***	*	*	31-40%
Netherlands	*	***	*	81-90%
Poland		*	***	41-50%
Spain	**	**	**	81-90%
UK	-	-	***	31-40%

Source: Keune, 2006, 6, 13

Note: *** very dominant, ** moderate dominant, * not dominant, - absent

The table shows that collective bargaining primarily takes place at the national level in Belgium, Finland, and Hungary, primarily at sectoral level in Denmark, Germany and the Netherlands, and primarily at company level in Poland and the UK. The three levels are about equally important in Spain. Yet, the measure used here relates more to the level of *centralisation* than to a second aspect of bargaining that is also important: *coordination*, which is possible by tripartite or bipartite concertation at national level, within the employers' associations and within the union movement.⁶ At times the influence of tripartite concertation is substantial in six countries: Belgium, Finland, Hungary, the Netherlands, Poland, and Spain. Such national coordination is not absent, but normally covert (indirect) in Germany, and (virtually) absent in Denmark and the UK.⁷

Anticipating Section 4.4, we have to go into the relation between collective bargaining coverage and union membership. Due to (mandatory) extension and enlargement provisions regarding collective agreements, in many countries collective bargaining coverage is substantially higher than the national union density rates. This is notably the case in Germany, The Netherlands, Poland and Spain, and outside this group of 9 EU members in France and Italy. Extensive extension practices exist in Belgium, and more limited practices in Germany, Hungary, The Netherlands, Poland, and Spain; extension is not practiced, at least not in the private sector, in Denmark and the UK.⁸

3. Collective bargaining coverage: measurement issues

Calculations of coverage bargaining coverage rates, defined as employees covered by a collective agreement as a proportion of all employees, are hampered by a number of difficulties. The first problem relates to the number of employees covered by an agreement, the second relates to the number of employees potentially to be covered. This section discusses first the measurement of the number of employees

⁶ OECD, 1997, 70-71; Keune, 2006, 10-11.

⁷ OECD, 1994, 175; Schulten, 2005, Table 4.

⁸ Keune, 2006, 12.

covered by an agreement, and then the number of employees potentially to be covered.

3.1 Measuring collective bargaining coverage in individual surveys

Regardless its importance for wage setting and working conditions, the coverage of collective agreements is rarely asked in individual surveys, as the 2005 inventory of European *WageIndicator* countries indicated.⁹ Only in Germany and the Netherlands regular surveys asked individuals about for bargaining coverage. In the UK the Workplace Employment Relations Survey (WERS), undertaken with wider intervals, calculates collective bargaining coverage rates based on among other things both individual managers' and individual employees' answers at workplace level.¹⁰ A review of European-wide surveys also revealed little attention to this issue. For example neither the European Working Conditions Survey (EWCS) of the European Foundation asks questions on this behalf,¹¹ nor does the European Community Household Panel (ECHP¹²). Only a few comparative analyses are known regarding these collective bargaining variables, using German and British data.¹³

Yet, the *WageIndicator* questionnaire does ask respondents whether they are covered by a collective agreement. Quite some energy has been devoted in designing the survey questions, as such questions about collective agreement coverage are difficult. The key question is whether the respondent's (work) organization is covered by a collective agreement. If so, then the respondent himself or herself still may not be covered. In addition, some country questionnaires have one, two or even three follow-up questions, asking further questions about the level and content of the agreement.

The *WageIndicator* partners in three EU member states indicated that it is not necessarily the case in their country that if the respondent's *firm* is covered by an agreement, the respondent is also covered by that agreement. This may be the case in Finland, Denmark and the Netherlands.¹⁴

3.2 Measuring the potential labour force eligible to coverage

Second, any calculation of national coverage rates needs to take account of the fact that, in a number of countries, some employees are excluded from the right to conclude collective agreements. Hence, it is important to differentiate between the *unadjusted* coverage rate, defined as employees covered by a collective agreement as a proportion of all employees, and the *adjusted* coverage rate, defined as the ratio of employees actually covered to the potential number who could in principle be covered as determined by the formal provision of bargaining rights. The adjusted rate is a better measure of the diffusion of collective bargaining within its potential

⁹ Dribbusch *et al*, 2005.

