



**Employment relations and working conditions in the care sector.  
A comparative overview.  
COMPARATIVE REPORT WP2**

**Table of contents**

<b>1. Introduction.....</b>	<b>3</b>
<b>2. The structure of collective bargaining.....</b>	<b>5</b>
<b>3. The degree of correspondence of ECEC/LTC system of employment relations with the public national system.....</b>	<b>10</b>
3.1. Differences due to the national welfare regimes	
3.2. Differences due to the degree of marketization	
<b>4. The actors: fragmentation and representativeness.....</b>	<b>15</b>
<b>5. The collective agreements.....</b>	<b>20</b>
<b>6. Availability of exit options to escape NCAs and labour regulations.....</b>	<b>24</b>
<b>7. Working conditions and job quality.....</b>	<b>27</b>
<b>8. Conclusions.....</b>	<b>31</b>
<b>References.....</b>	<b>33</b>
<b>Tables.....</b>	<b>36</b>

## 1. Introduction

When scrutinizing the regulation of labour, the actors, and the structure of social dialogue in the care sector, and specifically in the ECEC and LTC services, a preliminary and transversal reflection concerns the specific predominant employment relations domain in which these sectors are part of: the public sector realm. Structural peculiarities rooted in state traditions, including national legislative and administrative arrangements, have shaped the institutional configuration in public sector employment relations of each country. The unique role played by the State as simultaneous employer, economic regulator, legislator, and provider of public services has historically underpinned not only the country-specific configurations but also the distinctiveness of public services employment relations from the private sector, regulated by separate institutions and distinct rules (Beaumont, 1992; Bach and Bordogna 2011). As a result, public sector employment relations have long remained sheltered, operating in a relatively closed environment predominantly shaped by the regulatory power of the state and other domestic actors, while market pressures and external constraints exercised only indirect and marginal influence.

This specificity is relevant for the present comparative analysis given that the regulation of labour and the employment relations in the ECEC and LTC services have traditionally displayed these distinctive features in most of the countries considered in the SOWELL project. The ECEC and LTC sectors, in fact, originally represented a constitutive segment of the public administration in several EU Member States, especially in the universalistic welfare states. In these countries, local authorities responsible for the governance and the provision of these services have long directly employed the care personnel. By focusing specifically on the seven countries investigated in the SOWELL project (i.e. Denmark, Germany, Hungary, Italy, the Netherlands, Slovakia, and Spain), this is certainly the case in social-democratic (Denmark) and Southern European (partially Italy especially in the ECEC services and Spain) welfare regimes. The universalistic welfare model underpinning the Danish regime or the trend to shift from familistic to universal regimes in the Southern European regimes emphasizes the centrality of universal social security schemes provided to the whole citizenship through the public personnel directly hired by the local governments, mainly in charge of these services. Conversely, in conservative-corporatist regimes, rooted in the occupational welfare model, the share of public personnel directly employed in these services is more limited. Due to the prevalence of insurance schemes linked to occupational

status and the emphasis on the subsidiarity principle according to which the State intervenes only insofar as the social needs are not met on an individual or household basis nor the level of intermediate associations, the personnel employed in these services is partly or fully private. This is the case of Germany and the Netherlands, as the remaining comparative report will describe in detail. In the Central-Eastern European regime, as in Slovakia and Hungary, the ECEC and LTC available services are provided by public personnel, suffering from strong weaknesses due to the understaffing and underfinancing of the services. Unpaid informal family care generally complements the lack of these services.

Hence, the structural differences in the welfare regime underpinning the organizational infrastructures of ECEC and LTC provision clearly, and importantly, reflect also on the regulation of labour in these services. As described above, public employment not only has been historically subject to a distinct regulatory framework compared to the private sector, but importantly public employees generally enjoy also special prerogatives attached to their status, displaying different trajectories in terms of working conditions and labour protections. Relatedly, unionism in public services presents distinctive features in comparison with the private sector. First, on average in Europe, a higher union density is reported compared to the private sectors of the economy in most of the EU countries. Public sector unionism outnumbers that in the private sector in almost all the countries included in the project, except for Hungary and Slovakia where public sector union density equals the national level (Bechter and Brandl, 2013). Second, in some countries investigated in the project, greater organizational fragmentation characterizes the structure of representation of workers in the public sector, as in the case of Denmark, Italy, Germany, the Netherlands, and Slovakia (Bechter and Brandl, 2013). This fragmentation, in some countries (Italy and Germany), is due to the proliferation of independent craft and occupational unions which trace their origin back to the typical professional and occupational segmentation of the public sector labour market. The highly disruptive power these professionals enjoy has facilitated the establishment of independent craft unions. Their strategic position in the labour market allows for "forms of industrial action which have a disproportionate effect on the users of services and the general public in comparison with the cost of the action itself" (Bach *et al.*, 1999: 91). Another reason explaining public sector union fragmentation relates to the differentiation between public employees enjoying the special status under public laws (civil servants) and without special status under private law in their respective public administrations. This distinction is particularly relevant, for instance, in Denmark, Germany,

and the Netherlands (even though employees in LTC and ECEC are not civil servants in the Netherlands and the employment contracting is under private law) (Bechter and Brandl, 2013).

Overall, these preconditions are expected to contribute to explaining the emerging different trajectories in job quality and working conditions for the personnel involved in the LTC and ECEC services across the seven countries compared.

Nevertheless, against this diversified picture, common pressures have altered the system of financial and regulatory constraints of these services, traditionally sheltered from market pressures and external tensions. These include a set of the contrasting pressures pointed out in the project as the poles of the “care quadrilemma” (for a detailed investigation see the WP1 comparative report by Pavolini 2023): i) the severe budgetary constraints; ii) the users’ mounting demand for better quality services; iii) the need for more universal coverage; iv) the claim for better working conditions in the sector.

The present comparative report aims to discuss a series of dimensions pertaining to the employment relations system that turned to shape and impact job quality in ECEC and LTC services.

## 2. The structure of collective bargaining

The first dimension regards the *main characteristics of the structure of collective bargaining* in the ECEC and LTC sectors. These include the degree of centralization and coordination between levels (vertically) and between sectors (horizontally, between public and private sectors), as well as the collective bargaining coverage. Highly centralized and vertically coordinated industrial relations systems are expected to ensure more homogeneous working conditions and higher coverage of collective bargaining. Moreover, given the greater relevance private providers are gaining in the provision of these services, adequate and homogeneous working conditions across the whole care labour market (including both public and private sector employees) are expected in case of a high degree of horizontal coordination. Accordingly, when the gap between the collective bargaining systems applied in the public and private care sector is limited, better and homogeneous job quality is predicted in the whole care labour market (Grimshaw *et al.*, 2015). The narrower the gap in pay, collective bargaining coverage, and collective representation between the private and public sectors, the weaker the availability of institutional and regulatory leeway to segment

job and working conditions in ECEC and LTC services by resorting to private provision via liberalization, privatization, and outsourcing practices (Benassi *et al.*, 2016).

The large majority of countries investigated in the project display a centralized structure of collective bargaining that mainly takes place at the national sectorial level. This is certainly true in the countries characterized by the Nordic and Social-partnership regimes of employment relations.

*In Denmark, the structure of collective bargaining is highly centralized and coordinated at both the vertical and horizontal levels.* Collective bargaining is organized on a three-tier structure where the three levels – cartel, sectorial-organizational, and local level bargaining – are hierarchically well coordinated through an institutionalized procedure set for the negotiations, and especially the first two highest tiers are closely related (Hansen and Mailand, 2013). Horizontal coordination across the whole labour market and between the public and private care sector is ensured by the so-called ‘regulation mechanism’ which links the wage growth in the specific part of the public sector to the wage growth in the private sector. This mechanism secures that the public sector will be neither a wage-leading sector nor a secondary labour market with very low wages. Hence, if on the one hand, it aims to maintain quite homogeneous working conditions in the whole economy, a more critical reading suggests that the ‘regulation mechanism’ actually results in the freeze of existing wage differences (Hansen and Mailand, 2022). In general terms, collective bargaining coverage displays very high rates, amounting to nearly 100% in the public sector and about 73% in the private one. Similar levels of coverage are reported also in both ECEC and LTC sectors.

