

Mapping varieties of industrial relations: Eurofound's analytical framework applied

Introduction

The 2016 Eurofound report *Mapping key dimensions of industrial relations* defines industrial relations as the collective and individual governance of work and employment. It identifies four key dimensions.

- *Industrial democracy*, based on the direct and indirect participation rights of employers and employees in the governance of the employment relationship, the autonomy of both sides of industry as collective organisations and their collective capacity to influence decision-making.
- *Industrial competitiveness*, based on an economy with a consistently high rate of productivity growth and good performance of small and medium-sized enterprises. To be competitive, it is essential to promote research and innovation, information and communication technologies, entrepreneurship, competition, and education and training.
- *Social justice*, based on the fair and non-discriminatory distribution of opportunities and outcomes within a society, in order to strengthen the 'capabilities' of each individual for self-determination and self-realisation.
- *Quality of work and employment*, based on career and employment security, health and well-being, the ability to reconcile working and non-working life, and the opportunity to develop skills over the life course.

However, the interpretation, application and implementation of these key dimensions depend on the stakeholders' affiliation and their national industrial relations system. Therefore, the report stresses the usefulness of further developing this conceptual framework, especially for cross-country comparisons and mutual learning processes. To this end, a first assessment of existing data sources and indicators was carried out.

The current study is a continuation of this work, with the aim of further fine-tuning the set of indicators. It also assesses how and to what extent the conceptual framework of the key dimensions of industrial relations can be applied to the national level.

Policy context

Throughout most of the 20th century, the role of industrial relations and its importance in the political, economic and societal context was not questioned. However, from the 1980s onwards, factors such as increased globalisation, technological progress, declines in trade union density and the decentralisation of collective bargaining started to exert a significant impact on industrial relations systems. In recent years, changes in some EU Member States, as a consequence of the economic and financial crisis, have accelerated some of these long-term trends and resulted in new developments: the decline of collective bargaining coverage; the destandardisation of employment relations; the reduction in the size of the public sector workforce; and changes in welfare systems in many countries.

Key findings

Dashboard to map industrial relations systems

To map the industrial relations systems in Europe, this study compiled a database of 45 indicators, using annual data for the period 2008–2015 from different European and international data sources. The selected indicators meet strict conceptual and statistical criteria, in line with both the quality assessment and assurance framework of the European Statistical System and other quality criteria commonly used in the literature. To enable comparisons, the study included only unambiguous indicators that have a practical and intuitively clear meaning, in the sense that it is obvious what is being measured with respect to the framework of the key dimensions of the industrial relations system. In fine-tuning the indicators, aggregation was used as an analytical tool to select and test the most relevant indicators. Standardised and aggregated values by dimension were calculated to provide an insight into how each national industrial relations system is performing.

The set of indicators was tested at national level through Eurofound's Network of European Correspondents. These experts were asked to analyse the data produced and assess the extent to which they provide an accurate picture of their national industrial relations system. The results were found to paint a reasonably accurate picture in all dimensions by a large majority of correspondents, with only two countries indicating inaccuracy in some dimensions or methodological problems. In this process, remarks about conceptual aspects, problematic indicators and suggestions for new indicators were collected.

The study has thus created a comprehensive dashboard of indicators that shows a reasonable accuracy in mapping the predominant features and trends of the national industrial relations systems in accordance with the conceptual framework developed by Eurofound. Nonetheless, this must be considered as a provisional exercise, one that needs further discussion and fine-tuning.

Mapping and analysing the national industrial relations systems

The application of this set of indicators to national industrial relations systems has shown, as expected, substantial differences across countries. The results are relatively consistent with the typology of industrial relations regimes developed by Jelle Visser for the European Commission: 'organised corporatism' in Denmark, Finland and Sweden; 'social partnership' in Austria, Belgium, Germany, Luxembourg, the Netherlands and Slovenia; a 'state-centred' model in France, Greece, Italy, Portugal and Spain; a 'liberal pluralism' model in Cyprus, Ireland, Malta and the UK; and 'transition economies' in Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia. The results also illustrate, despite some limitations, how the different national industrial systems are evolving, showing divergent trends across countries and, to some extent, within the different industrial relations clusters. In a context of growing debates on the impact of the crisis on industrial relations systems in Europe, further cross-country analysis is needed.

Analysis of the insights from the national correspondents suggests a relatively consistent agreement among them regarding the relevance of the conceptual framework based on the four dimensions. It also reveals some conceptual challenges, however, which should be considered. These are mostly associated with the difficulties involved in relating the industrial relations actors and processes to the outcomes of the dimensions, which, in the case of industrial competitiveness, social justice, and quality of work and employment, are also affected by other complex and varied factors.

Conclusions

The study has shown that a dashboard of accurate indicators able to measure and summarise the complex reality of industrial relations across the EU Member States is a valuable tool for comparative research and a useful instrument for supporting policymakers, social partners and stakeholders.

Additionally, the study has collected meaningful insights on how to move forward, in terms of further developing the conceptual approach, improving the set of indicators, and using the results in the most effective way to contribute to a better collective and individual governance of work and employment.

The first option would be to continue improving the current dashboard. This would entail a critical review of the indicators, as well as their interrelation with the four key dimensions, in order to strengthen the conceptual approach by trying to better relate indicators to industrial relations actors and processes.

The second option would be to explore replacing the indicators in some of the dimensions by another existing set of indicators. This option would be especially pertinent for dimensions such as industrial competitiveness, quality of work and employment, and social justice, where several research institutions have already developed consolidated indices in these fields.

The third option would be to develop a composite indicator for each key dimension to comprehensively measure country performance in the four dimensions. This scenario entails a revision of the set of indicators, as well as further conceptual and methodological work.

Further information

The report *Mapping varieties of industrial relations: Eurofound's analytical framework applied* is available at <https://www.eurofound.europa.eu/publications>

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