

Developments in working life in Europe: EurWORK annual review 2014



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Eurofound project: Monitoring working life: European Observatory of Working Life

Introduction

In 2014, Eurofound’s long-established observatories on industrial relations (EIRO) and working conditions (EWCO) were combined to form [EurWORK: the European Observatory of Working Life](#). EurWORK gathers all Eurofound’s resources on working conditions and industrial relations and is supported by a [network of European correspondents](#) across all Member States and Norway.

Developments in Working Life in Europe is part of a series of annual reviews published by Eurofound and provides an overview of the latest developments in industrial relations and working conditions across the European Union and Norway. The Annual Review collates information based on reports from Eurofound’s [network of European correspondents](#) throughout 2014, complemented by recent research findings, including data from Eurofound’s European working conditions survey ([EWCS](#)) and Eurofound’s company survey ([ECS](#)).

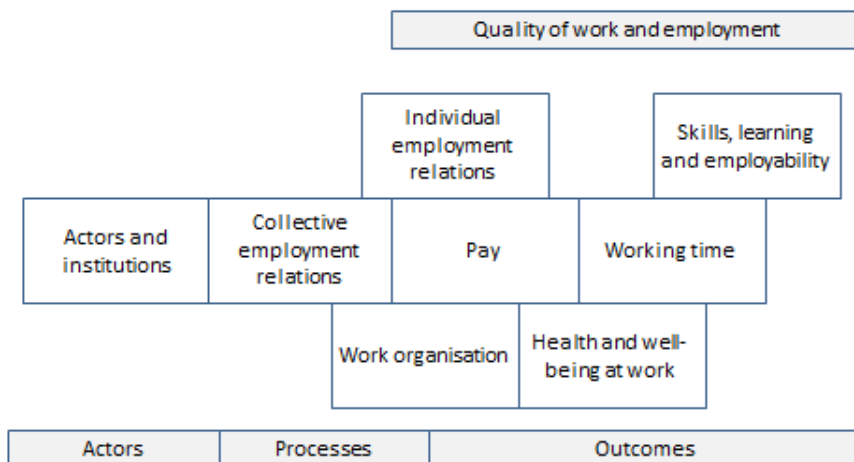
The reporting is based on a semi-structured template, which correspondents complete on a quarterly basis. They are asked to be selective and to focus on major issues. Given this methodological choice, it needs to be stressed that the report does not aim, nor claim, to cover developments exhaustively in all Member States around a specific subtopic. It is, rather, an example-based illustration of developments in working life in 2014.

On top of the quarterly reporting, correspondents have provided more in-depth country-specific articles about major changes in the regulation of working relationships and have summarised national research findings.

All of these articles are available on [the EurWORK page](#).

This review is divided into eight thematic chapters, each of which provides an overview of the current situation, explores developments at European and national level, and examines particular issues rising from the analysis of the quarterly reporting for EurWORK.

Figure 1: EurWORK’s thematic areas



Following a brief summary of the economic and labour market context in 2014 (Chapter 1), the eight thematic chapters are as follows.

Chapter 2 is on actors and institutions and recalls recent developments on membership, legislative changes regarding the representativeness of social partner organisations, and examples of initiatives for cooperation, either between trade unions at national level or in terms of transnational engagement.

Chapter 3 is on collective employment relations and focuses on two key topics. First, collective bargaining and how it has been institutionally supported or impeded, with examples of some major collective bargaining agreements that were reached in 2014. Second, industrial action during 2014 is examined, including examples, their causes and the changes to the legislation which restricted, as well as promoted, the right to strike.

Chapter 4 is on pay and explores recent trends in wage-setting and wage-bargaining, including aspects of wage flexibility. It then goes on to report on developments in collectively agreed pay from 2005–2014 and looks at pay-related debates in Member States, including those on statutory minimum wages, as well as their short- and medium-term development.

Chapter 5 is on working time. It reports on the status quo of collectively agreed working time, versus actual working time, in the Member States and highlights examples that illustrate a growth of unpaid overtime. It then examines changes in the organisation of working time and looks into working flexibility as well as non-standard working hours.

Chapter 6 is on individual employment relationships and focuses on two key topics: first, developments in employment and related legislative changes, with a specific focus on non-standard or atypical forms of employment; and second, it also looks into some areas where changes in the terms and conditions of employment have been made, such as the rights and social protection of employees or recent reforms on maternity, paternity and parental leave.

Chapter 7 is on workplace health and well-being in Europe and discusses the relevance of two main themes: gender and precarious work.

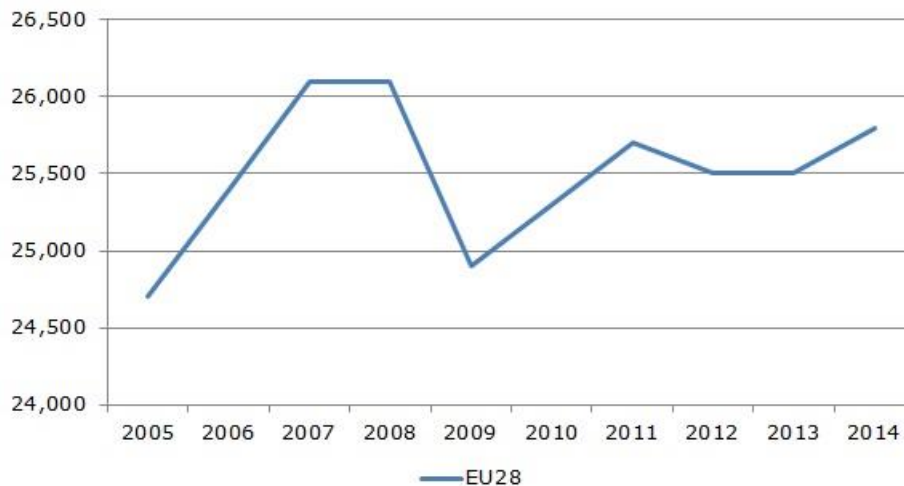
Chapter 8 is on skills and training, reporting on the latest developments in training, career development and employability. It provides an overview on existing and emerging schemes and focuses on their impact on different types of workers and the effects of the economic crisis.

Chapter 9 is on work organisation and workplace innovation. It reviews recent Eurofound research in this area based on the fourth and fifth European working conditions surveys, as well as on the second and third European company surveys. It also looks more closely into aspects of workplace innovation, in particular the issue of employee involvement and participation, work organisation and training, as well as telework and homeworking.

1. Economic and labour market context in 2014

The economic crisis has considerably altered and diversified the economic landscape across Member States. The year 2014 was quite positive in terms of economic development for the majority of Member States when looking at the growth of real domestic product per capita. The average gross domestic product per capita increased by 1.2% in 2014 within the EU28 and stands at €25,800 per capita, close to its pre-crisis levels.

Figure 2: Gross domestic product at market prices, euro per capita, chain linked volumes (2010)



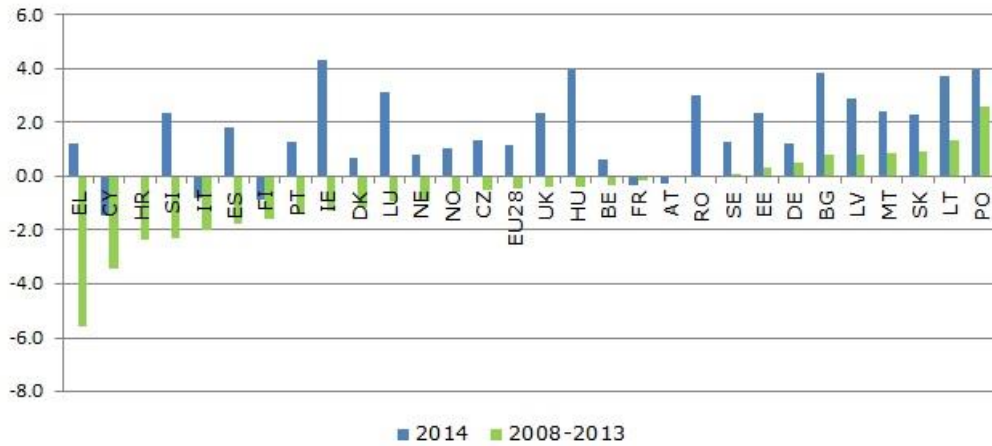
Source: Eurostat (nama_10_pc), own calculations

Several Member States (Poland, the Baltic States, Germany, Bulgaria, Slovakia and Malta) had already experienced an economic turnaround, or saw positive growth, between 2008 and 2013.

In 2014, the growth of real per capita GDP was particularly high in many of the central and eastern European Member States, but some of the EU15 also recorded strong growth, such as Luxemburg (+3.1%) and the UK (+2.4%). This was true, too, for some of the Member States that were hit hardest by the crisis and that experienced negative average growth between 2008 and 2013, for example Ireland (+4.2%), Slovenia (+2.3%), Spain (+1.8%), Portugal (+1.3%) and Greece (+1.2%).

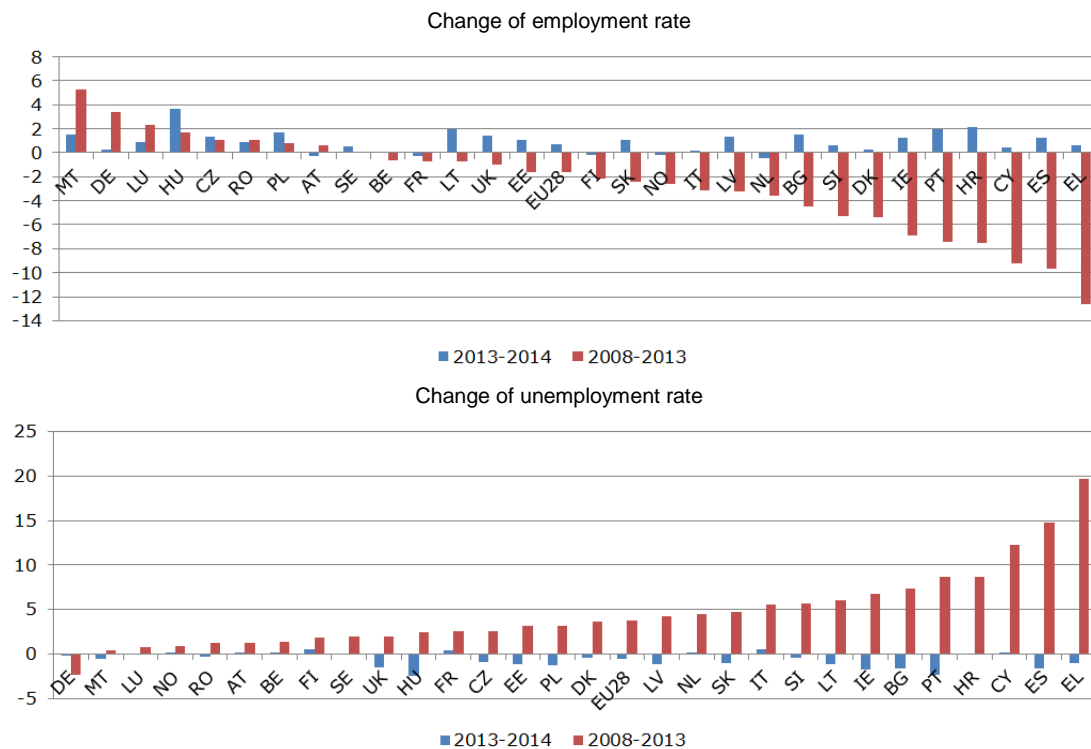
However, economic growth remained negative in Cyprus (-1.5%), Italy (-0.8%), and Finland (-0.9%), with the growth stagnating in France, Austria (both -0.3%) and Croatia (0.0%).

Figure 3: Real GDP growth rate per capita for 2014 and as annual average 2008–2013



Source: Eurostat (nama_10_pc), own calculations

Figure 4: Change of employment and unemployment rate in Member States between 2008–2013 and 2013–2014 (in percentage points)



Source: Eurostat (lfsa_ergan and lfsa_urgan), own calculations

There has been a similar development in Europe’s crisis-ridden labour market. As Figure 4 shows, the employment rate in most countries fell slightly (Finland, Slovakia or Norway) or considerably (Ireland, Portugal or Croatia) between 2008 and 2013. Cyprus (-9.2%), Spain (-9.7%) and Greece (-12.6%) reported the highest falls in employment. Indeed, during this time the employment rate increased in only eight countries, with Malta (5.3%) experiencing the

highest growth. However, this trend halted in 2014, with almost all countries experiencing an increase in employment, by at least 0.2% (Italy) and at most 3.7% (Hungary). Only Austria (-0.3%), France, (-0.3%), Finland, Norway and the Netherlands experienced slight decreases during this period.

Similar developments have occurred with the unemployment rate, with it increasing in almost all countries between 2008 and 2013. In 10 countries, the increase was above 5%. The exception is Germany, where the unemployment rate decreased by 2.3% during this period. Again, however, there were signs of recovery in 2014, with almost all countries experiencing a fall in unemployment rate, most notably in countries such as Greece (-1%), Spain (-1.6%) and Portugal (-2.3%).

2. Actors and institutions

The Union recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy.

([Treaty on the Functioning of the European Union](#))

This chapter reports on changes to actors and institutions in the area of industrial relations in 2014 in the following areas:

- membership trends;
- changes in regulations regarding the representativeness of social partners;
- a variety of cooperation initiatives and agreements.

Trade unions, employers' organisations and public institutions play a key role in the governance of the employment relationship, working conditions and industrial relations structures. They are interlocking parts in a system of governance at European, national, sectoral, regional (provincial or local) and company levels.

EurWORK investigates and reports on developments concerning the actors and institutions involved in industrial relations and working conditions.

Social partner organisations in some Member States faced challenges in 2014 because of declining membership, for example in Ireland, where [trade union density had fallen by more than 5% since 2011](#), or because of the impact of legislative changes, for example in Croatia, which [raised the issue of their representativeness](#), or because of the continuing effects of the economic crisis, which limited their activities in collective bargaining, such as in the Netherlands and Portugal (see Chapter 4 on collective bargaining).

EurWORK reported several cases in which new laws supported employee representation rights (see Table 1 below). However, this was not the case in all Member States, where some introducing laws on representation or on collective bargaining and the right to industrial action, which limited social partners' activities. More details can be found in the related sections.

Table 1: Promotion of employee representation rights

| | |
|-----------|---|
| IE | In Ireland, the Workplace Relations Bill will introduce major changes to the existing workplace relations bodies , with a new labour commission and extended powers for the labour court. This occurs at the same time as the creation of a new human rights and equality commission for Ireland, with a specific duty to promote equality, although trade unions have complained that it lacks an enforcement mechanism. |
| LV | In Latvia, a new trade union law came into force in November 2014 with the aim of improving and modernising the legal framework for trade union activities . This has been in the context of a major change of Latvian labour law , which has significantly strengthened the protection of workers, and is viewed as very favourable to employees. |
| NL | In the Netherlands, new legislation was proposed to strengthen the rights of European Works Councils (EWCs) over pensions. The new legislation will grant the right of consent to works councils when employers attempt to start, change, or finish pension schemes in a separate company fund. |

Membership

Membership trends have begun to diverge across the EU, with some Member States experiencing a continued decline in trade union membership, while others have levelled off. Changes in representativeness have affected both trade unions and employers' organisations in Croatia, France and Romania, among others. Cooperation agreements between unions, between employers' organisations and across the social dialogue spectrum represent major developments within and between Member States.

Although there has been a long trend of declining trade union membership and declining densities in most Member States (Eurofound, 2015c), one could cautiously argue that this trend slowed in 2014.

Union membership statistics in 2014 are difficult to come by and there are still very substantial gaps in the available data, but the initial impression from national data and correspondents' reports is that membership changes in 2014 were more stable. Data and reports from 12 Member States show seven with stable membership, three with increasing membership and only two in decline (see Table 2).

Table 2: Changes in trade union membership in 2014 compared to 2013

| Declining membership | Stable | Increasing membership |
|----------------------|----------------|-----------------------|
| Ireland | Austria | Czech Republic |
| Romania | Germany | Malta |
| | Bulgaria | Norway |
| | Slovakia | |
| | Sweden | |
| | United Kingdom | |
| | Denmark | |

Note: Stable designation implies <1% change or specifically defined as stable by correspondent. No figures are available from other countries.

For the 'stable' Member States above, membership figures changed by less than 1% or were specifically described by national correspondents as being stable. For example, in 2014 the membership of the Confederation of German Trade Unions ([DGB](#)) declined by -0.6%, with an increase of +0.5% in the German Civil Service Federation ([DBB](#)), while the [overall change in 2013 was reported as being a decline of 0.1%](#). Austria and Denmark also reported quite stable figures, with a decline of -0.05% in membership of the Austrian Trade Union Federation ([OeGB](#)) and [Statistics Denmark](#) reporting a +0.4% change in union membership in 2014. Indeed, this figure for Denmark followed a decline in 2013 by -0.9%. This was mainly due to an increase in male union membership, with female membership continuing to decline. Of the Member States listed with stable union memberships, some did experience larger changes in certain industries or sectors, but overall the picture remained stable. For example, Sweden saw a decline in blue-collar trade union membership but an increase in white-collar members.

While it seems the overall trend of declining densities is slowing down, there are still some Member States where that trend continues. So far, the [most significant decline is in Ireland](#), where membership was down over 6% in 2014 from 2013, an increase in the rate of decline which was nearly 4% from 2012–2013. The national correspondent from Romania also reported that the major trade unions were reporting losses, but specific figures were not available.

According to Statistics Norway, for the Member States that experienced increases in membership, [Norwegian unions added over 30,000 new members](#), an increase of just under 2% (Statistics Norway, 2015). The Czech-Moravian Confederation of Trade Unions, the primary national confederation in the Czech Republic, also reported [12,000 new members in 2014 \(in Czech\)](#). Unions in [Malta also reported more new members in 2014 \(138 KB PDF\)](#) for the fifth year running, although no specific figures are available for the most recent year.

Table 3: Recent research on trade union membership and density

| | |
|-----------|--|
| DE | German trade unions have been fighting decreasing rates in density for years. Research by the Cologne Institute for Economic Research shows that net union density rose by 2.6 percentage points between 2006 and 2012 and 20.6% of employees were union members in 2012. Most new members were men. Trade union membership stabilised in 2014 following years of decline, which resulted in only one-quarter of works councils' members belonging to a trade union. This trend, according to a 2014 study, was increasing. |
| IE | Trade union density decline in Ireland fell from 33% in 2011 to 28% in 2014 (Walsh, 2015). The Walsh study showed that the great recession appeared to temporarily halt the long-term decline, with density then continuing to decline throughout the observed period, with changes in the composition of worker and job attributes accounting for this. |
| SE | The annual report from the National Mediation Office (Medlingsinsitutet) shows that in 2014, the density rate of union membership for blue-collar workers was the lowest in decades (341 KB PDF) . The report is partly based on a research report by Anders Kjellberg at the Department of Sociology, Lund University. The fall in density rates started in 2007 when the centre-right government raised the fees for unemployment insurance funds (UIF). Initially, the density rate of union membership decreased for both blue-collar and white-collar workers, but has developed differently for the two groups in the past years. While there has been a consistent decrease in density rate for blue-collar workers since 2007, white-collar unions have increased their membership. The density rate for blue-collar workers decreased by two percentage points to 64% in 2014. However, the density rate of union membership for white-collar workers increased one percentage point, up to 74%, in 2014. In January 2014 the increased fees for UIF (to which many unions are affiliated) were abolished. However, as yet this has had no significant effect on the density rate of union members. |

Trade unions representing new groups of workers

The challenges in representing migrant workers have been highlighted in a study by Connolly et al, pointing out that the approach to this engagement stresses the complexity of representation for trade unions (Connolly et al, 2014, p. 14). However, one initiative reported in relation to migration was in Austria, where a contact point (UNDOK) was opened so that trade unions could support undocumented workers.

In some cases, for example Austria, Germany, Malta and Sweden, while a decline in membership numbers was registered in relation to some groups of workers (mainly manual), there were reported increases in membership among white-collar staff. In Finland, a decline in blue-collar union membership was partially offset by an increase in other branches of membership, for example among academics.

Also worth noting is Lithuania [allowing non-contracted workers to unionise](#). Although membership in unions is quite low overall in Lithuania (roughly 10%), the new legislation opens up union membership to a variety of new demographics, including foreign workers, students and the retired. The law gives members of these groups the same rights as a contracted union member except those of voting strikes and collective agreements.

Similarly, in case involving [the French Army](#), the European Court of Human Rights found that an absolute prohibition on military personnel joining a trade union was a breach of the European Convention on Human Rights. In Malta, a new law, the Employment and Industrial Relations Act (EIRA), allows members of the armed forces, prison wardens and members of civil protection to join a trade union (although they are not allowed to strike). The Malta General Workers Union ([GWU](#)) has subsequently formed a police union which has become one of its affiliates.

There were fewer examples in 2014 of the establishment of any new representative organisations; however, the formation of [a trade union for homeworkers in Bulgaria](#) is one example of an attempt by trade unions to reach out to new types of members.

In Germany and Slovakia there was a reported stability in relation to social partner institutions, with works councils in Slovakia described as stable, as well as trade unions and employers' organisations. Similarly, as Table 3 indicates, Germany also experienced a [levelling out of trade union membership](#) in 2014, with changes below 1% over the year.

Developments among employers' organisations

Although the correspondents mainly provided information on trade union organisations, they also reported on the membership of some employer organisations. In Malta there was a 4% decrease in membership among employer organisations. In Sweden, by contrast, membership of the main Confederation of Swedish Enterprise was reported as stable or even positive, and in Lithuania the membership of business and employer organisations also increased. In Norway, two initiatives were reported. The first was the organisation of Internet shops into the new Norwegian employer organisation Virke and the second was the announcement of a possible merger of two employer organisations in the food, drinks and agriculture sectors.

In the Czech Republic, despite a relatively high level of employers' organisation density (around 64%), overall coverage has been experiencing steady decline although it has not been as rapid as the fall in union coverage for employees.

Greek peak-level employers' organisations have been working to broaden the scope of their membership and strengthen their representativeness. For example, the Hellenic Confederation of Commerce and Entrepreneurship changed its constitution – and its name – in 2014 to represent a wider breadth of companies, specifically SMEs.

The French system allows employers to be members of multiple employers' organisations, and most employers are members of at least one. In contrast with employees, the density of employers' organisations is considered to be quite high, especially given that many companies are members of several organisations. Verifiable membership figures are difficult to come by, but it is estimated that employers' organisation density, in terms of active employees, is stable at about 75%.

Representativeness of social partner organisations

Eurofound's 2014 [representativeness study of the social partners in the European cross-industry social dialogue](#) shows that the European Trade Union Confederation ([ETUC](#)), the Council of European Professional and Managerial Staff ([EUROCADRES](#)) and the European Confederation of Executives and Managerial Staff ([CEC](#)) are the most important EU-wide representatives for workers, while the Confederation of European Business ([BUSINESSEUROPE](#)), the European Association of Craft, Small and Medium-sized Enterprises ([UEAPME](#)) and the European Centre of Employers and Enterprises Providing Public Services ([CEEP](#)) serve management at cross-industry level. At national level, in a minority of cases correspondents have reported that issues of representation and representativeness have become key challenges faced by the social actors in at least six Member States.

The establishment of single representation rights in workplaces is becoming popular in a growing number of countries. In Hungary an amendment to the Labour Code, while providing a right to bargain where unions represent at least 10% of the workforce, restricts agreements to one per workplace. This means that the conclusion of one agreement could exclude other trade unions from establishing agreements, even where they represent a greater number of workers in the workplace. A similar situation exists in Romania (see the box below), and [in Germany, single representation rights in workplaces](#) have also recently been introduced (see also the section on collective employment relations).

Romania: Legislation regulating representative organisations

In Romania, the 2011 Social Dialogue Law has imposed a new definition of representativeness on unions and limited the rights of more than one trade union to be regarded as representative in a single company. Unions say this has led to falling membership and have launched a campaign to challenge the law’s requirement for representativeness from the current 50% plus one to 30% of the workforce. Unions also want the right to multiple union negotiations where there is no single union representing 50% plus one of the workforce. The unions have the support of the ruling social democratic party and their proposals have been made to the legislature.

Table 4: Changes in rules on unions’ representativeness

| | |
|-----------|--|
| HR | Croatia’s 2014 law on representation defined the representativeness criteria for the conclusion of collective agreements. These are now valid only if they are signed by the representative trade union or unions that represent at least 50% of the members of the representative trade union. |
| FR | France’s 2014 rules on representativeness in the agriculture sector (in French, 81 KB PDF) require those involved to take account of the representativeness of each of the trade unions in the sector while ensuring the same number of representatives. |
| PL | A proposed amendment to Poland’s regulations on union representativeness at workplace level is intended to raise membership level thresholds. |
| IT | Car maker Fiat’s decision to withdraw from the employers’ organisation Confindustria has fuelled a crisis of representativeness within the company. Some unions no longer have representatives on the employee body . A report by the International Labour Organization (ILO) suggests that these measures may not conform with ILO conventions. Furthermore, social partners have agreed a set of rules aimed at measuring their representativeness and at voluntarily deciding the entitlement to bargain and the validity of collective agreements on the basis of unions’ actual representativeness. |

In contrast, the new government of the Czech Republic stated it would restore mandatory employee representation on supervisory boards. However, external factors may threaten the stability of key actors and institutions. In Latvia, the close proximity of the Russian/Ukrainian conflict and the sanctions both from and against Russia affected the political and economic situation and, consequently, the ability of trade union actors to influence working conditions.

As with trade union organisations, there were also some legislative proposals regarding the representative rights of employer organisations and, in Lithuania, for example, with the aim of encouraging social dialogue, legislative amendments have been proposed to define the employers’ representatives in the public sector.

Croatia’s new law on representativeness is likely to lead to an increase in participation in employers’ organisations. The law gives employers more flexibility in representation because, unlike its predecessor, it is not strictly based on considerations of the number of workers

employed. Under the new framework, previously unrepresented, smaller groups of employers could gain greater representation at lower levels (the national level is still defined by the number of workers employed) on the basis of representativeness at each level.

By contrast, Poland's largest private sector employer organisation, Lewiatan, has criticised courts that register 'hybrid' organisations. Some courts have ruled that these organisations may function in the same way as 'economic chambers' and 'employer organisations', citing both the act on Economic Chambers and the Employer Organisations Act as the legal basis for their decisions. Lewiatan says the courts are opening a 'shortcut' to various organisations claiming the status of a nationwide representative employer organisation. This could mean they would be able to demand a seat in the Tripartite Commission for Social and Economic Affairs.

Cooperation among trade unions

In 2014, several cooperation pacts and agreements were adopted in response, mainly, to a more difficult landscape for organisation. These pacts were generally concluded between trade union parties, but in a minority of cases they were pacts involving both social partners. As such they can be seen as part of a strategy to maintain organisation in the face of difficulties caused by austerity measures (in some cases) and, more generally, by the impact of the economic crisis. Thus, the difficulties experienced by the social partners in 2014 also saw the establishment of a significant number of initiatives aimed at promoting closer working arrangements between them.

Table 5: Cooperation between sectoral trade unions

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|---|
| <p>A National Forum for Trade Unions was launched in July 2014 with the main aim of establishing a focal point for inter-trade union dialogue in Malta. Some 22 unions signed an agreement on 23 July 2014 to form the group, which offers a platform for discussions on issues such as occupational health and safety, threats to unemployment, active ageing, precarious work and bullying at the workplace.</p> |
| <p>In 2014 it was announced that trade unions would form a cooperation assembly in Lääne-Virumaa in Estonia that would unite transport, healthcare and food industry trade unions, to be joined by educational workers, railway workers, cultural workers and local trade unions. The assembly aims to encourage cooperation among different trade unions in the region and to ensure better communication. There are cooperation assemblies in eight of Estonia's 15 counties.</p> |
| <p>Civil service trade unions have agreed a cooperation initiative in Ireland that will explore improved coordination in a range of areas, from the provision of financial services to better cooperation in negotiations on pay and conditions. A joint committee from IMPACT, PSEU, CPSU, AHCPs and the Veterinary Officers' Association was established in the summer of 2014.</p> |

In some cases they were driven by structural necessities, such as the need to merge to cut costs, but they also demonstrated a general willingness to cooperate. In nearly half of the Member States there were reported examples of this type of activity. For example, in Italy the three trade union confederations and the relevant employer body representing the commercial sector concluded an [agreement covering accountability and transparency](#) between them concerning agents and sales representatives; strengthened the role of paritarian institutions as training providers; and introduced a commission for the mediation of litigations between employees and employers. In Lithuania trade unions in the [social security sector \(in Lithuanian\)](#) agreed to form a [committee to prepare and negotiate a collective agreement](#) between employees from budgetary social service agencies and local municipal authorities.

The joint committee will organise joint campaigns and try to influence the negotiation process and improve the content of the agreement.

Also noteworthy is the joint agreement made in Denmark by its three major trade union confederations, LO, FTF and Akademikerne (with the IT company CGI). This is the first time that all the confederations have collaborated on a single-company agreement and the IT sector is one with a low organisational density.

Table 6: Cross-border trade union cooperation

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| <p>In Lithuania and Estonia, trade union leaders met in March 2014 to establish a long-term cooperation pact to tackle issues of common concern, while in Estonia a regional cooperation agreement was concluded in April 2014 to unite a range of sectoral unions.</p> |
| <p>In the UK and Portugal, a cooperation protocol has been renewed in order to provide protection for Portuguese people working in the UK. The agreement was signed in 2014 between the Trades Union Congress (TUC) and the General Confederation of Portuguese Workers – National Trades Union (CGTP-IN).</p> |
| <p>The German Industrial Union of Metalworkers (IG Metall) and the Hungarian Metal Workers Trade Union (Vasas) have agreed, as part of their closer cooperation, that international framework agreements in the automotive industry would be put on the agenda of Hungarian trade unions.</p> |

Summary

In 2014, membership trends differed for both employers' and employees' organisations. Membership continued to decline in Romania and Ireland, while it levelled off in Germany and Denmark. Overall membership figures increased in Norway and Malta. Increasingly, trade unions are representing new groups of workers such as migrants (Austria), white-collar staff (Sweden and Malta) or non-contacted workers (Lithuania), while employers' organisations increasingly focus on smaller, entrepreneurial companies (Greece and Croatia). Several countries have changed their laws on the representativeness of social partners, although in some, such as Romania, conditions of representation and representativeness on social partners have been restricted since 2011.

In 2014, in response to an increasingly complex labour market, trade unions in nearly half of the Member States adopted cooperation pacts and agreements. These can be seen as part of a strategy to maintain organisation in the face of difficulties caused by increased migration, austerity measures (in some cases) or also, more generally, just through a general willingness to cooperate.

3. Collective employment relations

On 5 March 2015, the European Commission organised a high-level conference, [A new start for social dialogue](#), in Brussels, bringing together EU-level social partners and other organisations. The aim was to discuss how to strengthen social dialogue throughout the EU. At national level, as EurWORK’s quarterly reporting shows, social partners and governments are engaged in discussing [the future of social dialogue \(including collective bargaining\)](#) in several Member States.

This chapter focuses on two key topics. It first looks at collective bargaining in 2014, its institutional role and recent developments. Then it focuses on industrial action: the right to strike and instances where the right has been contested, as well as reforms where the right to strike was extended – generally through changes to the law in countries that were directly aimed at restricting industrial action, or where this occurred through collective bargaining outcomes. The chapter then looks at industrial action in 2014, based on national statistics and the reports of particular cases and their causes, by Eurofound’s network of European correspondents.

Collective bargaining

Collective agreements are an integral part of industrial relations at EU level but also at national level and most Member States have legal provisions for collective agreements between employees and employers. While collective bargaining is defined as bipartite, between the two sides of industries, governments can, and do, shape the ‘rules of the game’. The extent of such influence is very country specific and changes to the institutional role of collective bargaining continue to be made, as indeed happened in 2014.