This is the case also in the *Netherlands, where the structure of collective bargaining is highly centralized and vertically coordinated* via legal extension mechanism and the role played by the tripartite Social-Economic Council (or ‘SER’ hereinafter). The collective agreements negotiated at the national sectorial level by the social partners are usually declared generally binding for the whole industry (i.e. also for non-union members) through a legal extension mechanism enacted by the Ministry of Social Affairs and Employment. This mechanism allows an almost universal coverage of collective agreements in both the public and private sectors: as a result, the Dutch collective bargaining system covers around 80% of the employees in the country, a percentage that has remained quite stable over the past decades (Kuijpers and Tros, 2022). Furthermore, a high degree of coordination is ensured thanks to the role played by the Social-Economic Council, a trilateral institutionalized body where the

government, representatives of workers, employers, and the academic community take part in shared social dialogue bodies.

Germany embodies a *coordinated market economy including a dual system of employment relations and a highly coordinated system of collective bargaining* (Keller and Kirsch, 2020). The dual system of employment relations consists, first, of the collective bargaining principle of autonomous negotiations between trade unions and employers' associations at the industry/sector level and, second, of the right to co-determination at the workplace or firm level. Collective agreements negotiated by employers' associations and trade unions cover regions or areas. In Germany, an important role in setting wage levels in the LTC sector is played by the legislation and in particular by minimum wage legislation (Gottschal and Abramowski, 2022). In 2010 a *minimum wage legislation for residential care work* was introduced, implemented based on the Posted Workers Act, and since 2015 applied also to domiciliary care services. Furthermore, the Law for the Improvement of Wages in the Care Sector, which came into force in 2019, created a legal basis to improve wages in the Employee Posting Act. This regulation empowers the so-called Care Commission to decide on specific minimum wages for care workers depending on their qualifications. In 2021, a further relevant and highly contested reform was adopted: the GVWG. This is *legislation that obliges especially private providers to adhere to wages negotiated in regional collective bargaining (as a minimum threshold)* or at least average wages and to regulate a limitation of the own contributions of clients as well as mandatory staffing levels.

Similarly, countries clustered in the State-Centered employment relations regime present a centralized structure of collective bargaining that mainly takes place at the national sectorial level. However, in this model, the state authority exerts a strong role in the definition of the procedural rules to carry out collective bargaining in the public sector or in the direct definition of public personnel terms and conditions of employment.

*The state's role in industrial relations is a distinctive feature of the Spanish industrial relations system* (Molina, 2014). The high degree of state intervention was necessary to overcome some of the coordination problems among social partners that emerged in the aftermath of the return to democracy. This differentiating trait reflects in an intense legal regulation regarding the definition of the procedural rules to regulate labour in the public sector, ranging from the rules for representativeness of social partners to the *erga omnes* extension of collective bargaining, from trade union workplace elections to the articulation between levels in the

collective bargaining structure. In return for social partners' cooperation in the early stages, the state has very often provided institutional compensations to them, and especially to the trade unions, including their participation in public policy-making and extension mechanisms for collective bargaining. Peak bi-partite cross-sectoral agreements on employment and collective bargaining are signed every two years and provide general guidelines and orientations for collective bargaining, reflecting a strong consensus among the most representative social partners. The structure of employment relations and mechanisms of coordination among actors is similar in the public and private sectors, but with some differences in the mechanisms of labour regulation. In both public and private sectors, there is a first centralized level of definition and negotiation of working conditions: in the public sector, it is represented by the general negotiating tables of the public authorities, while in the private sector by the bargaining commissions of the main collective agreements. In the public sector, the structure of employment relations is very hierarchical with a combination of the centralized and decentralized levels of definition and bargaining of working conditions (García Blasco, 2019). This double level of employment relations reflects the logic of the national and regional regulatory levels in Spain.

Similarly, *in Italy*, employment relations and collective bargaining in the public sector have historically been shaped “by the greater degree of juridification and by the substantial conditioning exerted on them by the administrative structure of the state” (Bordogna and Pedersini, 2019: 189). A long *tradition of state intervention in defining the procedural rules for collective bargaining*, including the social partners authorized to participate in the negotiations, the wage structure, and the amount of financial resources made available for bargaining both at the national and the decentralized level, characterizes employment relations in the public sector. Hence, distinctive structural features and rules are different from those consolidated in the private sector of the economy. Within this regulatory framework, a unique national collective agreement (NCA hereinafter) for non-managerial staff and one for managerial staff are negotiated at the national sectorial level and made immediately effective in the whole public sector segment. Public sector NCAs are negotiated on the employees' side, by the trade unions recognized as the representative in the sector, and, on the public employers' side, by the National Agency for the Representation of the Public Administrations in collective bargaining, the so-called ARAN. Unlike in Spain, there is not an extension mechanism, but the public sector NCAs apply *erga omnes* by law, while this is not the case in the private sector



where the voluntarist principle prevails. Accordingly, the degree of horizontal coordination is weak (Mori, 2022).

A different structure characterizes collective bargaining, instead, in the Central-Eastern European countries where industrial relations systems have only recently taken shape compared to the other countries considered in the project. Slovakia and Hungary show a *weak, fragmented, and decentralized system of collective bargaining*.

In *Slovakia*, the collective bargaining system consists of a transparent structure of bargaining actors, legislative support for bargaining, and the extension of collective agreements. Collective bargaining is voluntary, but concluded agreements are legally binding. Single-employer collective agreements and multiemployer agreements are concluded in the private as well as public sectors. Multiemployer collective agreements are concluded in most of the relevant sectors of the economy. Extensions of collective agreements are allowed. In the public sector, separate multiemployer (multi-sector) collective agreements are concluded for civil and public services strikes (Czírta, 2021). Against this structured system, a fragmented legal regulation for various occupational groups in public services is reported, thus trade unions now support the unification of pay regulations in the public sector. As social partners increasingly focused on legal regulation of remuneration instead of regulation via collective bargaining, legal regulation has been crowding out the role of collective wage bargaining in the public sector. Tripartite social dialogue bodies are not present at the national level. Collective agreements are negotiated every year across the board for staff working in the public interest and in the civil services and take place at the enterprise level, where trade unions operate.

Similarly, in *Hungary*, the system of collective bargaining underwent a massive transformation during the last three decades, covering changes in the tripartite reconciliation of interests, the structure of social partners, and the legislation underpinning collective bargaining. Overall the system of industrial relations went through visible erosion, especially at the national level (Bors and Kahancova, 2022). A relevant actor in the Hungarian public sector social dialogue system is the OKÉT (Országos Közszolgálati Érdekegyeztető Tanács – National Public Service Interest Reconciliation Council), a tripartite body established in 2002 which deals with topics and agendas related to the public service employees, wage policies, labour and employment policies. Despite its de jure institutionalization, de facto its role turned to be merely consultative for the government: de facto its activities in the last

decade have largely remained inconsequential. Trade unions are eligible to take part in collective bargaining and to sign collective agreements at the decentralized level, within single companies, if the membership of the trade union reaches 10% of the employees employed by the employer. In the case of one workplace several trade unions reach this criterion, they must cooperate and create a trade union coalition. In case the trade union is present, but the membership is below the 10% criteria, these trade unions could only make suggestions, or make other activities, but they could not be an active member within the collective bargaining (Bors and Kahancova, 2022).

### **3. Degree of correspondence of ECEC/LTC system of employment relations with the public national system**

Against the general framework of public and private sector employment relations presented above, a second dimension that is expected to mediate and shape job quality and working conditions in LTC and ECEC sectors is the degree of correspondence and overlap of ECEC and LTC systems of employment relations with the general structure of labour regulation in the public sector. Given the national system of employment relations in the public services, do collective bargaining and labour regulation in the specific area of LTC and ECEC correspond? If not, what are the reasons? This is relevant because personnel in the public sector traditionally enjoy higher protections and more generous labour standards compared to private sector employees, as explained in the introductory section. Accordingly, the higher the degree of correspondence, the better is predicted to be the job quality.

#### *3.1. Differences due to the national welfare regimes*

*The differences in the national welfare regimes in the countries selected contribute to providing a first fracture in the degree of correspondence. As anticipated in the introduction, in countries displaying a universalistic welfare model, traditionally LTC and ECEC services belong to the universal social security system fully or partly provided to the whole citizenship through the public personnel directly hired by the public authority in charge of the service (with the above-mentioned distinction for the Southern European regimes displaying a trend to shift from familistic to universal regimes). Conversely, in a conservative-corporatist regime, the share of public personnel directly employed in these services is comparatively more limited in*

quantitative terms, due to the prevalence of insurance schemes linked to occupational status and the emphasis on the subsidiarity principle according to which the state intervenes only insofar as the social needs are not met on an individual or household basis nor the level of intermediate associations. In this case, the majority of personnel employed in ECEC and LTC services belongs to the private sector labour market.

