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The content of sectoral collective agreements in Belgium explained?

Joris Van Ruysseveldt

1. Introduction

In Belgium, as in most countries in Western Europe, the most important conditions of employment for the vast majority of employees in the private sector are regulated by collective agreements. Nevertheless, the content of these collective agreements and the collective bargaining process in Belgium has not yet been the subject of much systematic research on the basis of an explicit scientific frame of reference. The study described here constitutes a first attempt at making the phenomenon of collective bargaining a subject of academic research. Starting with 37 JCs in the private sector, we analysed the content of the collective agreements that were negotiated and measured their relevant institutional, organisational and socio-economic characteristics. This makes it possible to answer questions such as: to what extent does the dominant level of negotiation (sectoral or company level) influence the content of the collective agreement? What effect does the level of organisation of trade union federations and employer federations have on the collective agreements negotiated by them? To what extent do socio-economic characteristics of the sector for which bargaining is taking place - such as the level of competition, sensitivity to exports or the structure of the sector - determine the results of the negotiations? This paper makes a start on coming up with answers to all these questions.

First of all we present the framework for analysis underlying the research. We then look closely at a concept which has occupied a central place in the study: the macro-responsiveness of the collective agreement. The hypotheses tested in the study are then formulated. The aims of the study and the research methods used are also considered. Finally we present the results of the analysis and draw a number of conclusions from it which are also relevant to policymakers.

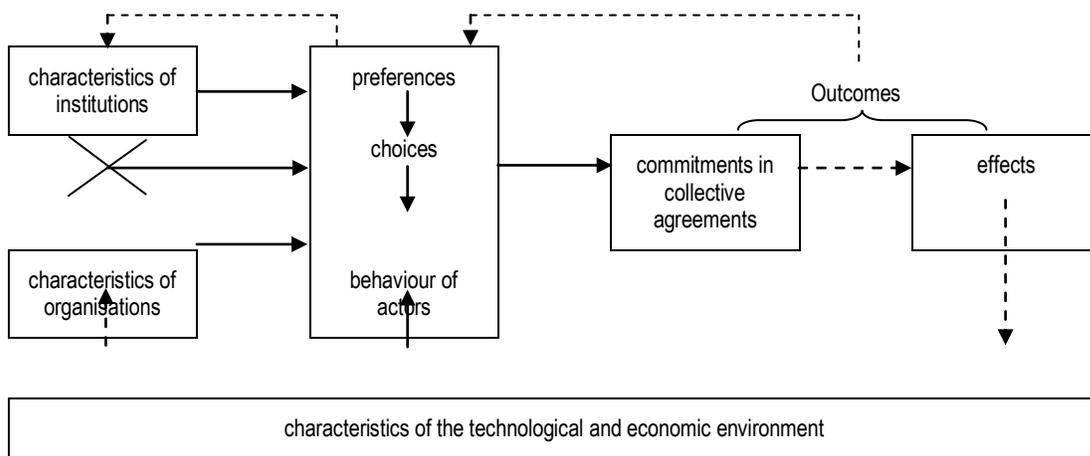
2. The research model

The research model is represented graphically in figure 1. The aim of the research model is to indicate what correlations exist between the content of the collective agreements that are concluded on the one hand and relevant aspects of the institutional and socio-economic reality on the other. The arrows in the research model point from left to right: the question is to what extent institutions and organisations influence the preferences, choices and behaviour of the actors and thereby the outcomes of their interaction and, more specifically, the content of the collective agreements that are concluded.¹ Although the arrows in the model point from left to

¹ In reality the arrows also point back from right to left. As Visser and Hemerijck (1998) have pointed out, it is possible that the actors, on the basis of an evaluation of the effects of their negotiations, will reach a diagnosis of a serious and undesirable failure of policy

right, the model should not be read in this way, but the other way round: collective agreements come into being as a result of negotiations between the (representatives of) the interest organisations involved, and these negotiations take place within a specific institutional, organisational and socio-economic context. These actors act in a targeted way. We have thus immediately referred to the most important blocks in the research model: what needs to be explained is the content of the collective agreement, in this case the agreements concerning employment conditions which are (to be) applicable to the employees in a particular sector. The content of collective agreements is directly linked to the preferences of the actors who are involved in the negotiations. These preferences and the actual behaviour of the actors are, in turn, influenced by the various contexts within which they operate: the institutional, organisational and socio-economic context.

Figure 1 A research model for collective bargaining at the meso level



On the right-hand side of the research model, which shows the outcomes of the negotiations, we distinguish between commitments in collective agreements and their effects. Commitments in collective agreements refer to the specific rules which the negotiators involved in collective bargaining have agreed in the collective agreement. The commitments in collective agreements are a tangible outcome of collective bargaining. Ultimately policymakers are not only concerned with the commitments themselves but also with their effects, the 'results on the ground'. What effects do the commitments in collective agreements have on the development of wages (moderate or otherwise?), on the flexibility of the labour market and on the organisation of work or the development of unemployment and inactivity? In our study we have mainly devoted our attention to the content of the commitments in collective agreements and to explaining the differences between sectors in this respect. The effects of the collective agreements that have been concluded have not (yet) been researched. That

and intervene in institutions and/or organisational patterns on the basis of this. Our study does not, however, address this question, which relates to the dynamics of institutional reforms. The arrows in question are therefore shaded in the research model. Shaded arrows thus indicate correlations that occur in reality and are relevant, but which are not tested in our study.

is because these effects only become visible a few years after the collective agreements in question have been concluded and the socio-economic statistics available at present are not yet sufficiently up-to-date.²

The 'preferences, choices and behaviour of the actors' lie at the heart of our model. Here we are explicitly following the '*actor-centered-institutionalism*' approach which is also supported by Visser and Hemerijck (1998): the choices underlying what is done by the actors are not only made due to rational cost-benefit considerations but they are equally determined by normative orientations, preferences, aims, means of exerting force, interests, collective identities and cognitive capacities of the actors. Socio-cultural processes also have a part to play in creating the actors' preferences (see also Hemerijck, 1994, p. 236-237; Crouch, 1982, pp. 38-41). In our model, preferences are associated with cognitive processes and also with culturally and ideologically determined norm and value complexes, as well as the weighing up of interests based on a specific position.³

Otherwise we do not agree with the neo-classical and neo-institutional theory that actors engaged in targeted, rational action only strive strictly towards their own interests. As in the case of institutionalism, we expressly leave open the possibility that actors take into account the interests of others and the impact of their actions on 'general welfare'. However, and here we come to the heart of our message, actors will only be willing under specific institutional and organisational conditions to help to resolve social problems that go beyond their own immediate and strict self-interest. In other words: the preferences of the actors and how they prioritise those preferences are partly influenced by the specific circumstances in which their interventions take place. How the actors ultimately behave is based not only on their choices in relation to the relevant preferences but also on institutional, organisational and socio-economic factors. These are the factors and contexts which have been included with some emphasis in our research model.

In the first place our research model makes it possible to investigate the correlation between characteristics of institutions and preferences of negotiators involved in collective bargaining. By institutions we mean the written and unwritten rules relating to collective bargaining in Belgium. Many of the written rules that apply to collective bargaining have been defined by law and consequently apply to all sectors. Hence the law has defined an important 'institute' for collective bargaining covering (parts of) sectors, namely the JC. The effect of legally defined rules, for example the conditions under which collective agreements can be declared generally binding and the monopoly on representation in collective bargaining, is not a subject for consideration in this type of study - a comparison between sectoral collective agreements in a single country. That is because these rules do not differ between the JCs. In addition to the written rules, however, there are also a large number of unwritten rules governing collective bargaining. Not everything is or can be prescribed by law and consequently the social partners themselves also have to regulate the relationships between them.

