

EDITORIAL

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This special issue of *Transfer* concentrates on the impact the austerity policies adopted in a number of EU Member States are having on municipal public sector employment and the ways in which collective bargaining and employee participation are attempting to deal with the consequences for employees. Municipalities are important as the first tier of government, providing essential services to citizens, but have not received much attention in recent literature on the impact of the financial and economic crisis on the public sector.

The special issue begins with an introductory article providing the comparative institutional framework for the seven single country articles that follow. This framework details the characteristics of municipal tasks and powers, and the social dialogue institutions for collective bargaining and workplace employee participation in the respective countries. In addition a comparative overview is presented of the outcomes of austerity policies regarding wages, employment and the provision of public services, as well as the influence which social dialogue institutions have had on these outcomes.

The seven countries are: Denmark, France, Germany, Hungary, Italy, the Netherlands and the United Kingdom. Five of them belonged to a study funded by the European Commission (VS/2011/0412): ‘Social dialogue and the public services in the aftermath of the economic crisis: strengthening social dialogue in an era of austerity’ (see <http://www.kcl.ac.uk/sspp/departments/management/Social-Dialogue-and-Austerity-EU.aspx>). Exposed in different ways to the financial and economic crisis, these countries are characterized by differing public sector employment relations. Hungary, Italy and the UK are characterized by unilateral government decision-making resulting in wage freezes and job cuts and leaving little room for union influence. At the other end of the spectrum, collective bargaining in Denmark, Germany and the Netherlands has resulted in moderate increases in nominal wages. France is in the middle, characterized by a combination of wage freezes imposed by the central government and ongoing growth of municipal employment.

Declining budgets are forcing municipalities to restructure public services. Germany constitutes a special case here. After experiencing local government employment cuts in the wake of German unification, municipal employment has increased slightly since 2009. Overall, trade unions and workplace employee representatives face the dilemma of having to choose between concession bargaining and opposition to employer plans in order to maintain public sector employment. Between and within countries there seem to be differences in how successful unions and employee representatives are, highlighting the strategic room for manoeuvre within different institutional contexts. Generally speaking, however, these are tough times for municipal workers, their representatives and citizens dependent on local government services.

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