In *Germany*, the subsidiary principle inherent to the Conservative welfare state regime privileges family and non-profit actors in service provision, especially in the LTC services where only one-third are provided through public personnel. Hence, the employment relations system in the LTC care sector only marginally corresponds to the ER system in the public sector given that the large majority of providers (and accordingly of the workforce) is private for-profit, or not-for-profit. Compared to the German employment relations system as a whole, the representation of interests in LTC is particularly weak and deficient, and the self-organization of LTC workers ‘from below’ is very low, leading to an improvised collective bargaining autonomy, a low collective bargaining coverage, and a lack of influence of collective agreements. Also in the ECEC sector, the non-profit organizations represent the most important employers, applying a different regulatory framework compared to the public sector. Nevertheless, the working conditions in the ECEC sector are more similar across public and private providers. Employees in child daycare facilities run by municipalities are paid according to the public sector collective agreement specified for social and educational services (TVöD-SuE). Non-profit organisations as the most important employers in the field tend to *adopt the public sector pay scales in their AVR regulations*, thus contributing to a homogenization of pay in the field. Private providers, who neither are often willing to set up collective agreements nor to adapt to the public sector wage scales, are of minor importance.

In *the Netherlands*, likewise in Germany, the share of private for-profit and not-for-profit providers is remarkable, hence employing exclusively private sector employees in ECEC and LTC services, especially in the former. The ECEC sector represents a private and commercial sector, subsidized by public money (for disadvantaged families and through co-financing parents’ contributions) and regulated with statutory quality frameworks in an attempt to safeguard service quality. The childcare sector has long remained influenced by a highly gender-related conservative culture, especially the Christian political parties aimed at non-interference of public policies with family life and support for the male breadwinner model. After political discussions regarding a collectively financed basic provision for all children

versus a demand-led system subsidizing parents who wished to buy childcare services on the market, the latter model prevailed and was implemented in 2005. There is a unique collective agreement, although some employers signed an alternative agreement with a “yellow union” which is not legitimate because of the public extension mechanism of the main agreement in the ECEC sector. Collective bargaining coverage is strongly sustained by the fact that the sector agreement is extended quasi-automatically to the entire industry by the government, thus covering around 80% of all employees. The picture is similar in the LTC. In fact, in 2015, a broader LTC reform pushed further the decentralization to municipalities, individual responsibility, the focus on non-residential care, and expenditure cuts. Accordingly, decentralization and harsh austerity measures created a situation in which many municipalities opted for ‘open house contracting’: they hardly made any selection in terms of providers and simply contracted the organization with the lowest offer in terms of pricing. As for ECEC, the regulatory framework that applies is that of the private sector.

### *3.2. Differences due to the degree of marketization*

In all the other five countries investigated in the project, the degree of correspondence and overlap of the ECEC and LTC system of employment relations with the general structure of labour regulation in the public sector is remarkable. Originally, public personnel was directly employed to provide these services. Nevertheless, the spread of market-type mechanisms for the provision of both ECEC and LTC services (via outsourcing, and privatization policies) has led to a gradual erosion of the share of public employees involved in these services, substituted by private workforce subject to a different regulatory framework. This second dimension, *the degree of marketization of the ECEC and LTC services*, has thus contributed to reducing the degree of overlap with the public sector structure of employment relations, potentially triggering a deterioration in job quality if not counterbalanced by adequate coordination mechanisms and labour protections equitable to those ensured in the public services.

This is especially true in the case of *Italy* where a profound transformation in the management of care services, extending the supply to a plurality of new private providers (profit and not-for-profit organizations, cooperative enterprises, and individual operators) other than the public administrations through public procurement contracts and accreditation practices, has triggered a trajectory of change in the employment relations in the ECEC and LTC sectors. To quantify the magnitude of the phenomenon: in the field of

LTC, about 45% of the personnel employed is hired by the public sector, while the remaining majority is provided by the private profit (about 10%) and not-for-profit private sector (45%) (Lethbridge, 2017). Overall, the degree of marketization is higher in the LTC compared to the ECEC sector in Italy (Dorigatti *et al.*, 2020). In this articulated network of providers, the internal labour market connected to these services has inevitably changed, triggering an unprecedented fragmentation of the actors involved in the collective bargaining arena, as well as the adoption of a different regulation of labour and collective bargaining structure.

In the *Netherlands*, the ECEC services represent a private and commercial sector after the 2005 reform, while the LTC sector was increasingly marketized by pushing further public procurement practices. The governance of LTC services, indeed, was reformed to build more market mechanisms between the triangle of care actors: agencies/municipalities, long-term care providers, and clients/users. This reform includes the decentralization of responsibility to the municipalities for organizing home care and social work services combined with cuts in public budgets linked to austerity measures and the introduced model of public procurement in the Social Support Act (2007 and 2015). This created a situation in which many municipalities opted for ‘open house contracting’ – in which they hardly made any selection in terms of providers and simply contracted the organization with the lowest offer in terms of pricing. Since 2019, the government started recognizing disappointed performances due to these market mechanisms in LTC. Work intensification and maybe also flexible working hours and the use of individual flexible labour contracts seem to be worse in profit-making enterprises, hence deteriorating job quality following these developments in both the ECEC and LTC in the Netherlands.

In *Germany*, the LTC sector experienced an increasing marketization from 1995 onwards: privatization of public infrastructure occurred, including the opening and licensing of private providers for care services to meet the rising demand for homecare services. Elderly people in need of care can choose between the offers of different care providers who are authorized by a care contract (§ 72 SGB XI). They have a fundamental right to choose based on SGB XI, the competition between providers is promoted by this legislation, and the manageability of the range of services is to be made possible by the long-term care insurance fund (§ 7 Section 3 SGB XI). Furthermore, even if the LTC sector is characterized by private for-profit, non-profit, and public providers, Section 11 (2) SGB XI stipulates that non-profit and private providers have priority over public providers in care for the elderly. Accordingly, most of the providers are private, while only a residual share is still public. In 2019, only 4.5%

of residential care home providers were public (695 in total), 42.7% private (6,570 in total), and 52.8% non-profit providers (8,115 in total) (Gottschall and Abramowsky, 2022). Conversely, ECEC sector is less marketized and can be characterized as a more homogenous field of provision and employment than LTC.

In *Denmark*, instead, the degree of marketization is still limited, especially if compared with the other countries investigated. In the ECEC sector, competitive exposure through public procurement has been limited (Hansen et al., 2018). In the LTC is also low but present, and concentrated in personal cleaning services: the measures for outsourcing/exposure to competition is around 15-20% (Hansen and Mailand, 2022). In fact, § 91 of the Service Law obliges the municipalities to either make a contractual agreement with two or more service providers (at least one of them should be private) or provide the elderly approved for help with a ‘document for free choice’, which allow the person to make an agreement with a service provider after own choice. However, in the mid-2010s, the eldercare sector experienced several bankruptcies among private providers. In the period from 2013 to 2016, 38 private providers of home help faced bankruptcy, leading to situations where elderly persons did not receive the home help they were eligible for. The bankruptcies took place because municipalities were too focused on prize competition in public tenders and unable to identify economically fragile providers. Hence, overall, the degree of marketization remained limited.

In *Spain*, the great recession resulted in a decrease in public care provision in the sector, with an increasing role of profit-making agencies. Although official data shows 70% of residential care is provided by public-owned nursing homes (IMSERSO, 2020), employers and unions' key informants state that the public-private share is the opposite concerning its provision: 70% of the residential care service is private. That is, outsourced residential care (public ownership and private provision) represents the most common pattern within the service provided to nursing home users. In the ECEC the degree of marketization is lower than in LTC, with differences by regions and ECEC levels. The weight of the public sector is higher in the 3-5 level than the 0-2 level. In this last sector, the marketization of services has increased in the last two decades by the outsourcing of public provision through the transfer of ECEC services of municipalities to profit and not-for-profit organizations. Even so, the weight of public providers at this level is slightly above 50%.