² As we will see below, we have analysed the content of the collective agreements which were negotiated in the JCs selected by us according to the extent to which they contain commitments to promote employment. Unfortunately it is *not yet* possible to measure the effect of these on the development of employment. The most recent employment statistics date from 2000, and we have produced an inventory of the content of commitments in collective agreements which were in force in early 1999. If commitments in collective agreements have an effect on employment, it can only be measured over a number of years.

³ Preferences indicate what people consider to be valuable and worth striving for, taking into account their own position in the structure of networks of interaction and the interests that can be derived from this, and in view of their awareness of the effect of interventions as a result of striving towards preferences.

What is more, our research has shown that the various JCs handle the legal rules in different ways. Over time more or less specific negotiating practices emerge in the JCs. This phenomenon points to the fact that the actors always enjoy some room for manoeuvre and freedom of interpretation in relation to what seem to be compulsory institutions⁴. The 'weight' of the collective agreements concluded at the sectoral level, whether they contain substantial commitments or only minimum commitments which have to be worked out and supplemented later at the company level, is not formally prescribed anywhere. The dominant level at which negotiation takes place, namely the sectoral or the company level, is therefore the result of commitments and arrangements which have come about on the basis of years of experience of the practical realities of collective bargaining in a particular sector. In our study we will mainly pay attention to (unwritten) rules of this kind concerning collective bargaining: these do differ between JCs and their institutional effect is therefore measurable. In particular we will study the influence of the dominant level of negotiation.

Unlike Van den Toren (1996) we have made a distinction in our research model between characteristics of institutions and characteristics of organisations. That is because we wish to be open from the outset to the possibility that institutions and organisations operating within this organisational context will act independently of each other to influence the preferences, choices and behaviour of the actors. We also consider that in many studies little or insufficient attention is paid to the characteristics of interest organisations.⁵ Usually the analysis is limited to the institutional context and pays no explicit attention to the characteristics of the organisations acting within it. In our research model we specifically pay attention to the characteristics of interest organisations: how many members they have, how they create loyalty among their members, the means of exerting influence that are available to the organisation, the extent to which internal co-ordination takes place and the direct involvement of the members in making decisions.

Our research model also provides for the possibility of interaction effects arising between the characteristics of institutions and organisations. This is shown in figure 1 by the arrow between the 'preferences, choices and behaviour of the actors' block and the link between the 'institutions' and 'organisations' blocks. It is conceivable, for example, that highly centralised collective bargaining only gives rise to a certain institutional effect when it is carried out by a highly organised employer federation and not with a low or moderate level of organisation in the employer federation. Another possible interaction effect exists between the degree of centralisation and the level of unionisation (see also Paloheimo, 1990).

Finally our research model makes it possible to analyse the influence of factors from the technological and socio-economic context within which negotiators operate in sectoral collective bargaining. In particular we have measured a few relevant characteristics of sector-related technological and economic environment in our

⁴ For example, the social partners themselves determine who conducts the actual collective negotiations: while the law assumes that all the organisations represented on the JC will take part in the negotiations, certain organisations do not take part in the actual negotiations preceding the conclusion of an agreement.

⁵ In this connection we define interest organisations as those organisations that take part in collective bargaining at the sectoral level on behalf of their members. In Belgium the organisations that support the interests of employers in the sector and represent them during collective bargaining are generally referred to by the term '*employer federations*'. Usually - but not always - these employer federations are members of the umbrella organisation for employer organisations, the Verbond van Belgische Ondernemingen (VBO). The organisations which support the interests of employees in the sector and represent them in collective bargaining are usually referred to as '*trade union federations*' or '*trade unions*'. All recognised trade union federations or trade unions are affiliated to one of the three umbrella trade unions or trade union confederations: the Christian ACV, the socialist ABVV and the liberal ACLVB.

model, such as the level of competition in the market, the export-orientation of the sector, the corporate structure of the sector and the development of employment within the sector. We have already indicated above that the preferences of the actors and the priority that is given to preferences is partly determined by specific circumstances. It is therefore possible, for example, that a drastic decline in the level of employment in the sector will lead to higher priority being given to 'promoting employment' and a lower priority to 'improving pay'. Negotiators involved in collective bargaining will therefore tend to make more commitments in collective agreements on promoting employment. Like the institutional and organisational context, the technological and economic environment also influences the preferences, choices and behaviours of the actors and therefore the outcomes of the negotiations. That influence, however, is by no means decisive or determinative. Consequently there is no arrow from the environment block to the commitments in collective agreements block.

3. The macro-responsiveness of the collective agreement

The content of collective agreements can be studied from various different perspectives. Hence one might ask what influence commitments in collective agreements have on the cost of labour: to what extent does the collective agreement result in more or less moderate growth in pay or to wages rising out of control? Another relevant perspective looks at the flexibility of the labour market and the organisation of work: to what extent do commitments in collective agreements lead to greater flexibility or greater rigidity in the labour market and in the organisation of work?

In this study we have chosen yet another perspective on the content of the collective agreement. The social partners are generally presented as (corporatist) organisations which are purely oriented towards defending and supporting the interests of their members and their own interests as an organisation. Following on from the corporatist and institutionalist theories, however, we do not exclude the possibility that the negotiators involved in collective bargaining may also be oriented towards the wider society and specific social problems. It is precisely because they have learned from experience that their negotiations have a major impact beyond the limits of their own sector or business, that they may possibly develop a certain sense of social responsibility and explicitly or implicitly take into account the consequences of their interventions on wider segments of society.

Following Van den Toren (1996) we have used the concept of '*macro-responsiveness*' in our analysis. Van den Toren describes this as: the extent to which and the way in which social effects and aims are incorporated in the collective agreement. We will set out a more operational definition of this concept below. Macro-responsiveness, then, refers to the extent to which negotiators involved in collective bargaining approach the collective agreement as a tool to make contributions towards resolving social problems and questions. Examples of social questions are pushing down unemployment, promoting participation by women in work and the integration of ethnic groups in society. The question is then whether commitments are made or

practical measures are introduced in the collective agreement to make a targeted contribution towards resolving the social question concerned.

The macro-responsiveness of the collective agreement is the dependent variable in our study. We have also operationalised that dependant variable in a specific and limitative way. We have decided to select a well-defined and specific social problem and research the extent to which negotiators involved in collective bargaining take steps in sectoral collective agreements to help to resolve the problem. The social problem selected by us is unemployment, or, more broadly: inactivity. The question is to what extent commitments are made in sectoral collective agreements concerning measures intended to push down unemployment and/or to promote the creation of new jobs. The choice of unemployment as a social problem was mainly informed by the fact that unemployment was stable at a high level for most of the 1990s - after a rise from 1993 onwards (Van Ruysseveldt, 2002, p. 8-26) and is defined by the various actors involved in making policy - both various public authorities and the social partners - as highly problematic (Van Ruysseveldt, 2000, pp. 136-139). In our study we observed that little attention was, in fact, devoted during sectoral collective bargaining to promoting employment, and it would be justified to conclude that the macro-responsiveness of collective agreements in Belgium, and therefore the social orientation of the sectoral negotiators involved in collective bargaining, is rather poor. In fact we observed that there are major differences between the 37 JCs involved in our study in terms of the way in which measures are incorporated in the collective agreement to promote employment (see Van Ruysseveldt, 2000, pp. 273-275). The question that then arises is: how can these differences in the content of collective agreements be explained? In the following section we have set out a number of hypotheses in this connection. First we will briefly consider the way in which we measured the dependent variable in practice.⁶

