



European Foundation for the Improvement of Living and Working Conditions

Industrial relations and working conditions developments in Europe 2011



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Introduction

This report describes the developments in industrial relations and working conditions in 2011 in the 27 EU Member States and Norway. It also considers EU-level industrial relations and working conditions with a focus on the economic situation and responses to it. In the past, Eurofound has analysed trends in working conditions and industrial relations in two separate reports. But due to the important interdependences between the two areas, we have combined developments in working conditions and industrial relations into a single annual report.

Eurofound's European Industrial Relations Observatory (EIRO) and European Working Conditions Observatory (EWCO) remain reliable and up-to-date sources of news and comparative information on industrial relations and working conditions developments and trends for the key actors in the field of European social dialogue. The information published by these two observatories is supplied by a network of correspondents in each Member State and Norway, and at EU level.

However, the information provided by the correspondents relies on national sources and specific methodologies, and its nature can be very diverse in comparison with information from other sources. Thus, it is not always possible to conduct a proper comparative exercise. The comparative exercise on which most of this report is based therefore refers to general trends at national level in order to depict developments in working conditions and industrial relations in 2011. Where possible, data from a harmonised source are employed in order to display trends common to all Member States and Norway.

Structure of the report

The first chapter draws on data from official sources to present the current economic situation in EU Member States and on contributions from the network of Eurofound correspondents to examine relevant political and legislative developments.

The second chapter describes labour market trends in Europe and developments in working conditions, with particular reference to employment security, health and well-being, skills development and work-life balance.

The third chapter illustrates developments in industrial relations, in particular collective bargaining levels, changes in the organisation and role of social partners, industrial action and other significant developments in the countries covered by EIRO. It also highlights developments in company restructuring.

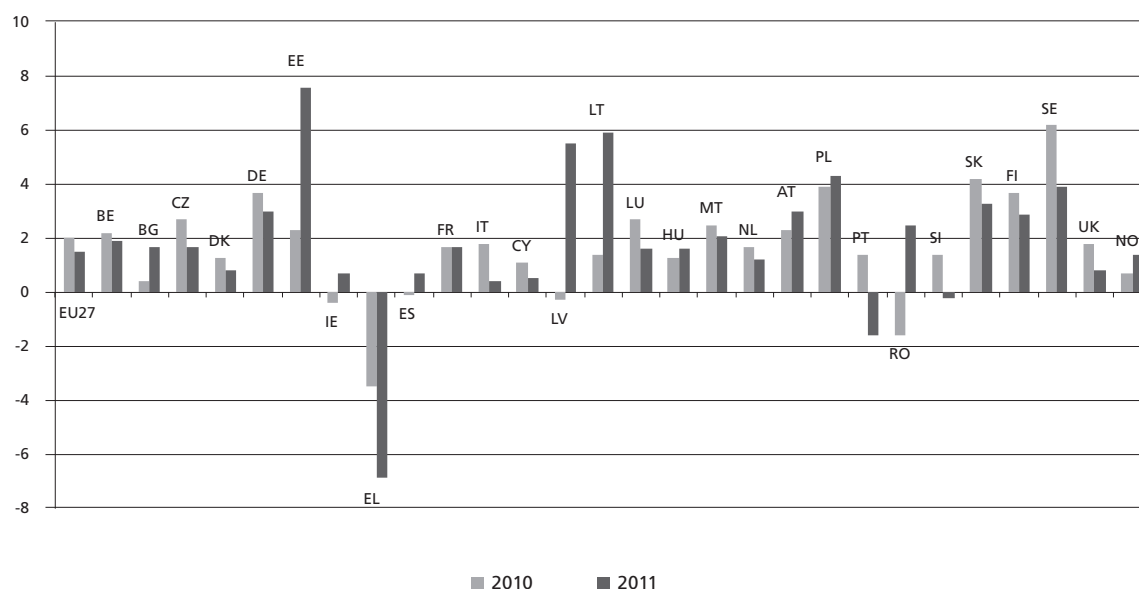
The fourth chapter reports on the main developments in industrial relations and working conditions at European level over the course of 2011, charting trends in European social policy, employment legislation and social dialogue.

Economic and political developments

Economic developments

After experiencing a period of modest growth in 2010, most countries in Europe officially came out of recession in 2011. However, the economic recovery has been weak and uneven across European countries; in 2011 most countries displayed a slowdown in the rate of growth of gross domestic product (GDP), Portugal fell back into recession and Greece experienced a worsening of its economic situation. Remarkable exceptions are the Baltic states (Estonia, Latvia and Lithuania), which were the hardest hit economies during the crisis. They showed signs of resurgence in 2010 and recorded the highest (and much above the European average) growth rates in 2011. Austria and Poland continued to grow steadily. Ireland and Spain recorded a positive but rather weak rate of growth of GDP for the first time since the beginning of the crisis (Figure 1).

Figure 1: Real GDP growth rate in the EU27 and Norway, 2010–2011 (%)

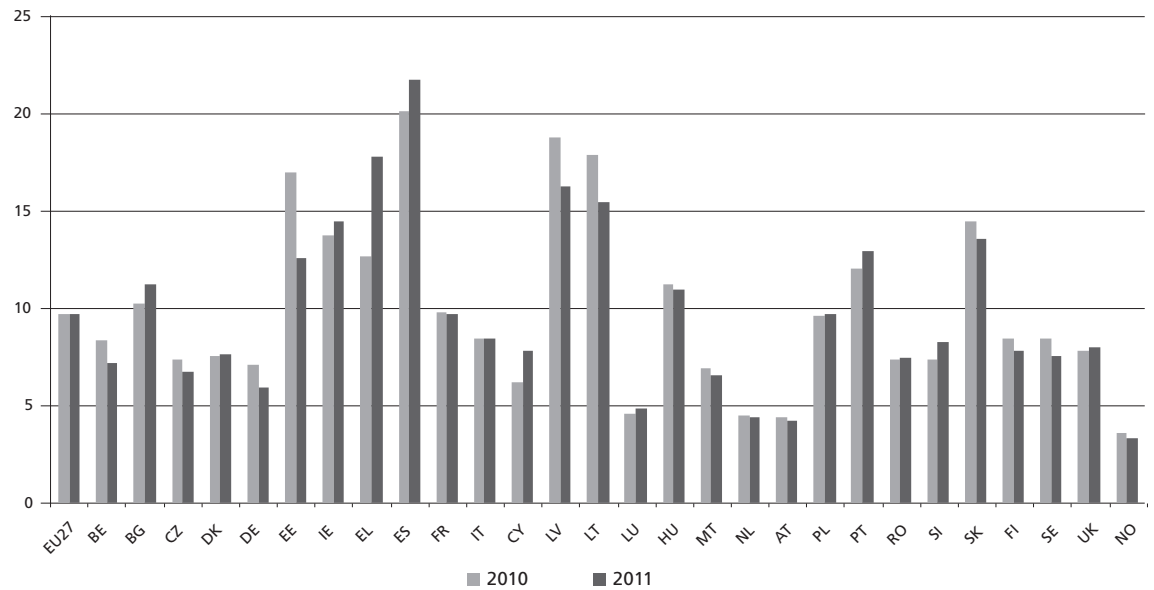


Note: See Annex for a list of country codes.

Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

The moderate economic recovery across Europe did not contribute to reducing unemployment, which has been increasing since the beginning of the crisis. In 2011, the unemployment rate was 9.7% across the 27 EU Member States (EU27) and 3.3% in Norway. The increase compared with 2010 was the greatest in Greece (+5.1 percentage points), Cyprus and Spain (both +1.6 percentage points), while in Bulgaria, Portugal and Slovenia it was slightly lower (about +1 percentage point). A number of countries experienced a drop in unemployment in 2011, though the sharpest decrease was recorded in Estonia (-4.4 percentage points), Latvia (-2.5 percentage points) and Lithuania (-2.4 percentage points). During 2011, Spain was the country with the highest unemployment rate (21.7%), followed by Greece (17.7%), Latvia (16.2%) and Lithuania (15.4%). Unemployment was below 5% for Austria, Luxembourg and the Netherlands (and as already mentioned, Norway), while in the rest of the countries it was between 5% and the EU27 average of 9.7% (Figure 2).

Figure 2: Unemployment rates in the EU27 and Norway, 2010–2011 (%)

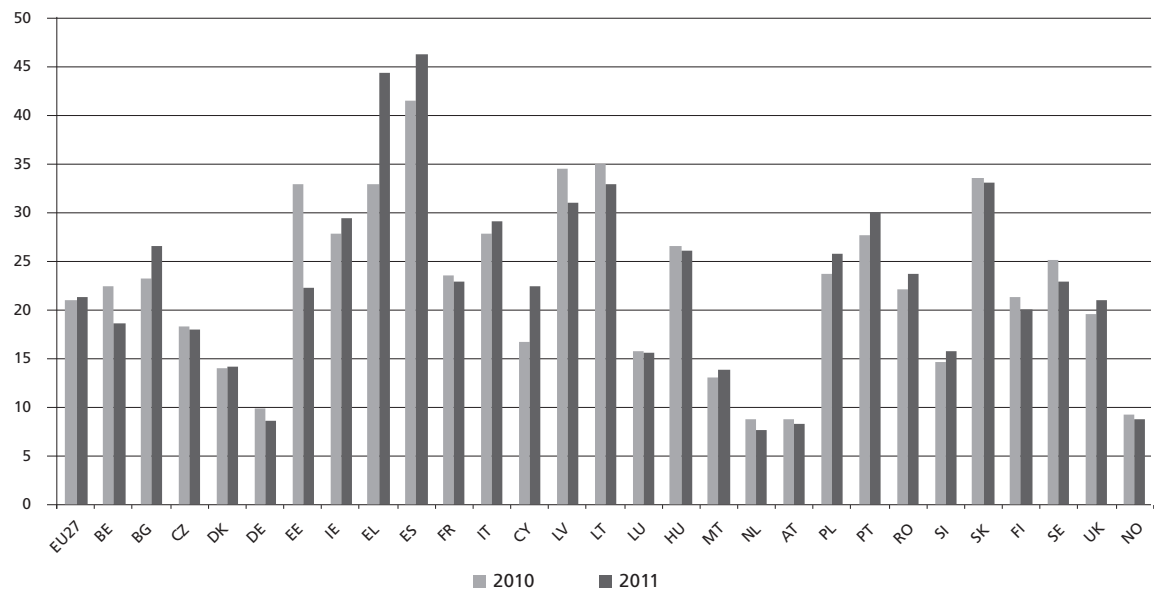


Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

No significant differences at EU27 level between female and male unemployment rates (9.8% and 9.6% respectively) were seen in 2011, reflecting a similar situation in 2010 (9.7% and 9.6% respectively).

Youth and long-term unemployment continued to rise and appeared to contribute significantly to unemployment across Europe. In particular, the youth unemployment rate reached 21.4% in 2011 (EU27 average), up from 21.1% in 2010. It was significantly higher than the EU27 average in Spain (46.4%) and Greece (44.4%). Youth unemployment rates are higher than 25% in nine other countries (Figure 3).

Figure 3: Youth unemployment rates in the EU27 and Norway, 2010–2011 (%)

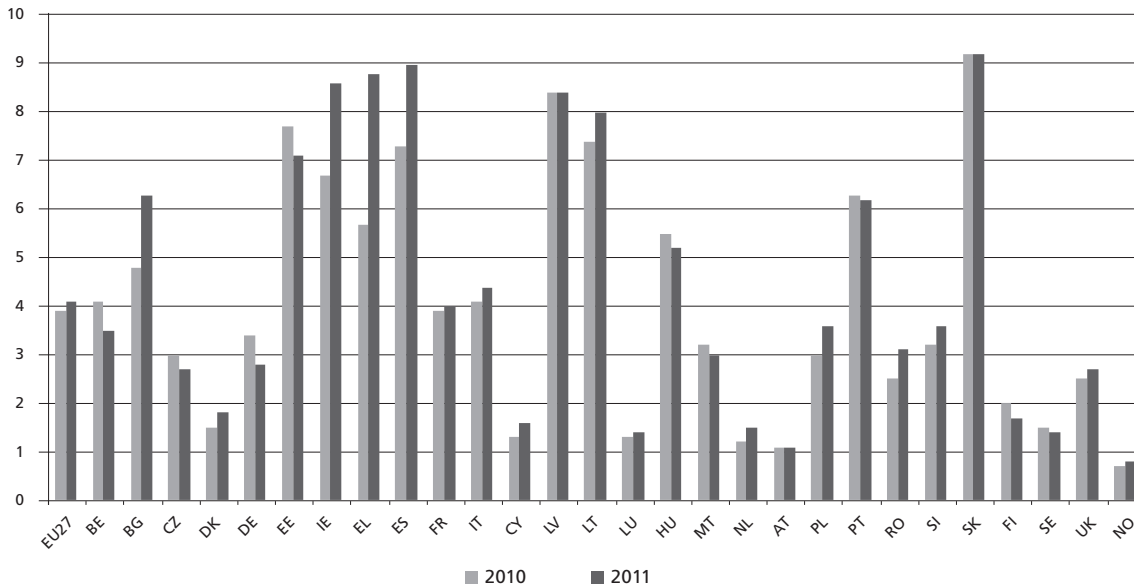


Note: Data refer to young people aged 25 years or less.

Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

Long-term unemployment of more than one year also continued to rise and was at 4.1% in 2011 across the EU27, up from 3.9% in 2010. Long-term unemployment was especially high in Greece, Ireland, Slovakia and Spain (Figure 4).

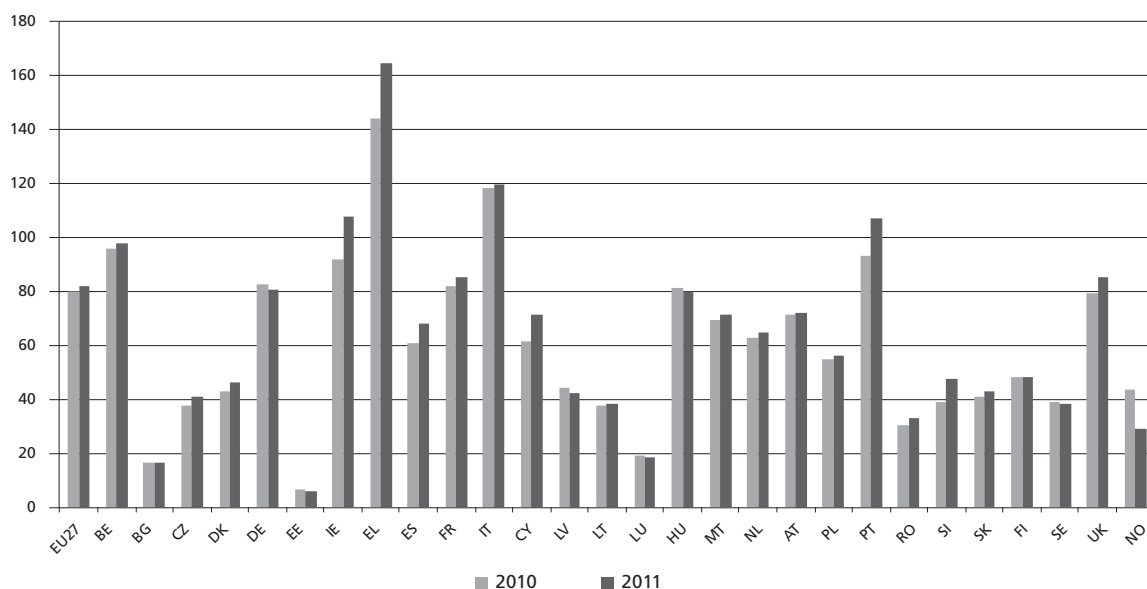
Figure 4: Long-term unemployment rates in the EU27 and Norway, 2010–2011 (%)



Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

Public debt level as a percentage of GDP continued to grow in almost all EU27 countries, with the exception of Estonia, Hungary, Sweden and Norway where it decreased compared with 2010, resulting in an increase in the EU27 figure (from 80% of GDP in 2010 to 82.5% in 2011). Greece was the most indebted country and saw the biggest increase in GDP between 2010 and 2011. Alongside Greece, Belgium, Ireland, Italy and Portugal all had gross public debt levels at the end of 2011 greater than 90% of GDP (Figure 5).

Figure 5: General government debt levels as a percentage of GDP in the EU27 and Norway, 2010–2011



Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

Government responses to the economic situation

As a consequence of the diverse economic dynamics at national level, the response of governments to the economic situation in 2011 was uneven across Europe (Table 1). In a number of countries displaying a positive growth rate and an unemployment rate lower than the EU27 average (Austria, Germany, Luxembourg, Norway), the government extended (and in some cases started to reverse) the anti-crisis measures implemented up to 2011. In most of the other countries the government had to raise or introduce new taxes and/or implement austerity measures to deal with high levels of public debt (France, Netherlands, UK). In some cases extensive austerity plans were adopted (Greece, Ireland, Italy, Portugal, Slovenia). Examples of the measures adopted included:

- reductions in social welfare;
- cuts to social programmes;
- redundancies, pay cuts and a pay freeze in the public sector.

The austerity regime adopted meant there was little room for spending programmes to stimulate job creation properly and reduce unemployment. Some small-scale stimulus plans were introduced, such as internship schemes, tax breaks for businesses hiring new staff, and initiatives aimed at creating a better climate for business by removing administrative and bureaucratic burdens. The governments of a number of countries reformed the labour code and legal framework to stimulate job creation and retention through more ‘flexible’ labour markets.

Table 1: Government responses to the economic situation, 2011

Country	Commentary
Austria	No new measures targeted towards fighting the negative effects of the economic crisis were implemented during 2011, but many of the measures adopted in late 2008 and in 2009 – aimed at stimulating the economy and the labour market as part of two labour market packages (AT1105041Q, AT0903029I, AT0907019I) ¹ – became valid for an indefinite period and thus continued to be applied throughout 2011. The main focus of these measures was to strengthen incomes, avoid layoffs, improve employees' qualification levels and support the ailing economy.
Bulgaria	At the beginning of 2011, the government proposed a 'pact for financial stability' which aimed to set rules for public budget discipline. The employers' associations supported the proposal, but although the trade unions accepted the fixing of the maximum deficit (that is, the state budget deficit should not exceed 2%), they were against the tax policy.
Cyprus	During 2011, responses to the economic downturn referred almost entirely to the continuation of a number of measures undertaken by the government in 2009 and 2010 which aimed to stimulate the economy while protecting employment (CY1105049Q, CY1101019Q, CY1004019Q, CY0912019I). Together with the measures to boost employment and reduce unemployment (CY1202029I), the government has designed a strategy that aims to safeguard the correction in public finances, thus allowing for an improvement in long-term fiscal sustainability, as required by the Stability and Growth Pact. According to the Stability Programme for the period from 2010 to 2014, the improvement in public finances is attributed mainly to revenue-enhancing measures, including to some extent measures of a one-off nature. The government's main priority in 2011 was a reduction in the budget deficit. To this end, the government introduced a number of measures of a permanent nature, among which was a reduction in the overall number of employees in the broad public sector. A pay freeze applied to the civil service, which also included no increases in the cost of living allowance, was in effect from 1 January 2010 to 31 December 2011, leading to extensive industrial action (TN1204012S).
France	The government tried to adapt progressively to the situation instead of adopting a strong programme to reduce expenses and increase taxes. It is seeking to avoid an economic downturn due to a reduction in consumer spending. Throughout the year, the government announced new measures to tackle unemployment (increase in supported contracts of employment, financial incentives to hire young or old workers, incentives to recruit young people into apprenticeships and so on) and the national debt crisis – without using the word 'austerity'. To reduce the national debt, the government decided to pursue its policy of reducing the number of public servants by natural wastage and only replacing one worker for every two lost to retirement. By the end of August, the government had decided on a new package of measures to raise the revenue of the state with an increase in various taxes. Put under pressure by the rating agencies, it announced a second austerity plan in December with an increase in the lowest rate of value-added tax (VAT).
Germany	In the aftermath of the global economic crisis and its negative impact on the economy, two stimulus packages were adopted by the federal government in 2008 (DE0903029Q, DE0907029Q). These included provisions on short-time work due to a temporary shortfall in orders (<i>Konjunktur-Kurzarbeitergeld</i>). The duration for receiving short-time working allowances was extended in 2009, but certain other measures were scaled back during 2010 and 2011.
Greece	In an attempt to check the country's progression towards bankruptcy, the Greek government adopted a series of further economic measures to reduce the deficit and the debt. The statutory regulations referred mainly to the public sector (GR1202019I, GR1109029I) and industrial relations. The attempt to increase the VAT on a number of products was also significant. A major shake-up of the rules governing industrial relations has led to a restriction of labour rights. The most important measures include: <ul style="list-style-type: none"> • a cut in the basic pay, bonuses and allowances for public sector workers and pensioners, effective from 2010; • the strengthening of flexible forms of employment in the private sector through a reduction in the cost of part-time employment, the extension of the time period during which work rotation can be implemented, the facilitation of layoffs and a reduction in the cost of layoffs (severance pay); • the promotion of privatisation and a radical shake-up of labour laws governing public sector workers.
Hungary	The government has introduced extraordinary taxes, increasing employers' expenses and has changed the Labour Code (HU1111011I). The aim of these regulations is rationalisation of the state budget. In addition, the government has taken decisions, and introduced laws and regulations as a response to the consequences of the crisis such as introducing a new Labour Code, creating many part-time job opportunities for unemployed and disabled people, cutting thousands of jobs in public sector services, and making it obligatory for people to work before they are eligible for unemployment benefits. Bipartite or tripartite initiatives have apparently lost their prestige and role during the past two years.

¹ The text contains numerous references (such as AT0907019I) to records on the EIRO or EWCO websites; these provide more detailed information on the issues in question. They can be accessed at <http://www.eurofound.europa.eu/eiro> or <http://www.eurofound.europa.eu/ewco> by simply entering the reference into the 'Search' field.

Industrial relations and working conditions developments in Europe 2011

Country	Commentary
Ireland	<p>The breakdown of Ireland's tripartite social partnership model halted engagement between the government and social partners on how to deal with the economic downturn. The government has mainly implemented unilateral austerity measures in response to the economic crisis (notably public spending cuts). This was influenced by the perceived requirement to repair Ireland's failed banking system and the cost burden this places on the public. In addition, the stringent conditions set by the EU/European Central Bank (ECB)/ International Monetary Fund (IMF) 'bail-out' are influencing austerity-oriented government responses to the recession. As a consequence, there is little possibility for constructing a large-scale coordinated labour market stimulus to address the jobs crisis. Policy instruments have been too fragmented and small-scale to make a significant impact on stimulating the economy, though the new government launched what was termed a multifaceted integrated 'Jobs initiative' in May 2011. Some of the main economic policy instruments in this initiative include:</p> <ul style="list-style-type: none"> • general instruments by national and regional development agencies to continue to attract foreign direct investment by multinationals; • explicit instruments to assist redundant apprentices and workers in the ailing construction sector; • a new National Internship Scheme providing 5,000 work experience placements in the private, public and voluntary sectors aimed at graduates and other categories of young people not in employment, education or training (NEET).
Italy	<p>In May 2011, the government issued a decree-law with the 'first urgent measures for the economy'. The decree-law, finally approved in early July, included economic incentives for employment creation in the south of Italy. In July, a decree-law on 'urgent measures for financial stabilisation' was approved, establishing the complete reduction of the public deficit over four years with the achievement of the budget balance in 2014. These measures included some intervention on pensions. In August, a third decree-law was issued with 'further urgent measures for financial stabilisation and economic growth'. The main measure with an impact on industrial relations was the definition of the possibility of derogating industry-wide agreements and legislation by decentralised bargaining at company and local level (described as 'proximity bargaining' by the new legislation). Furthermore, the 2012 'stability law' introduced new measures for the promotion of:</p> <ul style="list-style-type: none"> • youth employment in micro companies, with a three-year full exemption from social contribution for apprentices starting in 2012–2013 and a public contribution to the required training; • female employment through labour-entry contracts, in areas where women have a particularly difficult position in the labour market; • part-time and telework – especially for women, workers involved in collective dismissals and disabled workers. <p>The new government in force at the end of the year issued the so-called 'Save Italy' decree-law, which covers 'urgent provisions for economic growth, equality and the consolidation of public finance'. The law includes measures aimed at supporting economic growth and employment creation through reductions in taxation and an increase in economic incentives for hiring women and young people (up to 35 years-old) on open-ended contracts.</p>
Luxembourg	<p>The government kept and extended to 2011 those measures adopted mainly in 2009 to respond to the economic crisis that aimed at supporting businesses and employment (LU1004019Q). However, the national objective to balance the state budget by 2014 implies a decrease in government spending and an increase in government revenue.</p>
Netherlands	<p>The economic crisis forced the cabinet to budget cutbacks – through freezing the salaries of public sector employees and lowering the benefit levels of employees in general – in order to lower the public debt. The business community will be supported by the reduction of administrative pressure and the introduction of a single point of contact for support for entrepreneurs. The government's planned cutbacks have evoked contrasting responses from the social partners. Business sector enthusiasm is matched by union anger, led by the Dutch Trade Union Federation (FNV) which called the suggested cutbacks 'antisocial' (NL1011019I). In addition, the government has adopted a broad package of measures to fight youth unemployment to be executed in regional public-private partnerships. Both employers and employees have criticised the way in which the measures are organised and financed. In addition to a regional approach they advocate a sectoral approach (NL1101019Q).</p>
Norway	<p>In response to the international crisis in 2009, the rules on temporary layoffs were changed, including an extension to 52 weeks of the period during which layoffs could be used; the maximum period has been now reversed to 30 weeks. In addition, as part of the government's response to the financial crisis in 2009, the use of petroleum revenues was increased including substantial and extraordinary investments in public infrastructure. According to the 2012 state budget, the use of petroleum revenues was planned in 2011 to be on a par with the situation prior to 2009.</p>
Portugal	<p>During the second half of 2011, the government proposed changes in employment and labour legislation that were demanded in the Memorandum of Understanding on Specific Economic Policy Conditionality (referred to as the 'memorandum') signed in May 2011 and supported by employers. Some laws discussed at the Council for Social Concertation (CPCS) had already been approved by parliament, namely the legislation on severance pay in case of dismissal (8 September 2011), but none of them was backed by an agreement. The bill for the 'temporary and exceptional increase of the normal working time periods' was opposed by trade unions. Both union confederations with access to the CPCS, the General Confederation of Portuguese Workers (CGTP) and the General Workers' Union (UGT) strongly criticised both the bill and the related decision-making process.</p>

Country	Commentary
Romania	The government enacted new legislation on industrial relations by circumventing parliamentary debates. The main pieces of legislation are an act introducing changes to the Labour Code, and the Social Dialogue Act, which 'absorbed' five previous acts (the Trade Union Act, the Employer Organisations Act, the Collective Agreement Act, the Labour Conflict Act and the Economic and Social Council (CES) Act). To make these two acts operational, administrative rules of application had to be drafted and approved as secondary legislation. However, these rules were late being adopted, thus hampering social dialogue at a time when it was vital for the parties to be able to agree on corrective steps meant to alleviate the effects of the crisis and the economic downturn.
Slovakia	In the field of the economy, the government focused its activities on adopting measures that would reduce the high public budget debt, improve overall business conditions in the country and create jobs. To increase employment, significant changes were adopted in the Labour Code to allow greater flexibility in industrial relations in enterprises. However, the set of measures designed to improve overall business conditions were not implemented due to the fall of the government in October 2011.
Slovenia	In July, the government endorsed a draft supplementary budget for 2011 envisaging savings of €360 million. The draft austerity plan envisaged spending €9.65 billion compared with a little over €10 billion in the original 2011 budget. Revenues in the supplementary budget were expected to be €7.95 billion, down from €8.3 billion in the original budget for the year. The draft plan envisaged savings of around 1% for labour costs and 4% for material costs. In addition, some non-essential investments were curbed. The government submitted a draft restructured government budget to parliament with a package of intervention measures to address the budget deficit (SI11090191). The Act on Intervention Measures to Tackle Economic Crisis included several measures aimed at reducing the number of public employees and modifying some procedures within the public sector. Privatisation of key state holdings, such as that in the NLB and NKBM banks and insurer Zavarovalnica Triglav, but with specific conditions including retention by the state of a controlling stake, was used as a response to the economic crisis despite the opposition of social partners. On 23 December 2011, the National Assembly unanimously passed a fiscal austerity bill to keep social benefits, pensions and public sector pay frozen at 2010 levels in the first half of 2012.
Spain	The government modified the law on urgent measures for labour market reform that limited to 24 months the option of extending temporary contracts, allowing enterprises to extend temporary contracts indefinitely until 2013. The decree-law that regulates this measure (10/2011 of 26 August 2011) states that the 24 months limit, far from favouring the promotion of open-ended contracts, was producing undesired effects such as the non-renewal of temporary contracts, thus hindering employment maintenance.
UK	The aspect of the government's response to the economic situation that had the greatest industrial relations impact was public spending cuts. These cuts resulted in job losses, a pay freeze and occupational pensions reform in the public sector.

Responses of the social partners

The effect of the economic situation on the industrial relations system was uneven in the EU27 in 2011 (Table 2). In some countries there was a decline in the trust and cooperation between social partners and government (Estonia, Hungary), a narrowing of the scope of negotiations (Belgium), a decline in collective bargaining (Poland) and even the breaking down of social partnership (Greece). In others the social partnership climate was good (Austria) and the initiatives adopted were backed by the social partners. In many countries social partners were involved in the decision-making process or took initiatives on specific topics such as pension reform (Czech Republic, Netherlands), stimulus measures (Bulgaria, Lithuania, Romania), the minimum wage (Estonia) and reducing unemployment (France, Lithuania, Spain).