#### 4. The actors: fragmentation and representativeness

A third analytical dimension that can contribute to shaping job quality and working conditions concerns the actors involved in employment relations in the ECEC and LTC sector and in particular the social partners. Relevant aspects from this perspective regard their degree of fragmentation; their actual representativeness in the sector; their organizational density; the nature of their relationships.

The seven countries included in the project present a different degree of fragmentation in the representation of interests in both the LTC and ECEC sector. The higher the fragmentation, the higher the risk of related fragmentation in working conditions and collective agreements negotiated by the diverse actors representing different interests (sectorial, craft, occupational interests). The lower the fragmentation, the higher the probability to ensure homogeneous working conditions in the whole ECEC and LTC sectors.

Starting from the cases where the fragmentation is minimum, we find the case of *Denmark where on both the union and the employer side the number of organizations is very low*. The number of trade union confederations declined to three when the largest (LO) and the second largest (FTF) confederations merged into a new confederation (FH). The two main unions organizing in the LTC sector (FOA and Danish Nurses Organization–DNO) are affiliated to the confederation FH: they represent employees in both the public and private sectors but with different educational levels, and hence do not compete for membership. The third union is 3F (Fagligt Fælles Forbund), the trade union organizing most employees in eldercare, and it is the largest member organization of FH. Also on the employer side fragmentation is very low and the few existing organizations represent different parts of the LTC sector and do not compete for membership: Local Government Denmark (LGDK) represents the municipalities as public employers in the sector; the Confederation of Danish Industry and the Danish Chamber of Commerce organize in the private profit sector; DaneAge in the non-profit sector. In the ECEC sector, the picture is similar. BUPL and FOA are the two unions in the sector organizing respectively highly educated and low educated employees. On the employer side, the same organizations operating in the LTC sector organize also in the ECEC sector, plus DLO and LDD for the private profit segment and FOLA for the private non-profit segment.

Also in *the Netherlands*, the degree of fragmentation is *medium-low*. FNV Zorg & Welzijn, affiliated to the FNV confederation, is the main union organizing the LTC services. CNV Zorg & Welzijn, affiliated to the CNV confederation, is the Christian and more moderate counterpart of the socialist FNV Zorg & Welzijn union in the sector. Alongside general unions, professional craft unions are present in the care sector, emphasizing categorical rather than sectorial labour negotiations are also active in the sector: Nu'91 for nurses and FBZ for highly educated professionals in the LTC services. ActiZ and Zorgthuisnl are the two main employers' organizations: while the former represents large companies, the latter organizes mostly small- and medium-sized commercial enterprises providing home care services. The members of Zorgthuisnl used to have a reputation of being 'care cowboys'. In the ECEC services, the fragmentation is also medium-low despite new players entering the social dialogue arena. FNV Zorg & Welzijn and CNV Zorg & Welzijn, as in the LTC sector, are the two main unions that have been recently flanked by one yellow union that signed a collective agreement with one of the employers' associations for for-profit SMEs (but without legal effects as a consequence of the extension mechanism of the main collective agreements in ECEC). The representativeness of social partners to extend their agreement to the whole sector is checked by the Ministry of Social Affairs and Employment on the employers' side, but not on the union side. On the employer side, beyond the two traditional and aligned organizations BK and BMK affiliating large companies, a new organization called BvoK emerged, representing small and very small for-profit enterprises somehow challenging the priorities set in the agenda of negotiations of BK and BMK.

*In Germany*, fragmentation is *medium to low* due to the existence of ideological and religious fractures between organizations, in particular in the LTC services. On the union side in both ECEC and LTC, alongside the United Service Sector Union (ver.di) as the main and most important union, several smaller professional organisations/unions are active. In LTC, due to continuously low membership and a low level of self-organization, ver.di's power and influence have been limited. At the same time, smaller 'yellow trade unions (such as Berufsgewerkschaft DHV e. V., GÖD, and the komba gewerkschaft e. V) constituted and turned to be especially active in single regions, generally located in Eastern Germany. Furthermore, within the framework of the 'third ecclesiastical way', there are also some small employee interest groups organizing employees in care institutions run by the Christian providers Caritas and Diakonie. The association of church and diaconal employees VKM is defined as a 'church trade union' that represents the employees in the church Labour Law



Commissions and diaconal organizations. Similarly, the side of employers is fragmented, subdivided between private for-profit, non-profit, and church-based associations. Private for-profit providers are represented by the employers' associations AGVP and BPA AGV. The BPA AGV split off from the AGVP in 2015 because the interests of small care companies were not sufficiently represented by the AGVP which mainly organizes medium-sized companies. On the side of non-profit providers, Caritas does not have an employers' association in a classical sense. The organisation of employers' interests is carried out by the Labour Law Commission of the German Caritas Association. However, single Caritas providers have joined together in the Caritas' Working Association AcU. Other church-based employers' associations are VdDD (protestant providers). As regards charitable non-profit employers, AWO AGV Germany is the main association. Furthermore, other providers opted for organizing the employers' interests in regionally oriented collective bargaining organizations (e.g. PATT in Thuringia, Paritätische Tarifgemeinschaft e. V.) and the employers of the German Red Cross. Finally, the VKA (Verband Kommunaler Arbeitgeber/Confederation of Municipal Employers' Associations) represents the interests of the few public municipal employers in LTC. As a part of the collective agreement for the public service (TVöD), it regulates the working conditions for municipal employees and concludes collective agreements with trade unions.

*In Spain, the degree of fragmentation is high.* In the ECEC, the main differences relate to the public and private dimensions of the ECEC. In addition, there are differences among levels, especially concerning the social partners linked to the main collective agreements involved in the private sector of ECEC. On the union side, we can find cross-sectorial and professional unions, and also regional unions with an important weight in national and regional collective bargaining. The main unions are CCOO (FE-CCOO) and UGT (FeSP-UGT), followed by ANPE, USO, and CSIF. There is also CIG which is a regional union (from Galicia) with more than 15% of union representation, which allows it to be at the national education sector table. In some Autonomous Communities, there are also regional unions with a relevant weight, thus being in the corresponding regional education sector tables of their regions (this is the case for instance of USTEC in Catalonia or ELA in the Basque Country). On the employer side in the public sector, there are the public authorities. On the national level, there is the Spanish Ministry of Education, while on the regional level, there are the different regional educational departments of each Autonomous Communities. In the private sector, the main unions are CCOO (FE-COO), USO, UGT (FeSP-UGT), and

FSIE (Federation of Independent Teaching Unions). This last union is present in integrated private education, and it is the main union in State-funded education. On the employer side, the main organizations are CECE, ACADE, and EyG. CECE (Spanish Confederation of Teaching Centres) is an employer organization of private and State-funded centers. It includes also religious and non-religious centers in their partners. In the public sector, relations between unions seem fluid between majority unions (CCOO, UGT) and more competitive between majority unions and professional unions (ANPE, CSIF). In the private sector, relations are not always fluid between unions. UGT, USO, and FSIE generally accept more agreements than CCOO. CCOO is more belligerent, using judicialization as an instrument of pressure to negotiate. In the LTC, for the union side, the main actors are CC.OO, UGT), the Galician Interunion Confederation (CIG) (one of the largest unions in the sector in the region of Galice: it is not allowed to sign national agreements, although they are generally invited to the bargaining process, and they even participated in some of the negotiation tables); the Basque Workers Solidarity (ELA) (the largest union in the Basque Country, also in the care sector); the General Confederation of Workers (CGT). On the employer side, the main actors are the Care Business Circle (CEAPs); the Business Federation of Dependency Assistance (FED); the LARES federation mostly for catholic non-profit private entities; the Business Association of Dependency Services (AESTE); the State Association of Domiciliary Care Services Entities (ASADE); the Catalan Association of Assistance Resources (ACRA). Bargaining processes in the LTC required previous consensus between employers. Before, coordination was quite easy due to positive relations between FED, AESTE, and ASADE. However, the irruption of CEAPs has put a strain on the employer table, because older EOs does not recognize the representativeness of the new one. This is blocking negotiations with unions and extending the application of the 2018 collective bargaining because traditional EOs prefer this impassable situation rather than professionalize the sector.

