Dissolving boundaries of collective agreements and welfare state policies – towards new divisions of labour between state and social partners?

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1. Introduction

After having lost credibility in the 1980s, studies of corporatism had a revival in the mid-1990s and have since then been part of a growing interest in tripartite modes of governance situated between market and voluntarism on the one hand, and unilateral state regulation on the other. The present paper is part of this interest and includes tripartism along with other forms of governance in an attempt to address a question recently raised by three Dutch researchers: ‘...how responsibilities are best divided between government and employers and trade unions’ (van der Meer et al. 2005). More specifically, the paper will analyse further findings by the author in an earlier study:

A case-study of four work-and-welfare related issues in Denmark (Mailand 2006) revealed that the boundaries between collective agreements and welfare state policies increasingly has become blurred. Welfare related issues are more often found on the collective bargaining agendas and work-related issues are increasingly regulated by legislation, most often with some form of involvement of social partners in policy formulation and/or implementation. As a result, previous relatively clear divisions of labour between the state and the social partners have become fluid. The question raised in this paper is if a similar development towards blurred divisions of labour can be seen in countries representing other welfare and labour market traditions? The paper will be mainly be exploratory and descriptive and hence leave explanations to further research1.

To analyse the main question three countries and four work-and-welfare related areas have been selected for the analysis. The three countries are Denmark, the UK and the Netherlands. According to dominant models found in the literature, they represent three different welfare state regimes (Esping-Andersen 1990) and two (Visser 1996) or three (Jensen 1995) different labour market models. Moreover, they represent different combinations of governance in industrial relations and in welfare state policies which influence the division of labour between state and social partners:

According to these models and regimes, the UK has had the clearest division of labour. Industrial relations have traditionally been for the social partners – or employers unilaterally - to regulate. The role of the state is limited. Welfare issues have on the other hand been taken care of by the state, without much involvement of social partners.
The Netherlands has the least clear division of labour of the three countries. Having a neo-corporatist tradition both in relation to welfare state issues and industrial relations, one could expect more interaction and therefore more questioning of the division of labour.

Denmark is placed somewhere in between. The industrial relation tradition has rightly been described as voluntaristic (Due & Madsen 1993), despite being distinct from the British, with the state reluctant to interfere. However, the universalistic Danish version of the Scandinavian welfare state has a strong neo-corporatist dimension when it comes to governance, because social partners had been involved in some policy areas and sometimes to the extent that it could be questioned who is in the driving force – the state or the social partners (Mailand 2006).

The chosen four areas represent some of the major work-and-welfare related challenges that decision-makers face and have faced during the last 10 or 15 years in their attempts to reform their welfare states and labour markets. These are: activation, occupational pensions, continuous training and the work-life balance.

This introduction is followed by a short theoretical introduction and the three country studies. The final section contains a discussion of the results and the conclusion.

2. Theoretical foundation

After the classical corporatist theories (Schmitter 1979; Lembruch 1979; Cawson 1986) lost credibility in the late 1980s due to the spread of neo-liberalism and withdrawals from corporatist arrangements, the approach had a partial revival in the mid/late 1990s. A number of studies in IR research have focused on the re-emergence of ‘neo-corporatism’, ‘social pacts’, ‘concertation’ and ‘social partnerships’ in EU-countries (Pochet & Fajertag 1997; Traxler 1997; Ebbinghaus & Hassel 1999; Sisson et al. 1999; Grotte & Schmitter 1999; Pochet & Fajertag 2000; Traxler 2000; Bacarro 2003; Sarfati 2003; Hanché & Rhodes 2005). These studies have shown that despite of a general weakening of trade unions, tripartite policy coordination still has an important role to play in welfare and labour market regulation at least in some European countries.

However, most studies focus mainly on the tripartite policy formulation in the form of ad hoc agreements that have a very broad scope. These are arguably some of the most important
forms of tripartism, but the narrow focus excludes other important forms such as: 1) tripartite ad hoc agreements that do not have the broad scope as the ‘social pacts’; these might not include pay issues directly and be limited to just one policy area or policy issue; 2) policy formulation from permanent tripartite bodies, whether these are cross-sectoral in nature (such as the ‘social and economic councils’ found in a number of EU countries) or related to a specific sector or policy area; 3) tripartite bodies related to the implementation of policies – these bodies are often found at sub-national (sectoral, regional or local) levels.

Table 2: Ebbinghaus’ four models of social governance with social partner involvement

