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Employee participation in a voluntarist and non-adversarial context: The Swiss experience

Paper presented at the 2nd biennial conference
«What does co-determination do? What can we learn from research?»

Wissenschaftszentrum Berlin, 11th June 2018

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Content

1. Employment relations in Switzerland

2. Workplace participation regulated
   by law and by collective agreements

3. Current situation in the private sector

1. Employment relations in Switzerland

- «Liberal Corporatism»
- «Voluntarism»: mode of regulation marked by ‘soft’, usually non-binding legal rules and a low level of government interference *(Wolfgang Streeck)*
- No statutory minimum wage
- Collective bargaining, extension of collective agreements is possible under certain conditions (coverage ~ 50%, *increasing)*

1. Employment relations in Switzerland

- Well organised employers / business
- Fragmented unions, two umbrella organisations and others (*Hausverbände*, *Berufsverbände*)
  ideological, socio-professional divisions
  (trade union density ~ 16%, *decreasing)*
- Comparably good labour market performance
- «Non-adversarial relations» - long tradition of industrial peace after World War II
- Increasing strike activity in past 25 years but no consistent strategy, mainly defensive and occasional

2. Workplace participation regulated by law and by collective agreements

- First works councils (*Arbeiterkommissionen*) established before 1900 in metalworking industry, often following industrial conflict, attempt to avoid dialogue with unions, paternalistic approach
- Later regulated through collective agreements = recognition by employer associations and unions
- «dual channel representation» of employees at workplace level (unions and works councils), but in varying forms

2. Workplace participation regulated by law and by collective agreements

- 1994 «Federal Act on Information and Consultation of Employees in Establishments» (*Mitwirkungsgesetz*)
  -> Right of employees to establish a works council (*Arbeitnehmervertretung, représentation des travailleurs, rappresentanza dei lavoratori*)
  -> New participation rights complying with EU legislation (collective redundancies, transfer of undertaking) are complementing older ones (working hours, health and safety, pension funds)
- Shortcomings: undefined status / resources of works councillors, weak protection against unfair dismissal

2. Workplace participation regulated by law and by collective agreements

- Regulation through collective agreements remains important, often goes beyond legislation but has been influenced by legislation
- Further regulation at company level
- Information, consultation, co-determination

2. Workplace participation regulated by law and by collective agreements

- Number of topics subject to either information, consultation or co-determination:

Law	10
CA Metalworking sector (benchmark)	34
CA Basel chemical industry	23
CA Watchmaking industry	21
CA Graphical industry	16
CA Banking	17
CA Swisscom (firm level)	19
CA Migros retail cooperative (firm level)	23
CA Coop retail cooperative (firm level)	15

3. Current situation in the private sector

- No «works council busting» practices due to weak regulation and non-adversarial industrial relations
- Importance of «cultural» tradition:
  Manufacturing industry, financial sector vs construction and hotel / restaurant / catering sectors
- Significance of works council may vary according to union approach / strength: «functional trade-off» between works council and unions, e.g. for salary, social plan negotiations
  (Migros / metalworking vs Coop / telecom)

3. Current situation in the private sector

- Since 1990s tendency to decentralise industrial relations (*Verbetrieblichung*) = more functions for works councils in some sectors
- Metalworking industry, based on collective agreement:
  -> Well-established works councils
  -> Union competition, but often act independently
  -> Negotiation of firm-specific agreements for temporary extension of working hours (mainly in 2015, «Swiss franc shock»)

3. Current situation in the private sector

- Insurance sector, no union presence, nor collective bargaining:
  -> Works councils «replace» unions, but generally weak as missing escalation mechanism (collective agreement) disables firm-level bargaining
  -> Depending on management's «benevolence» and perception of usefulness
  -> Works councils given goodies by management in order to strengthen their reputation with the workforce

3. Current situation in the private sector

- Telecom industry, union presence through firm-level collective agreements:
  -> Works councils «complement» unions which use them for their purpose but keep them out of collective bargaining issues

3. Current situation in the private sector

- Voluntarist industrial relations leave room for a wide range of employee participation practices, even if partly regulated by law
- Higher degree of voluntarism when collective agreement is missing, «functional trade-off» does not work where there is no union (insurance)

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