*In Italy, fragmentation is high* in both the LTC and ECEC sectors in the actual governance based on the public-private welfare mix. However, a main difference pertains to the division between public and private segments: while fragmentation is low in the public sector due to a specific regulatory framework, it is high in the private sector where the same rules do not apply. In the public segment of these services, a regulatory mechanism certifying the representativeness of the trade unions ensure containment in the number of organizations entitled to participate in the negotiation of NCAs out of more than a hundred trade unions

in the sector. Overall, the largest and most representative trade unions organizing in care services are affiliated with the three main union confederations: CGIL, CISL, and UIL. The three union confederations are internally structured in union categories, each covering a specific economic sector. The whole public sector is traditionally organized within the same category, except for the Education and Research sector, organized through a separate dedicated union. Instead, a high degree of fragmentation is observable in the private segment of the ECEC and LTC sectors where mechanisms certifying the representativeness of the trade unions are not applied. Accordingly, a multiplicity of small and very small non-representative trade unions (including yellow unions) emerged and are active in public services, including the ECEC and LTC. On the employers' side, in the public sector, a unique agency, the ARAN, compulsorily and monopolistically represents all the public administrations in collective bargaining, including those in charge of providing public welfare services. In the private sector, instead, we can observe a multiplication of the interests' representation. In the LTC, the main employers' associations representing the cooperative enterprises are Confcooperative Federsolidarietà, Legacoop Sociali, Agci- Solidarietà, Unci (with Catholic roots), and A.n.co.s. The cooperative experience, already rather fragmented, is flanked by several other religious, profit, and nonprofit organizations including the Catholic employers' association Uneba; ANASTE representing private residential care companies; AGIDAE, the national association of institutions depending on the Ecclesiastical Authority; AIAS; Anffas Onlus; ANPAS; AVIS; Misericordie; Valdesi. Overall, in the private sector, each employers' association uses to sign and applies its national collective agreement.

In *Slovakia*, the landscape of social partners in the public sector has been stable until 2010, when particular occupational groups of public sector workers started to increasingly show their dissatisfaction with the post-crisis austerity measures and wage moderation. Indirectly this meant critique of the established interest representation organizations that failed to negotiate higher wage increases in the initial post-crisis years (Kahancová and Martišková, 2016). This trend became obvious, especially in healthcare and education, and led to the emergence of new actors, both in form of trade unions and professional organizations that partly replaced the role of trade unions. Besides SLOVES, there are several vocational interest representation organizations, especially in healthcare and education. In these subsectors of the public sector, the past two decades brought trade union fragmentation – especially after the crisis through the emergence of new actors; and to some

extent also fragmentation on the side of employers' association in healthcare/ hospitals after reforms.

### 5. Collective agreements

A fourth analytical dimension that can contribute to the impact on job quality and working conditions concerns the collective agreements signed and applied in the ECEC and LTC sector and their degree of fragmentation and coordination. The seven countries included in the project present a different degree of fragmentation in the collective agreements setting working conditions in the two sectors. The higher the fragmentation, the higher the risk of a related segmentation in working conditions and a deterioration of jobs as negotiated by the diverse actors representing different (and sometimes contrasting) interests in different agreements. The lower the fragmentation, the higher the probability to ensure homogeneous working conditions in the whole ECEC and LTC sectors. Furthermore, we can envisage that the narrower the gap in terms and conditions of employment set in the public and the private sector collective agreements, the better the job quality.

*In Denmark, the fragmentation of collective agreements is medium-low and the gap between public and private sector CAs is limited.* Furthermore, the coverage of collective bargaining is especially high in both the public and the private care sectors. In the LTC, the number of collective agreements with the public authorities covering all or specific issues on pay and conditions in eldercare is according to LGDK very high, but some are very specific in their content. If the focus is limited to the two largest groups of occupations – the home helpers (SOSU-assistants and SOSU-helpers) and the cleaners and service personal – the number is 10. However, as the home helpers are by far the largest group in elder care, their general collective agreement could be considered the main collective agreement. There are two main collective agreements covering the private providers, one signed by Danish Industry and FOA and the other signed by the Danish Chamber of Commerce and FOA. Overall, there are, according to the interviewees carried out in the country, only marginal differences between the CAs in the public and the private part of the sector, and some of these differences have to do with the employees' preferences as well as with employer preferences. In ECEC, due to the many private day care centers, a vast number of collective agreements cover staff in ECEC services. However, a few agreements between LGDK and the two

major trade unions in the ECEC services (BUPL and FOA) cover the vast majority of employees within ECEC. These collective agreements set the standard for wage and working conditions within the ECEC area.

In the *Netherlands, the degree of fragmentation of collective agreements is very low*. In the LTC, the main collective agreement is the one for ‘nursing homes, homes for the elderly, homecare and youth care’ and it is generally binding for the whole sector. It is signed by two employer’s representatives (ActiZ and ZorgthuisNL), two ‘general’ labour unions (FNV Zorg & Welzijn and CNV Zorg & Welzijn), and two professional organizations (Nu’91 and FBZ). Similarly, in the ECEC, there is one collective agreement. The most recent collective agreement was signed by both ‘general’ unions (FNV and CNV) as well as employer’s organizations BK and BMK. However, the largest general union FNV has removed itself from the negotiations of the current agreement, because they do not agree with the required flexibility of staff and the limited increases in wages. Moreover, the agreement which has been signed by CNV and by the employer’s organizations BK and BMK has been proven its ‘generally binding’ status. Although a ‘new player’ on the employer’s side – the employer’s organization BvoK – has signed its agreement with the ‘yellow union’ LBV. this is not legitimate and not binding at all. BvoK has challenged the decision to make the collective agreement between CNV and BK/BMK generally binding, but finally without the approval of the government.

*In Germany, in ECEC, the fragmentation tends to be low*. Employees in ECEC facilities run by municipalities are paid according to the public sector collective agreement for social and educational services (TVöD-SuE). Although less than one-third of all childcare workers are employed in public childcare facilities and the religious non-profit organizations do not follow the general collective agreement framework relevant for the workforce in Germany, the agreements of ver.di with the public employers are important, as they usually set standards in wages and can serve as a blueprint for the labour regulations in all non-profit organizations. Non-profit organisations as the most important employers in the field tend to adopt the public sector pay scales in their AVR regulations, thus contributing to a homogenization of pay in the field. Private providers, who are often neither willing to set up collective agreements nor to adapt to the public sector wage scales, are of minor importance. The picture is different in *the LTC where the fragmentation is medium to high*. In LTC, the collective bargaining principle includes public sector collective agreements, agreements of private non-profit institutions, and other private agreements. The TVöD-B is a public sector collective agreement in LTC, including ver.di, the Confederation of Municipal Employers’ Associations

(VKA), and the federal government. Agreements of the private non-profit (church) sector are based on a private company agreement or negotiated individually. For employees of church-based LTC providers, employment contract guidelines (AVR) are applied, while the BVAP-TV is valid for other certain non-profit providers. Agreements of the other private sectors are company agreements or individual agreements (Eurofound 2020: 51).

*In Spain, the structure of employment relations in the public ECEC sector is very hierarchical and unilaterally set by the government* with a combination of centralized and decentralized levels of definition and bargaining of working conditions. This two-tier level of employment relations is characterized by the logic of national and regional levels in Spain, due to the transferred competencies in education to Spanish Autonomous Communities. The Law on the Basic Statute of the Public Employee is the main regulation instrument of working conditions of public workers in the ECEC sector. It defines the general framework of working conditions. After this, each Autonomous Community defines specific working conditions (wages complements, specific leaves, etc.) through regional laws according to regional trade unions in the corresponding bargaining tables (for civil servants) and in the corresponding collective agreements for employees (non-civil servants) in public education. All the workers within public centers are covered by these regional agreements. In the private sector, there are three national collective agreements applicable throughout the country which differ according to the three types of services provided in the ECEC sector: for non-integrated centers (only for pre-primary level), for Private Education, and for State-funded Centres for integrated centers (the last two are for pre-primary, primary and secondary levels). In the case of State-funded Centres, some Autonomous Communities have their regional collective agreements (e.g., the case of XI Regional Collective Agreement of State-funded Centres in Catalonia). In the LTC, the number of CAs applied at different levels increases. The national bargaining process for long-term care services is the most important of the sector. The last national agreement was reached in 2018 and its coverage period is currently extended. Furthermore, several regional CAs are signed in the LTC in the various Autonomous Communities.