¹⁰ Kersley *et al*, 2006, 19.

¹¹ Parent-Thirion *et al*, 2007, Annex 6.

¹² ECHP, codebook Wave 8, 2001.

¹³ Ellguth & Kohaut, 2004; Grtzgen, 2005; Schnabel *et al*, 2005.

¹⁴ Keune (2006, 8) states that countries in which employees who belong to the parties signatory to the agreement are covered by the agreement, indeed include Finland, but also Germany and the UK. On the other hand, among the countries in which all employees working for an employer that is covered by an agreement fall under the agreements, Belgium, Denmark, Hungary, the Netherlands, Poland and Spain are included. We question the inclusion of Denmark and the Netherlands in the latter group.

domain. Moreover, it shows the relative importance of collective bargaining compared with individual contracts as an alternative mode of bargaining. As the OECD points out, identifying the potential domain of collective bargaining implies the difficult task of disentangling the groups of employees with bargaining rights from those without.¹⁵ In the *WageIndicator* data, the *adjusted* coverage rate cannot be calculated, because the information needed typically cannot be collected by means of a survey. In the data used in the next sections the potential coverage is restricted to employees, and therefore excludes self-employed, own-account workers, freelance workers, family workers or working for family business, as well as school pupils or students with a job on the side.

4. Collective bargaining coverage: results

This section explores the individual-related determinants of collective bargaining coverage as traced through the *WageIndicator* data. It first details the dependent variable: collective bargaining coverage rates. Second, it explores to what extent these rates vary across personal characteristics such as gender and age. Third, we go into the extent to which collective bargaining coverage rates differ across industry characteristics. Finally, the Appendix shows country-specific logistic regressions, used to control for covariance of these characteristics.

4.1 Collective bargaining coverage rates

The outcomes on collective bargaining coverage first of all point to the fact that remarkably high percentages of respondents obviously do not know whether they are covered by a collective agreement. As Table 2 (next page) shows, this is notably the case in Belgium and Spain. In Belgium the over-all share for 2004-2006 was 29%; in 2006 it was 24%, with higher shares in 2005 and 2004. In Spain it was 19% for 2004-2006, more or less evenly spread over the years. In Germany and the Netherlands, the percentages 'Don't know' varied around 10%. Though the importance of collective bargaining for notably wage setting is recognized among industrial relations researchers and union officials, these figures may indicate that substantial minorities of employees do not perceive whether they are covered by a collective agreement. There may be some relation with a (rather) high level of centralisation of collective bargaining, like the high Belgian and Spanish figures suggest, although the score for Poland, with a decentralised bargaining system, is also considerable.

If we leave out the 'Don't knows', the shares of employees covered by a collective agreement are shown in the second panel of the table.

¹⁵ OECD, 1994, 172.

Table 2 Collective bargaining coverage, breakdown by country, 2004-2006

	Belgium	Denmark	Finland	Germany	Hungary	Netherlands	Poland	Spain	UK
0 No	16.1%	12.3%	11.9%	36.9%	31.2%	19.0%	70.1%	23.6%	62.0%
1 Yes	54.7%	82.4%	88.1%	52.8%	57.4%	72.2%	10.9%	57.5%	25.5%
7 dk	29.2%	5.3%		10.3%	11.4%	8.9%	19.0%	18.9%	12.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
0 No	22.4%	13.0%	11.7%	41.3%	30.5%	21.8%	86.4%	29.0%	70.8%
1 Yes	77.6%	87.0%	88.3%	58.7%	69.5%	78.2%	13.6%	71.0%	29.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: *WageIndicator* data, September 2004-September 2006

Note: : dk = Don't know

As explained previously, collective bargaining coverage can be measured in several ways. Table 3 presents the shares of the various types of agreements across countries. In row 1 we repeat the indications from Table 1. Here, the prime measure (row 2) is whether the respondent's firm is covered by a collective agreement, either a company or an industry agreement. This measure was also used in the previous table. The third row indicates whether the respondent self is covered by the agreement that applies to the company. Row 4 indicates whether the agreement that applies to the company is an industry agreement. Finally, the fifth row gives an indication whether the agreement at stake is aiming at working conditions.