Figure 2 Employment measures in collective agreements

Supply orientation	Demand orientation
<ul style="list-style-type: none"> * training and education: <ul style="list-style-type: none"> - <i>general</i>: versatility - <i>target group policy</i>: training of risk groups * voluntary part-time work * part-time career break * half-time early retirement 	<ul style="list-style-type: none"> * collective reduction in working time with compensatory recruitment * reduction in overtime with compensatory recruitment
<ul style="list-style-type: none"> * career break 	<ul style="list-style-type: none"> * temporary unemployment
<ul style="list-style-type: none"> * early retirement 	

The measurement of the dependent variable is based on a content analysis of all stipulations in collective agreements which were in force in June 1999 for the JCs included in our study. That means that the

⁶ For a more detailed description of the methods used to measure the dependent variable, see Van Ruysseveldt, 2000, pp. 254-272.

stipulations resulting from collective bargaining during the 1999-2000 period were not included, but all the stipulations that were in force until June 1999 were included. In summary, the measures in the collective agreement to promote employment or push down unemployment were *measured* and *weighted*. This was done on the basis of the following principles. First of all it was necessary to measure the extent to which collective bargaining at the JC level gave rise to *additional* commitments. In a number of cases the texts of sectoral collective agreements repeat what has already been determined by law or on an interprofessional basis. They do not, therefore, create any extra or additional rights, commitments or opportunities. The measuring tool had to be designed in such a way that the score that was given only records the extra achievements at the level of the JC. Figure 2 summarises the subjects on which sectoral negotiators involved in collective bargaining can make commitments. Secondly the measuring instrument that was developed not only had to 'count' the number of employment promotion measures negotiated at the sectoral level, but it also had to be capable of expressing the scope of those measures in a numerical way. In other words: it was necessary not only to count them mechanically, but also to use qualitative weighting. A particular commitment - for example concerning the promotion of voluntary part-time work - appears in a number of collective agreements, but in one collective agreement a far-reaching scheme has been developed while in another there is virtually nothing more than a mention of the measure. The measuring tool must express differences of this kind in the quality or 'weighting' of the commitment that has been negotiated in numerical terms. The following method should be used: the more enforceable rights the commitment creates for those involved, and the more and stronger *incentives* provided by the commitment to make choices that will have a favourable impact on employment, the greater the weighting and thus the larger the number assigned to the commitment⁷. In this way a score was calculated for each of the 37 JCs which reveals the extent to which measures have been taken to promote employment. That score also offers an indication of the level of macro-responsiveness of the collective agreement.

4. The macro-responsiveness of the collective agreement: hypotheses

Why are the collective agreements negotiated in some JCs more macro-responsive than those negotiated in others? How can differences between JCs be explained on the basis of the level of macro-responsiveness of their collective agreements? In this section we will set out a few hypotheses which have been tested in our study.

Hypothesis 1: As the negotiators involved in collective bargaining speak out more clearly in favour of making contributions towards solutions to wider social questions, the macro-responsiveness of the collective agreement increases.

⁷ Here is an example: sector-specific commitments providing additional payments for a person taking a career break in the case of a part-time career break so that the loss of income is limited, and which offer guidance and financial support to the employer when looking for and training a temporary replacement, score more highly than commitments in which these types of *incentives* and support are not present.

In line with the theoretical starting points of our research model (*'actor-centered institutionalism'*) we are assuming that there is a link between the preferences of the actors and the content of the collective agreement. The commitments made in the collective agreement partly reflect the preferences of the actors and the priority that they assign to each of those preferences, given specific circumstances. As actors become more socially oriented, have a greater preference for making contributions towards general welfare or bringing practical solutions to social problems which are defined as undesirable and therefore make these a higher priority, the collective agreement will take on a more pronounced macro-responsive character.

Now we do not want to fall into *naïve voluntarism*,: the content of the collective agreement is not only the result of an exchange between actors with specific preferences to which specific priorities are allocated, independently of the context in which the negotiations take place. With regard to the content of the collective agreement it is not only important what the negotiators *want to do*, but also what they *can do*. Institutional and organisational characteristics have a part to play here. The essence of our argument is therefore that negotiators involved in collective bargaining are only willing and able under specific institutional and organisational conditions to contribute towards solutions to problems that go beyond their own immediate self-interest.

Hypothesis 2: *As more substantial commitments on employment conditions are agreed in the sectoral collective agreement and collective bargaining therefore becomes more centralised, the macro-responsiveness of the collective agreement increases.*

Based on the following theoretical argument it can be assumed that as sectoral collective bargaining takes place in a more centralised way, the chance of a macro-responsive collective agreement increases. This theoretical argument concerns the production of collective goods and the problems of collective action which are associated with this. Collective agreements often create collective goods. Collective goods are goods (or services) which have to be produced collectively. As soon as they are produced, however, no-one can be excluded from the enjoyment of them. Once they have been provided to a single individual, they are also available to others at no extra cost. If no-one can be excluded from enjoyment of a good and if everyone cannot be obliged to contribute towards the cost of production of the same good, a sub-optimal situation arises where the production of the collective good lags behind or fails to grow. From the perspective of the individual it is in his own strict self-interest not to contribute towards the costs of production of a collective good: the individual's contribution towards the production of a collective good is not really necessary as long as the others do it, and after all one cannot be excluded from the enjoyment of it. If everyone follows this reasoning then the collective good is not produced. When it comes to optimising the production of collective goods it is therefore necessary to prevent freeloading behaviour: if everyone is able to benefit from a good, then everyone must also pay a share towards creating it.

Collective agreements that contribute towards the resolution of social problems can very well be seen as examples of collective goods. The effective solution of social problems benefits the whole of society. If, for example, commitments are made in the collective agreement to push down unemployment, then it is primarily

the unemployed people themselves who will benefit. Employers, employees and the government will, however, also be better off: if unemployment falls then less unemployment benefit needs to be paid out and the parafiscal pressure can be reduced or the resources which are released can be used in other areas of social security. If everyone benefits from a reduction in unemployment, how is it possible to ensure that everyone also contributes towards the costs of measures to promote employment?

This problem of collective action also arises for negotiators involved in collective bargaining at the sectoral level. The question arises here of whether all companies in the sector contribute equally towards the costs of collective goods which are created by a collective agreement. If sectoral training provision has been introduced under a collective agreement and the associated costs are borne only by the members of the employer federation that has signed the collective agreement, while all employers are able to benefit from the increased level of training of employees, a competitive disadvantage will result for the members of the employer federations: they are paying for the costs but others can enjoy the benefits of the training provision free of charge.⁸ Now freeloading at the sectoral level can be prevented by negotiating inclusive collective agreements, i.e.: collective agreements that apply to all companies and all employees in the sector. Collective agreements have a more inclusive character when they are negotiated at a more central level (because they then apply to all employers who are affiliated to the employer federations that sign them) and when the sectoral collective agreement is declared generally binding (since the collective agreement then applies to all employers in the sector, including those which are not organised). In other words the aim is to achieve the highest possible level of coverage, either by bringing about the highest possible level of organisation (on the employer side) or by calling for support from the government. As collective bargaining takes on a less inclusive character, the production of collective goods under collective agreements will become more problematic. If negotiations take place exclusively at the level of enterprises, there is a greater likelihood that the production of collective goods will lag behind.