<table>
<thead>
<tr>
<th></th>
<th>Consultation</th>
<th>Concertation</th>
<th>Self-administration</th>
<th>Self-regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Function</strong></td>
<td>Deliberation of SP’s view on legislative project</td>
<td>Negotiations of government with SPs</td>
<td>Delegation of partial authority to SPs</td>
<td>Voluntary agreement between SPs</td>
</tr>
<tr>
<td><strong>State’s role</strong></td>
<td>Consideration of affected interest, but can divert from it</td>
<td>Negotiation with SPs; may offer side payments/threat to intervene</td>
<td>Partial delegation of authority; remains ‘principal’: sets parameters</td>
<td>Facilitation: erga omnes extension; threat to intervene</td>
</tr>
<tr>
<td><strong>Social partners’ role</strong></td>
<td>(Joint) opinions, recommendations</td>
<td>Negotiate agreements; enforce compliance of members</td>
<td>Supervision; implementation</td>
<td>Bipartite agreement; implementation</td>
</tr>
<tr>
<td><strong>Decision-mode</strong></td>
<td>Majority/minority positions</td>
<td>Voluntary agreement</td>
<td>Majority decision</td>
<td>Voluntary agreement</td>
</tr>
<tr>
<td><strong>Potential threat</strong></td>
<td>Voice / exit</td>
<td>Exit</td>
<td>Voice / exit</td>
<td>Exit</td>
</tr>
<tr>
<td><strong>Advantage</strong></td>
<td>Deliberation; process legitimacy</td>
<td>Public-private actor coordination; social consensus</td>
<td>Deliberation; process legitimacy</td>
<td>Internalization of costs; self-determination</td>
</tr>
<tr>
<td><strong>Problems</strong></td>
<td>Cumbersome; status quo defence; no deal making</td>
<td>Power decides; payments costly; danger of desertion</td>
<td>Status quo defence; lack of competences; bureaucratic</td>
<td>Danger of collusion; narrow interests; state excluded</td>
</tr>
</tbody>
</table>

Source: Ebbinghaus (2002)

Since the ambition in the present paper is to analyse the division of state and social partners more generally, we have been looking beyond the studies of social pacts to find an approach with a broader scope, which could serve as a theoretical foundation for the exploratory analysis of the divisions of labour between state and social partners. Ebbinghaus study of societal governance fit this ambition well. Ebbinghaus' four modes of societal governance with social partner involvement (Ebbinghaus 2002) is shown in table 1.

Excluding unilateral state regulation and the market in his study of social partners’ involvement in pension reforms and employment policy across Europe, Ebbinghaus proposes ‘four modes of social governance’ with respect to social partner-involvement. The four models
form a continuum from strong to weak state control: ‘Consultation’ provides the least loss of authority for the state. The government may wish to confer with the social partners or be legally obliged to consult them, but the government is free to divert from the given opinions and recommendations. In contrast, ‘concertation’ entails an agreement between government and social partners, involving some concessions of the government in order to reach a compromise that would bind the government.

While consultation is routinely practised, concertation occurs more on an ad hoc basis. ‘Self-administration’ is the delegation of some (but not all) decision-making authority to an independent self-administrated agency that may be more or less independent of the state and may have a bi- or tripartite structure. ‘Self-regulation’, in contrast, results from voluntary agreements between collective bargaining partners without state interference (Ebbinghaus 2002: 5). Ebbinghaus’ model will be used as a framework for the following discussion of the division of labour between state and social partners.

3. Denmark

Denmark was not among the countries where governments and social partners signed social pacts during the 1990s and Denmark has never had a permanent general tripartite body. However, there have been plenty of other national level tripartite activities. This reflects the so-called Danish model of industrial relations, whose core is a bipartite and relatively centralised system of collective bargaining between strong social partners, but where the social partners are involved in the formulation of legislation with relation to the labour market and in the administration of it (Due et al. 1993).

In the 1990s, however, there have been attempts to set-up permanent general tripartite structures and to reach social pact-like agreements. Although these attempts did not lead to any social pacts or general tripartite bodies of the scope and scale as those known from a number of other EU-countries, the so-called Tripartite Forum and its affiliated Statistical Committee did nevertheless play a role for a short period in the late-1990s. Moreover, it could be argued that although no explicit social pacts were signed in the 1990s, the so-called tripartite ‘Common Declaration’ from 1987, that prescribed wage-restraint, has been a ‘functional equivalent’ to the social pacts in other countries during the 1990s because it has been internalised to a very high degree in the actions of the key societal actors. The Common Declaration was terminated in 1998, but a new bipartite agreement on wage-restraints was reached the same year in the
form of the so-called Negotiation Climate Agreement (‘Klimaaftalen’). With the Common Declaration’s general agreement on wage-restraints and with wages and employment conditions nearly solely regulated by collective agreements, remaining issues to establish tripartite dialogues concerned mainly welfare issues.

3.1 Occupational pension

The first occupational pension fund was established in 1900, but no more than a third of the employees were covered in the 1980s. When the debate on occupational pensions began to take off in the 1980s, the employers feared that it would become ‘economic democracy through the backdoor’ and were especially worried about central funds dominated by employee representatives. Therefore, the trade union movement gave up their attempts to establish bipartite consensus with the employers and used instead unilateral lobbyism for legislation in this area.

For some time it seemed as if the largest trade union confederation (LO)’s strategy to lobby for legislation would succeed. Following the Common Declaration in 1987, a long sequence of tripartite activity on occupational pensions took place in tripartite committees throughout 1987-88. Among other things, four specific models for the occupational pensions were proposed. They centred around, respectively, the individual wage-owner, the firm-based organisations, the sector-level organisations and the inter-sectoral level. The first model was unacceptable for LO while the Danish Employers’ Confederation (DA) opposed the inter-sectoral model. The attempts to reach agreement on how to implement the occupational pensions failed, partly because some social-democratic leaders feared to provide the centre-right government with the electoral gains from such an agreement, and partly due to internal disagreement in the government.