Table 3 Collective bargaining coverage, breakdown by country and type of agreement, 2004-2006

	Coverage Table 1	2. Individual's company is covered by collective agreement	3. Individual is covered by collective agreement	4. Individual's company agreement is industry collective agreement	5. Individual's company agreement aims at working conditions	N
Belgium	91-100%	78%				12965
Denmark	81-90%	87%	86%			2004
Finland	81-90%	88%		55%		2835
Germany	61-70%	59%		41%		65226
Hungary	31-40%	70%			44%	4451
Netherlands	81-90%	78%	72%	32%		79422
Poland	41-50%	14%			7%	2004
Spain	81-90%	71%				11064
United Kingdom	31-40%	29%			14%	19455

Source: *WageIndicator* data, September 2004-September 2006

The table shows that according to *WageIndicator* data collective bargaining coverage is lowest in Poland with 14%, followed by UK with 29%. It is highest in Finland and Denmark with 88% respectively 87%. Compared to Table 1, estimated on reports from bargaining parties, the percentages for Finland, Denmark are within the expected range. Coverage is slightly lower than expected in Germany, Spain, the Netherlands and the UK, and is definitely lower in Belgium. Coverage is very much lower than derived from the bargaining parties for Poland, but is much higher than expected in Hungary. This last result may be due to the fact that the paper-based Hungarian survey was primarily performed by union members acting as interviewer.

Moreover, Table 3 shows that for the two countries where a company agreement not necessarily means that the individual in the company is also covered by that agreement, the difference in Denmark is negligible, but that in the Netherlands a

difference results of 6%points. It also shows that, where applicable, approximately two-thirds of the reported agreements in Finland are industry agreements, four-fifth in Germany, and less than half in the Netherlands. Finally, one may conclude that, where applicable, about half of the agreements in Poland and UK include working conditions, whereas this is the case for almost two-third in Hungary.

4.2 Employee characteristics: gender and age

As for gender, an older OECD study covering eight countries revealed no clear pattern. In 1990, the coverage rate for men was lower in two OECD countries (Australia, Norway), higher in four (Canada, the Netherlands, Switzerland and the USA) and equal to that of women in two countries, the UK and Portugal.¹⁶ Our *WageIndicator* data reveals hardly any (less than 3%points) gender differences in self-perceived coverage rates in six out of the nine EU member states. Hungary and the Netherlands are the countries with slightly higher rates for women. In the remaining three countries, the coverage rate is clearly higher for men: in Poland, the difference is 4%pts, whereas in Denmark and Germany the differences go up to 8 respectively 10%pts.

As for age, no previous comparable studies are available. Our study shows that (again: self-perceived!) coverage rates on average are higher for older employees than for younger employees. This is the case in all countries under study, and may imply a warning for trade unionists. Major age differences can be seen in Poland, where only 7% of the employed under age 30 are covered, against 35% of those aged 50 and over. The Hungarian figures show a similar pattern. Germany, Denmark and UK reveal similar age differences to a somewhat lesser extent.

Table 4 Collective bargaining coverage, breakdown by gender and age, 2004-2006

	Male	Female	1 < 30 jr	2 30-39	3 40-49	4 >=50	age differences
Belgium	78%	77%	75%	75%	80%	80%	5%
Denmark	89%	81%	74%	79%	91%	90%	16%
Finland	90%	87%	85%	88%	91%	92%	7%
Germany	62%	52%	52%	55%	64%	72%	20%
Hungary	68%	71%	54%	65%	75%	78%	24%
Netherlands	78%	79%	78%	74%	81%	86%	8%
Poland	16%	12%	7%	14%	34%	35%	28%
Spain	71%	70%	66%	70%	77%	77%	11%
UK	31%	28%	21%	28%	36%	37%	16%