In the Belgian market sector, sectoral collective agreements are almost always concluded and these sectoral collective agreements are in almost all cases declared to be generally binding. The level of coverage of collective agreements in the sectors of the Belgian economy is 100%, almost without exception. Nevertheless there are differences between the sectors, depending on the degree of centralisation of collective bargaining. Two aspects are important here: to what extent does negotiation also take place at the company level and how are sectoral collective agreements and company collective agreements interrelated? In this way a distinction can be made between sectors in which negotiations take place exclusively or predominantly at the sectoral level and sectors in which negotiations sometimes take place at the company level. In the latter case a distinction also needs to be made between sectors in which the sectoral collective agreement contains many substantial commitments on employment conditions and sectors in which the sectoral collective agreement only contains minimum commitments and the actual substantial benefits are negotiated in the collective agreements concluded for larger companies. In the latter sectors the collective bargaining process is least

⁸ In principle it then makes sense for individual employers no longer to be members of the employer federation, since in this way they can save the costs while still benefiting from the results. If all employers reasoned in this way, the employer federation and the training provision would disappear and the production of collective goods would lag behind.

centralised. As more substantial commitments on employment conditions are made in the sectoral collective agreements, the collective bargaining in our model takes on a more centralised character.

As we have stated earlier, the content of the collective agreement partly reflects the preferences, priorities and aspirations of the organisations involved in collective bargaining. Even more than studying what the negotiating parties are striving to achieve, it is important to research which of the negotiating parties' aspirations they are able to realise. Parties *want* to achieve a lot, but what *can* they actually bring about? How do they succeed in asserting their preferences in negotiations with the other parties and ensuring that commitments are included in the collective agreement which (partly) correspond to their preferences, even against the will of the other parties? Negotiation is, in essence, a process of exchange between parties with divergent interests, ambitions, wishes, expectations, preferences and priorities. The extent to which parties succeed in pushing through their wishes depends partly on the means of exerting power that they are able to mobilise and deploy and the means of exerting power that the other parties are able to mobilise and deploy. To gain a clear view of the way in which commitments are included in collective agreements, it is therefore necessary to consider not only at the preferences and priorities of the parties involved but also the means of exerting power that are available.

Hypothesis 3: As trade union federations which have a clear preference in favour of contributing towards the resolution of social questions achieve a higher level of organisation, the macro-responsiveness of the collective agreement increases.

In most studies the power of the trade unions is exclusively or mainly measured on the basis of the level of organisation⁹. The level of organisation or unionisation is indeed one of the most decisive measures of the power of trade unions. Two important aspects of trade union power are closely linked to it: First of all the operating resources that trade unions obtain from membership contributions and which can, for example, be used to develop professional staff or build a strike fund. Secondly the potential for mobilisation if the other parties - employers or the government - have to be put under pressure.

For employer organisations the same reasoning applies in theory as for the trade unions. The more means of exerting power employer organisations have at their disposal and the higher their level of organisation, the more successful they will be at putting forward their preferences and priorities in collective bargaining and achieving their aims. In sectors where employer federations have a clear social orientation and have achieved a high level of organisation, the likelihood of finding macro-responsive collective bargaining is higher than in other sectors¹⁰.

There is also another argument that plays a part in relation to the level of organisation on the employer side. Since most collective agreements are declared to be generally binding, the level of coverage in

⁹ In the study the power of trade unions is also measured in a more comprehensive and complex way. On this subject see Van Ruysseveldt (2000), pp. 155-158. Using the multi-dimensional indicator of the trade unions' power, however, gives the same result as using the level of unionisation. We will therefore not be looking in detail at the multi-dimensional indicator here.

the Belgian market sector is usually 100%. If there is no generally binding declaration then the level of coverage corresponds to the level of organisation on the employer side: since in that case all the employees who work for *organised* employers will be covered by the collective agreement. As the level of organisation on the employer side becomes higher, the level of coverage in the absence of a generally binding declaration is also higher. The level of organisation of employers is thus an indication of the extent to which problems with collective action (freeloading) can be resolved within a sector if there were no generally binding declaration. In sectors with a high level of organisation on the employer side a high level of coverage would still be achieved, problems of collective action could be addressed more easily and more macro-responsive collective bargaining would be possible than in sectors with a low level of organisation among employers.

Hypothesis 4: A high level of organisation on the employer side promotes macro-responsiveness in collective bargaining.

The hypotheses which we have set out above focus on the correlation between one factor (or sometimes two factors) from our research model and the dependent variable: the macro-responsiveness of the collective agreement. Our model, however, also provides for the possibility that interaction effects will arise between institutional and organisational variables. We are particularly interested in the interaction effect between the dominant level at which bargaining takes place and the power of the interest organisations taking part in the negotiations. Hence Scharpf emphasises the joint importance of these two factors: "*the strength and the organizational structure of its labor unions and (...) the effective locus of collective bargaining*" (Scharpf, 1984, p. 275). Our hypothesis is then as follows:

Hypothesis 5: The macro-responsiveness of the collective agreement is highest where collective bargaining is centralised and interest organisations are also highly organised.

The macro-responsiveness of the collective agreement is operationalised in this study as the occurrence of commitments in collective agreements to promote employment. We have therefore investigated the extent to which the following socio-economic environmental characteristics have an influence: the level of competition in the sector, market orientation and developments in the sectoral labour market.

Hypothesis 6: As competition in the market increases, the macro-responsiveness of the collective agreement declines.

We are assuming that the inclusion of measures in the collective agreement to promote employment always entails certain costs. If those costs are taken from the room available for pay increases, the cost effect of measures to promote unemployment remains neutral for employers. As the available scope for pay increases

¹⁰ For a more detailed theoretical outworking of this argument we refer to Van Ruysseveldt (2000), pp. 158-159.

becomes smaller, however, employees will be less willing to sacrifice part of it in order to promote employment. They will, in any case, have a tendency to demand, on the basis of the norm of reciprocity (see Putnam, 1993) that employees should also contribute towards the effort to promote employment and should therefore accept a proportion of the costs. The scope for negotiation at the sectoral level is partly determined by the level of competition in the market. At high levels of competition the available scope for negotiation shrinks and there will be less willingness among the negotiating parties to pay a lot of attention to contributions towards the resolution of wider social problems.

Hypothesis 7: As a sector is oriented more towards the international market and less towards the domestic market, the macro-responsiveness of the collective agreement declines.

A variant on hypothesis 6 concerns the dominant market orientation in the sector. In some sectors companies produce primarily for the domestic market and in others they produce mainly for the international market. It is not true that production for domestic markets necessarily means less competition than production for international markets. In sectors that produce for the domestic market, however, it is possible to remove pay and employment conditions from the scope of competition by concluding sectoral collective agreements (which are declared generally binding). In that case it can be assumed that the willingness to make commitments in collective agreements in relation to specific social problems will increase, even though there are costs associated with them, since all companies are obliged to contribute towards those costs. Companies cannot derive a competitive advantage from this area because they are all obliged to comply with and implement the stipulations of the collective agreement. That is not the case for companies in sectors producing for the international market. They are in competition with companies from other countries. In a number of countries companies will not be bound to sectoral collective agreements and the trade union movement in those countries and companies may be so weak that they offer no serious counterweight to the employers. In other words: from an international perspective a distinction must be made between companies in the organised sector which are obliged to negotiate with strong trade unions and companies in the non-organised sector which are not or far less strongly bound to collective agreements and to negotiations with trade unions. Companies in the latter group can derive a competitive advantage from this. The result may be that collective agreements concluded for companies and sectors in countries with strong trade unions are less substantial because the negotiators are aware of the effect of excessively 'expensive' collective agreements on the market share of the organised companies and sectors. Due to the dynamics of international competition, a remarkable situation can arise *within* a single country: although sectoral collective agreements are negotiated in all sectors and the trade union movement is strongly organised, the collective agreements negotiated in sectors that produce for the domestic market will leave more scope and pay more attention to socially relevant issues than the collective agreements negotiated in sectors producing for the international market.