The extensive tripartite work that was done on pensions prepared the ground and established consensus for a breakthrough in the collective bargaining round of 1991. In this round of bargaining, the sector federations played a stronger role than in previous negotiations. This - together with the fact that LO finally realised that the occupational pensions would not be introduced though legislation; that DA realised that some kind of occupational pensions would be introduced sooner or later; and that sectoral-based funds was one of the models within reach - led to the breakthrough in 1991. The sectoral pension funds took the form of investment
companies with parity and trade union chairmen - a form that also the employers could accept.

The percentage of the employees covered by occupational pensions, as well as the percentage of the employees’ income paid to the funds, have increased during the 1990s. In 2003, it was estimated that 92 percent of all employees were covered, even though not groups of employees of these to the same extent. Referring to these calculations, the social-democratic government found no need to introduce the additional legislation as promised by the previous government. This would have extended the occupational pensions to all groups. Importantly, LO also accepted this decision.

Hence, the overlap between legislation and collective agreements in relation to pensions was extensive, but a clearer division of responsibilities has developed where the state is the sole responsible actor for regulating, financing and delivering old age pension, whereas the occupational pensions are subject to social partner self-regulation.

3.2 Activation
The development of Danish activation policy started in the 1970s and initially reflected an attempt to respond to the prolonged unemployment crisis. The social partners have had a say in the formulation and the implementation of the policy from its hey-day, and this influence was strengthened with the 1994 labour market reform. The reform was prepared in 1991-92 in a pre-legislative committee, where social partners had the majority of seats. When formulating the reform, the following social-democratic led government followed the recommendations of social partners). The labour market reform increased the influence of social partners by upgrading the Regional Labour Market Councils competences from consultation (in connection to some issues) to decision-making (concertation) and in making the National Labour Market Council advisor to the Minister of Labour. However, already in 1996 a process began that partly re-centralised activation policy and rolled back some of the newly gained influence of the social partners. Regarding the content of the policy, individual action plans, continuous training and to some extent also subsidised jobs became the core measures of activation (Jørgensen & Larsen 2003; Mailand & Due 2003; Winter 2003).

Simultaneously with the labour market reforms, that mostly, but not exclusively, focused on changing the behaviour of the unemployed (the supply side), attempts were made to get the
companies (the demand-side) more involved. The campaign *Our Common Concern – the social responsibility of companies* was launched in 1994. So-called ‘jobs on special terms and conditions’ and ‘flexi jobs’ for people with reduced capacity to work were introduced in two versions - one administered by the municipalities and one by social partners through the so-called social chapters of the collective agreements. However, the collective agreement based jobs on special terms and conditions include no wage-subsidy and have therefore only been used to limited extent – which stand in sharp contrast to the version administered by the municipalities (Hohnen 2002). This does not mean the social partners have no role in delivering these the activation measures; however, their role is not to regulate these via collective agreements, but to convince their members of the value of using them.

The liberal-conservative government that came into office in late 2001 introduced a labour market reform that changed the content of the activation policy by emphasised more assistance in job search and to some extent also job training in the private sector, and limited the use of education as an activation tool. Moreover, after the reform social assistance and social insurance clients come under the same legislation and the tri- and multipartite bodies at the central level have been amalgamated. Finally, the reform opened up for increased use of new private actors such as temporary work agencies, private training institutions and consultancies in delivering the activation measures.

Hence, it could be said that the present liberal-conservative government at the national level continues its predecessors fluctuating involvement of the social partners that in an international comparative perspective might be strong, but still clearly ensure that government control is not lost. Consultation, rather than concertation, is the norm. At the local-regional level, where the influence of the social partners previously might have been at the highest level, the social partners seemingly will be weakened in the near future, but it is too early to judge about the extent to which this will impact the corporatism in this policy area.

### 3.3 Continuous training

Continuous training took off when the labour market training centres – AMUs – were established in the 1960s. Over the years, a range of continuing training courses have been developed, some more vocational than others. The numerous courses can be divided into vocational adult education and training (in which AMU are one of the cornerstones), general adult education and training and general education (‘folkeoplysning’). Continuous training - including
training for employed - has to a larger extent than in most other EU-countries been publicly financed. The level of activity is the highest in the community. The so-called ‘occupational self-governance’ has been the governance model and bi- or tripartite bodies are found on all levels: An inter-sectoral council advising the minister, sector-based so-called ‘Further Training Councils’ as well as boards on the individual schools.

The latest continuing training reform from 2001 introduced the (tripartite) Board for the Labour Markets Financing of Education and Training. As part of the reform’s aims to concentrate public finances on the less skilled and on formal or recognized competences as well as to include more companies in financing the activities, the board was asked to give advise on the total volume of continuous education and financing of the activities and how the different activities should be weighted. If the foreseen activities exceed the budgetary limit, the board has the opportunity to request for additional funding from employers. This is in line with another tendency to increase the role of the social partners in continuous training, namely the introduction or extension of employees’ rights to take part in continuous training (Due et al. 2004).