Source: *WageIndicator* data, September 2004-September 2006

4.3 Firm characteristics: industry and firm size

Table 5 clarifies that the collective bargaining coverage across industries varies considerably. In particular 'other commercial services', including among others real estate and renting business, reveals the lowest coverage in almost all countries. In most countries utilities show a high coverage, and so does the public sector, education, and healthcare. For 1990, the OECD concluded for ten countries that coverage rates were higher in the public sector than in the private sector, although higher coverage tended to be accompanied by substantive restrictions in bargaining

¹⁶ OECD, 1994, 183.

rights, including the right to strike.¹⁷ In our study, the public sector also shows high coverage rates, particularly when utilities are also taken into account.

As for industries within the private sector, the OECD study, taking into account 13 countries, showed a wide variation in coverage rates across countries. The study concluded that the coefficient of variation tended to be considerably higher in countries characterized by single-employer bargaining and lower in those with multi-employer bargaining.¹⁸ Our outcomes confirm this tendency by showing a high variation in countries with predominantly single-employer bargaining, notably in Poland and the UK: see Table 5.

Table 5 Collective bargaining coverage, breakdown by country and industry, 2004 - 2006

	Belgium	Denmark	Finland	Germany	Hungary	Netherlands	Poland	Spain	UK
Agriculture	68% 11	87% 8		56% 8	50% 10	88% 6	0% 11	70% 8	23% 8
Manufacturing	82% 4	91% 7	91% 6	64% 6	78% 3	80% 8	18% 6	73% 7	23% 8
Utilities	90% 1	96% 2	100% 1	73% 3	90% 2	88% 6	59% 1	78% 4	56% 3
Construction	69% 9	92% 5	90% 7	46% 12	45% 11	92% 4	0% 11	57% 13	11% 12
Wholesale/retail	65% 12	72% 11	84% 10	49% 11	39% 13	79% 10	4% 10	62% 11	14% 11
Hotels, rest., catering	72% 8	68% 12	87% 9	55% 9	41% 12	93% 3	0% 11	62% 11	7% 13
Transport, commun.	82% 4	93% 3	88% 8	70% 4	91% 1	80% 8	27% 2	76% 5	40% 5
Finance	88% 3	86% 9	96% 3	78% 2	74% 6	71% 11	6% 9	89% 1	28% 6
Other comm.services	65% 12	61% 13	82% 11	30% 13	57% 8	46% 13	8% 8	64% 10	15% 10
Public sector	69% 9	98% 1	96% 3	86% 1	59% 7	97% 1	9% 7	85% 2	83% 1
Education	82% 4	92% 5	95% 5	69% 5	76% 4	90% 5	23% 3	75% 6	59% 2
Health care	90% 1	93% 3	97% 2	63% 7	75% 5	95% 2	21% 4	79% 3	42% 4
Other	77% 7	86% 9	77% 12	50% 10	55% 9	70% 12	19% 5	63% 9	26% 7

Source: *WageIndicator* data, September 2004-September 2006

As the rankings show, perceived low coverage is widespread across countries in six industries. Partly these are the usual suspects, also showing a high share of low paid (see WIBAR report No. 2): agriculture, wholesale/retail, and hotels/restaurants/catering, partly two other industries, construction (except Denmark, Finland and the Netherlands) and other commercial services. Everywhere well-covered by collective bargaining are utilities and transport/ communication, and with some more variation the public sector and education.

As for firm size, the OECD study of six countries revealed that in 1980 and 1990 in all these countries the coverage rate increased with firm size.¹⁹ This finding is univocally confirmed in our study: Table 6 (next page) shows that in all countries coverage increases with firm size. Examining five countries, the OECD study confirmed the hypothesis that differences in coverage rates by firm size are expected to be highest in countries characterized by single-employer bargaining and with an absence of extension practices.²⁰ Thus, based on the *WageIndicator* data we expected recently reported differences in coverage by firm size to be highest in the UK and Poland. Yet, this did not prove to be the case again: the differences between small and large firms (see the last row in the table) were highest for Germany and Hungary, although they were considerable for Poland and the UK too. The figures point at special problems for the German and Hungarian unions concerning the

¹⁷ OECD, 1994, 181. The public sector was defined as public administration, health, education, social services, and other public activities such as postal services and transport.