5. Structure of the study and research methods

A database has been created in the context of this study. The database includes about 700 variables for 37 JCs from 17 economic sectors. A small proportion of this data is derived from government statistics on employment, pay and working hours. The vast majority of the data is collected on the basis of structured verbal interviews with negotiators involved in collective bargaining from the (largest) employer federation involved and the (largest) ACV trade union federation involved. Finally a large amount of information was gathered on the content of the collective agreements concluded in the JCs in question. A content analysis was therefore carried out. Here we will briefly consider the various methods of data collection¹¹.

5.1 Population and sample

The research units in our study are *Joint Committees* abbreviated to: *JCs*. These are negotiating bodies set up by law in which the relevant employer federation(s) and the relevant trade union federations from the recognised trade union confederations (ACV, ABVV and ACLVB) can conclude collective agreements determining the most important pay and employment conditions for the employees in the sector for which the JC is competent. JCs are therefore always competent in a specific sector, such as the metal industry, printing presses, hotels, restaurants and cafés or road transport¹².

JCs are the research units in our study. It is helpful, however, to remember that these are not ordinary respondents. Specifically, JCs cannot be interviewed. Information about their characteristics has to be obtained indirectly, either by consulting secondary source material (for example government statistics or minutes of the meetings of JCs), or by asking for information from privileged witnesses. In our study the privileged witnesses are the spokespeople who conduct the collective bargaining in a JC on behalf of their organisations. For each JC a structured verbal interview (see below) was conducted with the spokesperson for the largest employer federation, usually affiliated to the VBO, and the spokesperson for the largest ACV trade union federation. The key characteristics of JCs have been derived from their responses to the questions on the questionnaire.

Before sampling the JCs that were to be investigated, the population was defined in greater detail. A total of three restrictions were imposed upon the population. First of all the population was restricted to *industry and services*. Secondly the population was restricted to *operational JCs* with at least 1,000 employees in their area of competence. The third restriction was more technical. A large number of white-collar employees in diverse sectors for which an individual JC has not been formed fall within JC 218 (the Supplementary National Joint Committee for White-collar Employees, [Dutch:] ANPCB). As a result the composition of JC 218 is very heterogeneous. For this reason it cannot be researched in the same way as the other JCs which are involved in our study. From the population defined in this way, a sample of economic sectors was taken (by NACE code). The JCs that negotiate for the NACE sectors that were drawn were then identified.

¹¹ For detailed notes on the structure of the study and the methods of data collection that were used: see Van Ruysseveldt (2000), pp. 167-184.

¹² Sometimes a JC is only competent for the blue-collar workers in the sector, sometimes only for the white-collar employees in the sector and sometimes for both. In a number of sectors there are also *Joint subCommittees* alongside the JCs, abbreviated to: *JsCs*. JsCs

Table 1 Sample: sectors according to the NACE-bel company classification and number and name of the associated JCs.

sector nr.	name of NACE sector	nr. JC	name of JC
15	<i>Food industry</i>	118	food industry - blue-collar workers
		220	food industry - white-collar employees
17	Textiles	120	textiles industry - blue-collar workers
		214	textiles industry - white-collar employees
18	<i>Clothing</i>	109	blue-collar workers in the clothing and finishing industry
		215	white-collar employees in clothing and finishing etc.
21	<i>Paper and cardboard</i>	129	blue-collar workers in paper and cardboard production
		221	white-collar employees in paper and cardboard production
		136	blue-collar workers in paper and cardboard processing
		222	white-collar employees in paper and cardboard processing
22	<i>Graphical industry</i>	130.01	blue-collar workers in the printing industry
23	<i>Oil industry</i>	117	blue-collar workers - oil industry
		127	blue-collar workers - fuel trading
		211	white-collar employees - oil industry
24+25	<i>Chemical industry</i>	116	blue-collar workers - chemical industry
		207	white-collar employees - chemical industry
27	<i>Steel and non-ferrous</i>	104	blue-collar workers in iron industry
		210	white-collar employees in iron and steel industry
		105	blue-collar workers - non-ferrous
		224	white-collar employees - non-ferrous
28-35	<i>Metalworking</i>	111.01&02	blue-collar workers - metalworking
		209	white-collar employees - metalworking
40	<i>Energy</i>	326	gas and electricity generation
45	<i>Construction</i>	124	blue-collar workers - construction
		149.01	electricians
50	<i>Garages</i>	112	blue-collar workers - garages
		149.02	blue-collar workers - bodywork
52	<i>Retail</i>	119	blue-collar workers - trading in food products
		201	white-collar employees - independent retail
		202	white-collar employees - food retail
		311	large retail businesses
		312	department stores
55	<i>Hotels, restaurants and cafés</i>	302	hotels, restaurants, cafés
60	<i>Transport</i>	140.04	blue-collar workers - goods transport
65	<i>Banks</i>	310	banks
66	<i>Insurance</i>	306	insurers
		307	brokers and insurance agents

are only competent for a part of the sector, for example JsC 149.2 is only competent for bodywork companies (and not for garage companies).

Table 1 shows the 17 sectors and the associated 37 JCs that were involved in the study. In total this sample comprises 67% of the JCs in the market sector which negotiate for more than 1000 employees and are operational: 71% of the JCs in industry and 60% of JCs in services are included in the study. If we take the level of employment as a starting-point when determining the representativeness of the sample, we also obtain a positive result: the JCs involved in the study collectively negotiate for 80% of the jobs in the market economy. In service sectors, the representativeness in terms of employment is rather lower than in the industrial sectors: the JCs in our study negotiate for 90% of the employees in industry and 70% of the employees in services.

5.2 Method of data collection

Due to the fact that sectoral collective bargaining in Belgium has not yet been much studied and little systematic information has been gathered on the procedure and results of collective bargaining, the study was divided into stages. Several different methods of data collection were also used: both qualitative and quantitative research. In a first stage, characterised by the use of qualitative research techniques, an extensive exploration of the field was carried out.¹³ The priority aim of this research stage was to outline collective bargaining at the sectoral level in the market sector and to gain a reliable picture of the population. In a second stage the data included in the database is then collected in a structured way.

Of the 37 JCs included in our study, the spokesperson for the (most important) employer federation and the spokesperson for the largest ACV federation were always approached for a verbal interview.¹⁴ The response was - unexpectedly - high¹⁵. It was decided to use a structured questionnaire with a majority of closed questions. The data is easily comparable between JCs and allows good (quantitative) measurement of the key variables. Since the questionnaire was completed verbally, there was also scope - if necessary - to go into more detail about the specific situation in a particular JC. In parallel with this research stage statistics on the labour market, wages and working hours were also collected and added to the database. Finally a content analysis was carried out for the collective agreements concluded in the selected JCs (see Van Ruyseveldt, 2000, pp. 180-183 and 253-275).

6. Research results: the incidence of employment measures in the collective agreement explained

In this section we present the results of the empirical analysis of the database for the 37 selected JCs. Here we have used a variety of different analysis techniques: correlation coefficients, covariance analysis and multiple regression analysis. We successively test the various hypotheses that were set out in section 4.

¹³ For a description of the first stage of the study we refer to Van Ruyseveldt, 2000, pp. 178-180.

¹⁴ In the event that the white-collar federations take the lead in the JC, the spokesperson of LBC, the Dutch Christian white-collar employee federation, was always approached rather than the spokesperson of CNE, the French-speaking Christian white-collar employee federation.

¹⁵ On the side of the ACV federations involved, only the involvement of the spokesperson in PC 104 Steel industry gave rise to a (linguistic) problem. On the employer federation side only the representative of the Federatie van Belgische Transporteurs refused to co-operate.

