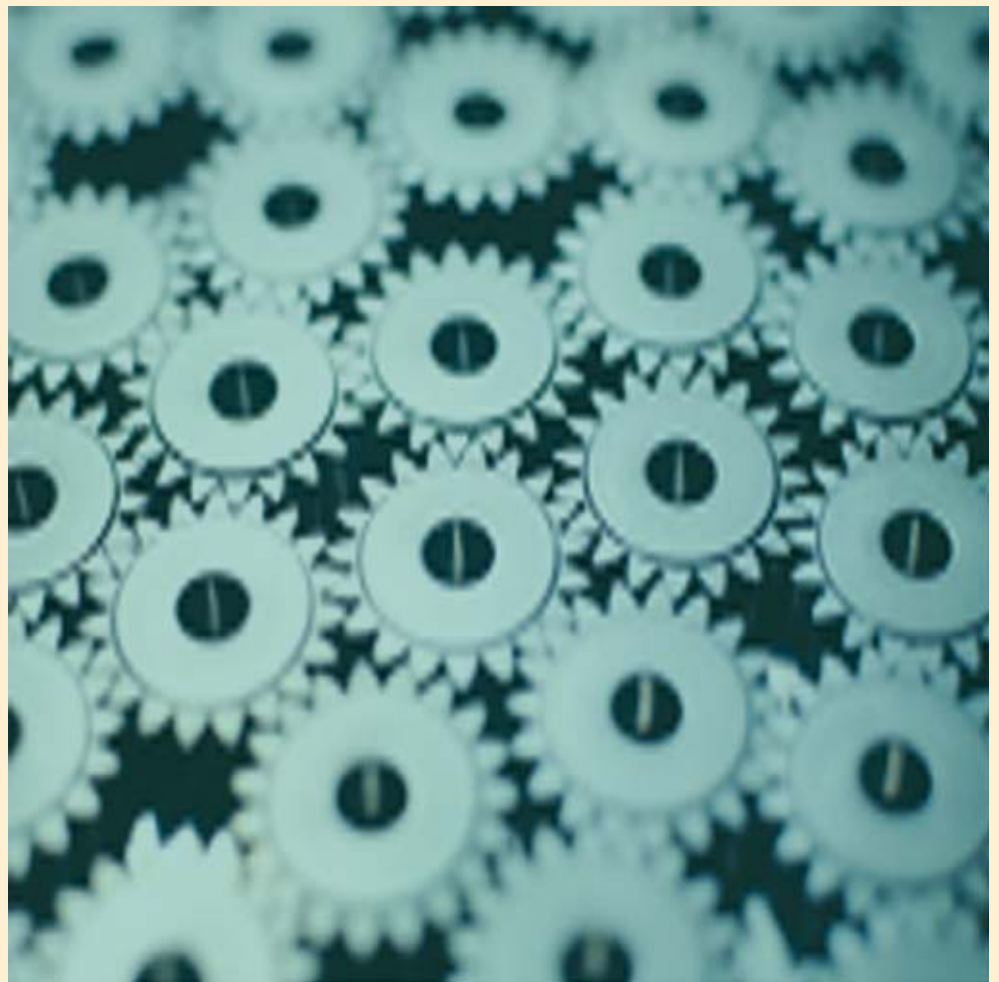




European Foundation for the Improvement of Living and Working Conditions

Industrial relations developments in Europe 2006



eiro CELEBRATING
10 YEARS

Industrial relations developments in Europe 2006

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Foreword

During 2006, ongoing integration of the 10 new Member States and preparations for the entry of Bulgaria and Romania to the European Union in January 2007 continued to set new challenges for industrial relations, particularly in the area of social dialogue. The designation of 2006 as *European Year of Worker Mobility* gave a sharp focus to activities involving cross-border mobility across all Member States.

This report, *Industrial relations developments in Europe*, provides a comparative overview of the most significant industrial relations developments at national level during 2006 and reviews the year's main activities in European social dialogue and employment legislation and policy. It examines the key issues covered by collective bargaining – pay, working time, job security, training, and equal opportunities – and also looks at developments in the area of social partner activity and industrial action. In particular, it highlights the issues of cross-border mobility and reconciliation of work and private life.

The final chapter is devoted to the theme of gender and career development, exploring occupational and sectoral segregation at the workplace, to what extent career patterns are changing in response to restructuring of work organisation, and factors hindering women's attainment of managerial positions. Also, it examines whether social partners perceive gender and career development to be an important focus of action.

We trust the report will provide a timely contribution to debate on these issues.

Jorma Karppinen
Director

Willy Buschak
Deputy Director

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Introduction

In its tenth year of activity, the European Industrial Relations Observatory (EIRO) remains a reliable and up-to-date source of news and comparative information on industrial relations developments and trends for the key actors in the field of European social dialogue. The information that EIRO publishes is supplied by a network of correspondents in each Member State and in Norway and at the EU level. This annual review examines the developments in the 27 Member States, Norway and EU-level industrial relations in 2006, with a particular focus on career development from a gender perspective.

The first chapter draws on contributions from the network to look at relevant political and legislative developments, 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 focuses in particular on developments in terms of workers' mobility, including the posting of workers between and into EU countries. It also looks at developments in collective bargaining and legislation concerning the reconciliation of work, family and private life.

The second chapter reports on the main developments in social dialogue at European level over the course of 2006, charting trends in collective bargaining and industrial action and focusing on the issues of cross-border worker mobility and reconciliation of work and private life. The third chapter explores the topic of gender and career development. Based on a comparative study carried out by EIRO in 2006, the research examines changes in the workplace and barriers to achieving equality.

The annex presents a profile of industrial relations in each Member State, providing a snapshot of the main industrial relations elements of each country. These fact files, together with more detailed information on the state of play, actors, processes and outcomes, are available on the EIRO website at http://www.eurofound.europa.eu/eiro/country_index.html. It is planned to update these profiles on a regular basis.

Comparative overview of industrial relations

This chapter reviews the main developments in industrial relations across the 25 EU Member States, the two acceding countries Bulgaria and Romania, plus Norway, in 2006. It first sets out the political context, and then examines the main collective bargaining trends on pay, working time and other topics. It also looks at the main developments in employment legislation, the organisation and role of the social partners, and industrial action. Finally, it puts the spotlight on the industrial relations aspects of cross-border labour mobility and the reconciliation of work, family and private life.

Political developments

2006 was a busy electoral year across Europe (see Table 1). National general elections were held in Austria, Cyprus, the Czech Republic, Hungary, Italy, Latvia, the Netherlands, Slovakia and Sweden. These elections resulted in significant changes of government in Austria, the Czech Republic, Italy, Slovakia and Sweden (no new administration had been formed by the end of the year in the Netherlands following the election in November). Furthermore, new governments took office in Lithuania and Poland without a general election.

The change of government has had, or is likely to have, industrial relations implications in a number of cases. This is very clearly the case in Sweden, where the new Alliance for Sweden centre-right administration (Allians för Sverige) is seeking to cut unemployment by reducing employment costs and increasing the incentives for unemployed people to find jobs. Controversially, it is reforming the (largely trade union-run) unemployment insurance funds and unemployment benefits.

In Italy, the move was in the opposite direction, from the centre-right to the centre-left. The new Unione coalition government has sought to improve relations with the social partners – in particular with trade unions. Comparing it to its predecessor, commentators see the new administration as being more oriented towards a dialogue-based and tripartite approach to industrial relations. This, it is argued, has made it possible for national social dialogue to restart and important national collective agreements to be renewed, following some delays.¹

A significant shift in approach has also been seen in Slovakia, where the new government led by the left-leaning Smer-SD party is placing great emphasis on social reforms and the development of a welfare state. This includes changes in labour legislation and a strengthening of trade unions' position in social dialogue (SK0609019I).¹

The programme of Austria's new social democrat-conservative 'grand coalition' government calls on the social partners to agree on a national minimum pay rate of €1,000 per month and provides for the introduction of a 'basic cover' minimum income scheme for unemployed people and retirees (AT0612029I). In the Czech Republic, the new centre-right government, which was still struggling for parliamentary support at the end of 2006, unsuccessfully attempted to postpone implementation of a new Labour Code that its centre-left predecessor had adopted with trade union support

¹ The text of this report contains numerous references (e.g. EU0601202N) to records on the EIROnline website, which provide more detailed information on the issues in question. They can be accessed at <http://www.eurofound.europa.eu/eiro> by simply entering the reference into the Search field.

(CZ0610029I). Lithuania's new minority centre-left coalition seems to be in favour of a stronger role for social dialogue in national economic and social policy (LT0608029I). The government re-elected in Hungary announced a comprehensive austerity package of tax measures and reform proposals, which were rejected by the social partners and the opposition. The political conflict escalated and reached a deadlock, following heated disputes among the major parliamentary parties and a series of violent demonstrations (HU0610039I).

Aside from elections and new governments, industrial relations and employment issues were prominent in national politics in 2006 in countries such as Denmark (where the issues of adult and continuing training, the impact of economic globalisation and the future of the welfare state featured strongly), Finland (the future of the country's tripartite cooperation system), France (a controversial flexible 'first job' contract for young people, which was ultimately repealed) Greece (the relaxation of labour legislation as part of economic and public sector reform), Ireland (employment rights), the Netherlands (social security and immigration), Norway (sick pay) and Slovenia (a planned flat tax rate, opposed by unions and ultimately abandoned).

Table 1 Political situation in the EU Member States, Bulgaria, Romania and Norway, 2006

Austria	A general election was held in October 2006, resulting in defeat for the ruling coalition government of the conservative Austrian People's Party (Österreichische Volkspartei, ÖVP) and the populist Alliance for the Future of Austria (Bündnis Zukunft Österreich BZÖ). The Social Democratic Party (Sozialdemokratische Partei Österreichs, SPÖ) became the largest single party in parliament, winning 35.3% of the vote (down 1.2 percentage points on the previous election in 2002), followed by the ÖVP with 34.4% (down 8 points), while the BZÖ only just passed the 4% threshold required for parliamentary representation. Following lengthy negotiations, an SPÖ-ÖVP 'grand coalition' government was formed under new Chancellor Alfred Gusenbauer (SPÖ) in January 2007.
Belgium	No federal elections were held in 2006 and the liberal-socialist coalition government of the French-speaking Reform Party (Mouvement réformateur, MR), the Flemish Liberals and Democrats (Vlaamse Liberalen en Democraten, VLD), the French-speaking Socialist Party (Parti Socialiste, PS) and the Flemish Socialist Party (Socialistische Partij, SP) remained in office. A general election is due to be held in June 2007. In October 2006, local and provincial elections took place: in Flanders, the Christian Democratic Party of Flanders-New Flemish Alliance (Christen-Democratische en Vlaamse politieke-Nieuw-Vlaams Alliantie, CD&V-NV.A) maintained its position as the largest party, while the VLD lost votes and the far-right Flemish Interest (Vlaams Belang, VB) gained support. In Wallonia, the PS remained the largest party, despite a significant fall in its vote.
Bulgaria	The left-liberal coalition government of the Bulgarian Socialist Party (BSP), National Movement Simeon II (NMS) and Movement for Rights and Freedoms (MRF, representing the Turkish minority), led by the BSP's Prime Minister Sergei Stanishev, which was elected in 2005, remained in office in 2006. In a presidential election in October, the incumbent, Georgi Parvanov, nominated by the BSP, was re-elected. Bulgaria joined the EU on 1 January 2007.
Cyprus	Under the Cypriot political system, the government is led by the elected president – currently Tassos Papadopoulos of the Cyprus Democratic Party (DIKO), elected in 2003. Parliamentary elections were held in May 2006. The coalition of four parties that supports the present government – the Progressive Party of the Working People of Cyprus (AKEL), DIKO, the United Democratic Union of the Centre (EDEK) and the Ecologists/Environmentalists – won 59.91% of the vote. The opposition conservative Democratic Rally (DHSY) obtained 30.34%.
Czech Republic	A general election was held in June 2006. The outgoing government was a coalition led by the Czech Social Democratic Party (Česká strana sociálně demokratická, ČSSD). In the election, the centre-right Civic Democratic Party (Občanská demokratická strana, ODS) won the largest share of the vote, at slightly over 35%. The ČSSD won 32%, followed by the Communist Party of Bohemia and Moravia (Komunistická strana Čech a Moravy, KSČM) at 13%, the Christian Democrats (Křesťanská a demokratická unie-Československá strana lidová, KDU-ČSL) at 7%, and the Green Party (Strana zelených, SZ) at 6%. As a result, 100 seats each were held by the centre-right (ODS, KDU-ČSL and SZ) and the centre-left (ČSSD and KSČM). This led to complicated negotiations that resulted in a new government, led by Mirek Topolánek of the ODS, being appointed but subsequently failing to gain parliament's confidence. A second coalition (of ODS, KDU-ČSL and SZ) led by Topolánek was then formed and was attempting to consolidate parliamentary support at the end of the year. A partial election to the upper house was held in October, resulting in the ODS gaining a majority. In local elections held on the same date, the ODS won the largest share of the vote.

Table 1 (continued)

Denmark	The coalition government of the Liberal Party (Venstre) and the Conservative Party (Det Konservative Folkeparti), led by Prime Minister Anders Fogh Rasmussen (of Venstre), which had been elected for a second term in 2005, remained in office in 2006.
Estonia	The government formed in April 2005 by the right-wing Reform Party (Eesti Reformierakond), the left-of-centre Estonian Centre Party (Eesti Keskerakond) and the centrist Estonian People's Union (Eestimaa Rahvaliid) remained in office during 2006. The next general election is due in March 2007. A presidential election was held, with the victor, Toomas Hendrik Ilves, taking office in October 2006.
Finland	The centre-left government that took office in 2003, led by Prime Minister Matti Vanhanen of the Centre Party (Suomen Keskusta), remained in office in 2006. It is a coalition of the Centre Party, the Social Democratic Party (Suomen Sosiaalidemokraattinen Puolue, SDP) and the Swedish People's Party (Svenska Folkpartiet). The next general election is due in March 2007. A presidential election was held, with the incumbent, Tarja Halonen – the candidate of the SDP and the Left Alliance (Vasemmistoliitto) – being re-elected for a second six-year term.
France	The conservative Union for a Popular Movement (Union pour un Mouvement Populaire, UMP) government, led since 2005 by Prime Minister Dominique de Villepin, remained in office during 2006, as did conservative President Jacques Chirac. Presidential elections are due in April 2007 and general elections in June, and politics in 2006 were dominated by pre-electoral manoeuvres. Nicolas Sarkozy, the Interior Minister, won the leadership of the UMP in preparation for selection as its presidential candidate. Ségolène Royal was chosen as the Socialist Party (Parti Socialiste, PS) candidate. In February 2006, the government adopted legislation introducing a new, more flexible 'first-job contract' (<i>Contrat première embauche</i> , CPE) for young people, bringing major protests from trade unions and students. At the instigation of the President, the controversial CPE provisions were deleted, and the affair was widely seen as discrediting both the government and the Presidency (FR06050591).
Germany	The 'grand coalition' federal government formed in late 2005 by the conservative Christian Democratic Party (Christlich Demokratische Union, CDU), its Bavarian associate party the Christian Social Union (Christlich-Soziale Union, CSU) and the Social Democratic Party (Sozialdemokratische Partei Deutschlands, SPD) remained in office in 2006, led by Chancellor Angela Merkel. Five regional parliamentary elections were held at federal state (<i>Land</i>) level. In Baden-Württemberg, a coalition of the CDU and the liberal Free Democratic Party (Freie Demokratische Partei, FDP) retained power. In Rhineland-Palatinate, the SPD won an absolute majority and formed a government on its own, having previously been in coalition with the FDP. In Saxony-Anhalt, the elections led to the formation a 'grand coalition' of the CDU (as senior partner) and SPD. In Berlin, the incumbent centre-left coalition of the SPD and the Left Party/PDS (Linkspartei.PDS) was returned to office. After the election in Mecklenburg-Western Pomerania – where the extreme-right National Democratic Party (Nationaldemokratische Partei Deutschlands, NPD) won seats – the SPD chose not to continue its coalition with the Linkspartei.PDS and entered a 'grand coalition' with the CDU.
Greece	The New Democracy government, elected in March 2004 and led by Prime Minister Costas Karamanlis, remained in office during 2006. There has been speculation about an early general election in summer 2007. In local elections held during 2006, New Democracy won the largest number of municipalities and prefectures, followed by the main opposition party, the Panhellenic Socialist Movement (PASOK).
Hungary	A general election was held in April 2006, resulting in the incumbent coalition government of the Hungarian Socialist Party (Magyar Szocialista Párt, MSZP) and the liberal Alliance of Free Democrats (Szabad Demokraták Szövetsége, SZDSZ) retaining office, led by Prime Minister Ferenc Gyurcsány.
Ireland	The coalition government of the majority centrist Fianna Fáil party and the smaller right-of-centre Progressive Democrats, elected for a second term in May 2002, remained in office during 2006, led by Prime Minister Bertie Ahern. A general election is due to be held in May 2007.
Italy	A general election was held in April 2006. The centre-right Casa delle Libertà coalition of incumbent Prime Minister Silvio Berlusconi was narrowly defeated by the centre-left Unione coalition led by Romano Prodi. The Unione coalition – made up of the Democrats of the Left (Democratici di sinistra, Ds), Margherita Democracy and Freedom (Margherita democrazia e libertà, DI), the Communist Refoundation Party (Partito della rifondazione comunista, Prc), the Greens Federation (Federazione dei Verdi), the Party of the Italian Communists (Partito dei comunisti italiani, Pdc), the Popular Union of Democrats for Europe (Popolari-Unione democratici per l'Europa, Popolari-Udeur), Italy's Values (Italia dei valori, Idv), Rosa nel pugno (Rnp) and Südtiroler Volkspartei (Svp) – formed a new government led by Prime Minister Prodi, which is thought to have a more dialogue-oriented approach to industrial relations matters. Parliament elected Giorgio Napolitano of the Ds as the new President of the Republic in May. Regional, provincial and municipal elections were held in May, with varied results.
Latvia	A general election was held in October 2006. The ruling centre-right coalition led by Prime Minister Aigars Kalvītis was returned to office virtually unchanged. The coalition is formed of the People's Party (Tautas partija, TP), the Latvia First Party (Latvijas Pirmā Partija, LPP), the Green and Farmers Union (Zalo un Zemnieku Savienība, ZZS) and the Fatherland and Freedom Party (Tēvzemei un Brīvībai, LNNK). A presidential election is due in 2007.