¹⁸ OECD, 1994, 182.

¹⁹ OECD, 1994, 183.

²⁰ OECD, 1994, 183.

smallest companies, and at general bargaining problems for the Polish and the UK union movements.

Table 6 Collective bargaining coverage rates, breakdown by firm size, 2004 - 2006

	Belgium	Denmark	Finland	Germany	Hungary	Netherlands	Poland	Spain	UK
1 - 10	61%	72%	76%	22%	21%	68%	6%	63%	10%
10 - 20	65%	80%	88%	28%	47%	70%	9%	66%	15%
20 - 50	67%	90%	90%	36%	62%	73%	10%	68%	19%
50 - 100	79%	91%	93%	48%	67%	78%	12%	74%	23%
100 - 200	85%	96%	95%	57%	75%	83%	17%	77%	29%
200 - 500	88%	96%	92%	70%	76%	85%	17%	82%	39%
500 - 1000	91%	93%	95%	77%	89%	89%	17%	81%	43%
1000 - 2000	91%	95%	96%	82%	90%	92%	38%	86%	51%
2000 - 5000	94%	90%	89%	86%	98%	89%	36%	84%	55%
5000 or more	94%	100%	95%	89%	98%	89%	35%	89%	53%
%points increase (largest-smallest)/10	0.03	0.03	0.02	0.07	0.08	0.02	0.03	0.03	0.04

Source: *WageIndicator* data, September 2004-September 2006

4.4 The determinants of collective bargaining coverage

So far, we have reviewed the variation in coverage rates for individual factors such as age and gender, and for industry characteristics such as sector and firm size. Both age and firm size are assumed to largely influence collective bargaining coverage. The results in Table 8 in the Appendix indeed show that in all countries, the impact of age is obvious and so is the impact of firm size. In all countries, the effect of firm size is even larger than the effect of age. Thus, it is predominantly firm size that predicts collective bargaining coverage, followed by age. As for gender, as expected, the results are mixed. Women are more likely to be covered in Hungary and the Netherlands, whereas the reverse holds for the remaining countries. As for the assumed high coverage in the public sector, this indeed turns out to be the case in all countries under study.

Special attention deserves the relationship between collective bargaining coverage and trade union membership. Compared to non-unionists, in all nine EU member states under review unionists are more often covered by collective bargaining. The overall-coverage in the nine countries was Table 7 indicates the coverage rates for unionists and non-unionists respectively, by country.

Table 7 Collective bargaining coverage by union membership, breakdown by country, 2004-2006

membership	Belgium	Denmark	Finland	Germany	Hungary	Netherlands	Poland	Spain	UK
0 No	74.9%	64.3%	82.3%	51.6%	62.2%	74.6%	7.7%	67.1%	12.9%
1 Yes	80.5%	76.0%	89.7%	80.3%	89.7%	89.9%	56.2%	79.3%	58.0%

Source: *WageIndicator* data, September 2004-December 2006

The 'advantages' for union members in terms of coverage rate are particularly clear in Poland and the UK – the countries with the lowest level of collective bargaining coverage. In Poland, 56% of the union members in the sample was covered by a collective agreement, against less than 8% of the non-members; in the UK, these figures were 58% and 13% respectively. Other research has shown that in the UK a strong link exists between bargaining coverage and trade union recognition at

company level.²¹ For Poland, the same link can be assumed. The differences in bargaining coverage between unionists and non-unionists are considerably less marked in those countries with a high bargaining coverage, notably in Belgium, Finland, the Netherlands and Spain. In the latter two countries, mandatory extension of collective agreements may at least partially explain the rather small differences.

