

Building UNI europa ICTS for the 21st Century

***Trends in employment, workforce, industrial relations
and the social partners within the ICT sector***

A report prepared for the UNI europa ICTS Inaugural Conference, 10-11 September 2009
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Executive Summary

The purpose of this report is to serve as a base document for affiliates of the new sector UNI europa ICTS. It provides historical and contextual information about employment, workforce, industrial relations and social partners within the sector in Europe. Global and comparative contexts are provided where they might be useful for analysis. It is the hope of the authors, however, that it will be more than a reference document, but that it will serve as a useful tool in the action of growing UNI europa ICTS. To this end, the research has been compiled in a format deemed most useful to the purpose of future organizing within the sector.

Part I provides an introduction to workforce and employment in “ICTS”, as the new UNI europa sector will be defined. We begin with a global overview of the industry and the dominant global employers before narrowing in on the situation in Europe. As we turn to Europe, a major focus of our discussion will be *who is the average ICT industry worker?* as this will provide valuable insight for building and maintaining membership.

Part II explores industrial relations in the sector, particularly in terms of union density and collective bargaining coverage. Historical figures across industries are presented to place the ICT sector's situation into context. Processes for securing collective agreements and bargaining coverage are explored in-depth as they occur in the various industry sub-sectors and within individual countries. The relationship between union density and collective bargaining coverage is also analyzed.

A conclusion highlights the major findings of this report, notably the new sector's definition, the status and role of social partners in the sector, and the industry and workforce information most useful for action-based strategic plans and future organizing within the sector.

An appendix presents two cautionary stories from the field – case studies in countries where political or industrial change has caused collective bargaining coverage and/or union density to rapidly decline – as well as a detailed case study of a single employer and the range of its relations with social partners across various regions. The appendix also contains an in-depth table detailing union density and collective bargaining coverage within ICT for specific countries, as well as graphs on country-level union density trends and country-specific unemployment figures in the sector.

The authors are conscious that this report is not an end in itself and that further research will be needed to complete our understanding of the sector. This will require the expert knowledge of those working within individual countries. To facilitate this, we invite input from affiliates and encourage a continuous dialogue on the issues set forth in this report.

Introduction

In Europe, UNI IBITS and UNI Telecom will merge to create UNI europa ICTS which will represent more than one million members from 150 different trade unions across 41 different countries. UNI europa ICTS will represent workers in Information and Communication Technology and Services industries¹. Major goals of the new entity will be to organize workers and increase the power of UNI europa ICTS in order to improve the lives of its members.

Priorities for the new sector include:

- uniting the affiliates within its jurisdiction for the purpose of collective effort
- promoting the notion of trade unionism to ICT professionals and employees
- representing the interests of ICT workers vis-à-vis European institutions
- developing and strengthening dialogue with European ICT employers' organisations and associations
- networking with other European trade unions, institutions, and associations
- promoting equal opportunities for women and minorities in the ICT sector
- organising and coordinating transnational union work in the ICT sector through European Works Councils and Global Agreements

To achieve these goals, UNI europa ICTS must understand the employment situation in which it is operating. This means understanding the ICT labour market, the demographic characteristics of workers in the ICT sector, the most influential companies, as well as a thorough awareness of union density and collective bargaining coverage in the sector.

Notice to the reader: *In this report we will use different definitions of the ICT sector depending on the definition of the institution that provided the data. In the global overview section, the OECD definition² was used, while in the European outlook, we relied on the Eurostat³ definition. There are limitations, therefore, to making direct comparisons between these numbers, but they provide a good overview of the situation at both levels.*

The reader will also note that the European Union (EU) referred to the EU 27 while "Europe" includes the EU27 as well as additional countries (Croatia, Iceland, Switzerland, Turkey and Norway). In the global section, where OECD data is used, "Europe" refers to the European members of the OECD⁴.

Please also keep in mind that throughout this report "ICTS" refers to the definition of the new sector, UNI europa ICTS, and includes non-manufacturing workers in IT, Business Services and Telecom.

¹ That includes all workers who were parts of the former UNI Telecom and UNI Industry, Business and Information Technology Services (IBITS) sectors :

Telecom workers include all the employees of telecommunications and related services, including those involved in the transmission and processing of messages and information in any form.

Information technology and business services workers include all salaried and non-manual occupations in the industry, business and information technology services sector, computer and related services, research and development, legal activities, accounting, auditing, market research, advertising (clerical), consultancy services, management services, engineering services and technical consultancy, salaried employees such as clerical, administrative, technical and supervisory staff, and professionals and managers in industry, business and IT services. Engineers, research, scientific and technical professionals and employees in industry, business and IT services are also included in this sector.

² OECD refers to the Organisation for Economic Co-operation and Development. The OECD defines ICT activities are those that "process, deliver, and display information electronically". Hence, ICT industries are those that produce the equipment, software and services that enable those activities (communication equipment and systems, electronics, specialist semiconductors, IT equipment and systems, IT services, software, Internet, telecommunication services). UNI europa ICTS will refer to this industry as ICTS.

³ Eurostat defines the Information and Communication sector as sector J of NACE Revision 2 classification. It includes "the production and distribution of information and cultural products, the provision of the means to transmit or distribute these products, as well as data or communications, information technology activities and the processing of data and other information service activities."

⁴ OECD members are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States.

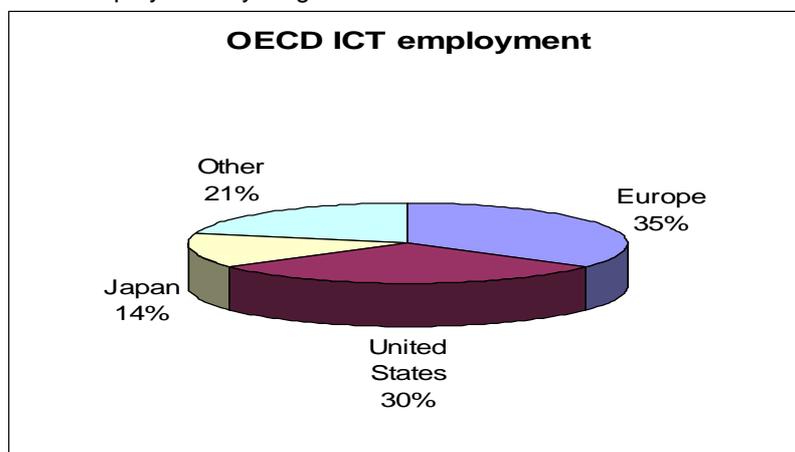
Global Employment Overview

Industry Outlook

Following a period of extraordinary growth, the ICT sector is experiencing the effects of the current economic crisis, considered by many to be the most severe downturn since the Great Depression. In the US for example, decreased IT spending last year sent the IT hiring market to its lowest point since 2004, which is considerable given the short lifespan of the sector and its recent growth patterns. Despite decline, ICT markets and investments have remained relatively stable and the crisis may not have affected ICT as heavily as others and are poised to pick up again once growth returns. Analysts believe this could happen next year, but many warn that employment rates may not be as quick to recover.

More than 15 million people were employed in the ICT sector in OECD countries in 2006, accounting for close to 6% of total OECD business sector employment. From 1995-2006 ICT sector employment increased by 1.4 million people in the OECD area. This corresponds to an annual growth rate of just under 1%, which is equal to the growth for the total business sector. Finland, Sweden and Ireland have the largest share of ICT in their business sector employment. A few, primarily non-European countries, experienced decreases in their share of ICT employment during this time. These countries include Japan, the United States, the United Kingdom, Portugal and Canada, and the decline is likely the result of increased manufacturing and services trade with non-OECD economies.

Figure 1: Global ICT Employment by Region



Source: OECD Information Technology Outlook (2008)

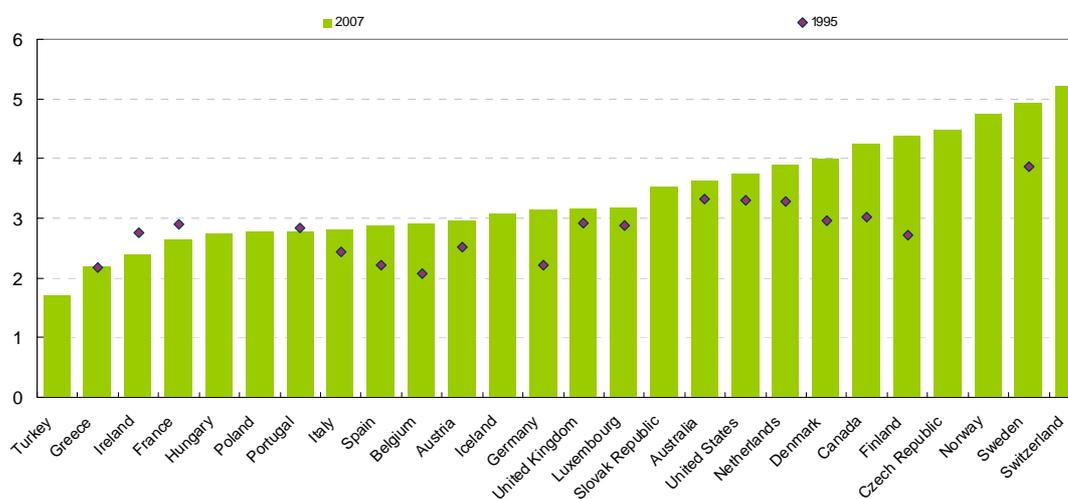
Figure 1 shows that Europe has the largest share of OECD ICT employment (35%), followed by the United States (30%) and Japan (14%).

Of the 15 million people, two-thirds work in services and one-third works in manufacturing. Increases in ICT services were roughly equal to declines in ICT manufacturing employment, so the sector didn't increase its share of total employment. At the sector level, employment in both computer and IT services has grown more rapidly than employment in business services. Last but not least, the value-added share increased because ICT has a greater value-added than manufacturing, meaning that the sector is becoming less employment-intensive.