Table 1 (continued)

Lithuania	May 2006 saw the resignation of the governing coalition of the Labour Party (Darbo partija), Social Democratic Party of Lithuania (Lietuvos socialdemokratų partija), New Union Social Liberals (Naujoji sąjunga socialliberalai), the Lithuanian Peasants Party (Lietuvos valstiečių partija) and the New Democratic Party (Naujosios demokratijos partija), led by Prime Minister Algirdas Brazauskas, which had been in office since December 2004. A new minority centre-left coalition was formed in July, involving the Social Democratic Party, the Peasants and People's Party, the Liberal and Centre Union (Liberalų ir centro sąjunga) and Civil Democracy (a split from the Labour Party) and led by Gediminas Kirkilas (of the Social Democratic Party) as Prime Minister.
Luxembourg	The coalition government of the Social Christian Party (Chrëschtlech Sozial Vollekspartei, CSV) and Socialist Party (Lëtzebuurger Sozialistesche Arbechterpartei, LSAP) that came to power in June 2004 remained in office during 2006, led by Prime Minister Jean-Claude Juncker of the CSV.
Malta	The centre-right Nationalist Party (NP) government, elected in April 2003, continued in office in 2006. A general election is due in 2007 or 2008. In local council elections held in March, the opposition Malta Labour Party (MLP) obtained a majority of first-count votes.
Netherlands	The coalition government of the Christian Democratic Appeal, (Christian Democratisch Appel, CDA), the liberal centre-right People's Party for Freedom and Democracy (Vereniging voor Vrijheid en Democratie, VVD) and the social-liberal Democrats 66 (D66) resigned in September 2006, following the withdrawal of D66. At the general election held in November the CDA remained the largest party with 41 seats (down three) (NL0612019I). The VVD won 22 seats (down six) and D66 three seats (down three). The social democratic Labour Party (Partij van de Arbeid, PvdA) won 33 seats (down nine) while the Socialist Party (Socialistische Partij, SP) increased its representation from nine to 25 seats and the centre-left Christian Union (Christen Unie, CU) won six (up three). A new conservative party, Group Wilders (groep Wilders), which highlighted fears about 'Islamic dominance', won nine seats. Talks over the formation of a new government continued at the end of the year.
Norway	The centre-left coalition government of the Norwegian Labour Party (Det norske Arbeiderparti, DnA), Socialist Left Party (Sosialistisk Venstreparti, SV) and Centre Party (Senterpartiet, SP) that took office in 2005 remained in power in 2006, led by Prime Minister Jens Stoltenberg of the DnA.
Poland	Following the general election in September 2005, the conservative Law and Justice (Prawo i Sprawiedliwość, PiS) party formed a minority government, led by Prime Minister Kazimierz Marcinkiewicz. It signed a 'stabilisation pact' on a common legislative programme with the Self Defence of the Republic of Poland (Samoobrona Rzeczpospolitej Polskiej, Samoobrona RP) party and the League of Polish Families (Liga Polskich Rodzin, LPR). However, PiS found little practical support for its government and eventually formed a coalition with Samoobrona RP and LPR in May 2006. This survived somewhat precariously until the end of the year, though with Jarosław Kaczyński, the PiS chair, replacing Marcinkiewicz as Prime Minister. Municipal, county and regional elections were held in November 2006. In the regional assembly elections, Civic Platform (Platforma Obywatelska, PO) candidates took 27% of the vote, PiS 25%, Lewica i Demokraci (an ad hoc coalition of centre-left parties) 14%, the Polish Peasants' Party (Polskie Stronnictwo Ludowe, PSL) 13%, Samoobrona RP 5.5% and LPR 5%.
Portugal	The Socialist Party (Partido Socialista, PS) government led by Prime Minister José Sócrates that won a parliamentary majority in the 2005 general election remained in office in 2006 and continued its strategy of cutting the public deficit and restructuring the public administration (PT0605019I and PT0612029I). The presidential election held in January was won by the liberal-conservative candidate and former Prime Minister Aníbal Cavaco Silva. The 'cohabitation' between Prime Minister Sócrates and President Cavaco Silva has been without major problems.
Romania	The coalition government led by Prime Minister Călin Popescu Tăriceanu, formed in January 2005, remained largely intact in 2006. It is made up of the Justice and Truth Alliance (Alianța Dreptate și Adevăr, Alianța DA) – which groups the National Liberal Party (Partidul Național Liberal, PNL) and the Democratic Party (Partidul Democrat, PD) – the Democratic Union of Hungarians in Romania (Uniunea Democrată a Maghiarilor din România, UDMR) and the Conservative Party (Partidul Conservator, PC). However, there were disputes between the Alianța DA partners, while PC withdrew from the government at the end of the year. Some commentators ascribed the fact that the government held together to the need for stability in the run-up to EU accession on 1 January 2007.
Slovakia	The centre-right coalition government of the Slovak Democratic and Christian Union (Slovenská demokratická a kresťanská únia, SDKU-SD), Hungarian Coalition Party (Strana maďarskej koalície, SMK) and Christian-Democratic Movement (Kresťansko-demokratické hnutie, KDĽH), led by Prime Minister Mikuláš Dzurinda, called an early general election in June 2006. The main opposition party, the left-leaning Smer-Social Democracy (Smer-sociálna demokracia, Smer-SD), won the largest share of the vote, with almost 30%. Its leader, Robert Fico, became Prime Minister in a new coalition government of Smer-SD, the conservative Movement for Democratic Slovakia (Hnutie za demokratické Slovensko, HZDS) and the right-wing Slovak National Party (Slovenská národná strana, SNS). The new government emphasised social measures, including changes in labour legislation. Regional elections took place in December in eight regions, with good results for Smer-SD and SDKU-SD.

Table 1 (continued)

Slovenia	The centre-right coalition government of the Slovenian Democrats (Slovenska demokratska stranka, SDS), New Slovenia (Nova Slovenija, NSi), the People's Party (Slovenska ljudska stranka, SLS) and the Pensioners' Party (Demokratična stranka upokoencev Slovenije, DeSUS) elected in autumn 2004, continued in office throughout 2006, led by Prime Minister Janez Jansa of the SDS. On 1 January 2007, Slovenia became the first of the new Member States to introduce the euro.
Spain	The minority Spanish Socialist Workers Party (Partido Socialista Obrero Español, PSOE) government, elected in March 2004, continued in office during 2006, led by Prime Minister Jose Luis Rodríguez Zapatero. It relies on parliamentary support from smaller left-wing and centre-right parties. Regional elections were held in Catalonia in November, resulting in the formation of a new left-wing coalition government of the Catalan Socialist Party (Partit Socialista de Catalunya, PSC-PSOE), Initiative for Catalonia-Green Party (Iniciativa per Catalunya Verds, ICV) and the Republican Left Party of Catalonia (Esquerra Republicana de Catalunya, ERC), which was seen as a boost for the national government. There was debate during 2006 over new statutes for the regions (autonomous communities) of Catalonia, Valencia and Andalusia.
Sweden	The minority Social Democratic Party (Socialdemokratiska Arbetarepartiet, SAP) led by Prime Minister Göran Persson continued in office until the general election in September 2006. The election resulted in victory for the Alliance for Sweden (Allians för Sverige), a grouping of four centre-right parties – the Moderate Party (Moderaterna), the Centre Party (Centerpartiet), the Liberal People's Party (Folkpartiet liberalerna) and the Christian Democrats (Kristdemokraterna) – which formed the new government, led by Prime Minister Fredrik Reinfeldt of the Moderate Party. The SAP lost power after 12 years. The change of government meant a major change in policy, including measures aimed at reducing unemployment that have proved controversial.
UK	The Labour Party government that was re-elected in May 2005 continued in office throughout 2006. In local government elections held in England during May 2006, the Conservative Party made substantial gains at Labour's expense. In the autumn, Tony Blair announced that he would stand down as Prime Minister and Labour leader before the party's next annual conference, due in September 2007.

Source: EIRO

Collective bargaining developments

Table 2 below provides a summary of the main collective bargaining developments that took place in 2006 in individual countries.

Among those countries where some form of national intersectoral bargaining plays an important role in setting overall pay and conditions of employment, 2006 saw new agreements at this level in Belgium (covering 2007–8), Greece (2006–7), Ireland (2006–8) and Spain (2006). In Slovenia, the long-standing practice of the social partners and government reaching regular pay policy agreements for the private sector ended in 2006. However, the social partners themselves then reached an agreement for 2006–7, without government participation, though this provides only a general framework for sectoral bargaining, focusing on minimum pay increases. In Romania, an addendum was agreed in 2006 (notably increasing the minimum wage) to a national intersectoral agreement signed previously for 2005–6. In the Netherlands, recent years have seen a form of national agreement, whereby the social partners have agreed to wage restraint; unions, however, appeared to be breaking with this approach as 2006 neared an end.

In some countries, intersectoral bargaining exists but does not play this general role, focusing instead on the regulation of specific issues. Issue-specific agreements were concluded by central trade union and employer organisations in 2006 in Estonia (minimum wage increases), France (older workers and diversity/non-discrimination) and – for the first time in this form – Luxembourg (teleworking) (LU0606029I). In Belgium, several issue-specific agreements were also signed (pay indexation mechanisms and redundancy pay for older workers), alongside a broader intersectoral agreement.

In many of the countries where general intersectoral agreements are reached, subsequent sectoral agreements are important in implementing and/or building on the national accords – as in Belgium, Finland, Greece, Slovenia and Spain. In a further group of countries, it is the sector that it is the main bargaining level, without an intersectoral framework. Thus, in 2006, the essentially annual or uncoordinated sectoral bargaining cycle proceeded as normal in Austria, France, Germany, Italy, Portugal and Slovakia. In Denmark, Norway and Sweden, there is a clearer multi-year bargaining cycle, with major ‘set-piece’ bargaining rounds occurring at regular intervals. This meant that 2006 was a very quiet bargaining year in Denmark and Sweden, with much of the economy covered by three-year agreements signed in 2004. However, Norway’s two-year cycle meant that the 2006 bargaining round was a ‘main’ settlement, involving the full renegotiation of collective agreements across the private and public sectors.

The individual company remained the most important bargaining level in Luxembourg, the UK and most of the new Member States that joined the EU in 2004 – Cyprus, Estonia, Latvia, Lithuania, Malta and Poland. However, some sectoral bargaining also exists in a number of these countries, and 2006 saw important agreements in, for example, hotels and construction in Cyprus. In the Czech Republic, company-level and higher-level bargaining are still almost equally important.

There was little in the way of significant change in bargaining structures and coverage reported in 2006. In Portugal, bargaining continued to recover slowly from the problems of 2004, when the number of collective agreements fell by more than 50%, largely due to changes in the law on the expiry of agreements. In Austria, sectoral agreements are tending to cover narrower branches or subsectors rather than sectors, but at the same time tend to be signed at national rather than provincial level; meanwhile, the already very high bargaining coverage is rising slowly towards the 100% level. It appears that more company-level agreements are being signed in Estonia, Greece and Romania, while the number of sectoral agreements in Slovakia jumped by 30% in 2006. In France, the volume of bargaining activity has been increasing, especially at enterprise level. By contrast, there was a small fall in the number of company agreements concluded in the Czech Republic, partly reflecting a drop in the number of employees working for employers at which a trade union organisation operates. In Ireland, a number of unions (including the Mandate retail workers’ union) did not sign up to the new national pay agreement, choosing instead to ‘go it alone’ and pursue local pay bargaining. In Slovenia, there has been a degree of decentralisation from intersectoral to sectoral level. Data published during 2006 indicated a fall in bargaining coverage in both Germany (DE0606019I) and the UK (UK0607019I).

Table 2 Trends in collective bargaining in the EU Member States, Bulgaria, Romania and Norway

Austria	Bargaining is conducted primarily at sector level. The Austrian Trade Union Confederation (Österreichischer Gewerkschaftsbund (ÖGB) reports that in 2006, as in most years, around 400 collective agreements were signed. Adding agreements signed in previous years with a duration of over 12 months brings the total of agreements in force to around 450. There is a continuing tendency for bargaining to cover narrower branches or for sectors to be split into subsectors, and for bargaining to be extended to new fields. In parallel, since the early 1990s, bargainers have tended to centralise sectoral bargaining at national level instead of conducting separate bargaining for each province. Overall bargaining coverage, despite already standing at around 99%, has continued to rise slightly.
Belgium	In the normal bargaining cycle, a two-year national intersectoral agreement is concluded at the end of even years, with sectoral bargaining following, mainly in the subsequent year. 2006 was the second year of the 2005–6 intersectoral agreement, which set an indicative pay norm to guide lower-level bargaining of 4.5% over the two years, and contained provisions on matters such as training, overtime and early retirement (BE0502302F). Late 2006 saw negotiations leading to the conclusion in December of a draft intersectoral agreement for 2007–8. As well as setting a pay norm of 5% for the two years and increasing the minimum wage, the new accord deals with 'active ageing', outplacement, tax cuts, reductions in overtime costs, vocational training and paid leave for training. In 2006, specific national agreements were reached on pay indexation mechanisms and redundancy pay for older workers.
Bulgaria	In 2006, 10 whole-sector collective agreements were in force (the same figure as in 2005) and 58 branch-level agreements. A total of 1,637 company-level collective agreements, plus 317 annexes to existing agreements, were registered – higher figures than in previous years, suggesting some expansion of company bargaining. Agreements generally run for two years and the main theme at company and branch levels is pay, especially minimum pay rates.
Cyprus	Bargaining is largely conducted at enterprise level, though with sectoral agreements in some important industries. There are thought to be around 450 enterprise agreements and 15 sectoral accords in existence. Agreements generally have two- or three-year terms. 2006 saw new sectoral agreements in key industries such as hotels (CY0609019I) and construction (CY0607029I). The former provides for average pay increases of 2% a year for three years, and the latter for rises of 2.6% a year for two years. Both agreements were reached following mediation, and it is notable that over the past decade fewer sectoral agreements have been reached through direct bargaining, with the increased use of mediation leading to delays in the agreements' renewal.
Czech Republic	Bargaining is conducted at both enterprise and multi-employer level. According to the Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazu, ČMKOS), the main union centre, its member unions concluded 6,564 enterprise-level agreements in 2006, covering 3,172 employers with a total of 1,063,700 workers, or 27% of the civilian workforce – a small fall on 2005's figures. (Not all member unions are included in the figures.) ČMKOS affiliates signed 19 multi-employer ('higher-level') agreements for 2006, covering 5,612 employers with a total of 585,000 employees. Including the effect of the extension of three of these agreements, a total of 9,473 employers with 961,000 employees, or 24% of the civilian workforce were covered by higher-level bargaining. In addition, eight multi-employer agreements were signed for 2006 by four unions not affiliated to ČMKOS. Pay and working time are the central issues dealt with by all collective agreements.
Denmark	2006 saw no important sectoral bargaining (the main level in Denmark). Much of the private sector was still covered by three-year agreements concluded in 2004 (DK0405102F) in the main bargaining area covered by the Danish Confederation of Trade Unions (Landsorganisationen i Danmark, LO) and the Danish Employers' Confederation (Dansk Arbejdsgiverforening, DA), which provided for annual pay increases of around 2.5%. The public sector was covered by three-year agreements signed in spring 2005 (DK0502103F). With the agreements in the DA-LO area expiring in spring 2007, late 2006 saw preparations for bargaining.
Estonia	Most bargaining occurs at enterprise level, and no sectoral agreements were signed in 2006 (though difficult negotiations continued through the second half of the year in healthcare). There are no comprehensive data on enterprise bargaining. The official register of agreements puts the number of enterprise agreements signed in 2006 at 85 (up from 52 in 2005). The Confederation of Estonian Trade Unions (Eesti Ametiühigute Keskkliit, EAKL) reports 169 enterprise agreements in force in 2006 (138 in 2005), while the largely public sector Estonian Employees' Unions' Confederation (Teenistujate Ametiühigute Keskorganisatsioon, TALO) estimates 250 agreements in the areas it covers. At intersectoral level, bipartite agreements on minimum wage increases in 2006 had been signed in late 2005 by EAKL and the Estonian Employers' Confederation (Eesti Tööandjate Keskkliit, ETTK) (EE0601104F) and by TALO and the government (EE0601103N). Similar agreements for 2007 were reached in late 2006.
Finland	2006 was covered by the second year of a national incomes policy agreement signed in December 2004 (FI0501203F), which runs until the end of September 2007. For 2006, the agreement provided for an average 2.1% pay increase, made up of a 1.4% general rise, plus a 0.4% increase whose distribution is subject to agreement at sector level, and a 0.3% 'equality increment' aimed at low-wage and female-dominated workplaces. Other issues covered by the central agreement include the promotion of working time 'banks'.

Table 2 (continued)

France	<p>Official data on bargaining in 2006 are not yet available. In 2005, the number of sectoral and – especially – company-level agreements increased. Pay was the most important issue at both levels, and this trend seems to have intensified in 2006. Agreements on working time reductions signed over 1999–2002 were often accompanied by a pay freeze or pay restraint lasting several years: these have now come to an end and pay and purchasing power have returned to the forefront of bargaining (FR0609029I). Working time lost ground as a sectoral theme in 2005, while training advanced. At company level, aside from pay and working time, the most important issues were profit-sharing/savings schemes and union rights/representation. Sectoral and company bargaining appears to be influenced increasingly by legislation that requires or promotes negotiations on certain issues, such as company restructuring and equal opportunities. At national intersectoral level, 2006 saw important agreements on older workers (FR0512104F) and non-discrimination and diversity (FR0611039I).</p>
Germany	<p>At the end of 2006, 67,289 valid collective agreements were registered at the Federal Ministry of Labour and Social Affairs; the 2005 figure was 64,341. Of these, 36,077 were ‘association agreements’ between trade unions and employers’ associations, and 31,212 were company agreements between unions and individual employers. Of all registered agreements, 8,793 related to pay. According to the Institute for Economic and Social Research (Wirtschafts- und Sozialwissenschaftliches Institut, WSI) within the Hans Böckler Foundation (Hans Böckler Stiftung), the average increase in collectively agreed wages and salaries in 2006 was 1.5% (calculated on an annual basis), a slight fall from the 1.6% recorded in 2005. Major sectors concluding new agreements in 2006 included retail (DE0602201N), the public sector (DE0606029I), banking (DE0608029I) and steel (DE0610019I).</p>
Greece	<p>A National General Collective Agreement (EGSSE) for 2006–7 was concluded in April 2006 (GR0605019I). For 2006, it provided for increases in minimum wage rates of 2.9% from 1 January and a further 2.9% from 1 September. Other issues covered include teleworking, promoting female employment and vocational education/training. As for bargaining at lower levels, official data for 2006 are not yet available. However, no striking changes are expected compared with 2005, when 121 national sectoral or occupational agreements were signed (plus 25 reached through mediation), along with 24 local occupational agreements (plus three reached through mediation) and 234 enterprise-level agreements (plus 26 reached through mediation). In addition, 62 arbitration decisions were reached, 21 at enterprise level and the remainder multi-employer. A slow increase in enterprise bargaining seems to be ongoing. Important agreements signed during the year, in a generally difficult bargaining climate, included those at the Hellenic Telecommunications Organisation (OTE) (GR0610019I), Hellenic Railways (OSE) (GR0606019I) and – after considerable difficulty – the banking sector (GR0602105N).</p>
Hungary	<p>A central agreement reached in November 2005 (which also provided for increases in the national minimum wage) recommended that private sector wage settlements for 2006 should provide for a 4%–5% nominal rise (HU0512104F). Public sector settlements provided for increases of around 5% (HU0601101N). Private sector agreements are predominantly concluded at enterprise level and mainly in larger firms, though with some multi-employer bargaining. In 2006, employers expressed discontent with some existing sectoral agreements (HU0608019I).</p>
Ireland	<p>Since 1987, pay bargaining has predominantly occurred at national level through successive social partnership agreements, although some local pay bargaining occurs around the pay floors set by these central deals. The previous three-year agreement expired in late 2005, but negotiations over a successor were delayed by the repercussions of a bitter dispute over ‘job displacement’ at Irish Ferries (IE0604059I). Talks started once the dispute was resolved and eventually led to a new national agreement, <i>Towards 2016</i>, in September 2006 (IE0606019I). It provides for a 10% wage increase, in four stages over 27 months, as well as covering matters such as pensions and (notably in the light of the Irish Ferries controversy) employment rights/compliance and the ‘compulsory replacement’ of employees. A number of unions did not sign up to the new national pay deal, choosing instead to pursue local bargaining.</p>
Italy	<p>A number of important national sectoral collective agreements were finally signed in 2006, after long delays. This was especially the case in the second half of the year, with the new government encouraging the resolution of disputes to reduce the level of industrial relations conflict. The most important sectoral agreement is that in metalworking (1.5 million workers), which was renewed in January (IT0602301F) and followed by settlements in industries such as chemicals (IT0606019I) and electricity (IT0608029I). Major company agreements included those at the Fiat auto group (IT0607049I) – after a 10-year delay – and at the Ferrero confectionery concern (IT0608019I). The current two-tier bargaining system – whereby company/local agreements are concluded within the framework of sectoral agreements, with each level dealing with specific issues – remained in place.</p>
Latvia	<p>Collective bargaining has limited coverage, focuses principally on pay, and occurs mainly at company level (especially in larger enterprises, state and local government enterprises and in former state-owned entities). In 2005, 2,405 company-level collective agreements were concluded (an increase of one on 2004), and 23 general sectoral agreements on social partnership between trade unions and employer organisations (up two on 2004). There is thought to have been little overall change in 2006. Developments included a partnership agreement in transport (LV0607039I), a pay agreement for police officers (LV0610029I) and a cooperation agreement in education and science (LV0609019I).</p>

Table 2 (continued)

Lithuania	Bargaining occurs almost exclusively at company level. Such agreements are not registered and their number is unknown, but bargaining coverage is very limited. There is only one sectoral agreement currently in force, in agriculture (LT0608019I). The only bipartite national intersectoral agreement between the central social partners relates to job evaluation and dates from 2005 (LT0507102N).
Luxembourg	Bargaining occurs primarily at company level. In 2006, 93 new or revised company agreements were signed, compared with 88 in 2005. Just over a quarter of these agreements cover a firm's entire workforce, with the remainder covering only blue-collar or white-collar workers. In 2006, 14 new or revised sectoral agreements were signed, compared with 12 in 2005. In February 2006, the central social partner organisations signed an agreement on telework, the country's first such intersectoral agreement.
Malta	Bargaining occurs almost solely at company level, although no data are available on the number of agreements signed in 2006. The Ministry of Finance calculates that collectively agreed wages increased by an average of 3.7% between September 2005 and September 2006 (up from 3.5% in the previous one-year period). Notable pay agreements signed in 2006 included those at ST Microelectronics (one of Malta's largest employers), Trelleborg and the Malta Environment and Planning Authority.
Netherlands	Bargaining is mainly conducted at sector level, although a slight trend towards company-level bargaining observed in previous years continued in 2006, as did a tendency for the renegotiation of agreements to be delayed. The wage moderation that has been in place since 2003 continued to dominate bargaining in 2006, with an average pay increase of 1.7% over the year. However, during the autumn, with the economic situation improving, unions announced higher pay demands for the 2007 bargaining round, though the government called for continued restraint (NL0610029I).
Norway	The 2006 bargaining round was a 'main' settlement, involving the two-yearly full renegotiation of collective agreements. Private sector bargaining was carried out at individual industry level, with the trend, as usual, being set by manufacturing, which agreed a general increase of NOK 1 per hour, with NOK 1.50 for employees in areas not covered by additional company-level bargaining: the overall average wage increase was 3.3% for blue-collar employees in manufacturing (NO0604019I). Other notable private-sector agreements included those in wholesale and retail, hotels and restaurants (where the pay increase was relatively high), building and construction, transport (with higher-than-average increases) (NO0605019I) and finance (NO0606049I). Difficult negotiations in the central government sector led to a settlement that increased costs by nearly 4% (NO0606029I), while the municipal sector deal provided for a general pay rise of 2.6%, with an extra 1.4% for local-level bargaining (NO0606059I).
Poland	Bargaining covers about a third of the workforce, mainly those in larger enterprises, with collective agreements covering a single employer predominating and sectoral agreements rare. Pay and benefits are the main themes. Data from the National Labour Inspectorate (Państwowa Inspekcja Pracy, PIP) on the number of agreements concluded in 2006 are not yet available, but little change is expected from 2005, when 220 single-establishment agreements were signed, covering 120,000 employees. Continuing a recent trend, almost 70% of these agreements were continuations of previous ones and only 30% were entirely new. In late 2005, there were 165 multi-establishment agreements, according to the Ministry of Labour. It is increasingly rare for collective agreements to include provisions more favourable to employees than the minima stipulated in labour legislation.
Portugal	In 2006, bargaining continued to recover slowly from the 'crisis' of 2004, when the number of collective agreements signed plummeted to 162 from an annual average of 353 over the previous four years. This collapse was largely due to a new legal provision whereby agreements expire if one of the signatories refuses to renew them, leading a number of employer associations to let agreements lapse (PT0604019I). In the first 11 months of 2006, 231 agreements were signed, compared with 252 in the whole of 2005. Of the agreements concluded in 2006, 63% were sectoral accords, 27% single-company agreements and 10% multi-company agreements – proportions largely unchanged from 2005. However, the number of ministerial decrees extending existing agreements to unorganised workers and companies doubled (from 56 to 117) from 2005 to 2006, probably reflecting the fact that many agreements have been allowed to lapse. Average collectively agreed pay increases in the private sector stood at 2.8% in 2006, almost unchanged from 2005.
Romania	In February 2006 (RO0605019I), the central social partners signed an addendum to the national collective agreement (which provides a minimum framework for employment conditions) for 2005–6. The addendum increased the national minimum wage as well as covering issues such as the standard working week, dismissal and continuing training. During the year, eight sectoral agreements were signed, plus one addendum to an existing sectoral agreement and three collective agreements covering groups of companies (similar figures to 2005). During the first nine months of 2006, 9,133 company agreements were registered, of which 5,908 were new agreements (compared with 5,259 in the whole of 2005) and 3,225 were addenda to existing agreements (3,240 in 2005).