How those involved undertake their collective bargaining role is a fundamental indicator of their position. This can be seen from a report by Marginson (2014), which says ‘the viability of coordinated, multi-employer bargaining arrangements, as a cornerstone of labour market regulation in Western Europe, has come under further threat following the crisis’. This has led to a decline in the capacity for sector agreements to specify universal standards at company level, resulting in what he describes as ‘a frontal assault on multi-employer bargaining’.

Table 7: Major collective bargaining processes conducted in a business-as-usual way

| | |
|-----------|--|
| AT | The ‘ pace-setting ’ agreement in the metal sector was concluded in the autumn, continuing the new practice of separate negotiations within six sub-industries. |
| DK | The renewal of the three-year private sector pace-setting agreement was concluded in 2014 and welcomed by many. |
| EE | Although bargaining takes place predominately at company level, there are also examples of sector-level agreements, such as that of the healthcare sector, the largest, covering 20,000 employees. The agreement for 2015–2016 was signed, with the help of the National Conciliator, on 19 December 2014. |
| ES | The social partners’ negotiations on the national agreement for 2015–2017 stalled throughout 2014 over the issue of pay , with agreement finally reached in May 2015. |

| | |
|-----------|---|
| NO | In Norway, most collective agreements were renegotiated in the 2014 bargaining round. |
| FR | In France, a study by DARES suggests that there were 720 sectoral collective agreements (<i>conventions collectives de branche</i>) covering 15.4 million workers in 2011. Two years later, the Annual Review of Collective Bargaining conducted by the Labour Ministry showed that in 2013, the number of collective agreements at inter-professional level had increased but that the number of sectoral agreements (<i>accords de branche</i>) had declined (1,050 compared with 1,300 in 2012). |

The correspondents' reports suggest that the social partners often face serious challenges to their role in collective bargaining, as evidenced by Portugal (see box below). In Spain, the Agreement for Employment and Social Dialogue acts as a framework for the discussion of collective agreements (at sectoral or company level). As such, it serves mainly as a recommendation to be considered by the signatory social partners. In Slovenia, the recommended stability programme sets the parameters of what a new social agreement should cover. As a result of new proposed legislation in Croatia, higher thresholds were introduced for unions to sign collective agreements. Trade unions argued that the new legislation benefits employers and big companies but restricts workers' rights. (This has been accepted within the Act on Representativeness of Employer Organisations and Trade Union Organisations (*Zakon o reprezentativnosti udruga poslodavaca i sindikata, OG 093/14*). When Ireland's government proposed its reform of industrial relations, the Irish Congress of Trade Unions ([ICTU](#)) made a formal complaint to the European Court of Human Rights over the state's failure to uphold the right to collective bargaining.

Portugal: Modification of collective bargaining under the shadow of the institutions

Following the requirements of the Memorandum of Understanding with the Troika (the European Central Bank, the European Commission and the International Monetary Fund), the Portuguese government proposed, at the Tripartite Standing Committee of Concertation ([CPCS](#)), discussing several measures, including extending the period of the suspension of norms (on payment of overtime and holiday work) of collective agreements and of labour contracts until the end of 2014; reducing the validity of collective agreements from five years to three and their period of validity after expiring (if no subsequent agreement is negotiated) from 18 to 12 months; and introducing the possibility of temporarily suspending collective agreements in companies in crisis when the survival of the company and maintenance of jobs is at risk.

The social partners did not reach agreement on the first measure. The employer confederations and the trade union confederation, the General Union of Workers ([UGT](#)), agreed on the other two, but the CGTP called these measures a major threat to collective bargaining. Nevertheless, the government enacted the three measures as Law [no.230/XII](#) and [no. 231/XII](#). UGT issued a statement considered in a public statement on 5 June 2014 that the [negotiations at the CPCS introduced better regulations \(in Portuguese, 191 KB PDF\)](#) than the government's initial proposals.

Collective bargaining procedures have also been impeded by two rulings of the CJEU. It gave a preliminary ruling in the Swedish case of *Fonship A/S v The Swedish Transport Workers Union (Transport) and Others* that freedom of movement applied as long as the company is genuinely established in a state in the European Economic Area (EEA) and that the location of the establishment is determined by the national state courts. It also gave a ruling in Case C-549/13 which held that public procurement legislation in the state of North-Rhine Westphalia (which required the payment of a minimum wage) was a measure which prevented subcontractors established in another Member State from deriving a competitive advantage from differences in respective rates of pay and went beyond what was necessary to ensure employee protection. Both rulings affect the ability of trade unions to conclude effective collective agreements.

Institutional support for collective bargaining

However, there are several examples of governments across Europe attempting to promote the institutional role of collective bargaining, albeit not always to the full satisfaction of all parties involved.

- The introduction of the German Act on the Promotion of Collective Bargaining Autonomy is outlined in the box below. Not everyone welcomed it wholeheartedly, especially because [it diminished the ability of smaller unions to conclude collective agreements](#) (see the section on the right to strike).
- In France, the Minister of Labour invited the social partners to negotiate at inter-professional level on improving worker representation in companies. Their priorities were to identify specific forms of employee representation in small enterprises, streamline collective bargaining and simplify the structure of the various staff representative bodies. However, these negotiations failed in January 2015 and the government instead proposed a draft bill, which became [law](#) in July 2015.
- In Hungary, a major reform of the Labour Code modified collective bargaining rules in 2012. Although it provided a wider role for collective bargaining, it also brought fresh problems with its provision for [one agreement per company](#), meaning the majority of trade unions have to agree and that without full consent, no collective agreement can be signed. The fact that only signatory parties can modify an existing agreement also restricts newly formed trade unions.
- In Estonia, there has been a continuing debate over [industrial relations reform](#). The reform is meant to update the framework for negotiating collective agreements, which have not changed since Estonia left the Soviet Union. The primary changes cover the extension of collective agreements, streamlining rights dispute cases, extending a right to arbitration to workers who are restricted from striking and allowing social partners to agree to peace obligations.
- In Slovakia, the extension of multi-employer collective agreements has been a long-standing issue. Despite the opposition of employers' organisations, in 2013 trade unions succeeded in pushing through their demand for legislation that makes extensions possible without the consent of the employers affected. In the second half of 2014, [five collective agreements were extended](#), the first for four years. These covered inland transport, mechanical engineering, metallurgy, geology and mining, electrical engineering and construction. These extensions increased the coverage of employees by more than 60,000.

Germany: New Act on the Promotion of Collective Bargaining Autonomy

[The Act on the Promotion of Collective Bargaining Autonomy](#) came into force in August 2014. It promotes collective bargaining and the role of the state in wage-setting and includes:

- the introduction of a statutory minimum wage and the establishment of a minimum wage commission (see the section on statutory minimum wages);
- regulations on the implementation and inspection of the minimum wage – the Customs Service continues to be in charge of inspecting the minimum wage and the number of customs service staff has been increased;
- mechanisms for simplifying the extension of sectoral minimum wage agreements.

Over the past decade, the number of extensions of collective agreements dropped from more than 100 to fewer than 20 agreements per year. In 2012 the number was very low compared with other Member States. The aim of the new act is to help bring those figures back up.

Previously, a collective agreement could be declared generally binding only if it covered more than 50% of the employees in a sector. Now, the prerequisite for an extension is that it is ‘of public interest’. This will be the case if the agreement is vital for the protection of working conditions in a sector or for battling economic ‘maldevelopment’ – for instance, to prevent wage dumping.

Additionally, sectoral collective minimum wage agreements can be extended via the Posted Workers Act. Under new rules, this mechanism can now be applied to any industry (rather than just sectors defined by the Posted Workers Act) if the extension is seen as serving the public interest.

The Temporary Employment Act has also been amended so that a minimum wage can be set if it serves ‘the public interest’. The new rules mean a simplification of dispute resolution mechanisms and a stronger role of regional labour courts.

Now, legal action against a government’s decision to declare an agreement generally binding must be taken to the labour courts and not to the administrative courts. Furthermore, any dispute regarding the representativeness of a collective bargaining partner can no longer be decided by local labour courts. To speed up decision-taking, disputes have to be taken initially to a regional labour court and then to the Federal Labour Court.

Furthermore, the shift from sectoral to company bargaining (also noted as an increase in strike action at company level) may result in a greater number of collective agreements, but each with more limited coverage, although it may also provide scope for trade unions to move into new sectors. Table 8 lists several examples of this development. In another case – Spain, where the government explicitly set out to promote company-level agreements and the decentralisation of collective bargaining – there is [to date no clear evidence](#) as to whether this has indeed been achieved.

Table 8: Evidence of more decentralised collective bargaining

| | |
|-----------|--|
| FI | The dismissal of a union representative, which led to protest strikes, is also linked to the move to local-level bargaining, where the trade unions fear that their local representatives are more vulnerable. |
| NL | In the Netherlands, the employers’ organisation AWWN announced that 500 of the 900 collective agreements covering 2.8 million workers have expired. Data from the State Inspectorate suggest that the number of agreements has increased although the number of employees covered by them has declined. Statistics Netherlands states that coverage of current collective agreements decreased from 63% in April 2013 to 48% in 2014. |
| PT | Law No. 68/2013, introduced in 2013, increased the weekly working time in the public sector from 35 to 40 hours without equivalent payment. Trade union action failed to block this law at national level but resulted in agreement at local level. A report by UGT on collective bargaining shows that the dramatic decline in renewed collective agreements continued in 2013. This led to a renewed effort by the unions to increase local negotiations on collective agreements, with 350 signed in public local administration. |

| | |
|-----------|--|
| RO | The 2011 Law on Social Dialogue (see Chapter 2, ‘Actors and institutions’), which has reviewed the representativeness criteria, has resulted (according to Cartel Alfa) in no sectoral collective agreements being signed, dramatically reducing the number of employees covered by collective agreements. Some 9,477 collective agreements were concluded in Romania at company level in 2014, 751 more than in 2013 (8,726). |
|-----------|--|

Industrial action

At EU level, [the right to strike](#) is enshrined in Article 28 of the Charter of Fundamental Rights of the European Union (entitled ‘Right of collective bargaining and action’). It states:

Workers and employers, or their respective organisations, have, in accordance with Union law and national laws and practices, the right to negotiate and conclude collective agreements at the appropriate levels and, in cases of conflicts of interest, to take collective action to defend their interests, including strike action.

In practice, however, the right to take strike action can be constrained.

Right to strike

In several EU states in 2014, measures were proposed or implemented that would affect the right to strike, either through restrictions on collective bargaining or by specific measures aimed at limiting strike action. The right to strike has been a noteworthy issue in recent years, following the 2010 rulings in the cases of [Demir and Baykara v. Turkey](#) and [Enerji Yapi-Yol Sen v. Turkey](#), which declared that Article 11 of the European Convention on Human Rights included a right to bargain collectively and precluded a blanket ban on a right to strike.

More recently, an agreement concluded between the International Trade Union Confederation (ITUC) and employers reasserted the right to strike and was linked to [ILO Convention 87 on Freedom of Association](#). Novitz (2014) and Bellace (2014) have both argued that ILO constituents have consistently recognised that Convention 87 allows the right to strike. This agreement asserts such a position.

Table 9 details measures in 2014 that either directly or indirectly affect the right to organise and collectively bargain and, consequently, the right to strike. They include extended requirements for trade unions to conclude collective agreements, limitations on the reach or period of collective agreements or direct limits on the right to strike

Table 9: Restrictions on the right to strike

| Announced or proposed changes to legislation limiting the right to strike | |
|--|--|
| BE | A proposal has been discussed in the Senate to limit wildcat strikes in the railway sector. |
| DE | A new law (see the section on collective employment relations), which will permit only one collective agreement for a group of workers within an establishment , is likely to affect collective rights in Germany, with occupational sector unions stating that the new law represents an attack on their freedom of association and on the right to strike. |
| EE | The Chancellor of Justice has applied to the Supreme Court to be allowed to declare that the period of notification of sympathy strikes should be extended from three days to five. |
| EL | A new law on arbitration includes a ban on the right to strike for 10 days after |

| | |
|--|--|
| | the date that arbitration is sought. |
| UK | <p>In the UK, an announced review of the law on industrial disputes has the aim of limiting the power of trade unions, specifically in their ability to carry out legal strike action.</p> <p>The proposals, which are expected to come into force, were first mooted following a strike of rail workers in early 2014, leading the government to propose making the lawfulness of strikes dependent on the support of a majority of the workforce, not just a majority of those voting. It is also considering introducing limits on the right to strike in essential services.</p> |
| Individual cases where the right to strike was restricted in 2014 | |
| FI | Four incidents of industrial action in a food factory, Finnprotein, were ruled as illegal by the labour court. |
| NL | A court has ordered limits to the right to strike at a chemical plant of AkzoNobel, stating that safety reasons meant production had to remain at least at 40%, although the court also said that the right to strike remained a fundamental right. |
| NO | The Ministry of Labour stopped a strike of laundry workers in the hospital sector. It claimed that this represented a danger to health and that there was no right to strike, a position contested by the trade unions. |
| PT | A government order to ‘requisition’ workers in the dispute between the state-owned airline TAP and the trade unions effectively denied those workers the right to strike. |

In contrast to these restrictions on the right to strike, there are also some examples of the extension or better definition of the right to strike, such as in Croatia, Ireland or Lithuania. At the beginning of 2014, following a Council of Europe decision, members of the Irish police won the right to strike and take part in trade union action. As already mentioned, a similar development took place in Malta, where the government granted members of the security forces the right to join a trade union. However, the bill does not give these workers the right to strike (see the section above on trade unions representing new groups of workers).

The European Court of Human Rights ruled in October 2014 that the blanket ban of French soldiers, including the *gendarmerie*, to join a trade union violates the right to freedom of assembly and associations (Article 11 of the European Convention on Human Rights). The decision will have implications for other European countries that have similar regulations limiting the right of public employees (see [ECHR](#), 2014, p. 69, and [Affair Matelly c. France](#), in French). Despite international rulings, great differences in the right of civil servants to take collective action continue to exist among Member States and contribute to the differences in the quantity of collective actions.

Table 10: Extensions to and promotion of the right to strike

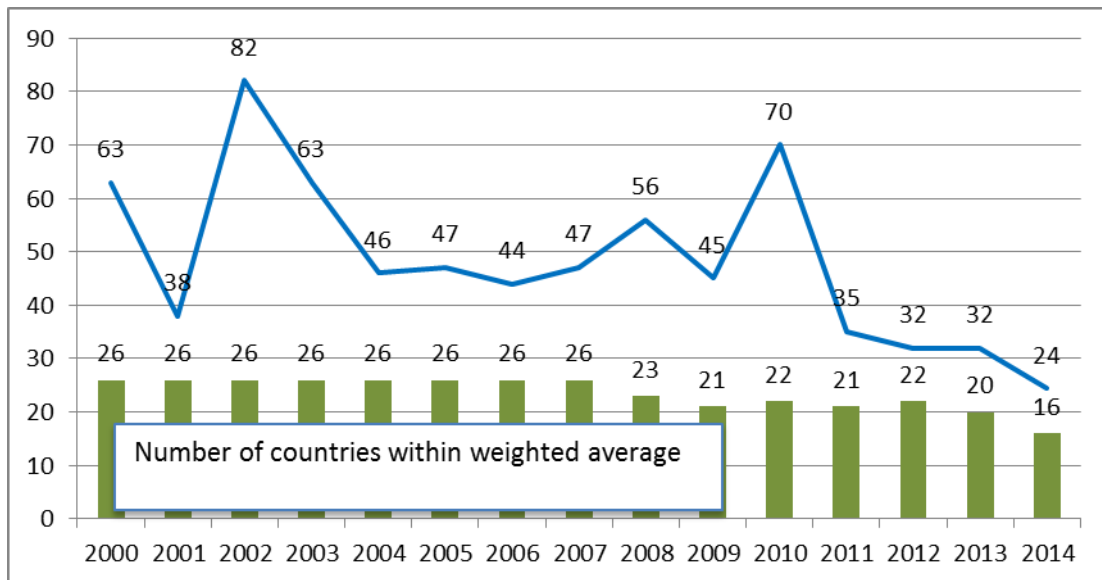
| | |
|-----------|--|
| HR | The new Labour Act (OG 93/14) allows workers more freedom to strike if they are not paid; workers can strike the day after an employer defaults. Under previous legislation (OG 149/09, 61/11, 82/12 and 73/13), workers were permitted to strike only after 30 days of non-payment. The most common reason for industrial conflict in Croatia is the non-payment of salaries. |
| IE | A landmark legal decision gave the police the right to strike . Anna Nellberg, President of EuroCOP, said the decision had ‘important implications for forces throughout Europe’. |
| LT | The Labour Code has been changed recently to revise provisions governing the suspension of strikes, lay down the rules for interpreting collective agreements |

| | |
|----|---|
| | <p>and clearly define the legality of strikes where there is a valid collective agreement.</p> <p>Before this, Lithuanian law did not properly regulate industrial disputes and many of its rules lacked clarity, so workers found it nearly impossible to organise strikes. In January 2014, social partners discussed the new draft laws at a meeting of Lithuania’s Tripartite Council. In May, the Lithuanian parliament adopted the amendments to the Labour Code liberalising the regulation of strikes. The amendments took into account Lithuanian case law on the legality of strikes and came into effect on 1 July 2014. Although strikes cannot be called while a collective agreement is in force, there are no restrictions if the bargaining permitted by the collective agreement ends in disagreement between the parties.</p> |
| PL | <p>In Poland, the Ministry of Labour and Social Policy has been discussing proposals to amend the regulations on union membership so that the right of association would be extended to cover people employed on civil law contracts (in ‘junk jobs’) and the self-employed. Currently, the right of association is restricted to employees, a long-standing complaint of trade unions.</p> |

Industrial action developments

The global economic and financial crisis had ‘brought to an end an era of relative calm’, most notably in those countries worst hit by the crisis, which experienced the highest incidence of industrial action. The [third European Company Survey 2013](#) found that almost one in 10 private sector establishments in the EU28 were faced with a strike lasting a day or more between 2008 and 2013.

*Figure 5: Days not worked due to industrial action in Europe, 2000–2014**



*Weighted average. The weighted average is based on a sample of countries – numbers are indicated in the figure. Methodological notes are available from the ETUI webpage.

Source: ETUI, Strikes in Europe (October 2015)

According to ETUI (2015), the most recent peak in industrial action activity (in terms of working days lost) was in 2010, with 70 days not worked per 1,000 employees. Figures have

stabilised since then and have returned to levels below those in the years preceding the economic crisis. The year 2014 was the calmest one recorded since 1990, with 24 working days lost per 1,000 employees. It should be stressed that the number of countries for which data are included in this average figure has declined over time, although this should not have a big impact on the weighted average.

Table 11: Selected labour disputes

| | |
|-----------|--|
| BE | Measures introduced by the new government sparked resistance by the trade unions . Power struggles developed between unions and government, and between unions and employers, over strikes and ways to narrow the salary gap between Belgium and other countries. |
| NO | An unusual labour dispute occurred when the Norwegian Trade Union Confederation (LO) and its member unions faced strike action from their own employees . Workers walked out in November 2014 over increasing wage differences. They demanded access to more detailed wage statistics and stayed out for 12 days until a new collective agreement was concluded. |
| BG | In May 2014, Bulgarian media reported that 2,500 miners had been told their pay would be withheld unless they voted for a particular party ahead of the European elections and that they had been paid in vouchers instead of money, which they could spend only in the company shop at Bobov Dol. In the following months there were several strikes as miners complained of not getting regular wages. Workers at several mines in the country have protested about unpaid wages and job insecurity. |

National statistics for 2014 (see Table 12) are incomplete but suggest that by and large, industrial action levels were quite similar to the two previous years. Out of 10 countries with available figures on working days lost for both 2013 and 2014, the picture is mixed. There was a dramatic drop in the number of workers going on strike in [Germany](#), Spain, Denmark and Sweden. Statistics on industrial action within larger companies suggest that this was also the case in Italy. There was a moderate increase in industrial action in Austria, with bigger increases in the United Kingdom, [Belgium](#), Finland, [Ireland](#), the Netherlands and Norway.

Table 12: Industrial action reported in national data sources

| | | Number of stoppages | Number of working days lost | Number of workers involved | Source of data | Notes |
|-----------|------|---------------------|-----------------------------|----------------------------|---|---|
| AT | 2013 | n.a. | 3,277 | 5,529 | OeGB | |
| | 2014 | n.a. | 3,309 | 5,196 | | |
| BE | 2013 | n.a. | 205,974 | n.a. | Statistics office of the National Office of Social Security | |
| | 2014 | n.a. | 760,297 | n.a. | | |
| BG | 2013 | 15 | 30 | n.a. | Strike committee at Confederation of Independent Trade Unions in Bulgaria | All kinds of protests; working days lost refer to company level. |
| | 2014 | 11 | n.a. | n.a. | | |
| CY | 2013 | 47 | 605,465 | n.a. | Department of Labour Relations of the Ministry of Labour and Social Insurance | |
| | 2014 | n.a. | n.a. | n.a. | | |
| DE | 2013 | 218 | 551,000 | 1,000,000 | WSI, Institute of Economic and Social Research | These estimates are around twice those of the official strike records. |
| | 2014 | 214 | 392,000 | 345,000 | | |
| DK | 2013 | 197 | 930,300 | 75,319 | Statistics Denmark | Exceptionally large number of working days lost in 2013 due to a lockout of teachers. |
| | 2014 | 318 | 16,900 | 10,616 | | |
| ES | 2013 | 992 | 1,098,480 | 448,024 | Official statistics on labour conflicts from the Ministry | |
| | 2014 | 777 | 620,568 | 217,047 | | |

| | | Number of stoppages | Number of working days lost | Number of workers involved | Source of data | Notes |
|----|-------|---------------------|-----------------------------|---|--|--|
| | | | | | of Employment | |
| FI | 2013 | 121 | 25,999 | 19,567 | Statistics Finland | |
| | 2014 | 128 | 40,526 | 69,248 | | |
| HU | 2013 | 1 | n.a. | n.a. | Hungarian Central Statistical Office | |
| IE | 2013 | 12 | 14,965 | 11,924 | CSO Industrial Disputes | |
| | 2014 | 11 | 44,015 | 31,665 | | |
| LT | 2012 | - | 3,080 | - | Statistics Lithuania | Including warning strikes. No figures for 2013 were available. |
| | 2014 | - | 1,714 | - | | |
| NL | 2013 | 24 | 19,400 | 4,500 | Statistics Netherlands | |
| | 2014 | 25 | 40,900 | 10,200 | | |
| NO | 2013 | 6 | 10,849 | 1,385 | Statistics Norway | The large increase is due to the renegotiation of collective agreements in 2014. |
| | 2014 | 10 | 148,009 | 8,983 | | |
| PL | 2013 | 17 | 12,900 | 230 per paid employees in entities where strikes occurred | Concise Statistical Yearbook of Poland 2014 | |
| | 2014 | 249 | n.a. | n.a. | Ministry of Labour and Social Policy | Figures Jan–Sept 2014 |
| PT | 2012* | 127 | 112,984 | 92,324 | Office for Strategy and Studies | |
| | 2013 | 119 | 77,405 | 70,405 | | |
| RO | 2013 | 22 | n.a. | 8,385 | National Institute of Statistics and MMFPSPV | All types of labour disputes. |
| | 2014 | 19 | n.a. | 7,818 | Ministry of Labour | |

| | | Number of stoppages | Number of working days lost | Number of workers involved | Source of data | Notes |
|----|------|---------------------|-----------------------------|----------------------------|--------------------------------|---|
| SE | 2013 | 9 | 7,084 | 2,446 | National Mediation Office | All types of labour disputes. |
| | 2014 | 5 | 3,450 | 1,850 | | |
| SK | 2013 | 13 | n.a. | n.a. | MPSVR SR | All types of labour disputes. None of the registered conflicts resulted in a strike or lockout. |
| UK | 2013 | 114 | 444,000 | 395,000 | Office for National Statistics | Number of stoppages beginning in year. |
| | 2014 | 155 | 788,000 | 733,000 | | |

**2013 data not yet published. No available data for Croatia, the Czech Republic, France, Greece, Italy, Luxembourg, Malta and Slovenia, where there are no official statistics. Italy: Hours of strike per 1,000 worked hours in companies with 500 employees or more declined from 1.2 in 2013 to 1.0 in 2014 (provisional data according to [Istat](#), large firms' labour indicators).*

Snapshot of industrial action events

Eurofound’s network of European correspondents also reported on particular protest events. Although the data collection was not systematic and cannot claim to be representative of industrial action developments across Europe, this provides an illustrative snapshot.

Out of the 202 reported events, the majority (nearly half) took place at company level, followed by sector- and national-level strikes.

Table 13: Characteristics of the reported cases of industrial action

| Level of industrial action | Number of cases |
|----------------------------|-----------------|
| Company | 96 |
| Sectoral | 69 |
| National | 22 |
| Regional | 14 |
| General | 3 |

Main sectors affected

According to the reported incidents, including those that resulted in action short of a strike, the four sectors experiencing the highest number of strikes in 2014 were:

- transportation and storage (46);
- manufacturing (26);
- education (17);
- public administration (16).

A EurWORK topical update reviewing the reported incidences of industrial action within the public sector in 2014 – based on the reported cases – will be published in late 2015.

Causes of disputes

Some examples from the EurWORK correspondents’ quarterly reporting show that disputes over pay arrears or unpaid wages could have been the cause of industrial action in 12 countries and was the most mentioned cause of industrial action in 2014, as shown in Table 14. Individual cases involved either non-payment, late payments or non-payments of elements of a salary, for example bonuses. The second most likely cause of industrial action was over companies cutting costs or redundancies (in 10 countries), followed by wage increases; amendments to labour law or against government policies; or reorganisation, restructuring or privatisation (in seven countries).

Table 14: Causes of the reported cases of industrial action

| Causes | Country |
|---|--|
| Amendments to labour law or government policies | BE HR HU IT PL RO UK |
| Austerity | EL HU IT PT |
| Changes to bonus systems | PL |
| Collective agreement renewal or content | DE FI LU SE |
| Company cutting costs or redundancies | AT BE ES FI HR IE PL PT SE UK |
| Pay arrears or unpaid wages | BG CY CZ FI HR* HU IE LV PL RO SI UK** |
| Pensions or retirement age | BG DE FI IE UK |
| Public sector reforms | CY HU |
| Reorganisation, restructuring or privatisation | FR FI DE IE NL PT SE SI |
| Wage demands | AT FI IE NL NO SE UK |
| Welfare benefits | HU NL |
| Working conditions | HU PL PT SE |
| Working time | NO |

* *Non-payment of salaries is one of the most common causes of dispute in Croatia (see box below).* ***A UK report indicates that the most common issues going to tribunals were the non-payment of wages.*

Croatia: Non-payment of salaries

One of the most common reasons for industrial conflicts and disagreements in Croatia is the non-payment of salaries. In January–June 2014, a total of 7,461 employers employing 27,534 workers had not paid their workers' salaries. On 13 August, the Tax Administration announced it would publish a list of these employers on its website. The list shows that 5,945 of the non-payers had 23,115 employees and 1,516 of the non-payers were small businesses with 4,419 workers. A new Labour Act gives workers the right to strike the day after non-payment.

Summary

EurWORK reports suggest that social partners continue to engage in collective bargaining, with major trend-setting agreements having been concluded in 2014, for instance in Denmark, Norway and Austria. This emphasises the importance of collective bargaining within the European social model, as the European Commission has been keen to stress.

However, social partners assume this role often under considerable challenges. This might be due to legislative changes (in, for example, Spain, Portugal, Ireland, Slovenia and Greece), but also due to trend-setting rulings of the CJEU. At the same time there are also several examples across Europe that show how governments have attempted to promote the institutional role of collective bargaining (Germany, France and Estonia).

Regarding industrial action, measures that would affect the right to strike were proposed or implemented in several Member States in 2014. They included indirect limitations, such as on the right to bargain and ultimately to strike (such as Germany, where only one collective agreement per company will be permitted) or direct limits on the right to strike (such as Norway, Portugal and the UK). This development has prompted EU-level and international responses, such as the agreement in February 2015 between the International Trade Union Confederation and major employers' organisations that [reasserted the right to strike \(387 KB PDF\)](#). In contrast to these restrictions, there were also some examples on the extension of the right to strike, mainly including workers that had formerly been denied the right to strike, such as the police in Ireland, or Lithuania, where the right to strike has been better defined in legal terms.

Reports from the correspondents have highlighted more than 200 industrial action events, mainly caused by non-payment or late payment of wages as well as redundancies. Industrial action occurred most frequently in transportation and storage, manufacturing, education and public administration.

Figures on industrial action for 2014 (ETUI, 2015) suggest that 2014 has been the calmest year recorded since 1990. On average, 24 working days were lost per 1,000 employees. This is down from the recent peak of 70 days in 2010. A noticeable decline in working days lost was recorded in Germany (-29%), Denmark (-98%), Spain (-44%) and Sweden (-51%); there was a low level of stability in Austria (+1%) against increases in Finland (+56%), the UK (+78%), the Netherlands (+111%), Ireland (+194%), Belgium (+270%) and Norway (a substantial increase from the low level in 2013, which is linked to increased industrial action alongside the renegotiation of collective agreements).

4. Pay-setting and pay developments

The issue of pay and wages is central to employment relations but has recently attracted even more interest as a result of developments in the European economy and society as a whole after the economic crisis. This chapter examines the latest discussions on pay developments at a European level and across the Member States, including Norway, and within different contexts. The first part will look at the context and recent trends in pay and will examine wage-setting and wage bargaining before reporting on developments in collectively agreed pay and related debates. The second part looks into recent developments on statutory minimum wages.

At EU level

The Treaty on the Functioning of the European Union ([TFEU](#)) does not include provisions for pay as it recognises the autonomy of social partners to negotiate pay issues in each Member State. Nevertheless, both the European Commission and the European Council have made recommendations as wages and pay issues are important for the policy-making process not only within the EU as a whole, but also in individual Member States. In April 2012, the European Commission launched the [Employment package](#), a set of policy documents aiming to facilitate sustainable and inclusive growth. The package makes reference to modernising wage-setting systems and to aligning wages with productivity developments; to encouraging decent and sustainable wages; and to setting up an EU tripartite forum for monitoring and exchanging views on wage developments.

Following the economic crisis, the European Commission introduced a set of new policies – also known as ‘[European economic governance](#)’ – aimed at monitoring, preventing and correcting financial problems such as government deficits or public debt that pose an obstacle to economic growth. The Euro Plus Pact ([EPP](#)), introduced in 2011 as part of EU governance reforms, emphasises the importance of wages and collective bargaining systems to wage developments and also in relation to labour productivity (Eurofound, 2014c).

The level of wages was an issue of concern for the European trade unions ahead of the Tripartite Social Summit in March 2014. According to the [ETUC and a range of sectoral trade unions](#), real wages have been decreasing in the majority of Member States since 2009 and they have called for the EU to abolish austerity measures.

In addition, in March 2014 the European Commission adopted a [Regulation on the regulatory technical standards](#) defining the criteria to identify categories of staff whose professional activities have a material impact on an institution’s risk profile (the so-called ‘risk-takers’). The new provisions supplemented the Capital Requirements Directive (CRD IV) on ‘own funds requirements’, which took effect on 17 July 2013.

In March 2014, the European Commission also adopted a [recommendation on equal pay](#) for men and women which contains measures to enhance transparency.