In *Italy*, collective bargaining represents the main mechanism for regulating and defining terms and conditions of employment in both the private and the public segments of ECEC and LTC services. In the public segments, there is a unique sectorial NCA *erga omnes* applied to the whole public personnel. In the private sector, instead, the fragmentation is especially high given that, unlike the institutional framework established in the public sector, clauses that prevent employers from freely identifying their negotiating counterpart are not

applicable. Furthermore, in the private sector, the majority principle for the approval of NCAs of general validity does not hold: accordingly, the parties can choose to sign minority agreements and the so-called ‘pirate agreements’ negotiated by organizations of dubious representativeness both on the employer and on the union side. Accordingly, in the LTC, the fragmentation of CAs is particularly marked: a dozen collective agreements have been signed, thus becoming effective and applicable, despite not being regularly renewed (ANFFAS, UNEBA, ANASTE, AIAS, AGIDAE, VALDESI, AVIS, FENASCOP, ANPAS, Misericordie, AGESPI, Agci-Confcooperative Federsolidarity-Legacoop Sociali; Unci-ANCo.S.). In the ECEC, several NCAs are also in force (Mari, 2016): the most important are: the NCAs for staff employed in childcare and early childhood services of schools and organizations adhering to or represented by the FISM; that of non-state schools signed by ANINSEI; and the NCA for private schools affiliated to AGIDAE.

In *Slovakia*, pay regulation is based on a dual structure (legal regulation and collective bargaining) that has been subject to heated debates and caused tensions between trade unions, employers, and the government in the past decade (Holubová, 2022). The fragmented legal regulation for various occupational groups in public services, especially in the healthcare sector has led the trade unions to support a unification of pay regulations in the public sector. As social partners increasingly focused on legal regulation of remuneration instead of regulation via collective bargaining, legal regulation has been crowding out the role of collective wage bargaining in the public sector (Holubová, 2022). In healthcare, new legal regulation has been introduced in 2016 which attempts to address the remuneration of all healthcare personnel. In education, the tensions have not yet been solved and have penetrated also collective bargaining. The largest trade union in education – OZPŠaV criticizes the most recent 2017 draft of the collective agreement for the education subsector, which proposes wage increases only for non-pedagogical staff.

In *Hungary*, the trade unions active in the public sector (no matter within which sub-sector, it could be healthcare, public education, public services, or the social care sector) have no option to negotiate sectoral-level collective agreements, and they must fulfill the 10% threshold to become a representative trade union and to start to negotiate a single-employer collective agreement. The same threshold is valid also in the case of multi-employer collective agreements (if the employers are in one association), or if several trade unions want to negotiate a collective agreement, each of the trade unions must fulfill the 10%

representativeness criteria. Accordingly, very few unions are allowed to negotiate collective agreements.

## 6. Availability of exit options to escape NCAs and labour regulations

A fifth dimension explaining varieties in the degree of job quality pertains to the availability within each national context of institutional and regulatory loopholes (Benassi et al., 2016): exit options from the stringent public sector labour institutions that offered employers significant leeway and flexibility in the management of employment in ECEC and LTC services. Exit options refer in particular to cross-sector differentials in the regulation of work between public and private sectors (Grimshaw et al. 2015). The wider the availability of exit options to employers, the higher the probability of a deterioration in job quality and segmentation in working conditions.

Among the seven countries investigated, *Denmark* embodies a national case where these exit options are limited. The high coordination between public and private sector NCAs through the regulation mechanism, social clauses, and other mechanisms limits differences between terms and conditions of employment in the CAs in the public and the private part of the sector and some of these differences have to do with the employees' preferences as well as with employer preferences. Furthermore, the high bargaining coverage in both the public and private sectors ensured an almost universal application of the same labour standards in the whole care labour market. However, a minor share of the private providers (especially in cleaning) is in the hands of private providers not covered by collective agreements which likely have lower pay and worse working conditions than the covered providers. Nevertheless, the overall picture presents also some nuances. Some differences in working conditions exist between the CA-covered public and CA-covered private providers on the one hand and the minority of uncovered private providers on the other.

Apart from this smooth situation in Denmark, in all the other countries exit options available are wider. In the *Netherlands*, the privatization of both ECEC and LTC services has expanded the existing loopholes. The public procurement of LTC services has paved the way to the rise of so-called Care Cowboys, i.e. organizations that use all kinds of 'dirty tricks' – i.e. barely legal means – to cut costs, and which were notorious for not complying with labour regulations. For example, some organizations only employed 'alpha-helpers' or employed cleaning staff – falling on the collective labour agreement for the cleaning sector with less



favourable terms of employment – to do the work of homecare staff. The privatization of ECEC services, instead, has challenged the extension mechanism in the application of the main CA in the sector. When new players entered the social dialogue arena in the ECEC sector (BvoK) following up the privatization, traditional union FNV accused BvoK to facilitate a race to the bottom in working conditions searching for yellow unions available to sign pirate contracts. The related signature of two competing NCAs challenged the legally binding possibility to ensure homogeneous working conditions.

In *Germany*, the so-called ‘third ecclesiastic way’ in the regulation of labour provides a kind of loophole from general collective bargaining. While the first way involves the more or less unilateral determination of pay and working conditions by the employer (in Germany in part applying to civil servants and not relevant for ECEC and LTC), the second way corresponds to the collective agreement model based on the norm of social partnership. In contrast to the second way’s collective agreements, specific labour contract guidelines (AVR) are applied in the third way, valid for Christian non-profit organizations (Diakonie and Caritas). In this case of church labour law, the guidelines are enacted by labour law commissions (ARK), consisting of equal numbers of employees and employers. As they are less binding than collective agreements, individual employment contracts may deviate from the respective regulations. Moreover, irrespective of equal representation in the commission, employees in church-run organizations do not have a right to go on strike; based on a Christian community ethos they rather have to comply with the regulations set by the organization. Beyond being entitled to set their labour contracts, the church-based right of self-determination has been exploited by their religious employers’ association (Caritas) to oppose the application of collective agreements negotiated by other employers’ associations, hence fragmenting wage levels in the LTC sector. For instance, to improve payment terms and working conditions in the sector, ver.di and the employers’ association BVAP negotiated a collective agreement (CA) to increase hourly wages for trained geriatric care workers in four steps up to 18.50 euros from January 2023. The agreement failed as church providers rejected to join this agreement. Paradoxically, the veto position was less motivated by the interest to pay less but rather by safeguarding the autonomy of action not least concerning cost remuneration and comparative advantages in attracting skilled workers. In this case, the CA negotiated by ver.di and BVAP would have been below the wage level of Caritas’ employment contract guidelines (AVR). Therefore, Caritas was afraid that its wages would

no longer be reimbursed by LTC insurance and that it would have lost its competitiveness in the highly competitive skilled labour market.

In *Spain*, some exit options are available to employers to lower labour costs in ECEC and LTC services. The first option is related to the differences existing in the regulation of labour between the public and private sectors. In the public sector, wages are higher than in the private sector, although these wages have a high disparity among Spanish regions, due to territorial bonuses in them. In the case of public procurement practices, care employers have the possibility to leverage these differentials. This is the case in ECEC, where Law no. 9/2017 on public sector contracts established the framework of the indirect management model in these services. In outsourced ECEC services, in fact, ‘pirate companies that offer services with lower economic conditions than those included in the XII Collective Agreement of Childcare and Education Centres have been reported. Furthermore, during the Great Recession reforms were implemented to enhance employers' capacity to adjust collective agreements or simply opt out of them, therefore pushing labour relations closer to the market (Rodríguez-Gutiérrez et al., 2016). This may not only have emphasized the trend towards a disorganized de-centralization in collective bargaining and enhanced power of employers but also further erode the capacity of social partners to govern industrial relations in the future.

In *Italy*, the wide gap in the regulatory framework for the public and private sectors constitutes an important exit option exploited to lower job standards in ECEC and LTC services. Outsourcing disclosed to private providers (and local authorities indirectly) the possibility to exploit these exit routes by leveraging on pre-existing regulatory gaps that enabled them to evade the stringent public sector labour regulation, offering employers significant leeway and flexibility in the management of employment in public services.