Table 2 (continued)

Slovakia	Between 40% and 50% of the workforce is covered by collective bargaining – according to the Confederation of Trade Unions (Konfederácia odborových zväzov Slovenskej republiky, KOZ SR) – and the sector is the key level. In 2006, 56 sectoral agreements (including supplements to existing agreements) were officially registered with the Ministry of Labour, Social Affairs and Family – an increase of more than 30% on 2005. The ministry extended two collective agreements to non-signatory employers in 2006 (the same figure as in 2005). The sectoral agreements provided for average pay increases of 5.8% (according to the Trexima Bratislava survey).
Slovenia	From the early 1990s, private sector pay policy was largely governed by regular tripartite agreements, but the last such accord expired in June 2006, having been annulled by employer organisations (SI0510306N). This should reduce the centralisation of bargaining and give sectoral agreements greater importance. However, in June 2006 the social partners signed a bipartite intersectoral framework agreement for the private sector, providing for minimum pay increases of 2% in 2006 and 2% in 2007, as well as regulating other pay-related matters (SI0607039I). There were 39 sectoral agreements in place in 2006 (many of which need updating as their provisions are based on earlier labour legislation). An important sectoral agreement was signed in retail in September, which included regulation of shop opening hours on Sundays and public holidays.
Spain	Sectoral and company bargaining in 2006 was carried out, for the fifth consecutive year, within the framework of an intersectoral agreement, providing, among other guidelines, for pay moderation (ES0602101N). The structure of bargaining is complex, but sectoral agreements at national or provincial level predominate. In the first 10 months of 2006, 3,984 collective agreements were signed (compared with 4,167 in the whole of 2006), covering 967,000 companies and 7,189,000 workers (coverage has been rising in recent years). In 2005, sectoral/provincial agreements represented 21% of agreements signed but covered 55% of the workers affected by bargaining; sectoral/national agreements represented only 1.5% of agreements but covered 27.4% of workers; and company agreements represented 75% of agreements but covered only 10% of workers. In the first 10 months of 2006, 152 new collective agreements were signed, of which 141 were company agreements (many not articulated with higher-level agreements). There is a tendency towards decentralisation.
Sweden	2006 was a quiet year for bargaining, as most of the economy was still covered by multi-year sectoral agreements signed in previous years, notably 2004 (SE0503102F). Thus, in 2006, only around 50 agreements were negotiated, covering some 100,000 employees. In 2007, some 500 (out of a total of 600) collective agreements are to be negotiated, encompassing the whole of the public sector and most of the private sector. Three million employees, or 80% of the workforce, will be affected, making the 2007 bargaining round of one of the most extensive in decades. The social partners were gearing up for this key bargaining round in late 2006.
UK	Bargaining is highly decentralised: most occurs at company or workplace level, with little multi-employer bargaining outside the public sector. The results of the 2004 Workplace Employment Relations Survey (WERS 2004), published in July 2006 (UK0607019I), found that an overall decline in the level of trade union recognition by employers over the 1980s and 1990s has continued. The survey confirmed that, where union recognition exists, bargaining remains largely confined to the 'basic' issues of pay (in 61% of workplaces that recognised unions), working hours (in 53%) and holidays (in 52%). In addition, 36% of workplaces that recognised unions negotiated over pensions.

Source: EIRO.

Pay

Wages and other aspects of remuneration remain at the core of collective bargaining across Europe, and in some countries, especially among the new Member States in central and eastern Europe (CEECs), they can be virtually the only theme of bargaining.

In a number of countries with multi-year bargaining cycles – such as Belgium, Denmark, Finland and Sweden – 2006 saw little pay bargaining, with increases for the year already set in advance. Thus, for instance, Belgium was still covered by the 2005–6 intersectoral agreement, which set a wage rise norm of 4.5% over the two years. Finland was covered by the 2005–7 central agreement, which provided for an average 2.1% pay increase in 2006, made up of a 1.4% general rise, plus a 0.4% increase whose distribution is subject to agreement at sector level, and a 0.3% 'equality increment' aimed at low-wage and female-dominated workplaces (though there was debate in 2006 as to whether this increment was being used for its intended purpose, or as a general wage increase; see

FI0604019I). These multi-year agreements generally provided for quite moderate pay increases in 2006, but there were signs in some cases that pressure was building for higher rises in future. Notably, in Denmark, an improved economic situation and falling unemployment increased employee expectations for the major wage round in 2007, and unions were also seeking higher increases ahead of Sweden's 2007 round. Belgium's new 2007–8 agreement reached late in 2006 provides for a slightly higher two-year wage norm of 5%.

Signs of strain in the pay moderation of recent years were also visible elsewhere. In the Netherlands, the restraint that has been in place since 2004 persisted in 2006 (with an average pay increase of 1.7% over the year); however, with the economic situation improving and unemployment falling, unions started announcing higher pay demands for the 2007 bargaining round, starting at 3% (although the government called for continued restraint). In Germany, moderation held in 2006, and indeed the average pay increase (calculated on an annual basis) fell to 1.5% from 1.6% in 2005. However, there was a higher settlement in the key metalworking sector – a general pay increase of 3% covering 10 months from June 2006 (DE0605039I) – and unions may be seeking to achieve such higher settlements in major bargaining rounds in spring 2007. In Austria, a break with strict moderation came in 2005 and was continued in 2006, when the average collectively agreed minimum pay increase was between 2.4% and 2.5%.

In France, pay and purchasing power returned to the forefront of the bargaining agenda in 2006, as the last effects of pay freezes agreed as part of earlier negotiations on working time reductions disappeared. However, there is an ongoing debate about the real contribution of bargaining to pay setting: higher-paid employees often have their wages set individually, while the agreed pay scales applying to lower-paid employees have increasingly been overtaken by the national minimum wage, as it has risen over recent years (FR0607019I).

New national intersectoral agreements were signed without any dramatic changes in the level of pay increase in Greece (a 5.8% increase in minimum rates in 2006 and 5.1% in 2007) and Ireland (10% over 27 months). There was also relative stability in a number of western European countries where bargaining is conducted at lower levels, such as Norway (although some settlements were considerably higher than the norm) and the UK. This was also true in Portugal (where the average agreed nominal increase held steady at 2.8%); however, it was notable that inflation rose, cutting real wage increases almost to zero, indicating that unions were not able to take advantage of the economic recovery to push through pay demands. This may in part be due to the 2004 legislation that enables collective agreements to lapse if not renewed: this puts unions under pressure in negotiations, because if they do not come to a settlement, employers may unilaterally let the agreement expire. In Spain, average agreed pay increases, that had stood at 3.2% in the first 10 months of 2006, fell back slightly from 2005, and were overtaken by inflation (running at 3.7%). However, inflation-linked wage revision clauses are now included in 78% of collective agreements, so the workers covered receive additional payments to ensure that they do not lose purchasing power.

In some CEECs, such as Estonia, Latvia and Lithuania, labour shortages and economic growth led to rapid pay increases in 2006. However, given low levels of bargaining coverage, the role of wage agreements in this process may be quite limited. By contrast, in some other new Member States, 2006 saw stability in nominal pay increases at fairly modest levels – eg 2%-3% in Cyprus, 3.9% in the Czech Republic (enterprise-level collective agreements) and 3.7% in Malta. In Slovakia, the

average 5.8% nominal wage increase agreed in sectoral collective agreements in 2006 represented a fall on the 2005 figure. In Hungary, while company-level agreements remain predominant, the number of sectoral and company level wage agreements has decreased in recent years and their regulatory force has also declined.

Beyond increases in rates, wage bargaining in 2006 focused in some cases on a degree of flexibility. Notably in Austria, the relatively high nominal pay increase in the pattern-setting metalworking industry was accompanied by a one-off profit-related payment (the first such arrangement in the sector) and a 'distribution option' scheme giving individual employers some flexibility in the allocation of the overall wage rise between employee groups. Again in metalworking, the German settlement provided for flexibility around a lump-sum payment of €310 awarded to compensate for three 'zero-months' with no pay increase from March to May 2006. Works councils and employers could agree at company level to increase this payment (as much as doubling it), reduce it, postpone it or cancel it, in line with the economic situation of the enterprise. If no agreement were to be reached, however, the €310 had to be paid

Working time

In terms of the duration of working time, reductions in hours appeared infrequently on the bargaining agenda in 2006. Agreed normal weekly hours have been fairly static across western Europe since the late 1990s and although the issue is more 'live' in CEECs, where working time tends to be longer, there was little change in 2006 (and the active role of collective bargaining in setting normal weekly hours is relatively slight in many CEECs, where collective agreements do not tend to deviate from the usual statutory norm of 40 hours). Rather than reductions, attempts by employers to increase working hours were a more notable feature of the 2006 bargaining round in some countries. This had the most concrete results in the German public sector where, following disputes, deals were reached that provided for a partial extension of weekly working time in local and federal state government (DE0605019I and DE0606029I). Many Dutch employers also kept up the pressure for an increase in agreed normal weekly working hours (from 36 or 37 hours to 38 or even 40), but without success.

Working time reductions are still on the agenda of some trade unions. For example, Norway's municipal workers' union sought working time cuts in the form of a six-hour working day in the 2006 bargaining round – this is a long-term goal of the Norwegian Confederation of Trade Unions (Landsorganisasjonen i Norge, LO). The demand was unsuccessful but the government is conducting trials with new working-time patterns.

Outside the strict sphere of collective bargaining, increasing the length of working time was an important issue in Lithuanian industrial relations in 2006. With labour in short supply due to rapid economic growth and emigration, the Lithuanian Confederation of Industrialists (Lietuvos pramonininkų konfederacija, LPK) called on the government to increase maximum statutory weekly working hours from 48 to 60. The Prime Minister promised to consider this proposal, but trade unions were strongly opposed and organised protests (LT0611029I). The issue was still unresolved at the end of the year.

The flexibility of working time was a much more prominent bargaining issue than its duration in 2006, focusing on topics such as 'time savings accounts' or 'banks' and on overtime hours. The national agreement for 2007–8, reached at the end of the year in Belgium, cut the cost of overtime

hours in order to facilitate more flexible working, and introduced new rules on flexible working time agreements at company and sector level. Finland's current central incomes policy agreement provides that the trade union and employer confederations will inform their member organisations about the possibilities of using working time 'banks' and encourage their promotion through sectoral agreements

An agreement in principle on working time flexibility was reached in May in the Belgian auto industry, introducing 'time savings accounts' and a long-term 'plus-minus account', whereby employees working hours may be varied over a six-year reference period. However, the agreement will not take effect until legislation in this area is changed and implementing company agreements have been signed (BE0606019I). An agreement in metalworking in France allowed for an increase in the annual maximum overtime quota from 180 to 220 hours per employee (FR0604019I). Overtime was also an important issue in the Italian chemicals industry (IT0606019I) and working time banks in the electricity sector (IT0608029I).

In France, the current focus in working time bargaining is very much on local agreements on adapting employees' hours, especially where the company concerned faces economic problems that threaten jobs. Flexibility provisions were included in a number of agreements signed in 2006 in Portuguese manufacturing – for instance, in the textiles, clothing and shoe industries. Flexible working time arrangements aimed at increasing productivity in periods of high demand remain particularly prevalent in the UK automotive industry. In Spain, the trade-off for unions agreeing increased working time flexibility is frequently employer commitments on employment stability. In Cyprus, an agreement on flexibility was signed for Cyprus Telecommunications Authority (ATHK) shops (CY0701019I).

A further aspect of working time is the opening hours of shops and other outlets. This has been an important issue in Slovenia in recent years, with controversy over attempts to change the legislative framework. In 2006, the issue was resolved by transferring the regulation of opening hours from legislation to the collective agreement for the retail sector. An enterprise-level agreement on extending opening hours at two branches of Eurobank (GR0602107N) proved controversial in Greece, being strongly opposed by the Greek Federation of Bank Employee Unions (OTOE).

Other issues

While bargaining in some countries is by and large concentrated on pay and working time, the scope of issues subject to negotiation is rather wider in others (frequently including themes such as training, occupational pensions, equality or employment security). CEECs are often thought to have relatively narrow bargaining agendas, but it may be noted that this is not always the case. For example, Estonian collective agreements may cover matters such as amendment, termination and suspension of employment contracts, computation of length of service, occupational health and safety, social guarantees and union–employer cooperation. It is relatively common for Polish agreements to deal with social matters and health and safety at work, and some cover further training, hiring procedures and employee assessments and promotions. Latvian agreements sometimes contain provisions on training and skills, job security, health insurance and occupational pensions.

Training featured strongly in bargaining in German metalworking in 2006. For example, a new agreement in North Rhine-Westphalia obliges employers and works councils to identify, once a year,

companies' need for continuing training (DE0605029I). If such training is relevant for the employees' current work or if they have to qualify for an equivalent (or more demanding) post as a result of company restructuring, the employer must bear the costs of the training. If employees undertake continuing training on their own initiative to qualify for a more senior post, they themselves meet part of the costs: half of the time required for the training must be taken during the employee's own time.

Other notable provisions on training agreed during the year included an obligation in a new Austrian agreement covering temporary agency workers for employers to set up a retraining fund to finance certain further training measures, in particular on behalf of more vulnerable employee groups. Vocational training and paid training leave were also among the issues dealt with in Belgium's new intersectoral agreement for 2007–8. In the Netherlands, individual training plans are an increasingly important issue in bargaining and in 2006 figured in half of all collective agreements in force.

Occupational pensions were an especially central bargaining issue in Ireland, both nationally and locally. The new national agreement signed in 2006 states that the social partners are in agreement that pensions, both in terms of their adequacy and coverage, are to be considered 'a priority issue'. The high-level social partnership 'trouble-shooting' institution, the National Implementation Body, is to play an enhanced role in relation to the future of pension plans, as well as specific disputes involving employers that seek to change existing schemes. This new role for the NIB has already been severely tested by a spate of serious pension disputes. At local/company level, bargaining took place over pension reform in a number of companies during the year, and this sometimes resulted in conflict. Some firms argued that the continuation of defined-benefit (DB) occupational pension schemes for new entrants is no longer financially viable and that, instead, they should join defined-contribution (DC) schemes, which tend to be less of a risk for the employer. Trade unions tend to oppose these reforms. In a few instances, notably at Allianz Insurance, Irish Life and Permanent Group and EBS, management and unions negotiated new 'middle way' (i.e. between DB and DC) pension arrangements for new members.

In Norway, pensions were on the agenda in bargaining in some sectors, such as finance. However, expectations that the issue would be very prominent in negotiations – given that new regulations meant that companies had until 31 December 2006 to have new occupational pension schemes in place (NO0507102F) – were not met.

Perhaps the year's most significant agreements on equality and related issues were two intersectoral accords signed in France. March saw the formal signature of an agreement on promoting the employment of older workers (FR0512104F), while an accord on diversity and non-discrimination at work was concluded in October (FR0611039I). The latter applies to recruitment, pay, vocational training and career progress, and aims to combat direct and indirect discrimination on grounds such as sex, sexual orientation, age, ethnic group, race and nationality.

Still on the subject of age, an interesting new agreement in the German steel industry obliges employers to review the age profile of their workforce in relation to job qualifications and working conditions; this assessment will act as the basis for further consultations with the works council on health and safety, working time, further training and related issues (DE0610019I).

Job security was an important issue in Cyprus, with major agreements on the issue signed in the context of new investors taking over Larnaka and Pafos airports and Larnaka port, and in Bulgaria.

In Spain, the conversion of temporary employment into open-ended contracts was a key bargaining topic during the year. In Italy, rules on the use of fixed-term contracts and other forms of ‘atypical’ work featured in many agreements, as did supplementary social insurance.

Legislative developments

As indicated in Table 3 below, a wide range of new employment and industrial relations legislation was adopted or implemented in the EU Member States and Norway during 2006.

The broad area of equality and equal opportunities was perhaps the most conspicuous area of legislative activity in 2006, driven in many cases by the need to comply with EU Directives, notably the framework equal treatment Directive (Directive 2000/78/EC). Germany introduced a major law, creating a single framework for equal treatment on all grounds, while gender equality was the subject of important new laws in France, Greece and Spain. Age discrimination was the particular focus of new legislation in the UK and Estonia. Work–life balance was on the legislative agenda in countries such as Finland, France, Sweden and the UK (see below under ‘Reconciliation of work, family and private life’).

Implementation of EU legislation – in particular, the Directive on informing and consulting employees (Directive 2002/14/EC) – was also behind the spate of legislation on employee involvement in 2006 in countries such as Bulgaria, Estonia, Ireland, Malta, Poland and Romania. EU law was also responsible for some changes in legislation on health and safety (e.g. in Poland and Romania) and working time (e.g. in Austria). More generally, the year was one of fairly hectic legislative activity in Bulgaria and Romania as they sought to comply with EU employment law norms before joining the Union on 1 January 2007.

Away from the direct influence of EU legislation, areas that saw a relatively large volume of legislative activity in 2006 included unemployment insurance and benefits, employment creation, tackling undeclared work, and collective bargaining rules.

Table 3 Main legislative developments in 2006

Atypical work	A new Working Environment Act came into force in Norway in January, essentially reversing an earlier relaxation of rules on temporary employment (NO0512103N). Sweden amended (with effect from mid 2007) its legislation on fixed-term contracts, limiting their duration in order to promote open-ended recruitment (SE0507102F). Finland adopted legislation (coming into force on 1 January 2007) to clarify client and contractor responsibilities in the use of temporary agency work and subcontracting and ensure the observance of collective agreements and employers’ statutory obligations (FI0603039I).
Collective bargaining	In March, the Slovenian parliament adopted a Law on Collective Agreements, which seeks to introduce fully free and voluntary collective bargaining (SI0604029I). Also in March, the Portuguese parliament passed an amendment to the Labour Code, simplifying some bargaining mechanisms and opening the way for the creation of a system of obligatory arbitration. In August, the German government approved an extension of the Posted Workers Act to the industrial cleaning sector, thereby applying collectively agreed minimum pay and conditions to workers posted to Germany (DE0609049I).