The preparation of the 2001 reform took place without the participation of the social partners in the pre-legislative committee that concluded its work in 1999. However, the white paper was discussed in the ‘Tripartite Forum’ and its affiliated Statistical Committee (see above). During the negotiations, the social partners agreed with most elements of the reform as proposed in the white paper, including the guidelines for the Labour Market Financing of Education and Training which later became one of the new features in the reform (Due & Madsen 2005). Hence, what started out as a process the social partners was excluded from, ended up in a concertation process. More recently, civil servants published in autumn 2004 an in-dept study of continuous training in Denmark, which formed the starting point for tripartite negotiations in early 2006. These negotiations led to a tripartite declaration of intent that might again led to an agreement on a large-scale reform in the area in the coming years in order to make the social partners carry a greater part of the financial burden of continuous training.

In sum, the division of labour is similar to the one in activation: consultation and occasionally concertation when new legislation is implemented and permanent involvement of the social partners in implementation of the legislation at all levels. However, the area differs from activation with the set-up of new tripartite bodies and because the overlap between state and social partners jurisdictions’ is much larger and the division of responsibilities much more in
flux than in the case of activation. In the future, collective agreement (self-regulation) might become more important for regulating the demand for - and financing of - continuous training.

3.4 Work-life balance

Denmark has relative flexible working hours and part-time is an opportunity in most areas according to the collective agreements. However, the government has recently intervened to extend the right for part-time work to all areas, which to some degree was opposed by trade unions. Public funded childcare facilities are widespread and are one of the reasons for the high female employment rate; collective agreements do not play a role in childcare provision.

Maternity/paternity leave has recently been the most important issue in relation to work-life balance. Maternity/paternity leave is different from the other three areas in that tripartism has played no role at all. The development of the grey zone in this area was partly due to a unilateral decision of the government to expand the leave period from a half to one year, and partly due to political pressure to established paternity/maternity leave funds were these did not already exist. The social partners succeeded in establishing the funds and to expand pay during leave in the collective bargaining round in 2004: but the political pressure indicate that the outcome was de facto closer to what Ebbinghaus refer to as self-administration (delegation of authority) than to self-regulation (voluntary agreements). The shadow of hierarchy was so marked that a ‘if you don’t do it, we do it’-like situation was established with the state as the policy makers and the social partners as the policy takers. With the social partners still frustrated over this process, a division of labour has not yet been established although it might appear so.

4. The Netherlands

The Netherlands is pertaining to the neo-corporatist ideal-type both in the theories of labour market models and welfare state regimes. It has been pointed to as one of the countries that in the 1990s successfully introduced a number of labour market and welfare state reforms, often with the participation of the social partners and sometimes in the form of social pacts. These have contributed to the so-called ‘Dutch employment miracle’ of sustained employment growth and reduction in unemployment during the late 1980s and the 1990s (Visser & Hemirijck 1997; Ebbinghaus & Hassel 1999).
The bipartite so-called ‘accord of Wassenaar’ from 1982 contains a political exchange between wage moderation and working time reductions and represents the first step towards decentralised bargaining within a framework of centralised coordination. The wage moderation and the introduction of part-time work have contributed significantly to the employment growth in the late 1980s and the 1990s (CPB 1991; Hemerijck et al. 2000). Other important agreements have followed in the 1980s and 1990s, for instance ‘Agenda 2002’ in 1997 which aimed at advancing the employability of older workers and pay particular attention to disadvantaged groups, such as ethnic minorities. Recently, however, the Dutch economy has run into difficulties again, and the importance of the Dutch social pacts have been seriously questioned (Becker 2005).

The involvement of social partners has also taken place in ad hoc negotiations as well as in permanent bodies: The bipartite Foundation of Labour (StAr) meets twice a year with a delegation from the government. One of the important outcomes from this body was an agreement, which lowered the dismissal protection of core workers whilst at the same time enhancing employment and social security for atypical workers (Hemerijck et al. 2000). Also the tripartite Social-Economic Council (SER) - involved in some 40 major pieces of advice every year - is of importance (van der Meer et al. 2005).

4.1 Activation
In activation policies, self-administration and self-regulation play a limited role. Regulation includes unilateral state regulation, consultation and concertation, and increasingly also marketization in the form of New Public Management.

SER has, among other things, a role to played a role development overall guidelines for activation policy (Visser & Hemerijck 1997). Although the central-left government, which came into power in 1994 abolished the obligation to consult and later often bypassed SER in the pre-legislative work (Ebbinghaus 2002: 7), SER still has a role to play in consultation and concertation processes, also in relation to activation policies.

Increased involvement of social partners and regionalisation were introduced in 1991 in the Dutch employment service. Social partners were given seats in the Regional Employment Boards - connected to the public employment service - as well as in the Central Employment Board. Both were bodies for consultation as well as concertation. Furthermore, the role of the
municipalities was enhanced due to their responsibility for social assistance clients and their respective labour market programmes. However, the reformed public employment service was met with criticism and an official evaluation report concluded in 1993 that stronger state regulation was needed, partly because of slow and indecisive decision-making, partly because the social partners focused on self-interest rather than the ‘common good’. Subsequently, the government concluded that the state, and not the social partners, should be the dominant actor in ALMP and took action to re-centralise and ‘de-corporatise’ the policies (Mosley et al. 1998; Visser & Hemerijck 1997).