The previous section focuses on total employment in the ICT sector only but ICT-related employment is widely spread across all sectors of the economy. Many workers elsewhere in the economy carry out ICT tasks while some employees in the ICT sector are not performing ICT work. This is why two measures have been developed to estimate the ICT workforce across the economy: a narrow one which comprises ICT workers whose job is in ICT (i.e. software engineers) and a broader one which encompasses all workers where ICT are regularly used, but where the job is not focused on ICT (i.e. a researcher or an office worker).

The later category (ICT-using occupations) constitute up to 20% of total employment in developed economies. But, in this report we will focus on the narrow definition, as UNI europa ICTS's members are primarily ICT specialists and will refer to them as "ICT workers".

Figure 2: ICT Occupations⁵ as Percentage of Total Economy, by Country, 1995 and 2007



Source: OECD Information Technology Outlook, 2008

On average, ICT workers' share of total occupations in OECD economies has risen consistently in the last decade, reaching approximately 3-4% in 2007. Ireland, France and Portugal, exceptions to this trend, experienced a net decrease in the percentage of ICT workers in their country's workforce. On the other hand, the share of ICT sector employment in business sector employment is stagnating. These divergences suggest that there is ongoing occupational specialization as higher ICT skills are required. In other words, the proportion of ICT workers is growing in the economy as the sector restructures around more complex activities and products.

Which nations are the biggest players in the ICT industry?

Considering the top 250 ICT firms taken into account by the OECD, the European countries with the largest number of employees in the industry (in 2006) are Germany (714'309), France (547'328), the United Kingdom (258'831), Spain (232'966) and the Netherlands (222'783). Then come Finland (109'871), Sweden (101'507) and Italy (90'353).

During the period 2000—2006, the net annual income growth of the top 250 ICT firms was around 6%. The strongest growth occurred in India (46%), followed by Russia (43%) and Egypt (38%). Regionally, the Americas lead the industry (in 2006) with 39% of revenue and 36% of employment, followed by the Asia-Pacific region with 37% of revenue and 42% of employment, and Europe with

⁵ This is calculated using the narrow definition of ICT occupations and includes only ICT specialist.

24% of revenue and 21% of employment. Compared to the above chart which shows that Europe has the biggest share of total OECD ICT employment (35%), these numbers demonstrate that the old continent has an ICT industry where Small and Medium Size Enterprises (SME's) play a crucial role⁶.

Clearly, there is wide variation in regional power of the ICT industry. Globalization has driven some major firms to relocate to emerging economies and to create jobs overseas. On the other hand, many ICT firms have been created in Asia and other emerging economies which also send jobs to Europe and the United States. This two way relationship will inform the strategic plans of the sector.

European⁷ Employment Overview

Industry Outlook

In 2009, UNI ICTS will be created at the European level as a first step. According to the European Commission, the Information and Communication Technology (ICT) sector is “a major driver of competitiveness and represents one of the key industrial sectors of the 21st century”.

In 2007, ICT accounted for over 5% of total employment in the European Union⁸, slightly higher than the OECD average, and had a revenue of € 670 bn. Of the 11 million workers⁹ in the sector, approximately 11% are union members. There is a vast potential for organizing within the sector. See Figure 3 for more on potential union membership in the sector.

UNI europa ICTS will face a different environment for collective bargaining coverage and union density than has been experienced in recent decades. Historically, rates of both collective bargaining coverage and union density have been consistently high and relatively stable.

Today both collective bargaining coverage and union density are declining. Between 1995 – 2006, the past 11 years for which data is available, union density has dropped nearly 8% in Europe. This stretch marks the fastest rate of decline since data has been collected. In 2006, union density in Europe was just under 25%. For a more detailed discussion of union density and collective bargaining coverage, and a specific analysis of trends within the ICT sector in Europe, please refer to Part II of this report.

Figure 3 illustrates the vast scale of potential membership in the ICT sector in Europe. It highlights the fact that union membership across all industries in Europe – although at its lowest rate since data has been recorded – is more than twice the rate of union membership within the ICT sector in Europe. This illuminates an important issue for organizing in the sector – because only one of every ten workers in the sector is a union member, the union may have low exposure in the industry. Non-union employees may not know any union members. Thus, familiarizing workers in the sector with the union may be an important first step to an organizing strategy.

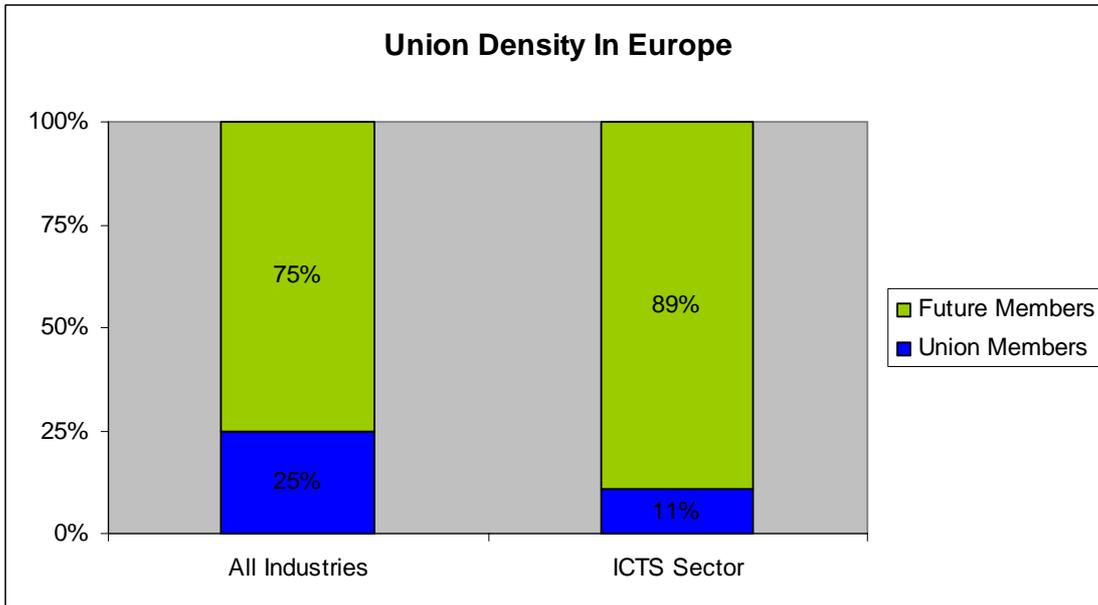
⁶ Though the fact that the OECD classifies the biggest firms according to their place of registration can also play a role.

⁷ In this section, Europe is referred as the EU27+Switzerland and Iceland

⁸ EU 27 is: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, UK, Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia

⁹ Source : http://nui.epp.eurostat.ec.europa.eu/nui/show.do?dataset=lfsa_eqan&lang=en. Since Eurostat includes “the production and distribution of information and cultural products” in its definition of the sector “Information and Communication” we included UNI MEI (Media Entertainment & Arts) members to calculate the union density in the sector.

Figure 3: Union Density in Europe, All Industries¹⁰ and ICTS¹¹ Sector



Where are the current UNI europa ICTS members?

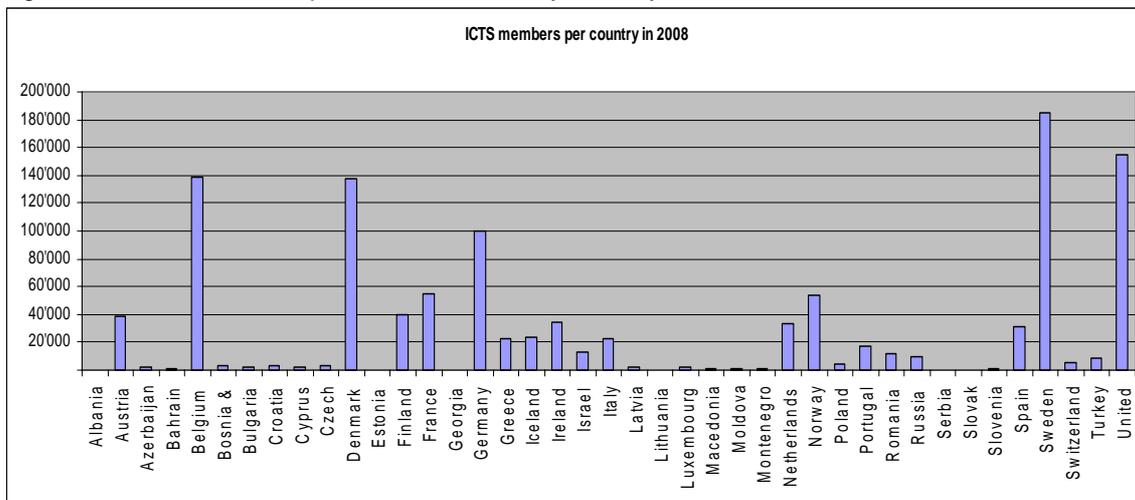
As illustrated by Figure 4, Sweden, the United Kingdom, Belgium, Denmark and Germany have the highest numbers of current members in the new sector. Figure 5 illustrates current membership by region. In this case, the Nordic countries have the highest proportion of membership (41%), followed by the regions comprised of the Benelux countries, France and Monaco (21%), the United Kingdom and Ireland (15%), and Austria, Germany and Switzerland (14%). The region of Southern Europe has 7% of the sector's membership while the Baltic States and Central and Eastern Europe contain 2% of the sector's membership.

The percentage of female members is far higher (42%) than the proportion of women employed in the sector (30%) and is comparable to the proportion of female workers in Europe (43%).

¹⁰ Data from 2006.