Table 3 (continued)

Employment, labour market and job creation	Legislation adopted in Spain in June promotes stable employment, notably by subsidising the conversion of temporary contracts into open-ended ones (E50605019I). Promoting the employment of older people (FR0608029I) and young people was the aim of several items of legislation in France – although a new ‘first job contract’ for young people was repealed following major protests (FR0605059I) – as was promoting the combination of income from work and minimum benefits. In June, the Lithuanian parliament adopted a law on ‘employment support’, aimed at providing additional opportunities for reintegration into the labour market. In December, the Latvian government adopted measures on the elimination of illegal employment, while new rules on undeclared work were adopted in Slovenia (SI0609019I).
Equality	A new General Equal Treatment Act came into force in Germany in August, banning discrimination on grounds of gender, race, ethnic background, sexual orientation, age or religion, with a particular focus on the workplace, implementing a number of EU Directives. In Spain, a new gender equality law, which covers matters such as paternity leave and bargaining on equal opportunities, was proposed and was approaching adoption at the end of the year (E5606019I). Greece adopted legislation to implement EU Directive 2002/73/EC on equal treatment for men and women (GR0609049I). French legislation adopted in March aims to achieve gender pay equality, along with improving work–life balance in some areas. In the UK, a Work and Families Act became law in June, including a range of measures aimed at making it easier for workers to reconcile work and family responsibilities (UK0609039I). New Finnish legislation (coming into force on 1 January 2007) promotes the use of paternity leave and increases maternity allowances, while Sweden adjusted its law on parental leave (SE0507102F). New rules on gender representation on the boards of privately owned public limited companies took effect in Norway in January 2006, guaranteeing women and men at least 40% representation (NO0602102F). New regulations came into force in the UK in October to outlaw age discrimination in the workplace; these are intended to implement the relevant provisions of the EU equal treatment framework Directive (2000/78/EC) (UK0603029I), while Estonia amended articles of the Employment Contracts Act that permitted the dismissal of employees aged over 65 on the basis of their age (EE0604029I).
Health and safety	Romania adopted legislation to transpose the EU framework health and safety Directive (89/391/EEC) and the Directives based on it (RO0603039I). Numerous new items of health and safety legislation came into force in Poland, mainly of a technical nature, but also including rights in this field for employee councils. In December, the Estonian Occupational Health and Safety Act was amended and extended to self-employed people. Legislation on subcontracting in the construction sector adopted in Spain in October aims to cut industrial accidents (E506010039I). In November, the Belgian parliament adopted a revision of an anti-bullying law, giving greater emphasis to preventive measures (BE0612039I).
Industrial relations	New legislation in Bulgaria ended (under certain minimum service conditions) a ban on strikes by workers in emergency medical care, gas supply, power supply and central heating (BG0610059I).
Information, consultation and participation	In December, a new Employees’ Representatives Act (EE0604019I) was passed by the Estonian parliament, one of whose aims is to implement the EU Directive (2002/14/EC) on informing and consulting employees. Bulgaria, Ireland (IE0604039I), Malta, Poland (PL0605029I) and Romania (RO0608049I) also transposed the Directive during 2006. Furthermore, Romania amended its legislation on European Works Councils (RO0608059I) and Bulgaria implemented the relevant EU Directive (along with the European Company Statute). A draft revision of Finland’s Act on Cooperation within Undertakings, due to come into force in 2007, extends its provisions to smaller workplaces and places greater emphasis on seeking consensus in cooperation negotiations (FI0607019I).
Labour Codes/general legislation	The Czech parliament passed a new Labour Code in April 2006 (due to come into effect on 1 January 2007) (CZ0610029I): changes include a strengthening of the ‘contractual principle’ in labour relations, greater scope for collective bargaining and new rules on relations among trade unions. Latvia’s Labour Law was amended in October, with changes relating to the extension of sectoral collective agreements, fixed-term contracts, pregnant employees, discrimination on grounds of sexual harassment, and suspensions from work (LV0611019I). The Romanian Labour Code was revised in August to bring it into line with EU law in areas such as collective redundancies, fixed-term employment contracts and equal pay (RO0608019I). Similarly, the Bulgarian Labour Code was overhauled in July to comply with EU law on such issues as collective redundancies, employment relationships, part-time work, fixed-term work, young workers and working time (BG0604039I).

Table 3 (continued)

Social security/ unemployment insurance	The Dutch government made cuts in unemployment benefit, especially affecting older workers, while Portuguese legislation on unemployment benefits was amended (PT0604029I) and Sweden changed its regulations on unemployment funds and benefits, with effect from 1 January 2007. Estonia's Unemployment Insurance Act was amended (from 1 January 2007) to change the rules on benefits for long-term unemployed people. Draft legislation drawn up in Belgium will make a number of changes to social security benefits. New regulations introduced in Austria in April improved pension entitlements for workers who retire early having spent their career in 'heavy' work. In November, the German government decided to raise gradually the statutory retirement age from 65 to 67 by 2012 (DE0612039I). Malta's 2007 state budget introduced (from 1 January 2007) a 10% social security contribution on earnings from part-time work instead of the previous flat-rate payment. New legislation on occupational disability (as well as early retirement schemes) came into force in the Netherlands in January. Bulgaria reformed its Code on Social Insurance, largely to comply with EU law.
Termination of contract	In March, new rules on selection for redundancy came into force in the Netherlands: the previous 'last-in, first-out' system has been replaced with a requirement for redundancies to be balanced among age groups (NL0604029I). An Italian decree-law reformed the 'end-of-service allowance' severance pay system, facilitating the transfer by workers of end-of-service allowance funds accrued on their behalf into a supplementary pension scheme (IT0611039I). In Hungary new legislation on public sector employment made the dismissal of public service employees easier and cheaper for the employer, while at the same time provided greater support to laid-off employees (HU0611019I).
Training	In September, a Belgian decree imposed cutbacks on the paid educational leave scheme (BE0610039I) but, following protests, much of the reform was rescinded.
Working time	A new Working Environment Act came into force in Norway in January, essentially reversing an earlier relaxation of working time rules (NO0512103N). Luxembourg adopted new legislation on night work in April. In August, Austria amended its legislation to implement the EU Directive (2002/15/EC) on working time in mobile road transport activities. In November, the parliaments of most German federal states passed legislation that effectively repeals most of the restrictions of the federal Shop Closing Hours Act (DE0612019I). In June, the Lithuanian government adopted a resolution obliging employers to cut the working hours of employees working in harmful environments. The Polish Labour Code's rules on time off for public holidays were amended.
Miscellaneous	Belgian law was amended to allow employers to conduct theft controls when employees leave the company premises (BE0612029I). In Cyprus, legislation governing the terms and conditions of shop employees was approved (CY0612019I), but a draft law on the protection of wages was not adopted by the end of the year. Greece introduced a new Civil Servants' Code, making changes in areas such as leave, discipline, transfers and promotion (GR0606049I). Legislation adopted in Slovenia in May makes companies' membership of the Chamber of Commerce and Industry of Slovenia voluntary, having previously been compulsory (SI0606019I). New minimum wage legislation was also adopted in Slovenia, setting the rate by law rather than tripartite agreement (SI0608019I). Spain introduced a new statute for self-employed workers (ES0604039I). Sweden's legislation on written information regarding the terms of employment was amended.

Source: EIRO.

Organisation and role of the social partners

2006 was a busy year for trade union merger activity in some countries, while there was also some restructuring of employers' representation and a range of developments in the field of social dialogue.

Trade unions

At the level of national union confederations, there was increasing cooperation among the three main Lithuanian organisations, the Lithuanian Trade Union Confederation (Lietuvos profesini s jung konfederacija, LPSK), the Lithuanian Labour Federation (Lietuvos darbo federacija, LDF) and the Lithuanian Trade Union 'Solidarumas' (Lietuvos profesin s junga 'Solidarumas', LPS 'Solidarumas'):

by the end of the year they were discussing the possibility of creating a single confederation (LT0612019I). Moves to create a trade union council bringing together Malta's main union organisations made little progress (MT0605019I), but negotiations continued over a merger of four of Romania's five nationally representative trade union confederations (RO0610019I). In February, five Slovenian public sector unions founded the Confederation of Public Sector Trade Unions (Konfederacija sindikatov javnega sektorja, KSJS). With 81,000 members, KSJS is the country's second-largest union confederation (SI0603019I). A new cooperation agreement was signed by the Danish Confederation of Trade Unions (Landsorganisationen i Danmark, LO) and the Confederation of Salaried Employees and Civil Servants in Denmark (Funktionærerne og Tjenestemændenes Fællesråd, FTF), extending their political cooperation, demarcating their organising fields and regulating disagreements in this area (DK0605019I).

Below confederation level, the most intense union restructuring activity in 2006 was probably in Austria, where three new unions were created from the mergers of seven affiliates of the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB). The background was unusual: a financial crisis at the ÖGB-owned Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse (BAWAG) had knock-on effects at ÖGB and resulted in the resignation of its president (AT0604019I). This led to a cost-cutting programme for both ÖGB and its affiliates, which accelerated pending merger projects among the latter.

The Nordic countries were something of a hotbed of merger moves in 2006.

- In September 2006, Industry–Energy (Industri og Energi, IE) was created by the merger of the Norwegian Chemical Industry Workers' Union (Norsk Kjemisk Industriarbeiderforbund, NKIF) and the Norwegian Oil and Petrochemical Workers' Union (Norsk Olje- og Petrokjemisk Fagforbund, NOPEF). With around 46,000 members, IE is the fifth-largest affiliate of the Norwegian Confederation of Trade Unions (Landsorganisasjonen i Norge, LO) (NO0608019I). Also within LO, the Norwegian Graphical Union (Norsk Grafisk Forbund, NGF) merged into the Norwegian United Federation of Trade Unions (Fellesforbundet) in January 2006, while plans were announced for the Union of Hotel and Restaurant Workers (Hotell- og Restaurantarbeiderforbundet, HRAF) to join Fellesforbundet in 2007.
- A number of merger plans progressed in Finland – most notably talks over the creation of a new 370,000-strong union affiliated to the blue-collar Confederation of Finnish Trade Unions (Suomen Ammattiliittojen Keskusjärjestö, SAK), involving six unions organising in industry. Late in the year, the Union of Professional Engineers (Insinööriliitto, IL) and the Confederation of Municipal Employees in Technical Professions (Kuntien Tekniset, KTK) merged to form the Union of Professional Engineers (Uusi Insinööriliitto, UIL), with 71,500 members.
- In Sweden, IF Metall was formed in January by the merger of the Swedish Metalworkers' Union (Svenska Metallarbetareförbundet, Metall) and the Industrial Labour Union (Industrifacket). It has some 450,000 members and is the second-largest affiliate of the blue-collar LO confederation. The year also saw talks over two further major mergers, one involving blue-collar unions and the other white-collar unions.

In the UK, the University and College Union was created in June following a merger between the two unions previously representing academic staff in the further and higher education sectors (UK0601103N). Also in June 2006, the GMB general union pulled out of talks over a planned three-

way merger with Amicus and the Transport and General Workers' Union (TGWU) (UK0608039I). The other two unions continued with their projected amalgamation and by the end of 2006 their leaderships had approved detailed merger plans that were to be the subject of membership ballots in early 2007 (UK0612019I). If endorsed by the members, the new union is scheduled to come into being in May 2007 and will be the UK's largest, with close on two million members. This merger will also affect Ireland, as Amicus and TGWU have around 50,000 members in the Republic of Ireland.

Coordination and cooperation among unions was stepped up in the Czech Republic (among transport and aviation workers' unions) and Finland (among rail, seafaring and aviation unions). In Belgium, the national metalworkers' federation affiliated to the Belgian General Federation of Labour (Fédération Générale du Travail de Belgique/Algemeen Belgisch Vakverbond, FGTB/ABVV) split into three regional organisations in April. The General Confederation of Portuguese Workers (Confederação Geral dos Trabalhadores Portugueses, CGTP) continued an internal restructuring process. The first unions for police officers were formed in Latvia during the year, after legal restraints on organisation were relaxed (LV0601101F).

An important factor in much trade union restructuring is the fact that union membership is declining in many countries. As well as mergers, many unions have responded with recruitment drives (for example in Ireland in 2006), while others have taken more innovative initiatives. For example, in the Netherlands in 2006, De Unie and CNV Dienstenbond set up new low-cost, internet-based 'unions', while FNV Horecabond introduced a cheaper membership option known as 'donorship' (NL0604019I).

Following a January ruling by the European Court of Human Rights that Danish closed-shop agreements breached the European Convention for the Protection of Human Rights and Fundamental Freedoms, Danish unions ceased to enforce such agreements (DK0601104F). Trade union representativeness was an important issue in France during the year, with various proposals for amending the present rules (FR0606039I and FR0606049I).

Employer organisations

At confederal level, 2006 saw the consolidation of the Alliance of Employers' Confederations in Romania (Alian a Confedera iilor Patronale din România, ACPR), an umbrella organisation of eight nationally representative confederations (RO0609039I). In Bulgaria, two main confederations, the Employers' Association in Bulgaria (EAB) and the Bulgarian International Business Association (BIBA) merged to form the Confederation of Employers and Entrepreneurs in Bulgaria (CEEB), which groups large and medium-sized companies with a total of over 400,000 employees, while two other confederations – the Bulgarian Industrial Association (BIA) and the Bulgarian Industrial Capital Association (BICA), signed a partnership agreement (BG0606019I). However, in Portugal, attempts in October 2005 to create a single umbrella organisation for employers, ran into difficulties in 2006 and are now *de facto* suspended. Lithuania's two central confederations – the Lithuanian Confederation of Industrialists (Lietuvos pramoninink konfederacija, LPK) and the Lithuanian Business Employers' Confederation (Lietuvos verslo darbdavi konfederacija, LVDK) – engaged in greater cooperation and attempted to draw up joint positions in advance of negotiations with unions or the government. In Slovenia, legislation adopted in May made membership of the Chamber of Commerce and Industry of Slovenia (Gospodarska zbornica Slovenije, GZS) voluntary for companies, rather than compulsory as before (SI0606019I).

At sector level, an important event in 2006 was an agreement by the Danish Commerce and Service (Dansk Handel & Service, DHS) employer association and the Danish Chamber of Commerce (Handel, Transport og Serviceerhvervene – Interesseorganisationen, HTS-I), which was solely a trade association, to merge at the beginning of 2007 to create a new combined employer and trade association, the Danish Chamber of Commerce (Dansk Erhverv, DE). With 20,000 member companies whose combined annual payroll amounts to DKK 80 billion, DE is Denmark's second-largest combined employer/trade association (DK0611029I). There was also reorganisation in employer/trade representation in the German mining industry and an agreement on coordinated action among three employer organisations in the Czech Republic. The Confederation of Finnish Industries (Elinkeinoelämän keskusliitto, EK) is cutting the number of its member associations by up to a third over the next three to five years (FI0601203F).

Social dialogue

There were relatively few changes in formal social dialogue structures during the year. The composition of Romania's tripartite Economic and Social Council (Consiliul Economic si Social, CES) was amended to include representatives of civil society alongside those of the government, employers and trade unions (RO0608029I). In Slovenia, it was agreed to increase trade union and employer representation on the Economic and Social Council (Ekonomsko socialni svet Slovenije, ESSS) to reflect changes in their organisation. Intensive consultations on amended rules for tripartite dialogue took place in Slovakia, culminating in the government submitting draft legislation to parliament late in the year (SK0701019I). The new government has promised to restore the position of the trade unions in the social dialogue.

Tripartite or bipartite social dialogue received a boost or took on new dynamism in a number of countries in 2006. In Portugal, especially, national-level negotiations gained a new momentum. In February, a bipartite agreement was signed on vocational education and training (PT0603019I), followed by three tripartite agreements: two on social security reform (PT0608019I) and one increasing the statutory minimum wage – the first time that tripartite negotiations on the latter issue have resulted in agreement (PT0612029I). Spain was another country where dialogue played a prominent role, with the further development of a 'soft law' system, whereby unions and employers reach an agreement on which the government bases a legislative proposal. This resulted in 2006 in legislation on reform of the labour market (ES0605019I) and on subcontracting in construction (ES0610039I). In Italy too, social dialogue took on greater impetus, resulting for example in a tripartite agreement on reform of the 'end-of-service allowance' severance pay system, which formed the basis for legislation on the issue (IT0611039I).

In September 2006, in the light of impending EU membership, the Bulgarian government and all representative central social partner organisations concluded a wide-ranging pact for economic and social development in the period up until 2009 – the country's first such agreement (BG0609029I). Issues covered include health, social security, employment policy, working conditions, employment rights, incomes, labour law and social dialogue.

Lithuania's new government is in favour of strengthening social dialogue and during the year the Tripartite Council of the Republic of Lithuania (Lietuvos Respublikos trišal taryba, LRTT) drew up a plan for the development of social partnership over 2007–8. In Finland, there has been an increasing tendency in recent years for 'continuous negotiation' among the social partners, meaning

various joint projects and working groups operating between the regular national incomes policy bargaining rounds. Under the current 2005–7 incomes policy agreement, 23 bipartite or tripartite working groups have been set up, resulting in proposals for legislation in 2006 in areas such as ‘contractor responsibility’ and parental leave.

A number of other notable developments in national social dialogue took place in 2006.

- In December, the Danish social partners reached an agreement with the government and municipalities aimed at improving the labour market integration of immigrants.
- In Luxembourg, a tripartite coordination committee agreed in principle on creating a single status for all private sector workers, ending current distinctions between white- and blue-collar employees (LU0610029I). Debate on the practicalities of this initiative is due to begin in 2007.
- In the autumn, consultations among the Dutch government and the social partners focused on a lack of training opportunities for young people with a low level of education, and the government agreed to increase the budget available to tackle the problem (NL0606019I).
- Poland’s Tripartite Commission for Social and Economic Affairs (Komisja Trójstronna do Spraw Społeczno-Gospodarczych) drew up a set of priorities for a proposed national social pact entitled ‘Economy – Work – Family – Dialogue’, which has received widespread support. The pact is aimed at increasing wealth and reducing poverty and social exclusion through rapid, sustained economic growth (PL0610079I). However, the social partners expressed dissatisfaction on several occasions at perceived government reluctance to consult the Tripartite Commission properly – for example, on the 2007 state budget.

Industrial action

In most countries, official or even semi-official data on industrial action during a particular year are not available for some time afterwards, making it difficult to assess developments in 2006 accurately at this stage. However, the year appears to have been a relatively quiet one across much of Europe.

Some 2006 data available for a few countries are detailed here.

- According to the Ministry of Labour and Social Insurance, the number of strikes in Cyprus fell from 25 in 2005 to 10 in 2006 (mainly in transport and services). However, the number of working days lost rose from 15,339 to 26,898, while the number of workers involved increased from 14,637 in 2005 to 25,955 in 2006;
- Statistics Finland reports 41 cases of industrial action (most prominently in the paper/pulp sector) during the first six months in 2006, compared with 365 in the whole of 2005. In the first half of 2006, 43,598 working days were lost, compared with 672,904 days (with 106,796 workers involved) in the whole of 2005. The EK employers’ confederation estimates 95 cases of industrial action in the whole of 2006, with a loss of 85,000 working days and about 44,000 workers involved. According to EK, almost all industrial action in 2006 was illegal, with strikes taking place despite valid collective agreements being in force.
- In Hungary there was a considerable increase in tension, with 36 trade union actions, including 12 street demonstrations, 9 two-hour warning strikes and 3 strikes. The number of working days lost in 2006 was 8,721, in line with the last 15 years’ average.

- In Ireland, according to Central Statistics Office data, 6,262 working days were lost in nine industrial disputes during the first nine months of 2006, with 906 workers involved. The figures for the same period of 2005 were 4,077, 10 and 2,027 respectively.
- Italy's Istat statistical institute recorded 2.5 million 'non-worked' hours due to labour conflicts over January-August 2006, a 36% fall on the same period in 2005.
- Unofficial preliminary estimates suggest that there were 12 or 13 strikes in Norway, with 150,000 working days lost, in 2006.
- According to Sweden's National Mediation Office (Medlingsinstitutet), six legal and two illegal strikes, which involved a total of 1,740 employees and the loss of 963 working days, took place between January and August 2006.
- In the 12 months to September 2006 (according to the UK's Office for National Statistics), levels of UK strike activity (although still historically low) were higher than for the 12 months to September 2005 in respect of the number of stoppages (145 compared with 124), the number of workers involved (730,200 compared with 193,300) and the number of working days lost (745,000 compared with 240,200).