5. Employees' opinions about collective bargaining coverage

Do employees think that it is important to be covered by a collective bargaining agreement, regardless whether they are covered or not? In Belgium, Germany, the Netherlands, Spain and the UK this question was asked all the time in the *WageIndicator* survey; in Finland, it was asked only from April until September 2005, and the question was not asked at all in Hungary, Poland and Denmark. As a consequence of the different regimes of wage-setting, the survey questions on this issue also varied across countries: the phrasing of the questions was slightly different across countries.

When investigating employees' opinions about collective bargaining, the breakdown by country and industry does not point to large cross-industry differences, but mainly to cross-national differences: see Table 8.

Table 8 Percentage of the employed agreeing that it is important to be covered by a collective agreement, breakdown by country and industry, 2004-2006

	Belgium	Finland	Germany	Netherlands	Spain	UK
Agriculture	71%	100%	72%	77%	88%	45%
Manufacturing	78%	87%	64%	69%	87%	36%
Utilities	85%	100%	72%	65%	88%	58%
Construction	73%	85%	67%	79%	87%	28%
Wholesale/retail	76%	85%	67%	76%	86%	40%
Hotels, rest., catering	79%	90%	73%	81%	87%	37%
Transport, commun.	79%	84%	69%	72%	91%	55%
Finance	77%	89%	57%	67%	94%	39%
Other comm.services	64%	83%	43%	50%	89%	31%
Public sector	81%	94%	84%	83%	95%	80%
Education	83%	85%	75%	84%	92%	67%
Health care	92%	93%	78%	90%	95%	67%
Other	84%	80%	66%	73%	94%	49%
Total	77%	87%	64%	72%	90%	46%
N	15458	3037	64594	56107	11302	17413

Source: *WageIndicator* data, September 2004-September 2006
Only cells with more than 9 observations are included

On the one hand, in the UK not even half of all employees responding (46%) agreed with the statement that it is important to be covered by an agreement. In Spain, on the other hand, 90% of the employees did so. Yet, these differences become less marked if we solely look at those employees employed by companies covered by collective agreements. In none of the five comparable countries (Belgium, Germany, the Netherlands, Spain and the UK) less than three quarters of those employees attached importance to collective agreements. In the UK, for example, this share was 84% (against 22% in companies not covered by collective agreements), and in

²¹ Grainger, 2006.

Germany 77% (against 48% in non-covered companies). Thus, in contrast to what can be assumed, it appears that employees employed by companies not covered by collective agreements mostly attach considerably less value to collective agreements. The exception here is Spain, where the differences are small and even 85% of the employees working in non-covered companies perceive agreements as important. Spain is also the country with the smallest cross-industry differences in perceiving collective agreements as important (maximum 9%points), in this respect followed by Finland (20%pts). Both absolute and relative differences between industries were highest in the UK (52%pts, over 2.5 times larger share agreeing to be covered in the public sector compared to construction), followed by Germany and the Netherlands. In three countries (Germany, Spain and the UK) the support for collective bargaining was highest in the public sector, in three (Belgium, the Netherlands, and again Spain) health care took the lead, and in Finland agriculture and utilities were on top. Support for collective bargaining was everywhere high in education too. In Belgium, Germany and the Netherlands, real estate, renting and business activities (other commercial services) showed the lowest scores, in Spain this was wholesale and retail, be it still with considerable support, and in the UK construction scored even lower than commercial services.

Of course, it is interesting to compare these outcomes with the actual bargaining coverage rates. We do so in Table 9 by country and industry; the shaded cells show shares indicating the importance of being covered by a collective agreement *higher* than the actual coverage.