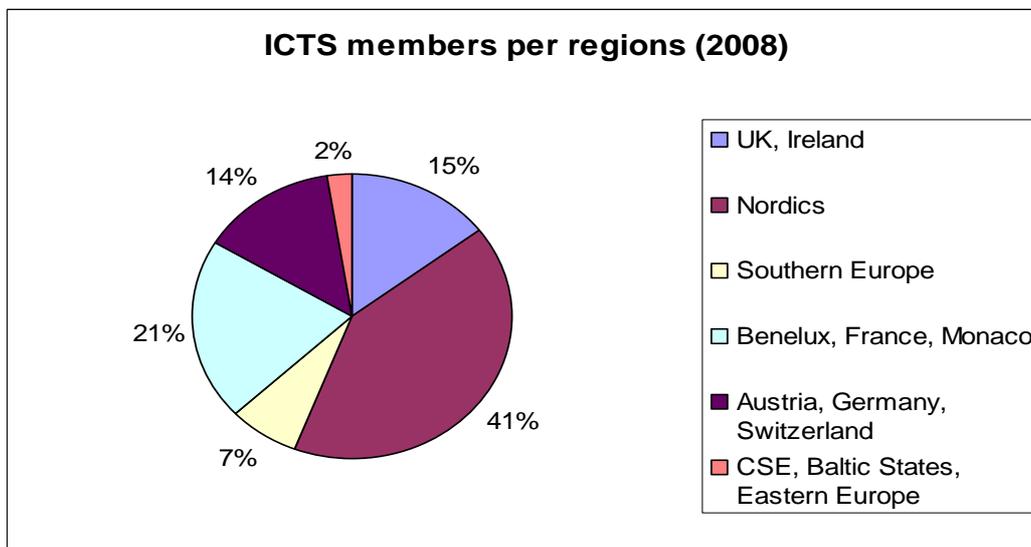
¹¹ Data from 2007

Figure 4: Current UNI europa ICTS Members, by Country



Source: UNI global union (2009)

Figure 5: Current UNI europa ICTS Members, by Region



Source: UNI global union (2009)

Issues for Organizing: Who are these potential members?

Workers

Earnings

It is difficult to measure the average earnings of an ICT worker because of great degree of variation within the sector, but it is clear that the average ICT worker earns at least as much as the average EU worker, and some earn substantially more. A recent study found a positive and significant correlation between a sector's share of ICT-skilled employment and gross value added per employee¹². In 2007, the EU average yearly income was 22,743 Euros. Workers classified in categories¹³ where we find ICTS workers earned on average between 22,748 Euros and 40,002 Euros per year which suggests that they are better paid than the average European worker.

Another recent study by e-skills UK showed that ICT staff in the United Kingdom earned on average 41% more than the workforce as a whole during the first quarter of 2009, although unemployment hit a five-year high of nearly 5% in the same period.

At a worldwide level, a survey conducted in 2002 by three organizations (SAGE, SANS, BigAdmin) found that computer system administrators earned on average US\$ 67'675 yearly. In the same period, a salary survey conducted by Brainbench showed that IT specialists in the United States were earning an average yearly wage between US\$ 42'492 and US\$ 78'611 depending on their occupation.

Gender

The ICT sector is highly biased towards male employment. Males represent only 57% of the total European employment, but 70% in ICT. It is unclear whether female workers choose not to pursue careers in the ICT sector due to barriers to entry or if other factors limit their participation in the sector. What is certain is that women's representation in ICT work is lower than their representation in the labour market in all countries and initiatives and policy efforts to attract more of them have been unsuccessful up to now.

In a report commissioned by UNI global union¹⁴, Juliet Webster cites two major hurdles for women to enter ICT. Firstly, the sector still suffers from a bad image and research shows that girls "have little awareness of the potential variety of ICT work". Secondly, employment practices are surprisingly out-dated in the sector with very few examples of firms recruiting women returning to work after a maternity or career break. In addition, the lack of flexible working arrangements makes it very difficult for women with children to enter the industry. The gender pay gap and male oriented work cultures are also quoted as factors impeding women to work in ICT.

¹² OECD (2005), "New Perspectives on ICTS Skills and Employment", OECD Digital Economy Papers, No. 96.

¹³ Here we used categories I (Transport, storage and communication) and K (Real estate, renting and business activities) of NACE Rev. 1.1. Since these categories comprise other workers than ICTS ones and were available for a reduced set of countries only, they are meant to give an estimate but are not statistically relevant.

¹⁴ UNI global union (2007), "Diversity Management in the ICT industry: Challenges and Issues for Social Dialogue".

Age

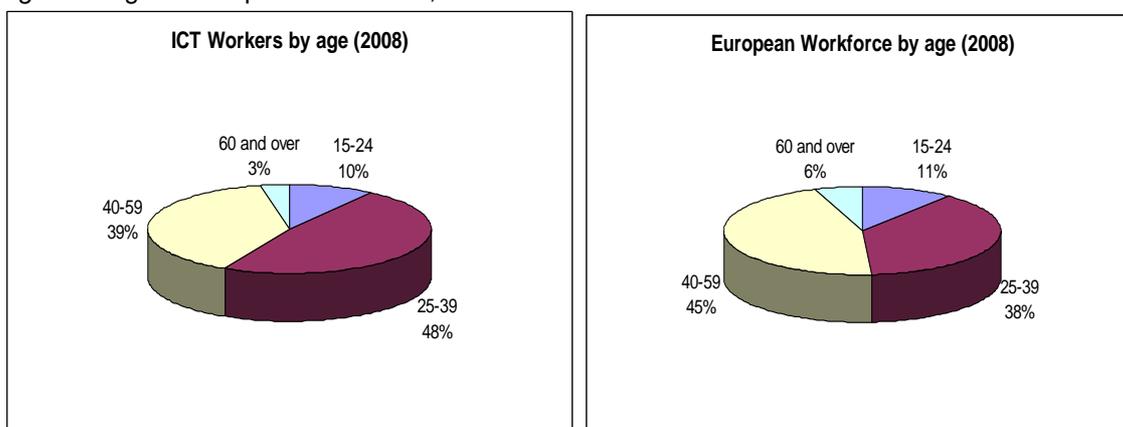
Older workers (50 years of age and over) are underrepresented in ICT work. They represent only 16% of the ICT workforce but almost a quarter of the total European workforce. This is in line with the perception that it is more difficult for older workers to find a job in the ICT industry, and it supports the notion that life-long learning is crucial.

Again, older workers face difficulties in entering the sector just as women do. According to J. Webster, employers use unproven assumptions to discriminate against older workers. They allege that this population has high sickness absence rates, obsolete skills, and an inability to adapt to a young work culture. Companies also use the excuse that older workers are over-qualified and thus too expensive to hire. The lack of flexible working time that would support a better work-life balance and the scarcity of lifelong learning practices are often quoted to explain the under-representation of aged workers in ICT.

As for the youngest workers (15 to 24 years of age) they compose 10% of the ICT workforce and 11% the total European workforce.

The majority of ICT workers are between 25 and 39 years old while across Europe, the largest age group of workers is between 40 to 59 years old. These data suggest that the average ICT worker is younger than the average European worker. Workers aged 15-39 compose 58% of the ICT workforce and only 49% of the European workforce, further reinforcing that this is the case.

Figure 6: Age of European Workforce, All Industries and ICT Sector



Source: Eurostat (2008)

Working time

The ICT sector has fewer part-time workers¹⁵ (10%) than the European average (18%).

Full-time male employees work on average 47 minutes longer per week than their female counterparts. This is a very small difference, which may well be the result of statistical error. If a real difference does exist between working time of men and women, it is unclear whether this is due to employer or employee choice.

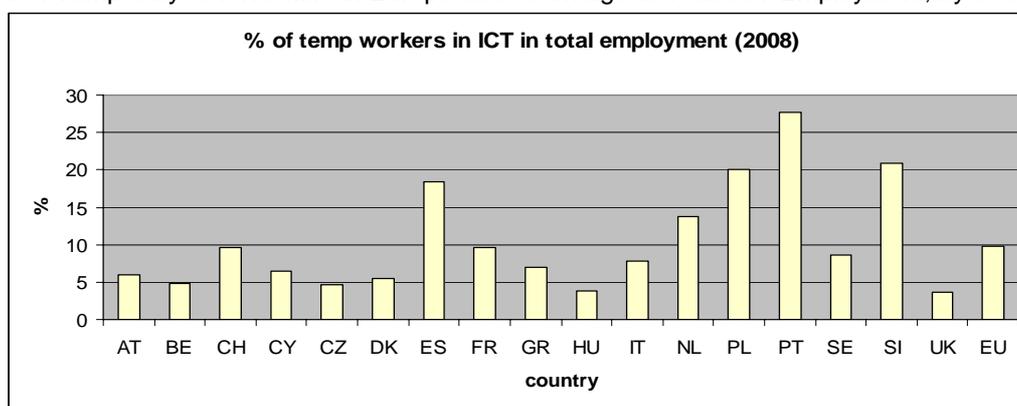
¹⁵ The distinction between full-time and part-time work is based on a spontaneous response by the respondent to the Eurostat Labour Force Survey. It is not possible to establish a more precise distinction since working hours differ between Member States and between branches of activity.

Part-time workers work about half the time (20.6 hours/week) of full-time workers (41.8 hours/week). This is comparable to the EU average full-time workweek of 42.8 hours. But a study by the Chartered Management Institute (CMI) showed that 83% of managers in the IT sector regularly work 1 hour 18 minutes more than their contracted hours, which is equal to 40 days per year. On the other hand, another research showed IT workers are demanding a better work-life balance.

Type of contract and professional status

11% of EU workers are employed on temporary contracts, and the same is true for roughly the same proportion of ICT workers (10%), but the situation varies enormously from country to country¹⁶. For example, more than a quarter of the ICT workforce is hired temporarily in Portugal while this is the case for less than 5% of ICT employment in the United Kingdom or Hungary. Temporary work conditions may be affected less by industry and more by the structure of labour relations, law and policy within a country.

Figure 7: Temporary Workers in Europe as Percentage of Total ICT Employment, by Country



Source: Eurostat (2008)

Approximately 10% of ICT workers are self-employed¹⁷, 87% are salaried employees¹⁸, and 3% are employers. On average, salaried employees represent close to 84% of European workers (nearly the same as the ICT rate of 87%) Self-employed workers and employers comprise slightly more of the European workforce than the ICT sector at 12% and 5%, respectively, (compared to 10% and 3%), but these differences are extremely small.