The above data indicate that 2006 saw comparatively low (and in many cases falling) levels of industrial action in these countries. Although official statistical information is not available, there would appear to have been no (or only very low levels of) industrial action in Austria (one known strike), Bulgaria (where the year was widely viewed as one of the most peaceful for a decade), the Czech Republic, Denmark, Estonia, Latvia, Lithuania, Luxembourg, the Netherlands, Poland and Slovakia. This list includes many CEECs, where protest generally takes the form of demonstrations, meetings, pickets etc. rather than full work stoppages. This also appears to be increasingly the case in Ireland and, to some extent, France.

Where industrial action did occur, in many countries it especially affected the public sector and traditionally public (though in some cases now privatised) services, often in a context of reform and cost-cutting. Relatively large-scale disputes broke out in the public administration/civil service in countries such as Hungary (HU0607039I, HU0611029I), Portugal (PT0607039I), the UK (UK0604039I) and Norway (NO0608029I), while regional public services in Baden-Württemberg saw Germany's longest-ever public sector strike in a dispute over a new collective agreement on working time (DE0605019I). The public or privatised services that saw substantial industrial action in 2006 were:

- healthcare and hospitals, as in Cyprus (CY0612029I), Germany (DE0607019I), Hungary, Poland (PL0605039I), Romania (RO0608039I), Slovakia (SK0605029I) and Spain (ES0605029I);
- public transport (including aviation), as in Belgium (BE0611019I), Bulgaria, Estonia (EE0609029I), France, Italy (IT0602302F), Malta (MT0603019I), Portugal (PT0611029I) and Spain (ES0610019I);
- education, as in France, Greece, Malta (MT0603029I), Portugal (PT0608029I), Romania (RO0610039I) and the UK; and
- postal services, as in Belgium (BE0610029I), Malta ((MT0602101N) and Poland (PL0612039I).

In the private sector, many of the most high-profile company-level disputes related to restructuring, closures and job losses. For instance, this was especially true in Belgium, in cases such as the Volkswagen auto plant in Brussels (BE0701049I), the Fortis banking and insurance group (BE0602302N), the Sonaca aeronautics company (BE0604029I) and the Inbev brewing concern (BE0604019I). Examples from elsewhere included action at the SAS airline in Denmark (DK0602101N), the UPM paper company in Finland (FI0606029I), the Electrolux-owned AEG home-appliance concern in Germany (DE0603039I), the Nedcar car manufacturer in the Netherlands (NL0605029I), K-Tel, a telecoms firm, in Poland (PL0605019I) and the Azambuja Opel van plant in Portugal (PT0609019I). Sector-wide action mainly related to the negotiation of new agreements, as in the Cyprus construction industry (CY0607029I), Finnish road transport (FI0603019I) and German metalworking (short warning strikes) (DE0605039I). In Hungary, workers threatened to take strike action at company level or staged warning strikes, largely in response to the annual wage negotiations (HU0607029I). In Italy, delays in the renewal of collective agreements were the main source of strike activity (accounting for over 70% of the total) in 2006 – by September, the agreements covering nearly 40% of all employees had expired and the average renewal delay was approaching 10 months.

Regulation of industrial action

There were a number of changes in the regulation of industrial action and the prevention and resolution of industrial disputes in 2006.

- New legislation in Bulgaria ended (under certain minimum service conditions) a ban on strikes by workers in emergency medical care, gas supply, power supply and central heating (BG0610059I);
- The Czech Republic's new Labour Code (CZ0610029I) changed aspects of the regulation of collective disputes. For example, the rules for calling strikes were changed (a new quorum was fixed) and a requirement to submit to employers lists of the names of strike participants and their representatives was repealed.
- Ireland's new social partnership agreement includes a government to amend the legislation governing dismissals during industrial disputes, intended to provide more protection for workers against the potential misuse of collective dismissals.
- Amendments to Latvia's Law on strikes came into force.
- A new system of compulsory arbitration in certain disputes came into effect in Portugal and during the year the arbitration courts took seven decisions regarding the extent and form of minimum services during strikes in transport and communications.

In Lithuania – where the low level of industrial action is thought to be partly due to current strict legislative regulation of strike calls – the regulatory framework for strikes and dispute resolution was subject to tripartite discussion during 2006, with unions calling for a relaxation of current rules. Further, there was tripartite agreement that a mediation authority should be set up (LT0607029I). In Greece, there was considerable debate over the system of 'civil conscription' – whereby the government can enforce a return to work by strikers – after it was used to end a strike by seafarers (GR0603019I).

Cross-border mobility

2006 was a year when the mobility of workers between countries was high on the political agenda. The European Commission had designated it as the ‘European Year of Workers’ Mobility’ as part of a drive to encourage employment mobility within the EU (EU0601202N) and there was also EU-level debate over policy on the labour market aspects of immigration (both legal and illegal) from outside the Union (EU0601205F). Another example was that the central EU-level social partners, in their 2006–8 joint work programme (EU0605019I),² agreed to conduct a joint analysis of the key challenges facing Europe’s labour markets, including issues such as mobility and migration. Further, the high-profile ‘Laval’ (SE0505104N) and ‘Viking’ (EU0605029I) cases, which deal with the relationship between economic freedoms and workers’ rights in an expanded, mobile EU, were under consideration in the European Court of Justice.

The issue was also prominent at national level in many countries, not least because many ‘old’ Member States had to decide in 2006 whether to maintain for a further period the transitional restrictions on free movement of workers from new CEEC Member States imposed when the latter joined the EU in 2004. All of the EU15 countries, with the exceptions of Ireland, Sweden and the UK, had taken up the option of using such restrictions. Since the 2004 enlargement, there has been evidence (EU0602204F) of increased labour migration from these new Member States to the EU15, most notably to Ireland and the UK, but also to states such as Germany and the Nordic countries. However, according to a September 2006 report (http://www.ecas.org/file_uploads/1182.pdf) from the European Citizen Action Service (EU0609029I), nationals from the new Member States made up only 0.2% of the total EU15 population (although some countries had seen a ‘more important influx’ of workers from the new Member States). In 2006, Finland, Greece, Italy, Portugal and Spain decided to lift all transitional restrictions, while Belgium, Denmark, France, Luxembourg and the Netherlands opted (to varying degrees) to remove restrictions gradually or to ease procedures. Austria and Germany announced their intentions to retain current restrictions up until the end of the transitional period (2011 at the latest).

With Bulgaria and Romania joining the EU in 2007, existing Member States also had to decide during 2006 whether to apply similar transitional restrictions to workers from these countries. Most of the new Member States that had joined in 2004 decided to open their labour markets completely, Malta and, to some extent, Hungary being exceptions (HU0701029I). By contrast, all the EU15 countries (including Ireland and the UK) imposed restrictions, except Finland and Sweden.

Against this backdrop, EIRO’s annual review this year looks at the extent to which cross-border labour mobility has been a theme in industrial relations. As, broadly speaking, the debate differs considerably between the CEECs and western European Member States (plus Cyprus, Malta, and Norway), we consider them separately below.

Central and eastern Europe

Most Member States in central and eastern Europe are currently facing labour shortages, often among skilled workers but also, in some cases, in lower-skilled occupations, in a context of rapid economic growth: notable examples are Bulgaria, Estonia, Lithuania (LV0605029I) and Poland. While these shortages often have deep-rooted demographic and educational causes, they have been exacerbated

² http://ec.europa.eu/employment_social/news/2006/mar/work_programme_2006_2008_en.pdf

in many countries by the rising level of labour emigration to the west since the 2004 enlargement of the EU. The response of governments has been to introduce or consider measures that ease labour immigration – an example being legislation adopted in Poland in 2006 that lists 27 categories of foreigners who no longer need a work permit to take up employment in Poland. In some cases, governments and companies attempt to stem the outflow of skilled workers by raising pay levels or through more coercive measures: for example, in Lithuania, it has been suggested that graduates could be obliged to work for Lithuanian enterprises for a certain period after completing their studies.

These developments are often a focus of concern for the social partners and, in countries such as Bulgaria, Estonia and Romania, they seem largely agreed on the need for allowing or encouraging labour immigration to meet particular labour and skills gaps. (Such immigration is at relatively low levels in most cases.) However, there can be disagreement on the response to labour shortages. For example, in Lithuania, while trade unions seem largely opposed to employers' wishes to liberalise immigration laws in order to cut costs when employing foreign workers in low-skill segments, they oppose employer calls to amend employment legislation so as to make the greatest use of existing labour, for example by allowing longer working hours.

Generally, though, cross-border mobility is rarely an 'industrial relations issue' in CEECs. Exceptions seem few. Slovenia's tripartite Economic and Social Council of Slovenia (Ekonomsko socialni svet Slovenije, ESSS) is involved in labour migration issues, such as setting the annual quota of work permits for foreign workers. Czech trade unions (like some of their western European counterparts) are anxious to restrict the illegal employment of foreign workers and have achieved special provisions in collective agreements for this purpose, especially in those sectors with the highest incidence of such illegal employment, including construction.

Western Europe

If in CEECs the key employment aspects of cross-border mobility are labour emigration and often the question of immigration to meet the labour shortages to which this emigration contributes, in western Europe debate about the need for labour immigration to fill labour shortages is accompanied by a focus on the pay and conditions of migrant workers (from within the EU and beyond) and the effect of low-cost migrant labour on national competition, labour markets, and pay and conditions.

Employer organisations seem by and large to be in favour of labour immigration to address labour shortages, though they are concerned about unfair competition from firms using illegal or substandard employment practices. While trade unions often accept that foreign labour is needed, in most cases they have concerns about the undercutting of national pay and conditions by low-paid foreign labour – both long-term migrants and short-term posted workers. These fears are, in many countries, coupled with concern about the exploitation of foreign workers and illegal/substandard employment practices.

These issues have sometimes played out in the industrial relations arena, leading to agreements at various levels, disputes and specific trade union initiatives; some recent examples are set out in Table 4 below. However, the extent to which issues related to cross-border mobility feature in industrial relations in this way varies considerably; at the moment, the topic seems 'hottest' in Cyprus, Finland, Germany, Ireland, Norway, Sweden and the UK.

There was considerable legislative activity in the area of labour migration in 2006. As well as measures relating to the transitional restrictions on the free movement of workers from the CEECs (see above), new or proposed regulations also covered labour migration from outside the EU, as in France (FR0605029I), Ireland, Luxembourg and Sweden. Specific legislation dealt with areas such as: legalisation of many existing illegal employment relationships between private individuals and foreign workers providing home care for elderly people in Austria; helping to guarantee equal wages and working conditions for home-country nationals and foreign workers in Belgium; the posting of workers in Luxembourg, in line with the relevant EU Directive; and the extension of Germany's posted workers legislation to the industrial cleaning sector. In this last example, while the main aim was to set minimum standards of pay in the industry, the change will also have an effect on multinational cleaning companies operating with posted workers (DE0609049I). In Norway, the collective agreement for the construction sector was extended to cover all workers and employers in the industry, with the aim of protecting foreign workers facing substandard pay and conditions (NO0612029I).

In some cases, the new legislation was based on considerable social partner input. For example, Finland's decision not to renew transitional restrictions on free movement of workers from the CEECs was based on agreement between the government and social partners. Furthermore, in a number of countries, the new regulations also included an important role for the social partners or collective agreements. For example, Denmark revised its restrictions on free movement of workers from the CEECs (DK0605029I), retaining the rule whereby work and residence permits are granted under the precondition that the applicant is offered a full-time job under the provisions of a collective agreement. One change, in order to facilitate hiring staff from the new Member States, is that Danish companies covered by a collective agreement are now entitled to seek approval in advance from the immigration authorities to hire workers from the countries in question, as long as the firm is not involved in a legal industrial dispute. The Netherlands' new rules on labour mobility from the CEECs included a role for the social partners in assessing in specific sectors whether Dutch employees are being displaced due to an increase in foreign workers.

Table 4 Examples of industrial relations activity related to cross-border labour mobility

National bargaining	A major dispute over the replacement of directly employed crew members at Irish Ferries with predominantly eastern European agency workers dominated Irish industrial relations in 2006, delaying the conclusion of a new national partnership agreement (IE0604059I). As a result of the controversy, the eventual agreement, as well as containing new rules on work permits, has a focus on employment rights – both the enforcement of employment laws and 'acceptable' standards of employer behaviour (IE0606019I). It includes specific provisions on the collective compulsory replacement of workers by lower-paid workers from new EU Member States. The Finnish social partners approved a common strategy on immigrant labour, agreeing that more foreign labour is needed in the Finnish labour market, but stressing that it is needed to complement the Finnish labour force, not replace it.
Sectoral bargaining	New agreements signed in Norwegian manufacturing industry in spring 2006 (NO0604019I) included provisions strengthening the rights of shop stewards over companies' use of agency work and subcontractors, which were prompted largely by concern over the use of foreign workers and subcontractors. Shop stewards may now ask employers for documentation proving that agency workers or employees of subcontractors are paid in accordance with standard Norwegian wage rates and have the same standard of working conditions. The sectoral social partners also agreed to cooperate on combating substandard practices among employers.
Company bargaining	In July 2006, building and construction workers employed in Norway by the temporary employment agency Adecco came under the coverage of the sectoral collective agreement for the building industry. Most of these workers are not Norwegian, mainly coming from Poland, and the agreement's extension to them came as a result of trade union success in recruiting them as members (NO0606019I).

Table 4 (continued)

Disputes	In November, around 3,000 workers went on strike at the Aker shipyard in Turku, Finland to protest against the pay and treatment of employees of foreign subcontractors. The dispute was ended by an agreement that the company would insist that foreign subcontractors adhere to Finnish labour legislation (F0611029I). In the same month, there was a dispute at Finnair over the airline's plan to hire 500 new cabin crew members for its Asian routes through its associated Estonian company, Aero Airlines, which pays its cabin crew staff about 30% less than Finnair (F10609029I). As well as the Irish Ferries dispute (see above), in 2006 Ireland saw a strike at two Ferrovial Agroman building sites in Dublin over claims that the Spanish-based construction firm was seeking to replace laid off bricklayers with lower-cost labour from elsewhere in Europe. The year also saw a 50% increase (to 135) in the number of boycotts ('blockades') organised by Swedish unions, mainly to put pressure on employers to sign collective agreements. The construction sector is over-represented among the firms affected, and this is thought to be due to increasing competition from foreign companies bringing low-cost labour to Sweden.
Trade union initiatives	In 2006, the European Migrant Workers' Union (EMWU), which was set up in 2004 with the support of the Trade Union for Building, Forestry, Agriculture and the Environment (Industriegewerkschaft Bauen-Agrar-Umwelt, IG BAU) developed its support for and organising of itinerant workers in Germany, mainly in the construction industry (DE0409206F). UK trade unions have launched various initiatives to support and advise migrant workers and encourage them to join unions, aimed in particular at Portuguese and Polish workers. French unions have taken initiatives to organise foreign employees working at building sites and shipyards, as well as seasonal workers (though these are reportedly meeting relatively little success). The Finnish union confederation, SAK, has set up a 'Finnish working life information point' in Tallinn, Estonia, which won an award from the European Commission as part of the European Year of Workers' Mobility.

Source: EIRO.

Reconciliation of work, family and private life

In recent years, measures that aim to make it easier for workers to reconcile work, family and private life have gained greater prominence on the legislative and bargaining agendas in many countries, driven by both equality/diversity concerns and demographic change that has made it a priority to help people work longer and increase female labour market participation. There is also seen to be a strong 'business case' for improving employees' work life–balance. At EU level, relevant legislation includes the 1992 Directive on pregnant workers and maternity leave (Directive 92/85/EEC) and the 1996 Directive (based on a social partner agreement) on parental leave (Directive 96/34/EC), while in October 2006 the European Commission launched a consultation of the social partners on the possible direction of future EU action on improving the reconciliation of work, private and family life (EU0701079I).

Enabling the reconciliation of work, family and private life has many aspects, the most prominent being:

- maternity, parental, paternity or other leave for childcare purposes;
- leave to care for elderly parents or disabled family members;
- care facilities for children and other dependants;
- flexible working arrangements (such job-sharing, flexible working hours, term-time working or teleworking).

The importance of work–life balance was underlined by various items of research published during the year.

- A study by the Danish National Research Institute (Socialforskningsinstituttet) and the government's Family and Working Life Commission (Familie- og Arbejdslivskommissionen) (DK0611019I) found that people often struggle to combine work with childcare responsibilities. Almost half of all families with children surveyed find their working life stressful, while one in four families think the same about their family life. Families' ability to organise their weekly working hours has a positive effect on their work–life balance, according to the study. Parents with flexible working hours are often satisfied with their current work and care arrangements, while the possibility to work from home when necessary also increases the likelihood of parents being satisfied with their current job situation.
- A study by the Cyprus Employers and Industrialists Federation (OEB) of women's access to top management in financial services and semi-state bodies found that family responsibilities together with prejudices and stereotypes are the main reasons restricting or preventing women from occupying senior management positions in these sectors.
- In Italy, official figures indicated that one woman in 10 decides to abandon paid work after maternity leave, while about 40% of women with children stop paid work to dedicate themselves to childcare. This affects their ability to accumulate the necessary social insurance contributions for a state pension (only 2% of women have the required 40 years of contributions to obtain a full pension).
- Dutch studies found that career prospects have deteriorated for women who work part time (as around two-thirds do) and take leave to provide care (NL0611049I).

As indicated in Table 5 below, work–life balance was the subject of considerable legislative activity in 2006, especially in terms of maternity/parental/paternity leave, with some countries, mainly new Member States, introducing forms of leave for the first time, and others adjusting and improving their schemes and making them more flexible. In some cases, this new legislation sought to encourage fathers to take a greater role in raising children. There were also a number of moves aimed at making childcare facilities more accessible and, to a lesser extent, at allowing more flexible working hours for employees with care responsibilities.

Few major new collective agreements on specific reconciliation issues were reported in 2006. An exception was a company agreement covering about 6,000 employees at Ferrero in Italy, which is seen as an example of best practice (IT0608019I). The agreement introduces (or extends to a wider number of employees) a number of measures to improve work–life balance. For example, parents returning to work after taking parental leave are offered the possibility of part-time work, as are employees who need to take care of sick relatives. In Germany, new company agreements containing measures to promote the reconciliation of work and family life included those at the Arcor telecommunications company (covering 4,400 employees) and the German subsidiary of the IBM IT group (25,000 employees). The year saw several agreements on telework, from company level – as at Renault in France – to national intersectoral level – as in Luxembourg – though without these necessarily being explicitly framed as work–life balance initiatives.

A Spanish study found that provisions on work-life balance in collective agreements are spreading slowly. These cover matters such as leave for breastfeeding, time off work for family care, time off for serious illnesses and hospitalisation and making holiday periods and maternity leave more compatible.

The issue is high on the agenda of some trade unions. For instance, in the 2006 bargaining round, the priorities of the MKOS confederation in the Czech Republic included measures to create a 'pro-family' environment in companies – by adjusting working time for parents with small children, providing leave for parents, enabling flexible working time, and allowing part-time work to suit parents' requirements. In Slovakia, the KOZ SR union confederation organised a training seminar for negotiators aimed at improving collective bargaining on reconciliation issues. Many enterprise collective agreements in Slovakia include provisions on flexible working hours, maternity and parental leave, and unpaid leave for parents needing time off urgently to care for young children or sick family members. In Denmark, the white-collar FTF confederation called for action to address the problems that families face when trying to reconcile work and family life, arguing that work–life balance problems are a social rather than an individual problem, which society as a whole needs to address. A recent FTF study on work–life balance had found that working life is the main cause of stress among its members, including those without childcare responsibilities.

Reconciliation seems to have been a less pressing topic for employer organisations in 2006, but with some exceptions. For example, the Employers' Confederation of Latvia (Latvijas Darba deveju konfederacija, LDDK) called on the government to revise employment legislation in order to eliminate obstacles to flexible working arrangements and new forms of employment (LV0605039I) and prepared an information paper for its members explaining legislation and good practice relating to telework and other new forms of employment.

Table 5 New legislation on work–life balance in 2006

Maternity leave/benefit	Bulgarian legislation was amended, extending pregnancy, maternity and adoption leave, and the duration of allowances, until a child reaches nine months of age. New UK legislation that became law in June (UK0609039I) also provides for longer paid maternity leave, while Poland also extended paid maternity leave (also for cases of adoption). New Finnish legislation (in force from January 2007) increases maternity allowances during the first 56 days of maternity leave. In September, Belgium increased maternity leave for workers who had been unable to work during the prenatal period (because of illness or accident). French legislation adopted in March provided help for SMEs to replace employees on maternity leave.
Parental leave/benefit	Romania introduced in January parental ('child-raising') leave, with a state benefit, until the child reaches the age of two (or three in the case of children with disabilities). Germany introduced (from January 2007) a new parental allowance (<i>Elterngeld</i>), which can be claimed at a rate of 67% of previous pay by all parents who take time off to care for their children during the first year of their lives (or longer on a lower benefit); this replaced a previous childcare allowance. The Czech Republic adopted legislation sharply increasing the 'birth allowance' (a one-off benefit paid on the birth of a child) and allowing parents to put a child over three years old in daycare for up to four hours a day, without losing parental benefit. Estonia changed its parental leave benefit law to make fathers eligible for benefit earlier than before.
Paternity leave/benefit	In June, Lithuania introduced statutory paid paternity leave, which may be taken in the period until the child is one month old. New Finnish legislation (in force from January 2007) makes taking paternity leave easier and more flexible. The UK introduced additional paid paternity leave for fathers if the mother returns to work before the end of her maternity leave period. Czech legislation adopted in May allows fathers to take over maternity allowance from the seventh week after the birth of the child.
Care leave/benefit	Czech legislation adopted in May enables parents to take time off work in turn to care for a sick child, while receiving a 'nursing allowance'.