Table 9 Collective bargaining coverage (CBC) and percentage of the employed agreeing that it is important to be covered by a collective agreement (AGR), breakdown by country and industry, 2004-2006

	Belgium		Finland		Germany		Netherlands		Spain		UK	
	CBC	AGR	CBC	AGR	CBC	AGR	CBC	AGR	CBC	AGR	CBC	AGR
Agriculture	68	71	.	.	56	72	88	77	70	88	23	45
Manufacturing	82	78	91	87	64	64	80	69	73	87	23	36
Utilities	90	85	100	100	73	72	88	65	78	88	56	58
Construction	69	73	90	85	46	67	92	79	57	87	11	28
Wholesale/retail	65	76	84	85	49	67	79	76	62	86	14	40
Hotels, rest., catering	72	79	87	90	55	73	93	81	62	87	7	37
Transport, commun.	82	79	88	84	70	69	80	72	76	91	40	55
Finance	88	77	96	89	78	57	71	67	89	94	28	39
Other comm.services	65	64	82	83	30	43	46	50	64	89	15	31
Public sector	69	81	96	94	86	84	97	83	85	95	83	80
Education	82	83	95	85	69	75	90	84	75	92	59	67
Health care	90	92	97	93	63	78	95	90	79	95	42	67
Other	77	75	77	80	50	66	70	73	63	90	26	49
Total	77	77	88	87	58	64	78	72	71	90	29	46

Source: *WageIndicator* data, September 2004-September 2006
Only cells with more than 9 observations are included

The national share indicating the importance of being covered by a collective agreement turned out to be considerably higher than the actual bargaining coverage rate in Spain (19%points), and in the UK (17%pts), somewhat higher in Germany (6%pts), (about) equal in Belgium and Finland, and somewhat lower (6%pts) in the Netherlands. Considering industries, the pattern follows the national outcomes: in all 13 Spanish industries the share of those agreeing that it is important to be covered

was higher than the actual coverage rate, in the UK this was so in 12 industries (the exception being the public sector), in Germany in eight industries, in Belgium in seven, in Finland in four, and in the Netherlands in only two industries. Across countries, the largest difference in favour of the statement was found in wholesale and retail, followed by other community and social services; hotels, restaurants, catering; other commercial services; and health care. In the public sector, counted over the six countries the shares of those supporting bargaining and the actual coverage rates were just balanced. Utilities were the only industry with an overall slightly negative score of those agreeing with the importance of being covered by a collective agreement compared to the joint actual coverage rates.

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7. Appendix

Table 8 The determinants of collective bargaining coverage, 2004-2006

BELGIUM				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0.000	
AGRICULT, MANUF, CONSTR	-0.471	0.073	0.000	0.624
TRADE, TRANSPORT, HOSPIT	-0.662	0.077	0.000	0.516
COMMERCIAL SERVICES	-0.705	0.072	0.000	0.494
GENDER	0.125	0.048	0.009	1.133
AGE	0.009	0.002	0.000	1.009
firm size	0.307	0.011	0.000	1.359
Constant	0.160	0.120	0.183	1.173
Chi-square	1205.321	df (6)	Sig.	0.000
Included in Analysis	12779		Missing Cases	5711
DENMARK				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0.000	
AGRICULT, MANUF, CONSTR	-0.744	0.310	0.016	0.475
TRADE, TRANSPORT, HOSPIT	-0.927	0.312	0.003	0.396
COMMERCIAL SERVICES	-1.715	0.315	0.000	0.180
GENDER	-0.447	0.159	0.005	0.640
AGE	0.039	0.007	0.000	1.040
firm size	0.340	0.043	0.000	1.405
Constant	0.246	0.438	0.574	1.27s9
Chi-square	191.795	df (6)	Sig.	0.000
Included in Analysis	1952		Missing Cases	200
FINLAND				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0.000	
AGRICULT, MANUF, CONSTR	-1.107	0.270	0.000	0.331
TRADE, TRANSPORT, HOSPIT	-1.179	0.265	0.000	0.308
COMMERCIAL SERVICES	-1.613	0.248	0.000	0.199
GENDER	-0.184	0.132	0.163	0.832
AGE	0.018	0.006	0.005	1.018
firm size	0.250	0.032	0.000	1.284
Constant	1.869	0.369	0.000	6.483
Chi-square	154.669	df (6)	Sig.	0.000
Included in Analysis	2828		Missing Cases	12043
GERMANY				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0	
AGRICULT, MANUF, CONSTR	-0.739	0.028	0.000	0.478
TRADE, TRANSPORT, HOSPIT	-0.668	0.033	0.000	0.513
COMMERCIAL SERVICES	-1.432	0.030	0.000	0.239
GENDER	-0.083	0.020	0.000	0.921
AGE	0.025	0.001	0.000	1.025
firm size	0.405	0.004	0.000	1.499
Constant	-1.854	0.052	0.000	0.157
Chi-square	18913.286	df (6)	Sig.	0.000
Included in Analysis	64794		Missing Cases	8306
HUNGARY				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0.005	
AGRICULT, MANUF, CONSTR	-0.231	0.108	0.032	0.794
TRADE, TRANSPORT, HOSPIT	-0.039	0.120	0.742	0.961
COMMERCIAL SERVICES	-0.438	0.138	0.001	0.645
GENDER	0.204	0.084	0.015	1.226
AGE	0.040	0.004	0.000	1.041
firm size	0.505	0.020	0.000	1.656
Constant	-2.968	0.209	0.000	0.051
Chi-square	1063.518	df (6)	Sig.	0.000
Included in Analysis	3894		Missing Cases	561