## 7. Working conditions and job quality

*In Denmark, working conditions in LTC and ECEC services are overall homogeneous and protected in both the public and the share of private services outsourced. In LTC and ECEC a job-relating issue concerns the high rate of part-time work in the sector. In the fall of 2020, LGDK and trade unions within a project called ‘A Future with Full Time’ initiated a general effort to increase full-time employment among municipal and regional employees. The effort has a broad approach including working time culture, life course needs, employee involvement, and work environment perspectives. While the effort concentrates on multiple*

care areas, especially in the LTC services, pedagogues in ECEC are another employee group in focus. 85% of the municipalities have more than half of their pedagogues employed part-time. Both labour shortage (shortage of labour in general) and skill shortage (shortage of qualified labour) represent issues in the two sectors. In LTC (home helpers in particular) labour shortage represent a core issue, due to an aging workforce and problems in attracting people to the occupation. In ECEC, labour shortage is also rooted in a demographic development with a growing group of 0-5 years old. However, the demographic development and recruitment challenges are less pressing than in LTC. In LTC, the actors in the area - primarily the government (Ministry of Social Affairs and Senior Citizens) and the social partners, but to some extent also the NGO DaneAge Association and the training institutions, have taken a large number of initiatives to address these problems. These include unilateral, bipartite, tripartite, and multipartite initiatives. Moreover, the social-democratic government, which took office in June 2019, has committed itself to increasing the staff/user ratio in the public sector, putting further pressure on labour supply. Furthermore, in the LTC sector, the home-helpers have received high and special attention from social partners due to concerns for gender gaps in wages/low pay groups and the employers' concern for recruitment problems. During the collective bargaining round in the public sector in 2018, FOA together with other public sector unions pushed for equal pay and wage increases for low-paid groups. In 2019, such a consensus was reached because it was part of a broader 'musketeer oat' (binding demands together) between the public sector unions. Since the employers in LGDK have an interest in making care work more attractive to tackle labour shortages and hoped it would split the unions if one group was offered a substantial extra pay rise, such a pay rise became part of the agreement in the municipal sector.

*In the Netherlands, working conditions in LTC and ECEC are fragmented and display a marked deterioration.* In the LTC, the main issues reported regard particularly low wages, high working pressure with significant effects on the physical and mental health of staff members; high regulatory pressure coinciding with low professional autonomy. Due to the decentralization of the responsibility to municipalities and the introduction of public procurement at homecare, private providers not only have markedly increased, but many traditional suppliers of home care services went bankrupt. This 'gap' in the market led to the rise of so-called Care Cowboys in homecare (organizations that use all kinds of 'dirty tricks' – i.e. barely legal means – to cut costs, and which were notorious for not complying with labour regulations).

The rise of these Care Cowboys fuelled a ‘race to the bottom’ in terms of working conditions. This motivated the social partners to amend the collective agreement in 2019 – stipulating that the working conditions of ‘helpers’ in home-based care could not worsen if they switched between employers. The ECEC is a private and commercial sector in the Netherlands, where a demand-led system subsidizing parents who wished to buy childcare services on the market was implemented in 2005. The privatized system raised issues in working conditions given that it challenged the extension mechanism in the application of CAs. When new players entered the social dialogue arena in the ECEC sector (BvoK), traditional union FNV accused BvoK to facilitate a race to the bottom in working conditions searching for yellow unions available to sign pirate contracts. The related signature of two competing NCAs challenged the legally binding possibility to ensuring homogeneous working conditions (but finally the BvoK agreement was found not legitimate).

*In Germany, the main issue affecting the ECEC sector is labour shortage, which has been identified also as the cause for the perception of and rises in stressful working conditions. Hence, staffing is high on the political agenda of Central and State Ministries of Education as well as between employers and unions. In the ongoing discussions, defining ‘adequate levels of staffing’ has proved difficult, as demands in childcare facilities differ depending on the socio-structural composition of the children, the size, and the location (larger and smaller cities, more or less segregated neighborhoods) of the facilities. Overall *working conditions in ECEC tend to be homogeneous* given that the religious and other non-profit organizations usually refer to the collective agreements of the public sector, although especially the Christian providers apply their labour law. Hence, collective agreements between municipal employers and the service sector union ver.di are important in setting standards and can contribute to a homogenization of pay in the field.*

*In contrast, working conditions and wages in LTC are more precarious. The fragmented employment relations system, the weak representation of LTC employees’ interests, and the low degree of their self-organization lead to an improvised collective bargaining autonomy, a low collective bargaining coverage, and a lack of influence of collective agreements. Part-time work is very widespread in this sector., a high workload is problematized by LTC workers themselves and many LTC employees are not satisfied with their income. In LTC, the wage level has been low compared to childcare and nursing occupations although recent*

reforms have improved the salary level by leveraging on minimum wage legislation. A further issue is that church providers are a challenge for trade unionist work because they generally dismiss trade union activities, and strikes are prohibited for employees of church providers (2 BvR 2292/13, Federal Constitutional Court 2015). Based on the recourse to the so-called third way, the catholic church provider Caritas recently acted as a veto player in collective bargaining, opposing the union ver.di's demand to extend minimum wage regulations for skilled workers as well as minimum holidays. Caritas rejected to join the collective bargaining agreement negotiated by ver.di and BVAP. As mentioned earlier, the reasons for the veto position are that the church providers want to keep their autonomy. As the collective bargaining agreement would have been below the level of Caritas' employment contract guidelines (AVR), Caritas was afraid that its wages would no longer be reimbursed by the LTC insurance and that comparative advantages in recruiting skilled workers would be at risk.

*In Spain, the wage level of ECEC educators is especially problematic*, in the case of the XII National collective agreement of childcare and education centers, which is near to the national minimum wage. This low wage level has been the objective of negotiations between social partners to establish a minimum differential due to the latest increases in the national minimum wage by the central government. In the public sector, wages are higher than in the private sector, although these wages have a high disparity among Spanish regions, due to the territorial bonuses provided. Accordingly, another demand of unions is the equalization of working conditions between Autonomous Communities. Even so, in some cases, the usefulness of the diversity of conditions by region is recognized when negotiating better working conditions. In some cases, when better working conditions are identified in a Spanish region (higher salary supplements, better working leaves, better conditions in the workplace, etc.), they are used by the unions at the national level to request the extension of these better working conditions for the rest of the Spanish regions.

*Undeclared work is common in home LTC services.* This situation implies not only the precariousness of the absence of an employment contract but also the inaccuracy of the content and schedules of the work, or when it is concreted, it implies generally overtime and workload pressure. As in the ECEC, fragmentation in working conditions is problematic, due to the multilevel wage-setting is common in long-term care activities (as in social

services), with the co-existence of sectorial agreements at national, regional, and provincial (sub-regional) levels, together with some others at company level. In the particular case of home-help services, wage-setting is much more fragmented, with several regional and provincial agreements. The salaries in LTC are below the national average. Specifically, residential care workers' earnings per hour are 31% below the national average and 27% below in the case of home-help service workers. Similar figures to social services (30% below), but far from other activities such as health care (37% above national average salary).

*In Italy, working conditions suffer from a huge deterioration and fragmentation* due to the spreading application of private-sector NCAs instead of public-sector NCA. This is due to the growing exposure of a large share of the care services to market dynamics, through contractualization and outsourcing, in particular in the domiciliary and residential LTC sector. The result is a fragmented picture of the care services, featured by a segmented and heterogeneous composition of the workforce employed in the sector. The private sector NCAs set systematically lower terms and conditions of employment compared to the public sector: they establish an average of 38-40 hours of weekly work (36 in the public NCAs), with a monthly distribution of working time that can fluctuate and the daily shifts are flexible. Furthermore, a significant share of social care workers normally works part-time, between 20 and 30 hours per week, since many of the services they provide are highly fragmented in terms of working hours or are performed only at specific moments of the day. This has also repercussions on the income stability of these workers since working hours are scarcely predictable and workers are only paid according to the number of hours they have worked. Furthermore, in the private sector, the pace and the intensity of work are reported to be higher than in the public sector. The situation is similar also in ECEC, despite the share of privatized services being lower compared to the LTC sector.

Poor working conditions are reported also in *Slovakia*, especially in the LTC. The common challenge throughout all forms of employment in the LTC care sector (formalized, non-formalized) is decent working conditions for workers. The main work-related issues are the following: domestic workers are expected to be available 24/7; overtime work is not properly monitored; the line between resting time and working time is blurred; weekend work and work during public holidays are widespread; wages are low, further pushed down

by migrant workers from Romania or Bulgaria. Overall, workers in the LTC sector have on *average lower wages compared to the national average*. The highest wages are reported for the formal part of the LTC sector, which employs qualified nurses and medical employees for elderly care (mobile hospices and ADOS). Care workers and personal assistants earn significantly lower wages than the national average for the whole economy (€1,092 in 2019), but also lower than other occupations in the sector.