Table 2: Cross-sectoral and sectoral-level initiatives by the social partners, 2011

Country	Commentary
Bulgaria	<p>In February 2011, the trade unions, the Confederation of Independent Trade Unions in Bulgaria and the Confederation of Labour 'Podkrepa' (CL Podkrepa) – and at the end of the year also the employers' associations – formulated proposals to deal with the crisis and to promote economic and employment growth. The emphasis was on:</p> <ul style="list-style-type: none"> • reducing administrative and bureaucratic obstacles to improving the business climate and promoting foreign investment; • reforming the pension and health systems; • the importance of education and training; • measures to activate the labour market.
Czech Republic	<p>The social partners developed an initiative in the second half of 2011 to complement the pension reform adopted by the government. Originally the proposal was to introduce early retirement for employees in demanding occupations, but it was expanded to all retiring employees. Five years before their retirement age, employees will be allowed to apply for the 'early old-age pension' provided they have sufficient funds for this purpose generated in the supplementary pension saving from their employer's contributions.</p>
Estonia	<p>Trade unions pushed for an increase in the national minimum wage (EE1107019I) arguing that it was vital to increase the purchasing power of those receiving the minimum wage. After long negotiations, social partners finally reached an agreement for a minimum wage increase for 2012 (EE1201019I).</p>
France	<p>There has been no specific action from social partners in response to the economic crisis apart from taking it into account in their interprofessional collective bargaining. At a meeting in November 2011, they decided to begin monthly monitoring to deal with the urgent socioeconomic situation (FR1105031I) with the particular aim of reforming the partial unemployment scheme.</p>
Greece	<p>Twelve special business-level agreements covering a total of 3,550 employees were concluded during the first 10 months of 2011. In December 2011, 52 business-level collective employment agreements covering 17,531 employees were concluded. In both cases the agreements provided for wage reductions varying from 5% to 25%.</p>
Lithuania	<p>The first national agreement signed between the Government of the Republic of Lithuania (LRV) and social partners expired at the end of 2010 (LT1105049Q). The social partners agreed that the national agreement was crucial to the development of relations between them and the government. They regularly discussed its renewal during 2011 until a new draft national agreement was finally prepared and submitted for consideration by the social partners in September 2011. In this draft agreement, LRV offered 'to agree on the fundamental social and economic issues of the state' with the social partners for 2012. The draft national agreement identified the following priority tasks for the state:</p> <ul style="list-style-type: none"> • ensuring macroeconomic stability in Lithuania; • reducing unemployment; • creating a fairer system of remuneration for work and more flexible employment relations. <p>However, after prolonged discussions LRV and the social partners failed to reach a final agreement in 2011 and transferred discussions to 2012.</p>
Malta	<p>In October 2011, the Minister of Finance held a consultation meeting with social partners about the budget for 2012 (MT1111019I). The Malta Employers' Association (MEA) called on the government to:</p> <ul style="list-style-type: none"> • revise tax bands; • consider paying part of the benefit paid during maternity leave to relieve employers of the cost; • set up an entrepreneurship fund to incentivise business in Libya. <p>The proposals made by the General Workers' Union (GWU) included setting up a special commission within the Malta Council for Economic and Social Development (MCESD) and holding a discussion within MCESD to help develop a sustainable strategy for Malta.</p>
Netherlands	<p>During 2011, the government had to manage the consequences of the financial and economic crisis on pensions. Pension funds had been deeply hit by the crisis and their coverage had become a problem in the eyes of the supervisor, the central bank. The new government in 2010 made a promise to the social partners that their agreement on retirement age under the General Old-Age Pension Act (AOW) and on pension schemes would be the cornerstone of their future policy decisions on pension funds (NL1011019I). Following on from this, the Minister of Social Affairs felt obliged to reach an agreement with the social partners and employers in their turn were eager to reach consensus with the union federations. Their agreement, reached in June 2011, hinged on the following main points of consensus.</p> <ul style="list-style-type: none"> • The retirement age will be raised to 66 in 2020 and then 67 in 2025. • It will be possible to stop working earlier, but only at a price. An exception will be made for taxing occupations. <p>The employer representatives and three of the most important trade unions ultimately reached agreement on these main points. However, the issue precipitated a split in the biggest trade union federation, the FNV (NL1112029I).</p>

Country	Commentary
Portugal	The government and the social partners tried – at the Council for Social Concertation (CPCS) – to find adequate answers for the country's critical situation. On 22 March 2011, all confederations represented at the CPCS, with the exception of the CGTP, signed the Tripartite Agreement for Competitiveness and Employment (PT1105019I). On the following day, the majority of the parliament voted against the fourth package of measures against the crisis (PEC IV), provoking the immediate resignation of the government.
Romania	The trade unions and some employers' associations expressed their discontent at the measures instituted by the government in terms of both their substance and form, reproaching the government that the changes undertaken were inspired by and discussed only with the international financial institutions, the Foreign Investors Council in Romania (FIC) and the American Chamber of Commerce in Romanian (AmCham) – all of which are bodies that are not employer organisations and therefore not designated as social dialogue partners. In September 2011, the five national trade union confederations and four of the 13 employer organisations recognised as nationally representative signed a convention requesting the prime minister to discuss and debate at the National Tripartite Council for Social Dialogue (CNTDS) (at the time yet to be established). It included: <ul style="list-style-type: none"> • the anti-crisis measures they intended to propose to the government; • the amendment of the recently changed labour and social dialogue legislation; • the validation of the newly defined economic sector; • the reactivation of the social dialogue committees. Subsequently, in October 2011 the social partners signed a national agreement (RO1202039I) committing themselves to undertake joint action for the improvement of the business environment and social climate, and better management of the labour market.
Spain	The Spanish Confederation of Employers' Organisations (CEOE), the Spanish Confederation of Small and Medium Businesses (CEPYME), the General Workers' Confederation (UGT), the Trade Union Confederation of Workers' Commissions (CCOO) and the government signed an agreement on active labour market policies. The agreement was translated into a Royal Decree on 'urgent measures to promote transition to stable employment and the professional requalification of the unemployed', enacted on the 24 February 2011 by the Spanish parliament. The decree incorporates the following measures included in the tripartite agreement: <ul style="list-style-type: none"> • an exceptional plan for the transition of young people (up to 30 years of age) and long-term unemployed into stable work in companies with 250 employees and more based on reductions in social security contributions; • a professional requalification programme for people whose unemployment benefit ceased in February 2011; • actions combining orientation services and training to improve the employability of young people up to 30 years of age and long-term unemployed people aged over 45 carried out by the Public State Employment Service (SEPE); • the inclusion of unemployed people in training programmes mostly catering for employed workers.

Political developments

At EU level, the European Financial Stability Facility (EFSF) was created in May 2010 to provide temporary financial assistance to Member States in the euro zone in order to preserve the financial stability of Europe's monetary union. During 2011, Greece, Ireland and Portugal requested and received financial assistance as a consequence of the deterioration in their public finances. As a condition of their EU/IMF loan, the governments in these countries were forced to impose cutbacks. Cutbacks and other austerity measures have also been introduced in Cyprus, France, Italy, the Netherlands, Slovenia, Spain and the UK. In most of these countries, the economic and financial crisis and the related austerity measures produced significant political upheavals and in some cases also had an impact on the industrial relations system.

At a national level, there were elections for the parliaments of 11 EU countries (Cyprus, Denmark, Estonia, Finland, Ireland, Latvia, the Netherlands, Poland, Portugal, Slovenia and Spain). In six countries, the elections led to a shift in the political position of the government (Table 3). In Denmark and Latvia, the government position shifted from being right-wing led to being left-wing led. Previous predominately left-wing governments were replaced by right-wing governments in Portugal and Spain. The new Finnish and Irish governments were left-right coalitions. There was no change after the elections in Cyprus, Estonia and Poland and the new governments had a similar composition to the previous ones. In Belgium, the government was formed after 541 days of discussions – a new world record.

The ongoing economic difficulties had political consequences. In Italy, the government was replaced by a technocratic cabinet. In Greece, a government of national unity was established. The Portuguese government resigned and the early elections took place. In Ireland, Portugal and Spain, the elections resulted in a significant shift in the political scene.

The governments were reshuffled in several countries (Austria, Cyprus, the Czech Republic, France, Germany, Greece and Romania). In Cyprus, one party resigned from the cabinet. The Czech, Greek, Italian, Maltese and Romanian governments withstood no-confidence votes, although the Greek and Italian governments resigned after the no-confidence vote. The Slovak and Slovenian governments failed to survive no-confidence votes, resulting in the parliamentary elections in both countries in 2012. The Latvian government was dissolved after a national referendum called by the president. Italian and Slovenian citizens refused to accept several pieces of legislation in referenda. However, a bill on divorce was passed in a referendum in Malta.

Regional or municipal elections were held in Bulgaria, Cyprus, France, Germany, Italy, Lithuania, Luxembourg, the Netherlands, Norway, Spain and the UK. Presidential elections were held in Bulgaria, Estonia, Ireland, Latvia and Portugal.

Major legislative changes took place in Hungary, including a new constitution. An amendment of the constitution was adopted in the Czech Republic such that the president can be elected directly. Greece and Spain experienced large protests that were mostly triggered by the economic and political situation.

Table 3: Political situation in EU Member States and Norway, 2011

Country	Commentary
Austria	There were no federal elections in 2011. Apart from some changes in ministerial and state secretary posts, there were no changes in the government. A grand coalition formed by the Social Democratic Party of Austria (SPÖ) and the conservative Austrian People's Party (ÖVP) was in power. There were local elections for the capital of Lower Austria, in which the SPÖ kept its absolute majority with 56.8%, and elections for the Austrian Students' Union (ÖH), in which AktionsGemeinschaft (affiliated to the conservative ÖVP) won the majority of the votes with 31%. Plans for elections in 2012 involve local state elections (<i>Gemeinderatswahlen</i>) in the province of Burgenland and in the larger municipalities of Innsbruck and Krems.
Belgium	The political context in 2011 was characterised by ongoing negotiations between parties in an effort to form a federal government following the elections of 13 June 2010. The federal government was formed on 6 December 2011 after 541 days of discussions. With 541 days without a government, Belgium unwillingly broke the world record (BE1112021I). The results of the election were clear but trends were different in Flanders and in Wallonia. In Flanders, the New Flemish Alliance (N-VA) became the most important party. In Wallonia, the Socialist Party (Parti Socialiste) remained the first party. Negotiations between the parties were difficult due to their ideological divergence on socioeconomic issues and their view on the necessary state reforms. Belgium's difficult economic situation in 2011 aggravated the debate on socioeconomic issues. The new government is composed of all the political parties with the exception of the N-VA, the French-speaking green party (Ecolo) and the Flemish green party (Groen).
Bulgaria	The government formed by Citizens for European Development of Bulgaria (GERB) has been in power since mid-2009. In 2011, presidential and vice-presidential elections were held. The GERB candidates were elected for both the president (Rosen Plevneliev) and the vice-president (Margarita Popova). GERB also won the regional elections held in 2011. The elections for mayors of district towns were won by 14 candidates from GERB, eight from the Bulgarian Socialist Party (BSP), two from right-wing parties, one from the Movement for Rights and Freedoms (DPS) and two independent candidates.
Cyprus	During 2011, Demetris Christofias's government continued its fourth term. Following a large-scale accident at the Evangelos Florakis Naval Base in July 2011(CY1202029Q), the Democratic Party (DIKO) resigned from the cabinet. As a result, out of the five political parties that initially supported the present government, only two were left in the coalition – the Progressive Party of the Working People (AKEL) and the United Democrats (EDI). The Democratic Rally (DISY) won the parliamentary elections held on 22 May 2011 with 34.3%, followed by the ruling party AKEL with 32.7%. In the municipal elections held on 18 December 2011, 26 candidates supported by DISY were elected compared with nine candidates supported by AKEL. The results of both elections indicate a shift to the right which may be caused by the economic crisis and the rise in unemployment, as well as the government's decision to restrict the privileges enjoyed by civil servants.

Country	Commentary
Czech Republic	The ruling government was the central-right coalition cabinet appointed in July 2010 and led by Petr Nečas. The coalition consists of the Civic Democratic Party (ODS), TOP 09 and Public Affairs (VV). The composition of the cabinet was relatively unstable as six ministers were replaced one by one by the end of 2011. In April 2011, the government survived a no-confidence vote in the Chamber of Deputies of the Czech Parliament (PSP ČR). In March 2011, the by-election to the Senate (SP ČR) took place in one constituency. In December 2011, PSP ČR adopted an amendment to the Czech constitution that allows citizens to elect the Czech president directly.
Denmark	After the general elections of 15 September 2011, the government of Lars Løkke Rasmussen from the Liberals (Venstre) was replaced by a new government. A centre-left coalition headed by the Social Democrats won the general elections after being in opposition for 10 years. The new government – with participation of members of the Socialist Peoples' Party (SF) and the Danish Social Liberal Party (Radikale Venstre) – was formed under the leadership of Helle Thorning-Schmidt of the Social Democrats. The government platform was presented in October 2011 suggesting changes in the labour market policy. During the election campaign, Ms Thorning-Schmidt invited the social partners to tripartite negotiations about labour market policy issues such as continuing vocational training and education and employment for young people. No significant regional or local elections were held in 2011.
Estonia	Parliamentary elections took place on 6 March 2011. The governing Estonian Reform Party (Reformierakond) and leading opposition party Estonian Centre Party (Keskerakond) gained the majority of votes. The government formed by the Reform Party and the conservative Union of Pro Patria and Res Publica (IRL) continued in office after the elections. On 29 August 2011, presidential elections were held. The president Toomas-Hendrik Ilves was re-elected in the first round of presidential elections in parliament and will stay in the office for five years. Neither election brought significant shifts in the political arena.
Finland	Before the April 2011 parliamentary elections, Mari Kiviniemi's centre-right government was in power in Finland. The government consisted of the Centre Party (Suomen Keskusta), the National Coalition Party (Kansallinen Kokoomus), the Green League (Vihreä liitto) and the Swedish People's Party of Finland (SFP). In the parliamentary elections in April, the National Coalition Party received most seats (44 out of 200), followed by the Social Democratic Party of Finland (SDP) with 42 seats and the True Finns Party (Perussuomalaiset) with 39 seats. Negotiations to form a majority government were unusually difficult. They were concluded in June when a new six-party government (all except True Finns and Centre Party) was formed. The new government, headed by Prime Minister Jyrki Katainen, covers a broad political spectrum from left to right. The government aims to maintain a high employment rate, maintain good relations with the social partners, safeguard the competitiveness of the Finnish economy and be watchful of the tightening financial situation.
France	The election of representatives to the departmental assembly (<i>élections cantonales</i>) took place in February 2011. It resulted in a victory for the Socialist Party (PS). This result was confirmed in September, with the partial replacement of the senate, the second chamber of parliament, which swung over to the left for the first time. The government of President Nicolas Sarkozy and his Prime Minister François Fillon stayed in power in its last year of mandate. A small reshuffle within the government took place in February with the arrival of former Prime Minister Alain Juppé. In May, the managing director of the IMF and the potential candidate for the French presidency, Dominique Strauss-Kahn, was accused of sexual assault and attempted rape, and was forced to leave political life. In October, François Hollande won (with 56.6% of the votes) the ballot to choose the socialist candidate who would run for the presidential election in May 2012.
Germany	In 2011, the governing coalition of the Christian Democratic Union (CDU) with its sister party the Christian Social Union of Bavaria (CSU) together with the liberal Free Democratic Party (FDP) from the general elections in 2009 continued in government. Chancellor Angela Merkel reshuffled her cabinet several times in 2011. Several regional elections were held in the German states. The Social Democratic Party of Germany (SPD) won the election in the city state of Hamburg. The elections in Saxony-Anhalt resulted in a grand coalition of the CDU and the SPD. In Rhineland-Palatinate, Baden-Württemberg and Bremen, coalitions between the SPD and the Greens (Bündnis90/Die Grünen) were formed. Finally, the September elections in September in Mecklenburg-West Pomerania and Berlin both led to a governing coalition between the SPD and the CDU. This means that the majority of the states are run by coalitions of CDU/CSU and FDP (five states), CDU and SPD (four states) or SPD and the Greens (four states).
Greece	The year 2011 was turbulent for Greek politics due to the ongoing economic recession and the unpopular austerity measures, which the government applied in order to receive the international bailout package. In June 2011, the government of George Papandreou of the Panhellenic Socialist Movement (Pasok) was reshuffled and survived a no-confidence vote. In October 2011, Mr Papandreou proposed holding a national referendum on the bailout agreement. The idea was opposed by other European leaders. In November 2011, George Papandreou won the confidence vote but he resigned following days of negotiations. The former European Central Bank vice-president Lucas Papademos was named as Greece's new Prime Minister, leading a new government of national unity whose main tasks were to: <ul style="list-style-type: none"> • unlock the rescue aid blocked by creditors; • implement the country's latest loan package; • pass a budget for 2012.
Hungary	The Fidesz-Hungarian Civic Union (Fidesz) was in power in 2011 having gained more than two-thirds of the seats in the parliament in the 2010 elections. The EU presidency dominated the first six months of 2011 in Hungarian politics. The government approved a new constitution, a new strike law, a new Labour Code (HU11110111), a flat rate personal income tax (HU11040111), new media regulation (HU10120111) and new regulations governing parliament elections. The new constitution and other changes were criticised by the parliamentary opposition, trade unions, the media and civil society, and at international level. From 2012 the Hungarian government does not have to consult unions when setting the minimum wage. The tripartite interest reconciliation system has been changed, with the newly established National Economic and Social Council (NGTT), replacing the National Interest Reconciliation Council (OÉT). NGTT will include representatives of employers, workers, chambers of commerce and churches, but it can only propose changes. Unions and employer organisations have objected to this (HU11070211).

Industrial relations and working conditions developments in Europe 2011

Country	Commentary
Ireland	In November 2010, debt problems forced the Fianna Fáil–Green Party coalition government to apply for a €90 billion bailout from the EU, ECB and IMF. A four-year National Economic Recovery Plan was announced and approved as part of the EU, ECB and IMF financial support. A general election on 25 February 2011 resulted in a defeat for the Fianna Fáil–Green Party coalition, which was replaced by the Fine Gael–Labour Party coalition. For the first time since 1927, Fine Gael replaced the centre-right Fianna Fáil as the largest party in the Irish parliament (the Dáil). Fine Gael leader Enda Kenny was elected as Taoiseach (prime minister). The policy choices open to the new government (including actions related to industrial relations and employment) are circumscribed as most issues must have reference to the National Economic Recovery Plan. In the presidential elections in October 2011, the Labour Party candidate was elected president.
Italy	Important elections were held in May 2011 in several towns and nine provinces. The results seemed to favour the parties that were opposed to the national government led by Silvio Berlusconi. In June 2011, four referendums were held. One resulted in the abrogation of the legislation that promoted the marketisation of some aspects of the provision of social services of general interest. The Berlusconi coalition government, which had taken office in May 2008, resigned on 12 November 2011 after passing the main annual budget laws. The resignation was brought about by pressure from the international financial markets and the erosion of parliamentary support for the government linked to the concerns about its capacity to introduce effective measures to improve the state budget and promote economic growth. The new government led by Mario Monti took office on 16 November 2011. Mario Monti leads a ‘technocratic’ government which does not include any party representatives. His government is supported by political parties that belong to both the former majority government and the opposition. The new government immediately addressed a number of issues in the field of welfare and labour policies, including reform of the pension system.
Latvia	In May 2011, shortly before the presidential elections, President Valdis Zatlers called a national referendum to dissolve the Saeima (parliament). Andris Bērziņš of the Union of Greens and Farmers (ZZS) was elected president. The July 2011 referendum was positive and the Saeima ceased work. Extraordinary elections to the Saeima took place in September 2011. The political alliance ‘The Concord Centre’ (SC) gained the most votes (28.4%), followed by Zatler’s Reforms’ Party (ZRP) (20.8%) and the former leading party Unity (Vienotība) (18.8%). The newly elected Saeima approved the new government of the Prime Minister Valdis Dombrovskis in October 2011. Mr Dombrovskis remained in office for a third term. In late 2011, a referendum (to be held in February 2012) was initiated to change the constitution so that Russian would become the second official language in Latvia.
Lithuania	No significant political developments took place in Lithuania in 2011. The elections to the parliament took place in October 2008 and the new government was formed in December (LT0903029Q). Both the parliament and the government continued working in 2011 with minor changes. The next elections to the Parliament of the Republic of Lithuania (LRS) will take place in October 2012. The President, Dalia Grybauskaitė, was elected in May 2009. The only political event was the municipal elections held in February 2011. Four political parties received more than 10% of mandates: the Social Democratic Party of Lithuania (LSDP) received 21%, the Homeland Union – Lithuanian Christian Democrats (TS-LKD) 16%, the Labour Party (DP) 11%, and the Order and Justice Party (Tvarka ir teisingumas) 10%.
Luxembourg	The previous parliamentary elections were held in 2009. The current government of the Prime Minister Jean-Claude Juncker was formed in July 2009 by the coalition of Christian Social People’s Party (CSV) and Luxembourg Socialist Workers’ Party (LSAP). There were no ministerial changes in 2011. The municipal elections took place in October 2011. The results from the elections confirmed the leading role of CSV and LSAP, followed by the Democratic Party (DP) whose candidate won in the capital Luxembourg city. The greens reinforced their position at municipal level. During 2011, the government’s main concern was to address the crisis and to adopt measures to make the economy more competitive. This was, according to the unions, endangering the country’s social model. State reform promoting mergers between municipalities continued in 2011.
Malta	The government in office has been in power since its re-election in March 2008. The government has a one seat majority in the parliament. The 2011 bill on divorce was followed by a referendum in which a majority of 53% approved its introduction. The introduction of a new passenger transport system in July raised a number of complaints. The opposition proposed a no-confidence motion in the Minister of Transport. The motion was defeated but the prime minister asked for a vote of confidence in the government. This motion was passed. Later a member of parliament on the government side who had abstained in the earlier no-confidence motion stated that he was not going to support the government, raising the possibility of an early election. The political events in Libya were observed with serious concern in Malta as most Maltese cross-border economic activities and business operations have centred on Libya.
Netherlands	A newly formed government of Prime Minister Mark Rutte of the conservative-liberal People’s Party for Freedom and Democracy (VVD) took office in October 2010. The coalition of VVD and the centre-right Christian Democratic Appeal (CDA) obtained parliamentary support from the right-wing Party for Freedom (PVV). The three parties hold a narrow majority in the Dutch Lower House (NL1011019I). For more progressive decisions (such as agreement on pensions), the cabinet has to look for support from the opposition parties. Regional elections took place in March 2011. These elections were of major relevance since members of the provincial bodies choose the members of the First Chamber of parliament. The results reflected the previous outcome of the parliamentary elections. After the elections for the First Chamber in May 2011, the coalition and PVV achieved 37 out of 75 seats. This means that the cabinet will need the support of opposition parties for every decision.
Norway	The Norwegian centre-left coalition government remained in power in 2011. It consists of members from the Norwegian Labour Party (Arbeiderpartiet), the Centre Party (Senterpartiet) and the Socialist Left Party (SV). The government is led by Prime Minister Jens Stoltenberg of the Labour Party. The coalition parties have had a majority in the parliament (<i>Stortinget</i>) since the parliamentary elections in 2005 and 2009. Nationwide local elections were held in 2011. In these the Labour Party gained electoral ground, while the Centre Party and SV both lost votes. The Conservative Party (Høyre) improved its results and became again the second-largest political party in Norway.

Country	Commentary
Poland	<p>In October 2011, elections were held to both the lower (<i>Sejm</i>) and upper houses (<i>Senat</i>) of the parliament. The right-wing liberal Civic Platform (Platforma Obywatelska) came out as the strongest party with 39% of the votes, followed by the right wing-conservative Law and Justice (PiS) with almost 30% of the votes and the liberal Palikot's Movement (Ruch Palikota) with 10% of the votes. In the upper house, the Civic Platform gained 63 out of 100 seats and PiS 31 seats. The coalition of the Civic Platform and the Polish People's Party (PSL), which had governed Poland from 2007 to 2011, was reproduced under the lead of Prime Minister Donald Tusk (Civic Platform). The Civic Platform–PSL government appears to give low priority to tripartite negotiations as no meeting of the Tripartite Commission took place with the new government in 2011. An important political event was the Polish Presidency of the European Council from 1 July 2011 to 31 December 2011. A novelty on Poland's political scene was the emergence of liberal party Palikot's Movement, which acquired significant support from young people.</p>
Portugal	<p>The liberal-conservative candidate Aníbal Cavaco Silva was elected as President in January 2011. In 2011, the public finance crisis in Portugal escalated. In April, the Socialist government called for foreign help to avoid a default. Prime Minister José Sócrates resigned and negotiated with the so-called 'troika' (IMF, ECB and European Commission) about the conditions for a bailout. The troika also led talks with social partners (PT1105019I), the liberal-conservative Social Democratic Party (PSD) and the conservative Democratic and Social Centre – People's Party (CDS-PP). The Portuguese Communist Party (PCP) and the Left Bloc refused to meet the troika. As a result of the negotiations, the Socialist government signed the Memorandum of Understanding on Specific Economic Policy Conditionality in May. In June 2011, PSD and CDS-PP won the general election and formed a new government with Passos Coelho as Prime Minister. For the first time since the democratic transition in 1975–1976, the right dominates the national political scene in Portugal. The Socialist Party (PS) as the main opposition party supports the new government's efforts to comply with the memorandum. PCP and the Left Bloc oppose this strategy.</p>
Romania	<p>Emil Boc's cabinet, which had been named in December 2009, stayed in power in 2011, although with an adapted structure (RO1105049Q). In April 2011, the Minister of Labour, Family and Social Protection resigned following accusations of corruption. The government was challenged by two no-confidence motions tabled by the opposition on the new version of the Labour Code and the wage issue. The most heated debates were on the proposed amendment of the constitution, which would reduce the number of chambers of parliament (from two to one), reduce the number of parliamentary members and change the administrative organisation of Romania. Due to the differences of opinions between the major political parties, the parliamentary majority to promote these bills was not found.</p>
Slovakia	<p>The coalition government of four right-wing parties, the Slovak Democratic and Christian Union-Democratic Party (SDKÚ-DS), Freedom and Solidarity (SaS), Christian Democratic Movement (KDH) and Most-Híd, led by the Prime Minister Iveta Radičová, governed the country in 2011. The government put into practice elements of its reform programme but tensions between coalition parties slowed down implementation. In October, SaS refused to approve the European Financial Stabilisation Fund II (EFSF) in the parliament and the government lost a vote of confidence. The coalition parties agreed with the opposition party, SMER-Social Democracy (Smer-SD) on an early general election in March 2012 and the parliament approved the EFSF. In relation to the emerging situation, members of parliament made changes in the constitution that increased the competences of the president. In 2011, there were no elections. The re-election of the attorney general was successful in June 2011 when Jozef Čentéš was elected by the parliament.</p>
Slovenia	<p>Borut Pahor's government continued in power since its election in 2008. The government was a coalition of Social Democrats (SD), Zares – Social Liberals (Zares), Liberal Democracy of Slovenia (LDS) and the Democratic Party of Pensioners of Slovenia (DeSUS). The law on temporary work, opposed by unions and youth organisations, was rejected in a national referendum in April 2011 with more than 80% of the votes. This was seen as a clear vote of no-confidence in the government. The government's crucial economic policies such as pension reform and the prevention of undeclared work were rejected again in a triple referendum in July (SI1106019I). The government collapsed in September 2011 after losing a confidence vote in parliament, triggering early elections for the National Assembly in December 2011. The centre-left Positive Slovenia (PS) emerged as the surprise victor, followed by the centre-right Slovenian Democratic Party (SDS). Three parties previously in parliament – LDS, Zares and the Slovenian National Party (SNS) – all lost their seats. Because the elections were not unanimous, the small parties were crucial in forming a new coalition and Slovenia entered 2012 without an operational government.</p>
Spain	<p>The government of José Luis Rodríguez Zapatero of the Spanish's Socialist Workers' Party (PSOE) was in power at the beginning of 2011. One of the most significant political events of 2011 was the series of Spanish protests that began on 15 May. According to statistics, between 6.5 and 8 million Spaniards participated in a series of protests demanding a change in Spanish politics and were related to difficult economic conditions and high unemployment rates. The protests were staged close to the local and regional elections held on 22 May when the centre-right People's Party (PP) won an historical victory. In the general elections held on 20 November, PP received an absolute majority of votes (186 seats out of 350 in the Congress of Deputies). PSOE lost 59 seats compared with the 2008 general elections. The unpopular measures against the effects of the crisis, together with the high unemployment rate, could explain the electoral outcome. Mariano Rajoy Brey's government came to power in December 2011.</p>

Country	Commentary
Sweden	The government in office in 2011 consisted of a centre-right coalition of the Moderate Party (Moderaterna), the Centre Party (Centerpartiet), the Liberal People's Party (Folkpartiet Liberalerna) and the Christian Democrats (Kristdemokraterna). The next round of national, regional and local elections is to be held in 2014. During 2011, some of the political parties in the parliament changed leaders. In March, Håkan Juholt became the new party leader of the Swedish Social Democratic Party (Socialdemokraterna). In May, the Green Party (Miljöpartiet de Gröna) changed its dual leadership: the new duo are Åsa Romson and Gustaf Fridolin. In September, Annie Lööf was elected as the new party leader for the Centre Party.
UK	The coalition government of the Conservative Party and the Liberal Democrats, formed in May 2010 (UK1005019I), remained in office during 2011. Its main priority remained cutting public spending in order to reduce the budget deficit. This resulted in cuts in public sector employment, a general public pay freeze and changes to pension schemes. The government also implemented initiatives intended to encourage economic growth and reduce unemployment. Elections were held in May to the devolved Scottish parliament, the Welsh Assembly and the Northern Ireland Assembly. In Scotland, the pro-independence Scottish National Party (SNP), which had previously formed a minority government, won an overall majority for the first time. In Wales, the Labour Party made gains and formed the new government, though without an absolute majority. In Northern Ireland, the Democratic Unionist Party (DUP) and Sinn Féin remained the largest parties.

Legislative developments

The legislative developments in the EU countries were to a large extent influenced by the efforts to counteract the economic difficulties. Generally speaking, governments tried to reduce budget deficits and to promote economic growth.

The efforts to reduce the budget deficit had implications for the areas of social security, pensions and public employment. Several Member States made modifications to their pension systems. In Bulgaria and Lithuania, a gradual increase of the retirement age was enacted. In Denmark and Hungary, early retirement was abolished. In Greece, a law restricting the hiring and reduction of personnel by public entities was enacted.

To promote economic growth and job creation, governments tried to increase the flexibility of labour markets. In practice this resulted in changes in labour codes, the minimum wage and social security systems. Legislative changes aimed at increasing flexibility in the labour market were adopted in a number of countries such as the Czech Republic, Greece, Hungary, Slovakia and the UK. Various developments in the minimum wage can be observed across the continent. In Greece, the minimum wage for young workers was reduced. In Portugal, the increase in the minimum wage was limited by an agreement between the Portuguese government and the European Commission, ECB and IMF. However, the minimum wage was increased in Belgium, Cyprus, Estonia, Latvia and Slovenia. Countries such as Belgium and Denmark tried to make participation in the labour market more attractive by tightening the conditions for the payment of social security benefits.

In the area of industrial relations and social dialogue, the main legislative developments were concerned with collective bargaining, works councils and the right to strike. The Work Councils Directive was transposed into the national legislation of Cyprus, France, Luxembourg, the Netherlands and Slovenia. Legislation intended to improve the working conditions of temporary workers was adopted in Ireland, Malta, the Netherlands, Norway and the UK. Significant changes in legislation on collective bargaining were made in Hungary, Ireland and Romania. The right to strike was restricted in Hungary and Malta.

There were a number of legislative changes in the area of equality. In Austria, a law promoting equal pay between the sexes was enacted. France adopted a law promoting the gender balance in governing boards. To strengthen work-life balance, the duration of parental leave was extended in Cyprus and Poland.

Table 4 summarises the main legislative developments in 2011 affecting industrial relations and working conditions.