Education

Another interesting phenomenon is the level of educational attainment. Although there is no particular group for ICTS workers in the Eurostat classification¹⁹ for occupations, we notice that two groups (professionals and technicians and associate professionals²⁰) out of four where we find

¹⁶ Temp workers are those with seasonal employment, persons engaged by an agency or employment exchange and hired to a third party to perform a specific task, and persons with specific training contracts.

¹⁷ Self-employed are defined as persons who work in their own business or professional practice for the purpose of earning a profit, and who employ no other persons while employers must employ at least one other person to be defined as such.

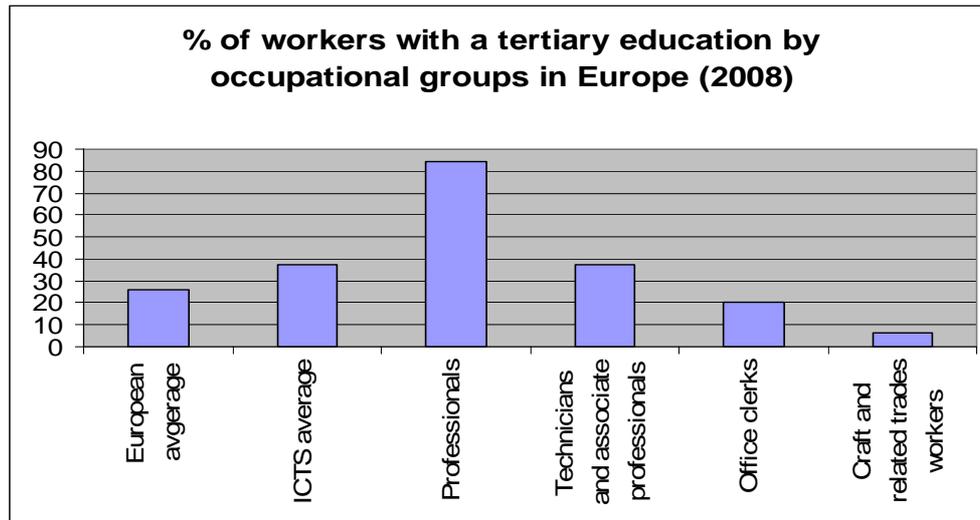
¹⁸ Employees are defined as persons who work for a public or private companies and who receive a compensation for their work.

¹⁹ Eurostat uses ISCO 88 (International Standard Classification of Occupations).

²⁰ In these groups we find Engineers, Computing professionals, Business professionals and Legal professionals among others.

ICTS workers are usually better educated than the European²¹ average. On the other hand, office clerks, craft and related trades workers²² experience a lower proportion of tertiary²³ education than the European average. Overall, if we add these four groups together, we see that the percentage of tertiary educated people in these groups (38%) is significantly higher than the European average (26%).

Figure 8: Percentage of European Workers with a Tertiary Education, by Occupational Group



Source: Eurostat (2008)

From the previous analysis, a picture of the average ICTS worker has begun to emerge. What is important to note is that the average European ICTS worker is different as compared to the average worker in Europe. A worker in the ICTS sector is more likely to be young, male, and higher educated at least through a tertiary level. In addition, an ICTS worker earns more than the average worker and is more likely to be employed on a permanent full time contract.²⁴

In a sector where skills and labour are in short supply and with an ageing workforce, companies must change their hiring methods since targeting primarily young male professionals won't be sustainable in the long-run. A low level of diversity has both financial and quality costs since it is more difficult to attract high-profile workers from a reduced talent pool.

It is an important challenge for ICTS affiliates to push companies to change their prevailing HR policies. More flexible working time schemes and work organization models that allow a better work-life balance, must be implemented in ICT companies to make them better places to work. Unions have an opportunity to help ICT workers by advocating for these changes.

²¹ For these calculations, we used the EU27+Croatia, Iceland, Switzerland, Turkey and Norway.

²² In these groups we find numerical clerks as well as Telegraph and telephone installers, Electrical line installers and repairers among others.

²³ "Tertiary" education refers to level 5 and 6 of the International Standard Classification of Education 1997 (ISCED). People in this group usually hold at least a Bachelor degree from a recognized University/Institute.

²⁴ For more detailed information on unemployment rates in the sector and across industries, per country, please refer to the Appendix.

Employers: What are the biggest ICT companies?

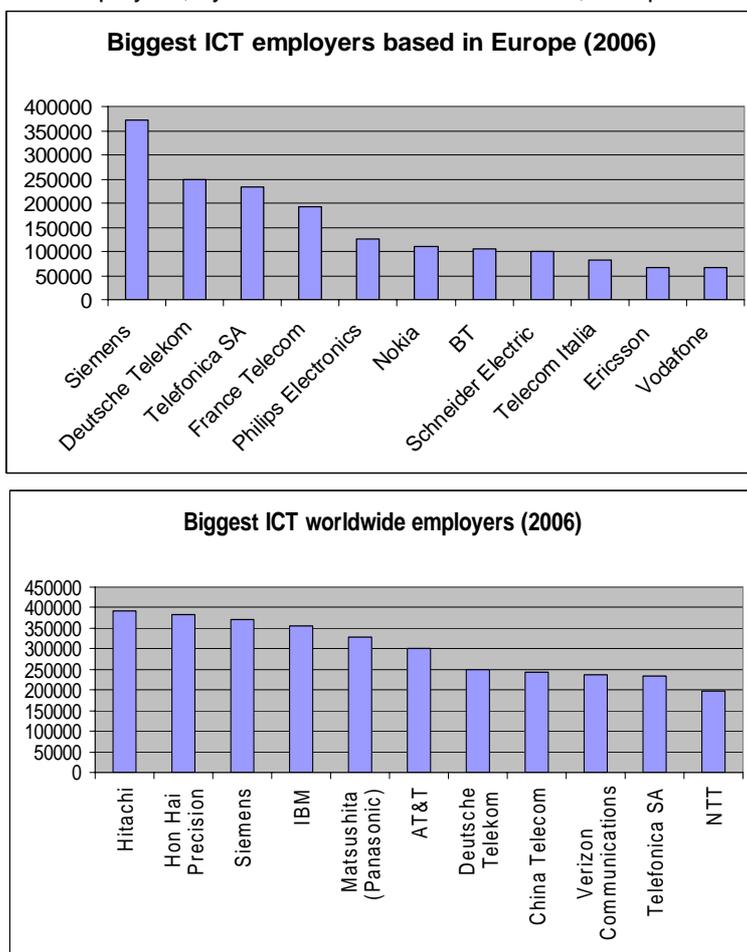
The largest firms in terms of employees are in Asia. Hitachi, a Japanese company, is the largest ICT employer in the world, followed by Hon Hai of China and Precision of Taipei.

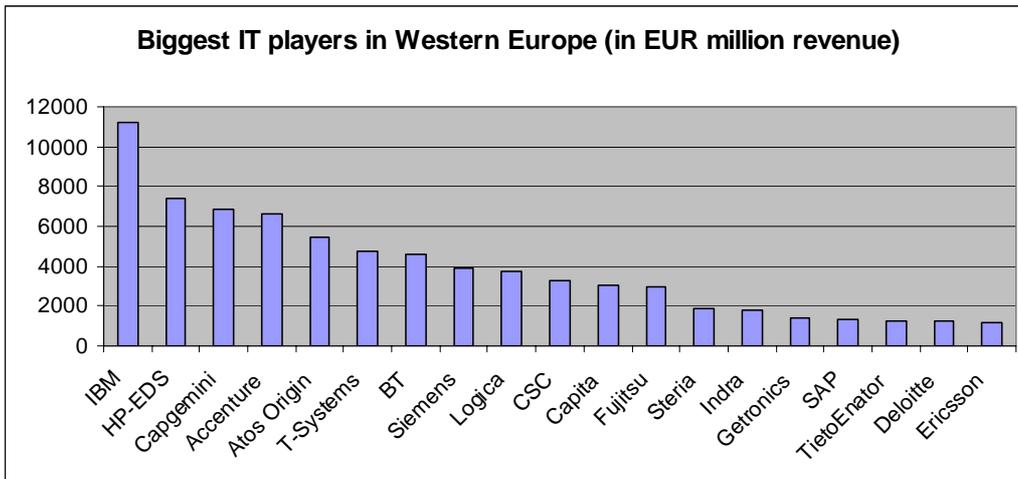
In Europe, German companies lead employment with Siemens and Deutsche Telekom, which employ 371'000 and 257,160 people, respectively. They are followed by Telefonica which employs 232'996 people, then France Telecom (191'036 employees) and Philips (125'834 employees).

In terms of revenue, the largest companies are Siemens, Hewlett-Packard (US), IBM (US), NTT (Japan) and Verizon (US).

A mixture of IT and Telecom firms comprise the list of dominant companies in the industry. The new ICTS sector is well-poised to merge the expertise of the former sector of UNI Telecom and UNI IBITS.

Figure 9: Largest ICT Employers, by Total Workforce and Revenue, Europe and the World





Source: Gartner (2008)

It is worth keeping in mind that 90% of ICT firms and three-quarters of the workforce in Europe were classified as being in the service sector by Eurostat in 2000. The ICT sector is dominated by SME's with an average of 11 workers per enterprise in the EU-15²⁵ in 2000. Additionally, the industry is very much concentrated geographically with hi-tech clusters in many different parts of Europe, mainly close to the metropolitan agglomerations, which could render organizing workers easier for unions.

Snapshots of Key European Companies

Orange (France Telecom)

- Operating in 40 countries
- Worldwide Profits of 4.1 billion Euro
- European revenue : more than 43.2 billion Euro
- Worldwide Employees : 186,049
- Organized employees worldwide : 8%

Telenor (Norway)

- Operating in 13 countries
- Worldwide Profits of 2.5 billion Euro
- European Profits of 1.8 billion Euro
- Worldwide Employees : 39,250
- Organized employees worldwide : 13%

Deutsche Telekom (Germany)

- Operating in 31 countries
- Worldwide Profits of 1.5 billion Euro
- Worldwide Employees : 257,160, 214,736 Employees in Europe
- Organized employees worldwide : 41%

²⁵ EU 15 is: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, UK.