Reforms of both activation and the social benefits have continued. These reforms have diminished the role of the social partners, but have replaced their roles with market mechanisms more than unilateral state regulation:

The public employment service was privatised in 2002 and a new system was established to co-ordinate activation and social benefit payment, containing both insured and uninsured unemployed. The Centre for Work and Income is a hub in this new system. It represents a ‘one-stop-shop’ for both unemployed and companies seeking potential employees and operates a job- and CV-bank. The Council for Work supervises the centre. The social partners are represented in this council, but their role is limited. It is the responsibility of the 113 local Centres for Work and Income to select those unemployed that without any further assistance are ready to be employed. The rest of the unemployed are passed on to the Administrative Agency for Employees’ Insurance (UWV), if they are insured, or to the municipalities, if they are not insured. These organisations are responsible both for the payment of unemployment benefit and for the activation and job seeking assistance, that are outsourced to 41 different private companies and agencies that are paid by a ‘no cure, lees pay- principle’. The largest of these companies is Kliq, the privatised former public employment service (Andersen & Mailand 2002; Beskæftigelsesministeriet 2002; van Berkel & van der Aa 2004).

All in all, the development in this area shows a clear decline in the role of the social partners to weaker forms of consultation at the same time as unilateral state regulation and market-simulating steering has been strengthened; collective agreements do not have any extensive role in activation, even though some cases can be found (Andersen & Mailand 2002).

4.2 Continuous training
Like Denmark, the Netherlands is among the EU-member states with the highest VET-activity and the highest level of public spending in this area. Social partners play an important role at all levels. SER, among others, is involved in pre-legislative work and the long-term strategies on continuous training. The latest strategy is from 2003 and concerns the role of vocational training in bringing forward the knowledge economy. At sector level, the tripartite organisation Colo is the association of expertise centres on vocational education, training and the labour market organisation that have committees for each branch. These committees define occupational profiles, which are subsequently elaborated by educational institutions into educational profiles (Maes 2004).

Courses for the unemployed as well as adult education and general secondary education for adults are mainly publicly financed and supplied through the Regional Training Centres, which have tripartite boards. However, private training providers have entered the area. Training for the employed is financed by non-public sources and delivered through a greater variety of providers. The collective agreements do play an important role for the funding of this training through earmarked funds connected to the collective agreements; the funds are mostly sector-wide, but are in some sectors limited to specific companies. In 1999 around 40 percent of the companies were associated with sectoral funds (Maes 2004: 61). In 2004 the large majority of the collective agreements contained provisions related to training and skills development and provided paid leave in connection to training (Grü nell 2005).

The division of labour in this area seems to be that concertation and consultation are important in policy formulation as well as in implementation in the supply of the training, whereas self-organisation is important in the demand, even though unilateral employer regulation properly also take place in some areas. Public funding is mainly targeted at the unemployed and those with a lack of basic skills, including immigrants.

4.3 Occupational pension

Pension systems are often debated in SER and Star. Moreover, in 1952 the tripartite Social Insurance Council was set up to oversee bipartite Industrial Insurance Act. In the early 1990s, one-sixth of the labour force received full or partial disability benefits. The rapid increasing number of benefit receivers was explained by the social partners’ misuse of these benefits to divert redundant workers from overt unemployment (Visser 1998). Following a public debate on the collusion of the social partners in using disability funds for labour shedding, the self-
administration was remoulded in 1995 and 1997. An independent public supervisory agency was introduced and replaced all the bipartite sectoral funds (Ebbinghaus 2002: 10-11; Visser & Hemerijck 1997: 140-50).

Although the social partners’ role in disability pensions’ has been eliminated and taken over by unilateral state actions, the social partners still run the occupational pension funds after self-organising principles. The Dutch occupational pensions are among the most developed in EU. Membership of the schemes is mandatory; they follow the pattern of sectoral agreements and cover around 90 percent of all employees. The board of sector schemes consists of equal amounts of representatives of unions and employers organisations. The board of company schemes consists of representatives appointed by the employer and representatives appointed by the works council and/or the employees. Social partners are not involved in the insurance schemes. The government aims at gradually extending the coverage to all employees, eliminating the so-called white spots - however this has not happened yet (van het Kaar 2004).

In sum, both social partners and the government support the present system. But the occupational pensions are still a major issue in the Netherlands. The financial shortfall of pension funds (explained by the fact that a large share of their resources are invested in the weakly performing stock market) has confronted employers and employees with higher contributions, eating into the scope for pay increases and placing pressure on collective bargaining. At the same time, pensioners are challenging the power of social partners in running the pension funds (Grünell 2005).

4.4 Work-life balance
Reconciliation of work and family life remains at the top of the agenda in both collective bargaining – sectoral and company level – and in government policy. Childcare service has been extended during the 1990s, but is still not as developed as in Scandinavia even though participation of women at the labour market is now close to the European average (EIRO 2006).

A new basic Childcare Provision Act groups the different types of childcare under a single scheme. The Act assumes that parents will receive further compensation of a third of the cost from their employers. In 2002, three-quarters of the Dutch employees were covered by collective agreements including childcare arrangements. However, employers will not be obliged to pay this share and, if they fail to do so, the state will provide a second income-linked contri-
bution (EIRO 2006). In anticipation of the coming of this Act, employers have cut back the proportion of childcare costs that they have meet under the collective bargaining arrangements. The actual use of childcare facilities has decreased and nursery staff has been made redundant; families look instead for options in their own social networks (van der Meer et al 2005).