Wage-setting and wage bargaining

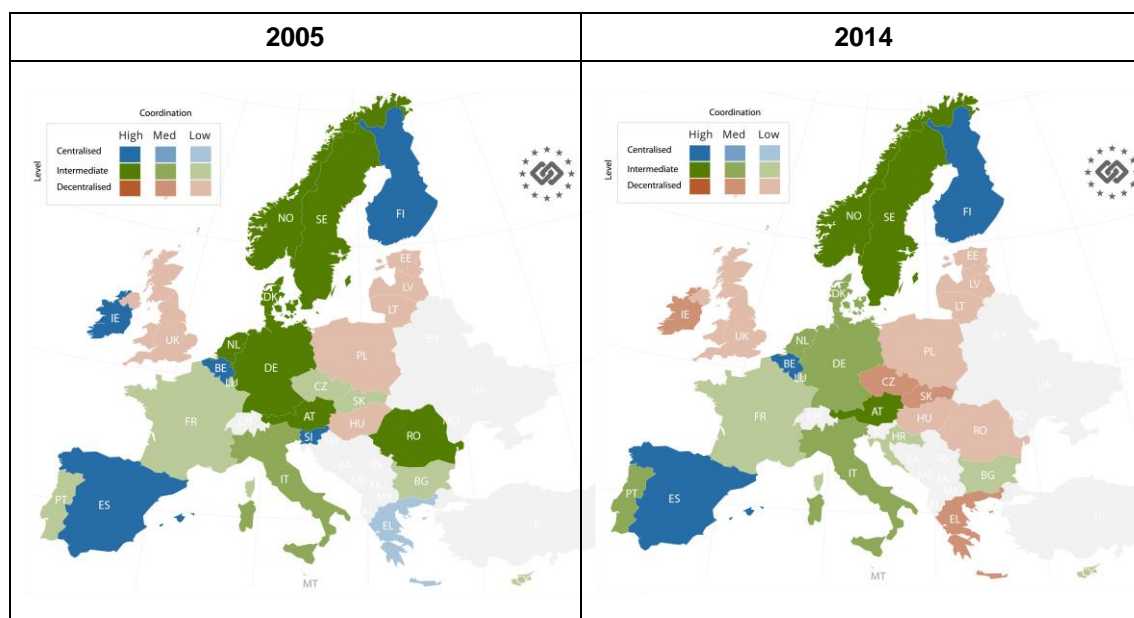
Pay and wage formation is closely linked to economic performance and growth, inflation rates, levels of productivity and general trends of a country’s labour market. In many European Union countries, [collective bargaining](#) is the main system of wage formation, and according to the European Company Survey 2013, six out of 10 employees (62%) are covered by some sort of collective agreement across the EU (in the private sector, working in establishments with more than 10 employees). However, collective wage bargaining coverage rates vary considerably across Member States. Around two in 10 workers are covered in the Baltic States, compared with around nine out of 10 in Finland, Spain, Italy or Austria.

This results from the fact that there is great variation between the different Member States' legal provisions for collective bargaining. Differences include:

- single employer agreements or multi-employer ones;
- whether agreements are extended to non-signatory parties;
- the existence of a wage adjustment system (wage indexation);
- trade union power;
- inflation rate, productivity and equality issues;
- how effectively the bargaining outcomes are applied.

Figure 6 shows the different collective bargaining systems across Member States, based on their predominant level of bargaining, as well as on the degree of coordination within the wage bargaining process.

Figure 6: Predominant level of wage bargaining and degree of coordination, 2005–2014



Source: EurWORK's [collective wage bargaining portal](#)

The economic crisis, which started eight years ago, was followed by rapid changes in wage formation systems as countries gravitated towards a more decentralised way of setting pay (Eurofound, 2014c). Although not all countries changed their systems entirely, those that implemented change did so as a result of specific conditions set by the European Central Bank (ECB) and the International Monetary Fund (IMF) as part of financial assistance packages. Countries affected by such developments include Greece, Cyprus, Spain, Romania, Ireland and Portugal. While many wage bargaining systems were subjected to changes and 'fine-tuned' in many Member States (see Eurofound, 2014a), the main features of most systems remained quite stable. The main changes took place in Ireland and Greece (with a move from national bargaining towards company-level bargaining) as well as Romania (which recently moved from sector-level towards company-level bargaining).

Automatic wage indexation mechanisms have recently come under pressure from national governments as well as the European Union. These mechanisms aim to link wage development with the evolution of living costs to ensure that real wages are not overtaken by inflation. However, after some temporary changes (in Luxembourg and Cyprus), those systems have continued in 2014 in each of the four Member States that have such a system (Belgium, Luxembourg, Cyprus and Malta).

In Belgium, during 2013–2014 the centralised collective bargaining between employer organisations and trade unions failed and as a result, the government decided not to allow extra wage increases above the automatic wage indexation. In doing this, the government effectively refused to recognise all collective agreements in which wage increases above the wage indexation are negotiated.

In Luxembourg in June 2014, after the social partners met and agreed, the government reintroduced the wage indexation system that had been suspended since 2012. According to a comparative analysis by the University of Luxembourg, there is no systematic difference of wage formation between countries with an automatic indexation mechanism and those without (such as France or Germany).

In Malta, the European Commission and employers' organisations put pressure on the government to abolish the Cost of Living Allowance (COLA) because it has been considered to be an obstacle to productivity. However, the Finance Minister maintained that COLA should remain as it helps workers on the minimum wage and therefore is seen as contributing to greater equality.

More detailed information can be found in Eurofound's [annual update on pay](#).

Towards the recentralisation of wage-setting

Despite the often cited overall trend of the 'decentralisation' of collective bargaining, several countries showed a tendency in 2014 to 'recentralise'. This was the case in Slovakia, where a [turning point in collective bargaining](#) was reached when several sector-related collective agreements were extended to non-signatory parties for the first time since 2010; and in Ireland, where in several low-paid sectors there was a [return to setting minimum pay and conditions at sectoral level](#). In Romania, against the background of no sector-level collective agreements being in place between 2011–2013, the signing of two sectoral agreements in the public sector in 2014 is another example of a small step towards recentralisation (however, they were not extended to cover the whole sector). In Greece, there also seemed to be a slight movement back to sector-level pay-setting, as the newly signed agreement within the tourism sector was the first sectoral agreement since 2010 that provided for pay increases. Employees in the same sector in Austria had also been led to expect that they would have their pay set at regional level instead of national level, but that did not then happen. In the United Kingdom, where there is a predominance of market-/company-level wage-setting, an employment tribunal ruled in one case that localised pay awards cannot replace national and regional collective agreements.

While this shows that the recent reforms made to wage-setting mechanisms continue (and not necessarily in one direction), some systematic changes are likely to be more permanent. In Ireland, the social partners have ruled out a return to national collective bargaining. In Portugal, collective bargaining coverage [has remained at very low levels for the third consecutive year](#), even though both multi-employer agreements and company-level agreements were increasing slightly in 2014. Only 246,388 workers were covered in 2014, down from 1,894,788 in 2008. Sector-related collective bargaining in Romania also continues to be restrained.

Ireland: Social partners rule out return to national-level collective bargaining

In Ireland, following its exit from the Troika bailout in December 2013, issues regarding recovery and return to growth have resulted in a debate about a possible return to national wage bargaining. However, the social partners have ruled this out at the present time. The employer body IBEC has called for an increase in domestic consumption through tax cuts, while unions oppose this policy and continue to lodge pay claims at enterprise level. In March 2014, the Minister for Jobs, Enterprise and Innovation similarly dismissed a return to national bargaining, stating that the idea that Ireland has reached a point in its recovery ‘that there is a one-size-fits-all [approach] for all the different sectors out there that are facing very different conditions is not a realistic appraisal of where we are at’.

Table 15: Examples of changes in wage-setting

| Examples of return to more centralised (sector-level) wage-setting | |
|--|--|
| EL | A new sectoral collective agreement has been signed between the Federation of Greek Hoteliers and the Federation of HORECA Workers. The agreement will last for two years (1 January 2014 to 31 December 2015) and covers about 130,000 workers in the tourism sector. The agreement freezes pay for 2014 with an increase of 1% in 2015. Due to the severe financial situation, this was considered a positive move. |
| IE | In January 2015, the sectoral minimum wage was re-established for six low-paid sectors: hospitality, catering, retail, contract cleaning, security and agriculture. While the signing of establishment orders for new JLCs for these sectors does not itself set minimum pay and conditions, it puts in place the sectoral bodies that will have the power to agree those minimum standards. |
| RO | Two sectoral collective agreements were signed in 2014, both within the public sector: for the healthcare and veterinary activities sector (the collective agreement from 21 November 2013, signed between the Ministry of Health and Sanitas Federation, CNS.SAN.Asist, CNS Cartel Alfa, BNS, CNSLR Fratia and CNS Meridian) and for the pre-university education sector (collective agreement from 13 November 2014, signed between the National Federation of Free Unions from Education, FSLI, FSI Spiru Haret and the Ministry of Education). However, neither of these agreements has been extended to the sectoral level and their provisions apply only to the bodies that have signed the agreements. |
| SK | In Slovakia, the extension of five multi-employer collective agreements in the third quarter of 2014 by the Ministry of Labour, Social Affairs and Family (MPSVR SR) can be considered as a turning point in collective bargaining. Up until then, no extensions had been implemented in the country since 2010. The extensions covered passenger road transport, mechanical engineering, metallurgy, the extractive industry and geology and increased the total number of companies covered by collective agreements in the above-mentioned sectors from 53 to 239, and the total number of covered employees from 35,620 to 58,230. |
| Examples where the status quo of sector-level/multi-employer bargaining has been maintained | |
| AT | Proposals to further decentralise tourism’s sector-level agreement from national to regional level were not implemented in this sector, which covers about 200,000 |

| | |
|----|--|
| | workers. After several months of stalemate because of disagreements over working time, the employers (Sparte Tourismus und Freizeitwirtschaft) in the Austrian Chamber of the Economy (WKO), suggested negotiating different agreements with the nine provincial representatives. Although the trade union did not want wages to disperse further than the wage tables in the collective agreement (which reflected the different costs of living in the provinces), the social partners finally reached a countrywide agreement. |
| SE | A new study examines the wage formation process and how different types of collective agreement affect it. It concludes that wage formation, in practice, is often less localised than collective agreements allow for and that the norm-setting ‘cost mark’ set by the industrial sector is still important for determining the level of wage increases. |
| UK | Although company-level bargaining predominates in the UK, an employment tribunal ruled in one case that localised pay awards cannot replace national and regional collective agreements. Bromley council has been ordered to pay compensation to 18 staff totalling more than GBP 64,000 after the tribunal found that the council had written to staff asking them to agree to a localised pay award, which would replace national and regional collective agreements. The case was brought by 18 UNISON members who did not sign the new deal, some of whom were subsequently dismissed and re-employed on different terms and conditions. Employers are not allowed to make offers to employees that result in contract change so that their terms and conditions are no longer determined by collective agreement. |

Wages reflecting differences in productivity

In the recent past, the policy debate around wage-setting – both at European and the national level – has reflected the view that wages should better reflect differences in productivity developments. A recent [EurWORK topical update on wage-setting mechanisms](#) looked into both the country-specific recommendations that Member States have been given and related debates and reforms, notably in the area of setting minimum wages. It concluded that overall, the reported debates and initiatives – even though many are still simply proposals – seem to point towards some kind of potential convergence in wage-setting at the lower end of the wage distribution. In several countries with a long tradition of minimum wages being set by sectoral- and company-level agreements, some parties were wondering whether to introduce statutory, universally binding minimum wages. Conversely, in several countries with a universally binding wage, in which collective bargaining coverage rates are otherwise very low, proposals to ‘differentiate’ minimum wages by sectors or regions could result in a greater diversity of wages at the lower end of the distribution. However, the article also concluded that it was too early to suggest that such a convergence was actually happening, as in most cases the status quo seemed to prevail. Yet the European-level discussions around wage-setting related to the country-specific recommendations show that at the level of debate and proposals, some potential for convergence can be detected (for more on this, see the subsection on statutory minimum wages).

In addition to the debates and proposed reforms regarding a more differentiated setting of minimum wages, the national reports from 2014 also contained some examples of introducing more flexibility in wage-setting. This could be through:

- promoting variable pay linked to individual performance as a counter measure to wage freezes (as in the Spanish or Greek public sector);
- making wages more responsive to company-level productivity developments instead of sector-level ones (such as in Italy);

- agreeing increases for a shorter period (as in the example from the UK).

At the same time, some patchy data from the quarterly reports also suggest that after the crisis, there might have been a fall in the payments on top of basic pay or in the number of employees that are eligible to receive variable pay. For instance, in the Netherlands the proportion of employees covered by agreements containing provisions on variable pay has decreased (from 85% in 2009 to 65% in 2013). In Romania, the proportion of fixed income (basic salary and fix bonuses) now stands at 92% of the total remuneration package (in comparison with 69% in 2008) and in Luxembourg the share of remunerations that are not paid with each salary (such as year-end bonuses) has declined in comparison to 2008 but still accounts for 9.5%.

A more in-depth analysis of changes in remuneration and reward systems is to follow in 2016

Table 16: Changes in variable pay

| Examples of introducing more flexibility in wage-setting | |
|---|---|
| ES | In September 2014, the Spanish Government announced the preparation of 'variable pay plans' as a way of compensating for the wage freeze in the tax and social security departments. At the same time, it was considered as a tool to fight fraud. Under this scheme, civil servants would be able to increase their salary by around 12%. |
| EL | The Minister of Administrative Reform announced that a scheme to award productivity bonuses to civil servants exhibiting high efficiency would be put in place. |
| IT | On 21 November 2012, the government signed an agreement on productivity with the main employers' organisations and trade unions (except the CGIL). The agreement is linked to the extension to the 2013 and 2014 de-taxation of productivity bonuses enacted by the 2012 Budget Law (Law 228 of 24 December 2012). |
| SE | The National Mediation Office's annual report says that collective agreements with indefinite length have become more common and that more employees are covered by agreements without a fixed pay increase. |
| UK | A report from the Labour Research Department refers to two recent pay deals that have moved away from the annual approach to wage-setting. The Scottish Decorators' Federation has entered into a six-month deal with UCATT, the construction union, providing a rise in the basic rate of 1.47%. Heinz's Kitt Green plant in Wigan has entered a 20-month deal with Unite to bring its negotiating year into line with its fiscal year. The deal provides a 2.75% general pay increase. |
| Examples of decline in variable pay | |
| NL | In the Netherlands in 2014, the Labour Inspectorate (Inspectie SZW, ISZW) published new figures on contractual arrangements in collective agreements on variable pay . In a sample of 100 agreements, 72 (covering 3.3 million employees) contained provisions on variable pay. Provisions for one-off bonuses and structural pay such as a 13th month or annual bonuses were more common (58 agreements on performance-related pay (PRP) including profit sharing (31 agreements). Variable pay provisions are more frequent in company agreements (24 out of 27) than in sector agreements (48 out of 73). A key finding is that in 2009–2013, the proportion of employees covered by agreements containing provisions on variable pay decreased (from 85% in 2009 to 65% in 2013). The main cause is a decrease in 2009–2011 in the number of |

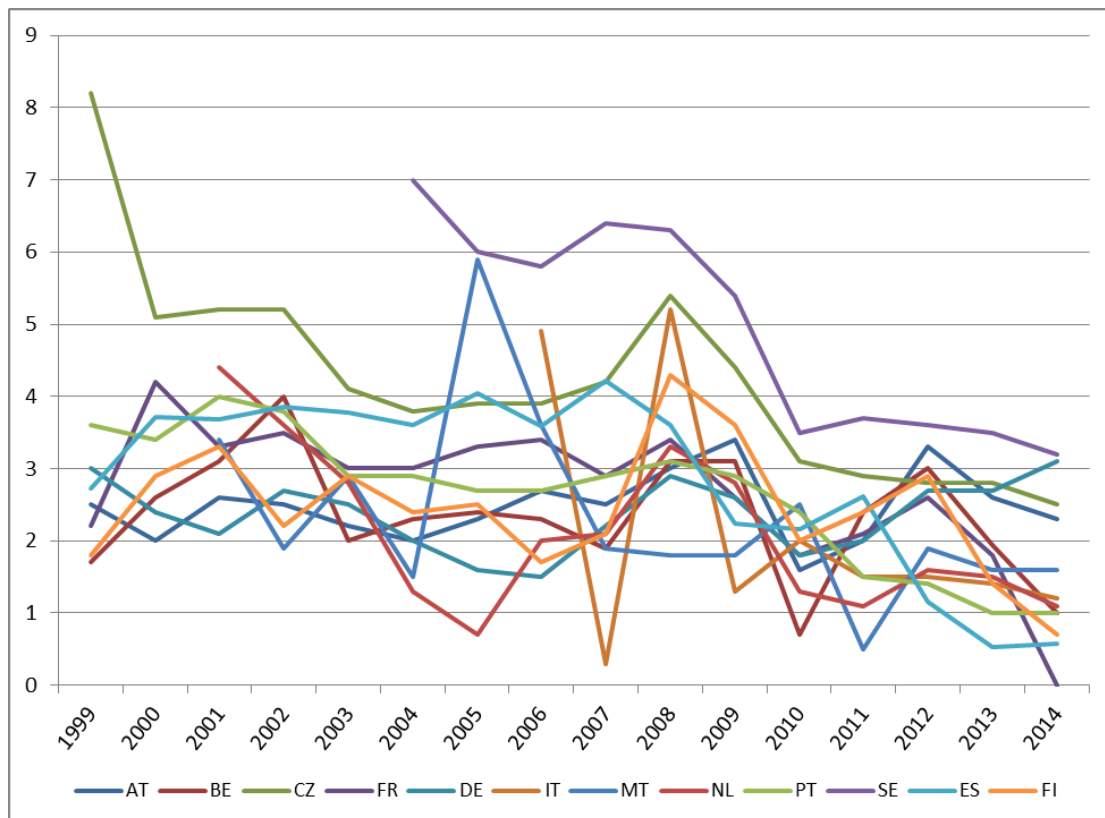
| | |
|----|---|
| | employees that are entitled to receive an annual bonus. In 2012–2013, the percentage was more stable than in the previous years. |
| LU | STATEC, the National Institute for Statistics and Economic Studies, has published the detailed results of its four-yearly labour cost survey (in French, 223 KB PDF) . These include key indicators of the level of labour costs and a detailed analysis of the various components of that cost. The average hourly cost is €33.91 in 2012, against €30.96 in 2008, corresponding to an average growth of 2.3% per year. The labour cost in the financial and insurance sector is three times higher than in the administrative and support services sector and the accommodation and food service activities. Wages and salaries account for 86% of that cost, whereas employers' social contributions represent 13%. The share of ex gratia payments (such as annual bonuses) has declined in comparison with 2008 but still accounts for 9.5%. |
| RO | A 2014 study by Paywell Romania (in Romanian) shows a decreasing trend in certain extra salary benefits, such as social benefits (meal tickets, transport), insurance benefits (life insurance, medical, private pensions schemes), statute benefits (car, phone) or benefits related to life style (sports and recreation, childcare). Fixed income (basic salary and fixed bonuses) now represent 92% of the total remuneration package (in comparison with 69% in 2008), while performance bonuses fell from 5% of the total remuneration and extra salary benefits to 3%. |
| FR | In 2012, more than 83% of French employees received a bonus or an additional payment. The total sum corresponds to 13% of the total gross salary, according to a study recently published by Dares . The results suggest that variable payments have decreased during the crisis. |

Developments in collectively agreed pay

Collectively agreed pay is the outcome of negotiations between trade unions and employers or employer organisations. Only a limited number of Member States record such outcomes systematically in databases. Figures collected over the years (see Eurofound, 2014c) show that collectively agreed pay, as of 2014, is growing at higher rates than in the very moderate years of growth immediately after the 2008 crisis. However, growth in nominal terms appears to have slowed down and has not returned to the pre-crisis growth rates (compare Figures 7 and 8). However, this still needs to be related to price developments. Price increases slowed in 2014, resulting in deflation in some countries, with a positive impact on the purchasing power of wages.

Figure 9 shows the developments in collectively agreed pay in real terms. Real collectively agreed wages have declined most in the UK since 2005 and they are also below their 2005 increases in Malta. In Belgium, real collectively agreed wages appeared to be most stable, most likely as a result of the automatic indexation mechanism. In Finland, Italy, the Netherlands and Spain, collectively agreed pay in real terms has returned to its 2005 level following periods of growth, while in the other Member States, real collectively agreed wages have grown compared with 2005, albeit at moderate rates. The highest growth was recorded in Slovakia, followed by the Czech Republic and Sweden.

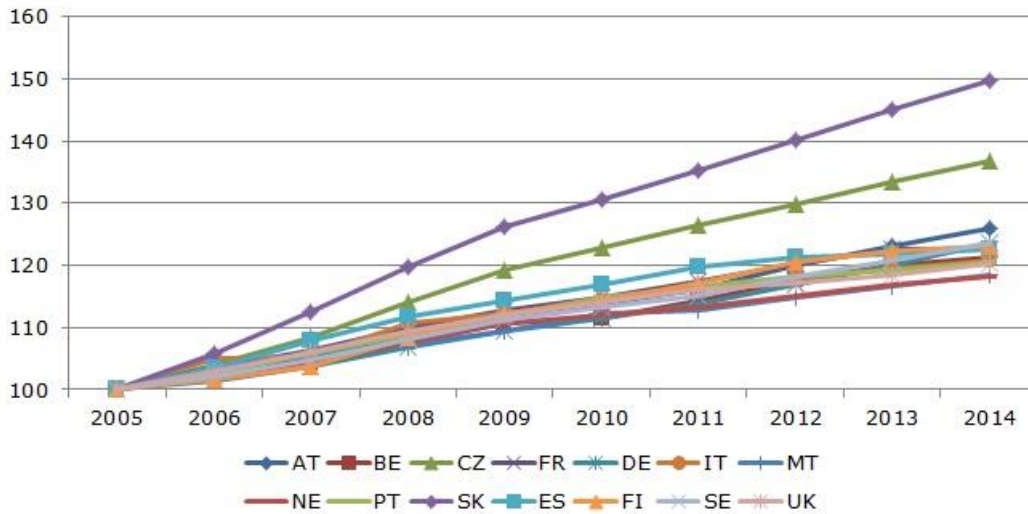
Figure 7: Developments in collectively agreed pay, 1999–2014



Percentage change compared with previous year in nominal terms.

Source: Eurofound (2015a) based on national sources; see also the EurWORK collective wage bargaining portal

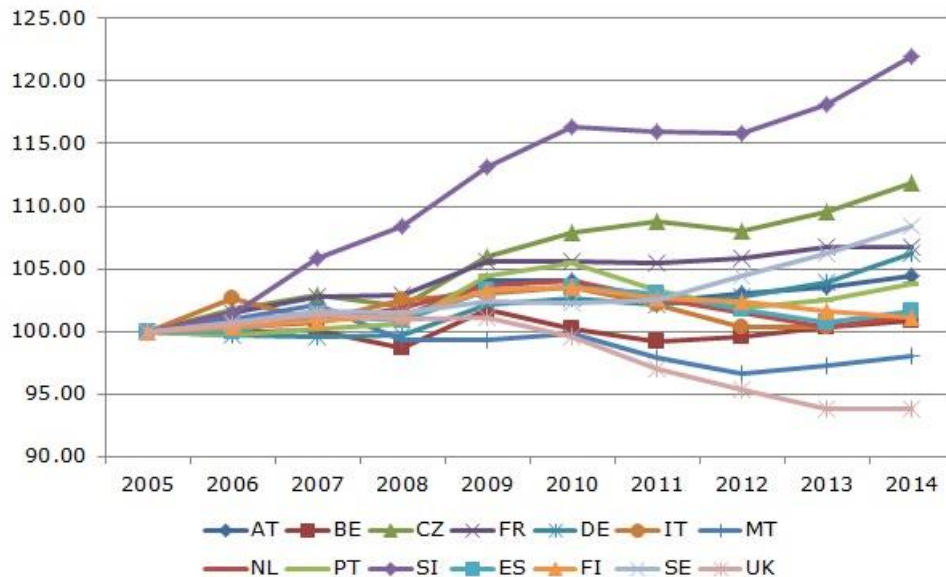
Figure 8: Developments in collectively agreed pay, 2005–2014



Index, 2005 = 100; in nominal terms

Source: Eurofound (2015a) based on national sources; see also EurWORK’s collective wage bargaining portal

Figure 9: Developments in collectively agreed pay, 2005–2014



Index, 2005 = 100; in real terms

Source: Eurofound (2015a) based on national sources, see also the EurWORK collective wage bargaining portal

Debates around pay developments

Current debates need to be looked at in the [context of wage policies following the crisis \(1.9 MB PDF\)](#), including wage moderation, pay freezes and pay cuts, often in an attempt to promote job security. While prospects have continued to improve in 2014 (for example public

sector pay moderation coming to an end, real growth in pay, collective bargaining resuming in several Member States), the effects of the crisis appear to have resulted in a growing feeling of insecurity and underpayment. (See also [EurWORK topical update on pay developments Q2 2014](#); [Eurofound's annual update on pay](#)). After the 2008 economic downturn, the discussions on pay in the form of wages or pensions have intensified, raising questions on equality and social justice, especially in countries with considerable debt.

A major debate on the 'living wage' – a wage above the current level of minimum wages which allows a decent standard of living – originated in the UK but also keeps popping up, in varying degrees of breadth and depth, in other Member States, such as Hungary or Ireland.

United Kingdom: Debate on the living wage

In the UK, the minimum wage is not considered adequate, especially in cities such as London, and campaigners have long argued for a living wage instead. Currently, this is paid by employers on a voluntary basis and discussions are usually within the context of the national minimum wage. A [final report](#) was launched in June 2014 by the living wage commission, drawing support from a variety of social partners. The living wage has been part of the 2015 government budget discussions.

Reporting from the correspondents also showed a notable turnaround in the discussions regarding the level of wages. Dissatisfaction with wages has started to concern employers in several Member States, including Spain or Belgium.

- In Spain in March 2014, the president of the Spanish Confederation of Business Associations (CEOE) explained that the CEOE disagrees with suggestions from Europe that salaries should be cut further to make Spain more competitive. He also said that the CEOE signed an agreement with Spanish trade unions for 2012, 2013 and 2014, and decided to increase salaries by market niche, according to the competitiveness and productivity of each company.
- In Belgium, the government has halted any pay increases above the automatic indexation level, which hampers sectoral collective bargaining. In economically strong and well-paying sectors, such as the chemical or metal industries, however, it has been reported that employees, unhappy with this arrangement, have gone on strike, as shown by [industrial action at AgfaGevaert, Lanxess and ArcelorMittal \(in Dutch\)](#).
- In the UK, a report by the Chartered Institute for Personnel and Development (CIPD) asks whether there has been an 'end to the pay rise'. It says employee satisfaction with pay has held up remarkably well, but this may change with stronger economic growth. Employers may need to adapt engagement and motivation strategies if they cannot satisfy their workers' assumptions about getting steady increases in real pay.

Statutory minimum wages

A statutory minimum wage sets the lowest wage that an employee or certain group of employees can receive. In 2014 most Member States had such an arrangement, except for Denmark, Italy, Cyprus, Austria, Finland, Sweden and Norway, where minimum wage levels are set within sectoral collective agreements.

The most significant development on wages in 2014 was the planned introduction of a statutory minimum wage of €8.50 per hour in Germany from 1 January 2015. The internal discussions on this in Germany focused on details such as:

- setting levels via a tripartite wage commission as of 2017;
- transition periods for various sectors;
- research about its likely impacts.

These debates affected the few Member States that do not have a statutory minimum wage. The Italian government included in the reform of its Jobs Act the possibility of introducing a statutory minimum wage, but it was not implemented after unions criticised the idea, highlighting the risks of downward pressure on collectively agreed wages. In other countries

such as [Finland](#), [Denmark](#) and Austria, debates on this were quite short-lived and between individuals, as there was shared consensus among the main actors to keep the status quo of collectively agreed minima.

In [Norway](#), there is no national minimum wage but as a result of increasing labour migration, collective wage agreements have been used in sectors with migrant workers, especially in cases where payment is substandard. And in Sweden, too, a minimum wage is being set by collective agreements. In practice, therefore, the extension of collective agreements means introducing a minimum pay rate within a particular sector.

Germany: Lead-in to the statutory minimum wage

The introduction of a statutory minimum wage was agreed in autumn 2013 by the coalition government. Draft legislation by the labour minister was endorsed by Parliament on 2 April 2014. It contains the following main elements:

- A statutory minimum hourly wage of €8.50 across all industries and German regions from 1 January 2015.
- Workers excluded from this are unskilled people aged under 18 years, apprentices, interns (as long as the internship is part of vocational or tertiary education or of a defined ‘testing period’ of six weeks), unemployed people being trained and newly hired long-term unemployed people for the first six months of employment.
- From 2017, the wage level will be annually adjusted by a minimum wage commission. The commission, established by the labour minister, comprises three representatives from the trade unions, three from the employers’ side and two independent researchers (to be appointed by social partners). A chairperson shall be jointly chosen.
- Collectively agreed sectoral minimum wages, extended under the Posted Workers Act, will stay in place until 31 December 2016 even if they undercut the statutory minimum wage.

Following the crisis, as of 2009, minimum wages were frozen or increased only moderately in many Member States, although for different lengths of time. However, as of 2014, most Member States have begun to increase their minimum wage levels again. Figure 10 provides an overview of the development in statutory minimum wages since 2009. It displays three sets of information:

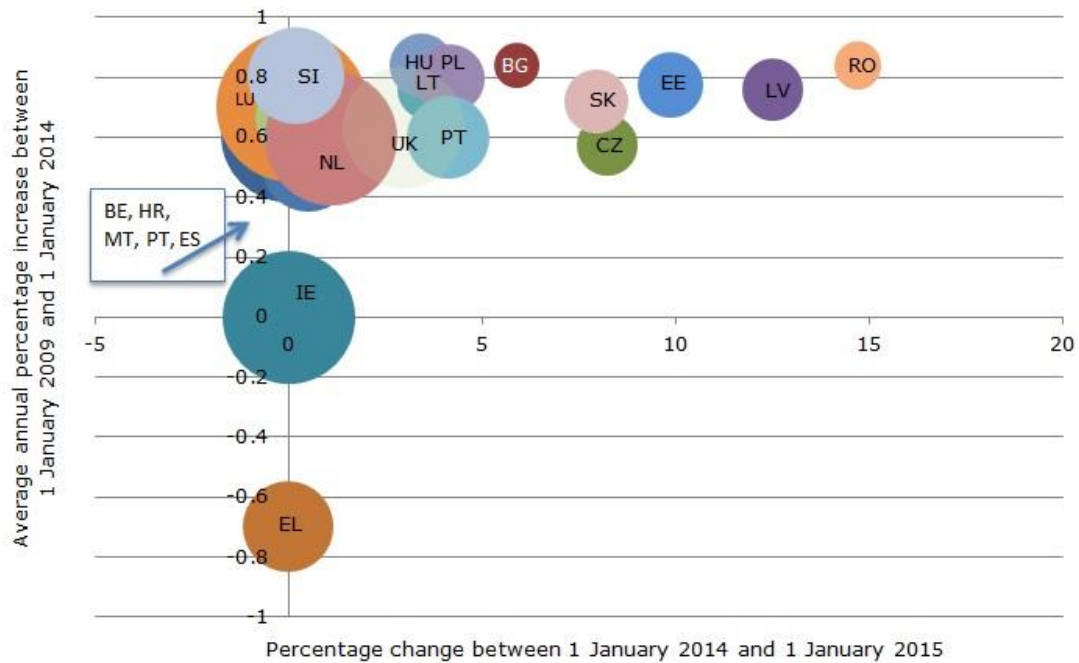
1. how statutory minimum wages (in national currency) have changed over the ‘medium term’ – between 1 January 2009 and 1 January 2014 (y-axis);
2. how statutory minimum wages (in national currency) have changed recently – between 1 January 2014 and 1 January 2015 (x-axis);
3. the level of the statutory minimum wage as of 1 January 2014 in euros per month (size of the bubbles).