Table 5 (continued)

Care facilities	<p>The Dutch government ruled that, from January 2007, it will be compulsory for employers to contribute to employees' childcare costs (the scheme was previously voluntary). Estonia set statutory standards in November for providers of childcare services and childminders in November. (Benefits for parents using childminders are under consideration; these have already been introduced by the Tallinn local authorities.) In its 2007 state budget, the Maltese government introduced tax deductions for individuals' expenses for licensed childcare services and made payments by employers for childcare services deductible expenses (and no longer taxable fringe benefits). In January, Austria introduced a 'household service cheque' (<i>Dienstleistungsscheck</i>) scheme for paying private household workers, with the aim of helping reconcile work and family, as well as increasing legal activity rates in this area of the labour market (AT0602202F). In Spain, a law on 'personal autonomy and dependent care' adopted in November is expected to create 300,000 jobs in the field of care for elderly and disabled people.</p>
Flexible working	<p>Romania's new Labour Code introduced the possibility of individual flexible working hours in order to raise children or to care for elderly people or people with disabilities. In April, the Slovenian parliament adopted amendments to the legislation entitling parents to shorter working hours (SI0504301N): these allow a parent with two children to work shorter hours until the eldest child is six years old, and extend the entitlement to self-employed parents. New UK legislation introduced a right for carers of elderly or sick adult relatives to request flexible working-time arrangements.</p>

Source: EIRO.

This chapter reviews the key developments in aspects related to European-level social dialogue in 2006. It looks at EU legislation that came into force during the year, key political developments, and such issues as consultation among social partners, employee participation and equal opportunities.

Political developments

The European Commission designated 2006 as 'European Year of Workers' Mobility' (EU0601202N). In February 2006, it published a report, *Report on the functioning of the transitional arrangements set out in the 2003 Accession Treaty*, that looked at the free movement of workers within the EU since the enlargement of 2004 (EU0602204F). Among its key findings, the report concluded that the free movement of workers from the new Member States had had a positive impact, and that labour migration had been quantitatively less important than foreseen in most countries. On 1 May, Spain, Portugal and Finland opened their labour markets to workers from new Member States, while in September, the profile of the issue of mobility was further maintained by a Commission hosted conference, 'Workers' mobility – What role for the social partners?' that discussed both geographical and occupational mobility.

Employment policy featured strongly in both Presidencies of the Council of Ministers, held by Austria in the first half of 2006 and by Finland in the second half. In December of 2005, both governments had issued a joint document highlighting their policy priorities for the coming year: in the area of employment and social policy, specific measures included progressing in the revision of the working time directive, possible work on the draft temporary agency work directive and progress towards the Lisbon strategy for growth and jobs. (EU0601203F)

In January, at an informal Employment, Social Policy, Health And Consumer Affairs Council in January, employment and social affairs ministers debated the issues of flexibility and security and the social dimension of Europe (EU0602201N). In March, the Council went on to adopt a common position with a view to the adoption of a recast version of Directive 2006/54/EC dealing with the implementation of the principle of equal opportunities in employment.

In March, at the spring meeting of the Council of the European Union, the Council confirmed that the Integrated Guidelines for 2005–2008 for jobs and growth remained valid. The Council stressed that further measures were needed to achieve the required annual employment growth of at least two million jobs until 2010, adopted the European pact for gender equality and called on the Member States to develop a life-cycle approach to work, to implement active and preventative policies and to improve the situation of young people in the labour market.

At the Tripartite Social Summit in March, the European social partners presented their joint multi-annual work programme for 2006–2008 (EU0605019I), and an evaluation report on lifelong learning (EU0606019I) (see 'Social dialogue', below). At an informal Tripartite Social Summit held jointly by the Finnish Presidency and the Commission, flexicurity was the key topic debated (EU0611039I).

An EPSCO meeting in June reached political agreement on the following:

- a regulation establishing a European Institute for Gender Equality;
- a decision on Guidelines for the Employment Policies of the Member States for 2006;

- a decision establishing a Community programme for employment and social solidarity.

At the June meeting of the Council of the European Union, held by the outgoing Austrian Presidency, the relaunched Lisbon strategy, the draft services Directive, migration and enlargement were topics of debate.

At the start of its Presidency, in June, the Finnish government announced that it intended to continue the debate on Europe's changing demography, on the balance between flexibility and security at work, and on improving the quality of working life. Later in the month, a delegation of trade union leaders presented a memorandum to the Finnish Presidency, outlining three priority areas: social Europe, the social dimension of the internal market, and trade and external relations (EU0607019I).

In September, the Commission published the results of a monitoring report on Bulgaria and Romania, indicating that both countries were considered ready to join the EU on 1 January 2007 (EU0610019I). Both the European Trade Union Confederation (ETUC) and BusinessEurope (formerly UNICE) welcomed the decision but emphasised that further progress is required in the area of social dialogue and law enforcement.

At an extraordinary meeting in November, the Employment, Social Policy, Health and Consumer Affairs Council once again failed in its attempt to reach agreement on the controversial revision of the working time Directive. Later, at a December meeting, the Council held a preliminary exchange of views on the Commission Green Paper, *Modernising labour law to meet the challenges of the 21st century*. It also approved the Commission's communication, *Promoting decent work for all: The EU contribution to the implementation of the decent work agenda in the world*, and adopted conclusions on the review of the implementation by the Member States and the EU institutions of the Beijing platform for action for the empowerment of women. In the context of men and gender equality, the Council stressed that more attention should be paid to how men were involved in achieving gender equality. The portability of supplementary pension rights was also discussed.

At the Council of the European Union's December meeting in Brussels, European enlargement and migration policy were debated.

Legislative developments

Equal opportunities Directive

In July, a recast Directive 2006/54/EC, dealing with the implementation of the principle of equal opportunities and equal treatment of men and women employment, was issued. The revised version incorporates seven existing Directives into one single Directive:

- Directive 75/117/EEC on equal pay;
- Directive 86/378/EEC, as amended by Directive 96/97/EC, on equal treatment in occupational social security schemes;
- Directive 76/207/EEC, as amended by Directive 2002/73/EC, on equal treatment of men and women;

- Directive 97/80/EC, as amended by Directive 98/52/EC, on the burden of proof in cases of discrimination based on sex.

Article 21 of the Directive strongly encourages social dialogue with the aim of fostering equal treatment, access to employment, vocational training and promotion, and of facilitating the reconciliation of work and private life.

Services Directive

In November 2006, the European Parliament adopted the Services Directive 2006/123/EC at second reading and put an end to a long controversy, particularly with regard to the industrial relations impact (EU0612039I). The key contentious issue, the ‘country of origin principle’, was replaced by the ‘freedom to provide services principle’. The Directive does not affect labour law, employment or working conditions and does not impact on the right to negotiate, conclude and enforce collective agreements, or on the right to strike and take industrial action. Several sectors and activities, such as services of general interest, social and health services and temporary agency work, are excluded from the Directive. The Services Directive does not affect the terms and conditions of employment of posted workers; Directive 96/71/EC obliges service providers to comply with the terms and conditions of employment laid down by law or in collective agreements in the Member State where the service is provided. The Services Directive entered into force on 28 December 2006, and must be implemented by the Member States within three years.

Chemicals legislation (REACH)

On 13 December 2006, the European Parliament adopted the compromise it had negotiated with the Council on the new REACH regulation on the registration, evaluation and authorisation of chemicals (Regulation (EC) No 1907/2006; Directive 2006/121/EC). Key objectives of REACH are to control dangerous chemicals, to substitute the most dangerous chemicals with less hazardous one and to replace 40 separate pieces of legislation with one. The regulation obliges producers to register all chemical substances (greater than a total quantity of one tonne) produced or imported each year: about 30,000 substances are affected. For more hazardous substances, producers have to submit a substitution plan to replace them with safer alternatives. Where no alternative exists, producers have to present a research plan aimed at finding one. The regulation was signed on 18 December 2006 and will enter into force on 1 June 2007. The regulation on REACH was preceded by intensive debate and revision between the European Parliament, the Council of the European Union and the European Commission and by a debate among the social partners dating from the Commission’s proposal in 2003 (COM(2003)644).

Globalisation Adjustment Fund

On 1 March 2006, the European Commission presented a proposal for the establishment of a European Globalisation Adjustment Fund, aimed at providing personalised support to individual workers made redundant as a result of major structural changes in world trade. In December, the European Parliament adopted a legislative report on an agreement between the Parliament and Council on the Commission’s proposal. A regulation on establishing the Fund ((EC) No 1927/2006) was adopted on 20 December.

Revision of the Working Time Directive

The ongoing controversy on a draft Directive aimed at amending the Working Time Directive 2003/88/EC ended in deadlock at an extraordinary meeting of the Employment, Social Policy, Health and Consumer Affairs Council on 7 November 2006 (EU0612019I). The key issue of the stalemate is the so-called opt-out clause from the maximum 48-hour week and the possible phasing-out of its use.

Subsequent to the meeting, the Commission threatened infringement procedures against 23 of the European Union's 25 Member States. Most countries – apart from Italy and Luxembourg – are in breach of EU law against the background of two rulings by the European Court of Justice (ECJ). In a further judgement (Case C-14/04), beyond the SIMAP (C-303/98) and the Jaeger (C-151/02) cases, the ECJ had outlined that the classification of periods of time at the workplace cannot depend on the intensity of the work performed: rather it follows from the obligation to be at the employer's disposal, and on-call work must be regarded as working time.

Portability of supplementary pension rights

In October 2005, the European Commission proposed a Directive aimed at making supplementary pension rights more portable (COM (2005) 507 final). Current restrictive supplementary pension scheme provisions can limit the opportunities for mobile workers to build up sufficient pension rights; the proposed directive was aimed at easing these restrictions and so reducing the obstacles to mobility across Europe. The December 2006 meeting of the Employment, Social Policy, Health and Consumer Affairs Councils discussed the draft Directive and recognised the increasing importance of supplementary pension schemes and the attempt to facilitate workers' freedom of movement.

EU-level social partners

Two new European sectoral social dialogue committees were established in 2006, bringing the total number of such committees to 33. In June, the sectoral social dialogue committee for the steel industry was launched by the European Metalworkers' Federation (EMF) and the European Confederation of Iron and Steel Industries (Eurofer) (EU0606059I). Both the EMF and Eurofer see the role of this new body primarily as monitoring sectoral developments and EU related legislation, and considering measures for promoting high-quality jobs (Joint press release).³ The committee adopted rules and procedures and agreed on an extensive work programme for 2006–2008.

The Council of European Employers of the Metal, Engineering and Technology-based Industries (CEEMET) and the EMF have agreed to set up a permanent social dialogue structure. This permanent working group is composed of high-level representatives from nine European countries. Key issues of the joint CEEMET/EMF work programme are lifelong learning, anticipation of skills and qualification needs, employee mobility and the ageing workforce.

In September, the workers' and employers' representatives from the hospital sector – the European Federation of Public Service Unions (EPSU) and the European Hospital and Healthcare Employers' Association (HOSPEEM) – launched the European sectoral social dialogue committee for the hospital sector (EU0610039I). Here, the sectoral social partners aim to monitor the social, economic and

³ <http://www.eurofer.org/docs/pressRelease/SSDC.pdf>

employment consequences of EU policies in the health sector and to contribute to social policy developments. Both workers and employers agreed a comprehensive Work programme for 2006–2007, which concentrates on the issues of recruitment and retention, the ageing workforce and new skill requirements.

In November 2006, the European Commission approved the European Gas Social Dialogue Committee and informed the European sectoral social partners; the committee was formally launched in March 2007. A first exchange took place between the Commission, Eurogas and two trade unions: the European Federation of Public Service Unions (EPSU) and the European Mine, Chemical and Energy Workers' Federation (EMCEF).

Consultation of European social partners

In 2006, the European Commission consulted the European social partners in accordance with article 138 of the EC Treaty on four issues:

- the active inclusion of people currently excluded from the labour market (COM(2006)44 final);
- the strengthening of maritime labour standards (COM(2006) 287 final);
- Consultation on protecting European healthcare workers from blood-borne infections due to needle stick injuries;⁴
- Consultation on reconciliation of professional, private and family life (EU0701079I);

On this last point, the Commission asked for the views of the European social partners on the need for further actions, modification of Community legislation, and the best balance between costs and benefits, while emphasising that Member States with wider-ranging policies (Denmark, France, Finland and Sweden) have higher fertility rates and higher female employment rates.

The employers' associations UNICE and UEAPME view EU legislation as adequate; they stressed both the success of the framework of action on gender equality for work–life balance initiatives and the importance of company-level actions. ETUC requested comprehensive actions and advocated a range of actions by EU institutions and/or European social partners.

Social dialogue

Joint work programme 2006–2008

Key elements of progress in the European social dialogue were the presentation of the second joint work programme of the European social partners, the presentation of the first implementation report on the autonomous agreement on telework, the evaluation report on lifelong learning and the negotiation of a further framework agreement.

At the Tripartite Social Summit in March 2006 (Joint press release), the cross-sector European level social partners – the European Trade Union Confederation (ETUC), BusinessEurope (at that time,

⁴ http://ec.europa.eu/employment_social/social_dialogue/docs/needlestick1_en.pdf

UNICE), The European Association of Craft, Small and Medium-Sized Enterprises (UEAPME) and the CEEP – presented their work programme for social dialogue for 2006–2008 (EU0605019I).

Key issues addressed in the work programme included:

- macroeconomic and labour market policies;
- mobility and migration;
- lifelong learning, competitiveness and innovation;
- the integration of disadvantaged groups;
- the balance between flexibility and security;
- undeclared work.

Implementation report on the telework framework agreement

On 11 October 2006, the European social partner organisations, ETUC, UNICE, UEAPME and CEEP, presented their implementation report on the framework agreement on telework (EU0611029I). The framework agreement, a landmark agreement signed on 16 July 2002, had established a general framework at EU level (EU0207204F). Affiliated organisations were required to implement it in accordance with the national procedures and practices.

For the first time, the European social partners directly implemented an autonomous agreement under the procedures provided for in Article 139 (Paragraph 2) of the EC Treaty. The signatory parties set up an ad hoc group, under the responsibility of the social dialogue committee, to prepare a joint report to provide an overview of the current state of implementation of the agreement.

The report highlights a wide variety of implementation results, variation in reporting and the development of innovative social dialogue practices. It deems the lack of experience among the member organisations, the novelty of the issue and the diversity of industrial relations systems as being responsible for the fact that the agreement was not completed in all countries.

Evaluation report on lifelong learning

On the eve of the Education, Youth Affairs and Culture Council in May 2006, the European social partners presented their joint evaluation report on the lifelong development of competencies and qualifications (EU0606019I). The report reflects four years of experience in the context of the European social partners' framework of actions, agreed in 2002 (EU0204210F). The report considers the efforts over the four-year period to have been very successful.

The report, based mainly on national evaluation reports jointly drawn up by the national social partners, investigates the impact of more than 350 selected significant initiatives. The follow-up work led to an increased understanding and improved cooperation between the social partners and to a sense of shared responsibility in most countries. The European social partners reaffirmed the need to continue working on the lifelong development of competencies and qualifications.

Negotiations on a new framework agreement on violence and harassment

In 2005, the European Commission consulted the European social partners on protecting the health and safety of workers against all forms of violence in the workplace, including bullying.⁵ In the first joint work programme of the European social partners, harassment was also an issue. On 7 February 2006, the European social partners UNICE, UEAPME, CEEP and ETUC started negotiations on harassment and violence with a view to concluding a voluntary agreement. UNICE opposed the inclusion of so-called third-party violence and harassment, where the perpetrator is a customer rather than an employee, while the unions wanted third party cases to be included into the scope of the agreement (CEEP UK Newsletter November 2006).⁶ On 15 December 2006, the negotiations teams agreed on a text: the agreed text stipulates that employers publish a statement that makes clear that violence and harassment in the workplace will not be accepted, and that specifies procedures to be followed where cases do arise. A short checklist of simple principles that should be incorporated into such procedures is outlined in the agreement (CEEP UK Newsletter December 2006).⁷

Multi-sector agreements

A new feature in European sectoral social dialogue is the emergence of multi-sector agreements covering several sectors. On 25 April 2006, the first multi-sector agreement was signed by the multi-sectoral Negotiation Platform on Silica (NePSi) (EU0606039I). This autonomous agreement on the safe handling and use of crystalline silica and its derivative products is an outcome of European social dialogue via Articles 138–139 of the EC Treaty; it covers more than two million workers in different sectors of the economy. The agreement was published in the Official Journal in November 2006 (2006/C 279/02).

Sectoral developments

The first European sectoral social dialogue conference, ‘The contribution of the sectoral social dialogue to the modernisation of the European social model’, took place on 13 March 2006; it brought together representatives of 31 sectoral social dialogue committees (for more information, see the press release IP/06/299). Key themes were anticipating and managing change and strengthening social dialogue in an enlarged Europe.

Recurrent issues in the work programmes of the sectoral social dialogue committees for 2006 included, in addition to specific sectoral issues, a number of issues on the agenda of the joint work programme of the interprofessional social partners, or subjects related to the implementation of the autonomous framework agreements or frameworks of action. Key themes were:

- qualification and training;
- lifelong learning;
- sectoral employment and restructuring;
- work-related stress;
- undeclared work;
- demographic change;
- gender equality;
- work–life balance;

⁵ http://ec.europa.eu/employment_social/social_dialogue/docs/consultation_violence_en.pdf

⁶ http://www.ceepuk.org/news_files/CEEP%20UK%20Newsletter%20200611.pdf

⁷ http://www.ceepuk.org/news_files/CEEP%20UK%20Newsletter%20200612.pdf

- corporate social responsibility;
- occupational health and safety.

Table 6 lists the outcomes of sectoral social dialogue in 2006, as documented in the European social dialogue texts database and the sectoral social partners' websites.

Table 6 Outcomes of sectoral social dialogue

Sector	Agreements, declarations, joint opinions, work programmes	Trade unions	Employers' associations
Agriculture	European agreement on the reduction of worker's exposure to the risk of musculoskeletal disorders in agriculture*	EFFAT	GEOPA/COPA
Audiovisual	Declaration on 'Social dialogue as a tool to tackle changing environments'	EURO-MEI, FIA, FIM, FIP/IFJ	EBU/UER, FIAPP, CEPI, AER, ACT
Banking	Work plan 2007 Work programme 2006: launch of demography project	UNI	FBE, ESBG, EACB
Chemical industry	Biannual Working Programme 2005 / 2006 Report on training, education and lifelong learning	EMCEF	ECEG
Civil aviation	Work programme 2005–2006 (of the civil aviation sectoral dialogue committee)	ETF, ECA	AEA, CANSO, ERA, ACI Europe, IACA
Commerce	Work programme 2006 Initiative for occupational qualification in European commerce Joint statement promoting a safer working and shopping environment in European commerce	UNI-Europa	EuroCommerce
Construction	Joint recommendation on the prevention of occupational stress	EFBWW	FIEC
Electricity	Equal opportunities and diversity toolkit/best practice guide	EPSU, EMCEF	Eurelectric
Extractive industry	Topics for work programme on sectoral social dialogue committee	EMCEF	APEP, Euracoal, Euromines, IMA
Hotels and restaurants	Work programme 2006 Joint statement on 2006 discussions and 2007 plans in relation to a European qualifications passport	EFFAT	Hotrec
Hospitals	Work programme 2006–2007	EPSU	HOSPEEM
Inland waterways	Work programme 2005-2006 (in German)	ETF	EBU, ESO
Live performance	Joint declaration on strengthening social dialogue and reinforcing the capacities of national social partner organisations in the new Member States in the performing arts sector **	EAEA	Pearle
Local and regional government	Work Programme 2006-2007 Joint statement on the development of social dialogue in local and regional government	EPSU	CEMR
Personal services	Rules of procedure	UNI-Europa	Coiffure EU
Private security	Joint position against undeclared work	UNI-Europa	CoESS
Road transport	Work programme 2006 Joint recommendations on employment and training in logistics Common criteria for rest facilities	ETF	IRU
Sea fisheries	Work programme 2006		
Shipbuilding	Qualification and training forum report	EMF	CESA
Steel	Objectives and work programme of the social dialogue committee June 2006–June 2008	EMF	EUROFER
Sugar	Work programme 2006 (in French) Joint position on the European Globalisation Adjustment Fund Third implementation report on corporate social responsibility – code of conduct of the European Sugar Industry	EFFAT	CEPS

Table 6 (continued)

Sector	Agreements, declarations, joint opinions, work programmes	Trade unions	Employers' associations
Tanning and leather	Work programme 2006	ETUF, TCL	Cotance
Temporary agency work	Work programme 2007–2008 Sectoral social dialogue committee commissioned an EIRO study, <i>Temporary agency work in an enlarged European Union</i> .	UNI-Europa	Eurociett
Textile and clothing	Work programme 2006	ETUF, TCL	Euratex
Woodworking	Work programme 2006	EFBWW	CEI-Bois

Source: European Commission, Social Dialogue texts database; Sectoral social partners' websites

*Agreement is discussed in EIRO online update EU0602202N.