Another work-life balance issue is the government’s plans to introduce a ‘life-span leave’ arrangement, giving workers greater scope to save periods of time off during their careers and increase the rate of labour market participation among older people by half. Care, education and training, leisure time and early retirement are all included and mutually exchangeable in this proposal. The existing types of care leave, combined in the general Act on Work and Care, will co-exist with this new arrangement. Financially, the proposal is directed at reducing government expenditure by giving employees more responsibility and choice in whether to save for time off for care or for early retirement, or even not to save at all (Grünell 2005).

It seems as if the state is currently acting as the main driver in work-life issues. Policies are mainly formulated after concertation and consultation with social partners, but collective bargaining is also important and the government attempt to make the social partners take a larger share of the administrative burden.

5. The United Kingdom

Traditionally, the division of labour between state and social partners has been relatively sharp in the UK, with a limited role for the state in industrial relations and very limited involvement of the social partners in welfare policies. Nevertheless, the UK experienced a short period of closer tripartite cooperation in the 1970s, most importantly with the appearance of the Manpower Service Commission, related to education, training and employment policies. During the years of conservative rule (1979-97), the Manpower Service Commission was winded-up. There was hardly any tripartite activity in this period.

In 1997, the newly elected New Labour government put social inclusion high on the political agenda and partly re-recognised the role of trade unions in society, even though parity (with employers) was far from established, and much of the anti-trade union legislation remained in place. Since then, ad hoc bi- and tripartite agreements on single issues have been signed and the social partners have more often than before been invited to take part in the policy making
process and in the implementation of different programmes at different levels. At national level the role has often been in connection to the so-called ‘task forces’, and maybe most important, the tripartite Low Pay Commission.

5.1 Activation

One of the task forces is directly related to activation: The permanent multipartite body New Deal Task Force was set up in 1997 to support policy formulation and strategic thinking in relation to the New Deal programme. New Deal is the most important activation programme in the UK. It aims at improving the employability of the unemployment clients through individual guidance and a choice between different activation options.

The New Deal Task Force is a consultative body and has no decision-making power and moreover no statutory basis. The trade unions, the employers’ associations and the NGOs are all represented, but the employers associations have most representatives. In 2001, NDTF was renamed the National Employment Panel and its focus was widened to include employment policy in general.

Other consultative bodies in relation to activation were established in 2001 in connection with the amalgamation of the public employment service and the benefits’ agencies into one organisation (Jobcentre Plus). Two advisory committees were established: one for employers and one for other stakeholders. The latter so-called Stakeholder Forum has 19 representatives from civil organisations and one from the Trade Union Congress (TUC). These two advisory committees have a more down-to-earth focus whereas the National Employment Panel focuses on general strategic decisions.

At local and regional levels, local task forces have been established with the same representation as at the national in order to support the public employment service that has the overall responsibility for implementation of the New Deal. Local partnerships have also been responsible for the planning and implementation of the New Deal in 144 delivery unit areas across the country, with provision most often co-ordinated by the Employment Service in partnership with other key actors such as Learning and Skills Councils, local authorities, voluntary sector organisations, education and training providers and careers services (Lindsay & Mailand 2004). The social partners’ role has been strengthened as the trade unions are now guaranteed a seat in the Learning and Skills Councils. However, the majority of the represen-
tatives remain business representatives. Despite of this strengthened role of the social partners, it is important to emphasise that market forces are still very important for the steering of the policy in that contracting-out on market-based conditions is still a crucial mechanism in the delivery of the active measures.

In sum, the Blair government has taken limited, but noteworthy, steps in the direction of greater involvement of the social partners in activation policy, even though the rhetoric about ‘partnerships’ might exaggerate the extent of the involvement. Employment policy remains very much controlled by (national level) public authorities and concertation hardly ever happens. Self-administration and self-regulation are weak since the collective agreements play no role in relation to activation policy, but Confederation of British Industry (CBI) and TUC have, inter alia, signed agreements on inclusion of ethnic minorities that could be classified as self-governance (Mailand & Andersen 2001).

5.2 Occupational pension

The old age pension is in the UK steered by the state, but social partners and NGOs are normally consulted before new legislation is introduced (Larsen & Daguerre 2003). Occupational pensions schemes were first introduced in the 1970s, but the schemes established since then are largely company-based; collective agreements at sector level (were they exist) and at company level do not play any important role in these. With the exception of the public sector, trade unions have been unable to influence the occupational pension schemes (Ebbinghaus 2002: 11). Even now, there is little evidence to suggest that the setting of premiums is being set off against wages, for example. Nevertheless it is becoming more common for negotiations between employers and employees to resolve particular crises over the pension schemes (Newell 2004).

44 percent of the working-age population contributes to one of the schemes, making the UK occupational pension schemes one of the more extensive in EU, with public administration and the formerly public-owned energy and transport showing the highest figures and professional workers showing more than double the coverage of unskilled workers (EIRO 2004).