The figure shows the more favourable development in several Member States compared to the years immediately following the crisis. While between 2009 and 2014 the average annual increase stood at only 0.7% in the median country (and not one single Member State went above a 1% change in the annual average), it went up to 3.0% between 2014 and 2015. In several Member States the recent growth in minimum wages was considerably higher than in the past five years: over 8% in Romania, Latvia, Estonia, the Czech Republic and Slovakia; above 3% in Bulgaria, Poland, Portugal, Lithuania and Hungary; and at 3% precisely in the United Kingdom. In Portugal, the recent increase of +4.1% was the first since 2011.

Notable in this regard is that for some non-eurozone Member States, recent developments in their exchange rate against the euro did alter the value of their national minimum wages in euro terms. In Hungary, the 2014 increase of 3.4% in forint would change to -2.6% in euro, although the UK increase of +3.0% in the same year would be equivalent to +10.2% in euro.

Minimum wages continue to be frozen in Ireland and Greece and they are also nearly at the level of the year before in Belgium, Croatia, Luxembourg and Slovenia, where (quasi-) automatic indexation mechanisms combined with low inflation resulted in virtually no change.

Figure 10: Developments in statutory minimum wages since 2009



Five-year annual average (2009–2014) compared with 2014–2015, percentage increases; size of bubble indicates level as of 1 January 2014

Source: Eurostat, monthly minimum wages, bi-annual data (earn_mw_cur), own calculations

Table 17: Developments in statutory minimum wages since 2009

| | Annual averages, percentage change from previous year | | Level in euro per month | |
|----|---|-------------------|-------------------------|----------|
| | 1.1.2014–1.1.2015 | 1.1.2009–1.1.2014 | 1.1.2014 | 1.1.2015 |
| BE | 0.0 | 0.6 | 1,501.82 | 1,501.82 |
| BG | 5.9 | 0.8 | 173.84 | 194.29 |
| CZ | 8.2 | 0.6 | 309.91 | 337.58 |
| EE | 9.9 | 0.8 | 355 | 390 |
| IE | 0.0 | 0.0 | 1,461.85 | 1,461.85 |
| EL | 0.0 | -0.7 | 683.76 | 683.76 |
| ES | 0.5 | 0.5 | 752.85 | 756.7 |
| FR | 0.8 | 0.6 | 1,445.38 | 1,457.52 |
| HR | 0.4 | 0.6 | 395.67 | 398.9 |
| LV | 12.5 | 0.8 | 320 | 360 |
| LT | 3.6 | 0.8 | 289.62 | 325 |
| LU | 0.1 | 0.7 | 1,921.03 | 1,922.96 |
| HU | 3.4 | 0.8 | 341.7 | 333.41 |
| MT | 0.3 | 0.7 | 717.95 | 720.46 |
| NL | 1.1 | 0.6 | 1,485.6 | 1,507.8 |
| PO | 4.2 | 0.8 | 404.4 | 417.55 |
| PT | 4.1 | 0.6 | 565.83 | 589.17 |
| RO | 14.7 | 0.8 | 190.11 | 234.77 |
| SI | 0.2 | 0.8 | 789.15 | 790.73 |
| SK | 8.0 | 0.7 | 352 | 380 |
| UK | 3.0 | 0.6 | 1,251.05 | 1,509.7 |

Source: Eurostat, monthly minimum wages in national currencies (changes) and in euro (levels), (earn_mw_cur), own calculations

Several Member States also have specific minimum wage rates for young people in order to promote their employment opportunities. A good example is the Netherlands, which not only runs a very fine-tuned scheme of sub-minima for different youth age cohorts, but wage-setting within collective agreements also takes young people into consideration. With high youth unemployment across many Member States, there were discussions in several of them on whether young people should be paid the same (minimum) wages as adults (such as in Spain and Germany). Those not in favour of this pointed out the potential increase in precariousness and in-work poverty (see evidence from Polish or UK research) that lower pay would entail, as well as the possible substitution effect of workers based on age (see the German research in the box below).

Table 18: Research and debates on sub-minima for young workers

| | |
|-----------|---|
| DE | A WSI study found that in certain sectors, not paying young workers a minimum wage might lead to low-paid young workers substituting older workers (in German, 582 KB PDF) (Amlinger et al, 2014). |
| ES | Spain does not have a differentiated minimum wage system and trade unions have opposed the idea of a ‘youth minimum salary’ (in Spanish) , which has been proposed by business organisations. Unions argue that a minimum wage will increase discrimination and raise precariousness for young people. |
| NL | All collective agreements contain specific wage scales for young employees, higher than the statutory minimum wage for young employees and ranging from 8.5% on average for a 22-year-old to 23.4% for an 18-year-old. A recently published report shows that in 2009–2013, minimum wages for young employees in collective agreements moved further from the statutory level than adult minimum wages did. |
| PL | Recent findings by the Centre for Social Prevention (Centrum Profilaktyki Społecznej) and the Department of Pedagogics of the Academy of Business found that young employees in particular are often in precarious forms of employment, as over 30% of people aged 20–30 have civil law contracts or are paid the minimum wage. Of those, 57% admit to receiving part of their earnings ‘under the table’. |
| UK | The Resolution Foundation , in its fourth annual low pay audit in 2014, found that young people and other vulnerable groups are at risk of low pay (1.51 MB PDF) . |

Summary

Wage-setting has been decentralised at an increasing pace since 2008 in Europe and it tends to be done more at company level instead of sector level. While in most Member States such changes fine-tuned aspects of existing wage-setting systems, in 2014 changes in other countries were more fundamental, notably in Ireland, Greece and Romania.

Reports from 2014 again confirm the general trend towards more decentralisation or the introduction of more flexibility in the wage-setting process, yet they also suggest that it is not a one-way street, as there is some evidence of a move towards more centralised wage-setting, such as:

- the change of extension rules in Slovakia;
- the conclusion of the first sector-related agreement in Greece since 2010 that provided for pay increases;
- the re-establishment of sectoral minimum wages for certain low-paid sectors in Ireland;
- the ruling by a UK employment tribunal that a local pay award could not replace a national and regional collective agreement.

In general, collectively agreed pay in 2014 was growing at a higher rate than in the very moderate years of growth immediately after the 2008 crisis. However, growth in nominal terms appears to have slowed down and has not returned to the pre-crisis growth rates. By contrast, developments of real, collectively agreed wages have been diverse, with the UK and France showing considerable declines (between 2005–2014), while the highest growth rates were recorded in the Netherlands and the Czech Republic during the same period.

Minimum wage growth turned out to be quite high in several Member States in 2014, with the median increase between 1 January 2014 and 1 January 2015 standing at 3.0%, compared with only 0.7% annually between 2009 and 2014. Higher growth was mainly recorded in those Member States with quite low levels of minimum wages (such as Romania, Latvia and Estonia); Portugal saw the first increase since 2011. Minimum wages continued to be frozen

or virtually so in others, such as Ireland and Greece, but also in Belgium, Luxembourg, Croatia and Slovenia, mainly because of low inflation.

The introduction of a new statutory minimum wage in Germany was one of the dominant areas of interest and debate, not only among German businesses, workers and governments – regarding its likely impact on employment and the details of its implementation – but spreading across Europe, in particular to those Member States that do not yet have a statutory minimum wage. The most wide-ranging step was made by the Italian government, which included the possibility of introducing a statutory minimum wage in the reform of its Jobs Act. However, it was not implemented after unions criticised the idea, highlighting the risks of downward pressure on collectively agreed wages. In other countries (for example in Finland, Denmark and Austria), these debates appeared to be short-lived as there was a shared consensus among the main actors to keep the status quo of collectively agreed minima.

5. Working time

Working time has a major impact on quality of life and work–life balance and is one of the areas of employment in which the EU has intervened through legislation to improve working conditions. On the basis of previous directives ([Council Directive 93/104/EC of 23 November 1993](#) and [Directive 2000/34/EC of the European Parliament and of the Council of 22 June 2000](#)), the EU adopted the [Working Time Directive](#) (Directive 2003/88/EC of 4 November 2003) in 2003, which lays down provisions for a maximum 48-hour working week (including overtime), rest periods and breaks, and a minimum of four weeks' paid leave per year.

On a national level, however, wide variations on working time continue to exist among Member States. This is true not only for work duration (such as the number of hours worked or part time, full time and overtime), but also for the organisation of working time (such as night work, weekends or shift work; and regularity, variability or rest and recovery). Making both work duration and organisation more flexible has become a key issue for employers and workers. Employers see working time flexibility as a way of encouraging greater levels of productivity, while employees see it as key to improving work–life balance. Working time flexibility has a [key influence on the labour market participation](#) of men and of women in particular.

During 2014, several Member States introduced and/or proposed amendments to labour laws that mirror this general trend to introducing greater labour market and working time flexibility. They involve changes to working time, increasing working time flexibility and non-standard working hours. For instance, the draft of a new labour law in Croatia has proposed further liberalisation of labour laws, while in Poland, amendments to the Labour Code include greater flexibility and extensions to Sunday and holiday working. Often these changes include more [non-standard working time](#) and a growth in involuntary non-standard working time.

This section expands on the changes to working time standards in 2014 at EU and national level. It starts with highlighting relevant changes at EU level and gives an overview of developments at national level, both in terms of work duration and work organisation.

At EU level

Working time flexibility, work–life balance and new employment forms are key issues at EU level. Debates concerning revisions to the [Working Time Directive \(2003/88/EC\)](#), which have been continuing since 2008, remained unresolved in 2014. The European Commission is reviewing the Working Time Directive (2003/88/EC) and is in the process of producing a detailed impact assessment. This follows consultation with employers and workers' representatives in which the EC has been unable to reach an agreement on revisions to the directive, with employers wanting more flexibility and unions more effective protection, especially with regard to the increasing number of [opt-out clauses and derogations from the directive \(642 KB PDF\)](#).

The recent developments in relation to business opening hours and work performed on Sundays have prompted the formation of the European Sunday Alliance, a civil society movement at EU level. In January 2014, this network of trade unions, civil society organisations and religious communities launched a [pledge for a work-free Sunday and decent work](#), aimed at committing European politicians to the principle of a common weekly day of rest. At the EU Parliament on 3 March 2014, it launched the first [European Interest Group on Work–Life Balance](#), which is to enable discussions between EU parliamentarians and civil society representatives on how to ensure that EU legislation respects and promotes workers' health and promotes a better work–life balance.

Working time duration

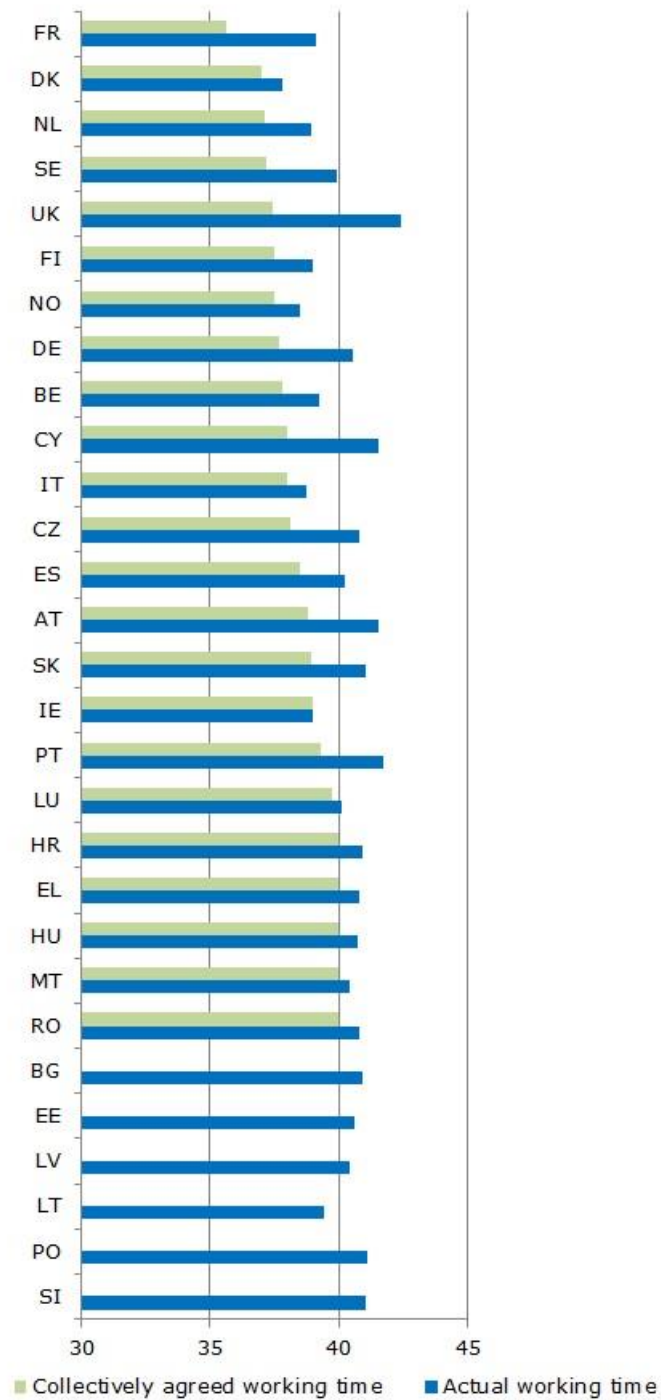
Despite these lobbying and bargaining procedures at EU level, variations on working time continue to exist in 2014, especially regarding work duration, both in terms of collectively agreed standards and actual working hours.

Collectively agreed working time

Working time is regulated in Member States through [collective bargaining, legislation or a combination of both \(765 KB PDF\)](#).

Data on collectively agreed working time for 2014 from [Eurofound's annual update on working time](#) shows significant variation across Member States. As Figure 11 shows, collectively agreed normal weekly working hours are shortest in France, Denmark, Sweden, Finland, the Netherlands and Norway. Average collectively agreed normal annual working hours (which includes leave and holidays) are again shortest in France, Germany, Denmark, Sweden and Norway and longest in the New Member States (NMS13), particularly Hungary, Romania and Croatia, followed by southern European countries, including Greece, Malta and Portugal. The average collectively agreed weekly working time in the EU, of 38.1 hours, did not change between 2013 and 2014. In both years, the working week also remained, on average, 30 minutes shorter than the EU28 average in the EU15, and more than 90 minutes longer in the newer Member States.

Figure 11: Comparison of average collectively agreed working week with actual working time, 2014



Note: In Estonia, Latvia, Lithuania, Poland and Slovenia, working time is not defined through collective bargaining, therefore data on collectively agreed working time are non-existent. In Bulgaria, although collective bargaining covers working time in parts of the economy, there are no data available for any estimate to be made.

Source: Eurofound (2015b)

Slovakia, Spain, Sweden and the UK were the only countries registering changes. While Slovakia and the UK registered an increase of 0.1 hours per week in 2013, they had a decrease of 0.1 and 0.3 hours, respectively, in 2014. Spain recorded a collectively agreed weekly working time that was 0.5 hours higher in 2014 than in 2013, adding to the increase of 0.3 hours registered between 2013 and 2012. Sweden registered an increase of 0.1 hours in the same period. These changes did not affect the estimate for the EU28, which remains at 38.1 hours in 2014, the same as in the three previous years. France remains the country with the shortest average collectively agreed working week (35.6 hours).

Actual working time

A slightly different picture is shown by the [actual numbers of weekly hours worked \(765 KB PDF\)](#) as they derogate from collectively agreed working time standards in most countries. In fact, actual weekly hours worked by full-time employees were longer than the average normal collectively agreed working week in 20 of the 29 countries (Member States and Norway). According to Figure 11, full-time employees in Romania reported the longest actual weekly working hours in their main jobs in 2014 (41 hours, the same as in 2012 and 2013). They were followed by employees in Luxembourg (40.9 hours), the UK (40.9 hours), Portugal (40.4 hours), Germany (40.3 hours) and Poland (40.2 hours). Employees in Finland and France worked the shortest hours (37.3 hours). This was 3.7 hours fewer per week, or equivalent to 4.3 weeks a year by their counterparts in Romania.

In the EU28, the actual working week was 39.5 hours in 2014, the same as in 2013; this was about 1 hour and 24 minutes more than the average agreed working hours. In the EU15, the working week was 39.3 hours, about 1 hour and 48 minutes longer than the agreed hours. In the NMS13, the working week was 40.1 hours, about 24 minutes longer than the average agreed working hours.

In some countries, such as in Poland, [Eurostat data](#) suggest that average weekly working hours have increased over recent years, from 44.6 to 46.3 hours between 2004 and 2014.

These differences in working hours clearly reflect the different histories and contexts of Member States. In Slovenia, there are attempts to challenge the culture of long working hours and to focus more on a good work–life balance, partly in response to the need to increase the labour market participation of women. In Greece, recent surveys reveal that Greeks work longer working hours than other Europeans and that this puts added pressure on work–life balance.

Overtime

One notable trend in recent years has been the growth in unpaid overtime reported in several Member States (see Table 19). With an ever higher flexibility of the workforce, this trend might accelerate.

Table 19: National studies on overtime

| | |
|-----------|--|
| IE | Research published in June 2014 highlighted the deteriorating working conditions of the ‘squeezed middle’, with professional staff working six hours more per week than contracted; 40% said they work longer hours without receiving overtime and 43% said they are not using their full holiday entitlement. |
| UK | Research published in July 2014 suggests that two-thirds of workers feel under pressure to work extra hours , with 94% working over their contracted hours each week. The report highlights how overtime is firmly embedded in the UK working culture and identifies smart-phone technology as a major contributor. Moreover, in November 2014, the trade union UNISON published a survey showing almost three-quarters of school support staff who responded regularly worked unpaid overtime . |
| HU | Surveys reveal one-third of workers are unable to take all of their holidays (in Hungarian) and an increase in overtime culture among professional workers facilitated by smart-phones and laptops. They conclude that the biggest threat to work–life balance is from overtime and evening and weekend working. |
| SE | The 2014 annual survey on working time by Statistics Sweden (SCB) showed Swedish workers clocking up a record 240 million hours of overtime in 2013 (in Swedish) . In the last quarter of 2014, 826 out of 1,000 employees worked overtime. |

Organisation of working time

The flexible organisation of working time remained a key issue for all social partners across Europe during 2014, with most Member States introducing or proposing increases in working time flexibility. Employers argue that employer-friendly working time flexibility (for example, derogating from collective agreements) allows them to respond to sudden changes in demand, thus maintaining competitiveness. Employees’ representatives also argue that employee-friendly flexibility (such as allowing staff to determine when they will work) improves work–life balance because it makes it easier for workers to manage specific life circumstances (for example, if they are older) and non-job-related responsibilities (for example, caring responsibilities). In particular, working time flexibility is key to increasing women’s labour market participation, which is of concern to many Member States and especially to those with lower levels of women’s labour market participation, such as Malta, Italy, Croatia, Greece and Romania.

Employee-friendly working time flexibility

There are many examples of ‘employee-friendly’ changes in working time flexibility. In the UK, [the right to request flexible working hours](#) became law in June 2014 (Children and Families Act), giving all employees who have worked for a company for at least 26 weeks the right to request more flexibility over their working patterns. [Similar legislative changes](#) have occurred in Germany, where new rules [combine parental leave and part-time work](#) (for both mothers and fathers) and allow parents to take several periods of parental leave.

However, in many countries the public remains dissatisfied with employee-friendly working time flexibility. In Austria, research published by L&R Social Research – Institute for Social Research highlights that [only 43% of respondents thought their working hours were family-friendly \(in German, 1.45 MB PDF\)](#), with almost half of all male employees regularly working overtime and only 8% of respondents having full-time childcare. This matches findings from [other recent reports](#) in a number of Member States, including Ireland, the UK and Hungary, which highlight [an increasingly poor work–life balance, particularly in professional jobs](#), with, again, a growth in unpaid overtime facilitated by smart-phones and laptops. Social partners in France reacted to this with a [‘right to switch off from work’](#). They

adopted a national inter-professional agreement on well-being at work that encourages businesses to define periods when devices can be switched off and no company emails will be sent.

Another innovative example of how social partners can promote work–life balance via collective agreements is the case of the [Austrian ‘free-time option’](#), which was piloted in 2013 in two sectoral agreements but limited again in 2014. Under this collective agreement, workers may opt for additional free time instead of salary increases.

Employer-friendly working time flexibility

Several countries, including Poland, Croatia and Norway, have been seeking to increase working time flexibility as part of a shift towards a greater liberalisation and deregulation of working time. In Norway, the government has [proposed deregulating working time regulations](#), making it easier for employers to enter agreements on extending overtime and longer working weeks. In Norway, as in other countries, this includes extending non-standard working hours with changes in Sunday working that will allow shops to open on Sundays starting in 2015. This has been welcomed by employers and opposed by many trade unions.

A labour law introduced in 2014 has marked a shift towards [a greater liberalisation of working time in Croatia](#), with trade unions arguing that this has been done to meet employers’ needs rather than improving work–life balance, particularly for women workers. At the same time, significant public discussion was generated in Croatia by a 2014 Eurofound report that Croatia experienced [higher levels of conflict related to work–life balance](#) than other EU28 Member States, partly as a consequence of longer working hours.

Sunday and weekend working

Another key issue in 2014 was [Sunday and weekend working](#). The [Labour Force Survey](#) (LFS) indicates that while in 2014, 27% of employees across the EU28 worked Saturdays (and that this has remained unchanged over the last decade), there is significant variation between Member States, with 43% of employees working Saturdays in Greece, 35% in Italy and 33% in Romania, compared with only 8% in Portugal and 10% in Hungary. [Sunday working has increased slightly](#) from 2004 to 2014, from 13.5% to 14.6%, and is highest in Ireland (20%), the Netherlands, the UK and Slovakia (all 19%) but again varies greatly among other Member States, with rates of 4.7% in Portugal, 7% in Croatia, Poland and Hungary and 9% in Bulgaria.

However, during 2014 many Member States, including Poland, Malta, Norway, Belgium and Austria, have attempted to extend working hours to Sunday and weekend working.

Table 20: Debates on extending working hours at weekends

| | |
|-----------|--|
| PL | Amendments to the Labour Code in January 2014 extended the list of circumstances under which work on Sundays and holidays is allowed. It was argued that this change was needed to allow employers engaged in global-scale operations to compete. In October 2014, a draft amendment to the Labour Code extended the working week to six days, including Saturday. |
| EL | There has been debate over extending retail working hours to Sundays , which has caused opposition among both employees and small business employers. |
| BE | A survey on Sunday working for shop assistants showed that 78% did not want to work any more hours on Sundays. |
| MT | The government is proposing that shops open on Sundays provided they remain closed another day. It is within this context that the European Sunday Alliance officially launched the ‘Pledge for a work-free Sunday and decent work’ campaign in January 2014. |

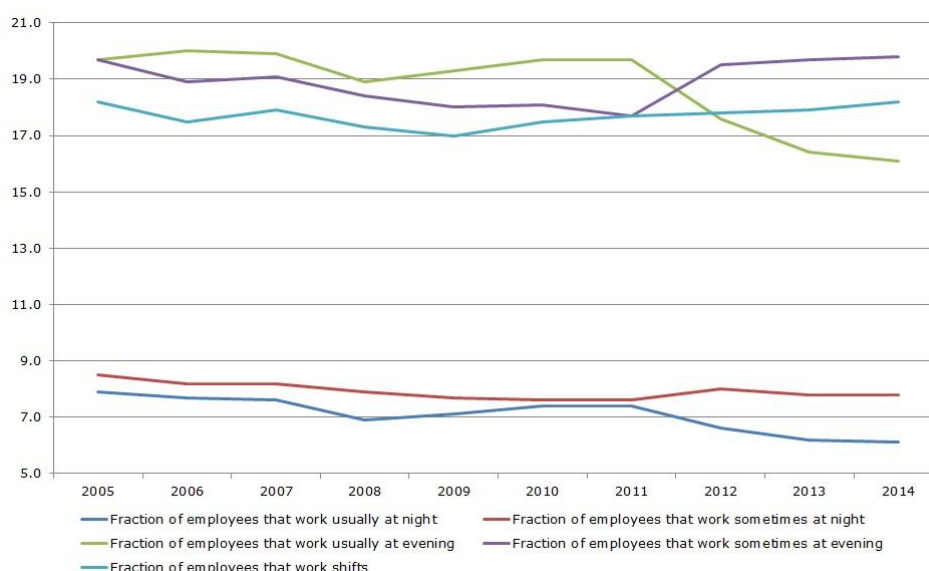
| | |
|----|--|
| NO | The government is considering allowing shops to open on Sundays (in Norwegian) and dialogue continues between social partners in the hospital sector regarding weekend working among nurses. Health employers want to increase weekend working while the Norwegian Nurses Organisation (NSF) is concerned about the impact of this on nurses' work-life balance. |
| HU | A law implemented in March 2015 prohibits Sunday work in the retail sector. Opposition parties argue that Sunday working should be allowed but should be voluntary and rewarded with double overtime pay. |

Shift work and night work

There are also interesting developments regarding shift and evening and night-time working, both in terms of changes over time and differences among Member States. As Figure 12 shows, shift work has changed little throughout the EU28 over the past decade, from a low of 17% in 2009 to 18% in 2014. However, the New Member States report the highest proportion of shift work (Croatia 35%, Slovenia 33% and Poland 31%), in contrast to considerably lower numbers in Denmark (5%), Belgium (7%) and France.

Working in the evening and at night has changed little over the last decade, if frequency measurements 'usually' and 'sometimes' are taken together. Between 2005 and 2014, the fraction of employees that work usually and sometimes at night changed by 1.4%, while evening figures changed by 1.7%. However, there is a shift apparent between *usual* and *sometimes* figures, especially regarding evening work. While the employee share working *usually* at evening times has dropped considerably (by 3.6% in particular since 2011), the fraction of those working *sometimes* at evening only changed by 0.1%. Less apparent changes are reported regarding night work. While the share of employees working *sometimes* at night remained fairly stable over the years, the fraction of those working *usually* at night dropped by 1.8%. Hence in both cases, figures for *usual* work at night/evening have dropped over the last decade, but these have been offset by fairly stable or slightly increasing figures for *sometimes* work at night/evening.

Figure 12: Percentage of workers on night work, 2005–2014



Source: Eurostat (Ifsa_ewpnig, Ifsa_ewpeve, Ifsa_ewpshi)

Yet again, there are considerable differences among Member States. In 2014, the fraction of employees who *usually* work during the night range from 16% in Slovakia to only 1.6% in

Croatia, whereas the share for evening work is highest in Greece (36%) and lowest in Croatia (3.7%) and France (5.5%).

Dissatisfaction with this practice regarding night-work has led to protests in some Member States, for instance in Bulgaria, where prison guards and the police have both protested against overtime and night-time working, while in Belgium, trade unions have campaigned against the night-work schedules of cleaners in airports. In the Netherlands in January 2014, the Employer Federation for Medium and Small Enterprises called for the abolishment of supplements for work in the evenings and weekends. The call was rejected by the unions but received a mixed reaction from employers. A survey showed that the call was supported by 54% of the employers, while 40% felt employees are entitled to at least some compensation for working inconvenient hours.

Moreover, two studies in 2014 dealt with shift work as well as night/evening work – see Table 21.

Table 21: Research on shift work and night/evening work

| | |
|-----------|---|
| PT | A 2014 study examined the effects of the increasing prevalence of shift work in Portugal. It concludes that there are statistically significant associations between shift work and health problems (sleep and digestive problems) as well as a positive correlation with satisfaction with life outside the company in general and with marital and family life in particular. |
| HR | A 2014 study argues that working shifts and at night is a significant source of stress and risk factors (in Hungarian). There is strong evidence that shift work is related to a number of serious health conditions, like cardiovascular disease, diabetes, malign illnesses, and immunology system and endocrine complications. The task is to reduce adverse effects of shift and night work on the workers' health. |

Part-time working

One important development in the organisation of working time has been the increase of part-time work. Over the past decade [this has increased across much of the EU, from 16.7% to 19.6% of total employment](#) between 2004 and 2014. Part-time employment has traditionally been more common among women and is the means by which they combine paid employment and childcare. However, recent research conducted in Spain and other countries highlights [the growth of men's part-time employment since the economic crisis \(in Spanish\)](#). Using the Labour Force Survey, the research indicates that in Spain, men's part-time employment increased by 46% between 2007 and 2013 (in comparison with a 3% increase among women). In 2007, 1.9 million women worked part time, a figure that increased to 1.97 by 2013. Men's part-time employment [increased from 492,000 to 718,000 by 2013 \(in Spanish\)](#). In [Hungary, too, the number of part-time workers has increased \(in Hungarian\)](#) significantly since 2008 and is linked almost entirely to underemployment, according to recent research. Indeed, it is estimated that [90,600 of those in part-time employment want to work more hours \(in Hungarian, 328 KB PDF\)](#). In Finland, trade union reports suggest a large share of employees are in involuntary part-time work. The 2014 Working Conditions Monitor says that in Finnish trade union SAK, [25% of its members would like to work more hours \(in Finnish\)](#), an increase of 11% from 2009 to 2014.

Such findings are reinforced by a recent EU Eurofound report on the [emergence and growth of new forms of employment in Europe](#), which highlights the growth of casual work across Europe and emphasises the fact that while for some workers the high level of flexibility might be of benefit, most would prefer continuity and security.

Summary

This review of trends in working time among Member States in 2014 highlights a number of factors. Working time flexibility continues to be a key issue, especially in the context of the social partners' discussions on the revision of the EU Working Time Directive (2003/88/EC). Working time flexibility gives employers the possibility of greater productivity by adapting working hours to times of higher activities in business, while giving employees the potential to enhance their work–life balance.

However, flexible working can also make working conditions worse for workers. During 2014, several Member States introduced or proposed changes in labour laws involving changes in working time, such as regulations on working hours on weekends (Hungary and Poland) or on employee-friendly working time flexibility (Germany and the UK). For some, this forms part of an attempt to further liberalise and deregulate labour markets (Croatia, Norway, Poland).

Moreover, several studies suggest that there has been an increase of overtime in several countries (such as the UK, Hungary and Sweden). The review also highlights the significant variation that exists across Europe in terms of working time, with significant differences in part-time working and other non-standard and flexible working time arrangements.

6. Individual employment relations

The relationship between the individual employee and the employer is critical to understanding changes and developments in working life because it determines the form of employment, as well as the conditions of each individual worker. This is done not only through the employment contract between employer and employee, but also in the governing context of legal regulations and negotiations through social dialogue.

This discussion becomes even more relevant in light of Europe's diverse, crisis-ridden labour market, as already discussed in the introduction. In this context, new employment forms, policies and legislation have emerged across Member States. In fact, the Eurofound (2015a) report found that the majority of policies and legislation in this area sought to reduce gender inequality and to improve the position of disadvantaged groups in the labour market. This chapter elaborates on these legislative changes and policies linked to different forms of employment status and to changes in the terms and conditions of employment.

At EU level

Individual employment relations are central to the EU's interests as they can enable the creation of a common labour market, common rights and common access to social security for all workers. The 1991 EU directive was introduced to offer [better protection to employees and to reduce insecurity at work](#). The directive establishes the employer's obligation to inform employees of the conditions applicable to the contract or employment relationship. Further protection was provided with subsequent directives, such as Directive [2008/104/EC](#).

In February 2014, the Council and the European Parliament reached informal agreement on a draft law that aims [to regulate the posting of workers abroad](#) in order to limit abuses. It meant that building industry contractors and subcontractors would be jointly and severally liable for abuses of labour law. Also in February 2014, the Council adopted Directive 2014/36, which [establishes the conditions of entry and residence of non-EU citizens](#) coming to the EU for seasonal work. In addition, the European Court of Justice delivered a judgment that further [protects employees from unlawful dismissal if they apply for parental leave \(109 KB PDF\)](#). The ruling referred to a Belgian case in which the contract of an employee was terminated with a notice period of five months during her part-time maternity leave. The ECJ ruled that the employer is required to pay a protective compensation equal to six months' salary.