6.1 Preferences of negotiators involved in collective bargaining on behalf of ACV trade union federations

Is there a link between the preferences of negotiators involved in collective bargaining and the results of negotiations? We will limit ourselves here to the preferences of the ACV negotiators in relation to employment promotion. Measurement of the variable 'preferences of ACV negotiators' deserves some explanation. The actual negotiations are conducted by the spokespersons of the interest organisations taking part in collective bargaining (see Van Ruysseveldt, 2000, pp. 185-219). They are the ones who make the demands and preferences of their organisation explicit to the other negotiators involved in collective bargaining. Of course these spokespersons are negotiating not in their own name, but on behalf of their organisations. The militants in the trade union federations are consulted extensively to draw up the programme of demands and also during the negotiations. These internal negotiations should determine the attitude of the collective bargaining negotiator in question both before and during the negotiations. Since the opinions of the militants differ, however, and the interests of those in the organisation are not as homogeneous as is often assumed, the negotiator involved in collective bargaining does, of course, have some scope to put forward demands and determine emphases in the collective agreement which is negotiated. What we are therefore seeking to measure is the way in which the negotiator involved in collective bargaining perceives the demands from the organisation and makes use of the available room for manoeuvre. We presented the three statements set out below to the negotiator involved in collective bargaining and the answers were scored on a five-point scale (completely agree, completely disagree):

1. 'If a choice has to be made, the employees covered by my JC would prefer commitments in the collective agreement to improve pay rather than commitments to promote employment'.
2. 'The employees covered by my JC are very concerned to achieve an improvement in employment, even if it requires measures to be introduced at the expense of an improvement in pay'.
3. 'Is your organisation willing, in your opinion, to use a proportion of the available scope for pay increases to promote employment?'.

The person being questioned is therefore always faced with a dilemma. Of course everyone wants to promote employment. Preferences only become clear, however, and differences between negotiators involved in collective bargaining become sharper, when asking whether they are willing to sacrifice part of the pay increase for it. The questions therefore do not ask for the views or preferences of the negotiator involved in collective bargaining himself but for his perception of the views and preferences of his organisation. We are assuming here that as the negotiator involved in collective bargaining makes it known that his organisation is willing, to a certain extent, to give up pay in exchange for initiatives to promote employment, he will have a greater tendency to promote measures in favour of employment at the negotiating table.

A covariance analysis was carried out with 'preference of the ACV negotiator in relation to employment' as an independent variable and 'evolution of employment 1992-1997' and 'average size of compkany' as covariates. The measurements showed that 'preference of the ACV negotiator in relation to employment' had a significant main effect on the dependent variable 'employment measures in the collective agreement': $F(2,32) = 3.48$ ($p < .05$).

We also investigated whether an interaction effect arises between the influence that an organisation is able to exercise on the collective bargaining process and its preferences in relation to the result of the negotiations. Those who are stronger are able to be better or realise their wishes when interacting with actors who are less strong. A covariance analysis was carried out with the interaction between 'preference of the ACV negotiator in relation to employment' and 'level of organisation of employees' as independent variables and 'evolution of employment 1992-1997', 'average company size' and 'degree of centralisation of collective bargaining' as covariates. A significant interaction effect was found between 'preference of the ACV negotiator in relation to employment' and 'level of organisation of employees' measured according to the dependent variable 'employment measures in the collective agreement': $F(3,30) = 8.03$ ($p < .01$). It is therefore the JCs in which trade union federations are strong players and ACV negotiators also have a high preference for promoting employment that score highly for 'employment in the collective agreement'.

6.2 Centralisation of collective bargaining and employment measures in the collective agreement

Is there a link between the dominant level of collective bargaining and employment measures in the collective agreement? The promotion of employment by social partners at the sectoral or company level raises problems of collective action. This is because everyone has an interest in promoting employment, and a problem of freeloading arises if everyone cannot be obliged to contribute towards the cost of production of the collective good. We assume in section 4 that this problem of collective action is easier to resolve where there is highly centralised sectoral collective bargaining than in the case of highly decentralised collective bargaining (see hypothesis 2). This hypothesis is confirmed in table 2, which shows the correlation coefficients between the indicator for the degree of centralisation and 'employment in the collective agreement'¹⁶. It has emerged that there is a strong and significant correlation between the two variables. The link becomes even stronger if we check the level of organisation of employers and employees. We did this because the analysis in section 6.3 will show not only the dominant level of negotiation but also the importance of the variables in relation to the strength of the interest organisations.

Table 2 **Centralisation of collective bargaining and employment measures in the collective agreement (Pearson correlation)**

<i>Institutional characteristics</i>	<i>Employment in the collective agreement</i>
degree of centralisation of collective bargaining	.51**
checked for the level of organisation of employers	.64**
checked for the level of organisation of employees	.58**

* level of significance $p < .05$

** level of significance $p < .01$

¹⁶ For further explanation of this indicator and the method of calculation we refer to Van Ruysseveldt (2000), pp. 240-241.

The same picture emerges if we classify the JCs on the basis of a typology of bargaining systems (see Van Ruysseveldt, 2000, pp. 241-246): here a distinction is made between centralised, decentralised and multilevel types of negotiating system. In the multilevel type the most substantial agreements on the most important employment conditions are made at the sectoral level, but additional decentralised negotiations also take place. In a covariance analysis with 'type of bargaining system' as the independent variable and 'level of organisation of employers', 'level of organisation of employees', 'evolution of employment 1992-1997' and 'average company size' as covariates, the results were as follows: it was measured that the 'bargaining system' variable has a significant main effect on the dependent variable 'employment measures in the collective agreement': $F(2,30) = 3.99$ ($p < .05$). The multiple comparison test reveals that JCs with highly centralised collective bargaining score significantly higher on average for this dependent variable than JCs with highly decentralised collective bargaining.

6.3 Level of organisation and employment in the collective agreement

It is often said that industrial consultation between the social partners is characterised by a narrow corporatistic reflex. The self-interest of the social partners and the collective interests of the actors within a particular sector or a particular enterprise are said to take precedence over the public interest. The finger is pointed at the trade unions in particular: they are said to be highly focused on protecting the interests of so-called '*insiders*', namely the workers. No attention is paid to the problems of '*outsiders*', i.e. non-working people or those working in other types of employment. On the basis of such an assumption, a negative correlation should be assumed between the power of the trade union federations in the JC and the attention paid in the collective agreement to measures to promote employment.

The opposite assumption can also be formulated: it is precisely the trade union federations that have an interest in contributing towards pushing down high levels of unemployment. Trade union federations - and not the employer federations involved - will take the lead in promoting employment. As trade union federations have more power they will be more successful at ensuring that a lot of measures to promote employment are included in the collective agreement. On the basis of such an assumption, a positive correlation ought to be found between the power of the trade union federations and 'employment in the collective agreement'.

Level of organisation of employees

The correlation coefficients in table 3 show that there is a strong positive correlation between the level of organisation of employees and the variable 'employment in the collective agreement'. When a check is carried out on the 'degree of centralisation of collective bargaining' and 'the level of organisation of employers' there is also a strong positive correlation. It can be deduced from this that more attention is paid to employment in the collective agreement the stronger the trade union federations or the more members they have.

The results of the covariance analysis also indicate a strong positive correlation between the level of organisation of employees' and 'employment in the collective agreement'. A covariance analysis was carried

out with the following covariates: 'evolution of employment 1992-1997', 'average company size' and 'degree of centralisation of collective bargaining' and 'level of organisation of employers'. It was found that 'level of organisation of employees' had a significant main effect on the dependent variable 'employment measures in the collective agreement': $F(2,30) = 5.05$ ($p < .05$). The multiple comparison test revealed that the average score for the dependent variable in the group of JCs with trade union federations organising less than 50% of employees differed significantly from the group of JCs with trade union federations organising more than 75% of employees.