In *Hungary*, in comparison with other national economic sectors, workers in the social, educational, and healthcare sectors earn the lowest monthly wages. To quantify the magnitude of the differential, the average monthly gross wage in the whole national economy amounts to HUF 395, while it corresponds to HUF 349 in education, and HUF 304 in the human health and social care sector.

## 8. Conclusions

The starting point of the present analysis relies on the mediating role that the employment relations and social dialogue institutions were expected to play in alternatively buffering and/or exacerbating trajectories of transformation in job quality and working conditions in the ECEC and LTC services. Accordingly, the report aimed to analyze and discuss from a comparative perspective a series of dimensions of the employment relations system across seven European member States (Denmark, Germany, Hungary, Italy, The Netherlands, Slovakia, and Spain) that were expected to mediate the pressures exerted from the various factors (independent variables), favouring the adoption of certain solutions and outcomes than others in labour market.

The choice of the national contexts to include in the comparison was driven by the “most different” approach, aiming not only to give an account of the variety of models of employment relations across EU Member States but above all to test the actual capacity of different regimes and institutions of labor regulation to mediate and buffer job quality in the care sector. If not, what further mediating variables and dynamics might be at stake to explain the outcome?

All the dimensions analyzed above, related to the employment relations and labour regulation in the seven countries under investigation, jointly contribute to partly shaping

specific scenarios of working conditions and job quality in the ECEC and LTC. As anticipated, centralized and vertically coordinated industrial relations systems turned to ensure more homogeneous and protected working conditions, thanks also to a related higher bargaining coverage. Furthermore, adequate and homogeneous working conditions across the whole care labour market (including both public and private sector employees) are expected in case of a high degree of horizontal coordination, given the greater relevance private providers are gaining in the provision of these services following widespread trajectories of marketization. The narrower the gap in pay, collective bargaining coverage, and collective representation between the private and public sectors and between the different private sector collective agreements, the weaker the availability of institutional and regulatory leeway and exit options to segment job and working conditions in ECEC and LTC services by resorting to private provision via liberalization, privatization, and outsourcing practices (Benassi *et al.*, 2016; Grimshaw *et al.*, 2015).

In general terms, this holds as the previous section elucidated. Nevertheless, the results of the project highlighted that across all the countries investigated, the care sector suffers from transversal and cumulative critical issues in the sphere of employment and working conditions. Despite the notable employment potentialities offered by the care sector, these services across EU countries lack an appropriate staffing level and an adequate skills endowment (Cazes, Garnero and Martin 2019; Eurofound 2020b), also due to the poor wages and working conditions offered by both public and private care providers (León 2016; McDonald, Thorpe and Irvine 2018). These dynamics are connected to what the scholars define as the care penalty (Barron and West 2013; Folbre, Gautham and Smith 2023): the combination of disadvantages in terms of salary and contractual levels, working conditions, job quality, and content led to a situation in the labour market where wages for care workers turned to be systematically lower and more compressed than the rest of the service economy. At the same time, professionals involved in ECEC and LTC services (nurses, teachers, and educators) systematically suffer from worse economic and contractual recognition compared to the same qualifications in a similar realm, such as in the healthcare sector for nurses and the primary education services for teachers.

These critical dimensions are reported in all the countries investigated where the country-specific employment relations model explains the magnitude and the significance of such criticalities for job quality and employment in the sector. Differentiated nuances in terms of job deterioration and penalty emerge across the seven institutional frameworks



compared, reflecting the theoretical expectations. However, the configuration and the functioning of the national employment relations structure alone do not fully explain the state of the art for employment and working conditions in the care sector.

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**Table 1. The structure of collective bargaining**

	Industrial relation regime	Welfare system	Collective bargaining structure	Vertical coordination	Horizontal coordination	Extension clauses	Collective bargaining coverage in LTC and ECEC
<b>Denmark</b>	Nordic	Universalist	Centralized and organized on a three-tier structure	High	High (via regulation mechanism)	No	High: 100% in the public sector; 73% in the private sector.
<b>The Netherlands</b>	Social partnership	Universalist-Corporatist	Centralized at the sectorial level	High	Medium	Yes	80% in both public and private sector
<b>Germany</b>	Social partnership	Continental-Corporatist	Centralized but fragmented across regions	High (also by law)	Low in LTC, medium to high in ECEC	Yes, in the LTC with specific national legislation	No figures available, but higher in ECEC than in LTC where <i>only by law</i> minimum wage regulations and from 2022 onwards average regional wage levels as threshold apply
<b>Italy</b>	State-centred	Southern European	Centralized at the sectorial level	High (by law)	Low	Yes, only in the public sector	100% in the public; 50% in the private
<b>Spain</b>	State-centred	Southern European	Centralized but fragmented across regions/federal states	Medium		Yes	High
<b>Hungary</b>	Transitional	Central-Eastern European	Decentralised at the enterprise level	Low	Low	No	Very low
<b>Slovakia</b>	Transitional	Central-Eastern European	Decentralised at the enterprise level	Low	Low	No	Very low



Table 2. The actors: fragmentation and representativeness in ECEC and LTC services

	TUs fragmentation	TUs Competition for membership	TUs sectoral coverage	EOs fragmentation	EOs Competition for membership	Representativeness criteria
<b>Denmark</b>	Low	No: different membership according to the educational level	Both public and private services	Low	No, covering different sectors (public, private profit, non-profit)	No
<b>The Netherlands</b>	Low	No: different membership (Christian, craft, general). In ECEC: new small yellow unions	Both public and private (care sectors are not public)	Low, due to representativeness check	No	Yes, only for OEs
<b>Germany</b>	Medium	Yes	Both public and private	Medium (regional and religious fractures)	Yes	No
<b>Italy</b>	High	Yes	Separately public and private	High	Yes	Only in the public sector for TUs
<b>Spain</b>	High	Yes	Separately public and private and regional cleavages	High	Yes	Yes
<b>Hungary</b>	Medium	No	Both public and private services	Low	n.a.	Yes
<b>Slovakia</b>	Medium	No	Both public and private services	Low	n.a.	No



Table 3. Exit options

	Exit options LTC	Exit options ECEC	CAs fragmentation	Gap in public/ private CAs
<b>Denmark</b>	Limited. Small minority of uncovered private providers	Limited. Small minority of uncovered private providers.	Medium-low	Low and generally negotiated by social partners
<b>The Netherlands</b>	Limited but compensated by the legal extension of a single NCA to the whole sector	Limited but compensated by the legal extension of the main NCA to the whole sector	Low	High (but LTC and ECEC are both non-public sectors)
<b>Germany</b>	Limited: private sector workers with different ERs	Limited but compensated by horizontal coordination between NCAs	Low in ECEC; medium in LTC (several church contracts)	Medium
<b>Italy</b>	Increasing due to marketisation	Increasing due to marketisation	Very low in public sector. High in private sector.	High
<b>Spain</b>	Increasing due to marketisation	Increasing due to marketisation	ECEC: State regulation in the public sector with regional laws. Low in the private sector (3 CAs). LTC: high	Medium
<b>Hungary</b>	n.a.	n.a.	n.a.	n.a.
<b>Slovakia</b>	n.a.	n.a.	n.a.	n.a.



**Table 4. Working conditions in ECE and LTC**

	Working conditions ECEC	Working conditions LTC	Public/private gap	Main issue ECEC	Main issue LTC
<b>Denmark</b>	Protected and homogeneous	Protected and homogeneous	Limited	Part-time work, labour shortage	Labour shortage, part-time work, and work intensification
<b>Germany</b>	Homogeneous despite fragmentation in CAs	Fragmented and deteriorated	Yes	Labour shortage	Low wages, part-time work, veto of church providers
<b>The Netherlands</b>	Deterioration	Deterioration	Yes	Pirate CA challenge legally binding CA and press on labour relations	Low wages, care cowboys in homecare
<b>Italy</b>	Medium deterioration	Deterioration	Yes	Low wages, lack of training, lack of adequate professional grading	Low wages, part-time work, higher work intensity, labour shortage
<b>Spain</b>	Very low wages	Stable	Yes	Low wages and wage differentials between regions	Informal work as main issue. Low wages below the national average, high fragmentation between regions and CAs
<b>Hungary</b>	n.a.	Poor	n.a.	Very low wages	Very low wages
<b>Slovakia</b>	n.a.	Poor	n.a.	Very low wages	Very low wages