In March 2014, the European Commission published its Social Europe guide (Vol. 6), which sets out the roles of the EU institutions and of Member States in the development of legislation on employment and working conditions, [highlighting the importance of good and healthy working conditions](#).

Additionally, on 9 April 2014 the EU Commission proposed [the creation of a European platform against undeclared work](#). The platform would bring together the Commission and EU national authorities in charge of combating undeclared work, such as labour inspectorates and social security, tax and immigration authorities. They would exchange information and best practices on fighting undeclared work. It is hoped that the platform will evolve into a body that also promotes training for staff from various countries and joint cross-border inspections.

Employment status

Incremental changes have also taken place at national level, especially regarding forms of employment. New modes of employment have emerged across Member States in the aftermath of the financial crisis. There has been a growth in the importance of specific forms of non-standard employment temporary contracts, agency employment and perhaps also self-employment when there is a lack of other opportunities.

Self-employment

Although the number of self-employed people in the EU, on average, did not change greatly between 2009 and 2014 (declining from 30.7 to 30.5 million in the EU28), there are considerable differences in developments across Member States, as Table 22 and Figure 13 show. As with the developments in aggregate employment, the number of self-employed people has decreased considerably in Croatia, Portugal, Greece, Cyprus, Romania and Bulgaria. Considerable growth (in excess of 10%), however, was recorded in Luxembourg, the Netherlands, the UK, Slovenia and Malta. In most of these countries, growth in self-employment also coincided with higher growth of total employment, with the exception of Spain, the Netherlands and, to a certain extent, the UK, where the importance of self-employment increased. In Spain, self-employment decreased considerably less in the period than overall employment; in the UK, self-employment grew more strongly than total employment did; and in the Netherlands, self-employment grew substantially despite the fall in overall employment.

Table 22: Change in self-employment and employment, 2009–2014

| | Change between 2009 and 2014 (in percentage points) | | Share of self-employment in total employment, 2014 |
|------|--|------------|--|
| | Self-employment | Employment | |
| HR | -28 | -10 | 13.1 |
| PT | -24 | -8 | 14.8 |
| EL | -17 | -22 | 26.9 |
| CY | -11 | -4 | 14.0 |
| DK | -10 | -3 | 8.0 |
| NO | -8 | 4 | 6.8 |
| IE | -7 | -3 | 15.6 |
| RO | -6 | -6 | 18.6 |
| HU | -6 | 9 | 11.3 |
| BG | -6 | -9 | 11.5 |
| IT | -4 | -2 | 21.7 |
| DE | -3 | 3 | 10.0 |
| ES | -3 | -9 | 15.7 |
| PL | -3 | 0 | 18.2 |
| SK | -2 | 0 | 15.5 |
| FI | -1 | -2 | 12.3 |
| SE | -1 | 5 | 9.2 |
| EU28 | -1 | -1 | 14.4 |
| AT | 1 | 3 | 11.0 |
| BE | 3 | 2 | 13.3 |
| LT | 4 | 0 | 11.1 |
| LV | 6 | -2 | 10.7 |

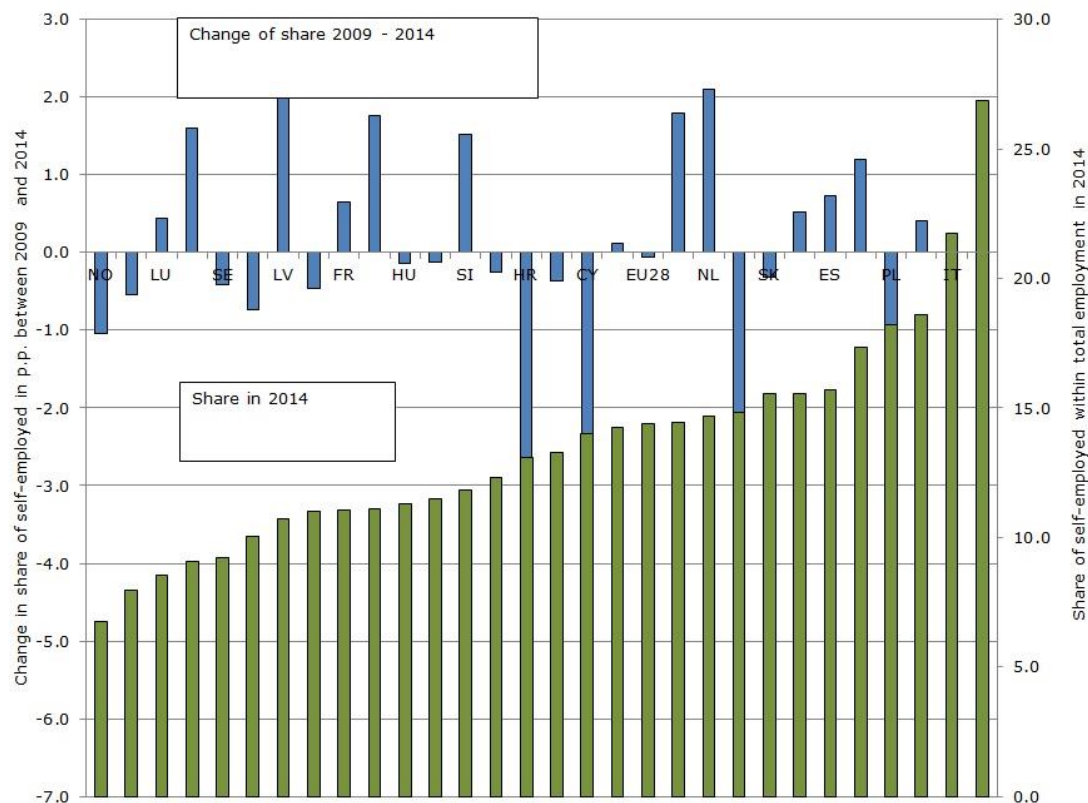
| | | | |
|-----------|----|----|------|
| CZ | 8 | 1 | 17.3 |
| FR | 9 | 2 | 11.1 |
| MT | 10 | 12 | 14.2 |
| SI | 12 | -7 | 11.8 |
| EE | 13 | 5 | 9.1 |
| UK | 14 | 4 | 14.4 |
| NL | 17 | -5 | 14.7 |
| LU | 20 | 13 | 8.5 |

Note: First two columns: light shading = 5 to 20; medium shading = -4 to 4; dark shading = -5 to -28.

Source: Eurostat LFS (lfsa_esgan and lfsa_egan)

Self-employment shares are by far the highest in Greece (26.9% in 2014, but -2 percentage points down since 2009), Italy (21.7% in 2014, a -0.7 percentage point change since 2009) and Romania (18.6% in 2014, +0.8 percentage points since 2009). Among the Member States with an already high percentage of self-employed people, the Czech Republic, Spain and Ireland experienced further growth.

Figure 13: Share of self-employed in relation to total employment in 2014 (right axis) and change of share of self-employed in 2014 as compared to 2008 in percentage points (left axis)



Source: Eurostat LFS (lfsa_egan and lfsa_egan)

Spain: Sustainability of entrepreneurial activity

Since 2011, the number of self-employed people has increased in Spain. This development has been accompanied by a debate about the sustainability of (new) businesses and start-ups. The proportion of total entrepreneurial activity linked to necessity (such as lack of work opportunities in the labour market) increased from 15% before 2010 to 29% in 2013. According to the [2013 Global Entrepreneurship Monitor report](#), this could be a cause for concern, as necessity-driven new businesses tend to have lower survival rates. This is generally because their strategies might not be well planned or because the entrepreneurs may simply close their businesses if they find a better job opportunity. This argument has also been confirmed by the 2013 report of the [Observatory of the Entrepreneurial Climate](#).

Other experts are drawing attention to a possible ‘entrepreneurial bubble’, with entrepreneurship being encouraged in a somewhat irresponsible way because the actual basis for solid new business often does not exist. While they acknowledge the need for investment and funds to promote entrepreneurship, they argue that not everybody is prepared for entrepreneurship and that business failures tend to be ignored by public authorities. Consequently, it is important that public authorities apply only sensible and long-term measures that will guarantee new businesses’ competitiveness.

Source: [Recent growth in entrepreneurial activity](#)

Little is known in terms of hard facts and comparable figures on the extent of developments in self-employment and whether ‘false’ self-employment is on the rise. But there is research evidence in some European countries showing that the growth of self-employment is involuntary and is linked to the growth of unemployment due to the lack of alternative employment opportunities.

Table 23: Research on involuntary or bogus self-employment

| | |
|-----------|--|
| EU | A 2013 study for the Employment Committee of the European Parliament suggests there is evidence that dependent or ‘false’ self-employment is on the rise , especially in the construction sector. The quality of jobs for dependent, self-employed people varies greatly; they are not represented by the major trade union organisations and may lack social security contributions. However, self-employment can be an entry point into the labour market, particularly in the creative industries sector. |
| ES | The recent growth in self-employment from 2011 is seen as a consequence of the rapid growth of unemployment (the unemployment rate was over 25% in 2014, with more than 4.5 million unemployed). Many unemployed people are setting up their own businesses, but there is a fear, as mentioned above, that many of these businesses will not be sustainable. |
| UK | Similarly, research in the UK questions whether the growth of self-employment since 2008 reflects real choice or a lack of alternative employment opportunities. In fact, self-employment is increasing particularly for older workers and among women. It is at its highest level for 40 years. Nearly half a million over-65s are self-employed. This has more than doubled in the last five years. The number of women in self-employment is increasing at a faster rate than the number of men (although men still dominate self-employment). The most common roles are working in construction and taxi driving, and in recent years there have been increases in management consultants. |
| FI | Recent research shows that 20% of self-employed people identified themselves as forced entrepreneurs and 42% of the respondents said they had become self-employed after being unable to find a paid job. The highest proportions of ‘forced self-employment’ are within cultural and handicraft occupations (33%) and far lower proportions are among IT professionals (10%). The study was conducted to contribute evidence to Finland’s debate about the social security system and the barriers to entrepreneurship. |

In Italy and the UK, there are also reported increases in negative consequences for some self-employed workers. For example, in Italy being self-employed has consequent reductions in the take-up of parental leave. In the UK, while self-employment is at its highest in 40 years, the average income of those in self-employment has decreased.

Some Member States have therefore recently looked into measures to promote and support self-employment. The Spanish Public Authorities have responded to this development by approving several measures that [promote self-employment and entrepreneurship](#) (for example, via discounts in Social Security contributions). In Croatia, the right to financial support in unemployment has recently been extended to the self-employed.

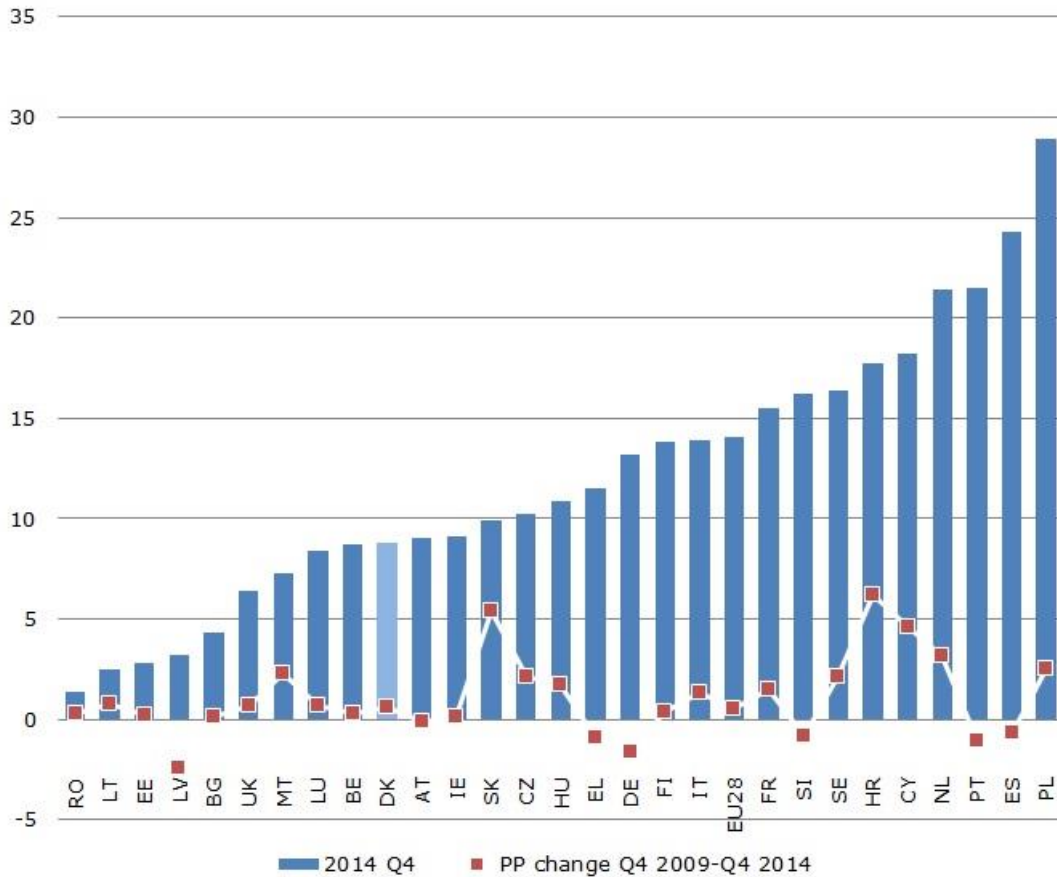
At European level, the Parliament and Council passed a directive on the equal treatment of men and women (2010/41/EU), which aimed to strengthen social protection for self-employed workers and their assisting spouses. This included provisions regarding maternity leave benefits and duration, as well as provisions regarding pension schemes. One related initiative has been recorded in Malta, where there has been an increase in the right to

maternity leave for those who are self-employed, with a new fund for this to be established from January 2015.

Temporary employment contracts

Another non-standard form of employment is fixed-term contracts, which are temporary employments defined as ending automatically when the agreed end date is reached. Fixed-term contracts are sometimes suggested as providing a stepping stone to permanent jobs, although a recent study by Eichhorst (2014) suggests that the ‘usefulness of these jobs depends on the institutional and economic environment’ and that their potential for permanent employment ‘is undercut if there is a strong degree of segmentation in labour’. Eurostat figures (as depicted in Figure 14) show that temporary contracts have gained slightly in importance in the past five years within the EU28. While in Q4 2009, 13.6% of employees were on a temporary contract, in Q4 2014, 14.1% of employees had one, an increase of 0.5 percentage points. While in the majority of Member States, a similar slight increase was recorded, in some countries the relative importance of temporary contracts has increased considerably: for example, in Croatia (+6.2pp), Cyprus (+4.6pp), Slovakia (+5.4pp) and the Netherlands (+3.2pp). Similarly, the further growth of +2.5pp in Poland – which has the highest proportion of temporary contracts across Europe – and Sweden (+2.1) are significant. On the other hand, in Spain (-0.7pp) and Portugal (-1.1pp), which rank second and third in terms of the proportion of their employees on temporary contracts, the proportion has declined slightly, as it has also done in Germany, Slovenia, Greece and Latvia.

Figure 14: Share of fixed-term contracts in Q4 2014 and change of share between Q4 2009 and Q4 2014



Source: Eurostat LFS (lfsq_etpga)

The use of fixed-term contracts may have a wider labour market impact. For example, in Spain, open-ended contracts are reported to be shorter, with government data showing that just 47.2% of such contracts were still in force six years later and that, generally, open-ended contracts are decreasing.

Against the background of the social partner framework agreement between ETUC, UNICE, CEEP and the EU, which obliges Member States to prevent abuse arising from the use of successive fixed-term employment contracts or relationships, in accordance with Article 2 of Council Directive 99/70/EC, the reporting from the correspondents suggests that there has also been a trend in several countries of limiting the maximum duration of fixed-term contracts (see also [EurWORK topical update on fixed-term contracts](#)).

Government and social partner responses

In Poland, which has the highest share of fixed-term contracts, almost hitting the 30% threshold, the government has already drafted new legislation that will [regulate the use of fixed-term contracts](#) and comply with the ruling of the CJEU in Case C-38/13, which states that the imposition of shorter notice periods on fixed-term contracts is unlawful.

Also, other [governments have responded to the increase of such contractual forms](#). In Croatia, the new Labour Law limits the maximum duration of fixed employment to three years, regardless of changes to the employee’s role. In the Netherlands, the maximum duration of a series of fixed-term contracts will be reduced from 36 to 24 months. After two years, a new

contract will automatically become a permanent employment relationship. The most wide-ranging legislative initiative in this regard is, however, the new Italian Jobs Act, which was devised, consulted and debated upon during the year 2014.

Italy: New Jobs Act aims to promote the use of open-ended contracts

In Italy, the new [Jobs Act](#) has a [significant impact on the rights established under the 1970 Labour Code](#) and is aimed at enabling the government to identify and analyse all the types of existing employment contracts to assess their real usefulness and to provide for their reorganisation and simplification through the drawing up of a consolidated text. In order to [promote the use of open-ended contracts and hence to limit fixed-term contracts](#), the Jobs Act requires the government to make them more affordable by reducing their direct and indirect costs. Also, project short-term contracts are to be abolished.

The new rules governing fixed-term contracts are considered an important step in making employment relationships more flexible. Although employers' organisations have generally welcomed them, there are several issues that temper their enthusiasm. The trade unions have taken up differing positions, with CGIL alleging the new rules do not chime with the principles set out in Directive 1999/70/EC.

While the general trend has been for a small increase in the proportion of employees on temporary contracts, there are some examples of employees going from temporary to open-ended contracts. Two examples are from the education sector.

In Ireland, the total length of consecutive fixed-term contracts for second-level teachers has been shortened. An expert report was commissioned under the terms of the public sector Haddington Road Agreement and it concluded that a second-level teacher on a fixed-term contract should no longer have to wait four years before they became entitled to an indefinite contract. The new terms, accepted by the government, entitle them to an indefinite contract after two years as a fixed-term employee. Around one-third of second-level teachers are on fixed-term and part-time contracts.

Also, in the Estonian higher education sector, from 1 January 2015 new contracts for teaching and research staff will be open ended. The aim of the change is to increase employees' sense of security and it is also expected that this would attract more specialists to take up teaching and research posts in universities instead of, as at present, finding work elsewhere.

In contrast, however, there is the single recorded case, in 2014, of promoting the use of fixed-term contracts, which was Norway's proposals on the new regulations within the Working Environment Act. These became law in 2015, making it easier to hire people on fixed-term contracts of up to one year.

Fixed-term contracts are often discussed with reference to an increase in precarious employment, although employers would argue that they have an important function. This was recently voiced by Maltese employers when the Malta Chamber for Commerce, Enterprise and Industry issued its [Economic Vision for Malta 2014–2020](#) in July 2014. This refers to precarious employment, which has been an issue for union campaigning in Malta for the past two years. The Chamber says this campaign is 'misguided' and 'misjudged' (CCEI, 2014, p. 38). The Chamber warns that if businesses are not allowed to employ people on temporary and flexible terms, they may be discouraged from investing and from recruiting workers. Instead, the Chamber suggests beefing 'up the Government competent authorities to regulate employment practices and to sanction employers who carry out abuses. It is relevant to mention once again that even in this context, it is vital to ensure the adoption of fair and proportionate enforcement amongst all enterprises' (CCEI, 2014).

Temporary agency work

Employees may work directly for the employer but they can also work through employment agencies. In 2012, there were just over 8 million workers in Europe employed by agencies. The CEITT Annual Report for 2014 contains the results of its monthly *Agency Work Business Indicator*, which suggests [a year-on-year growth in the number of hours worked by agency workers \(20.3 MB PDF\)](#) and reports that in October 2013, there was the first positive growth since December 2011 (page 11). Hence, there is some evidence of a small growth in temporary agency work, following a fall caused by the economic crisis.

In the UK, a 2014 report by the TUC on ‘non-standard working’ also highlights [the increasing use of temporary agency workers](#) (TUC, 2014c). The report suggests that this is preventing young people in particular from getting permanent jobs. It says 81% of temporary agency workers are aged 20–24 and 64% of those aged 25–29 say they are in temporary work because they cannot find a permanent job.

Moreover, there remains a [gap between the earnings of agency staff compared with directly employed workers](#), with agency workers generally experiencing lower levels of pay. A study in Belgium found that [temporary agency workers earned 22% less than permanent workers \(in French, 1.35 MB PDF\)](#). In Germany, there has been an increase in temporary agency work and a widening of the pay gap between agency and directly employed workers. The EurWORK correspondents also report that in Greece, labour is increasingly more flexible, with permanent, directly employed jobs being converted into temporary agency jobs.

Government and social partner responses

There were several governmental responses to these developments in 2014.

In France, a new scheme on permanent contracts for temporary agency workers (*CDI intérimaire*) was introduced, which covers periods when the temporary worker is engaged on an assignment, during which they receive remuneration at the rate equivalent to that normally paid by the user company, as well as periods of non-assignment, during which they receive a guaranteed minimum monthly salary that must not be lower than the French national minimum wage.

In the Netherlands, a [law has been introduced on dismissal and temporary agency work](#) by introducing legislation on dismissals and on social security benefiting temporary agency workers.

The Labour Code in Slovakia on temporary agency work now provides further protection, as [core workers and temporary agency workers should legally receive equal pay](#). A new element is the introduction of joint responsibility between the temporary work agency and the employer to keep this wage rule contract.

Again, there was a move in the opposite direction in Norway. The Norwegian government’s consultation in 2014, on changes to the Working Environment Act also covered the regulations on temporary agency work. In the government proposal, trade unions and employer organisations at national level are given the right to conclude agreements that depart from the principle of equal treatment that originates from the EU Temporary Agency Work Directive (2008/104/EC). At the end of 2014, the Labour Court ruled in a case focusing on the regulations on temporary agency work in the main manufacturing sector collective agreement (*Industriavtalen*), more specifically on the responsibilities of the company using workers from temporary agencies. In 2012 new regulations were added to the relevant agreement, and when the parties (LO/Fellesforbundet and NHO/Norsk Industri) disagreed on the understanding of these regulations, the Labour Court ruled in favour of the employers.

Involuntary part-time working

There is also increasing evidence across many Member States of [a growing number of workers working part time on an involuntary basis](#). Over the past decade [this has increased across much of the EU, from 16.7% to 19.6% of total employment](#) between 2004 and 2014. Part-time employment has traditionally been more common among women and is the means by which they combine paid employment and childcare. However, recent research conducted in Spain and other countries [highlights the growth of men's part-time employment since the economic crisis \(in Spanish\)](#). Using the Labour Force Survey, the research indicates that in Spain, men's part-time employment increased by 46% between 2007 and 2013 (in comparison with a 3% increase among women). In 2007, 1.9 million women worked part time, a figure that had increased to 1.97 million by 2013. Men's part-time employment had [increased from 492,000 to 718,000 by 2013 \(in Spanish\)](#). In [Hungary, too, the number of part-time workers has increased \(in Hungarian\)](#) significantly since 2008 and is linked almost entirely to underemployment, according to recent research. Indeed, it is estimated that [90,600 of those in part-time employment want to work more hours \(in Hungarian, 328 KB PDF\)](#). In Finland, trade union reports suggest a large share of employees are in involuntary part-time work. The 2014 Working Conditions Monitor says that in the Finnish trade union SAK, [25% of its members would like to work more hours \(in Finnish\)](#), an increase of 11% from 2009 to 2014.

Such findings are reinforced by a recent EU Eurofound report on the emergence and growth of new forms of employment in Europe, which [highlights the growth of casual work across Europe](#) and emphasises the fact that while for some workers the high level of flexibility might be of benefit, most would prefer continuity and security.

Indeed, the [2013 European Labour Force Survey](#) indicates that 29% of part-time workers were working part time involuntarily because they could not find full-time jobs. The survey shows the proportion of part-time workers working part time on an involuntary basis, and the figures for some countries and for men in particular are high. While overall in the EU28, 29% of part-time workers are estimated to be working part time on an involuntary basis, the figures are far higher in southern Europe and in central and eastern Europe (for example 68% in Greece, 63% in Spain, Italy and Bulgaria and 58% in Romania).

Casual working

A form of employment that has gained momentum within the last few years is casual work. This is neither stable nor continuous employment, and the employer is not obliged to provide their workers with regular work, but has the flexibility of calling them in on demand. A recent Eurofound report on the emergence and growth of new forms of employment highlights [casual work as one of the growing types of employment across Europe \(2.4 MB PDF\)](#).

Casual work is characterised by low incomes, job insecurity, little or no social protection or access to HR benefits, and employment uncertainty. The Eurofound report also points to the ways in which the growth of casual employment is producing growing labour market segmentation and division within European countries.

These findings have also been confirmed throughout the recent 2014 debate on zero hour contracts in the UK. Zero hour contracts specify no minimum number of working hours and the employer is not obliged to call in the worker.

These contracts received growing publicity in the UK in 2014, with ONS figures indicating that more than 583,000 workers were on zero hours contracts in 2013, which was double the figure for 2012. The BBC reported in July 2014 that in the west of England, [more than 700 people were employed by 17 local authorities on zero hours contracts](#). A study conducted by UNISON of part-time workers in local authorities and schools in the UK (who make up 60% of all employees in this sector and of whom 91% are women) indicates that [part-time workers are overworked, doing unpaid overtime](#) and covering the work of vacant and redundant posts.

The study reveals a high proportion of staff have had their hours cut and the start of a trend in zero hour contracts.

A TUC report published in 2014 on ‘non-standard working’ also highlights [the increasing use of zero hours contracts](#) (TUC, 2014c).. Some 50% of zero hours contract workers aged 20–24 and 58% aged 25–29 said they were doing temporary work because they cannot find permanent jobs. Further research shows workers on zero hours contracts earn less than permanent employees and are five times more likely not to qualify for statutory sick pay. The TUC warns against a two-tier workforce and organised a campaign in December 2014 to raise awareness over the growth of insecure working.

The same [TUC](#) report highlights some of the particular problems that being employed on a casual or precarious basis may mean for women, particularly the use of casual contracts to undermine rights such as maternity pay and leave, the problem of organising childcare around non-set working patterns and the impact of low and fluctuating pay on in-work benefits such as tax credits.

However, employers’ representatives have [defended zero hours contracts as an indispensable](#) way of making the labour force more flexible, hence enabling them to make adequate responses to rapidly changing demands. John Cridland, Director General of the Confederation of British Industry, said, ‘If we hadn’t had this flexible working when the economy contracted, unemployment would have topped three million – and it didn’t. It went to 2.5 million.’

Undeclared work

Undeclared work has remained a major concern; however, Eurofound correspondents have given several examples of recent [action to reduce the incidence of undeclared work](#) and to protect those forced into these forms of work (apart from the previously mentioned EU platform on undeclared work).

Table 23: Action to reduce undeclared work

| | |
|-----------|--|
| BE | An increase in undeclared work in the construction and hotels sectors has encouraged an increase in the number of labour inspections of undeclared work. |
| EL | It was reported that undeclared work had declined due to a higher level of inspections. |
| EE | The government implemented an employment register from 1 July 2014 and there has been a small decrease in undeclared work compared to 2013. |
| LT | The state introduced vouchers to reduce undeclared work and to increase earnings. The labour code was amended in December 2014, introducing stricter punishments for undeclared workers and their employers . |
| SI | The regulation of undeclared employment is said to be improving after several public campaigns , with the Labour Inspectorate reporting that in June 2014 it had found fewer violations when checking the implementation of health and safety regulations and labour legislation on temporary and mobile construction sites. This again suggests a link between the regulation of undeclared work and its reduction. |
| RO | One of the latest measures to combat undeclared work, a long-standing problem, was the reduction of social security contributions in 2014. Another occupation-specific measure was the new regulation on the professional status of nannies . |

Changes in the terms and conditions of employment

Besides changes regarding the *forms of employment* or *types of work*, there are also several developments regarding the *terms and conditions of employment* at national level. These developments do not only include legal reforms regarding the social protection and rights of employees, but also policies and regulations on parental leave and work–life balance.

Rights and social protection of employees

There were several policies and legal changes in 2014 aimed at promoting labour market changes.

Table 25: Changes in social protection

| | |
|-----------|---|
| FI | Earnings-related unemployment benefit has been reduced for the higher paid, a measure not supported by the social partners. |
| HR | The right to financial support in unemployment has been extended to the self-employed. |
| IE | A new law gives foreign nationals the right to take action against an employer for work done or services rendered. This means that such workers have a specific legal redress. There are also new rights for domestic workers to be specifically informed of their contract rights. |
| UK | A welfare-to-work programme, requiring those who were unemployed to work , has been declared incompatible with the European Convention on Human Rights. The case was the result of a successful legal challenge by Cait Reilly, who had argued that mandatory participation in an unpaid work placement at a Poundland store had breached her human rights. |

Reforms of maternity, paternity and parental leave

Another area of employment law change in 2014 has been maternity and parental leave. [Rights for workers taking parental leave](#) were confirmed in a judgment of the Court of Justice of the European Community in the case of *Lyreco Belgium NV v. Sophie Rogiers*, Case C-588/12, which held that compensation for a worker on parental leave has to be calculated based on their remuneration prior to taking leave, otherwise the protection to workers taking parental leave would not be guaranteed. Parental leave entitlement is less likely to be available to those in atypical forms of employment. In some EU countries the legislative changes have resulted in expanded rights for workers, while in others, there has been a narrowing of entitlement.

A 2015 Eurofound report confirms that [parental leave is still strongly associated with mothers](#) (in connection with a child’s birth), although there is now a greater acknowledgement of the rights of fathers, so that only three Member States provide no paid paternity leave. However, the report also reveals wide differences in entitlements within Member States, with the fathers of children born in Finland and Portugal having more entitlement.

Another 2015 Eurofound report provides an [overview of provisions for maternity leave](#) in the EU. It finds that nearly all Member States comply with the directive’s provision of granting at least two weeks’ mandatory maternity leave before and/or after childbirth, with most exceeding this requirement. Again in most Member States, replacement pay rates stand at 100% of the former salary – at least temporarily.

However, in 2014 the correspondents reported some changes to conditions for parental leave, paternity and maternity leave, detailed in Table 26.