Table 4: Legislative developments, 2011

Topic	Commentary
Collective bargaining	<p>Greek law 4024/2011 brought about a significant modification of labour rights in both the public and private sectors in Greece. Among other things, the law abolished the favourability principle according to which business-level agreements prevail over sectoral ones.</p> <p>The Hungarian government changed the tripartite interest reconciliation system with the newly established National Economic and Social Council replacing the National Interest Reconciliation Council. The new body will include representatives of employers, workers, chambers of commerce and churches, but can only propose changes.</p> <p>The Irish 2011 Industrial Relations Act grants workers the right to representation and to bargain collectively, but does not provide the right for union recognition as this would, most legal experts agree, be unconstitutional. Any move towards full union recognition rights is seen as highly unlikely.</p> <p>In Romania, the Social Dialogue Act was passed unilaterally by the government. The act significantly modifies the rules of collective bargaining from company to national level and affects the representativeness criteria for social partners (RO1112019I, RO1107029I).</p> <p>In Spain, a Royal Decree was enacted to reform the collective bargaining regulation (ES1107011I) because social partners had failed to reach an agreement. The objectives of the reform are to bring collective bargaining closer to company level and sectoral conjuncture, and to increase the capacity of enterprises to adapt to changes according to the economic and employment situation.</p> <p>In Slovakia, new amendments to the Labour Code introduce criteria for the representativeness of trade unions. According to the amendment, any trade union organisation has to prove at the employer's request that it represents at least 30% of the employees in the establishment (SK1109019I).</p> <p>In Portugal, the Memorandum of Understanding on Specific Economic Policy Conditionality, aiming to reduce the government debt, requires regulation of collective bargaining with, for example, more competences for works councils.</p>
Employment, conditions of employment and job creation	<p>In Belgium, the government agreed on measures that aim to improve work attractiveness by increasing the quota exempted from income tax and increasing the cross-professional minimum wage.</p> <p>The Supreme Court of Estonia declared a provision of the Health Insurance Act unconstitutional. The act provided for shorter sickness benefit for those aged over 65 years compared with younger people.</p> <p>Stricter criteria when awarding public grants and contracts at the state level were discussed in Germany and only companies that adhere to social minimum standards are to be awarded public contracts. In 2011, several states passed such a law and others introduced the topic into the state parliament for discussion.</p> <p>In Greece, two laws were introduced that change the standards of operation of the Greek labour market. Among other things, these laws restrict the hiring and dismissal of personnel by public entities, expand the use of contracts of limited duration, and change the regime of collective agreements in both the public and private sectors.</p> <p>In Ireland, proposals were introduced to create a 'new integrated two-tier structure' to replace the five existing employment rights bodies.</p> <p>In Italy, the law enhancing the protection and promotion of small and medium enterprises (SMEs) entered into force.</p> <p>In the Netherlands, statutory regulations governing the accrual of days off during illness were amended from 1 January 2012. In addition, stricter regulations on collective redundancies were enacted. Employees who reach a termination agreement with their employer about ending their term of service will be counted in cases involving collective redundancy.</p> <p>In Poland, employers are no longer obliged to offer a day off in exchange for a national holiday if it falls on a day free of work according to the weekly work schedule. The Constitutional Court was requested to determine whether the new clause is in compliance with the constitution. In addition, a working day for people with disabilities was extended to eight hours (previously seven). The Polish anti-crisis legislation expired on 31 December 2011 (PL0909019I) and the clause allowing for only two consecutive fixed-term employment contracts was suspended.</p> <p>In Slovenia, a new law on employment of foreign workers was adopted, setting out the conditions under which aliens may be employed.</p> <p>The Swedish parliament agreed on amendments in the Working Time Act. Under certain conditions, the law allows employees to work extra overtime and emergency overtime without specific permission from the Swedish Work Environment Authority (AV). An amendment of the Swedish Discrimination Act states that, if an employer refuses to comply with a ruling of the court that annuls a notice or a dismissal, the terms of employment are to be regarded as dissolved and the employer must pay compensation to the employee.</p>
Equality	<p>In Austria, the amended Equal Treatment Act stipulates that companies employing more than 1,000 workers must disclose the average annual incomes of their female and male employees separately, anonymously and adjusted for working time (AT1008021I).</p> <p>A law setting quotas for the gender balance on company boards was passed in France (FR1101031I). Companies that fulfil specific conditions must have 40% female board members within six years.</p> <p>Polish equal opportunities and equal treatment regulations now also apply to non-employees (civil and managerial contracts), although the extent of protection is not as wide as in the case of employees.</p> <p>In the UK, a number of provisions were enacted including some allowing positive action and setting specific public sector equality duties (UK1010019I).</p>

Industrial relations and working conditions developments in Europe 2011

Topic	Commentary
Geographical mobility	<p>In Austria, a new law aimed at preventing wage and social dumping was implemented following an agreement between the social partners (AT10060111) and a new, criteria-based labour immigration model was adopted (AT11070111). The so-called 'Red-White-Red' card stipulates that, if specific criteria are met, a person is granted access to Austria's labour market without further labour market checks.</p> <p>In Denmark, two acts were enacted implementing Directive (96/71/EC) on posted workers within the framework of the provision of services and regulating aspects of the working conditions of mobile workers assigned to interoperable cross-border services in the railways sector.</p> <p>In Germany, new regulations on the freedom of movement of workers from the EU accession countries took effect assuring workers' rights to equal pay and working conditions (DE11050191).</p> <p>An agreement was signed in Slovenia on the employment of citizens from Bosnia and Herzegovina (SI11090391). The agreement regulates the conditions and procedures of employment for Bosnian workers in Slovenia. The jobs will be dealt with by the Employment Service, which means recruiting will no longer be carried out through informal networks.</p> <p>The Agency Workers Regulations 2010 came into force in the UK in 2011 giving these workers the same basic employment conditions after 12 weeks in an assignment as would apply if they had been recruited directly by the user company (UK11080191, EU08110291).</p>
Health and safety	<p>A law was adopted in France to launch reform of the organisation and functioning of health services. Among other things, it alters the position of occupational doctors and improves the medical surveillance of employees within certain professions.</p> <p>The Slovenian Law on Health and Safety at Work lays down the rights and duties of employers and workers with respect to healthy and safe working, and measures to ensure health and safety at work.</p> <p>Amended legislation in Sweden implies that a body that deals with issues other than safety can be an appointed safety committee, provided a collective agreement on this point has been reached between the social partners.</p>
Information and consultation	<p>Cyprus, France, Luxembourg, the Netherlands and Slovenia passed laws for the purpose of harmonising their national legislation with Directive 2009/38/EC on the establishment of a European works council (NL12010391).</p>
Labour codes	<p>In Bulgaria, significant changes were made to the Labour Code relating to the settlement of the rights of home-based workers, teleworkers and workers employed by temporary agencies.</p> <p>Amendments to the Labour Code were adopted in the Czech Republic (CZ12010191), Hungary and Slovakia in order to enhance the flexibility of labour law relations and encourage job creation. Hungarian trade unions were critical about the changes (HU11110111).</p> <p>Despite the disagreement of the trade union confederations and some of the employer organisations, the Labour Code was also amended in Romania (RO11020491).</p> <p>New regulations in the Czech Republic are intended to fight bogus self-employment (CZ12010291).</p>
Pay	<p>In Cyprus, the minimum monthly salary was adjusted in seven out of nine occupational categories. In this way the government is attempting to protect the most vulnerable groups (mostly young people) employed in jobs not covered by collective labour agreements (CY11050291).</p> <p>Estonian social partners agreed to raise the minimum wage for the first time since 2008 (EE12010191).</p> <p>A new law was enacted in France obligating larger (private and some public) companies to distribute more company profits among workers (FR11050111).</p> <p>The Hungarian food vouchers system has been restricted and the issuing of these vouchers became a state monopoly from 2012. The food vouchers are tax-free allowances and form a significant part of employees' incomes. The new system has been criticised by the Trade Union of Commerce Workers (KASZ).</p> <p>In Ireland, new legislation was enacted on sectoral wage-setting mechanisms as part of commitments imposed by the EC/ECB/IMF troika. The High Court ruled that setting minimum pay and conditions for workers in lower paid sectors was unconstitutional. The new legislation on sectoral wage regulation takes this ruling into account.</p> <p>In order to stabilise spending in the Latvian public sector, five amendments were adopted to the law on the remuneration of officials and employees of state and self-government authorities.</p> <p>The government in Luxembourg decided to modify the mechanisms of automatic indexation of wages. A maximum of one adjustment per year until 2014 is envisaged. A court decision was made in Luxembourg concerning the integral wage (including different bonuses and wage increases) in case of sickness.</p> <p>After a decision by the European Free Trade Association (EFTA) Surveillance Authority (ESA), Norway amended its regulations. It is now clear that it is the minimum rates of pay from nationwide collective agreements that are to be subject to compliance (NO12010291).</p> <p>In Portugal, a memorandum designed to reduce the government deficit stipulates tight restrictions on any increase in the statutory minimum wage.</p> <p>Forced by the need to stay within the budget deficit targets, the Romanian government adopted the rescheduling of the wage rights to those paid from public funds.</p>

Topic	Commentary
Pensions	<p>In Belgium, the required number of years at work in order to retire was set at 40 years.</p> <p>The new amendments in the Bulgarian Social Insurance Code gradually raise the retirement age and the necessary years in service with four months a year to:</p> <ul style="list-style-type: none"> • 63 years-old with 37 years of service for women; • 65 years-old and 40 years of service for men. <p>A majority of the Danish parliament voted for an incremental abolition of the voluntary early retirement pension scheme.</p> <p>Estonian employers who make contributions to the (non-mandatory) pension account of their employees have been exempt since August 2011 from the fringe benefit tax.</p> <p>The pension system was centralised in Hungary (HU1012011) and early retirement abolished. This also applied to retired people younger than 60 who were redirected to the labour market.</p> <p>The new public service pension legislation in Ireland is far-reaching. It is expected to cut the pension bill by over a third in the long term, but there is little effect in the short term.</p> <p>Changes in tax and social legislation were introduced in Latvia. The rate of social contribution was increased and the rate of contributions to the pension system was reduced.</p> <p>The Lithuanian law on state social insurance pensions was amended. The retirement age will be gradually extended to 65 years for both sexes starting in 2012 and ending in 2026.</p> <p>A major plan of pension reform was proposed in Luxembourg but legal changes have still not been implemented. The discussions about this reform will continue in 2012 (LU1103031).</p> <p>The Employment Equality Regulations in the UK abolished the default retirement age, preventing employers from forcing employees to retire at the age of 65 (UK1102039).</p>
Right to strike	<p>The right to strike of people providing public passenger transport services was restricted in Malta. This can be justified if the service is considered an 'essential service'. The GWU, representing concerned workers, voiced its protests. The right to strike has also been cut in Hungary.</p>
Social security	<p>In Belgium, the qualifying period for young people to obtain unemployment benefits was increased. The amount of unemployment benefits was reduced and the access to them limited.</p> <p>In Denmark, the government abolished some of the 'poverty benefits'. Stricter provisions were introduced mainly to get unemployed people into work instead of receiving social security benefits.</p> <p>The level of unemployment benefits in Latvia was adjusted, organisational changes were introduced and the national minimum wage was increased to LVL 200 per month (€287 per month as at 23 August 2012).</p> <p>Norway announced the tightening of the regulations on unemployment benefits in connection with temporary layoffs. These regulations had been relaxed during the financial crisis in 2009. The new changes are effective from 2012.</p> <p>Standardisation of Polish sickness benefits ended the unequal treatment of employees aged 50 and more. The sickness benefits are paid by social security and are available to employees being treated in hospital.</p> <p>In Portugal, the memorandum designed to reduce government claims changes the system of unemployment benefits.</p> <p>New legislation in Romania sets the general framework for the organisation, operation and funding of social assistance. One of its objectives is to help social assistance recipients integrate into the labour market.</p>
Temporary agency workers	<p>The Finnish law on employment contracts was amended to improve the employment opportunities of agency workers in terms of applying for contractor's open positions, participation in the contractor's collective agreement and so on.</p> <p>A new Irish law implementing Directive 2008/104/EC was published, which gives temporary agency workers similar working conditions to comparable permanent workers. The same directive was implemented into Maltese legislation and was the subject of a significant political dispute in Norway.</p> <p>Amendments to the Latvian labour law introduced legal regulation regarding temporary work. These amendments specify the status of temporary work agencies, the rights of temporary workers regarding working conditions, information and consultation, and so on.</p> <p>The labour law changes in the Netherlands seek to combat illegal employment and labour exploitation (NL1201039). Among other things, the law introduced the liability of subcontractors when hiring workers from uncertified temporary employment agencies. In addition, the implementation of Directive 2008/104/EC gives work councils more extensive rights to information about temporary staff.</p>
Training	<p>The tax on work-related studies was abolished in Estonia, where from 2012 payments made by employers for work-related studies will not be taxed. In addition, the value of the training vouchers provided for unemployed people to participate in training increased from an initial €959 to €2,500.</p> <p>In Hungary, there were changes to the higher education system where vocational education was modified to follow the directive on dual systems.</p> <p>A new Italian law redefines apprenticeships as an open-ended employment contract with training and occupational objectives. The law replaces current regional differences in legislation, and industry-wide bargaining will define the actual rules for sectoral situations (IT1108019).</p>

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Topic	Commentary
Work-life balance	<p>New regulation enacted in Cyprus increases the length of parental leave from 13 to 18 weeks for each child , as well as employees' protection against less favourable treatment.</p> <p>Finnish legislation was amended to allow employees to take unpaid leave in order to take care of a family member or another close person. The detailed conditions are to be decided jointly by the employee and the employer.</p> <p>In Poland, the length of maternity and paternity leave was extended. The conditions for eligibility for the 'birth allowance' became stricter as the applicant now has to prove that she remained under a doctor's supervision throughout her pregnancy.</p>
Miscellaneous	<p>In Malta, members of disciplinary forces such as the police or soldiers are denied the right to join a trade union (MT1005029I). The Maltese prime minister stated that he is in favour of giving trade union rights to police officers. Following this statement, the Malta Police Association (MPA) will be given the status of a trade union. The Maltese department implementing and enforcing the Employment and Industrial Relations Act was given the authority to appoint people outside the public service to carry out inspections relating to working conditions. This is meant to make the department more effective.</p>

The economic downturn has had a notable impact on the labour market in most European countries, resulting in growing unemployment rates and a generalised reduction in employment, which is also connected to important processes of restructuring (see also the section on 'Restructuring' in the next chapter). However, the weak recovery from the financial and economic crisis recorded in a number of European countries, which resulted in only slight growth of the European economy in 2010 and 2011, influenced a limited and uneven increase in employment across Europe.

A positive economic performance has not always actually resulted in an increase in employment. In addition, in a few countries the employment growth appears to be linked to an increase in permanent employment, while in others it can be linked to temporary and part-time employment growth. In some other countries, the decrease in employment appears to be associated also with a substitution of permanent employment by temporary or part-time employment.

These have not been the only consequences of the crisis in relation to work. As described below, the crisis (and the measures introduced to combat it) had a negative influence on working conditions in some areas, even if no converging trends between countries can be seen in every single area.

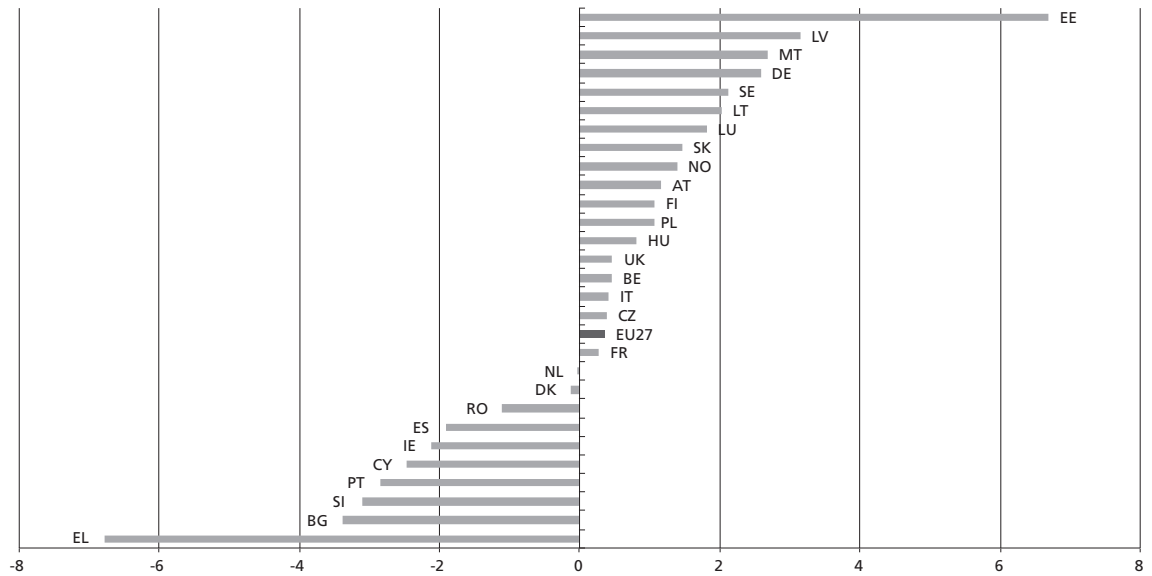
Employment growth

Total employment

Employment is reported to have risen between 2010 and 2011 in 17 Member States and in Norway (Figure 6), while between 2009 and 2010 it increased in only nine EU countries and in Norway. Considering the EU as a whole, employment increased by 0.4% between 2010 and 2011, while it decreased by 0.6% between 2009 and 2010.

However, such an increase has been too weak to compensate for the employment decrease between 2009 and 2010, with the remarkable exceptions of Estonia (+6.7% in 2010–2011 and -4.2% in the previous period) and Germany (+2.6% in 2010–2011 and -0.1% in 2009–2010). In a number of other countries, employment has been increasing since 2009 (Austria, Belgium, France, Luxembourg, Malta, Norway, Poland, Sweden and the UK), while in Bulgaria, Denmark, Greece, Ireland, Portugal, Slovenia and Spain the decreasing trend started previously is still ongoing, albeit with different intensities. Greece is the country reporting the biggest loss of employed people (-6.8%), while Denmark had the smallest decrease (almost zero) between 2010 and 2011 (Figure 6). In terms of employment growth, Estonia reported the best result in this period.

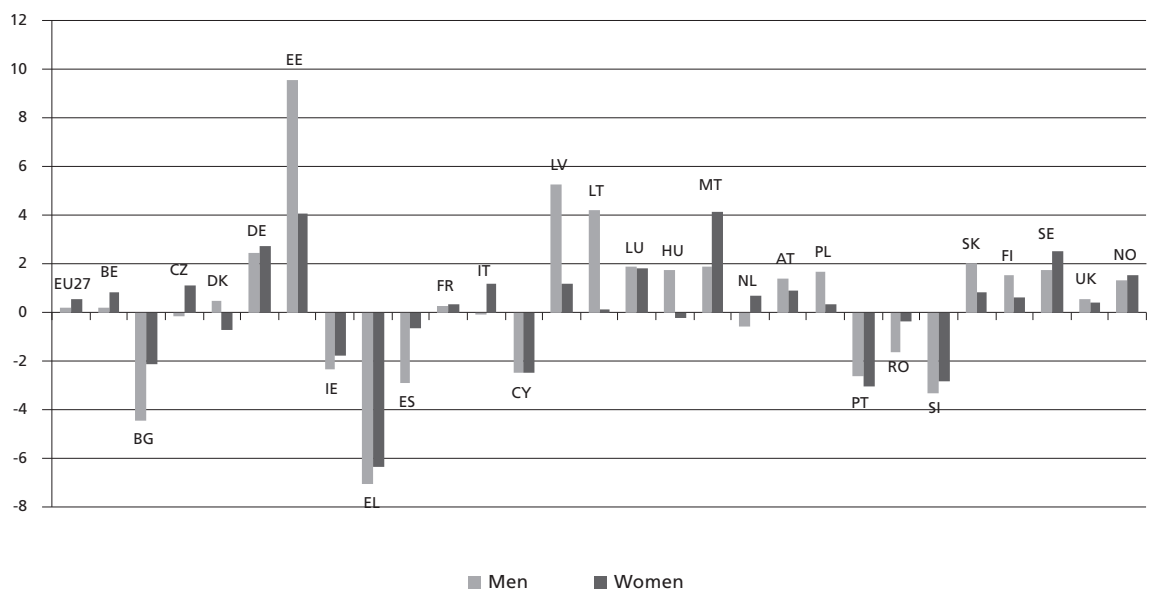
Figure 6: Employment growth in the EU27 and Norway, 2010–2011 (%)



Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

Employment growth between 2010 and 2011 appears to have been higher for women (+0.6%) than for men (+0.2%) in terms of the EU27 average and in Norway (+1.5% women, +1.3% men). Belgium, the Czech Republic, Germany, Italy, Malta, the Netherlands, Norway and Sweden are the countries where the employment growth has mainly been among women. However, in Estonia, Latvia and Lithuania and to a lesser extent Austria, Finland, Poland, Slovakia and the UK, employment growth was led mostly by men (Figure 7).

Figure 7: Employment growth in the EU27 and Norway by gender, 2010–2011 (%)



Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

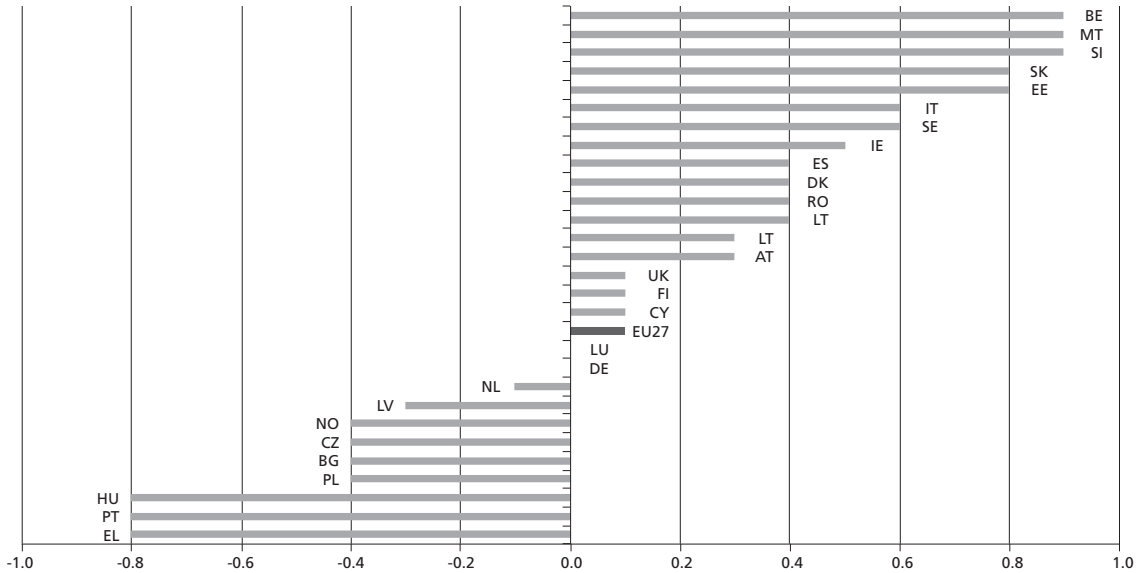
Temporary employment

Temporary employment saw a relative slight growth in the vast majority of European countries between 2010 and 2011 (Figure 8). The increase in the percentage of temporary employment of total employment was 0.1 percentage points for the EU27 average, less than 0.5 points in 10 countries out of 17 and between 0.5 and 0.9 percentage points in the rest. However, in countries where total employment shrank between 2010 and 2011, such an increase is more likely to be the result of the decrease in permanent employment rather than a real growth linked to employers' hiring strategies. This is the case for Cyprus, Denmark, Ireland, Romania, Slovenia and Spain.

In other cases, this trend seems to indicate that employers prefer hiring workers on a temporary basis in times of economic uncertainty, and it reflects employers' optimistic expectations related to the economic growth. This seems to be the case of Belgium and Italy, where the temporary employment growth was higher than total employment growth, or that of Estonia, Finland, Lithuania, Malta, Slovakia and Sweden where temporary employment growth contributed with different intensities to employment growth.

In the Czech Republic, Hungary, Latvia, Norway and Poland, temporary employment fell while total employment increased, indicating a more optimistic vision by employers and the creation of permanent jobs. Finally, in Bulgaria, Greece and Portugal, the decrease in temporary employment reflects the economic situation of these countries and the pessimistic expectations of employers.

Figure 8: Temporary employment growth in the EU27 and Norway, 2010–2011 (percentage points)

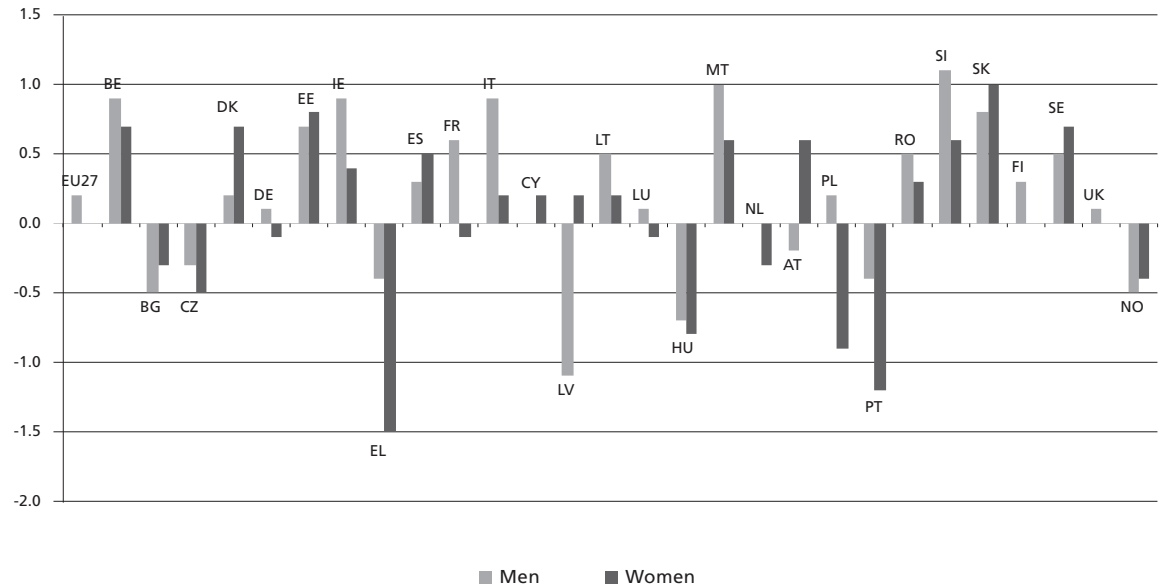


Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

Poland, Portugal and Spain were the only countries in 2011 with a percentage of temporary workers higher than 20% of total employment (27% in the case of Poland). Temporary employment was between 15% and 20% of total employment in Finland, France, the Netherlands, Slovenia and Sweden, while it was less than 5% in Bulgaria, Estonia, Latvia, Lithuania and Romania. The rest of the countries had a percentage of temporary workers of between 5% and 15% of total employment, with the EU27 average being 14%.

Temporary employment growth between 2010 and 2011 was higher for men (+0.2 percentage points) than for women (growth was zero) in terms of the EU27 average. Only in Denmark, Estonia, Slovakia, Spain and Sweden was it higher for women than for men (Figure 9).

Figure 9: Temporary employment growth in the EU27 and Norway by gender, 2010–2011 (percentage points)



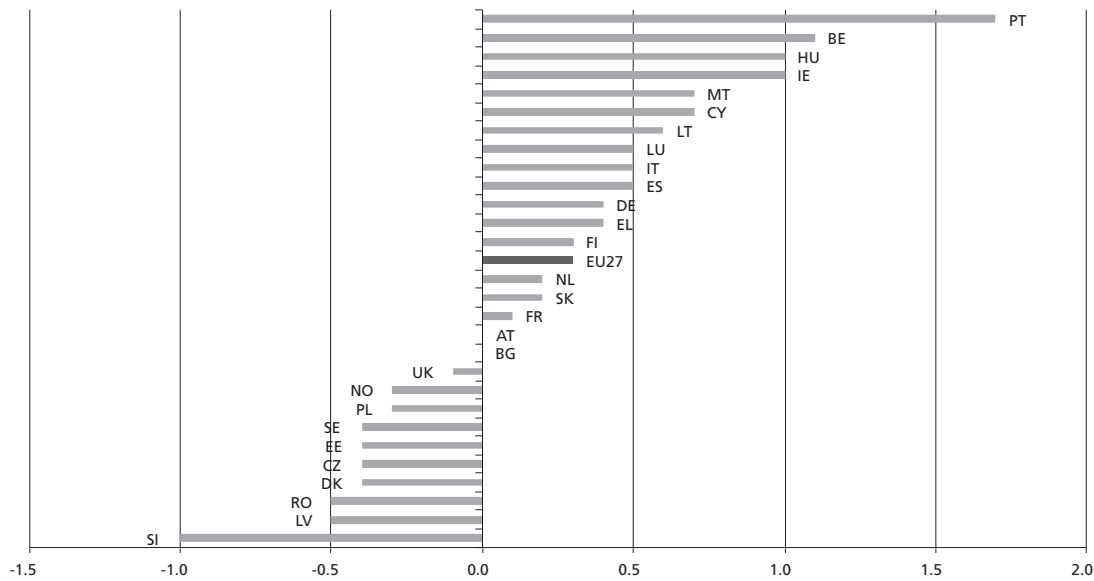
Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

Part-time employment

Only in the Netherlands was the share of part-time workers almost 50% of the total in 2011. The share of part-time workers was between 20% and 28% in Austria, Belgium, Denmark, Germany, Ireland, Norway, Sweden and the UK. It was between 10% and 19% in Estonia, Finland, France, Italy, Luxembourg, Malta, Portugal, Romania, Slovenia and Spain (the EU27 average was 19.5%), and less than 10% in the other countries.

A slight relative increase in part-time work was seen in 16 countries and it was stable in another two. The share of part-timers increased by one percentage point or more in Portugal (from 11.6% in 2010 to 13.3% in 2011), Belgium (from 24% to 25.1%), Hungary (from 5.8% to 6.8%) and Ireland (from 22.5% to 23.5%), while in the rest the increase was smaller (Figure 10). In most of these countries, part-time employment grew more than total employment, while in the case of Cyprus, Greece, Ireland, Portugal and Spain, where employment growth was negative, it is reasonable to consider such an increase as being the combined effect of the decrease in permanent employment and the conversion of full-time contracts into part-time ones.

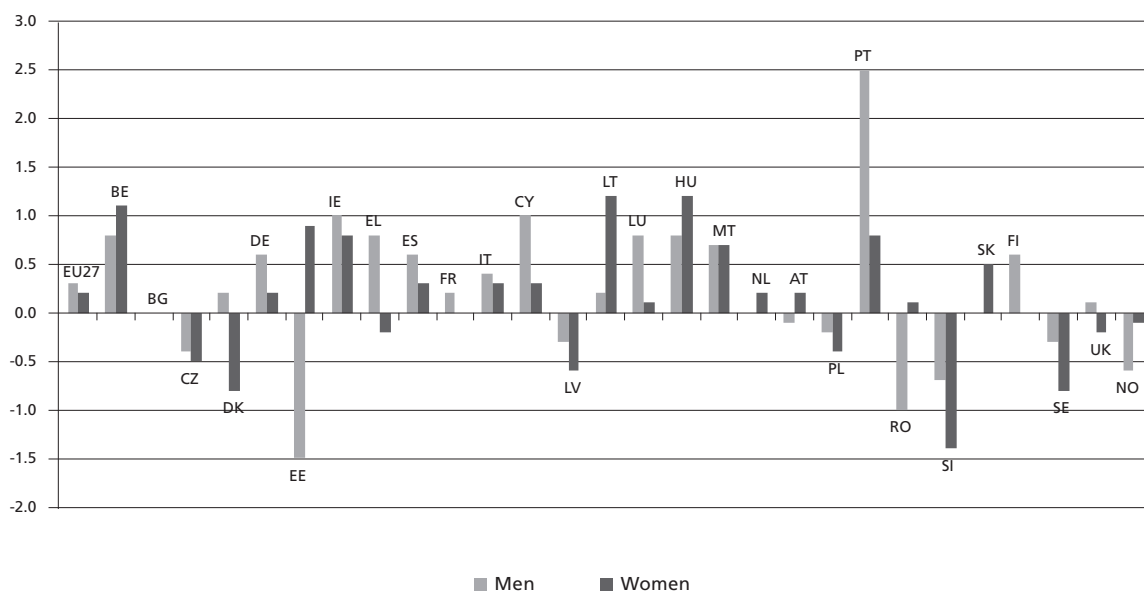
Figure 10: Part-time employment growth in the EU27 and Norway, 2010–2011 (percentage points)



Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

The increase in part-time employment between 2010 and 2011 surprisingly affected men more than women in a number of countries (Cyprus, Denmark, Germany, Greece, Ireland, Italy, Luxembourg, Portugal, Spain and the UK). However, part-time employment is still mostly dominated by women and the increase in female part-time work was higher than that for men in Austria, Belgium, Estonia, Finland, Hungary, Lithuania, the Netherlands, Romania and Slovakia (Figure 11).

Figure 11: Part-time employment growth in the EU27 and Norway by gender, 2010–2011 (percentage points)



Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

Career and employment security

An increase in job and employment insecurity was recorded in 2011 in some European countries, especially in those where measures aimed at tackling the effects of the financial and economic crisis or reducing significantly the growing public debt (mainly through major cuts to public expenditure) have been introduced. The economic situation, its impact on the labour market and the measures adopted by national governments to promote growth and create jobs in some countries or to reduce public expenditure in some others have resulted in:

- increasing employment insecurity (for public sector employees as well as private sector ones);
- a high feeling of job insecurity among workers (also in countries with a better general situation).

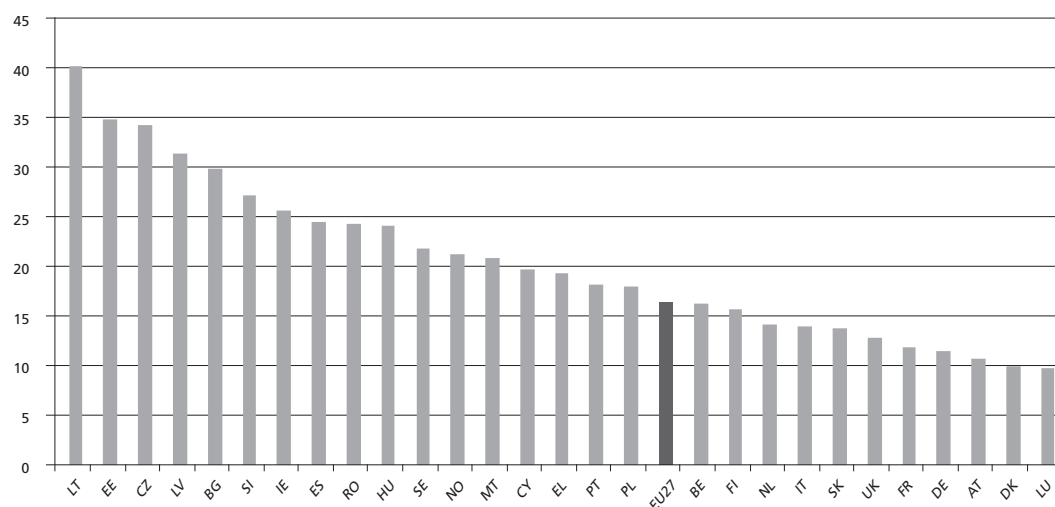
Wages are reported to have increased in a number of countries even if, in some cases, real wages fell as a result of inflation or as a consequence of the austerity measures adopted, such as those affecting public employees in Greece and Portugal.