The role of the state is relatively limited in the regulation of the occupational pension schemes; nevertheless, the law of Trusts governs the pension funds. This places responsibility for running the schemes with a third party that is legally separate from the employer and its
members. Scheme members have the right to choose at least one third of the trustees. The government has introduced a bill to Parliament to limit the amount of money that can be paid into pension schemes. At the moment, there is no limit on how much employers and employees can pay into a scheme each year, tax-free. The bill introduces a lifetime limit of 1.5 million £, to be index-linked (Newell 2004). More importantly in relation to the division of labour between state and social partners has been that pension has been added in 2004 to the list of core bargaining issues under the statutory procedure (Hall 2005a).

TUC has welcomed the fact that the government plans to maintain a role in a second-tier provision, but is concerned about the plans to turn it into a flat-rate benefit in the near future (EIRO 2004: 18). CBI, which had lobbied strongly against compulsory employer contributions, has been pleased by the majority of the proposals and encouraged by what they describe as the government's "light touch" approach. Their main concerns relate to the new GBP 1.5 million limit.

In sum, the occupational pensions are largely left to the market, but the state is through the limited legislative framework calling for greater role for collective agreements – something that the social partners seem to accept. The social partners are also involved through consultation and in commissions, but without being able to change much. The pension industry seems to have been much more influential (Larsen and Darguerre 2003).

5.3 Continuous training

The UK has been known for its skills-deficit for years, and succeeding governments have taken various initiatives to improve supply and demands of skills. These include, among other things, a united certification system (British National Vocational Qualifications), a new apprenticeship system (Modern Apprentices), the programme University for Industry and the now abandoned training vouchers, Individual Learning Accounts.

After the winding-up of the Manpower Service Commission in the 1980s and the set-up of the employer-led Training and Enterprises Councils trade unions were for years not involved by the government in this area, but in recent years partnership has been strengthened by the set-up of a number of bodies with the trade unions as well as employer representation: Trade unions are guaranteed membership on these in the Sector Skills Councils that were set-up in 2003. The Councils are informed by a national Sector Skills Development Agency, and over-
seen by the national Skills Alliance, which has membership drawn from both TUC and employers, and is led by the relevant government ministers. Its main role is to provide strategic direction on skills policy and to assist Sector Skills Councils to reach agreements on targets and funding for training.

The (national-level) Learning and Skills Council is another important body, where both employers and trade unions have a voice (even though employers have more representatives than trade unions). The Learning and Skills Council has the responsibility for funding and planning all post-16 education and training other than at universities. Also local Learning and Skills Councils were set-up.

Despite of initiatives such as the TUC’s Bargaining for Skills, collective bargaining over training is still a relatively rare phenomenon, but joint work, consultation and other forms of employee involvement in training provision are more widespread (DTI 2003). In the 2004 revision of the Employment Relations Act, the government did not add training to the core bargaining issues on the list of the statutory bargaining arrangements that potentially can be imposed on employers (Hall 2005a).

All in all, the British system includes consultation on the supply of continuous training, but not self-administration as is seen in other countries. The demand for training is mostly employer-led, but collective bargaining and weaker forms of employee involvement do take place.

5.4 Work-life balance
During the 1970s, legislation was designed to promote equality of work in the UK. It was among the first developments to erode the voluntaristic basis of employment relations in Britain – a tendency that continued with the Conservative government’s anti-trade union legislation during the 1980s and early 1990s.

The New Labour government has added to this development by concentrating on reconciliation of work and family life – among other things because the UK has the longest real working hours among the old EUs member states. In its first term the government introduced legislation that increased the rights for part-time worker and increased paid maternity/paternity leave, and provided new entitlements to parental leave as well as time off for family emergen-
cies. Pressure from trade unions and women NGOs have played a role here (Larsen & Da
guerre 2003), but these legislative changes have also been driven by the need to comply with EU legislation. Working time and parental leave have both been subject to judgements by the European Court of Justice, because current UK legislation was incompatible with the requirements of EU directives. In its second term the New Labour government has gone beyond implementation of EU directives. It has extended maternity leave period and increased statutory maternity pay substantially as well as introduced paid paternity leave and introduced rights for parents to request flexible working arrangements (Williamson & Adam-Smith 2006: 127).

The legislation introduced seems to be of a kind that does not force the employers to do much, and work-life policies remains largely voluntary. It has been pointed out that there are no signs that employers adopt work-life balance policies beyond the legal minimum (Taylor 2002). However, the employers’ provision of childcare vouchers is one of the exceptions from this general rule. Both employers’ organisations and trade unions have responded relatively positively to the legislative initiatives of the government, but TUC has emphasised that they will demand for further improvements in the future (Hall 2005b).

In sum, the trend in the work-life balance area is more legislation. As a general rule the legislation has been through weak consultation processes in for instance the Work and Parents Task Force. There have been some successful attempts to include work-life balance issues on the collective bargaining agenda (e.g. Bewley & Fernie 2003) but in general work-life and equality issues are most often excluded from the collective bargaining agenda and it is therefore most often left for the management to decide, if these elements should be included or not.