Table 26: Changes in paternity, maternity and parental leave

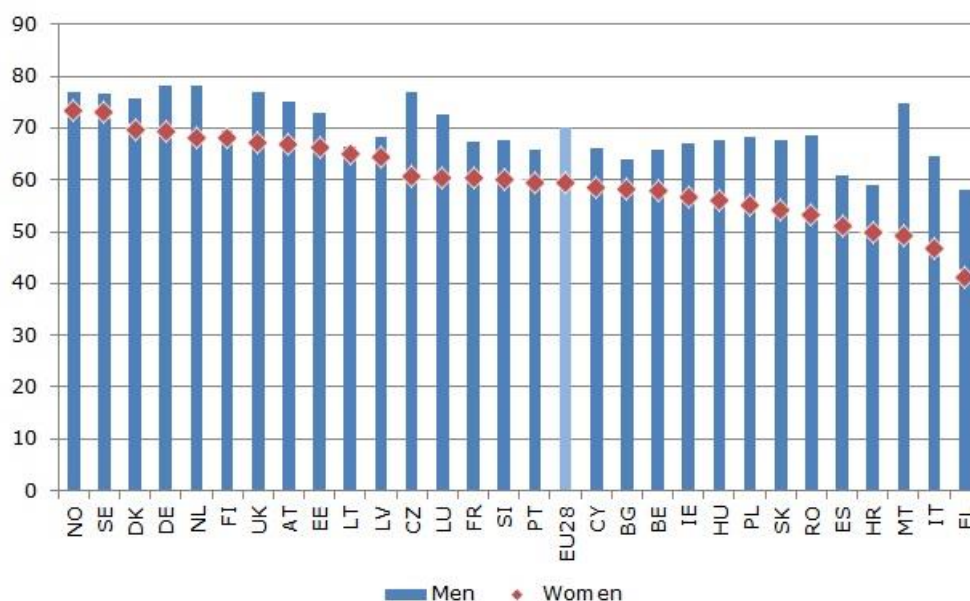
| Extending parental leave entitlement | |
|--|--|
| BG | Entitlement is now based on 18 months of service instead of 12 months. |
| DE | In 2014, laws were redrafted to extend parental leave and allowance entitlements . Several reforms to work and care also came into force in January 2015, aimed at encouraging a growth in women's labour market participation and to encourage mothers to return to work more quickly. |
| SE | A move to grant a third month of paternity leave, while supported by the trade unions, has been contested by employers. However, more fathers are taking parental leave. |
| MT | There has been an increase in the right to maternity leave for those who are self-employed, with a new fund for maternity leave established in July 2015. |
| Changes in maternity leave allowances and entitlements | |
| RO | An increase in the maternity allowance was expected in 2015, while earlier proposals that childcare leave and monthly allowances for this would be suspended, dependent on the level of the workers' income, have been removed. |
| LV | Rights to time off for breast-feeding have been limited to when the child reaches two years. |
| Limiting aspects of leave entitlements | |
| NO | There has been a reduction in the parental leave quota – the previous government had expanded these quotas, trying to make fathers take a greater share of the parental leave. |
| HU | Changes to payroll tax relief allowances for working mothers from January 2014 are estimated to have made a significant contribution to increasing women's employment, which reached a peak in the third quarter of 2014. |
| Improving conditions for working parents to promote their labour market participation | |
| IT | Italy has one of the lowest levels of women's labour market participation in Europe and in April 2014 announced the need to reconcile working time with parental duties to include a universal maternity allowance alongside a number of other significant changes. The Jobs Act presented to the government in April 2014 includes proposed measures to extend maternity leave, introduce tax credit for all working women, promote flexible working hours and teleworking, review maternity, paternity and parental leave and childcare. |
| EE | The Parental Benefits Act, which governs the amount of parental benefit paid to employed parents, was amended and implemented from 1 January 2014. The new formula ensures that it is always beneficial to receive a salary and that the benefit is reduced proportionally. If the parent was not employed during the year |

| | |
|----|---|
| | when the entitlement to benefit was established, they will receive benefit at a base rate (€320 in 2014). If the parent was employed but his or her average income remained below the minimum salary level, they will also receive this amount. |
| UK | A report published by the Citizens Advice Bureau in July 2014 revealed that the cost of childcare is a major barrier for parents wanting to work . The report says childcare costs are at odds with the recent job growth in low-paid work and self-employment. |
| AT | The government agreed in summer 2014 to expand childcare facilities . |

Work-life balance and labour market participation of women and men

Closely interlinked with parental leave, yet broader in its scope, are the issues around work-life balance, especially when it comes to gender differences in the labour market. As Figure 15 shows, there are significant variations in the economic activity rates of men and women and in their working hours across Europe. Figures from the [2014 Labour Force Survey](#) show that while the average economic activity rate for women in the EU28 was 60%, this varies from 73% in Norway and Sweden to 49% in Malta and 41% in Greece. Such variation reflects a variety of factors, including support for childcare and family policy that has enabled women to participate in the labour market.

Figure 15: Male and female employment rates across Member States and Norway



Source: Eurostat Labour Force Survey (lfsa_ergan)

The [Labour Force Survey](#) also indicates that the proportion of both men and women working full time and part time varies significantly across Europe. While on average, 32% of women worked part time in the EU28 in 2014, this varied from 2.8% in Bulgaria, 6.1% in Croatia, 7.1% in Slovakia, 8.2% in Hungary and Latvia, 9.3% in Romania, 9.6% in the Czech Republic and 10.6% in Lithuania to 77% in the Netherlands, 47% in Austria and Germany and 41% in Belgium and the UK.

Hence, for many European countries, increasing women’s labour market participation remains a key policy challenge. Legislation was introduced in 2014 to increase women’s labour market participation in several countries.

Clearly, [work–life balance is an important factor](#) in determining the participation rates of men and women in employment.

Table 24: Recent research on work–life balance

| | |
|-----------|---|
| MT | Women’s economic activity rates have been steadily increasing here, but remain the lowest among Member States at just 50.5%. Research findings highlighted the fact that half of Maltese women have not been engaged in permanent employment but have moved in and out of the labour market according to childcare and other caring demands. At the Malta Confederation of Women’s Organisations (MCWO) in April 2014, it was stated that only 20% of women workers managed an equitable work–life balance . |
| HR | Longer working hours and a low level of women working part time has been highlighted in recent research as contributing to higher levels of conflict in terms of work–life balance and lower levels of women’s participation in the labour market than elsewhere in Europe. In March 2014, around 100 women’s rights and social justice activists, joined by trade union representatives and members, organised a protest through Zagreb to mark International Women’s Day and to voice their opposition to the draft of the new Labour Act regarding changes in working time. The protesters claimed that the draft act promotes insecure forms of labour and extends the working week, negatively affecting work–life balance and women in particular. Croatia has a highly educated female labour force but ‘traditional’ gender roles and low levels of women’s participation in the labour market. |
| UK | In February 2014, the TUC published a report on the work–life balance of older women . It highlights the 14% growth in the employment rate among older women aged 50 to 64 in the last 20 years but also the deterioration in working conditions for this group of workers, of whom over 50% are employed in the public sector. The report points to the complex and often multiple caring responsibilities faced by women over 50 and calls for new employment rights, including five to 10 days of paid carer’s leave a year, an unpaid leave entitlement for grandparents and leave to help with sudden crises at home. |

Summary

Against the background of longer-term policy efforts to make labour markets more flexible, and more recent, crisis-related, changes in employment, the ‘standard’ open-ended salaried employment contract has increasingly come under pressure. There has been a small increase in the proportion of fixed-term contracts in the EU (quite high in some Member States) and there is also some anecdotal (or country-specific) evidence of an increase in self-employment because of a lack of other employment opportunities, casual work and involuntary part-time working.

Some countries, such as Norway, continue to promote fixed-term contracts as a means to more company-related flexibility, while more countries, such as Italy, Croatia and the Netherlands, have proposed or implemented legislation to further regulate and restrict the duration of such contracts. Similar developments are apparent with regard to temporary agency work, with several countries attempting to provide more social protection (the Netherlands) and to ensure equal pay (France).

In some countries, such as Spain, the recent growth in self-employment has sparked fears about the sustainability of these new businesses due to the fact that it is seen as a reaction to the rapid growth of unemployment. In the United Kingdom, there has been wide debate on casual working, which is fiercely criticised by trade unions. Undeclared work has also become a hot topic in several countries, following the creation of the European platform against undeclared work in 2014. Governments have brought in laws to combat it, including

the Estonian employment register, Lithuanian voucher-based payments, reductions in the social security contributions in Romania, or increased efforts in inspections (for example Belgium, Greece, Slovenia).

Another major trend in individual employment relations is the increasing flexibility on paternity, maternity and parental leave and people's rights to it. Several countries have changed legislation in order to improve conditions for working parents (for example Germany, Estonia, Italy). Also, 2014 saw new legislation introduced to increase women's labour market participation (Croatia).

7. Health and well-being at work

According to the International Labour Organization (ILO), [well-being at work relates to the quality and safety of the physical environments](#), the way workers feel about their work and their working environment and consequently it also determines the effectiveness of an organisation.

Employment is an integral part of an individual's life and the workplace can play a central role in the promotion of [the health and well-being of employees](#). There are many aspects to workplace well-being, but the one used by [EurWORK](#) includes both work and life qualities:

well-being at work means safe, healthy and productive work in a well-led organisation by competent workers and work communities who see their job as meaningful and rewarding, and see work as a factor that supports their life management.

A well-balanced and harmonious workplace can not only benefit individual workers, who will be able to maintain good physical and mental health, but also businesses, which can gain from higher productivity and reduced risk of absenteeism, and also society as whole, with a reduction in healthcare costs or other benefits, and a more positive impact on family and social life.

This chapter analyses *EurWORK reporting* and is divided into three main sections. The first is on workplace health and well-being in Europe and discusses the context and the main trends of occupational health and safety, as well as workplace health promotion, physical and psychosocial risks. The second section is on work-related health and well-being outcomes, including work absenteeism and workplace-related accidents and sicknesses. The third part focuses on two main themes: the relevance of a gender perspective and the relevance of precarious work in the discussion of health and well-being.

At EU level

Policies on health and well-being are considered of primary importance to the European Union and to individual Member States. Various policies, treaties and measures have been introduced, including, in 1989, [Directive 89/391/EEC](#), which aimed to improve health and safety at work. It was aimed at all public and private sectors (with the exception of the armed forces, police and certain civil protection services).

Health and well-being is also a key aspect of the Europe 2020 strategy for economic growth, which aims to positively affect productivity; promote innovation to make the healthcare sector more sustainable and to find new cures; improve skills and create jobs; encourage the debate on old age; and finance rising healthcare costs. Four flagship initiatives are relevant to public health:

- innovation union: innovative ways to promote active and healthy ageing;
- digital agenda for Europe: to improve the quality of care, reduce medical costs and foster independent living among people who are sick and disabled;
- agenda for new skills and jobs: improved working conditions and workplaces that prioritise the health and well-being of their employees, thus reducing health inequalities, workforce shortages and absenteeism;
- lift [at least 20 million Europeans out of poverty](#) by 2020 by boosting efforts on health promotion and prevention with a focus on reducing health inequality.

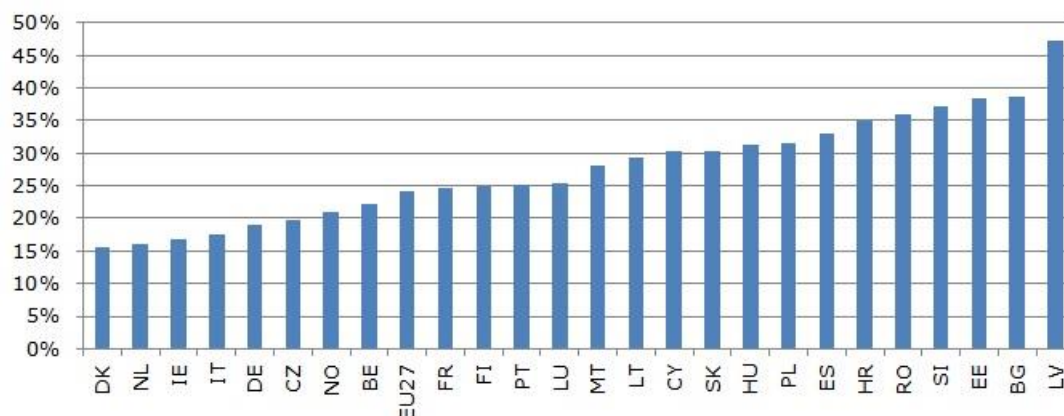
More particularly, on mental health, in 2004 social partners at EU level agreed on a European Framework Agreement on Work-Related Stress, and in 2008, the European Commission with social partners and stakeholders signed the European Pact for Mental Health and Well-Being. The pact emphasises the importance of mental health and well-being for a strong Europe. In

2013 a Joint Action on Mental Health and Well-being was launched with financial support from the EU Health Programme, seeking to create a framework for action in mental health policy at European level.

Workplace health and well-being in Europe

The fifth EWCS in 2010 showed that a large percentage of workers reported that they do not feel safe at work, as Figure 16 indicates.

Figure 16: Workers who feel their health and safety is at risk because of work



Source: EWCS, 2010

A more [recent poll in the UK by Investors in People](#), published in February 2014, found that over half (54%) of full-time employees feel their employer doesn't care about their health and well-being as long as they get the job done. Over one-quarter (29%) of employees in the UK are unhappy in their job, and as overall job satisfaction decreases, the number of sick days taken goes up. However, the research also shows that over half (51%) of those questioned said the health and well-being benefits offered by their employer improve their overall job satisfaction. Respondents stated that flexible hours (43%) were the top health and well-being benefit that makes, or would make them, feel most satisfied and valued in their role.

Occupational health and safety

According to the ILO, an occupational health and safety culture is one in which the right to a safe and healthy working environment is respected at all levels. Although this is a statement accepted by most Member States, the challenges occur in introducing regulations and safeguards that ensure safety at work. Table 28 gives examples of what has been done at national level in 2014 in order to reduce health and safety risks at work.

Table 28: Occupational health and safety – main themes

| | |
|--|--|
| Government initiatives to increase employers' responsibility | SK LT DK RO CZ NO MT IE HU DE LU |
| | Case: In October 2010, new rules regulating formalised social dialogue about working conditions in small and large businesses in Denmark (AMO) were introduced. The rules reformed the organisation of local health and safety committees – called working environment committees – where employers and employees discuss the status of the working environment and plan working environment initiatives. Evaluation, as of 2014, shows that more businesses are now strategically tackling working environment issues , though not all the businesses surveyed had implemented the new rules fully. |
| Social partner initiatives | LT FR FI DE |
| | Case: In March 2014, the Lithuanian Trade Union Confederation (LPSK) and the State Labour Inspectorate (VDI) signed a cooperation agreement for employee representatives to participate in investigating violations of health and safety labour law in companies. The social partners agreed on a mechanism to facilitate this. There was also an agreement for greater cooperation between the two organisations and more transparency in order to ensure that laws are being enforced. |
| Raising awareness | PL NL SK SE SI RO BE HR |
| | Case: In April 2014, the Slovenian Ministry of Labour, Family, Social Affairs and Equal Opportunities and the Labour Inspectorate launched a campaign for healthy working environments to try to raise awareness among employers and employees about the psychosocial risks at work and work-related stress. |
| Effectiveness of Labour Inspectorate or other government department | HU CZ DK |
| | Case: In May 2014, the Czech Labour Inspectorate published an overview report highlighting its activity on illegal employment. In 2013, it inspected 34,997 employers and found 3,170 people working illegally. The most frequent infringements were associated with occupational health and safety. |
| Strengthening legislation | HR BE LT |
| | Case: A new royal decree is in place in Belgium relating to the prevention of fire risks in the workplace. This decree is an update of previous laws and particularly reinforces prevention procedures as well as the control of the effectiveness of these procedures. It also clarifies the employers' responsibilities. |

Source: Eurofound's network of European correspondents, 2014

Although not all of the correspondents reported on this area, the above themes represent the majority of the responses. Most categories relate to some form of regulatory enforcement or to raising awareness.

The next section focuses specifically on the types of risks that workers can be exposed to at the workplace. These are divided into physical risks and psychosocial risks. Growing work intensification and an increased pace of work are the major causes of these risks.

In France, a study by the Research, Surveys and Statistics Directorate (DARES) reveals [a deterioration of working conditions](#) between 2005 and 2013, with increased tension between employees and work intensification. The report also says more workers are having their pace of work monitored by a computer. It also highlights a growing trend of work pace constraints in the public sector, showing that it too is not immune to the intensification of work.

Protecting physical health

Raising awareness, introducing measures and conducting research into protecting physical health are some of the activities in various Member States reported by Eurofound's network of European correspondents.

In terms of raising awareness, activities have consisted of either national campaigns (such as in Hungary, Latvia or Belgium) or more specific one-off workshops or actions, such as in Croatia or Luxembourg.

Table 29: Awareness-raising campaigns to improve physical health

| | |
|-----------|---|
| BE | In June–September 2014, the ‘ <i>Well-being at work</i> ’ group of the Federal Public Service Employment, Labour and Social Dialogue launched an awareness and control campaign in the health and care sectors in order to prevent accidents in the workplace. |
| HR | A workshop was organised to discuss the impact of stress, protection from hazardous materials and the impact of the new ‘green technology’ on health. |
| HU | A nationwide campaign was launched to improve health and safety at work. This campaign is the result of the integration of the labour safety inspectorate into county government offices, which will lead to 30% fewer inspections. |
| LU | The Association of Private Bus Drivers (ACAP) and the transport section of the Federation of Christian Trade Unions of Luxembourg (LCGB-Transport) took industrial action in September 2014 to ask for the improvement of working conditions for bus drivers in the private sector, specifically an adjustment of working hours and breaks; access to sanitation facilities; and better safety measures for drivers and passengers. |
| LV | The Ministry of Welfare, the State Labour Inspectorate and Institute for Occupational Safety and Environmental Health launched a campaign ‘Work Healthy!’ and the Free Trade Union Confederation of Latvia organised a discussion on ‘Working environment and women’s health’ as part of International Women’s Day. |

Preventative measures

Preventative measures included both legislative and non-legislative ones. In February 2014, at EU level, the Council of Ministers adopted a new directive to improve the protection of workers from risks linked to exposure to chemicals in the workplace. This is an amendment of five existing EU health and safety directives on this topic.

In Malta, an amendment was made to the Control of Major Accidents Hazards Regulations to include Heavy Fuel Oil in the category of substances that are ‘dangerous to the environment’.

In Luxemburg, a 2013 law banned smoking in public spaces in order to protect employees from exposure to tobacco smoke.

The Greece government reinstated the allowance for hazardous and unhealthy work for public sector workers, which had been abolished in 2011–2012.

The French National Assembly voted in two amendments to the current legislation in order to protect employees of subcontracted companies on nuclear production sites. One amendment allows the government to restrict using subcontractors in nuclear power stations, while the other stipulates that employees of subcontractors who move from site to site during their career will be monitored by the same doctor.

Hungary: Protective legislation overturned

Workers in Hungary will no longer be able to retire early after being exposed to hazardous working conditions. The government has decided to abolish this system (where employers had to pay increased social security for these workers to retire) as well as other early retirement schemes.

Some countries have introduced changes in procedures. In Lithuania, for example, new entry requirements were introduced in May 2014 for occupational health and safety professionals which include the completion of relevant courses and passing additional tests devised by the State Labour Inspectorate. In Italy, also, the Jobs Act simplifies inspection activities.

Research has been conducted in most Member States, either by trade unions or independent researchers and other organisations, in order to understand the extent of physical risks in a workplace, to map the main measures introduced and to make recommendations, as the two following examples show.

Sweden: Gender bias in treatment of occupational injuries

A study by Gothenburg University, funded by AFA Insurance (AFA Försäkring), found that experts used for judging occupational injuries in Administrative Courts of Appeal did not always have high-level medical expertise. There was also a gender bias, where men more often got medical expertise in their cases compared to women. Moreover, experts were rarely used when ruling on mental illness.

France: Link between risk prevention and company performance

A French study into [risk prevention in the construction sector](#) set out to assess the link between prevention and performance. It looked at preventive measures introduced in 101 companies in an effort to improve safety for workers. The findings demonstrate to managers and employees that pro-active measures, far from hampering competitiveness, can in fact lead to an increase in economic performance.

The study also showed that:

- risk prevention generates performance benefits: for every €1 invested, the return averaged €2.19;
- for non-profitable actions, two-thirds of the costs of investment are covered;
- companies with fewer than 20 workers have a return 3.11 times greater than the investment;
- a quarter of the safety measures cost less than €5,000 and had an efficiency 10 times higher than the average measure;
- payback averages 1.5 years (1.2 for small businesses).

Risk prevention should not be viewed from an economic angle because this is obviously not its primary aim. However, this study provides evidence that it cannot be considered as an obstacle to the competitiveness of enterprises.

Protecting workers from psychosocial risks at work

As with physical risks, psychosocial risks are increasingly being recognised as a cause of poor health and absenteeism.

EurWORK, reporting in 2014, shows that while in some countries campaigns are being launched to give greater importance to the topic of preventative measures, others have moved a step further and have either expanded legislation (as in Belgium or Croatia) or social partners have collaborated to address health and safety issues (as in Germany or France).

Campaigns have been launched to tackle psychosocial risks and the European Union has an important role in raising awareness and providing guidance, as the following example illustrates.

Croatia, Latvia and Lithuania: Health campaigns

The ‘Healthy Workplaces Manage Stress’ campaigns in these countries were launched in April 2014 by national social partners in collaboration with the European Agency for Safety and Health at Work. The campaigns aimed at encouraging employees and employers to reduce stress at work, introducing methods of managing stress and raising awareness.

For example, in Malta, the Richmond Foundation, an NGO offering community services for rehabilitation and support services for people with mental health problems, worked with the main Maltese employers’ organisations in organising a seminar on ‘Mental Health at the Workplace’.

In Germany, employers are cooperating with the unions and the Federal Ministry for Labour and Social Affairs (BMAS) to reduce psychological strains and protect employees’ health in the context of the ‘Joint declaration on psychological health at the workplace’ signed by the BDA, DGB and BMAS in the autumn of 2013.

In Sweden, the Work Environment Authority investigated whether employer responsibility for the psychosocial work environment should be binding by law. The debate started following a district court ruling that two managers were found guilty of violating the Health and Safety at Work Act and of involuntary manslaughter under the Criminal Code for the suicide of a worker after a year of bullying. Employer organisations are against any binding legislation because of the difficulty in measuring a good psychosocial working environment.

In Belgium, a law was introduced in September 2014 on the prevention of psychosocial risks, which expands coverage for the entirety of psychosocial risks and sets out procedures and the responsibilities of the different actors.

In Croatia, social partners were involved in the preparation of the new Act on Health and Safety, which for the first time also addresses stress-related issues.

Table 30: Social partners addressing psychosocial risks in legislation

| | |
|-----------|--|
| BE | <p>New legislation on preventing psychosocial risks sparks debate</p> <p>Belgium has a strong record when it comes to regulations relating to the well-being of employees in the workplace. Recently, steps have been taken to tighten up the rules when it comes to issues around psychosocial risks to workers, but employers fear changes have gone too far.</p> <p>The regulations relating to the prevention of psychosocial strain are set out in great detail, in line with the long-standing Belgian tradition of precise regulation of health and safety issues.</p> <p>The modifications were introduced following trade union demands. Employer organisations were opposed to the new rules. Although they stressed their support for initiatives to help companies develop a</p> |
|-----------|--|

| | |
|------------------|--|
| | <p>preventive policy for stress at work, they were unhappy with the ‘formalistic nature’ of the new rules. They also pointed out that there had been several modifications to the existing regulations within a relatively short time.</p> |
| <p>HR</p> | <p>New Act on Health and Safety addresses stress-related issues</p> <p>An act on health and safety in the workplace was passed by Croatia’s parliament on 30 May 2014. It established a new governing body and builds on the previous 1996 act, now allowing employers to use audio and video monitoring devices. The act also introduces measures to help combat stress at work.</p> <p>Trade unions and the Croatian Employers’ Association participated in preparing the act. Unions welcomed the introduction of stress prevention measures and employers welcomed the obligation for workers to support employers in preventing, eliminating or reducing stress at work.</p> <p>The act seeks to raise awareness about health and safety issues as well as prevention measures among employers and employees.</p> |

Violence and harassment at work

An important aspect of working life is a safe environment, which provides protection from violence and harassment. Eurofound defines violence and harassment as ‘[attacks on personal dignity](#), the right to equal and non-discriminatory treatment and often a person’s health’, while the European Agency for Occupational Health and Safety (EU-OSHA) includes in its definition ‘all kinds of abusive behaviour which humiliates, degrades and damages a person’s well-being, value or dignity’. Violence at work can manifest itself in many ways, from physical violence, to psychological violence, mobbing, bullying and harassment and sexual harassment, racial and other forms of discrimination and even homicide. The consequences of workplace violence are enormous to the well-being of the workers and the cost to the businesses.

Although physical violence has been long recognised as a problem, the discussion on psychological and other forms of violence is relatively recent (Eurofound, 2013b). At EU level there are a range of measures: the two EU directives (Council Directive 2000/43/EC and Council Directive 2002/73) that consider sexual and racial discrimination as violations of human dignity; the Resolution on Harassment at the Workplace 2001/2339 (IND); and the Framework Agreement on Harassment and Violence at Work (2007), adopted following a consultation with social partners. In 2011, a report on the implementation of the framework agreement was compiled by the social partners, highlighting the importance of a national legislative framework.

The fifth European Working Conditions Survey (EWCS) in 2010 found that in the EU27 the percentages of people who have been subjected to threats and humiliating behaviour at work are relatively small, but the following types of workers are more affected: highly skilled

clerical workers (5.8%), younger workers less than 30 years old (5.9%), female workers (5.1%), employees without a permanent contract (5.6%) and those working in services (5.9%).

Table 31 presents the reporting by Eurofound’s network of European correspondents on debates and initiatives on this topic in 2014.

Table 31: Workplace violence and harassment in the Member States and Norway

| | Discussions/debates | Policies | Legislation |
|--|---------------------|--------------|-------------|
| Workplace violence in the local society | UK PL BE | IT | NO FR BE |
| Workplace violence against women | FI LV IT EE BE HR | | SI EE |
| Workplace violence, mental health and absenteeism | NO FR | | |
| Specific sectors and occupations – public | UK IE AT | | SE |
| Specific sectors – private | LU NO | | |
| Social partner involvement to protect employees | | EU level, DK | |
| Employer’s responsibility | LU HR FI | | DK |

Source: Eurofound’s network of European correspondents, 2014

The EurWORK reporting in 2014 presents a picture of relatively low engagement with workplace violence and harassment. There is some discussion or research on new or enforced legislation on sexual harassment and violence against women, while in some cases there is a focus on employers’ responsibility to do more in order to help tackle the issue, for example by providing more training to employees or by stricter observance of the rules.

An interesting point is being made in Croatia, where the increase in workplace violence is being attributed to the long-term situation of unpaid wages.

The Croatian Commercial Trade Union warned that the government should protect shop-workers from the violence and harassment that commonly occur during the Christmas and New Year holidays. Many of these employees work extra hours, for which they are often not paid.

Most Eurofound correspondents identified [an increase in attacks on public sector workers](#) such as nurses, care workers or bus drivers. The data provided comes either from reports or from commissioned research. This result reflects findings from the fifth EWCS, which found that health and social care, transportation and storage, accommodation and food services, public administration and education experience workplace violence more often. Good practice examples were also mentioned in Italy, where there is a national network of counselling centres (*consigliere di parità*) for victims of mobbing and stalking in the workplace. The centres, comparable to ombudspersons, are open to all citizens in need, not only to workers.

Work-related health and well-being outcomes

Absenteeism

Often associated with both physical and psychosocial problems at the workplace, research found that poor working environments with experiences of harassment, violence or high work intensity can cause absenteeism. Similarly, in workplaces that have experienced restructuring there are negative outcomes in terms of health and well-being, and higher levels of absenteeism can be found amongst workers that are being discriminated against (Eurofound and EU-OSHA, 2014).

Table 32: National studies on absenteeism

| | |
|-----------|--|
| BE | Sickness accounted for, on average, 6.3% of employees not at work in 2013. The sickness rate in general and employees being unemployed due to sickness in particular has increased over the last 10 years. |
| HR | Research by the National Institute of Public Health found that employees in all groups who were questioned show signs of work-related stress and have a higher prevalence of mental problems, behavioural disorders and fatigue, while the majority link work accidents to concentration failures caused by fatigue, lack of sleep and depression. |
| PL | In comparison with figures for 2012, there was a 4% increase in the number of days of sick leave, while the number of days of absence rose by 3%. |
| DK | A study by the Danish Confederation of Trade Unions (LO) found that a better working environment could save Denmark around €2 billion. However, the Confederation of Danish Employers (DA) is critical of the study's conclusions and argues that absenteeism can also be a result of a mismatch between skills and job requirements. |

There has been some scepticism expressed about the reasons behind absenteeism. For example, Slovenia's Chamber of Commerce and Industry presented data showing that 'presenteeism' is more often prevalent, with more than half of employees and managers (51%) going to work in 2014 despite being ill, and only 26% of those interviewed agreed that health problems affect their efficiency at work. The EurWORK correspondents also concluded that the level of absenteeism in Slovenia's accounting services is low.

In Cyprus, the Minister of Finance announced that an abuse of civil service regulations on sick leave has led to the overuse of sick leave in the public sector. However, in Spain, a reported reduction in absence from work may be the result of the economic crisis and the fear of losing one's job rather than the result of improved working conditions.

Although reporting on absenteeism has been quite low, the correspondents reporting say that some measures have been put in place by Member States in order to reduce sick days.

In Luxemburg, it was reported that the absenteeism rate decreased by 0.2% during September 2014 compared with September 2013, while in the private sector the absenteeism rate related to illness decreased to 4%. The government stated that this was due to reduced levels of flu, but it did launch a research programme to increase knowledge on absenteeism.

In France, a policy to tackle absenteeism in the public sector has been introduced and civil servants will need to send their employer a medical certificate within 48 hours or face a 50% cut in wages. In Lithuania in September 2014, an increase in the sickness allowance was agreed: 40% to 80% of the compensatory wage.

In the Netherlands, [absenteeism due to sickness has reached a record low of 3.9%](#) since 1996, according to Statistics Netherlands. A major reason for the continuous drop since 2002 is the introduction of new legislation in that year that obliges employers to continue to pay the wage

of sick employees for a period of two years and stimulates both employer and employee to take reintegration measures. The percentage of sickness cases is especially low in small firms (1.6% in firms with fewer than 10 employees) and increases with the size of the firm (3.4% in firms with 10–100 employees and 4.7% in firms with more than 100 employees).

Work-related accidents and sickness

It is not always straightforward to establish if the deterioration of health is work-related, nor is it always easy to contain exposure.

As Norway's EurWORK respondent in 2014 commented:

Exposure to chemicals occurs in most places in the workplace. Better knowledge about chemical exposures, technological developments in the industry and regulation of the labour market has reduced chemical exposures significantly in the typical industrial occupations. Nevertheless, there are still many who develop occupational diseases due to chemical exposures.

However, negligence and weak reinforcement of regulation can lead to workplace accidents.

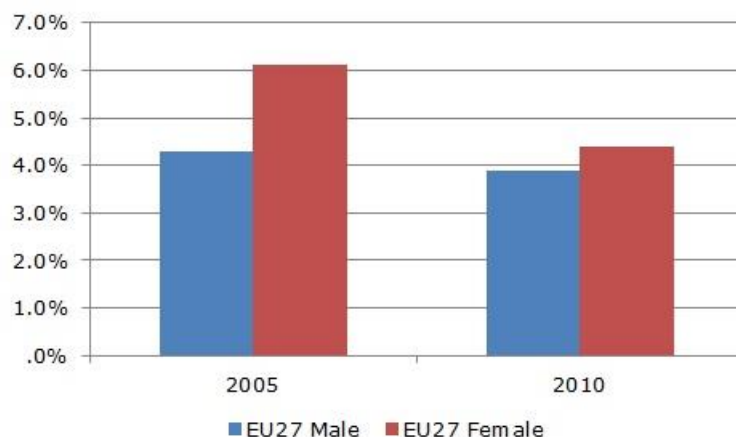
Table 33: Developments in work-related accidents in selected countries in 2014

| Fall in number of workplace accidents | |
|---|---|
| MT | The number of accidents at work fell by 3.7% year on year in 2014. According to a news release by the Malta National Office of Statistics (NSO), most of the accidents in the last quarter of 2014 occurred in the manufacturing sector (21.1%). Other sectors where accidents were quite common included construction (15.4%) and transport and storage (13.2%). |
| LT | According to the State Labour Inspectorate, there were 58 fatal accidents and 137 serious ones at work in 2013, mainly in construction and repair works. Analysis of the results shows that these may have been prevented if health and safety requirements had been met and the internal control of occupational health and safety properly organised. Therefore, the role of the employer is integral in promoting health and well-being at work. |
| PT | There has been a slight fall in the number of fatal workplace accidents . Statistics on Fatal Accidents at the Workplace (<i>Estatísticas de Acidentes de Trabalho Mortais</i>) from the Working Conditions Authority (ACT) show that most fatal work accidents occur in micro and small enterprises and that most of the victims are men. |
| UK | In October 2014, the Health and Safety Executive published figures on workplace illness and injury rates for 2013/14 showing that an estimated 2 million people suffered from an illness during this period which they believed was caused or made worse by current or past work. The TUC, commenting on the figures, suggested that the results point to the need for greater regulation and enforcement. |
| Increase in workplace accidents/occupational hazards | |
| SE | The Swedish Work Environment Authority's report noted a trend of increasing occupational injuries for the fourth year in a row, rising by 3% from the previous year. Stress-related injuries have increased by 50% over the past four years. |
| ES | Occupational hazards increased in all economic areas, especially in the service and agricultural sectors. |

Women and health and well-being at work

There are numerous studies on the persistence of gender discrimination in European society despite the existence of protective legislation during the last 35 years. Gender differences can be located in pay, in accessing employment, in employment patterns and types of jobs available to women and the prevalence of care responsibilities, which mainly fall on women (Eurofound, 2013b). These disparities can also be found in the areas of health and well-being at work. The fifth EWCS found, for example, that women are more likely to suffer harassment and bullying at work than men, as Figure 17 shows.