** Joint declaration is discussed in EIRO online update EU0602205F.

Employee participation

Transnational agreements at company level

In 2006, a number of transnational framework agreements were concluded with a European scope or with a global scope, as international framework agreements.

The agreement concerning the participation of employees in Allianz SE regulates workers' participation in the newly adopted legal form of a European company (Societas Europa, or SE) (EU0611019I). The agreement lays down codetermination rights at supervisory board level, and stipulates the composition and competences of the future SE works council. Workers hold half the seats on the new supervisory board of Allianz SE. The agreement between the company and European workers' representatives transfers German-style codetermination rights to the European operations. The new Allianz SE works council has additional rights to information and consultation, including information on outsourced overseas operations and extra consultation during cross-border restructuring (see UNI-Europa press release of 21 September 2006).

In November 2006, energy supplier Areva and the EMF signed a European framework agreement on equal opportunities (EU0701039I). The agreement is designed to improve gender equality and better integrate disabled people. The Areva Group attempts to define and to promote the principle of equal opportunities in the workplace. (The concept of equal opportunities and equal treatment consists of non-discrimination at the recruitment stage, equal access to career advancement, training and equal pay.)

The global framework agreement signed at PSA Peugeot Citroën with the International Metalworkers' Federation (IMF) and the EMF regulates both the protection of fundamental human rights (as laid down in various International Labour Organisation (ILO) conventions) and the development of skills of the employees through continuous training (EU0603019I). The company commits itself to providing employees with regular information on issues likely to affect working conditions and employment, to acknowledge the principle of equal pay, to ensure conditions on remuneration and working time that are equal to or better than the conditions laid down in national legislation or collective agreements and to ensure effective occupational health and safety policies.

In December 2006, France Telecom signed an international framework agreement with UNI Telecom and telecom unions around the world. The agreement ensures that ILO core labour standards will

be reflected across the group, including the right to join a union, to bargain collectively, and freedom from discrimination and forced or child labour. These rights will apply even in countries that have not yet ratified the relevant ILO conventions. France Telecom also seeks to ensure health and safety at work and acknowledges the importance of access to training for employees.

European works councils

In an opinion entitled *European works councils: a new role in promoting European integration* (SOC/220), the European Economic and Social Committee (EESC) called for a revision of the European works councils (EWCs) Directive (Directive 94/45/EC), citing three key issues:

- the need to eliminate the discrepancies that exist in the definitions of information and consultation between this and subsequent Directives (the Directive supplementing the statute for a European company with regard to the involvement of employees (Directive 2001/86/EC), the Directive establishing a framework for informing and consulting employees (Directive 2002/14/EC), and the Directive supplementing the statute for a European cooperative society with regard to the involvement of employees (2003/72/EC));
- the need to increase proportionally the number of worker representatives on the special negotiating bodies (SNBs) and European works councils (EWCs), given the enlargement of the EU (the Directive having set membership at a maximum of 17);
- the recognition of the right of national and European trade unions to belong to SNBs and EWCs (as they are permitted under the Directives on the involvement of employees in the SE and SCE).

Table 7 outlines a number of European works councils established over the course of 2006.

Table 7 European works councils established in 2006

Enterprise	Text
AirFrance KLM group	Protocol for the European Works Council within the Air France KLM Group
ALCAN	Vereinbarung zur Einrichtung des Europäischen Betriebsrates Alcan (in German)
Capio	Press release on Capio's first European works council in healthcare services More information at http://www.epsu.org/a/2158
Claas	Text not available
Dometic	Dometic European works council for information and consultation
Smurfit Kappa Group	European works council – new proposed agreement
FCI	Text not available
Fortum	Text not available
ISEO	Text not available
Mecom	Works council arrangement for Mecom Europe
Mondi	Text not available
Plansee SE Works Council	Text not available
SAB Miller	Text not available
SEIKO EPSOPN	Text not available
SigmaKalon	European works council
VWR International GmbH	Agreement for the provision of information and consultation of employees within the European operations of VWR
Yamaha	Text not available

Two company cases, GM Europe and PSA, illustrate EU-level initiatives by employee representatives and trade unions in restructuring processes in the European automotive sector (EU0610029I); another example is provided by the restructuring of the Volkswagen group (See the *European restructuring monitor quarterly*, issue 4, winter 2006).⁸

Equal opportunities for women and men

The spring European Council in March 2006 stressed that gender equality is vital to economic growth, well-being and competitiveness, and went on to adopt a European pact for gender equality (see ‘Political developments’, above). The European Commission’s report on equality between women and men points to slow progress in gender equality and, in particular, stresses the persistent gender pay gap and difficulties in attaining work–life balance (EU060519I). The Commission has attempted to tackle gender inequality with its roadmap for equality between women and men (COM (2006) 92 final), and in July, the directive (Directive 2006/54/EC) on the implementation of the principle of equal opportunities and equal treatment was adopted (see ‘Legislative developments’ above).

The European framework agreement negotiated between the EMF and Areva includes a section dedicated to gender equality (EU0701039I). The agreement deals with gender-neutral recruitment, access to the career paths and career development, vocational training, and equal pay. The signatories agree that the various components of pay must be based on identical criteria for both sexes. The agreement introduces measures to support men and women in reconciling their professional and private lives.

Other developments

Optional framework for transnational collective bargaining

In its communication on the Social Agenda (COM (2005) 33 final), the European Commission had announced the development of an optional framework designed to enable the social partners to formalise the nature and results of transnational collective bargaining (EU0602203F). Formal consultation of the European social partners on ‘cross-border collective bargaining’ was announced in the Commission’s Annual Policy Strategy for 2007 (COM (2006)122 final). The Commission organised two study seminars on transnational agreements in May and in November. The seminars looked at the emergence and developments of transnational agreements. A working document looks at more than 90 agreements, while a report on transnational collective bargaining looks at transnational tools at sectoral and at company level and issues of a legal framework.⁹

Migration

The European Commission presented a policy plan on legal migration (COM (2005) 669 final) at the end of 2005 (EU0601205F). A hearing held by the European Economic and Social Committee (EESC) in June 2006, coorganised by the European Foundation for the Improvement of Living and Working

⁸ <http://www.eurofound.europa.eu/pubdocs/2007/06/en/1/ef0706en.pdf>

⁹ The minutes for the May meeting are available, in French, at http://ec.europa.eu/employment_social/labour_law/docs/transnational_agreements_minutes_fr.pdf; the working document (in English) is available at http://ec.europa.eu/employment_social/labour_law/docs/transnational_agreements_facts_en.pdf; the report, also in English, is available at http://ec.europa.eu/employment_social/labour_law/docs/transnational_agreements_ales_study_en.pdf

Conditions and the ILO, brought together social partners, including ETUC and UNICE, to discuss experiences in relation to the integration of migrants (EU0608019I).

Corporate social responsibility

In 2006, the European Commission announced its backing for a European Alliance for Corporate Social Responsibility and published a communication on corporate social responsibility (CSR) (EU0604019I). The new Alliance has been conceived as a political umbrella for new or existing CSR initiatives.

Modernising labour law

In November 2006, the European Commission presented its Green Paper, *Modernising labour law to meet the challenges of the 21st century* (EU070109I). It analyses current trends in new work patterns and contractual regulations and identifies challenges for reform. With the publication, the Commission launched a public consultation addressed to Member States, social partners and other stakeholders. The consultation will run until the end of 2007 and feed into a Commission communication on flexicurity. The Green Paper focuses primarily on individual labour law, discussing key priorities for meaningful labour law reform and its contributions to flexibility, employment security, prevention of segmentation, and improvements in the regulations affecting SMEs.

This chapter, based on contributions from the EIRO national centres, examines the issue of gender and career development, exploring sectoral and occupational segregation in the workplace, the underrepresentation of women in senior positions, the incidence of part-time work and the attitudes of the social partners towards gender equality.

Introduction

The legislation of the European Union requires that Member States take into account the objective of equality between men and women when formulating and implementing laws, regulations and administrative provisions, policies and activities relating to employment, working conditions, promotion and vocational training. However, a report from the European Commission on equality between women and men showed that, while gender gaps in employment are closing within the EU, sectoral and occupational segregation and the gender pay gap have remained unchanged. To learn more about the issue of gender and career development, a comparative report from EIRO, *Gender and career development*, used information supplied by national correspondents to look at the changes occurring in the workplace, and the barriers to equality that exist, across the EU.¹⁰

The study was largely based on the responses of EIRO national centres (in the then 25 Member States minus Sweden and Bulgaria, and Norway) to a gender and career development questionnaire. It examined to what extent career patterns are changing in response to the restructuring and reorganisation of work, and how women's career experience has been affected as a result. It then turned to the response of the social partners and examined the extent to which they perceive gender and career development to be an important focus for action, and whether they make provision for gender equality in their own career structures.

Key findings

- Women's careers are changing; however, the nature of this change can best be described as a gradual erosion of traditional patterns, rather than a transformation that is likely to improve opportunities for women.
- The overrepresentation of women in part-time work often results in poor opportunities for training and promotion.
- Women are underrepresented in top managerial posts, even in female-dominated sectors.
- Most trade unions are proactive in campaigning on the issue of gender equality and in raising awareness among their members.
- Many employers appear unconvinced about the need to prioritise the issue of gender and career development, and prefer tailor-made arrangements at company level.
- Examples of imaginative attempts to tackle the inequality problem do exist, but often only in isolation.

¹⁰ <http://www.eurofound.europa.eu/eiro/2006/12/studies/index.html>

Sectoral and occupational segregation

The issues affecting gender differences in career choices and career patterns are many and complex. Huge numbers of women have entered the EU labour market over the last two decades, and evidence points to women's growing skills – so-called 'upskilling'; however, job segregation between men and women, at the sectoral and occupational level, still persists largely unchanged. Women's participation has increased in only a few sectors: as a result, women's employment remains highly concentrated in a limited number of occupations, such as health, social work and education. By contrast, construction, manufacturing, agriculture, and water and energy remain male-dominated professions. Women also suffer occupational disadvantage: it is often the case that female-dominated occupations are the lowest paid, and women, despite their overall higher educational attainment, are overrepresented in low-skilled non-manual occupations (40% of women work in such occupations, as against 14% of men).

Traditional career models

The traditional career model commonly practised, until recently, was characterised by continuous service and regular promotion progress. Women, however, have had difficulty in fitting their work patterns to this traditional model: figures from the EU's Labour Force Survey indicate that family or personal responsibilities continue to be one of the main reasons why working-age women choose to work part time; moreover, women still do the majority of household work.

As labour markets become more flexible, as traditional organisational careers become more difficult to maintain and greater responsibility for managing the career devolves to the individual, some commentators have argued that this will lead to a positive transformation of careers. However, on the basis of the information supplied by the national correspondents, there was little evidence to support this view. Most of the national centres were of the opinion that the changes in the workplace had eroded the traditional career model, rather than having transformed it. The exception to this was Denmark, where an emphasis on flexicurity has made the transition to greater job mobility more secure.

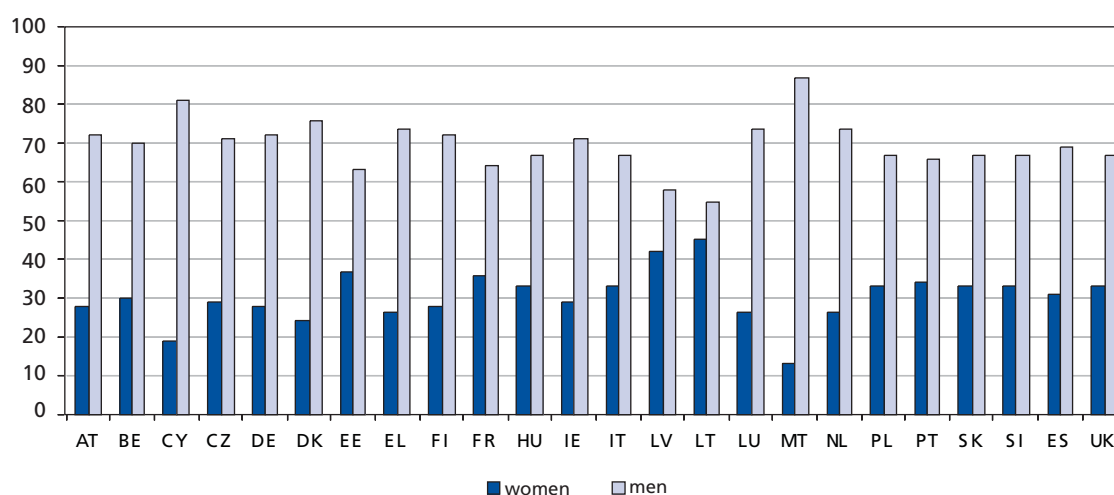
The glass ceiling

Increased participation in the labour market has not automatically led to women having access to positions of responsibility within organisations; pay levels reflect this lack of progress. In the same sectors, women and men frequently do different jobs, often with different pay rates: women are often underrepresented in higher-paying jobs, a phenomenon commonly known as the 'glass ceiling'.

Research suggests that, in much of the EU, equal numbers of women and men now work in such professions as law and medicine, and that women occupy positions in junior and middle management; however, the top rungs of most professions and organisations remain heavily male dominated. The Labour Force Survey for 2006 shows that, in Europe, 70% of managers are men while only 30% are women. Even in those sectors that are female dominated, women progressively diminish in number higher up the hierarchy. The gender gaps appear to be greatest at the highest managerial levels: 1.4% of men hold the title 'directors and chief executives' while only 0.4% of women do so (Labour Force Survey 2006).

Differences do exist between Member States: an above-average proportion of managers in Latvia and Lithuania are women (42% and 45% respectively); by contrast, Malta and Cyprus are well below the average, at 13% and 19% respectively. The disparity is greatest in the new Member States (NMS), and least in the EU15, where the proportion ranges between 24% in the UK and 37% in France.

Figure 1 Men and women in managerial positions, by country (%)



Notes: Percentages for Norway and Romania not available

Source: European Commission, Database on women and men in decision-making, 2006

Finland and Norway have higher levels of representation amongst managers and senior managers than other countries. Yet even here the glass ceiling has not yet been shattered: while legislation in Norway introduced quota levels for the representation of women at board level in public limited companies, the targets have not been achieved.

Part-time work

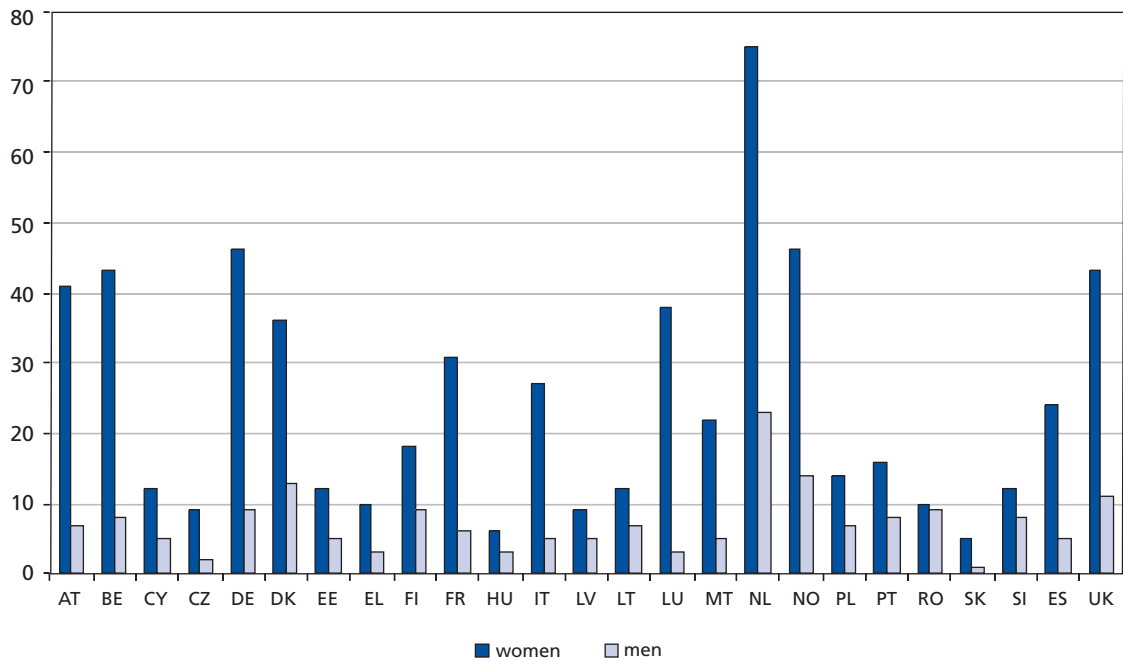
The underrepresentation of women in senior positions is not necessarily a reflection of a lack of education or skills. In 2005 the skills composition of the working-age population in the EU was very similar for both men and women, reflecting the relatively greater upskilling of the female population over recent years.

A crucial factor in understanding how women's careers differ from men's is the greater prevalence of part-time work among women: 32.6% of women in employment are in part-time jobs, as against only 7.4% of men. Crucially, part-time work is associated with lower pay, downward mobility and less training (and therefore fewer opportunities for upward mobility). Taking a part-time job may help people (re)enter the labour market, and remain in it. However, as long as part-time work continues to be associated with lower pay rates and lack of training and development opportunities, it will continue to present a major barrier to ending gender discrimination in the workplace.

Overall, part-time work tends to be more prevalent in countries with higher employment rates (of 67% and above), with the notable exceptions of Cyprus, Portugal and Finland. It is much less frequent in countries that have lower employment rates, including Greece, Hungary and Slovakia. It is worth

noting that a high prevalence of part-time work is not a necessary condition for a high female employment rate, as the examples of Finland and Portugal demonstrate. The possibilities of part-time work are not being developed: in most cases, rather than introducing policies that might extend part-time work or job-sharing arrangements to male employees and senior management, part-time work is almost exclusively confined to jobs at the bottom of the occupational hierarchy and to women's employment. In Norway, for example, while 46% of all employed women work part time, only 11% of female managers (general and middle managers) do so.

Figure 2 Part-time work, by gender and country (%)



Notes: Figures for Ireland not available
 Source: Eurostat, Labour Force Survey, 2006

The data provided by the national centres broadly confirm this picture. However, two trends emerge that are particularly striking. First, most countries have no systematic collection of data relating to the impact of employment status on training provision. Second, in only one country (Norway) do the figures show that women in part-time employment receive equal access to training and development opportunities at work.

Changing attitudes

A number of national centres – Austria, the Czech Republic and Italy – cited attitudes towards women and work as a continuing barrier to greater gender equality in their country. In Austria, a study carried out by the Institute for Organisation Studies and Organisational Behaviour by Mayrhofer et al, ‘Graduates’ career aspirations and individual characteristics’ in the *Human Resource Management Journal*, 2005, revealed that unequal treatment of women in careers was clearly not related to differences in skills levels or qualifications. The study analysed, over a 10-year period, the careers of male and female graduates of an Austrian business school with the same qualifications and personality profiles. Strikingly, even though the only women to be surveyed were childless and had

starting salaries equal to their male counterparts, their income still lagged behind the men's by EUR 70,000 over the 10 years.

The Irish national centre also provided evidence that shows that a range of overlapping structural, institutional and attitudinal factors act as barriers to women achieving senior management positions. These included the unclear selection criteria used for promotion, which allow for considerable scope for discretion on the part of senior management; also cited were the use of informal networks or 'old boys' clubs', which help support candidates for promotion, and the fact that male senior managers act as gatekeepers to women's entry into senior management. Similarly, the response from the Italian national centre indicates that women encounter particular difficulty in fulfilling the one of the key conditions for professional advancement: putting in 'face time' – hours worked primarily to acquire visibility in the eyes of colleagues and bosses.