Information on career development was reported only occasionally for 2011. Information on equal opportunities has been reported more frequently, in particular in relation to migrants and workers with an ethnic background and gender pay gap.

Job and employment security

Data from Eurofound's Fifth European Working Conditions Survey (EWCS)² reveal that more than 30% of workers felt at risk of losing their job in the next six months in Lithuania (40% of respondents), the Czech Republic and Estonia (around 35%) and Latvia (31%), while in Denmark and Luxembourg less than 10% of workers felt insecure regarding their job. In general, 17 out of 28 countries had a share of workers who felt insecure above the EU27 average (16.4%). Among them were countries that had introduced austerity plans, but also countries such as Norway and Sweden (Figure 12). Information from EWCO appears to corroborate these figures, suggesting that the risk of losing their job is a concern for workers in a number of European countries.

Figure 12: Workers reporting job insecurity in the EU27 and Norway, 2010 (%)



Source: Fifth EWCS, 2010

² All Eurofound publications are available at <http://www.eurofound.europa.eu/>.

According to data from the Statistics Sweden (SCB) official health survey, the share of all workers in Sweden who felt some form of job security threat over the past 12 months increased by 13% between 2008 and 2010. Moreover, the percentage of workers reporting job insecurity was higher for men (50.4%) in 2010 than for women (43.3%). Job insecurity increased between 2008 and 2010 more among men (+18.6%) than among women (+7.4%). The number of workers whose company had dismissed employees over the past 12 months increased by 13.1% between 2008 and 2010. In 2010, 42% of all male workers and 30.4% of all female workers reported this experience; the increase since 2008 was higher among men (19%) than among women (6.3%).

In Bulgaria, the 2010 survey 'Women working in precarious working conditions', by the Agency for Social Surveys and Analyses (ASSA-M), found that 90% of women felt their job was insecure due to the high unemployment rate and poor prospects for finding another job – at least in the formal economy. This could be why 51% of women stated they were ready to work in the informal economy (**BG1107011I**).

Self-reported job insecurity also increased in Finland. According to the 2011 Working Life Barometer, even if the overall assessment of the quality of work life had not changed significantly from 2010, job security among the components of the overall quality had clearly worsened from the previous year, while three other components (equal treatment, resources as well as innovativeness, encouragement and trust) had remained steady. This indicator fell most among workers aged 55 years and over and among central government employees.

Although the feeling of insecurity was reported to have increased in the Netherlands, the latest data available from the National Working Conditions Survey (2010) suggest that this trend could be reversing, as 20.4% of workers felt at risk of losing their job in 2010 compared with 22.8% in 2008.

In Norway, data from the *Fact book on working environment and health 2011 (Faktabok om arbeidsmiljø og helse 2011)* show that the job security situation of the working population did not change between 2006 and 2009. There was no evidence suggesting that the financial crisis had affected workers or their working conditions.

Growing employment insecurity was reported from Hungary, especially in the public sector and public services. An article on the Privátbankár website reports that the number of company liquidations in 2011 was 16.5% more than in 2010, while the number of companies wound up had risen significantly (+168% compared with 2010).

Data from the Ministry of Labour and Social Policy's General Labour Inspectorate Executive Agency (GLI-EA) reveal a large increase in the number of people working without a regular contract in Bulgaria in the first half of 2011, plus an increase in wage arrears and breaches of working time, breaks and paid leave regulations. In public administration, mass dismissals and the planned introduction from 2012 of a package of reforms related to performance-related pay, new rules for employee appraisal, less paid leave and reduced compensation at retirement contributed to the increase in employment insecurity in Bulgaria.

In Slovakia, the amendments to the Labour Code allowed easier dismissal of employees from September 2011.

In Estonia, the number of labour disputes fell significantly from 6,371 in 2009 to 3,803 in 2010 and 2,909 in 2011. It is thought that the number of disputes dropped only because people were afraid of losing their jobs and therefore willing to accept poorer working conditions.

In Greece, there has been a significant decrease in employment security due to measures introduced to make it easier to dismiss employees by reducing dismissal costs and simplifying dismissal procedures. Measures to strengthen flexibility in industrial relations and contractual arrangements have also been introduced. According to a survey conducted by Adecco Greece, workers' expectations have been much modified by the economic situation and the corresponding measures introduced. The survey found that 32% of respondents considered a sense of security and stability the most important characteristic of a job, while only 4% considered pay to be important, and the vast majority (92%) showed a willingness to be flexible over pay during the crisis if other factors were satisfactory (**GR1109019I**).

Wages

Wages did not show a uniform trend across Europe. Although a number of countries reported wage increases, in some cases the increase was in nominal wages and real wages fell because of the inflation rate. A reduction in the wages of public sector employees due to the austerity measures was reported.

In Luxembourg, the new change in wage indexation will lead to a 2.5% rise in the sliding wage scale in both 2012 and 2013.

At a meeting of the National Interest Reconciliation Council (OÉT) late in 2010, the Hungarian government agreed with employers and unions on a nominal overall 4%–6% gross wage increase from 2011. According to this agreement, minimum wages were to be increased by 6.1% and guaranteed minimum pay by 5%. At a subsequent OÉT meeting, social partners agreed that employees whose pay had dropped after the introduction of the new flat rate 16% personal income tax should be compensated (**HU1104011I**).

After two years (2009–2010) of steady reduction in Lithuania, the average wage started to recover in 2011 and returned to the levels seen in 2009. The average gross wage in 2011 was LTL 2,042 per month (€592 per month as at 24 August 2012).

In the Czech Republic, a 2.2% year-on-year increase of the average gross monthly nominal wage in the first three quarters of 2011 was documented in a report on developments in revenue and expenditure published by the Ministry of Labour and Social Affairs (MPSV ČR). The average real wage showed a year-on-year growth of 0.4%.

In Spain, wages increased by 1.14% from 2009 to 2010 according to the Quarterly Labour Costs Survey (ETCL) carried out by the National Institute of Statistics (INE). However, according to an indicator for 'purchasing power' used in research carried out to elaborate the 'Quality labour market index' (IQT 2010), the 1.8% increase in the inflation rate meant a loss of purchasing power between 2009 and 2010 of 0.66%.

After an overall wage moderation in 2010, average nominal wages increased slightly in Slovakia in 2011 by about 3.7% (source: Information system on working conditions (ISPP) 2011; **SK1111019D**). Nevertheless, according to data released by the Statistical Office of the Slovak Republic (ŠÚ SR), an increase in the inflation rate meant that average real wages decreased slightly and in the first three quarters of 2011 were only 99.1% of those in 2010. The overall income of employees was also eroded by a slight reduction in bonuses for overtime and work at weekends.

Greece and Portugal both reported a reduction in public sector pay due to the austerity measures adopted.

In Greece, immediate budgetary adjustments sought cutbacks in public expenditure through the reduction in wages and downsizing (**GR1109029I**) of the public sector and public services. There was also a ban on stipulating any pay rises for 2010 and 2011, and any collective employment

agreements or arbitration awards or individual employment contracts or agreements that contravene this prohibition were abolished.

In Portugal, the Memorandum of Understanding on Specific Economic Policy Conditionality signed by the Portuguese government, the European Commission, IMF and ECB in early May 2011 imposed wage restrictions, while the State Budget 2011 defined wage reductions and banned wage valuation or increases for civil servants whose wages were more than €1,500 per month. These reductions are progressive according to the amount of the monthly wage:

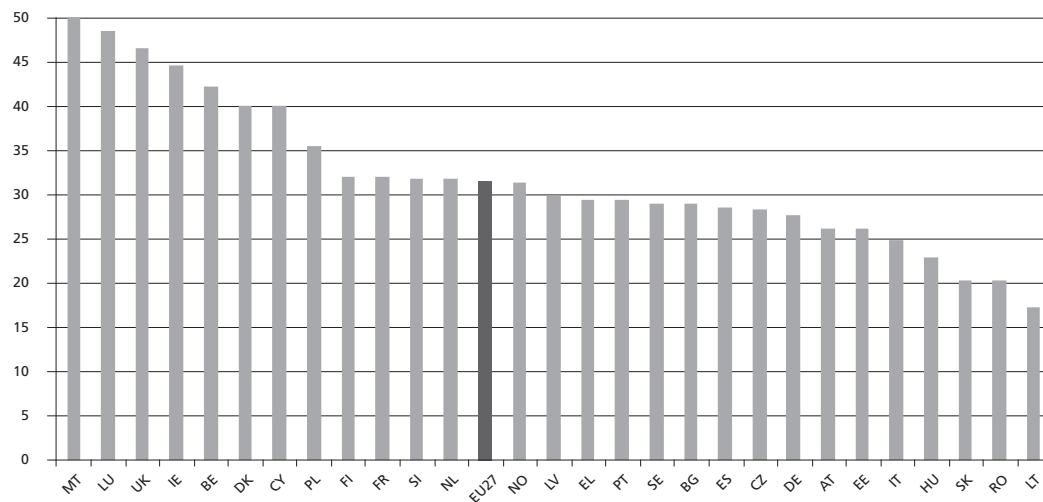
- 3.5% over the total amount for wages between €1,500 and €2,000;
- 3.5% over €2,000, plus 16% over the amount of the total wage that exceeds €2,000, leading to a global rate that ranges between 3.5% and 10% for wages that are equal to or more than €2,000 up to €4,165;
- 10% over the total amount for wages higher than €4,165.

Both countries have adopted measures aimed at containing or abolishing the minimum wage. Despite the tripartite agreement signed in Portugal in March 2006 within the social consultation committee of the Economic and Social Council (CES) stipulating that the minimum wage should increase to €500 per month by the end of 2011, this figure was not achieved and remained at €485 per month. In Greece, the minimum wage for younger workers provided for under the National General Collective Labour Agreement (EGSSE) was abolished. The minimum wage was reduced to 80% for workers aged less than 25 years and 70% for those aged 15–18 years of the national minimum wage as determined by EGSSE.

Career development

Figures from the fifth EWCS show that 31.5% of workers in the EU27 reported having a job offering good prospects of career advancement. However, only eight Member States had a share of workers who considered they had good career advancement prospects above the EU27 average; Malta had the highest share (around 50%), five countries (including Norway) reported a figure around the EU27 average and the rest are all below the EU27 average, with Lithuania having a modest 17.2% of workers considering themselves to have good career prospects.

Figure 13: Workers reporting career advancement prospects in the EU27 and Norway, 2010 (%)



Source: Fifth EWCS, 2010

Country-specific information on this topic is available only from Hungary, Malta and Romania.

In Hungary, a new career model – the so-called Career Bridge Programme – was introduced from July 2011 for public sector employees. Following the decision in 2011 by the government to dismiss a large number of public sector employees, the programme is intended to secure jobs and career possibilities for these employees in the private sector. The programme provides those affected with consultation and training opportunities.

In Malta, the issue of ‘bogus self-employed’ (that is, people officially working as self-employed but actually working as employees within a company so as to reduce personnel-related costs) is under scrutiny for its implications for working conditions and access to a ‘standard’ career path. The Employment Relations Board (ERB), a tripartite body set up by the Employment and Industrial Relations Act (EIRA) 2002 to advise the minister responsible for industrial relations on the drafting of laws, drafted a recommendation containing eight criteria for the identification of ‘bogus self-employed’. Workers who meet at least five of such criteria should be considered an employee rather than self-employed.

In Romania, the National Trade Union Bloc (BNS) published a report in January 2012 on ‘Working conditions, satisfaction and performance at the workplace’ as part of the Sectoral Operational Programme for the Development of Human Resources (SOP DHR) project, ‘Labour market observer office’, with co-finance from the European Social Fund (ESF). The report illustrates results from a survey carried out in September–October 2011 on a representative sample of 4,471 employees. With respect to intra-company promotional policies:

- 39.8% of the respondents referred to professional performance and job tenure as the main criteria for career advancement;
- 37% indicated performance as being the main criterion;
- 10% placed job tenure within the company in the top position;
- 8.7% ascribed career progression to personal relations;
- 4.2% indicated other motivations.

More than half the respondents (56.7%) admitted that fidelity was rewarded by their employer (29.7% by way of gratuities, incentives and regular or occasional bonuses; 12.6% by better advancement opportunities; 11.4% by wage supplements; 8.3% through moral incentives, commendations in the presence of colleagues and so on).

Equal opportunities

Discrimination at work

Initiatives aimed at promoting equal opportunities and combating discrimination and exclusion based on ethnicity, disability, age or sexual orientation were implemented in Bulgaria, Hungary, Norway and the UK.

In Bulgaria, a survey linked to the Ministry of Labour and Social Policy project, ‘Equality as a path to progress’ was carried out to investigate social inequalities and discrimination in the labour market. For respondents, discrimination and disadvantage were mainly related to disability (76% of cases), being over 50 years-old (50%), Roma origin (58%) and different sexual orientation (51%).

In Hungary, a public work programme funded by the government with HUF 20 billion (€72 million as at 24 August 2012) began in August 2011, addressed mostly at Roma people who were granted four-month full-time jobs mainly in the afforestation sector.

In Norway, several measures to prevent migrant workers from 'new' EU Member States being exposed to substandard wages and poor working conditions in the labour market have been introduced since 2004. According to the report *Evaluation of government measures to prevent social dumping* published in November 2011, such measures have produced positive effects (**NO1201019I**).

In the UK, as part of its commitment to corporate social responsibility, the employers' organisation Business in the Community set new objectives for 2011–2012 for its campaign 'Race for opportunity', which aims to improve employment opportunities for ethnic minorities in the UK. Its objectives are to:

- increase ethnic diversity in company boards and in senior management;
- remove barriers to the career development and progression of Black, Asian and other ethnic groups of workers;
- promote the inclusion in the labour market of Black, Asian and other young people with an ethnic background.

Gender pay gap

There is concern about the gender pay gap as this is on the increase in some countries. This is the case for Ireland, where figures published by the Central Statistics Office (CSO) in August 2011 indicate that the unadjusted gender pay gap was 12.8% in October 2009 and 12.4% in October 2008, and for Bulgaria where it was 15% in 2010 and 18.5% in 2011, being even higher in some feminised sectors. In Lithuania, the gender pay gap was 14% in 2010 and 2011. The gender pay gap is also still a problem in Belgium, with women earning on average 25% less than men, although much of the gap can be explained by differences in jobs and careers between men and women, as stated by the 'WAGEGAP project' (**BE1106011I**).

At EU level, provisional data released by Eurostat on the unadjusted gender pay gap show a decreasing trend from 2008 to 2010 in the EU27. In 2008, the gender pay gap was 21.4%, falling to 20.6% in 2009 and 19.5% in 2010. Similarly, data available for Norway display a decrease from 17.2% in 2008 to 16.7% in 2009 and to 19.5% in 2010.

Measures to reduce the gender pay gap and promote equal opportunities for women and men have been introduced in Austria, Denmark and France.

In Austria, the Equal Treatment for Men and Women Act (*Gleichbehandlungsgesetz*) was amended to make the separate disclosure of average annual incomes for female and male employees (anonymously and adjusted for working time) mandatory for companies with more than 1,000 workers (**AT1008021I**). The amendment will be gradually extended to smaller companies during 2012 and 2013, with the aim of forcing employers into more income equality by making wage discrimination visible.

In Denmark, an Equal Pay Tribunal (*Ligelønsnævn*) was established with effect from 1 June 2011 by the social partners – the Central Organisation of Industrial Employees (CO-Industri) and the Confederation of Danish Industries (DI). However, the tribunal did not hear any cases in its first six months (**DK1111029I**).

In France, a decree no. 2011-822 dated 7 July 2011 and a circular dated 28 October 2011 supplemented law 2010-1330 of 9 November 2010 reforming the pension system. The law included a penalty of up to 1% of payroll costs for companies with at least 50 employees that had not met their responsibilities to reduce the pay gap between women and men by 1 January 2012 (FR1112011I).

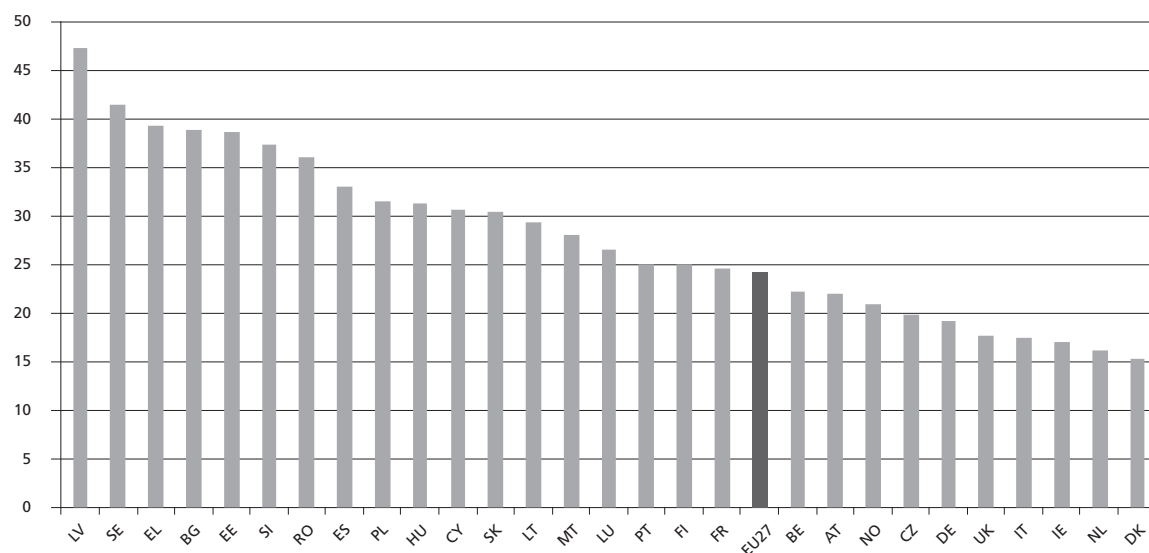
Health and well-being

Health and safety at work are of fundamental importance for working conditions and are a core competence of the European Union as stated in Article 153 (1 and 2) of the Treaty of Lisbon. The Treaty authorises the Council to adopt, by means of EU directives, minimum requirements as regards improvements in the working environment in order to protect workers' health and safety.

The information provided by the Eurofound observatories allows us to draw a picture of health and well-being at work not only regarding the negative health outcomes of exposure to work-related risks (in terms of accidents and work-related diseases) but also with reference to the risks (psychosocial and physical) that can be attached to work.

Data from the fifth EWCS show that about 24% of workers in the EU27 and 21% in Norway considered their health or safety to be at risk because of their work. In seven countries (Bulgaria, Estonia, Greece, Latvia, Romania, Slovenia and Sweden), however, more than 35% of workers reported feeling their health or safety was at risk and in Latvia this figure was 47% (Figure 14).

Figure 14: Workers reporting health or safety at risk because of work in the EU27 and Norway, 2010 (%)

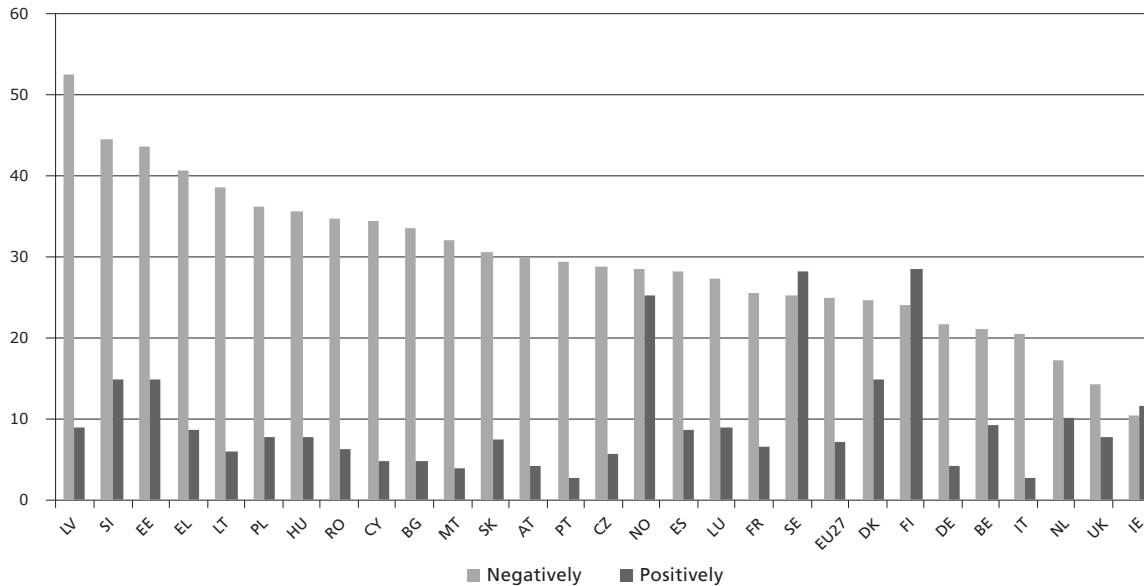


Source: Fifth EWCS, 2010

In terms of the repercussion of work on health, there is a correlation between the perceived exposure to risk and the perceived impact of work on health. Data from the fifth EWCS show that in five out of seven of the countries reporting the highest shares of workers feeling their health to be at risk, workers more frequently reported a negative impact of work on their health. In addition, a negative impact of work on health was reported more frequently than a positive one in all the countries with

the exception of Finland, Ireland and Sweden, where workers were more likely to report a positive impact of work on their health (Figure 15).

Figure 15: Workers reporting the way their work affects their health in the EU27 and Norway, 2010 (%)



Source: Fifth EWCS, 2010

There was a non-converging trend between European countries in the area of the health and well-being of workers in 2011, even though an increase in the number of work accidents was reported by several countries. This could reflect either the different national approaches to the issue of risk prevention and health protection of workers, or the increasing growth rates of national economies, which are often linked to work intensification. The information provided indicates that only a limited number of countries introduced or enhanced specific measures to improve working conditions in this area in 2011.

Work accidents

Data on work accidents was only available from 10 countries. As detailed in Table 5, the data provided show:

- an increase in the number of fatal accidents at work in the UK;
- an increase in the number of work accidents in Denmark, Estonia, Germany, Lithuania and Sweden;
- a decrease in the number of work accidents in Bulgaria;
- a decrease the number of working days lost in the UK;
- a decrease in the number of fatal accidents at work in Germany;
- a decrease in the number of work accidents in Poland and Spain.

Such trends can be related to a number of diverse causes. In the UK, there was a significant increase in the percentage of employers who had an ‘employee well-being strategy’ (from 30% in 2008 to

46% in 2010), while in Denmark the increase in accidents can be explained by an increase in falls due to the extremely cold winter in 2010. In Sweden, however, changes can be associated with changes in the regulation of health insurance. Finally in Slovenia, no trends were reported but there were 12,154 work accidents in 2011 and labour inspectors recorded 15,857 cases of violations of health and safety regulations. These violations related mainly to training of workers on work safety, preventive health checks, safety statement with risk assessment, the provision and use of personal protective equipment and the regulation of employment in the open – all indicating a widespread lack of safety at the workplace.

Table 5: Trends in reports of work accidents

Trend	Country
Increase	<p>Denmark: 44,382 accidents in 2010, which was 1,853 more than in 2009 but still the second lowest number since 2005 (source: <i>Work-related accidents 2005–2010</i>, the 2010 annual report of the Danish Working Environment Authority, Arbejdstilsynet).</p> <p>Estonia: The number of work accidents in the first three quarters of 2011 (2,727) was higher than in the first three quarters of 2010 (2,369) (source: Labour Inspectorate, Tööinspektsioon).</p> <p>Germany: The number of accidents at work in the first half of 2011 was 2,203 higher than in the first half of 2010 (that is, +0.5%) (source: statistics from the German Social Accident Insurance, DGUV).</p> <p>Lithuania: The total number of fatal or severe accidents at work in 2011 remained unchanged compared with 2010, but there was an increase in the construction and transport sectors (source: State Labour Inspectorate, VDI).</p> <p>Sweden: Work accidents among employees and self-employed were 104,000 in 2010 and the first quarter of 2011, that is, approximately +7.2% compared with the same period in the previous year (source: Swedish Work Environment Authority, AV).</p> <p>UK: There were 175 fatal work accidents in 2010–2011, up from 152 in the previous year (source: statistics from the Health and Safety Executive, HSE).</p>
Decrease	<p>Bulgaria: There were 2,752 work accidents in 2011, which was 9% fewer than in 2010. The number of fatal accidents also decreased from 94 in 2010 to 86 in 2011 (69 of them at the workplace) (source: National Social Security Institute, NCCI).</p> <p>Germany: The number of fatal accidents at work fell from 220 to 201 when comparing the first half of 2011 and 2010 (source: statistics from DGUV).</p> <p>Poland: The number of work accidents fell by 2.3% when comparing the first three quarters of 2011 with the same period of the previous year (source: statistics from the Central Statistical Office (GUS)).</p> <p>Spain: The number of work accidents decreased from 645,964 in 2010 to 568,370 in 2011 (-12%). The number of severe and fatal accidents also decreased by 13.5% and 8.6% respectively (source: statistics from the Ministry of Employment and Social Security).</p> <p>UK: The number of working days lost due to workplace injuries and work-related illness fell by about two million between April 2010 and March 2011, down from 28.5 million in 2009–2010 (source: HSE statistics).</p>

Source: Eurofound observatories

Those workers more exposed to accidents were reported to be mainly men and older workers. Manufacturing, construction, agriculture and some service sectors such as wholesale and healthcare were the economic sectors where work accidents happened more frequently in most of the countries mentioned. This appears to confirm existing empirical evidence such as the figures from Eurostat's European statistics on accidents at work, which are available up to 2008 and analysed in the European Commission report *Health and quality in work* published in 2006.

In some countries, accidents at work are reported to result in a period of sickness absence. This is the case, for example, in Sweden where 28,000 work accidents in 2010 resulted in sickness leave.

Work-related and occupational diseases

Comparison of national information on work-related and occupational diseases is difficult due to:

- the different criteria used to classify and register diseases;
- the use of administrative data, which can underestimate the phenomenon.

So although the nature of the information provided by the Eurofound observatories could differ, it can be helpful in describing some general trends. Eurostat's European Occupational Diseases Statistics (EODS) database contains harmonised information on occupational diseases from 2001. Information about the database is given in a Eurostat report *Health and safety at work in Europe* published in 2010; the EODS methodology is described in a 2001 report prepared by members of the EODS working group.

Trends in work-related diseases are reported here for a limited number of countries (Table 6). The information available indicates that the incidence of work-related diseases and health problems decreased in two countries (the Czech Republic and Lithuania), was stable in Sweden and increased in Estonia.

Table 6: Trends in reports of work-related diseases

Trend	Country
Decrease	Czech Republic: The number of days of absence for work-related diseases fell by 3.6% in 2011 (source: Czech Social Security Administration, ČSSZ). Lithuania: 402 occupational diseases were diagnosed in 250 people in 2011 compared with 472 diseases in 313 people in 2010 (source: National Register of Occupational Diseases).
Stable	Sweden: 9,000 work-related diseases were reported in 2010, the same number as in 2009 (source: Swedish Work Environment Authority).
Increase	Estonia: A slight increase was seen when comparing the first three quarters of 2010 with the same period in 2011 (from 157 cases to 163), but there are reasons to believe that the number of occupational diseases is underestimated (source: Labour Inspectorate).

Source: Eurofound observatories

In several countries, work-related diseases are connected with sickness leave or even absenteeism. This is the case in Norway, especially in sectors such as cleaning and restaurants, which are characterised by poor working conditions. In the UK, long-term sickness leave for both manual and non-manual employees in 2011 tended to be related to stress. In the Czech Republic, there has been a reduction in the average duration of temporary incapacity for work (in 2011 it was 44.8 days, that is, 1.7 days less than in 2010).

The trend in those countries that reported information on the incidences of sickness leave was not uniform. In the UK, there was a steady decline from an average of 6.7 days sickness absence (3% of working time) per employee per year in 2007 to five days (2.2%) in 2010. In the Netherlands, (self-reported) sickness absences were historically low in 2009 (4%) and have been declining since 1990 (9%), but in 2010 such absences appeared to increase slightly again to 4.2% and a stable 3.2% of employees reported having a work accident with physical and/or emotional injuries resulting in at least one day of sick leave. In Luxembourg, the absenteeism rate due to illness was above 3.3% in 2009 with a slight increase since 2006, but the rate was still lower than in the neighbouring countries (Belgium, France, Germany). However, the absenteeism rate of blue-collar workers (4.4%) was twice as high as that of white-collar workers (2.5%); this difference can be explained by the different working conditions and the strain and manual work of the former.

Information on the types of work-related diseases was only provided by a few countries. In Lithuania, for example, the most common work-related diseases are those of the musculoskeletal system and connective tissue (53% of workers), aural diseases (24%), nervous system diseases (19%) and other diseases (5%). Construction (30% of diseases), manufacturing (26%), agriculture (13%) and transport (10%) were the economic sectors where occupational diseases are most common. In Bulgaria, about

a third of respondents involved in the 2010 National Working Conditions Survey reported having back pain, headaches, muscle pains and problems with their sight, attributed to the nature of their work.

Health risk factors

The risk factors to which workers are exposed in most European countries in their workplaces can be grouped in two main categories:

- psychosocial risks;
- physical and environmental risks;

However, it is important to bear in mind that this separation is fictitious in terms of workers' health outcomes: psychosocial risks can readily impact on physical health, and physical and environmental risks can impact on mental health.

Psychosocial risks

This category includes psychosocial risks related to processes or factors that are both social and psychological in origin. Work intensity, short deadlines, lack of autonomy, extended working hours, shifts, job insecurity, bullying, harassment and violence are some of the factors that can influence workers' health, well-being and satisfaction and which can result in stress and stress-related illnesses – as demonstrated by the empirical evidence reported in most of the international literature on the topic.

In Ireland, results from the 2009 National Workplace Employee Survey show a correlation between changes in work organisation in companies due to the economic situation and the increase of work pressure and work intensity, which impacted negatively on job satisfaction, work–life balance and workers' commitment.

In the Netherlands, data from the National Working Conditions Survey (NWCS) show that most employees indicated they regularly or often worked under time pressure, and 23% had a lack of autonomy at work. Moreover, about 12% of Dutch workers experienced emotional overload from their job and 13% reported burnout complaints. In Romania, short deadlines and work overload were considered a risk for mental health by 13.3% of workers. In Latvia, many workers reported overworking and working overtime with no economic compensation, resulting in stress, tiredness, a feeling of hopelessness and general dissatisfaction.

Bulgarian workers reported stress in 40% of cases and stress-related problems (such as problems with sleep, anxiety and a feeling of frustration) in 20%–26% of cases. In Norway, increasing demands, lack of control, long working weeks, shifts, work rotation and night work were deemed challenging by workers in sectors such as healthcare, education and other services. Finally, in Austria there has been a general decline in job satisfaction, which is especially low for blue-collar workers.

Harassment, violence and discrimination at work have been reported in some countries. In Romania, 3.1% of workers accused employers of physical violence or violence threat, while 2.7% complained of psychological harassment and abuse. In the Netherlands, 6% of workers reported physical violence from customers, clients, pupils or passengers, while less than 1% had experienced physical violence from their supervisor and/or colleagues. Moreover, women in the Netherlands claimed to be more exposed to violence from 'third parties' than from people in their workplace. In the Czech Republic, one-fifth of workers had encountered some form of mobbing at work while age, state of health and family status were often given as motives for discrimination. An increase of

bullying in the workplace was reported in Finland, with women more exposed than men. In the UK, bullying and harassment are among the top five hazards reported by workers.

Physical and environmental risks

Exposure to chemicals, vibrations or noise as well as working with tools, working in uncomfortable positions or in motion are some of the factors reported as physical or environmental risks. These are often related to work-related diseases and accidents.

In the Netherlands, for example, the data reported reveal that:

- 24% of employees perceived their work as 'hazardous';
- 43% reported their work required them to regularly apply considerable force;
- 19% reported working with hand tools or an apparatus that caused vibrations;
- 39% reported that their job involved inconvenient positions.