6. Discussion and conclusions
This brief ‘tour’ through the divisions of labour between social partners and the state is not sufficient for more than a first hand classification of the modes of governance in the four areas and three countries. However, the findings do provide a rough picture that leads to a number of tentative conclusions. The findings of the division of labour could be summed-up as shown in table 2, which build on Ebbinghaus’ continuum (table 1) but includes unilateral state regulation. Market regulation, which can be understood as ‘no regulation’, is still excluded.
Table 2 Five modes of governance on countries and areas

<table>
<thead>
<tr>
<th>Mode of Governance</th>
<th>Denmark</th>
<th>The Netherlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Occupational pensions</strong></td>
<td>(concertation)</td>
<td>(consultation)</td>
<td>(consultation)</td>
</tr>
<tr>
<td></td>
<td>self-regulation</td>
<td>self-regulation</td>
<td>self-regulation</td>
</tr>
<tr>
<td><strong>Activation</strong></td>
<td>consultation</td>
<td>(consultation)</td>
<td>(consultation)</td>
</tr>
<tr>
<td></td>
<td>(concertation)</td>
<td>(consultation)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(self-regulation)</td>
<td>(self-regulation)</td>
<td></td>
</tr>
<tr>
<td><strong>Continuous training</strong></td>
<td>consultation</td>
<td>consultation</td>
<td>(consultation)</td>
</tr>
<tr>
<td></td>
<td>(concertation)</td>
<td>concertation</td>
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<tr>
<td></td>
<td>(self-regulation)</td>
<td>self-regulation</td>
<td></td>
</tr>
<tr>
<td><strong>Work-life balance</strong></td>
<td>unilateral state regulation</td>
<td>consultation</td>
<td>consultation</td>
</tr>
<tr>
<td></td>
<td>self-administration</td>
<td>consultation</td>
<td>(self-regulation)</td>
</tr>
</tbody>
</table>

Note: ( ) = mode of governance plays only limited role/is found in a weak form.

The findings and the table show, firstly, that both social partners and the state as expected play a role in all 12 country/area combinations. Moreover, more than one form of governance is used in all areas, but – what cannot be read off from the table but from the country-sections – either legislation after consultation/concertation or self-administration/self-regulation seem to dominate in at least three of the four areas. Consultation and concertation is the norm in activation, and self-regulation and especially self-administration plays a limited role. What varies here is mostly the intensity of social partners’ involvement. Occupational pension is at the other extreme. Here the state only delivers a loose legislative framework that the social partners have had some opportunity to influence. Most decisions are left to self-regulation or the market. Important country variation here is between the two later modes of governance, with the market most important in the UK. In the cases related to the work-life balance, the development has mostly resulted from the introduction of new legislation, often - but not always -with some form of social partner involvement and possibly in some cases also as a result of trade union pressure. It is less clear what the dominant mode of governance in continuous training is. The social partners have included the area in collective bargaining, most extensively so in the Netherlands, but the state remains important as a legislator and financial source.

Secondly, the findings can be used to discuss the governance dimensions of labour market
models and welfare state regime theories. The findings do only partly support the pattern found in the theories. What supports expectations from these theories are that no cases of concertation were found in the UK and that most cases of this mode of governance were found in the Netherlands. Moreover, the theories are supported as the market seems to play the strongest role in the UK, and the state the strongest role in the Netherlands. What could not be read from the theories - or is directly against them – is the growing use of consultation in the UK, and maybe more important, that even though unilateral state regulation is not widespread, the state has a strong role in all areas but in occupational pensions. This is so despite the lack of a representative of the state-dominated labour market model or the Latin welfare state regime in the sample.

Thirdly, and directly related to the questions raised in the introduction, this leads us to discuss if the development has led to dissolved boundaries of collective bargaining and welfare state policies – and to conflicts or new divisions of labour. Because the idea to write this comparative analysis derives from a case-study of dissolving boundaries between these two forms of regulation in Denmark, it is hardly surprising that the Danish case in at least three of the four areas (occupational pensions, continuous training and work-life balance) confirms such a development during the last 15 years. But also the Netherlands shows a ‘plus-sum’ development in the extension of collective bargaining and legislation in the same three areas that have led to new divisions of labour between state and social partners, whereas the development in activation has been rapid raise and then decline in the role of the social partners. The British case too to some extent supports the hypothesis on growing overlap between legislation and collective agreements and new division of labour. In the UK, the new involvement of the social partners through consultation, whatever weak, increases the role of social partners without diminishing the role of the state; at the same time the broadening of the collective bargaining agenda with pensions and, to some extent, continuous training as well as the government involvement in work-life balance issues have also contributed to greater overlap than previously. However, the lower coverage of British collective agreements diminishes the effect of the overlap.

To what extent the greater overlap and the dissolving boundaries have led to conflict or consensus on a new division of labour is not possible to estimate on the basis of the data presented here, but the maternity and paternity case from Denmark as well as recent unrest in the Netherlands due to government intervention in core bargaining areas (van der Meer et al.
2005), indicates that consensus on new division of labour cannot always easily be obtained.

References


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1 The aim of the paper is to support the formulation of hypotheses in relation to the project ‘The Dissolving Boundaries of Collective Agreements and Welfare State Policies’ that mainly focuses on Denmark, but also has a comparative part. The project is in an early phase.

2 This section builds on Due & Madsen (2004)
The findings do to some extent support what has been called a ‘hybrid model of governance ‘(Mailand 2005) that mixes weak forms of social partner involvement with strong state regulation and market-simulating elements. Convergence against the hybrid model does not make governance identical, but more alike than before, and do not fit expectations from regimes theories.