Telefonica (Spain)

- Operating in 25 countries
- Worldwide Profits of 10 billion Euro
- Worldwide Employees : 248,000
- Employees in Europe : 82,610
- Organized employees worldwide : 21%

Portugal Telecom

- Operating in 13 countries
- Profits of 582 million Euro worldwide
- 320.1 million Euro Profits in Europe
- Employees worldwide : 31,970
- Organized employees : 33%

IBM (US)

- Operating in 170 countries
- Profits of 12 billion \$
- Employees : 398'455 of which 115'000 in the US, 113'000 in BRIC countries (Brazil, Russia, India and China), approx. 100'000 in Europe (in 2005)
- Fortune 500 rank: 14
- Organized employees: 201 in Holland, 1350 in Sweden (out of 3000 employees), 200 in Australia, 41 in Austria (2% of the workforce), 177 in Finland (only ERTO), around 35% of the workforce in Belgium

Hewlett-Packard (US)

- Operating in 170 countries
- Profits of 8 billion \$
- Employees: 321'000, approx. 116'000 in Europe
- Fortune 500 rank: 9
- Organized employees: 132 in Holland (approx. 10% of the workforce), some union presence in Australia, 36 in Austria (4% of the workforce), 5-10% in Germany, 80-90% in Sweden (out of 1800 employees), 40-50% in Belgium, 5% in Finland

Atos Origin (France)

- Operating in 40 countries
- Profits: 180.6 million EUR, 93% of sales are done in Europe
- Employees: 50'975, of which 85% work in the EMEA (Europe, Middle East and Africa) zone.
- Organized employees: 966 in Holland, 22 in Austria (15% of the workforce), around 2% in France and 50% in Belgium.

Cap Gemini (France)

- Operating in 30 countries
- Profits: 451 million EUR, nearly 80% of the turnover comes from Europe
- Employees: 91'621, of which 67% in the Europe and South America zone and approx 60% in Europe alone.
- Organized employees: 340 in Holland, 3 in Austria (just over 1% of the workforce), 137 in Finland (only ERTO), around 35% of the workforce in Belgium

Tieto Corp. (Finland)

- Operating in 30 countries (Europe + India, China, Indonesia, US and Canada)
- Employees: 16'618, 14'125 in Europe
- Profits: 111.6 million EUR, sales in Europe represent approx. 95% of total sales
- Organized employees: 2.5% of the workforce in Austria, 70% in Finland, 75% in Sweden, 75% in Germany, all other countries are below 20%.

Global Agreements

UNI global union already has formal relationships with some of these companies through Global Agreements (GAs). GAs are an important tool pursued by UNI as a means to engage with multinational corporations at a global level. They are agreements signed by UNI global union and a company, on behalf of all the unions which represent the company's workers. The details of each agreement will be specific to the circumstances, but many include safety measures, terms of employment and freedom of association or rights to unionization extended to the company's workers anywhere in the world. They provide local and national unions with a framework under which they unite their efforts to secure equal working standards from a company, regardless of the locations of its workers, and can be powerful tools to assist in local and national organizing and other campaign efforts.

UNI Telecom currently has three GAs signed with France Telecom, Portugal Telecom, and Telefonica, and is in the process of negotiating agreements with Deutsche Telecom, Telenor, TeliaSonera and Telecom Malaysia. While UNI IBITS does not currently have any GAs, the creation of the new UNI europa ICTS will provide the sector with opportunities to expand its negotiations of GAs, based on the experience of UNI Telecom.

Part II: Industrial Relations and Social Dialogue Partners in ICTS

Trade Union Density and Collective Bargaining Coverage in Europe: Cross-Industrial Outlook

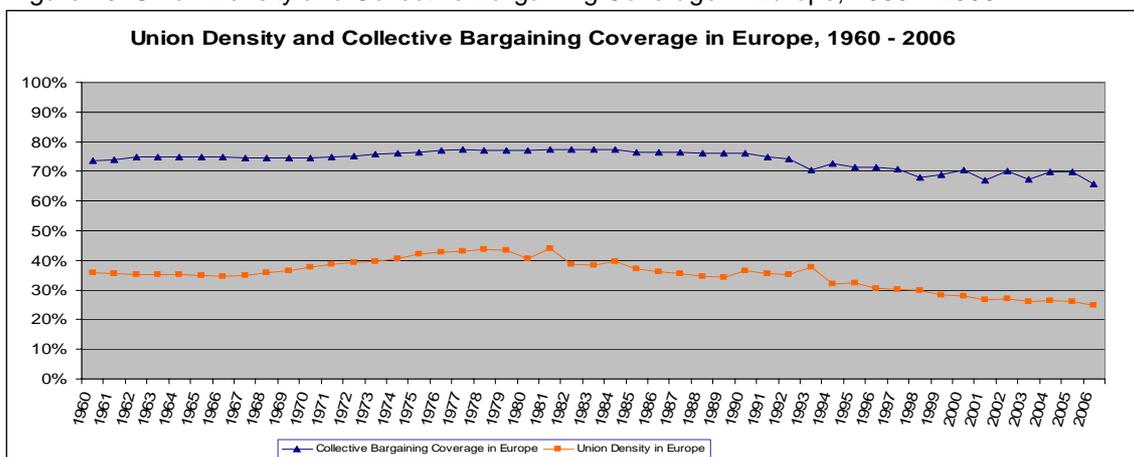
UNI europa ICTS will be operating in an environment of union density and collective bargaining much different from that of a generation ago. It is important for the sector's strategic plan to note this change and to realize that it contradicts the conventional wisdom that high rates of union density and collective bargaining coverage are embedded institutions of power.

For the purpose of this discussion and analysis, union density is defined as the percentage of employed wage and salary earners who belong to a union²⁶. Collective bargaining coverage is the percentage of employed wage and salary earners who are covered by a wage bargaining agreement²⁷, and all calculations have been based on these conventions.

The picture of collective bargaining coverage and union density is changing in Europe. What was once considered a stable environment with consistently high rates of union density and correspondingly high rates of collective bargaining coverage is now more tenuous. Industrial and political changes suggest this trend will continue and may worsen if steps are not taken to organize and increase levels of union membership.

From an analysis of the picture of collective bargaining coverage and union density in Europe, a few generalizations can be made. It is clear that collective bargaining coverage is substantially higher than union density across countries and across industries. An important conclusion from this is that high rates of collective bargaining coverage may obscure low and declining rates of trade union membership. Furthermore, rates of collective bargaining coverage are themselves declining.

Figure 10: Union Density and Collective Bargaining Coverage in Europe, 1960 – 2006



Calculations based on data from 29 countries -- The EU 27, Norway and Switzerland -- where available. Data not available for all countries for all years. Data not available for collective bargaining coverage rates in Italy or Romania.

²⁶Unemployed and retired union members are not included in the calculation of union density.

²⁷In the dataset used for calculations, bargaining coverage was recorded as a percentage at the country level. In order to calculate European totals, it was necessary to control for size of workforce in each country, which was done by using the figures for employed wage & salary earners in the same database. However, when the author of the database calculated bargaining coverage, he used a system (not specified) of adjusting the workforce figures to include only those employed wage & salary earners who were eligible to be covered under a collective bargaining agreement. For this report's calculations, the unadjusted workforce figures were used.

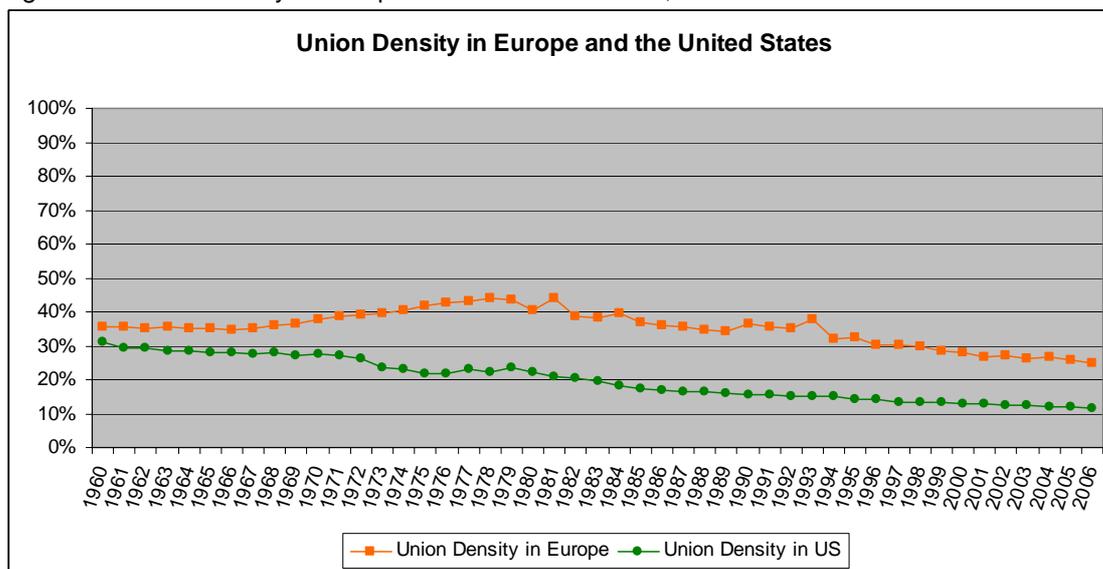
Historical data for collective bargaining coverage and union density in Europe show that both have declined consistently in recent years. Collective bargaining coverage has declined steadily since the mid-1990s, while union density has dropped since the late 1980s, with an accelerated decline since the mid-1990s. Today union density in Europe is around 25% - 10% lower than in 1960.

Union density decline has been affected by many political and macroeconomic factors and changes in recent decades. Whatever the causes, we can be reasonably sure that without strong union membership, it will become more difficult to maintain collective bargaining coverage.

We can already see that there is a growing gap between union density and collective bargaining coverage. From 1960 – 1993, approximately 1 out of every 2 workers who was covered by collective bargaining was a union member. In 2006, 1 out of every 2.6 workers covered by collective bargaining was a union member. If current trends continue, the ratio will be 1 in 3 by 2018.