Although 48.7% of employees in Romania could not identify any risk factor that might jeopardise their physical and mental integrity at work, 22.5% complained of noise and vibrations, 21.7% feared the risk of accidents, and 21.6% resented uncomfortable working positions and work in motion. In Hungary, the strengthening of the ban on smoking in public places will reduce workers' exposure to passive smoke. In the Czech Republic, 6.4% of workers considered themselves to be carrying out dangerous work; this was especially true in the case of men. In Poland, the number of people working in hazardous conditions was reported to be decreasing.

Health risk prevention at company level is reported to be weak in Slovakia, where employers do not pay sufficient attention to the assessment of exposure to risk factors such as noise, vibrations and chemicals, and they do not report jobs at risk of such exposure to health institutions. They also do not ensure that occupational health services are provided for their employees despite this being compulsory under national law.

In Romania, 78.4% of workers involved in a survey received regular training on health at work, 44.2% of them said that the wearing of protective clothing was compulsory and 43.8% mentioned regular contact with an occupational health doctor.

In Poland, workers reported a general increase in the number of violations of workers' rights in the area of health and well-being.

Policies and initiatives

Only three countries (France, Luxembourg and the UK) reported developments in 2011 in terms of measures to improve health and safety at work.

In France, a decree approved in July 2011 requires social partners in companies with more than 50 employees to adopt an action plan or reach an agreement with the aim of reducing workers' exposure to arduous work (that is, work which demands intensive and continuous mental or physical effort related to factors that cannot be prevented by taking appropriate measures). A system of penalties for companies that do not implement the decree has been drawn up. A report was produced in April 2011 by a task-force of experts at the request of the Ministry of Labour as part of its scrutiny of psychosocial risks at work. Subsequently, the national assembly approved a decision on the development of action to prevent stress at work.

In Luxembourg, the high rates of stress-related sickness, suicides and resignations have put psychosocial risks under the spotlight and a governmental campaign has been launched to combat them.

In the UK, the government launched a reform of the health and safety system, aimed at reducing the costs and burdens on businesses. This included cutting out inspections of 'responsible' employers, focusing activity on high-risk areas and serious breaches of legislation, and simplifying legislation and guidance. In addition, the results from an independent review of the sickness absence system commissioned by the government highlighted the need to introduce measures to support employees at work and to make changes to the benefits system.

Developing skills and competences

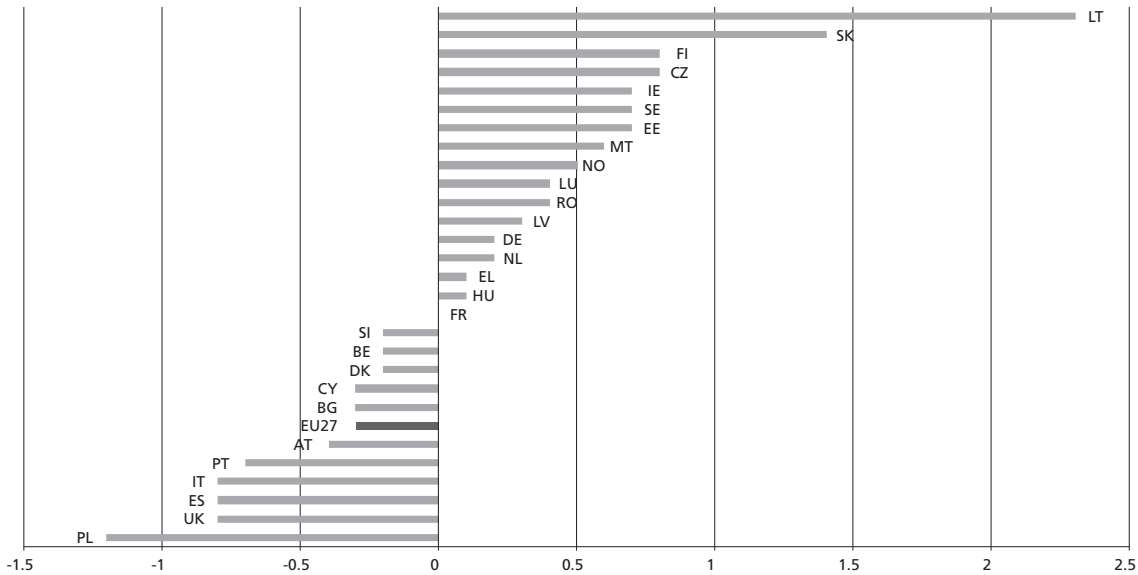
There was no straightforward trend in the area of skills and competences development in 2011. In particular, it seems there was no correlation between economic performance and the development of skills and competences in Europe at a country level.

The available data show that the total number of workers involved in training activities either increased or was stable in some countries, while it fell in some others. At a company level, companies in some countries opted to invest in training their own employees (considered a strategic resource), while in other cases, employers decided to cut their training budget (considered an extra cost). At a country level, governments seem to focus more on supporting the training and skills development of workers not yet in employment (young people) or no longer in employment. These efforts aim to promote their employability and entry to the labour market rather than devoting financial resources to supporting the training of those already employed. However, a number of examples of policies aimed at supporting training and other measures of skills development addressed at employees were reported.

Trends

According to Eurostat data, the participation of employed people in lifelong learning activities (without indicating if such activities were paid for by their employer or not) shows very little variation between 2010 and 2011, though with some remarkable exceptions. A total of 16 countries reported an increase in the share of workers involved in lifelong learning activities, although in 14 of these countries (including Norway) the increase did not exceed 0.7 percentage points – it was higher in Lithuania and Slovakia (+2.3 and +1.4 percentage points respectively). The rest of the countries, with the exception of France where no variation was recorded, reported a decrease of between -0.2 and -0.8 percentage points in the share of workers involved in lifelong learning activities, while Poland recorded a larger decrease of 1.2 percentage points (Figure 16).

Figure 16: Workers participating in lifelong learning activities in the EU27 and Norway, 2010–2011 (percentage points)



Note: Data for the Czech Republic, Portugal and the UK refer to 2009–2010 due to a break in the series in 2011.

Source: Eurostat data warehouse, 2012 (extracted 28 June 2012)

In most cases, the information provided by the Eurofound observatories reflects the Eurostat data though there are some discrepancies due mainly to the different methods of measurement used and to ‘what’ is measured. However, analysis of this information highlights a decrease in the number of workers involved in training activities or in the amount of expenditure on training in four European countries (Denmark, Slovakia, Spain, Sweden), while two countries (Ireland, the Netherlands) reported an increase or a stability in the number of workers involved in training activities. In four countries (Finland, Poland, Romania, Sweden), the data available do not permit any trends to be drawn as only rates of participation in skills development activities are provided. Estonia, Slovenia and Spain reported information on training activities aimed at unemployed people (Table 7).

Table 7: Participation in training programmes

Trend	Country
Decrease	<p>Denmark: Data from the United Federation of Danish Workers (3F) unemployment insurance fund show that the number of members in employment who attended adult vocational training fell by 9,069 (-24.5%) between the first quarter of 2010 and the first quarter of 2011.</p> <p>Slovakia: Companies reduced their operational costs, including the training and development of skills and competencies of their employees. Education and training activities were aimed only at compulsory training of employees (for example, in the fields of occupational safety and health, fire prevention and so on) and machine operators.</p> <p>Spain: A small drop was recorded in the percentage of workers aged 25–64 years receiving continuing training (from 11.9% in 2010 to 11.8% in 2011).</p> <p>Sweden: Data on training show that course attendance during working hours decreased by about 4.2% in 2010 compared with 2009, in particular among women whose training decreased by 6.4%.</p>
Increase or stability	<p>Ireland: The proportion of employees who participated in employer-provided training over the previous two years remained virtually unchanged between 2003 and 2009, standing at just under 50%.</p> <p>Netherlands: The percentage of employees who received training was 56.5% in 2010. It was somewhat higher among men (59%) than among women (54%). In addition, in about 43% of cases the training was paid by the employer – again more often for men (46%) than for women (37%). In 2009, 57% of workers participated in training activities and in 44% of the cases the training was paid by the employer.</p>
Participation rate	<p>Finland: 14% of employees participated in 2011 in training on their own (the share was largest among public sector employees), while 50% participated in training paid by the employer (participation again most common among public sector employees).</p> <p>Poland: 11% of Poles aged 25 and over took part in some form of skills and competences enhancement activities between 2009 and 2011. Women (54%) were more likely to improve their skills and competences than men (46%). By far, the most popular form of skills and competences improvement was training courses paid by employers (41%).</p> <p>Romania: Only 17.2% of workers involved in a survey stated that they had attended external vocational training courses and only 18.2% had received training on the job. Vocational training was received at intervals of less than 12 months by 16.2% of respondents, once a year by 35.2%, more than one year apart by 23.7% and only rarely/occasionally by 24.9%.</p> <p>Sweden: In total, 50.8% of all workers attended courses during working hours in 2010.</p>
Training for unemployed	<p>Estonia: Individuals who interrupt their professional education can be included in training programmes such as KUTSE.</p> <p>Slovenia: The Employment Service of Slovenia (ZRSZ) provided training and development of skills and competences to 28,031 persons in 2010, while in the first nine months of 2011, 11,284 people were included. This measure is aimed at unemployed people without any vocational training or oversupplied professions and other disadvantaged unemployed individuals.</p> <p>Spain: The percentage of unemployed people receiving education or training rose by 1.1 percentage points from 13.3% in 2010 to 14.4% in 2011 according to the Labour Force Survey second quarter results).</p>

Source: Eurofound observatories

Policies and initiatives

Responsibility for introducing measures aimed at promoting the inclusion in employment of unemployed workers or preventing the exclusion of specific groups through skills development activities (mainly training), addressed at individuals or employers, has been taken up by the governments and/or government bodies in a number of European countries. This is the case for Bulgaria, France, Hungary, Lithuania, Slovenia, Sweden and the UK.

In France, the government introduced law 2011-893 on 28 July 2011 to establish a new system to help reintegrate back into work employees who had previously been subject to collective redundancy. The law also introduced measures to strengthen the legal framework regulating internships to offer more protection for French interns.

The Hungarian government introduced reforms of the country's educational and vocational training systems. In Bulgaria and Slovenia, the National Employment Agency and ZRSZ respectively implemented active labour market programmes aiming at increasing the skills and key competences of unemployed people (especially young people and other disadvantaged unemployed individuals), mainly through training courses.

In Lithuania, the parliament amended the Law on Support for Employment in order to implement an initiative involving the state, employers and unemployed people in providing targeted training for unemployed people and those notified of pending dismissal with a view to accessing a specific job in a particular workplace. Under the new system, a trilateral agreement has to be signed between the unemployed person, the employment service (Labour Exchange) and the employer. The training courses will be fully or partly paid by the employment service, with an obligation on the employer to keep the person for at least one year and for the person to stay in the job for at least half a year.

In Sweden, the government commissioned the Work Environment Authority to develop and implement specific interventions to prevent women from being excluded from working life due to work environment issues.

In the UK, the government announced a scheme (the 'youth contract') aimed at helping young unemployed people to get a job through at least 410,000 new training and work placements for people aged 18–24 over three years from 2012. A series of measures aimed at promoting apprenticeships and improving their quality has been adopted.

In Germany, social partners have taken responsibility for initiatives aimed at promoting skills development. Employers' organisations and business associations remained active in creating new training positions for young people under the Pact on Apprenticeships, set up in 2004. In autumn 2011, the pact's partners announced that they had once again met their target, as the training positions registered had risen by 7.5% and available positions numbered 519,600 (DE1111029I).

In a number of countries (Austria, Bulgaria, the Czech Republic, Luxembourg, Sweden and the UK), responsibility for introducing measures aimed at promoting skills development and training activities (addressed mainly at employers but also at individuals) has been taken up by the governments, government bodies and/or social partners.

The Austrian government permanently modified the educational leave regulations (these had initially been modified for a transitional period in response to the economic crisis), making it easier for employees to take part in further education and qualification initiatives.

In Bulgaria, the National Employment Agency financed active labour market programmes aiming at increasing the skills and key competences of employed individuals. A survey on motivation and attitudes related to professional qualification conducted in 2011 by the Bulgarian Industrial Association (BIA) revealed a deficit of key competences, a supply–demand mismatch, and low motivation by employers and employees to organise and participate in training. This was in spite of the increased requirements for higher qualifications and greater demand for soft skills related to communications, teamworking, problem solving and other competences.

In the Czech Republic, the project 'Study for your growth!', financed by the Operational Programme of Human Resources and Employment (OP LZZ), was launched to support employers in the engineering, construction, retail, restaurant, social services and waste management sectors in providing training to their employees. The Further Education Fund (FDV) implemented the project 'Placements at companies – learning through practice', with the objective of establishing an innovative system of further education via employees' placements at companies.

In Luxembourg, a report on the training practices of companies published in 2011 by the National Institute for Continuous Vocational Training (INFPC) pointed out that:

- enterprises demanding state financial support to co-finance training programmes were employing 46% of the employed wage earners in Luxembourg;
- the bilateral agreement between the government and the Union of Luxembourg Enterprises (UEL) increased the state subsidy for training programmes from 14.6% to 20% (even 30% in some cases).

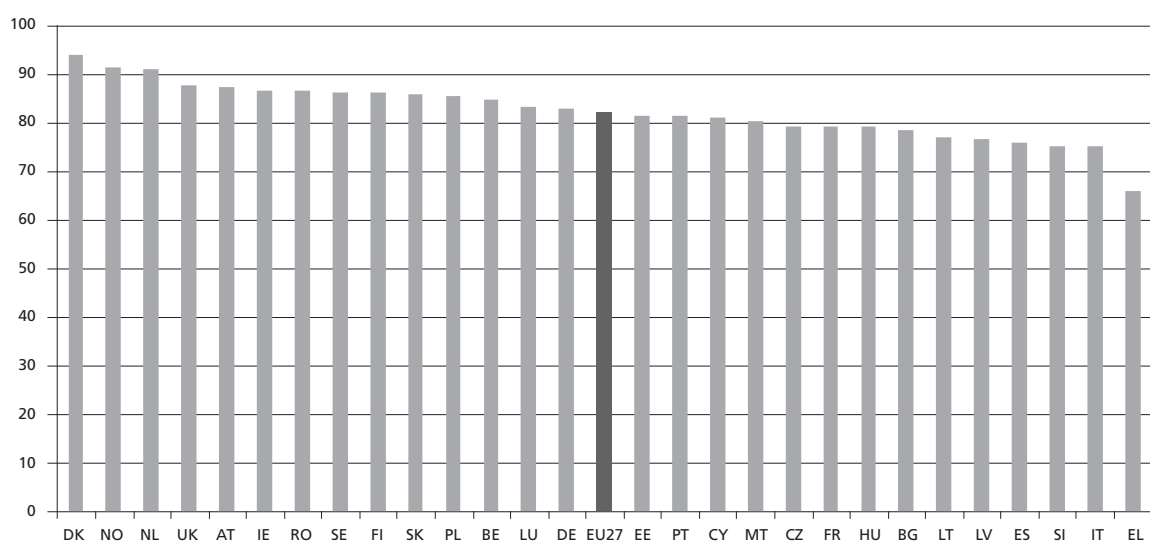
In 2009, the Swedish Work Environment Authority implemented an information initiative to provide supplementary efforts on working conditions. In 2011, additional resources were allocated to the initiative focusing on investments in information and knowledge, provision of enhanced information to foreign companies and workers, and market control and standardisation.

In the UK, a reform plan for skills and further education and a new GBP 250 million (€316 million) fund for employers' vocational training were introduced. In addition, the government reviewed possible measures to encourage businesses to take on more responsibility for skills training, including the idea of extending levies on employers in particular sectors to fund training and 'licence-to-practice' schemes.

Work-life balance

More than eight out of 10 workers in the EU27 reported a good fit of working hours with family or social commitments, while Norway has the highest share of workers happy with their work-life balance among European countries. Figures from the fifth EWCS show that in 14 countries the proportion of workers reporting a good fit between work with other activities was below the EU27 average, with Greece having the lowest share of workers who find it easy to combine their working and non-working life (65.4%) (Figure 17).

Figure 17: Workers reporting good fit of working hours with family or social commitments in the EU27 and Norway, 2010 (%)



Source: Fifth EWCS, 2010

A number of different approaches to work–life reconciliation in the European countries in 2011 can be identified. In some countries, work–life reconciliation is reported to be pursued mainly through the use of flexible working time arrangements or atypical forms of work (for example, teleworking), while in other countries, work–life reconciliation is reported to be difficult due to the limited availability of flexible working time arrangements and childcare services. Parental leave appeared to be more common among European countries than in previous years.

National policies and initiatives aimed at promoting work–life balance seem to converge in terms of the areas to be covered and the tools to be employed. The adoption of legislation aimed at improving or introducing parental leave schemes was reported by a number of countries; this was also a consequence of the transposition into national legislation of Directive 2010/18/EU implementing the revised framework agreement on parental leave concluded by BUSINESSEUROPE, the European Association of Craft, Small and Medium-sized Enterprises (UEAPME), the European Centre of Employers and Enterprises Providing Public Services (CEEP) and the European Trade Union Confederation (ETUC), and repealing Directive 96/34/EC. In some cases, work–life balance is pursued through the provision of services to mothers in order to facilitate their return to work. Policies aimed at reconciling work with other areas of life are reported only in a very small number of cases.

Trends

In the Czech Republic, the reconciliation between work and private life is made possible by flexible working time arrangements. These have also become quite common in the UK according to the CBI/Harvey Nash employment trends survey 2011, where 96% of employers offer at least one form of flexible working to employees and 70% offer three or more forms. They have also become common in Finland, where recent data from the 2011 Working Conditions Barometer show that 81% of Finnish employees can adjust their working time according to their needs (28% can influence their working time significantly, while the rest can do it to a lesser extent). In Ireland, 30% of workers work flexible hours including flexitime.

In Bulgaria, 32% of workers find it difficult to reconcile work and life – mainly due to the existence of a number of barriers for the achievement of a better work–life balance. The main barriers are the extremely limited availability of flexible time arrangements (90% of workers do not have flexible schedules), working regularly or often on Saturdays (44% of workers) and Sundays (30%), and lengthy commuting times for 12% of workers.

Romanian workers face the same type of difficulties when trying to reconcile work and life. Findings from a survey carried out in 2011, which are described in the BNS report on ‘Working conditions, satisfaction and performance at work’ show that:

- 89.7% of respondents did not have flexible schedules;
- 60.6% did not have the freedom to move their work schedule by at least one hour to accommodate family duties;
- 50.7% could not take time off during their work schedule to attend family matters;
- 33.9% were rarely allowed to change the beginning and end hours of their work schedule to deal with family problems;
- only 5.4% could do this whenever they needed to meet family responsibilities.

Concern about work–life balance was also expressed by Polish workers in the 2011 Social Diagnosis survey. Relying on flexible working time arrangements would make work–life reconciliation easier for 25.6% of male respondents and 22.9% of female ones.

In Italy, workers also report difficulty in reconciling work and life, as demonstrated by the 35.8% of workers with caring responsibilities who expressed the desire for a different work–life balance. The main barriers to a better work–life balance for 20% of workers was the limited availability of flexible working time arrangements.

Teleworking has been mentioned in the Netherlands and the UK (**UK1109039I**) as another way to achieve flexible working time arrangements. In both countries, teleworking from home is reported to be steadily on the increase. Nonetheless, in the Netherlands, where 15% of employees are ‘teleworkers’, difficulties in work–life reconciliation are emerging among these workers with 9% feeling they are neglecting their home duties because of their work, with men complaining more than women (10.8% versus 7.3%).

In other countries, work–life reconciliation is addressed mainly by parental leave, with the availability of supporting care services still being fairly limited. This is the case in Bulgaria, Italy, Poland and Slovenia.

In Bulgaria, limited availability of support services for mothers was reported, as only 13% of children under three years of age and 75% of children aged 3–6 are covered by kindergartens, making reconciliation between work and life difficult.

In Italy, parental leave seems to be the most common solution to reconcile work and life, at least during the first few years after a child’s birth (37.5% of working mothers and a marginal 1.8% of fathers with children under eight benefited from temporary leave for at least a month after the birth of their youngest child). Nonetheless, according to data from a recent survey from the National Institute of Statistics (Istat), 25% of mothers and 2.9% of fathers reduced their working time for at least one month to look after their youngest child. Services to support caring activities appear to be lacking and this seems to be linked to inactivity and the type of labour market participation (especially for women).

Polish workers, according to the 2011 Social Diagnosis survey, consider the extension of maternity leave and the provision of childcare facilities for pre-school children as priorities to achieving a better work–life balance (20.3% of male respondents and 26.3% of female respondents, and 16.2% of male respondents and 16.8% of female respondents, respectively).

In Slovenia, parental leave is becoming increasingly popular among fathers; in 2010, 74% of fathers took maternity (three months) or paternity (15 days) leave to look after their children.

Policies and initiatives

Initiatives implemented in 2011 that aim to achieve a better reconciliation between work and private life can be divided into four groups (Table 8).

Table 8: Initiatives aimed at a better work–life balance

Type	Country
Legislation and specific parental leave programmes or schemes	<p>Austria: A regulation was implemented for civil servants, entitling fathers of newborns to take up to four weeks off (without pay).</p> <p>Hungary: The government extended maternity leave to three years; mothers returning to work can receive financial support from the state only if they do not work more than 30 hours a week.</p> <p>Malta: Maternity leave was extended through Legal Notice 503 of 2011 from 14 weeks to 16 weeks as of 1 January 2012 and to 18 weeks as of 1 January 2013. These four extra weeks will be paid by the government and the other 14 weeks by the employer.</p> <p>Lithuania: The law on sickness and maternity social insurance was amended so as to encourage parents on parental leave to return to the labour market sooner. The amendments set out two options for the payment of maternity/paternity allowances to recipients – a one-year or a two-year allowance scheme. In the latter, parents would be able to re-enter the labour market gradually during the second year of leave without any reduction in the amount of allowance received.</p> <p>Slovakia: Parental leave was extended (within a five-year period).</p> <p>UK: From April 2011, the Additional Paternity Leave Regulations 2010 allow fathers to take up to six months' additional paternity leave if the mother returns to work before using up her full entitlement to statutory maternity leave (UK1102029I). In addition, the government announced plans to introduce a new, flexible system of shared parental leave in 2012, available equally to either parent (UK1106029I). However, it decided to scrap earlier plans to extend workers' rights to request flexible working, which applies in respect of children under the age of 17 (or 18 for children with disabilities) (UK1104049I).</p>
Provision of services aiming at improving work–life reconciliation	<p>Austria: Additional funding for the expansion of childcare institutions was agreed. The federal government has made €55 million available until 2014 as start-up funding to the provinces, which will co-finance the expansion with the same amount as they receive. The initiative aims to increase the number of childcare places for children under three from 19% in 2011 to 28% by the end of 2014, approaching the rate of the EU's Barcelona target (33%).</p> <p>Bulgaria: The National Employment Agency has two programmes – 'Back to work' and 'In support of motherhood' – for mothers who wish to go back to work.</p>
Adoption of other specific activities to create a better work–life balance	<p>Austria: The Federal Minister for Women and Civil Service launched a publicity campaign in late 2010 targeted at encouraging fathers to take paternity leave. The campaign has strong support from the social partners (AT1101011I).</p> <p>Denmark: A report on balancing work and private life based on a project by the National Research Centre for the Working Environment (NFA) concluded that 'transformational leadership' within companies allows less conflict between work and private life and therefore promotes job satisfaction and well-being at work.</p> <p>France: The Ministry of Economics and Finance in November 2011 launched a plan to develop teleworking in SMEs, which affects 9% of workers in France compared with an average of 18% across the EU, with the aim of amending the Labour Code, clarifying the insurance coverage of employees working at home and sharing best practice.</p> <p>Slovakia: Legalisation of the flexible use of an employee's annual working time account (the so-called 'flexikonto') and the future introduction of job-sharing aimed to promote a better work–life balance.</p>
Introduction of changes to other leave entitlements	<p>Finland: The law on employment contracts was amended to allow employees to take unpaid leave in order to take 'special care' of a family member or another close person. The law leaves the employee and the employer to discuss what is intended by the phrase 'special care'.</p> <p>France: Two laws introducing new leave for employees in order to improve their work–life balance were approved:</p> <ul style="list-style-type: none"> • law 2011-814 of 7 July 2011 allows employees time off when they have a medical appointment for oocytes donation and embryo transfer; • a bill was approved in November 2011 to increase the number of days off in case of the death of a child from two to five days and for a partner from two to three days. <p>UK: The government decided to suspend the plan to extend study or training leave entitlements from companies with more than 250 employees to organisations with 250 or fewer staff.</p>

Organisation and role of the social partners

The year 2011 brought organisational changes for both trade unions and employers' organisations. Although the overall trend of trade union density decline continued in some countries, increased membership for some unions reduced the decline or stabilised it in others. Certain mergers or increased forms of cooperation point at further consolidation, while a split or creation of new trade unions or employers' organisations contributes to fragmentation. Both kinds of developments were reported in 2011 on the trade union side and on the side of employers' organisations.

Trade union membership

The overall picture did not show much change compared with 2010; membership rates were stable or gradual declines continued or stabilised (Table 9). At the time of writing, trade union density data for 2011 were not available for all countries either because they are not always made available on an annual basis or there was a delay in their release. In Sweden and the UK, for example, the most recent data available are from 2010. No change in trade union membership rates are reported from Belgium, Norway and Spain. In Norway, trade union membership was reported to be stable at 52%, while in Estonia it was estimated to be 10%.

For those countries where data are available, a distinction can be made between those where the gradual decline in membership of previous years continued in 2011 and those where there are also signs of growth for some trade unions, with an overall stabilising effect, stopping or reducing the declining trend.

Table 9: Changes in trade union membership in 2011

Trend	Countries
Decline	Germany, Netherlands, UK Cyprus*, Hungary*, Slovenia*
Increase	Austria (public sector and white-collar union), Czech Republic, Denmark (Christian union), Malta, Sweden (white-collar union)
Stability or no change reported	Belgium, Bulgaria, Estonia, Finland, France, Greece, Ireland, Latvia, Lithuania, Luxembourg, Norway, Poland, Portugal, Romania, Slovakia, Spain

Note: * Information available refers to trade union density.

Decline in membership and density

In Germany, there was an overall decline in trade union members from 6,193,252 registered members of the eight unions under the German Confederation of Trade Unions (DGB) umbrella in 2010 to 6,155,899 in 2011. Although the German Civil Service Association (dbb), a confederation of civil service, public sector and private service industry unions, had reported a slight rise in membership from 1,280,802 in 2008 to 1,282,620 in 2009, this trend did not continue in 2010 when numbers fell again to 1,260,974 (source: dbb report *Zahlen Daten Fakten 2011*).

The decline in trade union membership in the Netherlands has been an issue since the 1990s. Union density has remained above 20% in recent years (**NL0910029Q**).

In the UK, the latest statistics from the Department for Business, Innovation and Skills (BIS) put total trade union membership in employment at 6,854,000 in the fourth quarter of 2010, down 2.8% from 7,054,000 a year previously. Overall union density among employees stood at 26.6% in 2010, compared with 27.4% in 2009, with private sector density at 14.2% (15.1% in 2009) and public sector density at 56.3% (56.6% in 2009).

In Cyprus, trade union density declined gradually from 76% in 1990 to less than 50% in 2011.

Hungarian trade union density decreased slightly in 2011 to around 14% countrywide.

In Slovenia, the trade union density rate fell from 43.7% in 2003 to 26.6% in 2008. It is estimated that the downward trend of the trade union density rates continued during 2010 and especially during 2011.

Increase in membership

In Austria, the Czech Republic, Denmark, Malta and Sweden, some unions managed to increase their membership and as such reduce or stop the overall decline in membership. The public sector unions increased membership in Austria, the Czech Republic and Germany. This has made the overall decline in membership decelerate in Austria.

In Austria, not only the Union of Public Employees (GÖD) but also the Union of Salaried Employees, Graphical Workers and Journalists (GPA-djp) increased their membership. As such, the decline in union membership overall decelerated between 2009 and 2010 (11,000 members were lost) and was the second smallest decline in the past 20 years (**AT1104011I**).

In the Czech Republic, the Independent Trade Union of Police Corps in the Czech Republic (NOS PČR) had around 6,000 members in 2011 and an exceptional position among Czech trade unions as its membership has been growing recently. According to information from the union, the main reason for the increase was the protest campaign of police officers and firefighters conducted by NOS PČR against the Czech Minister of Interior, Radek John, which contributed to his dismissal from his office in April 2011 (**CZ1102039I**).

In Denmark, membership of the Christian Trade Union (KF) grew in 2011 while membership of the traditional trade unions affiliated to the Confederation of Danish Trade Unions (LO) continued to decline. As of the end of December 2011, LO unions had 872,000 members, which was a decrease of 44,000 compared with 2010 or equivalent to 5%. When trade union membership peaked in the mid-1990s, 65% of all members belonged to an LO union whereas only half of union members in 2011 were members of LO affiliates. Every tenth union member in 2011 was a member of a union that is not affiliated to LO compared to 3% in 1995.

According to the annual report published by the Registrar of Trade Unions on 30 September 2011, trade union membership in Malta increased slightly (by 483) between June 2010 and June 2011. This represents an increase of 0.6% over the previous year. Based on the figure of 148,546 for the total number of people in paid employment in May 2011 (given in a press release from the National Statistics Office (NSO)), the Maltese trade union density is 57.7%. The combined membership of the two largest Maltese trade unions, the General Workers' Union (GWU) and the United Workers' Union (UHM), amounts to 82% of Malta's total trade union membership (**MT1110019I**).

Although membership levels in Swedish trade unions have been declining since the mid-1990s, Sweden is still one of the countries with the highest level of trade union members and the negative trend has stabilised since 2008. In Sweden, trade unions are mainly affiliated to one of three major confederations: the Swedish Trade Union Confederation (LO) formed by 14 blue-collar unions, the Swedish Confederation of Professional Employees (TCO) formed by 16 white-collar unions and the Swedish Confederation of University Graduates (Saco) formed by 23 white-collar unions. Data on membership levels lag a year behind in Sweden and the most recent absolute numbers are from 2010. Estimates for 2011 given in the annual report of the Swedish National Mediation Office

(Medlingsinstitutet) suggest that membership of trade unions affiliated to TCO and Saco increased in 2011, whereas membership of LO unions decreased. According to the LO annual report 2010, LO had 1,527,986 members at the end of 2010, a loss of 36,781 members since the end of 2009. TCO, the second biggest confederation, had 1,192,508 members at the end of 2010, a decrease of 218 members compared with the end of 2009 (source: TCO membership statistics). At the end of 2010, Saco had 617,706 members, an increase of 12,797 compared with the end of 2009 (source: Saco membership statistics 2010). The reason for this trend has some common explanations. The first is that the number of white-collar jobs is increasing whereas the number of blue-collar jobs is in decline. The second is that young people increasingly start their career in a temporary position, usually in a blue-collar sector, and take longer to become involved with a trade union.

Organisational change in trade unions

The process of consolidation of trade union mergers in some countries continued in 2011, though it appeared to be slowing down. Another group of countries, however, reported continuous fragmentation or new fragmentation through the split of an existing trade union or via the establishment of additional trade unions. In Finland, one event had a fragmenting impact while another had a consolidating impact. The Czech Republic, Estonia and Luxembourg reported organisational changes without a clear consolidating or fragmenting impact (Table 10).

Table 10: Trade union consolidation and fragmentation in 2011

Trend	Countries
Consolidation of trade unions	Finland, Lithuania, Malta, Portugal, Slovakia, UK
Fragmentation of trade unions	Cyprus, Finland, Hungary, Netherlands
Other organisational changes	Czech Republic, Estonia, France, Luxembourg

Consolidation

In 2010, mergers took place in Denmark, Finland, Germany, Portugal and Slovakia, according to Eurofound's report *Industrial relations and working conditions developments in Europe 2010* (TN1105040S). In 2011, Finland, Lithuania, Malta, Portugal and the UK reported further consolidation.

In Finland, the Financial Sector Union (Suora) and the Union of Salaried Employees (TU) merged to form the Trade Union PRO (Ammattiliitto Pro).

In Lithuania, the main development in 2011 was related to the consolidation of Lithuanian trade unions through a first meeting of the representatives of all the Lithuanian trade unions on 17 October 2011. Representatives from nearly all (nine) trade unions in Lithuania attended this meeting. At the meeting the trade unions agreed to overcome their past grievances and to consolidate their efforts to contributing to the improvement of the social and economic situation of Lithuanian people. They agreed to set up a coordination group 'to develop in the nearest future the guidelines, opportunities and forms for the cooperation of trade unions' (LT1111019I).