Table 3 Level of organisation of employees and employment measures in the collective agreement (Pearson correlation)

	<i>employment in the collective agreement</i>
level of organisation of employees	.51**
checked for the degree of centralisation of collective bargaining	.57**
checked for the level of organisation on the employer side	.50**

** level of significance $p < .01$

Level of organisation of employers

Table 4 shows the correlation coefficients between the level of organisation of employers and the dependent variable. We can observe that there is no significant link between the level of organisation of employers and employment in the collective agreement. Based on the assumption that it is not the employer organisations but rather the trade unions that take the lead in introducing measures to promote employment in the collective agreement, it is not surprising that we do not find any direct positive correlation. (Co)variance analyses with 'level of organisation of employers' as an independent variable also show that there is no significant main effect on 'employment in the collective agreement'. If, however, we check for the degree of centralisation of collective bargaining, a strong and significant correlation does appear. This points to a possible interaction effect.

Table 4 Level of organisation of employers and employment measures in the collective agreement (Pearson correlation)

	<i>employment in the collective agreement</i>
level of organisation of employers	.12
checked for the degree of centralisation of collective bargaining	.46**
checked for the level of organisation on the employee side	-.02

* level of significance $p < .05$

** level of significance $p < .01$

A covariance analysis was therefore carried out with the interaction between 'level of organisation of employers' and 'degree of centralisation of collective bargaining' as independent variables and 'evolution of employment 1992-1997', 'average company size' and 'level of organisation of employees' as covariates. It was found in this covariance analysis that 'level of organisation of employers' and 'degree of centralisation' have a significant interaction effect on the dependent variable 'employment measures in the collective agreement' variant 1': $F(2.31) = 8.63$ ($p < .01$).

Table 5 Type of bargaining system, level of organisation of employers and employment in the collective agreement: averages (standard deviations)

	<i>employment measures in the collective agreement</i>
	Average (std dev)
Multilevel bargaining systems	
Sub-group 1: (N= 7) <i>Level of organisation of employers is higher than 85%</i>	3.23 (1.56)
Centralised bargaining systems	
Sub-group 2: (N= 16) <i>Level of organisation of employers is lower than 85%</i>	2.65 (1.25)
Sub-group 3: (N= 4) <i>Level of organisation of employers is higher than 85%</i>	3.13 (0.69)
Decentralised bargaining systems	
Sub-group 4: (N= 3) <i>Level of organisation of employers is lower than 85%</i>	1.76 (0.77)
Sub-group 5: (N= 7) <i>Level of organisation of employers is higher than 85%</i>	1.89 (1.11)
total (N=37)	2.60 (1.26)

In table 5 this interaction effect is analysed in more detail. The JCs were subdivided into two groups on the basis of the level of organisation of employers (lower and higher than 85%), with the median for 'level of organisation of employers' being used as a dividing line. This subdivision is then superimposed over our typology of bargaining systems. In this way five sub-groups emerge. In JCs with a multilevel type of bargaining system, the employer federations are always strongly organised so that a distinction cannot be made on the basis of 'level of organisation of employers'. In the table the average scores for the dependent variable are calculated for these five sub-groups. The average scores are highest where a level of organisation of employers coincides with a sectoral collective agreement with substantial content, i.e. in sub-groups 1 and 3. Where collective bargaining is decentralised, it makes no difference whether the level of organisation in the

employer federations is low or high: the average scores for sub-groups 4 and 5 for the dependent variable are very close together. Sub-group 2 occupies an intermediate position: in these JCs negotiations take place centrally but the level of organisation of the employer federations is low and this pushes down the average score in comparison with the JCs with central bargaining and highly organised employer federations. These results run in parallel with the findings from other analyses (see Van Ruysseveldt, 2000, pp. 276-279): a high level of centralisation of collective bargaining is a necessary precondition for many measures to promote employment in the collective agreement, but the level of organisation of the interest organisations also plays a part. We will come back to this in the concluding section.

6.4 Socio-economic environmental characteristics

Is there a direct correlation between certain socio-economic characteristics of the sectors for which the JCs engage in bargaining and the results of collective bargaining? More specifically we study whether there is a correlation with the evolution of employment in the sector in question, the level of competition in the sector and market orientation (hypotheses 6, 7 and 8 from section 4).

Table 6 shows the correlation coefficients between the dependent variable and two of the selected environmental characteristics: the evolution of employment in the sector in question and the level of competition in the sector. It emerges that none of the correlation coefficients reached a sufficient level of significance ($p < .05$)¹⁷. Hypotheses 6¹⁸ and 7 can therefore be rejected.

Table 6 Environmental characteristics and employment measures in the collective agreement

<i>Environmental characteristics</i>	<i>employment in the collective agreement</i>
difference in jobs 1992-1997 (in %) ¹	.12
checked for company size (% employees in companies with more than 100 employees) ¹	.12
average annual change in employment 1992-1997 (in %) ¹	.14
checked for company size (% employees in companies with more than 100 employees) ¹	.14
level of competition (general) ²	-.07
level of competition on the basis of pay and flexibility of labour ²	.01

¹⁷ The correlation coefficients that were calculated between the dependent variable and a number of other environmental characteristics, such as the nature of the sector (industry, services) and the structure of the sector are not significant. It can be deduced from these findings that there is no *direct* correlation between the separate environmental characteristics and the dependent variable 'employment in the collective agreement'. A strictly deterministic explanatory model must therefore be rejected.

¹⁸ A variance analysis showed that the 'general level of competition', 'level of competition on the basis of pay and flexibility of labour' and 'level of competition on the basis of quality and innovation' have no significant effect on 'employment in the collective agreement'. Even if a covariance analysis is carried out with 'evolution of employment' and 'average company size' as covariates, there is still no significant correlation.

1	Pearson correlation
2	Kendall's tau
*	level of significance $p < .05$
**	level of significance $p < .01$

The situation is quite different with the variable 'market orientation' (hypothesis 8). In this case JCs are classified on the basis of whether the companies in the sector in question produce mainly for the international market or mainly for the domestic market. A t-test with 'market orientation' as an independent variable and 'employment in the collective agreement' as a dependent variable therefore showed a significant effect ($t = -2.46$; $df = 35$; $p < .05$). A covariance analysis was then carried out with 'evolution of employment' and 'average company size' as covariates. The measurements showed that the variable 'market orientation' has a significant main effect on the dependent variable 'employment measures in the collective agreement': $F(1.33) = 5.78$ ($p < .05$). JCs in sectors producing for the domestic market score significantly higher on average for the variable 'employment in the collective agreement' than JCs in sectors producing for the international market. The question is whether the power of the trade union federations in the JC changes anything here or - in view of the market orientation of the sector - the power of the trade union federations no longer makes much difference. In other words: are well-organised trade union federations able to act against the dictates of international competition, or is an inevitable decrease in industrial consultation taking place as a result of international competition?

A covariance analysis was carried out with 'market orientation', 'evolution of employment 1992-1997', 'average company size', 'degree of centralisation of collective bargaining', 'level of organisation of employees' and 'level of organisation of employers' as independent variables and 'employment in the collective agreement' as a dependent variable. This covariance analysis gave rise to the following results:

1. 'Evolution of employment 1992-1997', 'average company size' and 'level of organisation of employers' have *no* significant main effect on 'employment in the collective agreement', but the other three independent variables do have such an effect.
2. It was measured that there is a significant main effect exerted by the independent variables 'level of organisation of employees': $F(1.30) = 16.65$ ($p < .01$); 'degree of centralisation of collective bargaining': $F(1.30) = 10.79$ ($p < .01$) and 'market orientation': $F(1.30) = 4.29$ ($p < .05$).