Figure 17: Bullying and harassment at work – gender distribution in EU27



Source: EWCS, 2010

Compared with 2005, the levels of bullying and harassment suffered by both male and female employees have dropped, but they still remain higher for women. Findings from the survey also suggest that on average, women have less involvement in making decisions about their work processes (48% for men compared with 45% for women) and there is a significant gap in the hours spent in paid and unpaid work for men (14%) and for women (32%). An example from the female-dominated home-care sector shows that there are relatively high percentages of atypical work, poor working conditions, high levels of posture and movement-related risks and exposure to chemical risks. As a result, there are relatively high levels of absenteeism and poor health problems.

Table 34: National developments on bullying and harassment at work

| | |
|-----------|---|
| FI | According to the 2014 EurWORK reporting, every year over 100,000 Finnish employees are violently harassed at work and most workplace violence is against women, often young, and increasingly in the care sector. |
| CY | A specially organised conference emphasised the link between violence experienced in the domestic care sector and migration control. |
| NO | There is a continuing discussion on sick leave and the gender divide. In the 1970s, the rates of sick leave between men and women were approximately equal but women are approximately 1.6 times more likely to be on sick leave than men. Some researchers argue that the divide can be explained by increased levels of women’s participation in the labour market, but it is also argued that gender roles and gender-specific attitudes towards sick leave may be the explanation. Analysis of data found that sickness absence increased much more in pregnant women than in non-pregnant women, and compared to men. The highest increase was found in pregnant women aged 20–24 years. |
| IT | The Association of Health Safety Consultants has paid close attention to the link between health and safety at work and gender. Their work shows that gender segregation at work is mirrored in gender differences in health safety and their campaign includes a review of legislation and preventive measures to avoid risks for pregnant women at work. |

| | |
|----|--|
| IE | The Irish Congress of Trade Unions launched its information manual ‘Policies to assist workers with breast cancer and other illnesses’. Part of this campaign provides for a commitment to prevention and risk assessment, including priorities such as replacement of carcinogenic substances with less dangerous ones, medical monitoring and the recording of data concerning exposure and exposed workers. |
| LV | The International Women’s Day in 2014 was devoted to ‘Working environment and women’s health’. |

Precarious work and health and well-being at work

It has been noted in the relevant literature that precarious work is on the rise in Europe and workers in precarious employment often experience inferior working conditions in terms of working hours, pay, health and safety, and lack of organisation rights (ILO, 2012).

The link between poor health and work precariousness is illustrated by Benach and Muntaner (2007), who suggest that temporary workers are often exposed to work that involves a lot of noise; it is repetitive, strenuous and tiring and they rarely take personal leave. According to the authors, there is evidence that non-permanent workers have less information about their work environment and they are more likely to experience bad health. Seifert et al (2007) also link precarious work with poor mental health as an effect of weakening interpersonal relations and the lack of ability to take pride in one’s work.

Table 35: Research on the link between precarious work and health and well-being at work

| | |
|----|---|
| FR | In France, a study found that between 2005 and 2013 there was an increase in intensification and an increase of tension between colleagues (in French, 1.31 MB PDF) . This is mainly because there are not enough people to cover the job. |
| DE | The Federal Ministry of Labour and Social Affairs (BMAS) focused on health conditions and flexible forms of employment such as mini-jobs, temporary agency work, part-time work or self-employment. The report highlights that temporary agency workers often work in manual jobs, stand or have rigid positions under strenuous conditions in terms of heat, cold or noise, and that the work is repetitive. The report also notes that this situation can be attributed to many temporary agency workers being employed in manufacturing. |

In Spain, the UGT trade union pointed out that over the last few years, the accident rate among workers with regular leave is lower than the rate among workers without regular leave. This could be due to the pressure placed by employers and mutual insurance societies, and the increasing precariousness of working conditions as a consequence of the crisis.

In Norway, the government consulted in 2014 about planned changes to the Working Environment Act, which – among other things – would promote the use of fixed-term workers. The Labour Inspectorate has criticised the bill, arguing that an increased number of temporary workers could consist a health risk and could have negative consequences for vulnerable workers and working environment crime.

In Romania, according to the vice-president of the National Trade Confederate Union ‘Cartel Alfa’, a Collective Employment Contract is very important in order to be able to negotiate certain issues with the employer. Young people in particular are affected by precarious working conditions. The most important problem is that of overtime, where clear legal provisions and regulations are not always respected, and excessive workloads affect employees’ physical well-being.

The Romanian Association of Temporary Work Agents (ARAMT) argues in its reports and public briefings that the increase of temporary work contracts benefits young workers at the beginning of their professional careers, but these contracts are not being considered by banks or other credit agencies and therefore affect young people's opportunities.

Working in a precarious workplace environment can have a negative impact on health and well-being. In Constanta, Romania, [three young dancers died and four others were injured](#) when a fire started in the restaurant where they worked. Following an investigation, the owner of the restaurant and the constructor of the building were prosecuted. They had been fined LEI 7,000 (€1,500) a few weeks before the accident for various irregularities.

Summary

According to the EWCS 2010, a large percentage of workers do not feel safe at work, which indicates that more needs to be done in order to reduce health and safety risks at work, especially with regard to the rise of precarious work in Europe.

Occupational health and safety remains an important area for governments and social partners. In 2014, legislation and initiatives for the protection of workers were implemented in almost all Member States. Most of these focused on awareness-raising campaigns on physical health (for example in Croatia, Latvia and Hungary) and to a lesser extent on preventive measures (Malta and France). Also, psychological risks are increasingly recognised as a cause of poor health, and several countries have introduced preventive measures, while strong collaboration between social partners is apparent. Legislation in the area of psychological risks is still in its infancy compared with that on physical risks, the recent Belgian or Croatian legislation being noteworthy exceptions.

Another major topic is violence and harassment at work. Between 2005 and 2010 the levels of bullying and harassment suffered by both male and female employees dropped, although they still remain considerably high (and higher for women). However, as of 2014, there is still low engagement with regard to violence and harassment at work. There is some political discussion on new legislation on sexual harassment and violence against women, while in some cases there is a focus on the employer's responsibility to do more in order to help tackle violence in the workplace.

8. Skills, training and employability

This chapter concentrates on three main areas. First, a general section provides an overview on participation and training, with some recent examples of debates, policies and legislation. It then looks into recent research on career development and employability. Thirdly, it goes on to explore how different types of workers such as young people, older people and women have been the focus of more targeted policies. Based on the responses by Eurofound's network of European correspondents, this chapter will also include emerging themes and trends in the current labour market, such as the national discussions on skill shortages and the effects of the economic crisis, and highlights examples where social partners have made an important contribution.

At EU level

The need for new skills continues and is crucial for the development of European labour markets. This is recognised by both policy-makers and citizens. Findings from the 2010 fifth European Working Conditions Survey (EWCS) show that in the EU27 countries and across different industries, 32% of the respondents needed extra skills to cope with more demanding duties and 13% needed more training to cope with their duties, while 90% of respondents thought that training has helped them to improve their way of working. In terms of security or future prospects, training is considered an important aspect of working life, with 69% of the respondents feeling more secure at work because of their training and 71% feeling more positive about their working future as a result of their training. However, only 32% were positive that their job offers good prospects for career advancement, a view that can reflect the effects of the economic crisis as well as the recent developments in the type of jobs available in the European labour market.

In relation to receiving training, the survey reveals that only one-third of the respondents (34%) had training paid for by their employer (or by themselves if self-employed) in the past year, while 8% paid for training themselves. This is not surprising, as European employers cut their training budgets during the crisis. This is evidenced by [a 2012 study on the skills and human capital challenges in Europe](#), commissioned by the Federation of Enterprises in Belgium and conducted by the consultancy organisation (2012), which found that 86% of European employers have either cut back or frozen spending on skills and training, and only 18% intended to increase their investment in skills and training in the next year. The study claims that there are growing unemployment and skills shortages on the one hand, while on the other hand, both private and public employers are reluctant to invest in further training. Some national studies echo this finding.

A study by the Finnish Institute of Occupational Health found that [investment in training was on the decline](#), as did one from the National Statistical Institute in Romania, which found that only one-quarter of Romanian companies, at best, provided training for their employees in 2010, down from 40% in 2005. Furthermore, a report published by the human resources company Adecco showed that 60% of Spanish companies reduced the amount of resources devoted to training in 2013. This was surprising, given that the labour market reforms approved in 2012 obliged employers to give employees 20 days of leave for training or to develop a specific training plan for their whole company. It was expected that these new compulsory requirements would lead companies to dedicate greater resources to training activities.

Overall, national governments and the European Union recognise the importance of training and the need for people to acquire a variety of basic skills, including numeracy and literacy, learning foreign languages, and science and digital technology skills. For this reason there is a continuous emphasis on investing in further training as a means of meeting new demands in the labour market, increasing productivity and enhancing innovation. Investment in skills and qualifications was also a part of [Europe 2020](#), the EU's growth and jobs strategy that aims to

promote working lives by enabling workers to continually acquire and develop skills. Part of the Europe 2020 strategy is a flagship initiative, '[Agenda for new skills and jobs](#)', launched in 2010.

The initiative is supported by two further initiatives, 'Youth on the move', developed to help get young people into their first job, and the 'European platform against poverty and social exclusion' to encourage work as a means of eliminating poverty.

In April 2014, the European Commission consulted the public to collect their views, and those of stakeholders, including social partners, on problems faced by learners and workers with regard to the:

- transparency and recognition of their skills and qualifications when moving within and between Member States;
- adequacy of the related European policies and instruments;
- potential benefits of developing a European area of skills and qualifications.

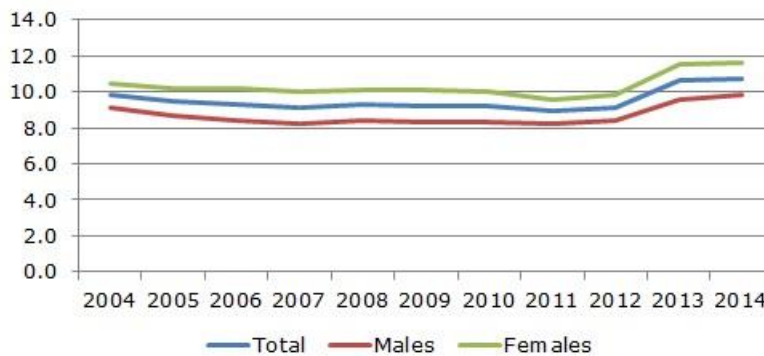
In 2014, the ETUC, with the European Trade Union Committee for Education (ETUCE), adopted a joint position supporting the European Commission's work on education, skills and training as a way of increasing employability. But at the same time, it was also noted that there has been a 'lack of social dialogue in the development of qualifications, recognition and transparency tools for education and training, both at national and European level' and that more emphasis was needed to discuss the employment of students and job-seekers during the economic crisis.

On 26 March 2014, BUSINESSEUROPE released a position paper in response to the consultation, in which [it argued for extra emphasis on learning outcomes and employability in education](#) and training systems at all levels. It claims this would 'facilitate the transparency and recognition of qualifications, enhance quality and foster mobility in Europe'. According to BUSINESSEUROPE, the consultation should not seek to 'create new concepts and initiatives', but focus instead on the appropriate implementation and development of synergies between the various existing tools for the transparency and recognition of qualifications achieved through vocational education and training and higher education pathways.

Participation in education and training

Lifelong learning is not a new concept and it has often been associated with working-class people seeking to improve their working and living conditions by engaging in non-formal forms of education (Jackson, 2004). However, it has attracted renewed interest in the last 10 years and, together with vocational training, it has been incorporated in European policies, strategies and initiatives aimed at increasing employability and providing skilled workers for European labour markets. Figure 18 shows participation in lifelong programmes across EU countries between 2004 and 2014.

Figure 18: Participation in lifelong learning for adults aged 25–64 in 2004–2014 (%)



Source: Eurostat data (trng_lfs_01)

Despite the emphasis on improving training and skills for the population, the figure shows that the proportion of the population aged between 25 and 64 which participates in lifelong learning courses was relatively low but stable in the previous decade. The increase in 2013 to 10.6% was due to changes in its methodology (Eurostat, 2015).

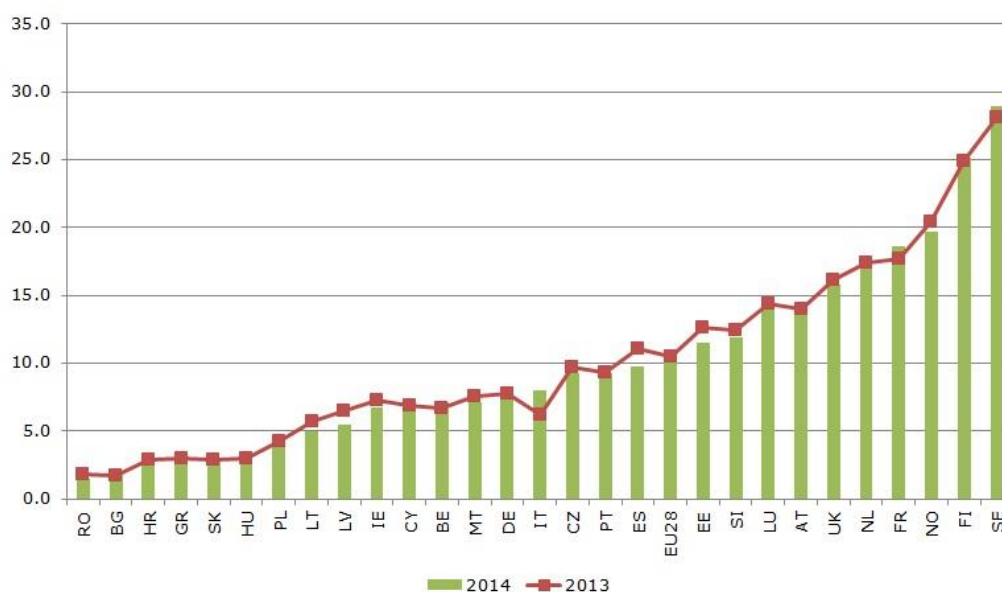
Some of the obstacles to engaging in training reported in the [Adult Education Survey 2011](#) (see the [Eurostat explanation](#)) were:

- lack of time due to family commitments (21%);
- conflict with work schedule (18%);
- training not needed for personal reasons (not related to job) (15%);
- could not afford it (13%);
- could not find what was wanted; health or age reasons (9%);
- lack of employer/public service support (8%);
- no training was offered within reachable distance (6%);
- did not have the prerequisites (4%);
- no access to computer or internet (2%).

Figure 18 shows that participation in training was almost equal between men and women, although in 2013 and 2014 the share of women engaged in lifelong learning was around 1 percentage point higher than for men.

Figure 19 shows the country distribution of participation in education and training for adults aged between 25 and 64 years. The Europe2020 and its Strategic Framework for Education and Training 2020 (ET2020) aim at increasing cooperation in education and training by providing a common strategy for Member States up to 2020, with a target of at least 15% of adults participating in lifelong learning.

Figure 19: Participation rate in education and training (25–64-years-old) in 2012, 2013, 2014 (%)



Source: Eurostat data (trng_ifs_01)

Data in Figure 19 illustrate that there is a significant variation between the EU28 in terms of adult participation in education and training. Scandinavian countries such as Denmark, Sweden and Finland are the largest providers of adult training, followed by the Netherlands, the UK, Luxembourg and Austria. Countries such as France, Italy, Belgium, Sweden, Finland, the Netherlands and, to a lesser degree, Austria and Denmark increased participation in 2014, while participation has fallen in the Czech Republic, Spain, Portugal, Slovenia and Latvia. Only six countries have been able to do better than the ET2020 benchmark in 2014: Denmark, Finland, France, the Netherlands, Sweden and the UK, with Luxemburg and Austria just below it. Some countries, such as Bulgaria, Greece, Croatia, Hungary, Poland, Romania and Slovakia, experience poor participation.

Despite the above variations between countries, all of Eurofound's network of European correspondents mentioned that there are discussions, policies and legislation in every Member State that aim at improving skills and training for all. Table 36 highlights the main areas where Member States concentrate their activities.

Table 36: Skills and training in the Member States and Norway

| | Discussions/debates | Policies | Legislation |
|---|---------------------|-------------------------------|----------------------|
| Improve quality of education and vocational training to meet the demands of the labour market | SK UK NO BE PT FI | CZ SE ES DK DE HU | DK IT FR BG SK EL |
| Increase competences and upgrading of skills (including professional training) | DE PL | LU ES MT LT IE PL HU FR | RO LT DK |
| Introduce, increase or extend lifelong learning for all (including science, technology and innovation) | LT EE HR LV EE | NL | BG |

| | | | |
|--|-------------------------------------|----------------------------|-------------------|
| Prevent skill shortages or skills mismatch | UK IE DE PT | MT PL HU | |
| Improve employability of workforce (including young people and disadvantaged groups) | EL ES DE CZ IT | LU SI RO CZ SI IT SE | PL HR IT LV LT |
| Learn through work experience and on-the-job training (including apprenticeships and internships) | FL UK NO FR LV DE | IE DK IT EL BE UK | ES FR SI |
| Migrant labour and improving migrant labour skills | NO DE | DE | |
| Active participation of social partners to improve training skills | LT HU LV DE NO FI BE ES DK SK UK | NL SK LT EE DE PL AT | NO DK SI |

Source: Eurofound's network of European correspondents, 2014

These areas in Table 37 can be grouped into three categories:

- improving education and training;
- increasing employability;
- encouraging the involvement of social partners.

These are very broad categories and they overlap, as ultimately employment is the main objective of all. Nevertheless, they provide a rough guide to current activities in the Member States. Table 37 provides a summary of examples.

Table 37: Examples of skills and training discussions, policies and legislation in the Member States and Norway

| Activity | Examples |
|---|--|
| Improving education and training systems | <p>Improving vocational training system – Poland</p> <p>The government, responding to a continuing crisis over vocational schooling as well as an increasing demand for skills and qualifications, announced that the development of vocational schooling would become a priority in 2014–2015. The sector, neglected and underfunded until recently, now has a chance to adjust to conditions in the contemporary labour market, both in Poland and in Europe.</p> |
| | <p>Introducing individual training accounts – France</p> <p>The government updated its vocational training system through a law of 5 March 2014 that implements the 2014 National Inter Professional Agreement, which establishes individual training accounts to oversee how the vocational training is financed and governed.</p> |
| | <p>Promoting lifelong learning through networks – Italy</p> <p>Agreement between the government, regions and local authorities for the creation of regional networks to promote lifelong learning. The agreement defines the role of the actors – both public and private – and identifies ways of coordinating their activities with employment</p> |

| | |
|---|---|
| | services and the labour market. |
| Increasing employability | <p>Traineeships – UK</p> <p>The government published its response into the consultation on traineeships. Key points from the document are:</p> <ul style="list-style-type: none"> • Reforms to the current system will be incremental and are designed to reinforce the focus on outcomes while giving providers the flexibility to deliver tailored support. • The government will publish improved definitions of apprenticeship, sustainable employment and further learning outcomes. <p>Some 20% of funding for traineeships will be paid to the provider upon successful progression to apprenticeships, jobs or further learning.</p> |
| | <p>Employability and disadvantaged groups – Greece</p> <p>Young people not in education, employment or training (NEETs) are the top priority to be reintegrated in the labour market and to return to some form of learning. Due to the severe economic crisis, young people have expressed low expectations of the effectiveness of and opportunities offered by the existing scheme, ‘Education-Training-Employment’. Their reasons for not participating are mainly due to the ‘distortion or shrinkage of the welfare state rather than personal choice’.</p> |
| | <p>Improving migrant labour skills – Norway</p> <p>As a part of the collective bargaining agreement (2014–2016), the Minister of Education and Research is asked to ensure that labour migrants increase their language skills and to increase the number of skilled labour migrants through education and skill evaluation.</p> |
| Social partners’ initiatives and involvement | <p>Collective agreements – Denmark and Italy</p> <p>Denmark: The collective agreements of early spring 2014 contain provisions on improving ‘competence developments’.</p> <p>Italy: The newly renewed collective agreement of the commerce sector provides for a paritarian vocational training fund.</p> |
| | <p>Sectoral employment plans – Netherlands</p> <p>In 2013, the cabinet announced a budget of €600 million for sectoral employment plans to be developed by social partners, who pay 50% of the costs. The government will pay the remaining 50% of the budget. Several plans have been approved and include childcare, welfare, youth care, temporary work agencies, construction, road transport and healthcare. The plans contain a wide range of measures and initiatives, including information campaigns, education and training, and assistance for back-to-work trajectories.</p> |
| | <p><u>New alliance for vocational and further training</u> – Germany</p> <p>This was announced by the German Confederation of Trade Unions (DGB) at the end of 2014. It marks a break from the Pact on Apprenticeship, which the DGB refused to join. The new alliance, which runs from 2015 to 2018, unites all the relevant actors.</p> |
| | <p><u>Company tax breaks to support training</u> – Finland</p> <p>In early 2014, a law was passed enabling companies in Finland with 20</p> |

| | |
|--|--|
| | employees or more to make tax deductions when offering employees a personnel and training plan. The law was passed after tripartite discussions between the social partners and the Finnish government. |
| Addressing skills mismatches and promoting mobility | Addressing skills matching – Malta The ‘New Skills for New Jobs’ initiative aims to identify emerging trends and the corresponding skills required at sectoral level. It also aims at enhancing the matching process between skills and labour market requirements and therefore bridges the gap between education and work. |
| | Promoting training and mobility – Lithuania The Partners for Value Initiative, pursued by the LPK together with five Lithuanian universities, won an application tender and received a grant for a vocational guidance project in 2014 funded under the Erasmus+ Programme. The project includes five information events for students regarding mobility opportunities and international/local traineeships. |

Source: Examples from Eurofound’s network of European correspondents, 2014

Career development and employability

Employability is an integral part of recent education and employment strategies adopted by the EU, such as the European Commission’s higher education reform strategy (2011), Europe 2020 strategy (2010) and the Education and Training strategy (ET 2020). The ET 2020 strategy aims specifically at raising graduate employability (among those aged 20–34 years old) to at least 82% and expects public authorities and higher education institutions to be proactive in reaching this goal.

Employability is a complex notion and is not the same as employment. Pierce (2002) identified five interpretations of employability:

- graduates obtaining jobs (measurable to some extent through first destination surveys);
- students being prepared for employment;
- students gaining work experience (formal or informal, structured or not);
- vocational relevance;
- students becoming equipped with a defined range of skills.

According to Yorke (2004), three key features of employability are:

- its relevance to the graduate obtaining a job;
- its relevance to a curricular and perhaps extra-curricular process;
- its relevance to the possession of relevant achievements (and, implicitly, potential).

Yorke defines employability as ‘a set of skills, knowledge and personal attributes that make an individual more likely to secure and to be successful in their chosen occupation(s) to the benefits of themselves, the workforce, the community and the economy’ (Yorke, 2004, p. 10).

In terms of promoting employability, some of the policy approaches taken are in the following areas:

- tackling unemployment;
- modernising training and education systems;
- monitoring the unemployed;
- reducing the number of people dropping out of education;
- opening up workplaces for training and new practices (Eurofound, 2015c).

EurWORK reporting in 2014 discussed career development and employability separately, although most of the issues raised have been discussed above. Table 38 presents some trends and country examples, while the next section will discuss the emerging themes of targeted groups in more detail.

Table 38: Career development and employability – trends and skills

| | |
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| Skill mismatches | MT HU HR NO CZ UK |
| | Norway: The Competency Barometer is a survey of skills demand among the member companies of Norway’s largest employer organisation, the Confederation of Norwegian Enterprise (NHO). The results are derived from the answers of approximately 5,300 companies, representing different company sizes, sectors and industries. The survey found that most firms have an unmet demand for skills. Of these, 85% stated that they would meet this deficiency by raising the competence and skill level of their current staff. Two out of three also planned to hire employees. |
| Targeted groups (age, gender, ability) | LT EL PL BE HU IT DE LV |
| | Germany: In 2014, the Federal Minister for Family Affairs, Senior Citizens, Women and Youth and the Federal Minister for Justice and Consumer Protection presented draft legislation for a quota for female supervisory board members. The grand coalition, made up of Social Democrats and Christian Democrats, decided to introduce such a quota last autumn. The planned legislation foresees at least 30% of non-executive positions on company boards being filled by women. If no suitable candidate is available, the seats are to be left empty. |
| Introduction of new management systems | HR FR |
| | Croatia: The new management system defines ways to monitor and evaluate the performance of health workers and propose mechanisms for their optimal recruitment, retention, training and professional development. |
| Introduction of traineeships or vocational training | RO MT EE |
| | Romania: Employability of higher education graduates is targeted by Law no. 335/2013 on stage-traineeship, which came into force in March 2014. It includes provisions on traineeships, the assessment of the trainee, the traineeship contract, the rights and obligations of the parties, the funds for the traineeship and the sanctions. |
| Research about career paths | CZ IT ES HU |
| | Czech Republic: A survey by media analysts Médea Research on employee turnover in 2014 concluded that Czechs change their jobs every eight years on average, or three to four times during their professional career. Spain: A 2013–2014 annual report on the Spanish university system focuses on the graduates of the 2005–2006 academic year, describing their subsequent labour market situation, including unemployment rates, self-employment, type of contract, income and mobility. The data make a clear link between the economic crisis and the worsening of recent graduates’ initial access to the |

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| | <p>labour market between 2007 and 2012. Among the 2005–2006 graduates, 58% were registered as workers in the social security system one year after their graduation. By contrast, of the students who graduated in the 2010–2011 academic year, only 49% were registered as workers in the social security system in the first year after their graduation. In general, the data show that working conditions improve after a few years of work experience.</p> <p>Hungary: A Hungarian report surveyed more than 10,000 vocational graduates and found that in general, the graduates who have the best chance of entering the labour market successfully are those who were trained in an occupation they were truly interested in. Male graduates’ chances of getting a job are 1.6 times better than those of their female counterparts. Two factors, a good scholastic record and serving an apprenticeship, each enhanced the chances of labour market entry by 1.3–1.4 times.</p> <p>Finland-Norway-Sweden: A study has examined the phenomenon of ‘locked-in’ workers, who find it difficult to change employer. The analysis finds that youth and good health are associated with relatively optimistic views of job prospects, probably because these attributes affect the ability to adapt to the demand for labour, and because employers tend to be cautious about hiring older workers and those with health problems.</p> <p>The most significant obstacles to finding another job reported by the respondents are the labour market conditions in their place of residence or within commuting distance and their age.</p> |
|--|---|

Source: EurWORK reporting correspondents, 2014

Disadvantaged workers

EurWORK correspondents reporting in 2014 discussed developments in their countries relevant to specific groups of workers mainly in terms of age and gender, more specifically female workers. The Estonian government enacted a major reform to increase the labour market participation of another disadvantaged group.

Estonia: Radical reform to work incapacity rules

Against the background of comparatively high and increasing rates of non-participation rates on the labour market due to health reasons, the Estonian government engaged in discussions with interest groups, including the social partners, during 2013 and 2014 [to reform the rules regarding work incapacity](#). The aim of the reform is to move away from evaluation of incapacity, and instead assess an individual’s capacity to work on the basis of not only health, but also taking into account suitable conditions of employment and a reasonable job. This requires vocational guidance to the employee and assistance to a potential employer.

People with a partial capacity for work will be eligible for benefit only if they are employed, unemployed and actively seeking a suitable job or participating in active employment services, or take part in formal education. Social and vocational rehabilitation services are also to be reformed and further help and assistance will be provided to employers in improving and adapting the work environment and working conditions. It is hoped these measures will support reactivation and employment opportunities.

Young people

Some of the findings of the third European Quality of Life (EQL) survey (2011–2012) show that young people are more likely to face moderate levels of deprivation than older groups; deprivation of young people from all social backgrounds increased in 2011 compared with

2007; more young people lived with their parents in 2011 compared with 2007; unemployed or inactive young people are more likely to feel socially excluded, face lack of social support and have lower levels of mental well-being; and they are less likely to trust institutions.

The EU and Member States have introduced a range of strategies and policies to provide more education, training and access to jobs for young people. These include:

- the EU Youth Strategy (2010–2018) to provide more and equal opportunities to young people and to enhance active citizenship;
- the Youth Guarantee Strategy for people under 25 aims to help them access the labour market by promoting apprenticeships and traineeships and by offering non-formal learning environments;
- the youth employment package to help Member States tackle youth unemployment and social exclusion;
- Youth Employment Initiative supports young people not in education, employment or training (NEET) in EU regions where youth unemployment is over 25%;
- EU Skills PANORAMA is a central access point for data, information and intelligence on trends for skills and jobs across Europe;
- measures in education and culture;
- Eurofound's four-year work programme 2013–2016 includes as a priority '[Youth in Europe – improving prospects for all](#)'.

It should be noted that the Youth Guarantee Strategy was agreed by the Council in April 2013 and is now being implemented at Member State level with the help of the European Commission.

Various initiatives have been introduced in Member States aimed at helping young people into jobs or upgrading education systems, with [varying degrees of social partner involvement](#), but the reporting also showed some [actions to combat the abuse of traineeships](#).

Table 39: Youth guarantee policies

| | |
|-----------|---|
| IE | A government review has proposed overhauling the apprenticeships system . The recommendations include expanding apprenticeships to new business sectors with high potential for economic growth and underline the central role of employers. |
| IT | The Italian government plans to strengthen school-to-work transitions by means of apprenticeship contracts. A pilot scheme allows students to spend training periods within companies . In order to implement this, public institutions and a firm or an employer organisation are required to set up framework agreements. Two such agreements have been signed to date. |
| LT | Lithuania adopted the Youth Guarantee initiative in January 2015 and social partners – representatives of state institutions, business, employer, employee and youth organisations – signed memorandum agreeing to cooperate and to ensure that young people are trained for the labour market on a targeted basis . |
| LU | Luxemburg introduced the Youth Guarantee in June 2014 and developed an initiative that offers a job or training scheme to people aged under 25 to avoid unemployment. The initiative also combines measures to help NEETs. |
| MT | The Minister for Education and Employment criticised the lack of interest in the Youth Guarantee Scheme, which was launched in April 2014, to assist NEETs. |

Older people

According to Eurofound, the number of those aged 65 and over is predicted to increase by 20% by 2020. In terms of employment, although older workers tend to be less affected by the recession than young people, they are over-represented in the public sector and therefore vulnerable to future cuts in public spending. Employment rates for older workers are generally very low (three out of 10 of those in the ‘pre-retirement’ age are in employment) and they are more likely to be on open-ended contracts, to work part time or to be self-employed. Early retirement schemes have been reduced while the general trend is to extend working lives and later retirement ages have been agreed in many Member States (Eurofound, 2012).