The reconciliation of the trade unions in Malta in 2011 is helping them move from fragmentation to consolidation. The application by FORUM Unions Maltin (FORUM), a loose confederation of trade unions set up in 2004, to become an affiliate of the European Trade Union Confederation (ETUC) revived the sharp divisions that exist within the Maltese trade union movement. While this application was supported by GWU, the other two Maltese trade union organisations – UHM and the

Confederation of Malta Trade Unions (CMTU) opposed it. But once the FORUM application to become an ETUC affiliate was accepted at a meeting in Brussels on 28 April 2011, inter-union relations became more amicable. On the recommendation of John Monks, then ETUC Secretary, meetings between the top officials of the organisations making up the Maltese trade union movement were held to produce a route towards total reconciliation (**MT1105019I**). The unions seem to be establishing closer ties with each other as they are trying to focus on points of convergence rather than divergence. The newly elected top officials of UHM, who took over the administration of the union following the joint resignation of the president and the secretary-general, have had two very cordial meetings with the top officials of GWU. UHM has stated that it would not object to FORUM's membership of MCESD, the national tripartite body for social dialogue. The application by FORUM to become a MCESD member has not been accepted by the government, which claimed there was no consensus among MCESD members about the application. The only MCESD members who pronounced themselves in favour of FORUM's application were the GWU representatives. The other members representing the employers, the government, CMTU and UHM voiced their objection to this new affiliation.

In Portugal, the Federation of Metalworking, Mining, Chemical, Pharmaceutical, Petroleum and Gas Workers' Unions (Fiequimetal) concluded a major restructuring process. This process is part of a broader restructuring programme within the General Confederation of Portuguese Workers (CGTP), which has resulted in a reduction of the number of member unions from 130 in 1996 to 83 in 2011. Nine of Fiequimetal's member unions have merged into four new regional organisations (north, centre-north, centre-south and south). The new unions took on members from the defunct Fiequimetal organisations in the metal, chemical and electrical industries and from the paper industry union Sincelpagrafi, which had not been a member of the federation. The Union of Electrical Industries in Southern Portugal and Islands (SIESI) and the miners' union (STIM) did not participate in the merger but continued their affiliation to the federation.

The UK's long-term trend towards trade union consolidation has slowed since 2007 and recent union mergers have been relatively small scale. For example, the largest merger decided in 2011 involved Aspect, which represents 4,000 professionals in education and children's services, transferring engagements to Prospect, the 120,000-strong professionals' and managers' union, and becoming an autonomous group within Prospect. Minor mergers also took place in 2011 among company-based unions in financial services. However, proposals were announced in August for a rather more substantial merger in the transport sector between the National Union of Rail, Maritime and Transport Workers (RMT), which has 77,000 members, and the Transport Salaried Staffs' Association (TSSA), which has 28,000 members (**UK1109019I**).

Fragmentation

In Cyprus, three new small unions were created – two with fewer than 50 members and one with 107 members (the union of academic staff of the Cyprus University of Technology).

In the IT sector in Finland, trade union competition resulted in a change in peak-level affiliation. The Association of Information Technology Sector Employees has decided to leave the Federation of Special Service and Clerical Employees (ERTO), which is affiliated to Finnish Confederation of Salaried Employees (STTK), and join the Union of Professional Engineers in Finland (UIL), which is affiliated to the Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA) (**FI1108011I**).

In Hungary, fragmentation remains among the six competing trade union associations.

The biggest trade union federation in the Netherlands, the Dutch Trade Union Federation (FNV), was reorganised in autumn 2011 following an internal disagreement on the pension agreement that its leadership had reached with employer representatives and the Minister of Social Affairs. The largest FNV trade unions (Bondgenoten/Allied Unions and AbvaKaba/General Union of Public Servants/Catholic Union of Public Servants) issued a vote of no confidence in the federation's chairperson, although a majority of the associated unions accepted the agreement. The outcome of external mediation points towards a new trade union movement being formed in 2012, with the New Union Movement (DNV) replacing FNV (**NL1112019I**, **NL1205029I**).

Other organisational changes

The Czech Republic, Estonia and Luxembourg reported further organisational changes on the trade union side without any overall consolidation or fragmentation effect.

In the Czech Republic, NOS PČR terminated its membership of the Czech-Moravian Confederation of Trade Unions (ČMKOS) at the end of 2011 for economic and organisational reasons, expressing its willingness for wider union cooperation in the future.

In Estonia, the Oil Shale Producers Trade Union Confederation (EPTAL) was reorganised to become an Independent Trade Union of Mining and Energy Workers (Kaevurite ja Energeetikute Sõltumatu Ametiühing).

In France, the congress of Force Ouvrière (FO), the third largest French trade union, took place in February 2011. FO appears more united than ever (**FR1104011I**) and re-elected Jean-Claude Mailly as Secretary General. FO again denounced the reform of representativeness of 2008 and the cooperation between the General Confederation of Labour (CGT) and the French Democratic Confederation of Labour (CFDT). In November 2011, the French Christian Workers' Confederation (CFTC), whose existence is threatened by new rules on trade union representativeness, held its 51st congress (**FR1111021I**). The confederation, with 142,000 members, could lose its rights to negotiate and sign collective agreements in many sectors and companies.

In Luxembourg, one of the major trade unions in the country, the Luxembourg Confederation of Christian Trade Unions (LCGB), was in difficulties following the revelation of financial problems (**LU1107041I**). A three-step rescue plan, called 'Horizon 2015', was negotiated as the confederation set itself the goal of balancing its books by 2015. At the LCGB Council in November 2011, the only candidate, the General Secretary Patrick Dury, was elected as the new president of the union.

Employers' organisations

Only two countries reported a change in the membership rate of employers' organisation in 2011. In Estonia, membership of the Estonian Employers' Confederation (ETTK) fell from 105 in 2010 to 99 in 2011. In Norway, the private sector employer density rate, calculated as the number of employees in companies affiliated to an employer organisation as a proportion of all private sector employees, has increased over the past decade and is estimated to be about two-thirds of private sector employees.

Other changes were reported in terms of the consolidation through mergers of employers' organisations or the establishment of new employers' organisations, which may increase fragmentation (Table 11).

Table 11: Employers' organisation consolidation and fragmentation in 2011

Trend	Countries
Consolidation (mergers or intensified cooperation)	Germany, Finland, Netherlands, Romania
Fragmentation (new employers' organisations)	Cyprus, Slovenia

Consolidation

In Germany, three mergers of employers' organisations occurred (and one change of name in the postal delivery sector).

- In the temporary agency work sector, the Employers' Association of Medium-Sized Personnel Service Companies (AMP) and the German Association of Private Employment Agencies (BZA) merged and became the Federal Employer Association for Personnel Service Companies and Private Employment Agencies (BAP) with over 1,800 member companies.
- The footwear employers (Bundesverband der Schuhindustrie) and leather employers (Bundesverband Lederwaren- und Kunststofferzeugnisse) merged on 1 January 2012 into the Federal Association of the Footwear and Leather Goods Industry (HDS) with 150 member companies.
- In the wood sector, the Northern Association of the German Sawmill and Lumber Industry (Verbandes der Säge- und Holzindustrie Nord) merged with the Federal Association of the German Sawmill and Lumber Industry (VDS).
- In Finland in the service sector, four associations merged to form the Service Sector Employers (PALTA), with Riitta Tiuraaniemi, the CEO of Finnish telecom operator DNA, as its first president.

In Romania, four of the nationally representative employer organisations formed the Union of Independent Employer Confederations of Romania (PatroRom) (**RO1112019I**).

In the Netherlands, cooperation intensified between the Confederation of Netherlands Industry and Employers (VNO-NCW) and the Dutch Federation of Small and Medium-Sized Enterprises (MKB-Nederland).

Fragmentation

In Cyprus, the Pancyprian Association of Small Businesses (PASYME) has 600 registered members. The largest SME organisation is the Cyprus Federation of Professional Craftsmen and Shopkeepers (POVEK), with 8,000 members of which 60% are employers. PASYME aims to challenge POVEK within its traditional sphere of influence and claim a more active role in industrial relations in Cyprus.

In Slovenia, a group of subcontractors in the construction sector founded a new employers' organisation on 5 July 2011. The new Chamber of Construction of Slovenia (ZGS) is a sectoral employer organisation and as such is independent and not a member of any umbrella organisation. It now competes with the old reformed ZGS, which continues to exist as a subsidiary of the Chamber of Commerce of Slovenia (GZS) and which was accused of not supporting the subcontractors when they organised several protests across Slovenia against the state-owned motorway company DARS, which owed them €9 million for completed work. The subcontractors decided to leave the old organisation and found the new ZGS (**SI1107019I**).

Collective bargaining developments

Collective bargaining plays a major role in many Member States, although the nature of this role differs widely between the countries, with various bargaining levels and bargaining coverage varying considerably. In 2011, there was a huge variety of practices in the field of collective bargaining. Five groups or clusters of countries can be identified in terms of more or less difficult collective bargaining at cross-sector and at sector level (Table 12).

- Difficulties in cross-sector collective bargaining were reported for Belgium, Hungary, Ireland, Luxembourg, Poland, Romania and Slovakia.
- Capacity improvements or continuation of cross-sector collective bargaining agreements was reported in another five countries (Finland, France, Greece, Norway and Spain). An agreement was reached on minimum wages in Austria and Estonia and on reduced working time in the Czech Republic.
- In seven countries (Austria, Estonia, Ireland, Latvia, Lithuania, Slovakia and Spain), a declining trend in sector-level collective bargaining was reported, shifting more importance to company-level collective bargaining.
- In another seven countries (Cyprus, the Czech Republic, Germany, Malta, Portugal, Romania and the UK), there was a decline in both sector-level and company-level collective bargaining coverage.
- In a fifth group of five countries (Belgium, Bulgaria, Denmark, the Netherlands and Sweden), the importance of sector-level collective bargaining did not change.

Table 12: Clustering of reported collective bargaining developments in 2011

Different levels of collective bargaining	Countries
Cross-sector level	
Problems with cross-sector collective bargaining	Belgium, Hungary, Ireland, Luxembourg, Poland, Romania, Slovakia
New agreements or continuation of agreements at cross-sector level	Austria, Czech Republic, Estonia, Finland, France, Greece, Norway, Spain
Sector and company level	
Problems with sector-level collective bargaining or a shift towards company-level collective bargaining	Austria, Estonia, Ireland, Latvia, Lithuania, Slovakia, Spain
Decline in both sector-level and company-level collective bargaining	Cyprus, Czech Republic, Germany, Malta, Portugal, Romania, UK
No change at sector level	Belgium, Bulgaria, Denmark, Netherlands, Sweden

Cross-sector collective bargaining difficulties

Even though 10 cross-sector collective bargaining agreements were reached in Belgium in 2011, it was a difficult year due to the failure to reach a bi-annual interprofessional agreement resulting in a unilateral implementation of the draft agreement by the government. Apart from pay increases, this agreement regulated harmonisation of job security between blue- and white-collar employees.

No cross-sectoral collective agreements could be reached in Luxembourg, Poland and Slovakia in 2011, resulting in unilateral government decision-making. In Luxembourg, national tripartite negotiations failed in 2011. The failure of bilateral talks by Luxembourg's government with unions and

employers raised questions about the future social model. Because no agreement could be reached in Poland, the government increased the minimum wage unilaterally. In Slovakia, the consultation on amendments to the Labour Code did not lead to an agreement and so the government went ahead and brought these amendments into force in September 2011, making dismissals and the renewal of fixed-term contracts easier.

There is no collective bargaining at cross-sector level in Cyprus. In Hungary, Ireland and Romania, centralised national collective bargaining agreements existed until 2010.

In Hungary, the National Interest Reconciliation Council (OÉT), which had been the tripartite forum for wage agreements, was replaced on 1 January 2012 by the National Economic and Social Council (NGTT), which can only make recommendations (**HU1107021I**).

In Ireland, the breakdown of the social partnership model has meant a sharp diminution of national bargaining on other conditions of employment such as training, skills and pensions. A private sector protocol now arranges decentralised collective bargaining in the private sector. In the public sector, the four year 'Croke Park Agreement' provides a pay freeze, an element of job security and the maintenance of existing pension arrangements for 330,000 Irish public servants in return for cost containment, productivity improvements and social peace (**IE1007039I**).

In Romania, the unique national cross-sector collective bargaining agreement was abolished by the new social dialogue act of May 2011. This law requires all companies with more than 20 employees to agree working time and wages, but only 20% have already done so.

Well-functioning cross-sector collective bargaining

The capacity to negotiate increased mostly in Finland, where for the first time in four years, a 25-month agreement could be reached which covers 94% of Finnish employees (**FI1111011I**). In Austria and Estonia, a cross-sector agreement was made on the minimum wage, with an additional bipartite initiative in Austria increasing the actual retirement age (**AT1110011I**). In the Czech Republic, there was a declaration on working time reduction (**CZ1110019I**).

In Estonia, the only national-level collective agreement is the national minimum wage agreement concluded between the national-level trade union and employer confederations – ETTK and the Estonian Trade Union Confederation (EAKL). After three years of standstill, ETTK and EAKL concluded a bipartite agreement in December 2011 that increased the national monthly minimum wage by 4.3% from €278 to €290 from 1 January 2012 (see **EE1201019I**).

In France, eight cross-sector agreements were reached in 2011. Four of them related to the organisation of social security and the other four to employment measures for young people (**FR1105031I**).

In Greece, Norway and Spain, 2010–2012 agreements continued to exist; a new 2012–2014 cross-sector agreement was reached in Spain in February 2012 and an intermediate settlement was made in Norway within the framework of the 2010–2012 agreement (**NO1105029I**).

Difficulties in sector collective bargaining

While cross-sector collective bargaining functioned well in 2011 in Austria, Estonia and Spain, sector collective bargaining generally proved more difficult (Table 13).

In Austria, there were difficult negotiations in the metal and retail sectors including warning strikes. Derogations were made possible in the metal sector agreement via a so-called 'location clause',

allowing companies that had negative results in the past three years to split the general wage increase, reserving part for individual wage increases. In addition, trade union efforts to improve framework conditions for female workers in the bargaining rounds were successful, bringing equality a step closer. (See **TN0911017S** for details of the scope of the metal sector).

In Estonia, no sector collective bargaining agreement could be reached in 2011. Provisional data from Spain also show fewer sector agreements in 2011 than in previous years. The number of company-level agreements increased in both Estonia and Spain compared with 2010.

In Ireland and Slovakia, there was also a shift from sector-level collective bargaining towards more decentralised company-level bargaining. In Ireland, this shift was especially in the relatively profitable pharmaceutical and medical devices sectors, and also in the food multinational export sector. In Slovakia, fewer sector-level collective agreements meant a slight shift in favour of company-level collective bargaining.

The long-term decline in sector-level collective bargaining in Latvia continued in 2011.

Table 13: Countries with less or more difficult sector-level collective bargaining in 2011

	Cross-sector collective bargaining	Sector-level collective bargaining	Company-level collective bargaining
Austria	Bipartite initiative increased average actual retirement age. Minimum wage increases agreed.	450 agreements per year in narrowly defined sectors plus indefinite number of agreements valid for longer than one year (AT1112011I).	Derogations possible through a 'location clause' for companies with three years of negative results.
Estonia	Minimum wage agreement by ETTK and EAKL increased from €278 per month to €290 per month (EE1201019I).	No sector agreement in 2011 (one in 2010 covering 8,700 employees; EE1102019I).	48 agreements in 2011 (25 in 2010 and 81 in 2008).
Ireland	Centralised national tripartite collective bargaining replaced by new collective bargaining arrangements, 'Croke Park Agreement' for public sector in 2010 and private sector protocol.	Since 2011, emergence of decentralised local pay bargaining, mostly in (relatively profitable) pharmaceutical, medical devices and food multinational export sectors.	
Latvia	Discussions on minimum wage, state budget, family benefits for young parents, and the pension system.	No information available. Sector-level collective bargaining did not improve and continued to decline according to the long-term trend.	No information available.
Slovakia	No agreement in 2011 or 2010. Consultation on amendments to Labour Code did not lead to consensus.	27 sector agreements (six fewer than in 2010). No extension of agreements (like in 2010).	Slight shift in favour of company-level collective bargaining.
Spain	2010–2012 agreement continued. 2012–2014 agreement reached on 6 February 2012.	660 multi-employer agreements (provisional data). This is a moderate decrease, though some additional agreements may be recorded with some delays.	1,872 agreements. The percentage of company agreements in relation to all agreements is 74% (72% in 2010) and the coverage is 8.2% of all workers covered by any agreement (7% in 2010).

Difficult year for sector and company-level bargaining

The generally difficult year for both sector and company-level collective bargaining in some countries is highlighted in Table 14.

In Cyprus, most agreements at both sectoral and company levels were either put on hold or reached a deadlock in 2011, as a result of the financial crisis.

In 2011, 4,904 company-level collective agreements (CLCAs) were concluded in the Czech Republic compared to 4,812 in 2010, applying to 1,352,970 employees (1,479,780 in 2010); this represents roughly 34% of all employees in the Czech Republic (36.8% in 2010). According to ČMKOS data (which represent a majority sample), 12 out of a total of its 32 affiliated trade unions concluded a total of 18 higher-level collective agreements (HLCAs) (18 in 2010) that covered approximately 3,400 employers (5,160 in 2010) and 347,960 employees (531,700 in 2010). The process of expanding the scope of collective agreements to include other employers also continued in 2011. Therefore, these HLCAs apply to 7,980 employers (9,990 in 2010) and protect about 567,960 employees (816,390 in 2010), which represents about 14% of all employees (20% in 2010).

In Germany, both sector-level collective bargaining agreements in terms of companies and company agreements had slightly lower coverage based on data for 2010.

In Lithuania, there is only one existing sector agreement dating from 2007. Company-level collective bargaining suffered from the effects of the crisis, as is also indicated by a tripling of complaints reported by the labour inspectorate.

Only company-level collective bargaining agreements are made in Malta. In 2011, only six new company-level agreements were made and 15 renewed, one side letter was added to another existing agreement and one interim agreement was concluded.

In Portugal, there were only 170 negotiated agreements in 2011 whereas there were 230 in 2010 and 251 in 2009. The lack of extension agreements means that the effective coverage of the 170 negotiated agreements and the 12 adherence agreements from 2011 is probably much lower than the 1.2 million assumed by the Ministry of Labour.

In Romania, collective bargaining was affected by both the economic crisis and the legislative changes. It is no longer possible to make sector-level collective bargaining agreements in Romania due to the new Social Dialogue Act of 2011 where the word 'branch' was replaced by 'sector'. The 'sectors' were defined by the government in a decision (No. 1260) issued only on 21 December 2011. At company level, the number of agreements in Romania in 2011 was less than half that in 2010.

The UK trend of declining percentages of employees covered by collective bargaining agreements continued in 2011. However, the UK government asked the independent review bodies that reach national pay settlements for public sector employees such as teachers and National Health Service (NHS) staff to draw plans for local pay bargaining (as already introduced for some court staff, **UK0705019I**) by mid-2012.

Table 14: Countries with more difficult collective bargaining developments both at sector and at company level

	Cross-sector collective bargaining	Sector-level collective bargaining	Company-level collective bargaining
Cyprus	Does not exist.	No numbers available.	No numbers available.
Czech Republic	Declaration promoting short-time working ('kurzarbeit') (CZ1110019I).	18 HLCAs covering 3,400 employers and 347,960 employees, extended to apply to 7,980 employers and 567,960 employees (14%).	4,904 CLCAs applying to 1,352,970 employees (34%). No derogation of HLCA possible.

	Cross-sector collective bargaining	Sector-level collective bargaining	Company-level collective bargaining
Germany	Minimum wage agreement by Confederation of German Employers' Associations (BDA), United Services Union (ver.di) and Union of Food, Beverages, Tobacco, Hotel and Catering and Allied Workers (NGG) (DE1110019I) and for temporary agency workers (DE1202029I).	In 2010, 56% of western German employees covered (34% of establishments) and 37% of eastern German employees (17% of establishments). Regional chemical sector agreement to attract new employees (DE1112019I).	Coverage fell from 9% in 2009 to 7% in 2010 (3% to 2% of establishments) in western Germany, and stayed at 13% for eastern German employees (fell from 4% to 3% of establishments).
Lithuania		Only one sector agreement in the registrar for newspaper journalists, signed on 19 January 2007. Active bargaining in the public sector could not result in an agreement.	No registered data. From interviews and Labour Inspectorate complaints that tripled, it can be concluded that the crisis had a negative impact on company collective bargaining.
Malta		All agreements are signed at company level.	Six new agreements, and 15 renewals, one side letter, and one interim agreement for the state hospitals.
Portugal		93 branch agreements and 22 multi-company agreements. Cost-cutting measures cut wages in public sector, including a general hiring and career freeze.	55 company agreements. 12 adherence agreements of companies adhering to sector-level agreements.
Romania	Only national collective bargaining agreement abolished under the Social Dialogue Act 62/2011 of May 2011. This law requires all companies with more than 20 employees to agree working time and wages; only 20% have already done so.	No longer possible because of a change of terminology in the new Social Dialogue Act where 'branch' was replaced by 'sector' and due to the sector definition in government decision No. 1260 of December 2011.	Only 3,074 agreements (6,614 in 2010) of which 2,738 were in private companies, 32 in joint ventures and 282 in state-owned companies. And 2,670 existing agreements were extended with an addendum (3,749 in 2010). Of a total of 9,500 companies with more 50 employees, 60% of them are covered.
UK		Decentralised local collective bargaining prepared for teachers and healthcare sector. Heating and ventilation sector withdrew from national industry collective bargaining agreements and made own branch agreement.	Union recognition for collective bargaining was won in some companies (UK0007183F) and lost in others (UK1111029I).

Good year for sector-level collective bargaining

However, it was a relatively good year for sector-level collective bargaining in some other countries (Table 15).

In Belgium, 2011 brought a higher number of sector-level collective bargaining agreements and a lower number of company-level agreements than in the previous year, making it a good year for sector-level collective bargaining. In Denmark, Slovenia and Sweden, not much changed, making it a calmer collective bargaining year than in previous years.

In Bulgaria, sector-level collective bargaining was not much different from previous years. A number of sectoral/branch collective agreements in Bulgaria in the retail and service sectors have derogation clauses. There are two kinds of example – the postponement of the implementation of agreed payments due to worsening economic and financial results, or the negotiation of lower parameters laid down in sectoral/branch collective agreements for the same reasons. In the first case, the derogation would apply until the economic and financial situation of the enterprise improved and the amounts remaining owed to workers.

A mixed picture was reported from the Netherlands. Even though many collective bargaining negotiations were hesitant and many deadlocks reported, many expired agreements were prolonged without major derogations.

Wage figures in Norway for 2011 were published in February 2012 (source: *Norwegian wage settlements in 2012*). The figures include central wage increases, company-level pay increases and other wage increases generated by so-called wage drift mechanisms.

Table 15: Easier sector-level collective bargaining developments in 2011

	Cross-sector collective bargaining	Sector-level collective bargaining	Company-level collective bargaining
Belgium	10 agreements	1,438 (more than 2009–2010)	3,499 (less than 2009–2010)
Bulgaria	69 agreements in force	Three (construction, defence, mines) and one annex (metal)	1,332 and 284 annexes and seven companies with national significance
Denmark		Two-year public sector agreement renewed status quo (DK1104019I),	In 85% of private sector, wages and working time agreed at company level.
Netherlands		114 agreements in 2011, covering 5.2 million employees.	
Norway	In 2011, there was an intermediate settlement to renegotiate the bi-annual agreement for 2010–2012 (NO1105029I).	Norwegian wage settlement agreements include central wage increases, company-level pay increases and other wage increases generated by so-called wage drift mechanisms.	
Slovenia	Five cross-sector agreements in force.	38 sector agreements are in force.	After six months of negotiations, a new agreement was concluded for the Primorje construction company (SI1202019I).
Sweden		151 in private sector and two in public sector (dominated by the healthcare sector, transport, industry and the Church of Sweden).	Total of 665 agreements registered. 2011 was a relatively calm collective bargaining year.

Working time

The Working Time Directive (2003/88/EC) defines working time as ‘any period during which the worker is working, at the employer’s disposal and carrying out his activities or duties, in accordance with national laws and/or practice’ (Article 2(1)). Working time is regulated in all EU Member States through either collective bargaining or legislation (or a combination of both). Note that in some countries (Estonia, Latvia, Lithuania, Luxembourg, Poland and Slovenia) working time is not generally regulated through collective bargaining.

Recent data indicate no changes in collectively agreed working time in 2011 compared with 2010. The average collectively agreed weekly working time in the EU27 was at 38.1 hours in 2011. The average for the former EU15 countries was at 37.6 hours per week and the average for the new Member States (NMS) was 39.7 hours per week in 2011 (see annex for a full list of country groupings).

The changes in working time reported for Slovakia and Spain indicate a slight increase in the collectively agreed weekly time by 0.1 hours. The majority of the NMS plus Greece and Luxembourg from the EU15 remain at the top of the scale with a collectively agreed working week of 40 hours. The Netherlands, the Nordic countries and the UK are near the bottom of the

scale with 37–37.5 hours. France remains the country with the lowest collectively agreed hours (35.6 hours per week).

Actual weekly working hour figures give a more accurate impression of how many hours people really work in a given week, as they include factors such as overtime and absence. The figures for the EU27 show that, on average, EU workers worked 39.7 hours per week with the longest actual working hours found in Romania (41.3 hours) and the shortest actual hours found in Finland (37.8 hours), France (38.1 hours) and Ireland (38.2 hours).

Looking at the six-year period from 2006 to 2011, it seems that the actual weekly hours were decreasing in the first part of this period in the former EU15 but that this trend was reversed in 2009, and since then the actual hours have been steadily increasing. In the NMS, the downward trend was also reversed in 2009 but, after a brief increase in 2010, actual weekly working hours are on the decrease. There seems to be a convergence of the two groups closer to the EU average.

Weekly figures do not take into account leave, holidays and flexibility arrangements which are therefore better reflected through annual figures. EIRO calculations of annual working hours reflect leave and holidays but do not include overtime or other forms of flexitime. Nevertheless, they provide a crude picture. In 2011, the average collectively agreed annual normal working time in the EU27 was 1,720.3 hours. In the EU15, it was 1,685.6 hours, and in the NMS it was 1,830.8 hours. Workers in the NMS thus work on average 144.7 hours a year (around 8.6%) longer than their counterparts in the EU15, that is, the equivalent of over 3.5 working weeks. However, in two of the NMS (the Czech Republic and Cyprus), annual working time is around the average for the EU27. Overall, the EU's longest hours are worked in Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovenia, while the shortest are worked in Denmark, France, Germany, Italy and Sweden.

However, there is variation within countries in terms of working time arrangements. One source of such diversity is that each sector is characterised by specific product and labour markets, resulting in different workforces, work practices and economic contexts. Sectoral data are therefore useful in examining diversity in working time arrangements.

Three sectors were selected for examination for this report – chemicals, retail and the civil service (representing the manufacturing industry, services and the public sector respectively). The retail sector recorded the longest average agreed normal weekly working hours in 2011 with 38.3 hours, followed by the chemicals sector with 37.9 hours and the civil service with 37.6 hours. A small variation (of about two hours) in the three sectors was noted in seven countries (Austria, Belgium, Cyprus, Germany, the Netherlands, Slovakia and the UK). Another group of countries (the Czech Republic, Finland, Italy, Portugal, Spain and Sweden) had wider differences of more than two hours in the same sectors.

There was less variation in most of the NMS where a uniform 40-hour week, corresponding to the general statutory normal week, was worked in 2011. This group consists of Bulgaria, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania and Slovenia. No variation across the three sectors but with shorter agreed hours in 2011 was observed in a small group of countries – Ireland (39 hours), Norway (37 hours), Denmark (37 hours) and France (35 hours).

Overall, the NMS recorded the highest collectively agreed weekly hours in all three sectors in 2011 with the widest gap noted in the civil service sector in which the collectively agreed working week was longer by three hours compared with the EU15 countries.

Pay developments

Pay increases

According to Eurofound's report *Pay developments – 2011* (see **TN1204012S**), average collectively agreed nominal pay increases in 2011 did not differ considerably from those in 2010 in most of the 13 countries where data were available. Most variations were between 0.1 and 0.4 percentage points except in Belgium, which showed the highest growth in nominal pay increases (from 0.6% in 2010 to 2.6% in 2011), and in Portugal and Malta, where the highest reductions in nominal pay increases took place (from 2.4% to 1.5% in Portugal, and from 2.5% to 0.5% in Malta). The Czech Republic, Italy and Sweden also experienced reduced pay increases whereas Austria, France, Germany, the Netherlands, Slovakia, Spain and the UK registered slightly higher average agreed pay increases in 2011 than in 2010.

When taking inflation into account, most of the increases agreed for 2011 in the 13 countries analysed did not compensate for the evolution of prices. Apart from the Czech Republic and Sweden, the agreed nominal pay increases were below the general price increase in Austria, Belgium, France, Germany, Italy, Malta, the Netherlands, Portugal, Slovakia, Spain and the UK. In Malta and Portugal, the collectively agreed nominal increases actually resulted in a negative pay growth in real terms of about -2%. The average nominal pay increase in the UK resulted in the most negative change in real terms (-2.6%).

Pay-setting mechanisms

It is possible to distinguish between three forms of pay-setting mechanisms at national level:

- countries with an indexation mechanism;
- countries with national or broad intersectoral-level agreements between the social partners and/or government or recommendations to lower-level actors;
- countries in which larger (inter)sectoral agreements can be viewed as trend-setting agreements for further bargaining.

At present, there are four Member States (Belgium, Cyprus, Luxembourg and Malta) in which wage indexation systems are in place at national level, determining the general pay increases in order to maintain employees' purchasing power levels regardless of the outcomes of collective bargaining. In the past, a wage indexation mechanism also operated in Denmark (until 1982), France (until 1983), Italy (until 1992), the Netherlands (until 1982) and Poland (until 2009).

National or broad intersectoral-level agreements between the social partners and/or government were identified in eight countries (Belgium, Greece, Hungary, Italy, Latvia, Romania, Slovenia and Spain).

Trend-setting agreements continue to be specific to Austria and the Nordic countries: the agreements in the metalworking sector in Austria and Norway, the 'Industry Agreements' in Denmark and Sweden, and the agreements in metalworking and chemicals in Finland.

In 2011, there were structural developments in collective bargaining in some countries, though these took divergent courses. Whereas some countries took steps in the direction of decentralisation of collective bargaining, and therefore of collectively agreed wage setting (as in Greece, Ireland and Italy), in others (such as Belgium), the reported changes show evidence of a (re)centralisation process.

Sector differences

The agreed pay increases in the chemicals sector ranged from 0.5% in Malta to 16.7% in Slovenia. The majority of countries where data on collectively agreed pay increases were available registered

higher increases in 2011 than in 2010 in this sector. Apart from the exceptionally high increase in Slovenia due to adjustments relative to 2004 and 2005, the most expressive difference was registered in Bulgaria with an increase of 3.9 percentage points from 5.5% in 2010 to 9.4% in 2011.

In the retail sector, the agreed pay increases ranged from a minimum of 0.7% in Malta to a maximum of 6% in Hungary. In Denmark, Sweden, the Netherlands and Romania the increase was higher in 2011 than in 2010, reaching 2.5 and 3.1 percentage points more in the last two countries respectively. In the UK, the agreed pay increases were estimated as being on average around 2.3% in both 2010 and 2011.

In 2011, the civil service stood out as the sector where a significant number of countries registered pay freezes and pay cuts. Indeed civil servants in Cyprus, Estonia, Italy, Latvia, Lithuania, Spain and the UK experienced pay freezes in both 2010 and 2011. Civil servants in Greece, Ireland and Latvia saw their pay cut in 2011. Only Bulgaria, Germany, Luxembourg and Romania reported a higher pay increase in 2011 in this sector than in 2010. The rest of countries with data available (the Czech Republic, Denmark, France, Poland, the Netherlands, Slovakia and Sweden) had lower increases in 2011.