The decline of union density in the United States has been steady and rapid. This is an interesting point of comparison for Europe, since the decline began earlier in the United States, and because of the presence of US firms in the global ICTS market. Many major players in the sector are based in the US and others have substantial market presences there. Additionally, many US companies have a large presence in Europe, so it is important to the future of the sector to understand the union density in the US.

Figure 11: Union Density in Europe and the United States, 1960 – 2006



In 1960, union density in the United States was at a high of almost 31%. In 2006, union density was just over 11%, marking a 66% decline over the 46 year period. Roughly every 20 years, union density decreased by 1/3 in the U.S. If European density continues to decline at a steady rate, as density in the U.S. did, it could fall to single digits in less than 20 years.

Trade Union Density and Collective Bargaining Coverage in Europe: The ICTS Sector Outlook

Collective Bargaining Coverage in ICTS

Collective bargaining coverage is often secured through various forms of political process and policy agreements such as sectoral agreements and statutory extension of bargaining. High rates of bargaining coverage achieved through these processes do not suggest correspondingly high rates of union density.

However, low and/or decreasing union density can drive decreasing collective bargaining coverage rates. Collective bargaining coverage is often granted through the political will of a nation. Where trade unions have a weak base of membership, it may be more difficult to justify extending bargaining coverage and unions will have less political power to demand extension. High rates of collective bargaining coverage should not be confused with high rates of union density and power. It is strong union membership which gives a solid, sustainable foundation from which to build bargaining coverage and political strength.

Industrial arrangements in the ICTS Sector and within its sub-sectors are changing. The economic restructuring of the industry is leading to processes of de-regulation, an increased proportion of software and services firms, and a decrease in average company size, all of which are likely to have a negative effect on the rate of collective bargaining coverage in the sector.

Hardware and Manufacturing

Collective bargaining coverage is highest within the hardware and manufacturing sub-sector of ICTS. Many hardware and manufacturing firms in the ICTS sector are covered under industry-wide agreements for manufacturing (for example, many metalworking agreements include ICTS workers in hardware and manufacturing). Company-level agreements supplement bargaining coverage at the sector level.

The economies of many European countries are shifting from a manufacturing to a service base. It is reasonable to conclude that the hardware and manufacturing sub-sector will play a decreasing role in ICTS europa and that high rates of collective bargaining coverage within the hardware and manufacturing sub-sector will have less of an impact on ICTS in coming years.

Telecom

Collective bargaining coverage in the telecom sector is largely through single-company agreements. Until recently, most European countries had a single national provider ("incumbent"), which was covered by a single collective bargaining agreement. Collective bargaining coverage rates are therefore relatively high. However, the industry is under going rapid de-regulation, a process which is undermining collective bargaining coverage. New companies entering the market are often not bound by the collective agreements of the incumbents. This creates pressure for the incumbent to diminish working conditions in order to compete and can threaten collective bargaining.. Exceptions to this are Austria, Finland, France and Italy, all of which have a sector-level agreement for telecom. (Spain has a sector-level agreement for telemarketing).

Collective bargaining coverage rates are positively correlated to company size and accordingly, countries with former monopolies tend to have the highest rates of collective bargaining coverage. After de-regulation, the market is likely to be populated by smaller firms, creating further threats to collective bargaining .

Software and Services

Collective bargaining coverage is very low in the software and services sub-sector of ICTS. Sector-wide collective agreements are rare and bargaining takes place primarily at the company level. Austria, Finland and France are exceptions to this, as each country has an ICTS or IT services sector agreement, and Norway has agreements in data and processing that provide some bargaining coverage to this sub-sector. In some cases there are agreements at the company level, for example, the agreement between ver.di and IBM in Germany.

The software and services industry is dominated by smaller firms which are less likely to have their own collective agreement. The influence of US-based companies in this sector is also relevant since those companies have historically exported an anti-union, anti-collective bargaining approach to labour relations.

A low level of collective bargaining coverage in software and services is of particular concern because it is the fastest-growing sub-sector of the ICTS sector.

Existing Sector or Sub-sector Agreements

The following is not an exhaustive list of sector-level agreements which cover workers in ICTS (see below for detailed information on collective bargaining coverage in each country). This is a list of existing collective agreements which are specific to the ICTS sector or sub-sectors. Specifically, IT, Telecom and ICTS sector agreements are included²⁸. Hardware and manufacturing agreements, which tend to cover the entire manufacturing industry, have not been included.

Sector-level agreements that encompass the ICTS sector are rare. Only Finland has such an agreement. When agreements specific to ICTS do exist, they are most common in telecom and software and services are notably absent. As software and services is the fastest growing unit of the sector, extending collective bargaining there is a priority.

Austria:

- IT (software and services) agreement
- Telecom agreement

Finland:

- ICTS sector agreement
- Telecom agreement
- Internet agreement

France:

- IT agreement
- Telecom agreement

Italy:

- Telecom agreement

Norway:

- Technology and Data agreement
- Data and Office Equipment agreement
- Information Processing/Electronic Media agreement

Portugal:

- Unsuccessful attempts to secure a telecom agreement

Spain:

- Telemarketing agreement

²⁸ As defined within the country. These definitions may vary from UNI europa ICTS's definition of the sector as well as from other countries' own definitions.

Sector-level Collective Bargaining and Statutory Extension in ICTS

Statutory extension practices are widespread in European countries, but there are different models of extension. Extension of a collective agreement at the employer level, to non-unionized employees in a company covered by a collective bargaining agreement, is standard practice. This is an ILO standard, and a practice which companies sometimes support as a strategy to minimize employees' incentive to join the union. Extension also exists at the industry level, whereby multi-employer collective agreements (usually negotiated with an employer association) are extended to employers not affiliated to the signatory employer organization.

Statutory extension can help to guard against the diminution of working conditions arising from market competition. For example, in the telecom industry, it is often the case that the incumbent is the only employer subject to a collective bargaining agreement. After deregulation, other employers offer lower working conditions and create pressure for the incumbent to do the same, and create disincentives for collective bargaining.

Union Density in ICTS

Across Europe, rates of unionisation are at their lowest point since the data has been compiled. Unionisation rates within the ICTS sector are *less than half* these national rates.

The relationship between collective bargaining coverage and union density is similar within the ICTS sector as to the European cross-industrial case. Collective bargaining coverage rates are much higher than union density rates, but both are declining. De-regulation and the industrial shift from manufacturing to service-based firms both contribute to a decrease in average company size, undercutting union membership rates and bargaining coverage. Rates of net union membership are not only declining, but in many cases are low in absolute terms to begin with.

There are many explanations given for the decline in union density in recent years, in Europe and across the globe. Macro-economic and political shifts have an impact. Increasing interdependence of national economies means that the lowest common denominators in wages, working conditions and labour laws become the norm. The influence of weak labour law and union rights protection in the United States, in particular, is a factor, due to the prevalence of U.S. firms in the software and IT services sub-sector.

Below are some case studies of rapid deterioration of union density and/ or collective bargaining coverage in the ICTS sector.

Conclusion

Unions seeking to build their membership, power and effectiveness in the ICTS sector need to be aware of the changing nature of the industry and what this means for workers. Unions should take into account the demographics of the industry – the fact that there are higher numbers of young workers, less female workers, and the tendency for workers to be highly educated. National variations in terms of law and regulation, industry composition and education standards are also important. All of these factors are important in developing a strategy for union renewal in ICTS, for identifying the issues which will motivate workers and bring more members into our unions. As legitimate players in this sector, we can start building trust and a rapport with our members and future members by demonstrating our expertise and knowledge about their working environment and what we can do to improve it.

ICT employment has not been immune to the economic crisis, but the industry is poised to withstand the downturn better than some industries. Manufacturing has taken a large hit across industries and the same is true in the ICT sector, where employment had already begun to shift away from hardware and manufacturing to IT services, software, and Internet-related activities. But layoffs are occurring in these service areas, too, and some firms have plans to lay off more 10% of their workforce. Company insolvencies have also added pressure to ICT labour markets. Comprehensive up-to-date employment data for the ICT sector is patchy making net employment changes difficult to quantify.

Future employment prospects in the ICT industry will require new skills and training. Cloud computing, virtualization, and software on demand are innovations that illustrate how fast the industry is evolving and the need for human capital investments that will allow workers to adapt to these changes. Skills shortages and outsourcing or offshoring may continue to affect the ICT labour market.

Green jobs initiatives could provide substantial opportunities for the ICT sector. Recent estimates suggest the green economy could generate 1.7 million new jobs in the EU by 2010 and 2.5 million by 2020. Green ICT will play an important role in this transition, which could provide opportunities for new and future members of UNI europa ICTS²⁹.

The new sector UNI europa ICTS, formed by the merging of two sectors within the organization, will represent an ICT industry where Telecom and IT are already converging and continue to do so. Telecom companies are venturing into ICT services and IT companies are branching into telecommunications (with products such as the iPhone and Skype, for example).

Industrial and social partner relations in Europe are at a crucial point, Neither collective bargaining coverage nor union density rates are stable at the high levels that they once were. In 1987, union density reached its lowest level since 1960, and has continued to decline. Since 1995, the decline has accelerated and union density in Europe now stands 10% below its level in 1960. This decline, coupled with industrial change within ICT – specifically de-regulation and the proliferation of smaller firms, as well as a shift to the dominance of software and services over hardware and manufacturing – has driven a marked decrease in collective bargaining coverage. In post and telecommunications, employment in former state monopolies (with high union density) is declining; meanwhile, employment is growing in computer-related activities with a weak union presence.³⁰

In the ICTS sector, union membership is less than half the rate across industries in Europe. This illustrates the urgency of building union membership in the sector. This report has argued that union membership is the key to increasing collective bargaining coverage thus securing the voice of

²⁹ UNI europa ICTS will address this issue in depth by organizing an ICT Forum for affiliates on "Green ICT For Jobs", from 28-30, October 2009.

³⁰ Eurostat

workers in social dialogue at the company and industry level, both within individual countries and across Europe.