In summary, a higher level of organisation of employees, a higher level of centralisation of collective bargaining and production for the domestic market are associated with more measures to promote employment in the collective agreement. The variables in the covariance analysis jointly account for 66% of the total variance in 'employment in the collective agreement'.

The level of organisation of employees and the market orientation of the sector have an influence on 'employment in the collective agreement'. The influence of the level of organisation of employees is mainly felt in sectors that produce mainly for the domestic market. In sectors that produce mainly for the international market, the level of organisation of employees does play a part, but the correlation with 'employment in the

collective agreement' is less strong. For JCs in sectors producing mainly for the domestic market, the Pearson correlation coefficient between 'the level of organisation of employees' and 'employment in the collective agreement' is .80 ($p < .01$); for JCs in sectors producing mainly for the international market, the Pearson correlation coefficient is 'only' .46 ($p < .05$).

6.5 Employment in the collective agreement: multiple regression analysis¹⁹

At the end of our analyses we also carried out a multiple regression analysis. This analysis technique makes it possible, among other things, to measure the extent to which the various independent variables are able - individually and/or collectively - to account for the variation in the dependent variable and to ascertain which independent variable is most important in accounting for the dependent variable. We are mainly interested in this last application: we want to know how strong the correlation is between the various independent variables in the model and the dependent variable²⁰.

The method of multiple regression analysis used is the '*stepwise*' method (inclusion criterion $p < .05$ and removal criterion $p < .10$). The independent variables which are introduced are the various characteristics of JCs which are included in the extended research model:

- environmental characteristics: evolution of employment 1992-1997, percentage of employees in companies with more than 100 employees, market orientation (dummy), competition in the market (dummy), status of the JC (dummy), nature of the sector (dummy)
- preferences of negotiators involved in collective bargaining: preference of ACV negotiator in relation to employment
- institutional characteristics: degree of centralisation of collective bargaining, percentage of employees covered by a company collective agreement
- organisational characteristics on the employer side: level of organisation of employers, number of employer federations and level of concentration of employers
- organisational characteristics on the employee side: level of organisation of employees, number of trade union federations, level of concentration of employees, level of competition between trade union federations and perceived degree of co-operation between trade union federations
- interaction effects: two interaction effects have been introduced which are highlighted in the covariance analyses: 'evolution of employment 1992-1997 x percentage of employees in companies with more than 100 employees' and 'level of organisation of employers x degree of centralisation of collective bargaining'²¹.

A total of nineteen independent variables were therefore introduced into the analysis. The results of the *stepwise* multiple regression analysis are summarised in table 7.

¹⁹ Our thanks to Jerry Welkenhuyzen for his expert and effective assistance in carrying out the regression analysis.

²⁰ It must also be pointed out that regression analysis is aimed at prediction rather than causality: whether or not the independent variables whose scores make it possible to predict the score for the dependent variable are also causally related to that dependent variable is not determined by this method, but on the basis of theory and interpretation by the researchers.

Table 7 *Stepwise multiple regression analysis (N = 37), prediction of employment in the collective agreement*

<i>Step</i>	<i>Variable</i>	<i>R</i>	<i>R²</i>	<i>R²-change</i>	<i>p</i> <	<i>β</i>
1.	Level of organisation of employers x degree of centralisation (interaction)	.63	.40	.40	.001	.35
2.	Level of organisation of employees	.76	.58	.18	.001	.54
3.	Market orientation	.83	.69	.11	.001	.36
4.	Preferences of ACV trade union federation in relation to employment	.88	.78	.09	.001	.32

Four variables jointly account for 78% of the total variance in the dependent variable 'employment in the collective agreement'. The interaction effect between 'degree of centralisation of collective bargaining' and the level of organisation of employers' accounts for 40% of the total variance in the dependent variable. The 'level of organisation of employees' contributes a further 18% to the explanation of the total variance in the dependent variable and 'market orientation' and 'preferences of ACV trade union federations in relation to employment' contribute a further 11 and 9% respectively (see R²-change, table 7). If we look at the strength of the correlation between the four independent variables and the dependent variable, we observe that the 'level of organisation of employees' makes the greatest contribution towards predicting the value of the dependent variable ($\beta = .54$), while the other three independent variables have approximately the same strength of correlation with the dependent variable (see β -scores, table 7).

7. Conclusions

The various analyses that have been carried out on the database of 37 selected JCs always reveal the same picture: the results of collective bargaining are linked to institutional, organisational and socio-economic characteristics of JCs which can be clearly described and measured and also to the preferences of negotiators involved in collective bargaining. First of all a correlation has been observed between the preferences of ACV negotiators and the presence of employment measures in the collective agreement. Preferences do not, however, account for everything. Specific characteristics such as the dominant level of negotiation (which interacts with the level of organisation on the employer side) and the level of organisation on the employee side (as a measure of the power of the trade union federations) are also important: as collective bargaining takes on more of a centralised character (i.e. the substantial agreements on employment conditions are made at

²¹ The third interaction effect that emerged from the covariance analyses, 'level of organisation of employees x preference of ACV trade union federation in relation to employment' was not introduced because of a problem of multicollinearity. The two variables were introduced separately into the analysis.

the sectoral level) and as trade union federations are more strongly organised, more measures are negotiated in the collective agreement to promote employment.

It can be deduced from our results that more effort is made on employment in the collective agreement the stronger the trade union federations or the more members they have. It seems that the 'pessimistic' view of social partners or trade unions acting on a narrowly corporatist basis can be rejected. Clearly the social partners are not only focused on their own strict self-interest or the interests of their members (the '*insiders*'), but under certain conditions they take into account the consequences of their actions or negotiations on the wider society and they are willing to contribute towards the resolution of social problems. Our research allows us to specify these conditions in more detail. More specifically a certain degree of centralisation of collective bargaining is a *sine qua non* for a social orientation on the part of the social partners and a degree of macro-responsiveness in collective bargaining. From the policy perspective it can be concluded from this that greater decentralisation of collective bargaining will not particularly promote a sense of social responsibility among the social partners.

Substantial collective bargaining at the sectoral level, however, does *not constitute a sufficient* condition for a social orientation on the part of the social partners: the level of organisation of the social partners is also important. A high level of macro-responsiveness in the collective agreement is mainly achieved in those JCs where a high level of centralisation in collective bargaining coincides with strong interest organisations (see table 8; see also Van Ruysseveldt (2000), pp. 322-324).

Table 8 Bargaining regime and macro-responsiveness of the collective agreement

<i>dominant level of negotiation</i>	<i>Strength of interest organisations</i>	
	strong	weak
centralised	macro-responsiveness = high	macro-responsiveness = moderate to low
decentralised	macro-responsiveness = moderate to low	macro-responsiveness = low

Finally our analyses also show that there is no direct causal link between environmental characteristics and the dependent variable. Institutional and organisational factors are always at stake. The results of the multiple regression analysis give the clearest results in this connection: only a single environmental characteristic - market orientation – is a significant predictor of differences in the macro-responsiveness of collective agreements. Other institutional and organisational characteristics such as the degree of centralisation of the collective bargaining process and the level of organisation on the employee side, however, play a greater or at least equal part in predicting the value of the dependent variable. This does not, however, mean that environmental characteristics have no influence on the progress and results of collective bargaining. Those environmental characteristics are not, however, decisive. They do not determine the results of the negotiations.

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