Minimum wage

The levels of national minimum wages increased between 2010 and 2011 in most of the 20 Member States with this type of statutory minimum wage. There was no change in the amount of national minimum wage in Belgium in real terms or in the Czech Republic, Estonia, Ireland and Lithuania in nominal terms. Greece, the Netherlands, Slovenia and Spain registered what can be considered as 'moderate' increases (that is, less than 2%). The rest of the countries registered slightly higher increases, ranging from 2.1% in Portugal up to 11.7% in Romania. In Bulgaria, France, Hungary, Luxembourg, Poland, Romania and the UK, the increase registered in 2011 was higher than in 2010. In Portugal and Slovakia, the increases were lower in 2011 than in 2010.

There were no remarkable changes in the main characteristics of the national minimum wages across Europe in 2011 but the current uneasy times of crisis seem to have (re)opened the debate about the need and importance of establishing national minimum wages and how they are calculated. In a number of countries without a national minimum wage, such as Cyprus and Germany, there have been attempts to return the issue to debate and political discussion. In other countries, with an established national minimum wage, recent discussions have been about the calculation method(s) as in France, Lithuania and the Netherlands. In Sweden, the most important occurrences in relation to statutory minimum wages were the protests, mainly by trade unions, against ETUC's proposal of an EU-wide minimum wage.

Summary

Overall, the effects of the economic recession are still felt throughout the EU in terms of pay increase determinations. With very few exceptions, pay increases in 2011 were generally very modest and, in general, decreasing in relation to previous years. Furthermore, all the evidence points towards the continuation of this trend, both in terms of national or sectoral collectively agreed pay increases and national minimum wages, for example:

- the Cypriot employers' federation suggesting wage freezes and alluding to pay cuts in the civil service;
- in Spain, national minimum wage and civil servants' wages frozen in 2012;
- Latvian minimum wage frozen in 2012.

Social dialogue developments

The legal framework shaping social dialogue was modified in some countries in 2011. In some countries, social dialogue mechanisms functioned well while, in others, 2011 was a more difficult year for social dialogue. Some information on social dialogue in works councils is given at the end of this section.

Social dialogue legal framework

In Cyprus, there are legal framework developments in process, with an amendment to the legislation on trade unions introduced from 2009 still pending in parliament.

In France, 2011 saw some impact of legal framework changes from the past as French trade unions and employers' organisations had to publish their accounts for the second time since the reform of representativeness in 2008. In this context, the French parliament launched an inquiry into the financing of social dialogue. There were various newspaper articles on this and controversy over the financing of organisations.

In Norway, the collective agreement in the cleaning industry is generally applicable and a minimum wage will be introduced in this sector (**NO1107019I**). The agreement aims to ensure equal wages and working conditions for labour immigrants from the new EU countries. The legal framework developments in Hungary, Ireland, Romania and Slovakia suggest that 2011 was not a good year for social dialogue, especially in Hungary and Romania.

In 2011, the Hungarian government approved a new Labour Code aimed at making labour more flexible, reducing social dialogue and bargaining rights, and limiting the right to strike. The main institution of national reconciliation has been changed to a professional advisory board (NGTT), where not only are the social partners (trade unions, works councils, employers' organisations and state representatives) taking part, but also representatives of other non-profit organisations (NGOs) and other professionals (**HU1111011I**).

In Ireland, the collapse of the centralised social partnership model in late 2009/early 2010 has resulted in a considerably diminished role for the social partners. Much of the substantial tripartite architecture of social partnership that had been built up since 1987 is being dismantled. In particular, one of the most long-established social partnership bodies, the National Economic and Social Council (NESC) is set for abolition. Since its seminal 1986 report, which underpinned the first tripartite pact, the Programme for National Recovery, the NESC has issued consensual reports that preceded each of the subsequent eight national-level agreements. The proposal to shut down the NESC is contained in the public service reform plan launched in November 2011, which lists 48 bodies for rationalisation, amalgamation or abolition in 2012.

In Romania, the Social Dialogue Act 62/2011 laid down rules regarding the establishment, structure, and representative criteria of the social partners and of social dialogue. It superseded the legislation governing trade unions, employers' organisations, collective agreements, labour conflicts and the Economic and Social Council (CES) (**RO1112019I**). The new rules dramatically changed the representativeness criteria for the social partners (**RO1107029I**). By the end of 2011, all the national trade union confederations had filed the requisite recertification documents with the Ministry of Labour, Family and Social Protection (MMFPS) (**RO1202039I**). The new act also provided for the creation of the National Tripartite Council for Social Dialogue (CNTDS). The government pulled out of the CES, leaving room for civil society representatives. The national trade union confederations

and employers that adhered to the PatroRom union refused to attend CES meetings and the social dialogue committees in protest against their lack of effectiveness and the measures that had paralysed social dialogue.

Slovak trade unions associated in the Confederation of Trade Unions of the Slovak Republic (KOZ SR) and Slovak employers organised in the National Union of Employers of the Slovak Republic (RÚZ SR) and the Federation of Employers' Associations of the Slovak Republic (AZZZ SR) actively participated in discussions about planned amendments to the Labour Code. The positions of the trade unions and the employers on the necessary changes to the Labour Code were controversial and remained so during the whole process of the preparation of amendments and after the adoption of the amendments by the Slovak parliament. Because no common understanding was reached, the Slovak government adopted the amendments unilaterally.

Social dialogue in practice

In 2011, new cooperation agreements were made by the Latvian social partners organising employees and employers in the local and regional administrations. In the Netherlands, the self-employed gained a place in the Social and Economic Council, while in Malta a request for membership of the Economic and Social Council was not accepted. Finally, the country reports from Norway and Poland indicate that 2011 was a normal social dialogue year in these countries.

In more detail, cooperation strengthened in 2011 among Latvian social partners – the Latvian Employers' Confederation (LDDK), the Free Trade Union Confederation of Latvia (LBAS) and the Latvian Association of Local and Regional Governments (LPS). An agreement on tripartite cooperation between the government, LBAS and LDDK has been valid since 2004 and the cooperation agreement between LBAS, LDDK and LPS has been valid since May 2006. In June 2011, LDDK increased cooperation with local governments by signing a cooperation agreement with the Latvian Association of Large Cities (LLPA). On 1 August 2011, LBAS signed a new agreement on cooperation with LDDK.

In the Netherlands, various employee and employer associations represent the interests of around 650,000 self-employed people. In addition to the FNV Union for Self-Employed (FNV Bond voor Zelfstandigen) and the FNV Union for Self-Employed in Construction (FNV Zelfstandigen in de Bouw), there is the Union of Independent Entrepreneurs (PZO). In March 2010, the PZO secured a seat on the Social and Economic Council, the government's permanent advisory body.

Similarly, in Malta, there was an issue concerning the membership of the Malta Council for Economic and Social Development (MCESD), which is the national tripartite body for social dialogue. The application by FORUM to become a member of MCESD has not been accepted by government which claimed that there was no consensus among MCESD members about this application. The only MCESD members who pronounced themselves in favour of FORUM's application were the GWU representatives. The other members representing the employers, the government, CMTU and UHM objected to this new affiliation.

In Norway, the social partner organisations participated in various public committees and other deliberative representative bodies in 2011. Among these are permanent committees for consultation between the social partners and the government such as the Norwegian Technical Calculation Committee for Wage Settlements (Teknisk Beregningsutvalg) and the Committee for Consultations on Working Life and Pension (Arbeidslivs- og pensjonspolitisk råd). The social partners also participate in hearing rounds, are consulted on various issues relevant to the labour market, and cooperate on matters such as the extensive campaign to create the Working Life Agreement.

In Poland, there are seven national-level social partners sitting on the Tripartite Commission for Social and Economic Affairs (TK). All the organisations fulfil the representativeness criteria defined by the 2001 Act on the Tripartite Commission for Social and Economic Affairs and the Provincial (*voivodship*) Social Dialogue Committees. No change in the composition of TK occurred in 2011. The system of tripartite social dialogue remains unaltered and consists of three dimensions:

- national (negotiations taking place in TK);
- sectoral (dialogue conducted within the tripartite sectoral committees, of which there are 15);
- regional (negotiations taking place in the regional social dialogue commissions, of which there are 16, as each *voivodship* has a commission).

Works council developments

In Belgium, there have been social elections measuring the representation of each trade union in May 2012.

In France, the workplace elections in October 2011 implemented the act on the renewal of social dialogue in the public sector in three civil service divisions – the national civil service, public hospitals and local governments.

In Slovenia, according to a survey conducted by the Cranet Network in 2001, works councils were present in nearly 77% of surveyed companies with more than 200 employees. By 2004, a Cranet survey of larger companies found that works councils were present in less than 64% of companies, indicating a substantial decrease. Given the high proportion of SMEs in the Slovenian economy, an estimate by the Association of Free Trade Unions of Slovenia (ZSSS) that about 50% of Slovenian employees were represented by works council and/or local trade union organisation in 2011 seems realistic.

Industrial conflicts

For some countries, 2011 was a year with a much higher number of industrial conflicts than in previous years, while in others the impact of the crisis resulted in much fewer industrial conflicts. Industrial conflicts in 2011 often resulted from protests against government austerity measures that changed pension rights or the retirement age, or against cuts in budgets for public services in, for example, education, health and public transport services.

Numbers and intensity of industrial conflicts

National statistics on the number of strikes were not available for all countries at the time of writing. However, evidence from existing data sources shows increased industrial action in 2011 in some countries such as Austria, Cyprus, Greece, Slovenia and UK.

In Austria, strikes occurred in the metal sector for the first time since 1986, while for the overall economy there had not been any strikes from 2005 until 2011.

The number of strikes in Cyprus increased from four in 2010 to 14 in 2011. The number of employees involved increased as well. This phenomenon is expected to continue in 2012 in Cyprus.

In Greece, the intensity of industrial conflicts increased in 2011. The demonstrations and general strikes that took place in 2010–2011 involved unprecedented participation for Greece.

There were many strikes in 2011 in Slovenian companies that were on the verge of bankruptcy and fighting for survival because of the economic crisis.

More strikes were reported in 2011 in the UK than in any year since 1990, with over 90% of working days lost in the public sector as a result. Industrial action in the private sector was at much lower levels. The conflicts in the public sector were caused by proposed pension reforms, while most of the conflicts in the private sector were over employers' plans to close or reform company pension schemes.

At the other extreme, the Baltic countries, the Czech Republic, Denmark, Malta and Slovakia experienced very low levels of industrial unrest or none at all. While some industrial action did take place in Finland, France, Germany, Ireland, Norway and Spain in 2011, levels were much lower than in 2010. The decline in France was related to the unsuccessful demonstrations against pension reform in 2010. A declining trend was also noted in Germany although this was based on data from 2010. In Norway, 2011 was a year of intermediate settlements when only pay rates revisions were under discussion in collective bargaining agreements and hence there was industrial unrest.

In Hungary, data were hard to obtain as the right to strike was restricted (HUI2020511) and the courts decided too late or ruled against a strike. For example, the electricity workers bargaining for a new collective agreement could not go on strike in summer 2011 because the court ruled that this strike would endanger the provision of electricity to customers.

No annual comparative data on industrial conflicts were available for Luxembourg and Slovenia.

In Poland and Romania, there were fewer strikes in 2011 than in 2010, but more employees were involved. Data from the Netherlands for 2010 also show fewer conflicts than in the previous year but with a greater impact in terms of working days lost.

Causes of industrial conflicts and sectors affected

The causes of the reported industrial conflicts can be broken down into two categories (Table 16):

- conflicts related to collective bargaining;
- other changes to the industrial relations framework in terms of the right to strike.

Table 16: Causes of industrial conflicts in 2011

Reason	Countries
Conflicts related to collective bargaining	Austria, Belgium, Cyprus, Finland, Germany
Changes to industrial relations context	Finland, Hungary and Romania (right to strike) Lithuania (minimum wage and tax reform), UK

In Austria and Germany, collective bargaining-related strikes happened in the metal sector, which has an influence on collective bargaining in other sectors. In Belgium, there were strikes related to the rejection of the draft interprofessional agreement imposed by the government. In Cyprus, most industrial actions were related to the failure to reach a collective agreement or the violation of existing agreements. In Finland, collective bargaining-related industrial actions occurred in 2011 in the paper, metal and electronics sectors.

In Hungary and Romania, the labour law changed the rules linked to the right to strike, while the Finnish labour court ruled over two industrial actions from 2010, imposing fines as these strikes were judged to be illegal. In the UK, a court case ruled in favour of railway trade unions, making it more difficult to prevent industrial action where there had been technical irregularities in union strike

ballots. From Lithuania, protests were reported linked to the minimum wage and reforms in taxation having an impact on the purchasing power of workers.

Industrial action in the public sector

The public sector accounted for most of the industrial action in 2011 in many countries. Industrial actions appeared to be more frequent in 2011 in the public service sector in Germany, Greece and the UK. Conflicts in the education, health and transport sectors were most often reported.

Education: In Estonia and Hungary, teachers protested to demand higher salaries, while in Latvia and Spain, cuts in education budgets were the reason for the conflicts. The Romanian protests of teachers were, like the actions of members of the police force, against the changes in the Labour Code. The Malta Union of Teachers (MUT) organised a strike to protest against the number of part-time lecturers who have to work on a self-employed basis.

Health: Conflicts were reported in Poland concerning freelance contracts for nurses and midwives. Pay issues were the cause of protests by nurses, midwives and doctors in Slovakia and cuts in the health budget in Latvia. In Slovenia, there were actions in February 2011 at the Celje State Hospital and in October at the University Clinic of Ljubljana.

Public transport: In Romania, most conflicts occurred in the transport sector. In Slovakia, the proposed railways revitalisation programme led to a strike alert, though the strike did not take place. In the Czech Republic, a strike took place in June 2011, not only in the railway sector but also in the municipal public transport in Prague, including the metro ceasing to operate while services in other cities were substantially reduced. At the end of the year, a two-day protest of pilots belonging to the Czech Airline Pilot Association (CZALPA ČSA) against Czech Airlines (ČSA) took place (**CZ1112019I**). In Poland, the conflict in the regional railways was caused by a stalemate in pay negotiations, while Maltese bus drivers protested against the unsocial working hours in their work schedule. In Latvia, actions occurred against cuts in financing for passenger transport.

In Bulgaria, the railways were twice hit by strikes. In March 2011, a one-hour warning strike was caused by the terms of a World Bank loan, including as a condition a 30% cut in labour costs (**BG1103011I**). The railway workers went on strike again in November for 26 days over government plans for restructuring and job cuts, which were a breach of their memorandum of understanding. The strike ended with the signing of a collective agreement (**BG1111021I**).

In Luxembourg, there were also two conflicts in the public transport sector, one concerning long working hours and lack of toilet facilities for bus drivers, while the conflict in the railway sector was caused by third-party violence. On average, 20 railway employees are victims of aggression each year.

Industrial action in the private sector

The private sector was also affected by strikes, including:

- metal sector: Austria, Germany, Luxembourg;
- retail sector: Luxembourg;
- docks: France;
- cleaning sector, postal sector: the Netherlands;
- paper: Finland.

In Poland, there was a strike to protest against the planned privatisation of a coal company. In Denmark, a conflict was reported in an IT company, CSC, and in Ireland at the Davenport Hotel in Dublin, while in the UK there were conflicts over pension scheme reforms in a number of companies including Unilever, Ford, Cemex, GE and the BBC. In Slovenia, actions were reported in a number of companies in different sectors.

Restructuring

The European Restructuring Monitor (ERM) records data on reported restructuring cases in the EU27 and Norway. Table 17 shows the number of reported restructuring cases in the first half and in the second half of 2011 for each country, followed by the number of jobs threatened and the overall employment impact.

The reported restructuring cases and their employment impact show divergent patterns across EU Member States and across the different economic sectors. The Czech Republic, France, Germany, Greece, Italy, the Netherlands, Poland, Romania, Spain, Sweden and the UK reported more than 10,000 job losses in 2011 as a result of restructuring. Over 100 restructuring cases were reported from France, Poland and the UK. The last column in Table 17 gives the announced number of jobs created. The Czech Republic, France, Germany, Poland, Romania and the UK totalled more than 10,000 jobs created.

Table 17: Numbers and impact of reported restructuring cases in 2011

Country	Number of reported restructuring cases	Number of jobs threatened	Employment effects in terms of job creation
Austria	27	-3,282	+1,060
Belgium	33	-5,345	+740
Bulgaria	14	-2,962	+3,210
Cyprus	3	-555	0
Czech Republic	68	-15,423	+11,768
Denmark	13	-2,848	+350
Estonia	4	0	+400
Finland	33	-8,248	+950
France	194	-77,383	+59,808
Germany	76	-24,910	+24,151
Greece	21	-39,488	+250
Hungary	46	-8,077	+6,626
Ireland	41	-5,625	+4,225
Italy	44	-25,481	+1,880
Latvia	9	-300	+1,028
Lithuania	19	-1,311	+2,130
Luxembourg	9	-1,183	+1,095
Malta	4	-669	+320
Netherlands	34	-33,246	+140
Norway	3	-1,000	
Poland	149	-35,487	+28,232
Portugal	29	-4,961	+3,894

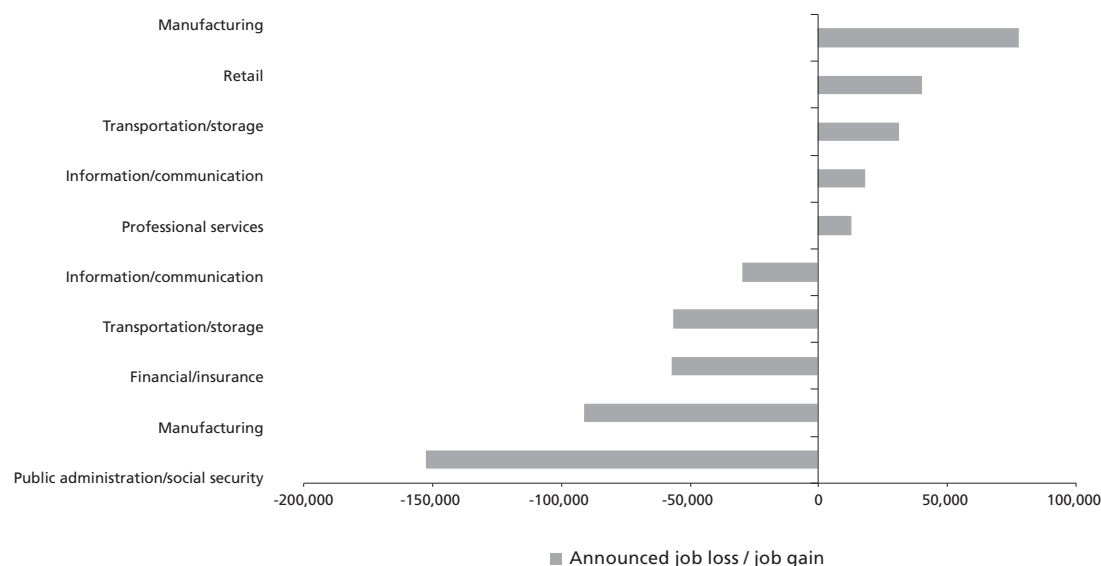
Industrial relations and working conditions developments in Europe 2011

Country	Number of reported restructuring cases	Number of jobs threatened	Employment effects in terms of job creation
Romania	60	-14,613	+10,879
Slovakia	43	-9,158	+8,133
Slovenia	35	-7,111	+2,161
Spain	78	-24,345	+4,470
Sweden	57	-10,749	+4,140
UK	186	-99,246	+37,141

Almost all countries reported restructuring cases from the public sector and from the financial services sector. A total of 112,889 job losses were reported across Europe because of restructuring in the public sector in 2011. Adding the jobs lost in social security organisations brings the total number of reported jobs lost in the public sector to 152,703. In the Czech Republic, France, the Netherlands, Poland, Romania and the UK especially, severe restructuring in the public sector had a huge employment impact.

In the private sector, the banks and insurance companies in Europe reported restructuring cases with a total of 57,156 announced job losses. The construction sector was faced with 7,741 job losses in the reported restructuring cases in 2011. The manufacturing and private services sectors also had many cases of restructuring with many jobs lost, though in these sectors, jobs were also created (Figure 18). The overall macroeconomic changes therefore partly balanced out, even though the industrial relations impact remained.

Figure 18: Sector impact of reported restructuring cases, 2011



Source: ERM Quarterly

The effects of the economic crisis on the economies and labour markets of the EU Member States continued in 2011. The crisis has hit youth unemployment in particular and one of the key areas of EU employment policy focus during 2011 was therefore trying to provide work experience and training for young people to try to help them to gain a foothold in the labour market. As 2011 drew to a close, ongoing concerns about the stability of the euro, combined with austerity measures in many EU Member States, meant that there were no clear indications that the crisis is yet at an end.

The first section of this chapter looks at the main political developments of 2011 under the Hungarian and Polish presidencies. The second section reviews employment and labour market policy, focusing on the development of the new European semester policy coordination cycle, and action to help young workers gain work experience and training. The third section looks at the main legislative developments of the year, which included discussions around a proposal regulating exposure of workers to electromagnetic fields, discussion of a proposal to amend the Pregnant Workers' Directive in the area of rights to maternity leave, consultations on amendments to the Working Time Directive, and social security and labour market proposals. The fourth section examines the main social dialogue developments of 2011, focusing on agreements and joint texts at intersectoral and sectoral level, and industrial relations at company level, including the development of European works councils, worker involvement, the conclusion of international framework agreements, and developments relating to corporate social responsibility. The final sections examine developments in relation to European industrial relations at company level, pensions, social inclusion, health and safety for atypical workers, stress at work, flexicurity, restructuring, the development of skills and competences, gender equality and recent European Court of Justice cases in the area of employment.

Political developments

The European Year of Volunteering 2011 was launched on 6 January 2011, with the aim of celebrating the work of existing volunteers, addressing the challenges they face and encouraging more people to get involved. It is estimated that around 20% of Europeans give up their time to volunteer. The campaign aimed to;

- make it easier to volunteer;
- formally recognise the skills that volunteers acquire during their volunteering;
- improve the quality of volunteering by providing training and matching volunteers to suitable vacancies;
- raise awareness of the value of volunteering.

A total of four high-profile conferences took place during 2011, culminating in a thematic conference in Athens in November 2011 to assess key issues related to volunteering. In addition, a range of events were held at national level, coordinated by the EYV Alliance, a cluster of 33 European volunteering networks founded in 2007.

The Hungarian government held the Presidency of the Council of the European Union during the first six months of 2011 and was followed by the Polish government during the second six months of 2011. Both presidencies made a priority of dealing with the ongoing effects of the economic crisis, the impact of which was still being felt on social and labour market policy.

The Hungarian Presidency's priorities in the employment and social field centred on prioritising employment creation in the context of ongoing financial and economic difficulties. The presidency

aimed to work in support of the Europe 2020 strategy and its goals, stating that this is a common instrument for boosting employment, enhancing competitiveness and social inclusion. The Hungarian Presidency also launched the European Semester cycle of policy governance and coordination (see also below under 'Employment and labour market policy'). The presidency also made a priority of focusing on EU flagship policies such as the 'Agenda for new skills and jobs' and 'Youth on the move'. Aware of the impact of the crisis on young people in particular, the presidency focused discussions on improving job opportunities for young people/job starters with different levels of knowledge and skills, and creating attractive job opportunities for young people. At the other end of the career spectrum, and in preparation for the 2012 European Year of Active Ageing, the Hungarian Presidency also focused debate on older workers.

Other areas of focus included:

- improvement of the European Pact for Gender Equality, based on the new Strategy for Equality between Women and Men 2010–2015;
- implementation of the European Disability Strategy for 2010–2020;
- revision of the Council Directive on the introduction of measures to encourage improvements in the health and safety at work of pregnant workers and workers who have recently given birth or are breastfeeding.

The Hungarian Presidency also aimed to begin negotiations on the health and safety of workers in terms of exposure to electromagnetic waves and to adopt conclusions on the further development of an electronic exchange system in the framework of the Posting of Workers Directive.

The Polish government took over the presidency on 1 July 2011 and aimed to continue to deal with large-scale social challenges such as the ageing population, reform of welfare systems, and youth unemployment and youth mobility. The Polish Presidency's priorities in the social and employment policy field were listed as:

- intergenerational solidarity, which includes work–life balance, improved access to childcare and elderly care facilities, increasing the professional activity of certain social groups and improving mobility;
- active Europe, including a debate on flexicurity and how this has affected the working life of older people, in addition to an assessment of the impact of the economic crisis on labour market reforms;
- civic partnership, which includes a debate on the role of volunteering and virtual volunteering in particular.

In terms of legislative instruments, the Polish Presidency concentrated on the revision of Directive 92/85/EEC on the introduction of measures to encourage improvements in the health and safety at work of pregnant workers and workers who have recently given birth or are breastfeeding.

2012 work programme

In November 2011, the European Commission adopted its work programme for 2012 entitled 'Delivering European renewal' (COM(2011) 777 final) (**EU1202011I**). In the social field, its main priorities include:

- to contribute to addressing the 'scourge of youth unemployment', including actions such as promoting the mobility of young jobseekers and assisting them in identifying cross-border openings;

- to review, with the close involvement of the social partners, the flexicurity principles and launch a new phase in their implementation, fostering job creation and mobility as a way to soften the impact of economic downturns and prepare to exploit the recovery when it comes (linked to the need to better anticipate and manage company restructuring);
- to propose ways to reinforce public employment services, including a reform of the European employment service (EURES) to improve access to employment opportunities across borders;
- to issue a Green Paper on restructuring in order to promote employment, growth and competitiveness (issued in January 2012; **EU1201041I**);
- to make proposals addressing the supplementary pension rights of people who change jobs (facilitating mobility is key to employment and job creation).

The Commission also intends to issue during 2012 a Communication on health and safety at work that will build on the EU's current strategy and on the final evaluation of the current strategy in particular in terms of:

- enhancing occupational health and safety governance at EU level, in particular the establishment of national occupational health and safety strategies and the coordination of Member States' policies;
- improving implementation of the EU legal framework;
- promoting health and safety at the workplace, by supporting the efforts of Member States through European campaigns and awareness-raising initiatives.

Employment and labour market policy

The effects of the economic crisis and the austerity measures being implemented in some Member States continued to make themselves felt on the EU's labour markets during 2011.

According to Eurostat, average unemployment levels were 9.6% across the EU27 in 2011. Although this is a slight improvement on the 9.7% rate of 2010, it is still significantly higher than the 7.1% average rate for 2008. The 2011 average figure also masks significant variations by country, ranging from 4.1% in Austria and 4.4% in the Netherlands, to 21.6% in Spain. The average unemployment was 9.5% for men and 9.7% for women in 2011. Youth unemployment has suffered the largest increase as a result of the crisis, rising from 15.8% in 2008 to 21.4% by 2011.

Below relevant labour market developments in 2011 are examined:

- the launch of the European Semester programme;
- policy aimed at reducing youth unemployment.

European Semester

The Hungarian Presidency in 2011 saw the launch of the European Semester, a new EU governance programme for economic and social policy in line with both the Stability and Growth Pact and the Europe 2020 strategy.

The European Semester covers a six-month cycle beginning in January of each year.

- In January, the European Commission publishes the Annual Growth Survey to be discussed by the European Council and the European Parliament ahead of the Spring Council in March.

- At the Spring Council, Member States identify the main challenges facing the EU.
- Member States then present and discuss their medium-term budgetary strategies through stability and convergence programmes and, at the same time, draw up national reform programmes setting out the action they will undertake in a range of areas, including employment and social inclusion. These two documents are then sent in April to the European Commission for assessment.
- The Council then issues country-specific recommendations by July, before Member States finalise their draft budgets for the following year.

An assessment of the first year of the European Semester is in essence positive. The assessment delivered in the Commission's communication 'Concluding the first European semester of economic policy coordination: Guidance for national policies in 2011–2012' (COM(2011) 400 final) concludes that the programmes presented by Member States constitute a good starting point for sustaining Europe's recovery, for addressing fiscal challenges and for driving more ambitious reforms at national level. Nevertheless, the Commission states that additional efforts are required to reach targets in a number of areas, including employment. It believes an emphasis should be placed on:

- reforming pension systems;
- tackling high unemployment and social exclusion;
- promoting flexicurity;
- boosting education and training.

The second European Semester was launched in January 2012 under the Danish Presidency of the Council.

Young workers

The ongoing economic crisis has had the most significant labour market impact on young workers: the EU-wide unemployment rate for those under the age of 25 in the EU27 was 21.4% in 2011 compared with an overall unemployment figure of 9.6%, according to Eurostat. In some countries, the young unemployment rate reached very high levels in 2011, for example, in Spain (46.4%), Slovakia (33.6%) and Ireland (28.9%).

EU policymakers are warning of a 'lost generation' if nothing is done to stimulate employment among young people. EU policy in this area centres on the flagship Europe 2020 policy 'Youth on the move'. As part of this strategy and in a bid to help young people to find work, the Commission launched in April 2011 a new initiative, entitled 'Youth@Work', an action linking business and young people. The aim of the initiative is to build contacts between young people and SMEs, both in terms of encouraging demand among SME employers for young people and promoting work in SMEs to young people. The initiative also offers information and advice to potential young entrepreneurs to help them set up their own businesses. The initiative will focus on topics such as networking, mentoring and recruitment and are being organised at job fairs across the EU from autumn 2011. The initiative also works in close cooperation with the EURES network of employment advisers and the national public employment services in each EU country.

One of the first of these events was the European Job Days Brussels, which took place on 1 October 2011 and featured a dedicated 'Create your own job' space to provide information, tools and assistance to young entrepreneurs. Other events in 2011 included the following: EURES

student days in Maastricht in the Netherlands (a cross-border event organised on 12 October 2011 in cooperation with universities in Belgium and Luxembourg); Študentska arena in Ljubljana, Slovenia on 19 October 2011; and European Job Days in Aveiro, Portugal on 22 October 2011. Further events were planned during 2012.

Legislative developments

Under the guidance of the Hungarian and Polish presidencies, progress was made during 2011 on a number of legislative proposals. These included:

- the proposal on protection of workers from electromagnetic fields;
- labour market proposals in the case of third-country nationals engaged in performing seasonal work and those performing services in the framework of an intra-corporate transfer.

Other key developments included the launch of second-stage consultations of the EU-level social partners on the revision of the Working Time Directive and the social partners' decision to enter into negotiations on this issue (see 'Working time' below).

Health and safety

Electromagnetic fields

A new proposal on electromagnetic fields was issued by the Commission in June 2011 in order to amend Directive 2004/40/EC. The directive is concerned with the exposure to significant electromagnetic fields in certain workplaces, typically where much power is consumed. The proposal aims to amend the directive in order to protect workers such as:

- doctors and nurses giving patients magnetic resonance imaging (MRI) scans;
- people working with radar;
- welders;
- workers repairing power lines.

The directive was adopted together with other measures intended to protect workers from the health effects of noise, vibration and optical radiation. However, soon after its adoption in 2004, the medical community working with MRI claimed that its activities would be hampered by the strict exposure limit values laid down in the directive. Due to these difficulties in its application and to allow time for the directive to be amended in the light of new scientific information, Parliament and Council decided at that time to delay its transposition until 30 April 2012.

Although significant progress was made in the Council's bodies during 2011, a press release issued following the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) held on 1–2 December 2011 stated that ministers felt that, given the complex and technical nature of the dossier, there was still a need for further consultations with experts on two main sets of issues:

- the way of expressing exposure limitations;
- derogation(s) to binding exposure limits.

Pregnant workers

The policy focus on maternity leave continued during 2011, with continued Council debates on the Commission proposal (COM(2008) 637 final) issued in October 2008 to amend the Pregnant

Workers' Directive, which includes a suggestion that the length of maternity leave be extended from 14 to 18 weeks. The European Parliament, in a first reading, proposed that maternity leave be extended to 20 weeks with full pay, with some flexibility for countries that already have a form of family-related leave. This was debated, but not endorsed, by EPSCO in December 2010. Debates on this issue continued during 2011 under both the Hungarian and Polish presidencies. However, EPSCO members failed to reach agreement on the text and the proposal will be debated further in 2012.

Working time

In December 2010, the European Commission launched the second stage of consultations with EU-level social partners on possible amendments to the Working Time Directive, suggesting either a 'focused' review, limited to the issues of on-call time and compensatory rest, or a wider-ranging 'comprehensive' review. This followed a first consultation of the EU-level social partners in March 2010 (EU1004011I). In November 2011, the social partners entered into negotiations on a revision of the directive (see below under 'Intersectoral social dialogue' for details).