The mandate for increased union membership presents a challenge, but it also provides an opportunity. Nearly ten million ICT workers in Europe are working without a union. With the creation of a new UNI europa ICTS, it has become possible to gain a broad appreciation of who these workers are and how their workplace is changing. It is the hope of the authors that this report will provide UNI europa ICTS affiliates with a glimpse into this new sector, and will inform the direction for future in-depth research on the industry and its workers. ICT is poised for continued growth – with a strategic organizing plan built around these worker and industry characteristics, UNI europa ICTS will be successful in building its membership in the sector and effectively raise working standards for its members.

Appendices

Case Study #1: In Austria, de-regulation has undercut union density, despite the continuation of universal collective bargaining coverage.

De-regulation/privatization of the telecom sector took place in 1997. In 2000, the incumbent went public.

Collective bargaining coverage in the sector is 100% and employer membership of the employer association is mandatory; however, density has decreased from 100%, under the state-owned company (and continuing for some years after de-regulation) to 50% currently (reflecting 85% in the former incumbent and only 10% in the so called “alternative” telecom companies).

Case Study #2: In Slovenia, the expiration of a sector agreement has exposed the precarious nature of collective bargaining coverage by statutory extension

Universal bargaining coverage was a result of extension practices through sectoral agreements. 100% bargaining coverage in the telecom sector obscured the fact that overall union density rates dropped from 69% in 1989 to under 43% just years later in 1998, and have continued to fall (to 41% in 2003, the last year for which data are available). In 2006, the sector-specific and general agreements that had covered the sector expired and a new regulatory framework took effect for collective bargaining. As a result, bargaining coverage in the sector dropped from 100% to 50% overnight.

Slovenia Timeline:

- Until 2003, the Collective Agreement on Post, Telegraph and Telecommunications covered workers in those sectors by 100%.
- After 2003, when this agreement expired, only the postal sector remained covered by sector-wide agreement. The General Collective Agreement for the Private Sector continued to cover telecom workers and maintained 100% bargaining coverage in this sector.
- This agreement expired in June 2006, and now all bargaining in the sector is single-employer.
- 50% of telecom employees are covered under the single company agreement in the sector.
- Possibilities for extending bargaining cover throughout the sector exist, but union efforts to do so have been unsuccessful due to resistance from the largest company in the industry (Telekom, the only company with a collective agreement).

Case Study #3: Social partner relations since the merger of EDS and HP – two major corporate players in ICTS– exhibit wide variation across European countries

There is no collective agreement in HP **Germany** because the union density (5-10%) is too small. Nonetheless, unions are represented in the HP Germany supervisory board. There are 6 seats for employee representatives and 6 for management. Unions have the legal right to negotiate in the name of workers. As for the works council, unions don't have the majority but are visible.

In **Sweden**, EDS and its works council are now fully integrated into HP as from June 1st. When it comes to the trade union density, it reached about 90%. A collective agreement is in force and unions have the right to collective bargaining. The largest union (Unionen) has the right to elect EWC representatives (Swedish version of the EWC directive). It has to be said that from the merger with Compaq, union density may have gone down since former Compaq employees were not unionized at all.

In **Belgium**, there is a Works Council, a Safety Committee and a Trade Union Delegation in each of the 3 HP companies present in the country (HP, EDS and HP CDS) and the union density is about 50% at HP CDS and closer to 40% at HP and EDS. In all three, only unions are present in the consultative bodies and there is "a common union front", meaning that all unions work together on all issues as one group vis-à-vis the company.

Regarding collective agreements, HP CDS has the most agreements on the most topics (including an agreement on the trade union premium). HP is a very good second, but with a bit more unregulated themes. As regards EDS it has a good union tradition, but not that many agreements and topics have been formalized in collective agreements.

At EDS **Hungary** there is a works council and a union which work cooperatively, but are independent bodies. The trade union density is quite limited, but a collective agreement is in place which gives employees extra rights above minimum requirements by law. Hungarian law does not empowers unions much (i.e. bargaining is up to the employers' will in most cases).

However, the collective agreement enabled negotiations about salary issues. While many EDS subsidiaries have been threatened by a pay reduction after the merger with HP, Hungarian employees got a pay rise in 2009. As for the future, it will depend on HP's will to extend or not the collective agreement that runs until the end of 2010.

In **France** HP and EDS are still separate entities from a legal point of view. HP has two main companies in France: HP-France which is mainly a sales company that focuses on the French market and HP-Centre de Compétences France which is an entity that encompasses several departments with a European (EMEA) scope.

In HP companies, the five major French unions (CFE-CGC, CGT, CFDT, CGT-FO, and CFTC) have representatives. In EDS, these five unions also have representatives as well as a smaller union (Sud-Solidaires). In both companies, a collective agreement gives better conditions for representatives (hours dedicated to the union/workers, travel etc) than the legal requirements.

The company is compelled to gather unions once a year to negotiate salaries and other general topics such as training; working hours etc. The firm can also invite unions to negotiate on various topics in order to negotiate collective agreements. These can be enforced only if they are signed by unions which have reached at least 30% of votes at the company's latest works council elections. The works councils (one per entity) have to be consulted prior to any organizational charts and workforce management changes that the enterprise would like to introduce.

In the **UK**, Unite the union has a number of collective agreements covering bargaining units in EDS, representing membership groups who have transferred into the company from other companies through outsourcing. But a substantial number of members are not covered by collective agreements.

In HP, Unite has recently secured a collective agreement for some 220 Customer Engineers and in addition has also membership recently recruited which is not covered by collective agreements.

Still in the **UK**, The Public and Commercial Services union (PCS) has collective bargaining rights with regards to pay and terms and conditions for the groups of workers having transferred from the UK civil service. PCS has a growing membership among staff employed by EDS (who did not previously work for the civil service) for which the union is aiming to gain collective bargaining rights. PCS has a rapidly growing membership and has a majority membership on the EDS UK Works Council.

In **Denmark**, HK does not have any EWC member in HP/EDS and neither a collective agreement exists. The union is looking into the possibility of cooperating with other trade unions, e.g. The Danish Metalworkers' Union ("Dansk Metal"), to identify opportunities for a joint agreement.

When it comes to the **Netherlands**, EDS had a collective agreement until January 2009. Since the merger, unions at EDS (FNV, CNV en Unie) negotiated a social plan and the membership rate is about 30%.

As for HP, a branch collective labour agreement (ICK-CAO) which will also be valid for former EDS employees as from January 2010 is in place.

Although trade union density is smaller at HP (approx 10%) unions also agreed on a social plan with management. It is worth mentioning that labour relations were better with EDS and are worsening since HP took some downgrading measures such as salary reductions, best shoring, forced holiday, centralism.

Finally, in **Finland** HP itself does not have any "company union". The branch (IT) agreement about salaries, working conditions etc. applies nonetheless and is negotiated by the union Erto which has two shop stewards and one EWC representative in the firm. The union density is small on Finnish standards (about 5%) and management isn't very cooperative.

Even if the trade union density is quite low in the company, a trade union coordination group achieved substantial results when the company announced its merger with EDS at the end of 2008. Key successes were the reduction of compulsory redundancies, social plan, transfer program and probably the employees' refusal to accept a pay reduction.

Type of Collective Bargaining, Collective Bargaining Coverage and Union Density Inside European Countries in ICTS: A Closer Look

Austria

- Sectoral bargaining. 100% coverage
- It is mandatory for employers to join the employer's organization and negotiate with trade unions
- First IT (software and services), as separate from commerce, agreement signed in 2000. Telecom and hardware have their own sectoral agreements.
- Telecom: 50% of bargaining is multi-employer bargaining, pervasive statutory extension at the employer level
- ICTS Sector: 100% collective bargaining coverage, near 50% density in telecom (85% in the former incumbent, only 10% in the so called "alternative" telecom companies) 15% density in software

Belgium

- Sectoral bargaining. 100% coverage in the private sector.
- No specific agreement for ICT, but all the firms in the sector covered from other agreements (i.e., blue-collar workers in metalworking, engineering and electrical trades; white-collar workers in metalworking, engineering and electrical trades; the large majority of the white-collar workforce is covered by the sectoral agreement of the services sector).
- Telecom: Belgacom is not part of the collective bargaining system, but applies the rules of social dialogue of the public sector. In nearly all private companies with more than 50 employees, there is a union presence while "new companies" haven't reached the level of company collective bargaining yet and social dialogue is limited to the legal minimum. However mobile phone companies and call centers have developed much further to full social dialogue.
- 2008-2009 Density: IT and Telecom in the private sector is around 35-40% and is increasing.

- IT: Coverage for companies with more than 50 employees is around 80%. A large majority of these firms enjoy a full social dialogue situation.