Table 8 The determinants of collective bargaining coverage (cont'd)

NETHERLANDS				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0.000	
AGRICULT, MANUF, CONSTR	-0.991	0.039	0.000	0.371
TRADE, TRANSPORT, HOSPIT	-1.068	0.039	0.000	0.344
COMMERCIAL SERVICES	-2.553	0.036	0.000	0.078
GENDER	0.112	0.020	0.000	1.119
AGE	0.001	0.001	0.311	1.001
firm size	0.189	0.004	0.000	1.208
Constant	1.856	0.055	0.000	6.401
Chi-square	12244.564	df (6)	Sig.	0.000
Included in Analysis	77304		Missing Cases	9436
POLAND				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0.023	
AGRICULT, MANUF, CONSTR	0.265	0.190	0.164	1.303
TRADE, TRANSPORT, HOSPIT	-0.111	0.224	0.620	0.895
COMMERCIAL SERVICES	-0.339	0.208	0.102	0.712
GENDER	-0.066	0.150	0.662	0.936
AGE	0.079	0.008	0.000	1.082
firm size	0.253	0.031	0.000	1.288
Constant	-5.561	0.398	0.000	0.004
Chi-square	217.5487	df (6)	Sig.	3.47E-44
Included in Analysis	1899		Missing Cases	4269
SPAIN				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0.000	
AGRICULT, MANUF, CONSTR	-0.554	0.071	0.000	0.574
TRADE, TRANSPORT, HOSPIT	-0.580	0.074	0.000	0.560
COMMERCIAL SERVICES	-0.544	0.067	0.000	0.580
GENDER	0.080	0.046	0.084	1.083
AGE	0.018	0.003	0.000	1.018
firm size	0.173	0.010	0.000	1.188
Constant	0.130	0.125	0.296	1.139
Chi-square	503.297	df (6)	Sig.	0.000
Included in Analysis	10786		Missing Cases	2997
UNITED KINGDOM				
	B	S.E.	Sig.	Exp(B)
REF public sector, health, edu			0.000	
AGRICULT, MANUF, CONSTR	-1.902	0.054	0.000	0.149
TRADE, TRANSPORT, HOSPIT	-1.690	0.055	0.000	0.185
COMMERCIAL SERVICES	-1.993	0.050	0.000	0.136
GENDER	-0.321	0.039	0.000	0.725
AGE	0.025	0.002	0.000	1.025
firm size	0.279	0.007	0.000	1.322
Constant	-1.711	0.092	0.000	0.181
Chi-square	4486.752	df (6)	Sig.	0.000
Included in Analysis	19142		Missing Cases	3810

Note: the large number of missing cases is predominantly due to respondents having indicated 'Don't know' to the collective bargaining questions.