Coordination of social security

At the EPSCO meeting on 1–2 December 2011, ministers agreed on a general approach on amendments to the coordination of social security systems regulations 883/2004 and 987/2009, thus paving the way to seeking an agreement at the first reading with the European Parliament.

The amendments aim to provide a solution in the case of wholly unemployed, formerly self-employed, frontier workers who were insured in their country of activity against unemployment and who have returned to their Member State of residence where there is no insurance against the risk of unemployment. The regulations introduce a derogation whereby the country of last activity would provide unemployment benefits to a wholly unemployed formerly self-employed person who had resided outside the competent Member State, provided there is no possibility for any category of self-employed persons to be covered by the unemployment benefits system in the country of residence.

Labour market

At the EPSCO meeting in December 2011, 'considerable' progress was made on two directives proposed by the Commission in July 2010.

The first, a proposed directive on the conditions of entry and residence of third-country nationals for the purposes of seasonal employment, would introduce a common EU admission procedure for seasonal workers and common rules on working conditions and equal treatment with EU nationals.

The second is the proposed directive on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer. This would establish a common set of rules for a new fast-track entry procedure to apply to the transfer of highly specialised staff from non-EU countries.

Social dialogue developments

This section examines the main social dialogue developments that took place during 2011 at intersectoral and sectoral levels.

Intersectoral social dialogue

The main development at intersectoral level was the opening of social partner negotiations on a revision of the Working Time Directive. In November 2011, the social partners stated that they would enter into negotiations on a revision of the directive (**EU1111051I**) and the first meeting took place in December 2011. This follows a second consultation of the European Commission on this subject (see 'Working time' above). The outcome of these talks is expected during 2012 as the social partners have nine months in which to reach agreement under Article 154 of the Treaty on the Functioning of the European Union (TFEU). However, given the diverging views of the social partners on the core issues of the opt-out, on-call working and the interpretation of ECJ judgements, it will be interesting to see whether the negotiations can succeed in finding a solution that satisfies all parties.

Sectoral social dialogue

Sectoral social dialogue remained active during 2011. A new sectoral social dialogue committee for central government administrations was set up in December 2010 (**EU1102011I**). Within the context of this new committee, employee and employer representatives from across the European Union will have the opportunity to deliver opinions, statements and documents to the European Commission on areas of European social and employment policy that may have consequences for all central government administrations at national level. This committee brings together representatives from the Trade Unions' National and European Administration Delegation (TUNED) and the European Union Public Administration Employers (EUPAE) body. The committee held meetings throughout 2011: it met in June 2011 to agree its work programme for the coming two years and held a second plenary session in December 2011.

Furthermore, in June 2011, the European Metalworkers' Federation (EMF) voted in favour of creating a new European industrial trade union federation by linking with the European Mine, Chemical and Energy Workers' Federation (EMCEF) and the European Trade Union Federation – Textiles, Clothing and Leather (ETUF-TCL) (**EU1106051I**). The move follows increasing close cooperation with other EU-level trade union federations that represent workers in these sectors and it is hoped will mean better use of resources and greater representativeness. This move is seen as a logical step, as these three EU-level trade union federations already cooperate in a number of ways and they hope to now be able to deploy resources more effectively and benefit from greater representativeness.

Eurofound carries out a regular series of representativeness studies of the main sectors. In 2011, four new studies were produced on the banking, education, commerce and public administration sectors.

The main joint sectoral texts agreed during 2011 are examined below by subject.

Sustainable development

In September 2011, European social partners in the chemical sector adopted a declaration aimed at strengthening the European chemical industry and finding ways for this sector to address issues such as food shortages, emissions, and the need to save energy and protect the environment (**EU1109031I**). The agreement on framework conditions for a sustainable chemical industry is based on recommendations the High-Level Group issued in 2009 on the competitiveness of the chemical industry. This is a voluntary agreement aimed at promoting and reinforcing the European chemical industry, with the aim of developing the industry and raising its employment levels across the EU. The signatories to the agreement have also said that they want to undertake a feasibility study to assess whether their industry needs a European sector skills council. They also want to achieve a higher degree of coordination between the social dialogue in the chemical industry at EU level and the sectoral social dialogues taking place at national level.

Training and skills development

In April 2011, the EU-level social partners in the chemical sector – the European Chemical Employers Group (ECEG) and EMCEF – signed the first framework agreement of its kind in the sector on training and job competences. The agreement, an autonomous initiative, covers employees in the sector in all 27 EU Member States and aims to ensure conformity of competences in the EU. Social partners hope this will be a foundation for sustainable growth and help businesses and workforces through the economic crisis. The agreement states that in order to increase competitiveness and ensure high standards of health and safety in the chemical sector, it is crucial to ensure all workers in the sector are highly skilled. An effective way of doing this is to ensure an equal quality and value of qualifications in the sector. The agreement aims to achieve this and also to increase the number of skilled workers in the sector. In particular, this agreement seeks to provide a framework concerning competence profiles for two key roles – process operator and first line supervisor. Competence profiles for these two roles are appended to the agreement. This agreement is being seen as a strong example of how trade unions and employers in the chemical sector have worked to help businesses and workforces through the global economic crisis and build a platform for sustainable growth for the future.

Gender equality

In October 2011, the social partners represented in the EU Audiovisual Sectoral Social Dialogue Committee adopted a framework of actions on gender equality. On the employers' side, these are the:

- Association of Commercial Television in Europe (ACT);
- Association of European Radios (AER);
- European Broadcasting Union (EBU);
- European Coordination of Independent Producers (CEPI);
- International Federation of Film Producers Associations (FIAPF).

On the workers' side, there are the:

- European region of the Media, Entertainment and Arts sector of UNI Global Union (EURO-MEI);
- European Federation of Journalists (EFJ);
- International Federation of Actors (FIA);
- International Federation of Musicians (FIM).

The agreement covers gender portrayal, addressing gender roles at work, equal pay, equality in decision-making, and the reconciliation of work and personal life (**EU11110411**).

Overview of sectoral joint texts

An overview of the main joint opinions concluded by the sectoral social partners in a range of sectors during 2011 is given in Table 18.

Table 18: Main sector-level joint texts concluded in 2011

Title	Topic	European social dialogue committee	Type	Date
Investing in the future - A joint declaration on education, training and research	Education and training	Education	Joint declaration	18 January 2011
General remarks on the 'Green Paper towards adequate, sustainable and safe European pension systems' of the European Commission	Pensions	Chemicals	Joint opinion	31 January 2011
Employability in the face of demographic change – Prospects for the European rail sector	Labour market/skills	Railways	Joint report	24 February 2011
Joint declaration on good practice guidelines 'Good work – Good health: Improving the mental well-being of workers within the telecommunications sector'	Health and well-being at work	Telecommunications	Joint declaration	2 March 2011
Attracting people to the educational pathways that lead to the metal, engineering and technology-based industry	Education	Metalworking	Joint text	14 March 2011
EPSU – HOSPEEM contribution to public consultation on the Directive on the Recognition of Professional Qualifications	Professional qualifications	Hospitals and healthcare	Joint opinion	23 March 2011
Statement on the revision of the Ground Handling Directive	Market regulation and employment	Civil aviation	Joint opinion	7 April 2011
European framework agreement on competence profiles for process operators and first line supervisors in the chemical industry	Competences	Chemicals	European framework agreement	15 April 2011
Joint CEEMET-EMF statement on the Commission Communication on 'Industrial policy for the globalisation era'	Economic and/or sectoral policies	Metalworking	Joint statement	15 April 2011
Mobility information services for artists and culture professionals – Culture Council 19–20 May	Mobility	Live performance	Joint statement	28 April 2011
AEA/ECA/ETF joint position on the social security regime applicable to air crews	Social security	Air transport	Joint position	8 June 2011
IRU/ETF joint statement on parking along Europe's road transport network	Parking areas and rest facilities	Road transport	Joint statement	5 July 2011
Opinion on the problems currently facing the fishing industry in Europe	Economic and/or sectoral policies	Sea fisheries	Joint opinion	9 September 2011
EPSU–HOSPEEM response to the European Commission's Green Paper on reviewing the Directive on the recognition of professional qualifications 2005/36/EC	Professional qualifications	Hospitals and healthcare	Joint position	20 September 2011
Permeability between vocational education and training and higher education	Education and training	Metalworking	Joint position	27 October 2011
Framework of actions on gender equality	Gender equality	Audiovisual	Joint position	27 October 2011
Joint statement on the role of the European social dialogue in the implementation of the Single European Sky	Economic and/or sectoral policies	Civil aviation	Joint statement	17 November 2011
European autonomous agreement on the content of initial training for cash-in-transit staff carrying out professional cross-border transportation of euro cash by road between euro-area Member States	Training	Private security services	European autonomous agreement	24 November 2011
Tool-box for recovering and strengthening competitiveness and safeguarding sustainable employment in the European MET industry	Employment and competitiveness	Metalworking	Joint report	30 November 2011
Security and safety in the nuclear industry	Health and safety	Electricity	Joint position	6 December 2011
Energy roadmap 2050	Economic and/or sectoral policies	Gas	Joint position	9 December 2011
Towards equal pay between men and women	Equal pay	Central government administrations	Joint declaration	20 December 2011

Source: European Commission

European industrial relations at company level

European works councils

On 6 June 2011, the 30 European Economic Area (EEA) Member States were due to implement the 'recast' the European Works Councils Directive (2009/38/EC) (**EU0901029I**) although, according to data from the European Commission, only 14 countries met this deadline. The recast directive strengthens the role and rights of European works councils (EWCs) in a number of areas. In particular, it:

- reinforces and more clearly defines the information and consultation rights of EWCs;
- links and more clearly differentiates the information and consultation of EWCs and of national bodies, providing a new definition of 'transnational matters' covered by EWCs;
- gives a greater role to trade unions;
- entitles EWC members to training without loss of pay;
- contains rules on adapting EWCs to structural change in the multinational concerned.

A number of companies negotiated new EWCs in 2011. For example, Takeda Pharmaceutical, a multinational pharmaceutical company based in Japan, signed an agreement establishing an EWC in May 2011 (**EU1109011I**). This was one of the last EWCs to be established before the 'recast' directive took effect. However, it appears to reflect many of the provisions set out in the new directive that reinforce the information and consultation rights of the councils and more clearly set out the transnational matters covered in the agreement.

Overall, now that the new directive has taken effect, an upswing in the conclusion of new agreements may be anticipated, containing the stronger provisions that have already been pioneered in cases such as Takeda. According to the latest data from the European Trade Union Institute (ETUI), including Takeda, a total of six companies created EWCs in 2011. These are Cemeter Group (building and woodwork sector), REPower Systems SE (energy sector), San Benedetto (food and drink sector), ST-Ericsson (IT manufacturing) and Ter Beke (food and agriculture sector).

Employee involvement

In February 2011, three European-level trade union federations representing manufacturing workers (EMF, EMCEF and ETUF-TCL) agreed on a joint strategy to achieve stronger worker involvement in multinational companies (**EU1106041I**). This joint approach was triggered at least in part by the revised European Works Councils Directive. The three federations stated that they want companies to find better ways to anticipate and manage change to minimise the negative impact it can have on employees.

The drawing up of a dedicated joint strategy is an important development in the area of worker involvement, especially as these three trade union federations represent important manufacturing sectors that are all undergoing restructuring and are faced with continuous job losses.

International framework agreements

International framework agreements concluded during 2011 included the worldwide agreement on stress between Danone and the International Union of Food Workers (IUF), signed in September 2011. This was the first worldwide agreement on health, safety, working conditions and stress within the agro-food sector. It is also the first agreement to extend a stress prevention policy worldwide (**EU1110031I**). The agreement lays down principles that must be respected by each company in the

Danone Group, based on mandatory consultation between management and staff representatives. In the agreement, Danone states that it wants to include stress and psychosocial risks in its company health policy. The agreement sets a general framework that must be adapted to each country to prevent, detect, avoid and treat cases of stress at work.

Restructuring is an issue that has continued to be pertinent during 2011, both at EU policy level and at company level. Among the companies that have been trying to put a framework into place that governs restructuring is the energy group Alstom, which in February 2011 signed its second European framework agreement with the EMF (**EU1104021I**). The agreement deals with the restructuring process being carried out by the company, which has 93,500 employees. Alstom announced 4,000 job cuts at the end of 2010, (see ERM fact sheet, 4 October 2010), and in March 2011, the loss of a further 1,380 positions in its transport division (see ERM fact sheet, 22 March 2011).³ Alstom states that it plans 'to adapt its capacity to this situation [...] and to avoid redundancies as much as possible'. The agreement proposes a list of measures to avoid redundancies such as developing internal mobility within the group, helping employees to retrain, implementing short-time work and developing part-time work.

Similarly, in November 2011, the French global insurance group AXA concluded a group-level European framework agreement on anticipating change in the industry (**EU1110041I**). The agreement contains a set of nine principles, originally adopted in 2004, to guide the European subsidiaries of the AXA Group in managing the process of organisational change. The agreement also creates a European Skills and Employment Observatory to map the main jobs in the company and to think about how they are likely to evolve.

Corporate social responsibility

The year 2011 also saw new policy developments in the area of corporate social responsibility (CSR), with the Commission launching a Communication on this issue in October 2011 (COM(2011) 681 final) (**EU1111011I**). The Commission has been looking at this issue for the past decade and this latest Communication is intended to build on its 2001 Green Paper on CSR (COM(2001) 366 final) and its 2006 Communication on CSR (COM(2006) 136 final) The Communication also fulfils a commitment made in the Europe 2020 strategy to promote CSR.

The Commission states that, although progress has been made in the years since its 2006 Communication, much remains to be done. For example, it states that many EU companies have not yet fully integrated social and environmental concerns into their operations and core strategy. There are also accusations that a small minority of European enterprises do not observe human rights principles and fail to respect core labour standards, and that only 15 out of the 27 Member States have national policy frameworks to promote CSR.

The Commission proposes a range of actions to improve the implementation of CSR principles, including the creation of multistakeholder CSR platforms in a number of relevant industrial sectors in 2013, so that enterprises, their workers and other stakeholders can make public commitments on the CSR issues relevant to each sector and jointly monitor progress. A review meeting of overall progress in relation to CSR will be held in 2014.

³ ERM fact sheets are available as part of the 'Restructuring events database' available at <http://www.eurofound.europa.eu/emcc/erm/index.htm>.

Other EU-level developments

Pensions

Within the context of an ageing population, pension provision is one of the most pressing social issues faced by the EU. Key issues include pension funding, portability of supplementary and occupational pensions, retirement age and quality of life in retirement. In order to discuss these types of issues, the Commission issued a White Paper on adequate, safe and sustainable pensions in February 2012. The White Paper examines the following aims:

- to create better opportunities for older workers by calling on the social partners to adapt workplace and labour market practices;
- to develop complementary private retirement schemes by encouraging social partners to develop such schemes and encouraging Member States to optimise tax and other incentives;
- to enhance the safety of supplementary pension schemes;
- to make supplementary pensions compatible with mobility through legislation protecting the pension rights of mobile workers and by promoting the establishment of pension tracking services across the EU;
- to encourage Member States to promote longer working lives by linking retirement age with life expectancy, restricting access to early retirement and closing the pension gap between men and women;
- to continue to monitor the adequacy, sustainability and safety of pensions and support pension reforms in the EU.

It is the intention that these issues will be discussed further throughout 2012 and 2013.

Social inclusion

The reduction of poverty and social exclusion is one of the policy planks of the Europe 2020 strategy, which contains a target of bringing at least 20 million people out of poverty and exclusion by 2020. Overall, it is estimated that:

- 80 million people in the EU (16% of the population) live on less than 60% of their country's average household income;
- 19% of children in the EU are currently in or at risk of poverty;
- 17% of Europeans suffer from material deprivation (that is, their living conditions are severely affected by a lack of resources);
- welfare systems reduce the risk of poverty by 38% on average in the EU, but this impact varies from less than 10% to nearly 60% across the EU.

As part of the EU's coordinated policy response to reducing poverty and social exclusion, the first annual convention of the European platform against poverty and social exclusion was held in Kraków, Poland, in October 2011 to discuss whether the EU was reaching its targets, particularly in the area of lifting at least 20 million people out of poverty by 2020. The participants held discussions that showed that the targets have been seriously compromised as a result of the economic crisis and

austerity measures. However, there was a view that EU Member States could and need to do more. The convention concluded that:

- there is a need for a common European benchmark for action to combat poverty;
- there is a need to focus on poverty affecting children;
- the three pillars of active inclusion (active labour market policies, minimum income and access to services) should be promoted through social innovation;
- there is need to promote healthy, active ageing;
- more attention should be given to the social and economic inclusion of disadvantaged groups, and in particular Roma and young people not in employment, education or training (NEET).

The convention conclusions were presented to EPSCO on 1 December 2011.

Another plank of the EU's social inclusion strategy is the reduction of in-work poverty; it is estimated that around 17 million workers in the EU are poor. In February 2011, the European Commission published the report *In-work poverty and labour market segmentation in the EU: Key lessons* containing suggestions on how progress can be made on this issue. The report is based on a series of national reports by the Network of Independent Experts on Social Inclusion produced to assist the Commission in the monitoring of social inclusion policies. The report concludes that progress needs to be made in four main areas:

- raising public awareness and political priority;
- enhancing data and analysis;
- improving monitoring and reporting;
- enhancing the mainstreaming of social inclusion goals in economic and employment policies.

To achieve progress in these areas, the report makes 12 proposals for action at country and/or EU level.

Health and safety for atypical workers

The issue of the health and safety of workers on fixed-term and temporary contracts was examined in a European Commission report on the topic published in July 2011 (SEC(2011) 982 final) (EU11090411). This report focuses on the impact of Directive 91/383/EEC on improving the safety and health at work of those with a fixed-term or temporary contract. The report states that, although there is an overall lack of data on work-related accidents and illnesses for fixed-term and temporary workers, the information available nevertheless appears to confirm that these workers are still comparatively more exposed to occupational health and safety risks than workers on open-ended contracts.

Although the transposition of the directive has afforded temporary and fixed-term workers the same legal rights as other workers, from the point of view of the practical implementation of the directive, the report notes that it is 'questionable whether this legal solution has always been sufficient to afford workers the same level of protection regarding health and safety at the workplace'.

The Commission states in the report that it will continue to pursue the objective of creating favourable conditions for improving the health and safety of fixed-term and temporary workers.

Stress at work

Work-related stress is an issue that remains a concern for policymakers in the occupational health area. The EU-level social partner *Framework agreement on work-related stress* has been a focal point for policymakers and practitioners in this area since it was concluded in October 2004 as an autonomous agreement under Articles 154–155 of the TFEU. In February 2011, the European Commission issued an evaluation report of the agreement in which it examines the implementation of the agreement in individual EU Member States (SEC(2011) 241 final) (**EU11020511**). This report shows that the agreement has been implemented by a range of means including national collective agreements, agreements on recommendations, guidance and the development of practical tools or surveys.

The Commission therefore concluded that a set of principles and rules on managing the issue of stress is now in place in most Member States, either through legislation or through binding collective agreements, and in others the social partners have concluded voluntary agreements or joint guidelines with a substantial joint effort to promote awareness raising and follow-up. Nevertheless, the report states that the implementation of the agreement is uneven across the EU and that there are some shortcomings in terms of gaps in implementation, follow-up, and in some cases, a complete lack of information on implementation.

The Commission further concluded that there is room for improvement, both at national and EU level, in areas such as extending protection and developing adequate responses to the challenge of work-related stress. Furthermore, the Commission believes that implementation of the agreement has not yet ensured a minimum degree of effective protection for workers from work-related stress throughout the EU and therefore all stakeholders need to consider further initiatives to ensure that this goal is achieved.

At company level, the first worldwide agreement on health, safety, working conditions and stress within the agro-food sector was concluded in September 2011 between Danone and the International Union of Food Workers (see above under ‘International framework agreements’).

Flexicurity

Flexicurity remains a concept that is central to the EU’s approach to the labour market, work organisation and skills and competence development. A high-level stakeholder conference was held in Brussels on 14 November 2011 to debate these issues. The conference provided a forum for EU institutions, EU countries and social partners to share their past experience of flexicurity and to explore ways to adapt flexicurity to the current institutional and economic context. The conference gathered views on the success and shortcomings of flexicurity policies so far, in addition to discussing the following two issues:

- flexicurity policies in a context of tight budgetary constraints;
- governance for a better balance between flexibility and security.

The closing session focused on a proactive vision of flexicurity.

The Commission had intended to follow up on this issue during 2012 by issuing a Green Paper on flexicurity.

Research commissioned by Eurofound in autumn 2010 into flexicurity policies at company level in six EU Member States (the Czech Republic, France, Germany, Italy, Slovenia and the UK) focused on

case studies of how companies have implemented flexicurity policies in the case of young workers, older workers and women. The final report *Flexicurity: Actions at company level* was published in 2012.

Restructuring

In 2011, high levels of restructuring occurred again as employers continued to deal with the impact of the crisis. Whereas the first wave of the crisis had the greatest impact on manufacturing and construction, sectors such as retail, services and public services began to feel the impact during 2011.

Eurofound's European Monitoring Centre on Change (EMCC) monitors restructuring developments and reports regularly on key issues and trends. The *ERM quarterly – Winter 2011* found that, there were 257 reported cases of restructuring during the fourth quarter of 2011, of which 169 were cases of announced restructuring involving job loss and 86 were cases involving announced creation (two cases involved both job loss and job gain). The total number of announced job losses was around 112,000 while the total number of announced jobs created was only around 45,000. The largest single restructuring event of the quarter was the announcement in October 2011 of a loss of 30,000 workers across the Greek civil service.

In January 2012, the Commission issued a Green Paper on restructuring and anticipation of change, inviting responses before 30 March (**EU1201041I**). The Green Paper was accompanied by a staff working document on restructuring developments during 2011 (SEC(2012 59 final).

The Commission had made a commitment to issue a policy paper on the issue of restructuring, following a lack of social partner actions following on from their 2003 joint text on managing change and its social consequences. The Commission feels that the 2003 text was not a sufficient response as it was never ratified by the ETUC and does not include any mechanism to ensure its implementation.

Developing skills and competences

Skills and competence development remains a central part of EU labour market policy, with actions largely channelled through the flagship Europe 2020 policy 'Agenda for new skills and jobs'. At the beginning of April 2011, the Commission issued a guide to the agenda, which states that the agenda aims to contribute to improving the functioning of Europe's labour market. The guide outlines a total of 13 actions designed to:

- increase job flexibility and security;
- provide incentives to invest in training;
- ensure decent working conditions;
- facilitate job creation.

In the area of skills development in particular, the guide states that it is vital to develop a skilled workforce capable of contributing and adjusting to technological change with new patterns of work organisation. It recognises that this is a considerable challenge given the rapidly changing skills needed and the persistent skills mismatches in the EU labour market. However, it argues that investment in education and training systems, anticipation of skills needs, matching and guidance services are fundamental tools that can be used to raise productivity, competitiveness, economic growth and ultimately employment.

Overall, the EU is committed to improving education levels by:

- reducing school drop-outs to 10% or less;
- increasing completion of tertiary or equivalent education to at least 40% in 2020.

It notes further that the potential of intra-EU mobility and of third-country migrant inflows is not fully utilised and insufficiently targeted to meet labour market needs, despite the substantial contribution of migrants to employment and growth.

Skills development is also a key plank of policy to mitigate the negative impacts of restructuring, as this can help to develop a flexible workforce with a range of transferable skills, thus increasing employability. In September 2011, the European Commission issued a report, *Transferability of skills across economic sectors*, that examines:

- the role of transferable skills in career pathways and the labour market;
- levels of skill transferability across sectors in the current context and during the years leading up to 2020;
- the roles of the actors involved in promoting transferability and methods for enhancing job mobility.

The report makes a series of recommendations and also contains a range of good practice examples.

Gender equality

Gender equality is a key element of EU social, employment and inclusion policy. In September 2011, the Commission organised a conference on equality between women and men in Brussels to debate relevant issues. The conference aimed to:

- explore the causes and consequences of the slow progress in advancing gender equality;
- identify ideas and initiatives that could give new impulses for achieving gender equality within the context of the crisis.

In particular, the conference focused on the following three elements:

- legislation and in particular proactive legislation that included positive duties on key stakeholders to take action;
- awareness campaigns and in particular campaigns that challenged stereotypes, models of masculinity and attitudes to gender equality;
- funding and investment in gender equality with a particular emphasis on the need for a gender dimension in the multi-annual financial perspective.

Women on company boards

One of the most prominent issues in relation to gender equality during 2011 was that of the presence of women on company boards. According to the European Commission's database on women and men in decision-making, only 12% of the members of the boards of directors of the EU's 600 largest publicly quoted companies' boards and 3% of the boards' chairs in 2010 were women. Around a third of the companies had no female board members. The Commission also found that the share of female board members in the EU increased by just over half a percentage point per year over the past seven years. At the current rate of progress it will take another 50 years before there is a 'reasonable gender balance' (at least 40% either of men or women) on company boards.

The Commission therefore stated in its 2010–2015 gender equality strategy that it would address the gender imbalance in business decision-making through targeted initiatives. In March 2011, Viviane Reding, Commissioner for Justice, Fundamental Rights and Citizenship, met chief executives and board chairs from major companies to discuss how to achieve greater representation of women in top jobs. The Commission also held a ‘mini-hearing’ on the subject with the EU-level social partners. Commissioner Reding then called on publicly listed companies to sign a ‘women on the board pledge’ by March 2012, making a voluntary commitment to increase women’s presence on their boards to 30% by 2015 and 40% by 2020 by actively recruiting qualified women to replace outgoing male board members.

The Commission planned to assess in March 2012 whether there has been significant progress and whether ‘credible’ self-regulatory initiatives have been developed to increase women’s participation. If not, it will consider proposing EU legislation on the issue.

In the meantime, the European Parliament has gone further: in July 2011, it adopted a resolution on ‘women and business leadership’, which calls for a binding quota for women’s representation on company boards if rapid progress is not made. The resolution invites the Commission to present comprehensive current data on female representation in all types of companies, and on the obligatory and non-obligatory measures taken by the business sector and governments aimed at increasing women’s representation. If the action taken by companies and Member States is found to be inadequate, the Parliament calls on the Commission to propose legislation, including quotas, by 2012. In its 2012 work programme, the Commission states that it will issue a recommendation on this issue in 2012.

Equal pay

Reducing the gender pay gap, which was calculated to be 17.6% in 2007, is one of the priorities of the EU’s equality policy.

To support its actions in this area, the Commission has launched a series of actions on the gender pay gap in the form of national events aiming to disseminate information to employers and employees on the pay inequalities that exist between women and men, and why closing the gap makes sense for everyone. The first event was the Sixth Economic Forum of Young Leaders held on 7 September 2011 at Nowy Sącz in Poland. Attended by more than 300 young people from over 30 countries, the event provided an opportunity for participants to discuss the current and upcoming challenges Europe is facing, with an emphasis on those affecting young people. Further events were scheduled in 17 EU Member States during 2011 and early 2012.

The 2010 Eurofound report, *Addressing the gender pay gap: Government and social partner actions*, provides a review of government and social partner actions to reduce the gender pay gap in the EU.

European Court of Justice cases

There were a number of important European Court of Justice (ECJ) cases in 2011 relating to employment, industrial relations and working conditions, covering the following areas:

- calculation of paid annual leave;
- carrying forward of annual leave during sickness absence;
- application of compulsory retirement age.

Calculation of paid annual leave

In the case of *Williams & Others v British Airways* (Case C-155/10), the ECJ ruled on 15 September 2011 that payment for annual leave cannot be based on basic pay alone.

Sally Williams and other pilots at British Airways had three elements to their pay:

- basic pay;
- a flying pay supplement, which varied according to the time spent flying;
- an allowance relating to time away from base, some of which is treated as remuneration.

However, British Airways calculated pay for annual leave on basic pay only. The claimants argued that all elements of their pay should be included in this calculation and that their pay during annual leave should correspond to their pay while at work. The Aviation Directive (2000/79/EC) and the UK implementing regulations provide a right to paid annual leave but give no guidance on how payment should be calculated. The ECJ was therefore asked whether the two directives required pay at any particular level, and if so, at what level and how it should be calculated.

The ECJ ruled that the phrase 'annual leave' means that a worker should receive their 'normal remuneration' for the period of rest, which means the worker should be put in a position as regards pay which is 'comparable to periods of work'. Therefore, it was not sufficient to pay only basic pay during annual leave, although there remains some uncertainty about what exactly is covered by the phrase 'normal remuneration' in cases where pay is composed of a number of different elements. It also stated that paid annual leave means the same for crew members in the civil aviation sector who are subject to sector-specific regulations as for workers whose paid annual leave is governed by Article 7 of the Working Time Directive (2003/88/EC).

Commentators note that this case has implications outside the aviation sector for those whose working time is governed by other sector-specific regulations and for the calculation of annual leave payment under the Working Time Regulations where currently payments such as non-contractual but regularly paid overtime payments are excluded.

Annual leave during sickness absence

In the case of *KHS AG v Schulte* (Case C214/10), the ECJ ruled on 22 November 2011 that annual leave could not be carried forward indefinitely in the case of long-term sickness absence, imposing a 15-month limit.

Winfried Schulte was absent from work due to ill-health from January 2002 until his employment was terminated on 31 August 2008. In March 2009, he brought legal proceedings against his employer for pay in lieu of annual leave untaken during 2006, 2007 and 2008. Under German law, workers are entitled to at least 24 days' annual leave each year which must be taken in the current calendar year. Pay in lieu of leave is only permitted on termination of employment. Carry forward of leave is permitted where there are operational grounds or 'compelling reasons relating to the worker', but any leave carried forward must be taken in the first three months of the following calendar year. German law also permits derogation via collective agreement and Mr Schulte's employment was subject to such an agreement, which provided that entitlement to any leave that could not be taken because of illness would lapse 15 months after the end of the calendar year in which it accrued.

The ECJ was asked to rule on whether long-term absentees continue to accrue holiday indefinitely or if there comes a point in time when accrued annual leave entitlement may lapse. The ECJ decided that a worker who is unfit for work for several consecutive years and who is prevented by national law from taking paid annual leave during that period cannot have the right to accumulate, without any limit, entitlement to paid annual leave acquired during that period. It stated that the carryover period of 15 months that applied in Mr Schulte's case could reasonably be applied as a limit on the carryover of annual leave.

Age discrimination: compulsory retirement age

In *Fuchs v Land Hessen* (Case C-159/10), the ECJ ruled on 21 July 2011 that imposing a compulsory retirement age can in some circumstances be justified.

Gerhard Fuchs was a prosecutor in the German legal system and subject to a retirement age of 65 years, with the option to request an extension to 68 years (if this proved to be in the interest of the employer). His request to work beyond retirement was rejected, which he alleged was discriminatory on grounds of age. The German court considered that this may be contrary to EU anti-discrimination law and driven by budgetary savings.

The ECJ ruled that it is a legitimate aim for an employer to impose the compulsory retirement age to achieve 'a balanced age structure among their workforce, enable staff planning, encourage the recruitment and promotion of young people, and avoid performance disputes with older workers'. In addition, the court also stated that EU Member States could refer to budgetary constraints when justifying retirement age if considered alongside other factors such as social, political or demographic issues, but that budget alone should not be considered a legitimate aim.

Annex: Country groups and codes

Country groups

EU15 15 EU Member States before May 2004 (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom).

NMS 12 New Member States that joined the EU in May 2004 (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) and in January 2007 (Bulgaria and Romania).

EU27 27 EU Member States, comprising the EU15 and the 12 New Member States.

Country codes

Country code	Country name
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
NO	Norway
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
UK	United Kingdom

European Foundation for the Improvement of Living and Working Conditions

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This annual review describes the developments in industrial relations and working conditions in 2011 in the EU Member States and Norway, at both national and EU level, with a focus on the economic situation and responses to it. The report describes the current economic situation in EU Member States and highlights relevant political and legislative developments in individual countries. It describes labour market trends in Europe and developments in career and employment security, health and well-being at work, skills development and work-life balance. It also examines changes in the organisation and role of social partners, developments in collective bargaining (at cross-sectoral, sectoral and company levels), working time, pay developments, social dialogue developments, industrial conflicts and company restructuring in 2011. At European level, the report summarises the main events over the course of 2011, charting trends in European social policy, employment legislation and social dialogue.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite EU body, whose role is to provide key actors in social policymaking with findings, knowledge and advice drawn from comparative research. The Foundation was established in 1975 by Council Regulation EEC No 1365/75 of 26 May 1975.

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