Bulgaria

- Telecom: 100% of bargaining is single-employer bargaining

Cyprus

- Telecom: 100% of bargaining is single-employer bargaining

Czech Republic

- Telecom: Multi-employer bargaining prevails

Denmark

- Sectoral and company bargaining. Five major sectoral agreements contain protocols governing ICTS work w/in those sectors.
- Bargaining coverage higher in hardware and telecom than software and services.
- Telecom: Multi-employer bargaining prevails
- ICTS: 60% collective bargaining coverage, 85% density

Estonia

- Telecom: 100% of bargaining is single-employer bargaining
-

Finland

- Primarily sectoral
- A specific agreement covers the entire ICTS sector (ex. Mgmt and supervisor staff) – organized or not. Sectoral agreements extend to include organized and unorganized workers.
- Sectoral agreements for hardware manufacturing, telecom, and internet workers.
- Telecom: 100% of bargaining is multi-employer bargaining, pervasive statutory extension at the employer level
- 2008-2009 Density: IT 58%, Post & Telecom 60%, Overall 67%

France

- Sectoral and company
- Specific sector agreements cover IT and telecom (with the exception of some FT workers who are civil servants).
- Hardware manufacturing covered by IT agreement or metalworking agreement
- Company agreements exist where there is a union presence, including firms such as IBM and Cap Gemini.
- Sectoral agreements extend to include organized and unorganized
- Telecom: 100% of bargaining is multi-employer bargaining, pervasive statutory extension at the employer level
- ICTS: 100% collective bargaining coverage in telecom, 100% in IT services

Germany

- Sectoral and company bargaining
- No specific ICTS sector agreement
- Most hardware manufacturing covered by metalworking agreement, some covered by company agreement, some not at all (HP was cited)
- Telecom – many covered by company agreements
- A few software and services covered by metalworking agreement, most bargaining at company level

<ul style="list-style-type: none"> • Most ICTS services not covered by an agreement • Telecom: 100% of bargaining is single-employer bargaining • Telecom Density: 57% in the mid-90s, 47% in 2006. Collective bargaining coverage 100% in the mid-90s, 85% in 2006. • 2008-2009 Density: IT 9%, Post & Telecom 34%, Overall 19% • ICTS: 20% collective bargaining coverage, relatively high density in manufacturing, but low in services
<p>Greece</p> <ul style="list-style-type: none"> • No sector, some company • No bargaining in software and services • Telecom: 100% of bargaining is single-employer bargaining • ICTS: 57% density, mainly in telecom
<p>Hungary</p> <ul style="list-style-type: none"> • Telecom: 100% of bargaining is single-employer bargaining • 2008-2009 Density: IT 3%, Overall 24%
<p>Ireland</p> <ul style="list-style-type: none"> • No sectoral, some company • No CB in telecom • Telecom: multi-employer bargaining prevails • ICTS: Very low density, except in telecom
<p>Italy</p> <ul style="list-style-type: none"> • Sectoral and company • No ICTS agreement • Hardware and manufacturing covered by metalworking • Telecom sectoral signed in 2000 (some use metalworking agreement instead) • Software and services apply a variety of agreements – e.g., commerce, metalworking, crafts • Second-level bargaining is present through company agreements. • Telecom: 100% of bargaining is multi-employer bargaining, pervasive statutory extension at the employer level • ICTS: 30% density in manufacturing, 20-25% in telecom, 10% in IT and software
<p>Lithuania</p> <ul style="list-style-type: none"> • Telecom: 100% of bargaining is single-employer bargaining
<p>Luxembourg</p> <ul style="list-style-type: none"> • Company. Most larger companies have company agreements • Telecom: 100% of bargaining is single-employer bargaining
<p>Latvia</p> <ul style="list-style-type: none"> • Telecom: 100% of bargaining is single-employer bargaining
<p>Malta</p> <ul style="list-style-type: none"> • Telecom: 100% of bargaining is single-employer bargaining

<p>Netherlands</p> <ul style="list-style-type: none"> • Some sectoral, primarily company • Sector agreement for hardware, but 9 large hardware companies have company agreements • Software – six large companies have agreements • Works councils partially replacing trade unions • 2008-2009 Density: IT 11%, Post & Telecom 16%, Overall 23% • ICTS: 23% collective bargaining coverage, 7% density
<p>Norway</p> <ul style="list-style-type: none"> • Primarily sector, some company • Specific technology and data agreement, and an engineering agreement which covers manufacturing hardware • Telenor covered by company agreement • Some software and services covered by sector agreements for data and office equipment, installation companies or information processing/electronic media. Some firms have company agreements.
<p>Poland</p> <ul style="list-style-type: none"> • Telecom: 100% of bargaining is single-employer bargaining • 2008-2009 Density: IT 4%, Post & Telecom 13%, Overall 11%
<p>Portugal</p> <ul style="list-style-type: none"> • Sectoral and company • Hardware manufacturing covered by electrical and electronic equipment industry agreement • Larger telecom companies have country agreements, but unions' attempts at a sector agreement have been unsuccessful. • Some ICTS sector covered by electrical, photographic and electronic commerce sectoral agreement • Telecom: 100% of bargaining is single-employer bargaining • ICTS: 44% collective bargaining coverage
<p>Romania</p> <ul style="list-style-type: none"> • Telecom: pervasive statutory extension at the employer level
<p>Slovenia</p> <ul style="list-style-type: none"> • Telecom: 100% of bargaining is single-employer bargaining (as of June 2006), no longer extension practices at the employer level <p>Slovakia</p> <ul style="list-style-type: none"> • Telecom: Approximately 72% of bargaining is multi-employer bargaining. There is limited or exceptional statutory extension at the employer level
<p>Spain</p> <ul style="list-style-type: none"> • Sectoral and company • No ICTS sector agreement • Hardware and manufacturing and software and services covered by some other sectoral agreements. Specific agreement for telemarketing. • Large telecom firms have company agreements • Telecom: 100% of bargaining is single-employer bargaining

UK

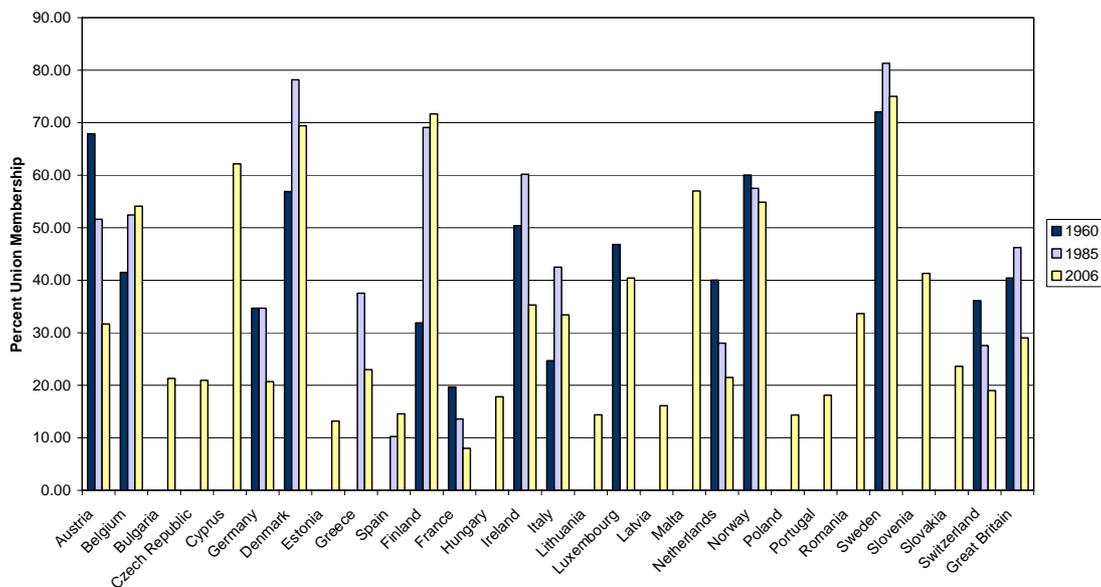
- No sectoral bargaining. Limited company bargaining. Low overall coverage.
- Some company agreements but these are mainly confined to telecom companies. Plant- or business unit-level bargaining in some large companies. BT has a company agreement.
- Union density is higher in telecom than in the rest of the sector.
- Telecom: 100% of bargaining is single-employer bargaining
- ICTS: Density around 15 – 20%, comprising organization in traditional areas, transfers of union membership in organized areas through outsourcing, and organic bottom up organizing. The Transfer of Undertakings (Protection of Employment) Regulations of 2006 and additional UK legislation has allowed unions to reach increased recognition.

Supplementary Figures

Figure 12: Union Density in Europe, by Country, 1960³¹, 1985³², 2006³³



Union Density by Country: 1960, 1985, 2006

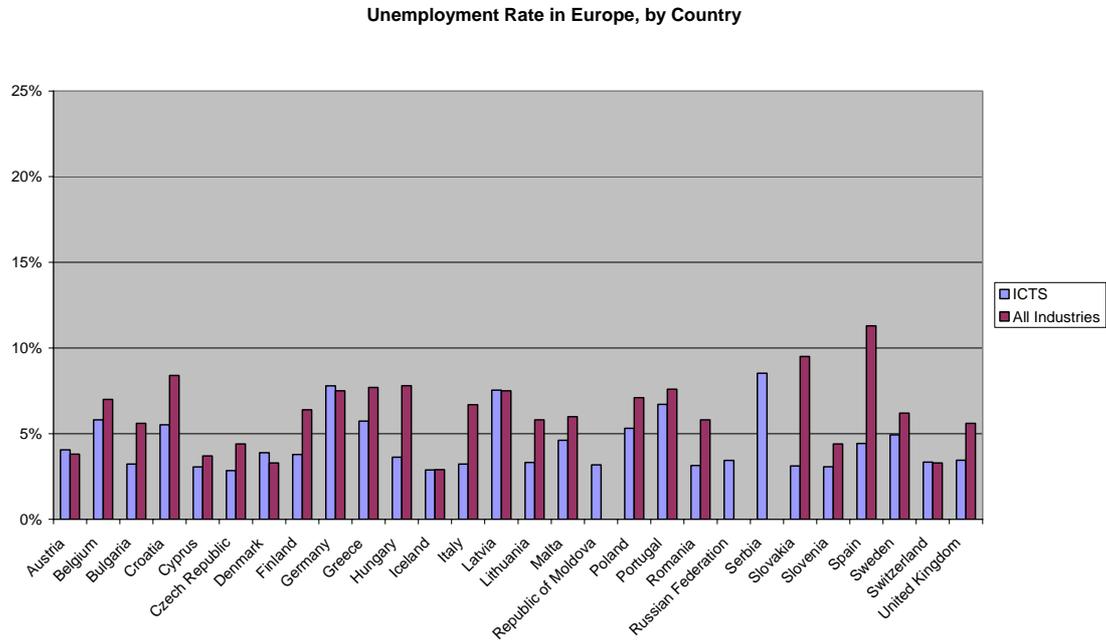


³¹ Where available. Luxembourg data from 1970.

³² Where available.

³³ Data for Greece and Hungary from 2005. Slovenia data from 2003.

Figure 13: Unemployment Rate in Europe, by Country, All Industries and ICT³⁴ Sector



³⁴ For this purpose, the ICT sector is defined as NACE Codes I (Transport, storage and communication) and K (Real estate, renting and business activities). 2008 or other most-recent year data. National unemployment figures not available for the Russian Federation, Serbia or the Republic of Moldova.

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