As part of the European Employment Strategy, Member States are to increase labour market participation for people aged 50 and over by adopting active ageing policies relevant to work organisation and lifelong learning. Some of the reforms introduced in recent years include:

- reducing incentives for early retirement in tax and benefits systems;
- providing financial incentives to seniors who continue work or to employers who hire older workers;
- promoting lifelong learning and training opportunities for older workers;
- developing new roles involving intergenerational teams and mentoring or coaching roles that make effective use of the expertise of older workers;
- [making work organisation more flexible](#) to meet the needs of older workers, including flexibility in working time, part-time work and temporary employment, allowing time for care responsibilities.

The EurWORK correspondents’ reporting in 2014 presents some of the initiatives developed by Member States. In Latvia, the Ministry of Welfare organised computer courses for older people, ‘Connect Latvia’, and the project was expanded because of its success.

In Denmark, the ‘prevention packages’ were supported by DKK 55 million (€7.37 million as at 25 September 2015) in 2013, 2014 and 2015 and aimed at improving working conditions as a means of preventing early retirement. The initiative targets businesses or workplaces as a whole. One example is a carpenter’s business, which gets new tools and ergonomic exercises to improve the working environment. The evaluation of the initiative showed that it did improve working conditions.

Women

There have been numerous measures and initiatives that aim to eliminate gender inequalities in society, to encourage women’s participation in the labour market, to increase employability, to reduce occupational segregation and to close the gender pay gap. In the last decade, women’s employment has grown and one of the five targets of Europe 2020 is to achieve 75% employment among those aged 20–64 years old. However, data from Eurostat show that this target has not yet been achieved; women’s employment in 2014, both full time and part time, was 63%, while for men it was 75%. In terms of career prospects, the fifth EWCS shows that women feel less certain than men that their job offers good career prospects (34% for men and 28% for women). The EurWORK correspondents, depicting the continuous need for gender-specific measures, presented some of the existing initiatives in Member States. These include the initiatives shown in Table 40.

Table 40: Gender-specific measures to combat gender inequality

| |
|--|
| <p>Germany: Vocational training to reduce occupational segregation</p> <p>According to new data from more than 530,000 apprentices, the occupational choice of youths remains unchanged and highly segregated. Against this background, in 2014 in Germany, the fourteenth ‘Girls’ Day’ took place, which is sponsored by employer organisations, unions and state ministries. This is an initiative that seeks to interest girls from the age of 10 in technical occupations. Companies with technical departments hold an open day for schoolgirls and their families as part of a campaign to encourage parents, employers and teachers to think about job choices. The custom started in 2001 and has been funded by the ESF, Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) and the German Federal Ministry of Education and Research (BMBF). By 2014, nearly 103,000 girls participated in over 9,000 events.</p> |
| <p>Croatia: Promoting female entrepreneurship</p> <p>The initiative ‘A Job Creation Engine for South East Europe’ was developed with the aim to harmonise women’s entrepreneurship policies in accordance with the principles of the Small Business Act in Europe; to enhance the capacities of the associations of women entrepreneurs; and to promote a systematic policy dialogue among all stakeholders.</p> |
| <p>Greece: Up-skilling</p> <p>The ‘Digital Alliance for Women’s Employment’ initiative was launched in 2014. The project is based on the European Commission’s action on ‘Grand Coalition for Digital Jobs’. This is a multi-partnership initiative that helps women to gain new skills in digital employment and encourage economic growth.</p> |

Austria, Luxembourg, and Sweden: Research to highlight gender inequalities in training

Austria: A study found that men on parental leave were participating in further training much more frequently than women.

Luxembourg: The Observatory for Vocational Training in Luxembourg published two studies in 2012 that show that male managers and high-qualified employees have more access to training than women, low-qualified workers and workers over 45 years old.

Sweden: In June 2014, the Public Employment Service's annual report on the Swedish labour market showed that vocational training favours men, as their training, on average, was more expensive. Men were also more likely to find a job after training compared with the participating women. **Austria:** A study found that men on parental leave were participating in further training much more frequently than women.

Italy: Including a gender dimension in the Youth Guarantee Plan

The Youth Guarantee Plan has been criticised by the Italian Network of Equality Counsellors for not giving enough attention to gender. As a result, a working group was organised and involved representatives from social partners to discuss possible changes.

Summary

In 2014, policies and legislation were proposed or implemented in all Member States that aim at improving skills and training. More specifically, these policies attempt to improve education and training systems (for example in Poland and France) and to increase employability (Malta, Greece) and many initiatives involve social partners (for example in Denmark and the Netherlands).

Employability, but also skills mismatches, has become a hot topic in some countries, especially in times of relatively high unemployment, with governments trying to address skill mismatches (Malta and Croatia), to introduce new traineeships and vocational training (Romania and Estonia) and especially to target disadvantaged age groups (Latvia), gender (Hungary and Greece) and ability.

Yet despite the emphasis on improving training and skills, there is a significant variation between the EU28 in terms of adult participation in education and training. Scandinavian countries such as Denmark, Sweden and Finland are the largest providers, while in the Czech Republic, Estonia and Latvia, participation has decreased. In fact, data show that on average, only 11% of the EU population aged between 25 and 64 participated in lifelong learning courses in 2013.

9. Work organisation and workplace innovation

The EU is concerned with both increasing competitiveness and with improving working conditions. Work organisation is seen as a key to these and it is suggested that some types of work organisation are associated with a better quality of work and employment. Work organisation is a wide-ranging and complex issue. It is also hard to define. EurWORK monitors [developments in work organisation](#) with a particular focus on forms of work organisation, workplace innovation, and employee involvement and employee participation in work organisation. A Eurofound report (2012) on recent developments in work organisation in the EU27 and Norway suggests that there is [a lack of comprehensive information on work organisation patterns](#) both at the EU and at national levels.

Forms of work organisation

Based on data from the fourth European Working Conditions Survey, a 2009 Eurofound report explores [the diversity of work organisation across Europe \(926 KB PDF\)](#). It identifies four main types of work organisation, described as the ‘discretionary learning’, ‘lean production’, ‘Taylorism’ and ‘traditional’ or ‘simple structure’ forms of work organisation. Discretionary learning (38% of employees surveyed) is characterised by high levels of autonomy at work, learning and problem-solving, task complexity and self-assessment of quality of work; lean production (26%) by a higher level of teamwork and job rotation and self-assessment of work quality and pace; Taylorist forms of work organisation (20%) are characterised by low levels of autonomy at work, few learning dynamics and little complexity, repetitiveness and monotony of tasks; and traditional forms (16%) are characterised by informal and non-codified methods.

Evidence from the report suggests that discretionary learning forms of work organisation are most developed in Denmark, Sweden and the Netherlands; that lean production forms are more prevalent in Ireland and the UK along with eastern countries, Finland, Portugal and Luxembourg; and that Taylorist and traditional forms are most prevalent in southern and eastern Europe. The report points to the important links that exist between forms of work organisation and the quality of work, including work-related health and safety risks, work intensity, work–life balance and satisfaction with working conditions, and calls for a better understanding of the impact of forms of work organisation on the quality of work and on productivity.

More recently, the European company survey 2013 showed that [two types of establishments were performing best \(4.9 MB PDF\)](#) in terms of workplace well-being and establishment performance at the time of the survey. The first group, labelled ‘systematic and involving’, is characterised by a top-down approach to decision-making on daily tasks, highly structured internal organisation, high levels of investment in human resource management (HRM) and extensive practices for direct and indirect participation. The second, smaller group, labelled ‘interactive and involving’, is characterised by a joint approach to decision-making on daily tasks, moderately structured internal organisation and limited investment in HRM but extensive practices for direct participation. The first group is more prevalent in larger establishments, the second in smaller ones. This shows that different combinations of practices are positively associated with outcomes for workers and companies, and implies that the combination of practices needs to match the circumstances and characteristics of the establishment.

However, modern patterns of work organisation can also be a double-edged sword for employees, as factors contributing to workers’ job satisfaction, such as high levels of autonomy and involvement, can also create more stress, longer working hours and poor work–life balance, according to Eurofound (2012). This report also indicates that while there are some issues of conflict among employer and employee representatives, such as increases in flexibility as part of the modernisation of work organisation, in many countries social

partners cooperate because they understand the importance of new forms of work organisation to competitiveness and job retention.

Workplace innovation

Workplace innovation is [a complex and broad-ranging concept](#). According to the European Commission it includes ‘innovations in the way enterprises are structured, the way they manage their human resources, the way internal decision-making and innovation processes are devised, the way relationships with clients and suppliers are organised, or the way the work environment and the internal support systems are designed’.

The EU [promotes the idea of modernising work](#) through workplace innovation with the aim of improving working conditions, employee motivation and organisational performance and supports a number of initiatives to promote workplace innovation, including the European Workplace Innovation Network (Ewin).

Innovations in work organisation are potentially able to improve competitiveness and employees’ working conditions and experience. A 2013 Eurofound report explores the links between innovations in work organisation and the potential benefits for employees and organisations. It draws on evidence from case studies carried out in 13 Member States where [workplace innovations have resulted in positive outcomes \(611 KB PDF\)](#). The report identifies pressure to improve performance as the driver for innovation in the companies it studied, but it also highlights the fact that the presence of social dialogue and involvement of worker representatives made a valuable contribution to human resource innovations. The study also reinforces the evidence that while the innovations that led to greatest job satisfaction were those that facilitated task variety, decision-making and greater autonomy, these factors also led to a rise in job strain through more work pressure, workload and work pace.

The main focus of the 2013 Third European Company Survey was [on work organisation, HR practices, employee participation and social dialogue \(65 KB PDF\)](#). The survey highlights that despite the crisis, 84% of managers and 67% of employee representatives reported a ‘good’ or ‘very good’ work climate, that employees make decisions on a daily basis together with managers in 40% of cases and that establishments increasingly make use of flexible working time arrangements and part-time working, with 66% of establishments offering flexitime to at least some of their employees and 69% employing at least one part-time member of staff. The survey identifies that it is in the financial services and service sector more generally where employees have the greatest work autonomy, while the construction and manufacturing industries have the lowest levels of autonomy. It also reports that while companies in Sweden and Finland (closely followed by Denmark and Austria) offer the greatest autonomy, Croatian and Slovakian companies offer the least, with Romania and Croatia having the most ‘top-down’ forms of work organisation.

Employee involvement and participation

Employee involvement refers to the opportunities employees have to take part in decisions that affect their work and it is an important dimension of workplace innovation. There is evidence to suggest that organisations with high levels of employee involvement are particularly successful in fostering employee motivation and well-being.

A 2013 Eurofound report highlights the fact that relatively [little is known about the prevalence of employee involvement across the EU \(4.37 MB PDF\)](#) and the factors that encourage it. Indeed, the extent to which employee involvement leads to mutual benefits for employee and employer is controversial.

The key findings of the report suggest that in the EU27 overall, most of the workforce is in organisations with very limited opportunities for employees to participate in decision-making. Overall, 38% of employees were in low involvement organisations in 2010, 35% in

organisations with an intermediate level of involvement and 27% in high involvement organisations, but there were marked differences between countries.

Overall, the Nordic countries (Denmark, Finland and Sweden) have the highest levels of involvement and southern (Greece, Spain, Italy, Portugal) and east-south (Bulgaria and Romania) countries have particularly low levels of involvement. It is suggested that this indicates the extent to which levels of employee involvement are influenced by the policy environment.

The report also notes important differences between the new Member States, with those closer to the Nordic group of countries (Estonia, Latvia, Lithuania) having relatively high levels of involvement.

In terms of types of work, involvement was lowest in work involving routine machine production but considerably higher in work dealing with people and in work involving extensive use of computer technology. In terms of occupation, involvement was far higher amongst those in higher-skilled jobs, although again this varied, with Nordic and Continental countries having a low level of differences between occupations.

The report also highlights that institutional channels for dialogue between employers and employees – particularly a national strength in trade union membership – were important in supporting effective employee involvement and influence. There was also a strong level of association between the level of employee involvement and opportunities for formal and informal learning, with nearly 60% of employees in high involvement organisations having received training in the past year compared to 42% in low involvement organisations. Organisations providing more scope for involvement in decision-making also tended to offer better working conditions, lower physical risks in the work environment, greater working time flexibility and higher levels of psychological well-being.

According to the latest Flash Barometer Working Conditions report, at least half of the working population of each Member State is satisfied that their opinions are considered when decisions are made about their work, with the highest satisfaction rates recorded in Austria, Denmark, Estonia, Finland and Sweden, where around 80% of the population are happy, and the lowest in France, Greece, Italy, Spain and Malta, with satisfaction rates of around 60%. The survey also finds that Europeans are more likely to discuss work-related problems with colleagues (75%) than with managers (64%) or employee representatives (39%). In addition, 65% of employees across Europe said they had been informed about the state of the company where they worked and 54% said they had been [consulted on changes in their work and working conditions \(5.48 MB PDF\)](#).

A TUC report arguing for the benefits of democracy in the workplace draws on case studies of good practice in the information and consultation process in France, Germany and Sweden. The 2014 report argues that the introduction of the Information and Consultation with Employees (ICE) Regulations in 2005 did not have the anticipated effect on employer–employee consultation in the UK and are not widely used or understood. The TUC report argues for a strengthening of the ICE Regulations in the UK in the name of both economic efficiency and social justice, arguing that [information and consultation are important contributors to high-performance work practices \(287 KB PDF\)](#). It adds that evidence shows these contribute both to higher productivity but also to basic democracy and greater trust in the workplace:

The evidence of continental Europe shows that information and consultation promotes trust, understanding and mutual respect in the workplace, assists managers to make better decisions for the long-term benefit of the company and widens the esteem in which unions are held, underpinning rather than undermining their position.

The report also highlights how major companies such as Volkswagen and Siemens in Germany have [strong works councils that senior managers value highly](#). In Croatia, research

concluded that the electoral procedure for works councils is too cumbersome, particularly in smaller companies, and should be revised.

Recent examples from countries throughout Europe highlight both the importance of employee involvement but also the considerable variation that exists between countries.

Table 41: Research and projects on employee involvement

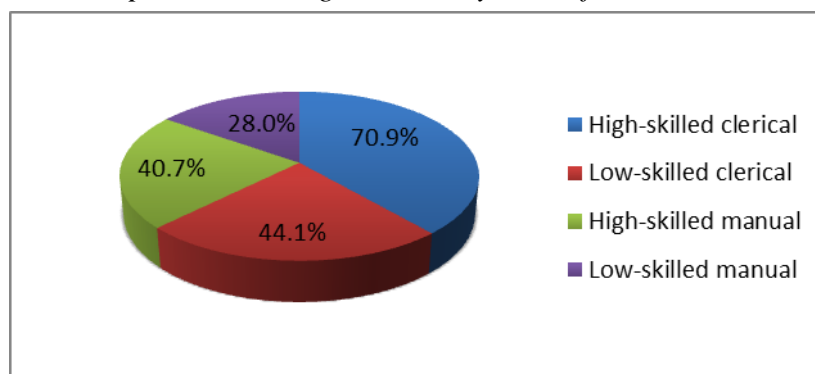
| | |
|------------------|---|
| <p>FI</p> | <p>A project to improve workers’ productivity that ran from 2011–2013 in five local authorities, during which time an employee-driven productivity development plan was followed, made productivity gains of €2.7 million, or almost €1,000 per employee a year, in addition to improvements in employees’ working lives. One feature was that 5–10% of the municipality employees received special training in order to function as ‘internal innovators’ in their organisations. ‘Internal innovators’ regularly arranged meetings among employees to discuss workplace development and also worked closely with management. Since the aim was to implement a permanent operating model, the development process was connected to the municipal strategies and management systems of the individual municipal organisations.</p> |
| <p>ES</p> | <p>A study of 242 employees in 51 companies indicated that internal communications were poor, with 41% of the workers saying their company did not tell them anything about the company or business situation (up from 32% such complaints in 2009).</p> |
| <p>PL</p> | <p>A 2014 report suggests there are not many good practices in employment relations and few in the area of workplace innovation.</p> |
| <p>MT</p> | <p>It is reported that there are no structures in place for employee involvement at the national or workplace level and that these have all been dismantled in the past 20 years.</p> |
| <p>UK</p> | <p>1. Research highlights that NHS trusts with higher levels of employee engagement also tended to have higher levels of patient satisfaction as well as lower levels of mortality and hospital-acquired infections (936 KB PDF). The report calls for employers in the NHS to increase employee engagement as a means of driving up patient outcomes and increasing efficiency. Of particular note, the report suggests that in the NHS, 30% of absenteeism due to sickness is due to stress and that reducing this could deliver considerable savings.</p> <p>2. In December 2014, the Chartered Institute for Personnel and Development (CIPD) published a report showing that in the previous decade management–employee relationships had improved, but not significantly so (1.83 MB PDF).</p> <p>3. A research paper published by ACAS suggests that employee engagement seems to have increased over the last decade (478 KB PDF). It concludes that ‘in order to enable employee engagement – employers need to engage workers in genuine dialogue and involvement, rather than just delivering one-way communications’.</p> |

Work organisation, skills and learning

Increased technological change and globalisation have altered work organisation and led to demand for new skills by employers. These changes are likely to intensify, according to a recent OECD report (2014). As a result of these changes, as well as a general interest in

organisational cultures, the new approaches to work organisation have been developed to allow for greater flexibility and adaptation to new market conditions (Eurofound, 2015c). The relevance of skills and learning to these new approaches has been considered to be important for innovation, productivity and workers' motivation. Despite the lack of larger-scale data, some of the questions covered by the fifth European Working Conditions Survey are relevant to further learning and acquisition of skills, for example participating in decision-making, greater employee involvement or working as part of a team. However, a lot depends on the individual's type of skills, as Figure 20 shows.

Figure 20: Involvement in improving the work organisation or work processes of the department or organisation by level of skill in the EU27 (%)



Source: Fifth EWCS, 2010

Figure 20 reflects the unequal status of workers in decision-making within the workplace. Employees in clerical positions were more involved in improving their work environment and work organisation than those in manual positions, while highly skilled people were more involved than the less skilled. Highly skilled employees in clerical positions are the most involved. The fifth EWCS also found that employees in 'high involvement organisations' or 'consultative organisations' were more likely to be involved in informal learning in terms of learning, problem-solving or applying ideas.

Table 42: Work organisation and skills and learning in the Member States and Norway

| | Discussions/debates | Policies | Legislation |
|---|---------------------|----------------------|-------------|
| Government funding to employers for staff training | | MT | |
| Introduction of ICT and job insecurity (including deskilling) | FI SE | | |
| Provision of training/skills development/dual training | | HR HU DE BE RO BG | DK |
| Provision of non-formal education | | | LT |
| Improving workplace conditions | | FR | |
| Intergenerational skill exchanges | | CZ | |

Source: Eurofound's network of European correspondents, 2014

Table 42 shows that most policies have been developed to provide training and skills development. Some respondents discussed the introduction of dual training. For example, in Bulgaria, the Confederation of Independent Trade Unions of Bulgaria (CITUB) approved a dual training programme in its aim to represent the regional specificities of the companies and their workforce. Under the scheme, businesses can be involved in the education of their future employees. According to CITUB, this is a national priority and goal in which the state should actively support the private sector.

Homeworking and teleworking

Forms of work organisation where work does not have to be performed on the employer's premises all of the time, such as teleworking and homeworking, continue to be developed across Member States. Homeworking is widespread throughout western and central Europe and is especially high in Scandinavian countries.

While no recent comparative statistics on the extent of telework are available, some scattered national statistics have been reported.

- In Finland, the annual working conditions survey shows that [flexible working has increased from 60% to 70% since 2006](#), while in 2013, 10% of workers telecommuted at least once a week. Flexible working hours and remote work is most common among managerial employees. It is quite rare in the municipal and industrial sectors, but more common in private services sectors and the government sector.
- Similarly, the UK Office for National Statistics ([ONS](#)) published figures showing that [4.2 million workers were home workers in the UK in 2014](#), 14% of all those in employment. The number of homeworkers in the UK has grown by 1.3 million since 1998. The figures show that homeworkers tend to work in higher-skilled jobs – 15% as managers, 35% as professionals and 24% in skilled trades – with, on average, higher hourly wages; and that almost two-thirds of homeworkers are self-employed, although homeworking is most prevalent in the agriculture and construction sectors. Two-thirds of homeworkers were men. A TUC statement points out that [the number of people who are homeworking has increased in the UK since 2007 by over 500,000](#), with the largest increase in the South-East, and that this highlights the many benefits of homeworking for both employees and employers. However, the TUC also suggests that it is still the case that 'too many employers are still afraid of letting their staff work from home'.
- In contrast, however, the number of people in Germany working from home has fallen significantly since 2008. [A study of homeworking in Germany published in February 2014](#) found that fewer Germans are working from home and that while homeworking increased from 2000–2008, it has fallen since 2008. In 2012, almost 5 million people, 12% of the labour force, worked from home in Germany, mostly highly qualified employees such as managers, lawyers, journalists and engineers.
- Debates on teleworking in Hungary reveal that while workers and managers see the benefits of teleworking for white-collar workers, the majority of employers are still reluctant to do so and fear the loss of control over their workers.

Table 43: Major companies introducing teleworking in 2014

| | |
|-----------|---|
| BE | In 2014, Belgium’s largest telecommunications company, Belgacom, agreed to expand homeworking to half of its 14,000 workforce. This reflected an evaluation of the homeworking project started by the company in 2013 with 4,700 employees working some days a month from home, in which 70% of team leaders reported higher productivity levels and 91% of the homeworkers reported a positive impact on their well-being. |
| FR | In January 2014, Nestlé France announced it would be extending the option of teleworking to all of its 3,000 employees following pilot schemes. |
| FR | Airbus Defence and Space in France concluded an agreement with unions on limited teleworking for 100 workers (out of the France-based workforce of 6,000) who are able to volunteer for telework for up to two days per week, over the three years 2013–2016. |

Summary

While evidence from across Europe suggests that companies and social partners are promoting the modernisation of the workplace and research suggests that employee involvement and training are key, the reporting from EurWORK suggests that [the number of reported initiatives in 2014 was low](#) and the more comprehensive initiatives continued to come from countries such as Finland, where there is already a long-standing tradition of employee involvement and a more employee-centred approach to work organisation. At the same time, survey- and research-based evidence from several Member States suggests room for improvement in employee consultation and participation practices.

This highlights the importance of sharing the good practice that does exist, plus a good understanding of what has worked, and why, in order to promote the modernisation of workplaces and so arrive at true win-win solutions.

10. Conclusions

Europe is undergoing changes, and while the European Union has introduced measures to strengthen the economy and economic growth, the enduring economic crisis means any recovery is both fragile and unequal.

In 2014, economic development was more favourable in most Member States and it also brought some good news from the labour market in terms of increased employment rates and reductions in unemployment rates. At the same time, 2014 was also memorable for some notable regulations, policies or debates and developments that could be deemed to reverse trends in several areas of working life.

Collective employment relations, wage-setting and pay developments

Against the background of a longer-term trend of declining trade union membership and declining densities in the majority of EU Member States, the year 2014 can be cautiously viewed as one where this trend perhaps slowed down a bit, according to data from Eurofound's network of European correspondents.

Collective bargaining remains the major form of wage-setting, with six out of 10 workers covered by some form of collective wage agreement according to the 2013 European Company Survey. It is also an important feature of the European social model, as the European Commission has been keen to stress recently. The importance of institutional stability for the efficacy of collective bargaining should not be underestimated, as it provides the necessary basis for actors involved in collective bargaining to pursue wage policies that are mutually beneficial. Brandl and Lyhne Ibsen (2015) argue that (frequent) changes to institutional structure come at an economic cost in terms of higher unemployment and inflation. They estimate that the new institutional structure becomes really effective only after a period of about two to four years, during which there still might be some negative effects of instability not yet compensated for by the new structure.

In 2014, the collective bargaining landscape remained heterogeneous across Europe; the 2014 reporting pointed to stability of collective bargaining, with major trend-setting agreements having been concluded (for example in Denmark, Norway and Austria). However, social partners often assume this role under considerable challenges. This might be due to legislative changes brought in after agreements with the Troika (for example in Spain, Portugal, Ireland, Slovenia and Greece) or following government interventions (for example in Belgium and Hungary), but also due to trend-setting rulings of the CJEU. A decline in collective bargaining coverage was particularly sharp in Portugal recently (levelling out at a low level in 2014) as well as in the Netherlands and Romania.

The general and long-standing trend of a more decentralised collective bargaining, with an increasing number of agreements being made at lower levels, has again been reported in a number of Member States. However, their 2014 reporting also showed that this path is not unidirectional, with some examples of either a return to more centralised wage-setting or a preservation of the status quo, despite tendencies to decentralise.

At the same time, there were also several examples of how governments have attempted to promote the institutional role of collective bargaining (for example in Germany, France and Estonia). The most wide-ranging example is perhaps the German 'Act of Promotion of collective bargaining', which aimed to bring the recent decline in collective bargaining coverage (due to non-extension of many agreements) to a halt. It re-established the principle of having only one agreement per company, which met the demands of employers but was not welcomed by (all) trade unions, particularly the smaller ones.

A main feature of this act was the introduction of a statutory minimum wage in Germany. This substantial systematic change not only triggered debates in Germany, but also spilled over to other Member States, mainly to four out of the six countries that have no universally

binding wage floor. The most wide-ranging step was made by the Italian government, which included in the reform of its Jobs Act the possibility of introducing a statutory minimum wage. However, it was not implemented after unions criticised the idea, highlighting the risks of downward pressure on collectively agreed wages. In other countries, such as [Finland](#), [Denmark](#) and Austria, debates on this were quite short lived and remained at the level of individual actors, as there was a shared consensus among the main actors to keep the status quo of collectively agreed minima.

This shows how wage-setting systems remain very country specific and how ‘convergence’ in the area of wage-setting is to date [only detected at the level of debates](#). A more important spill-over of the introduction of the minimum wage to other Member States came up in early 2015 and is related to the question of how a national minimum wage applies to workers from other Member States, with particular relevance for the [road transport sector](#).

Against the background of good economic developments, pay developments were generally favourable in 2014 in many Member States, both in terms of collectively agreed wages as well as in the increases of the statutory minimum wages agreed or decided during 2014, although growth has not returned to pre-crisis levels. In some other Member States, minimum wages remained frozen or virtually unchanged because of low rates of inflation. It is important to note that the reporting showed that even employers were arguing for more substantial increases in pay in countries/sectors where pay increases were restrained for different reasons (such as Belgium, the United Kingdom and Spain).

However, 2014 also appears to have been calm in terms of industrial action compared with the recorded peak in 2010 ([ETUI, 2015](#)). In this context, the recent agreement between employers and trade unions – [an agreement concluded between the International Trade Union Confederation and major employers’ organisations](#) (in February 2015) which focused on modalities and practices of strike action at national level – was paralleled at national level by both limitations on the right to bargain and ultimately to strike (for example Germany) and direct limits on the right to strike (for example Norway, Portugal and the United Kingdom), but also by cases where the right to strike has been extended (as for the police in Ireland) or better defined legally (as in Lithuania).

Quality of jobs and employment

Against the background of longer-term policy efforts to make labour markets more flexible, and more recent, crisis-related, changes in employment, the ‘standard’ open-ended salaried employment contract has – at least selectively, perhaps increasingly – come under pressure. There has been a small increase in the proportion of fixed-term contracts in the EU overall (though quite high in some Member States), casual work and involuntary part-time working, and some evidence of a growth in self-employment due to a lack of other employment opportunities.

These developments prompted concerns and reactions from governments and social partners. Regarding the importance of fixed-term contracts, the reporting showed only one case – Norway – where the government proposed to amend regulations to make it easier to hire workers on fixed-term contracts of up to one year.

More countries, however, have proposed or implemented legislation in 2014 to further regulate and restrict the duration of these contracts (such as Italy, Croatia and the Netherlands). Similar developments are apparent with regard to temporary agency work, with several countries attempting to provide more social protection (Netherlands) and to ensure equal pay (France). The reporting also highlighted cases where governments and social partners aim to combat the abuse of traineeships (for example Austria).

Another major trend in individual employment relations is the increasing flexibility and rights on paternity, maternity and parental leave. Several countries changed legislation in 2014 in order to improve conditions for working parents (for example Germany, Estonia and Italy) and to increase women’s labour market participation (Croatia).

There is frequently conflict over working time flexibility, as evident in the inability of the EU-level social partners to agree on revisions to the EU Working Time Directive (2003/88/EC). For employers, working time flexibility potentially promises greater productivity through adapting working hours to peaks in business activities and it has the potential to enhance employees' work-life balance, but it can also make working conditions worse. During 2014, several Member States introduced laws or proposed changes to existing rules on working time, such as regulations on weekend working hours (Hungary, Poland) or on employee-friendly working time flexibility (Germany, the UK). For some countries, this forms part of an attempt to further liberalise and deregulate labour markets (Croatia, Norway and Poland). Moreover, several studies suggest that there has been an increase of unpaid overtime in several countries (the UK, Hungary and Sweden).

Occupational health and safety remained an important area for governments and social partners in 2014. New legislation and initiatives to protect workers were introduced in almost all Member States in 2014. Most of these have focused on awareness-raising campaigns on physical health (Croatia, Latvia and Hungary) and, to a lesser extent, on preventative measures (Malta, France). Psychosocial risks are also increasingly recognised as a cause of poor health and several countries have introduced measures to deal with this, involving strong collaboration between social partners. Legislation on psychological risks (compared with that on physical risks) is, however, still rare (the 2014 changes in Belgian and Croatian legislation being noteworthy exceptions). The reporting showed patchy evidence that there is an increasing awareness of these risks, but that there is still not much action to deal with the implications of the rise of precarious work on occupational health and safety in Member States, on looking at OSH issues from a gender perspective, or on violence and harassment at work.

Against the background of high unemployment in some countries and increasing skills mismatches, employability, as well as the right skills, remained a key issue in 2014. Policies and legislation on this were proposed or implemented in all Member States. For example, there were policies:

- to improve education and training systems (Poland, France);
- to increase employability (Malta, Greece);
- initiated by or with the involvement of the social partners (Denmark, the Netherlands, Finland);
- addressing skill mismatches (Malta, Croatia);
- introducing traineeships and vocational training (Romania, Estonia);
- targeting disadvantaged groups of age (Latvia), gender (Hungary, Greece) and ability (Estonia).

While evidence from across Europe suggests that companies and social partners are promoting the modernisation of the workplace and research suggests that employee involvement and training are key, the reporting from EurWORK suggests that [there were only a modest number of reported initiatives](#) in 2014 that could be labelled as 'workplace innovation'. The more comprehensive initiatives continued to come from countries such as Finland, where there is already a long-standing tradition of employee involvement and a more employee-centred approach to work organisation. Survey- and research-based evidence from Member States also suggests room for improvement in employee consultation and participation practices. This highlights the importance of sharing the good practice that does exist and of understanding what has worked to promote the modernisation of workplaces and so arrive at true win-win solutions.

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Annex 1: Eurofound's network of European correspondents

| | |
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| Cyprus | Eva Soumeli |
| Czech Republic | Aleš Kroupa, Renáta Kyzlinková, Štěpánka Lehmann, Petr Pojer, Soňa Veverková |
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| UK | Duncan Adam, Mark Hall |

Annex 2: Country codes used in the report

EU28

AT Austria

BE Belgium

BG Bulgaria

CY Cyprus

CZ Czech Republic

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL Netherlands

PL Poland

PT Portugal

RO Romania

SE Sweden

SI Slovenia

SK Slovakia

UK United Kingdom

Other

NO Norway

EF/15/51