Views of social partners

Social partners across Europe differ in their views concerning the importance of gender issues. In Belgium, Denmark, Finland, Germany, the Netherlands and Norway, the social partners are clearly working together to tackle discrimination. In Austria, Estonia, Lithuania and Slovakia, by contrast, employer organisations appear unconvinced of the need to tackle women's poorer career prospects. However, in the UK, occupational segregation has recently become a priority for employers because of skills shortages in traditionally male-dominated industry sectors: this is starting to encourage employers to adopt more active policies. In a few countries, neither employer nor trade union organisations (for a variety of reasons) view equal opportunities in career management to be a particular priority; this was the case in Czech Republic, Greece, Hungary, Italy, Latvia, Romania and Slovakia.

To what extent do the social partners attempt to address gender-based career discrimination in their own organisations? Most national centres indicated that the trade unions had a long way to go to make their organisations truly representative, particularly at the more senior levels. The majority of national centres also reported that their employer organisations had not established any systematic internal policies to promote career opportunities for women. The most notable exception to this was Norway where there is a legal duty under the Gender Equality Act for all social partner organisations, as well as other employers and organisations to work actively to promote gender equality within their enterprise.

In terms of social partners' attempts to influence other organisations, it is evident that some of the social partners – in particular, trade unions – have been actively calling for legislation and policy changes. In a number of countries, trade unions have used a range of initiatives to successfully highlight gender issues among their members. Employer organisations, however, generally do not appear to have sought to encourage their members to take a more proactive approach to the problem. Employers are generally reluctant about regulation on this issue (including regulation by collective agreement), preferring tailor-made company level agreements. Table 8 outlines some national examples of social partners attempting to influence other organisations.

Table 8 Examples of the social partners influencing other organisations

Country	Actions taken
Denmark	The Confederation of Danish Industries (Dansk Industri, DI) and the Danish Centre for Information on Women and Gender (KVINFO) have started a project called 'Women on Board' aimed at promoting more women in the boards of private companies. The main feature of the project is a database of women who are qualified for board positions. All members of DI can use the database to search for potential members of their boards. DI has made a number of recommendations to its members (private companies in the industry sector) with the aim of increasing female representation in management positions; such recommendations include making opportunities available for flexible working time, offering career development programmes and management training. (This initiative resulted from a survey showing that while career development was among the top priorities of female managers, only 30% of companies have such programmes).
Finland	Under the revised Gender Equality Act (2005) and the revised Act on equality between men and women at the workplace, which came into force on 1 June 2005, an employer must draw up a gender equality plan in cooperation with staff when at least 30 workers are employed on a regular basis. An equality plan must include a number of features: an analysis of the existing situation regarding gender equality in the workplace (including a breakdown of the placement of women and men in different tasks); an analysis of men's and women's tasks; measures, planned or implemented, aimed at promoting equality; and an evaluation of existing measures and the results they have produced. Approximately every second workplace in the public sector (covering around two thirds of employees) has implemented such plans. One example of how such a plan can affect women's pay is the food processing plant Cloetta Fazer Suklaa. In this company, women used to earn less than men. The company drew distinctions between women's machines and men's machines: as a result, the women's work was considered easier. Subsequently, however, the company trained every worker to use every kind of machine; once the women had been trained and their skills developed, their wages were then increased.
Germany	The BDA employer confederation promotes both the fostering of women's careers through a group of policies centred on the principles of equal opportunities for both sexes, and a family friendly business culture. It argues that these principles should be embedded in the enterprise's human resource policy and then promoted to employees at all levels.
Spain	The CCOO and UGT trade union confederations have participated with the government in drawing up a draft law on gender equality. Under this draft law, there will be a duty to negotiate measures aimed at promoting equal treatment and equal opportunities for men and women, or to introduce an equality plan in the collective bargaining agreement. The draft law also includes measures aimed at collective agreements over working-time arrangements and greater rights to information about such issues as gender segregation at work.
United Kingdom	Since 2002–3 an explicit public service agreement target has been in place across government regarding delivering an achievable improvement of equality for women. The Women's Equality Unit (WEU) has been given the task of advising other departments on their specific targets for achieving this and of reporting on progress across the government. However in a recent government report, 'Jobs for the girls', it was noted that the WEU still has considerable work to do and may lack both the necessary authority in relation to other departments and the resources to complete its task. In 2006 the government issued an action plan that includes the following measures: support for initiatives to increase the availability of quality part-time work; a programme for exemplary employers (to which more than 80 companies have so far signed up); and support for trade union equality representatives through the Union Modernisation Fund. In April 2007 a new Equality Bill will come into force which places a new gender equality duty on public sector employers.

Source: EIRO national centres, 2006

EQUAL initiatives

EQUAL is a European Social Fund (ESF) Community initiative that provides funds for projects that promote new means of combating discrimination and inequalities in the labour market. Initiatives under this programme were widely cited by many national centres. However, many of these projects dealt with improving equality of opportunity in general; only relatively few dealt with the specific

issue of improving career opportunities for women. There were, however, some notable exceptions in Estonia, Germany, Ireland and the Netherlands. For example, in Germany the Total E-Quality project seeks to establish equal opportunities in business, science, politics and administration and to bring about changes in employer's personnel policies. The Audit Family and Professional Career initiative promotes the use of a human resources auditing method to analyse an employer's human resource needs and to help promote a more family-friendly business culture.

Conclusions

Despite the increasing importance of, and focus on, gender equality in the European debate and a substantial amount of resulting policy initiatives and legal regulation, the evidence indicates that gender equality in careers is still some way off. Recent changes in work organisation, labour market flexibility and organisational restructuring have impacted on careers; however, this has not transformed career structures into a model that is immediately more accessible to women. Instead, while the traditional career model still dominates, it has been eroded for many, leaving both men and women with a more precarious and uncertain working future. One exception to this general trend is the implementation of flexicurity policies seen in Denmark.

Many unions have been proactive in campaigning on the issue of gender and career development, in raising their member's awareness of the issue and in helping their members raise issues with employers. In contrast, amongst many employer organisations, gender discrimination in careers does not appear to be a priority for action. There are some indications of change: in the UK, a clear business case exists for reducing occupational segregation, which is exacerbating skill shortages. In Germany, the BDA employer confederation has called on companies to implement policies to promote women's careers, arguing that the principle of equality of opportunity should be embedded each establishment's human resource policy. There have undoubtedly been some imaginative attempts to tackle the problems that lead to gender discrimination in careers, but too often these occur in isolation.

Other evidence from the national centres (Austria, France, Ireland and Italy) suggests that at company level not much is changing. The survey reveals ongoing problems with attitudes towards women in the workplace. Only 30% of managers are women, even in industry sectors with high levels of female employment, and the more senior the management position, the less likely it is to be occupied by a woman. Countries with legislation on the issue have experienced difficulty in complying with quotas. Indeed, two countries noted the problem of the downward mobility of women (Austria and the UK) when returning to work after maternity leave, notwithstanding legislation aimed at protecting women from this.

Such findings are supported by other cross-national research into gender and careers. These findings indicate that women may experience credibility problems, blocked mobility, discrimination and fixed stereotypes. Such stereotypes tend to reinforce the notion that successful managers have male attributes, that women do not have the commitment or motivation to manage, that married women or mothers are unsuitable for jobs requiring foreign travel and long hours, that men are emotionally more stable and that other employees (especially men) will not want to work for a woman.

Perhaps this is not surprising. Research into organisations' management of careers suggests that levels of expertise at company level may be particularly poor: few senior managers are firmly committed to career management activities, few companies train their line managers to support career development of their staff and, in practice, most effort and energy in terms of career management is devoted to a small group of very senior employees. The key issue is to ensure that legislation actually gets translated into practice at company level.

Another closely related point raised by these findings concerns the availability of systematic data on the impact of employment status on workplace practices. Whether or not data is collected is often a useful indication of the relative importance of the issue under consideration. Unless existing practices are monitored and evaluated, there is often insufficient evidence to provide the impetus for change. Employer organisations have shown great reluctance to engage in data collection and evaluation; some have argued strongly against compulsory equal pay audits because of the costs involved in collecting and analysing the data. However, a key finding of an EIRO report on equality plans, *Gender equality plans at the workplace* (TN0402101S), was that one of the distinctive features of the more successful Swedish model was that there was an obligation on both public and private sector employers to implement, monitor and evaluate the impact of such plans.

Although the national centres were not able to provide systematic data on the impact of employment status (particularly part-time work) on training provision, there was evidence to suggest that this is potentially a major barrier to women's progress in careers. What makes these findings particularly significant is the sheer number of women in part-time employment in the EU and thus the number of women whose career opportunities are likely to be affected in this way. The persistence of female dominated low-skilled, low-paid, part-time work is a major factor in the continuing problems of gender equality in careers. There is the view that some jobs, such as senior managerial posts, skilled manufacturing jobs and key service industry posts are unsuited to flexible and part-time working; this view is accepted far too uncritically. It should be feasible to introduce policies that extend part-time work or job-sharing arrangements to senior positions and male-dominated employment; however, part-time work remains almost exclusively confined to jobs at the bottom of the occupational and organisational hierarchy and to female-dominated employment. This constitutes a major barrier to women in their progression towards more senior, responsible and well-paid roles.

Annex

Industrial Relations fact files

The full profiles of each country are available online at www.eurofound.europa.eu/eiro/country_index.html. Data presented here refer to 2000-2004 and cover the 25 Member States as in 2006.

EU	
GDP per capita in PPS (EU25=100 / 2004)	100
Real GDP growth	2.1%
Productivity growth	2%
Inflation	2.2%
Employment rate	62.8%
Unemployment rate	8.7%
Trade union density	25%
Employer organisation density	58%
Workplace representation	53%
Collective bargaining coverage	66%
Degree of bargaining centralisation	34%
Strike activity index	9%
Gross annual earnings	28,619 euro
Minimum wage	
Monthly labour cost	2,888 euro
Collectively agreed pay increase	+3%
Actual pay increase	+3.2%
Female employment rate	54.7%
Gender pay gap	75%
Collectively agreed working hours	38.8 hours
Usual weekly working hours	39.9 hours
Austria	
GDP per capita in PPS (EU25=100 / 2004)	122.7
Real GDP growth	1.8%
Productivity growth	1.6%
Inflation	1.9%
Employment rate	68.5%
Unemployment rate	4.1%
Trade union density	33%
Employer organisation density	100%
Workplace representation	61%
Collective bargaining coverage	98%
Degree of bargaining centralisation	71%
Strike activity index	17%
Gross annual earnings	32,434 euro
Minimum wage	No minimum wage
Monthly labour cost	3,339 euro
Collectively agreed pay increase	+2.3%
Actual pay increase	+2.2%
Female employment rate	60.8%
Gender pay gap	74%
Collectively agreed working hours	38.5 hours
Usual weekly working hours	40.8 hours

Belgium

GDP per capita in PPS (EU25=100 / 2004)	118.4
Real GDP growth	2%
Productivity growth	1.4%
Inflation	2%
Employment rate	60%
Unemployment rate	7.3%
Trade union density	49%
Employer organisation density	72%
Workplace representation	66%
Collective bargaining coverage	96%
Degree of bargaining centralisation	61%
Strike activity index	no data
Gross annual earnings	34,643 euro
Minimum wage	1,187 pps
Monthly labour cost	3,910 euro
Collectively agreed pay increase	+3.1%
Actual pay increase	+3.1%
Female employment rate	51.7%
Gender pay gap	83%
Collectively agreed working hours	38.6 hours
Usual weekly working hours	39.0 hours

Cyprus

GDP per capita in PPS (EU25=100 / 2004)	82.8
Real GDP growth	3.4%
Productivity growth	2.8%
Inflation	3.1%
Employment rate	68.1%
Unemployment rate	4.6%
Trade union density	70%
Employer organisation density	57%
Workplace representation	50%
Collective bargaining coverage	68%
Degree of bargaining centralisation	26%
Strike activity index	31%
Gross annual earnings	19,290 euro
Minimum wage	No minimum wage
Monthly labour cost	1,903 euro
Collectively agreed pay increase	+2%
Actual pay increase	+4.8%
Female employment rate	57.8%
Gender pay gap	72%
Collectively agreed working hours	38.0 hours
Usual weekly working hours	40.2 hours

Czech Republic

GDP per capita in PPS (EU25=100 / 2004)	70.3
Real GDP growth	3.1%
Productivity growth	4.8%
Inflation	2.5%
Employment rate	64.9%
Unemployment rate	8%
Trade union density	22%
Employer organisation density	32%
Workplace representation	44%
Collective bargaining coverage	35%
Degree of bargaining centralisation	27%
Strike activity index	no data
Gross annual earnings	5,148 euro
Minimum wage	439 pps
Monthly labour cost	842 euro
Collectively agreed pay increase	+4%
Actual pay increase	+6.6%
Female employment rate	56.6%
Gender pay gap	76%
Collectively agreed working hours	38 hours
Usual weekly working hours	41.7 hours

Denmark

GDP per capita in PPS (EU25=100 / 2004)	121.8
Real GDP growth	1.5%
Productivity growth	1.9%
Inflation	2.1%
Employment rate	75.8%
Unemployment rate	4.9%
Trade union density	80%
Employer organisation density	52%
Workplace representation	67%
Collective bargaining coverage	83%
Degree of bargaining centralisation	54%
Strike activity index	19%
Gross annual earnings	44,692 euro
Minimum wage	No minimum wage
Monthly labour cost	4,186 euro
Collectively agreed pay increase	+2.4%
Actual pay increase	+3.9%
Female employment rate	71.5%
Gender pay gap	80%
Collectively agreed working hours	37.0 hours
Usual weekly working hours	39.2 hours

Estonia

GDP per capita in PPS (EU25=100 / 2004)	51.2
Real GDP growth	7.2%
Productivity growth	6.2%
Inflation	3.5%
Employment rate	61.9%
Unemployment rate	10.6%
Trade union density	14%
Employer organisation density	25%
Workplace representation	25%
Collective bargaining coverage	22%
Degree of bargaining centralisation	25%
Strike activity index	3%
Gross annual earnings	4,343 euro
Minimum wage	304 pps
Monthly labour cost	650 euro
Collectively agreed pay increase	+8.6%
Actual pay increase	+8.9%
Female employment rate	58.2%
Gender pay gap	73%
Collectively agreed working hours	40 hours
Usual weekly working hours	41.2 hours

Finland

GDP per capita in PPS (EU25=100 / 2004)	112.3
Real GDP growth	2.8%
Productivity growth	3%
Inflation	1.8%
Employment rate	67.7%
Unemployment rate	9.2%
Trade union density	71%
Employer organisation density	70%
Workplace representation	90%
Collective bargaining coverage	82%
Degree of bargaining centralisation	57%
Strike activity index	8%
Gross annual earnings	32,126 euro
Minimum wage	No minimum wage
Monthly labour cost	3,698 euro
Collectively agreed pay increase	+2.7%
Actual pay increase	+3.9%
Female employment rate	65.4%
Gender pay gap	82%
Collectively agreed working hours	38.2 hours
Usual weekly working hours	39.2 hours

France

GDP per capita in PPS (EU25=100 / 2004)	109.3
Real GDP growth	2.1%
Productivity growth	2.8%
Inflation	2%
Employment rate	62.8%
Unemployment rate	9.1%
Trade union density	8%
Employer organisation density	78%
Workplace representation	65%
Collective bargaining coverage	90%
Degree of bargaining centralisation	17%
Strike activity index	10%
Gross annual earnings	28,847 euro
Minimum wage	1,170 pps
Monthly labour cost	3,294 euro
Collectively agreed pay increase	+3.1%
Actual pay increase	+2.3%
Female employment rate	56.5%
Gender pay gap	83%
Collectively agreed working hours	36.0 hours
Usual weekly working hours	38.9 hours

Germany

GDP per capita in PPS (EU25=100 / 2004)	108.7
Real GDP growth	1.2%
Productivity growth	1.5%
Inflation	1.5%
Employment rate	65.4%
Unemployment rate	8.3%
Trade union density	8%
Employer organisation density	63%
Workplace representation	53%
Collective bargaining coverage	65%
Degree of bargaining centralisation	47%
Strike activity index	1%
Gross annual earnings	40,954 euro
Minimum wage	No minimum wage
Monthly labour cost	3,747 euro
Collectively agreed pay increase	+2.3%
Actual pay increase	+1.2%
Female employment rate	58.8%
Gender pay gap	74%
Collectively agreed working hours	37.6 hours
Usual weekly working hours	39.9 hours

Greece

GDP per capita in PPS (EU25=100 / 2004)	82
Real GDP growth	4.6%
Productivity growth	3.8%
Inflation	3.4%
Employment rate	57.7%
Unemployment rate	10.5%
Trade union density	20%
Employer organisation density	70%
Workplace representation	42%
Collective bargaining coverage	65%
Degree of bargaining centralisation	39%
Strike activity index	no data
Gross annual earnings	16,739 euro
Minimum wage	774 pps
Monthly labour cost	1,984 euro
Collectively agreed pay increase	+4.6%
Actual pay increase	+5.9%
Female employment rate	43.1%
Gender pay gap	75%
Collectively agreed working hours	40.0 hours
Usual weekly working hours	41.0 hours

Hungary

GDP per capita in PPS (EU25=100 / 2004)	60.1
Real GDP growth	4.4%
Productivity growth	3.8%
Inflation	7.2%
Employment rate	56.5%
Unemployment rate	5.8%
Trade union density	17%
Employer organisation density	40%
Workplace representation	36%
Collective bargaining coverage	42%
Degree of bargaining centralisation	26%
Strike activity index	4%
Gross annual earnings	7,100 euro
Minimum wage	364 pps
Monthly labour cost	838 euro
Collectively agreed pay increase	+9.1%
Actual pay increase	+12.9%
Female employment rate	50.2%
Gender pay gap	86%
Collectively agreed working hours	40.0 hours
Usual weekly working hours	41.0 hours

Ireland

GDP per capita in PPS (EU25=100 / 2004)	137.1
Real GDP growth	6.1%
Productivity growth	4.6%
Inflation	4.1%
Employment rate	65.7%
Unemployment rate	4.3%
Trade union density	38%
Employer organisation density	no reliable data
Workplace representation	53%
Collective bargaining coverage	no reliable data
Degree of bargaining centralisation	64
Strike activity index	5
Gross annual earnings	32,912 euro
Minimum wage	929 pps
Monthly labour cost	No data
Collectively agreed pay increase	+5.3%
Actual pay increase	+6.8%
Female employment rate	55.3%
Gender pay gap	74%
Collectively agreed working hours	39.0 hours
Usual weekly working hours	39.5 hours

Italy

GDP per capita in PPS (EU25=100 / 2004)	105.5
Real GDP growth	1.34%
Productivity growth	0.4%
Inflation	2.5%
Employment rate	55.5%
Unemployment rate	8.8%
Trade union density	34%
Employer organisation density	51%
Workplace representation	66%
Collective bargaining coverage	70%
Degree of bargaining centralisation	34%
Strike activity index	18%
Gross annual earnings	20,583 euro
Minimum wage	No minimum wage
Monthly labour cost	2,904 euro
Collectively agreed pay increase	+2.3%
Actual pay increase	+2.7%
Female employment rate	42.1%
Gender pay gap	81%
Collectively agreed working hours	38.0 hours
Usual weekly working hours	38.7 hours

Latvia

GDP per capita in PPS (EU25=100 / 2004)	42.8
Real GDP growth	7.7%
Productivity growth	7.8%
Inflation	3.2%
Employment rate	60.1%
Unemployment rate	11.9%
Trade union density	16%
Employer organisation density	25%
Workplace representation	27%
Collective bargaining coverage	20%
Degree of bargaining centralisation	30%
Strike activity index	0%
Gross annual earnings	3,806 euro
Minimum wage	283 pps
Monthly labour cost	357 euro
Collectively agreed pay increase	Not applicable
Actual pay increase	+9.4%
Female employment rate	56.5%
Gender pay gap	79%
Collectively agreed working hours	40.0 hours
Usual weekly working hours	43.3 hours

Lithuania

GDP per capita in PPS (EU25=100 / 2004)	47.8
Real GDP growth	7.1%
Productivity growth	8.1%
Inflation	0.5%
Employment rate	59.8%
Unemployment rate	14%
Trade union density	14%
Employer organisation density	20%
Workplace representation	23%
Collective bargaining coverage	15%
Degree of bargaining centralisation	23%
Strike activity index	1%
Gross annual earnings	3,972 euro
Minimum wage	281 pps
Monthly labour cost	508 euro
Collectively agreed pay increase	Not applicable
Actual pay increase	+6.6%
Female employment rate	57.5%
Gender pay gap	83%
Collectively agreed working hours	40.0 hours
Usual weekly working hours	39.5 hours

Luxembourg

GDP per capita in PPS (EU25=100 / 2004)	226.2
Real GDP growth	4.1%
Productivity growth	.70%
Inflation	2.8%
Employment rate	62.7%
Unemployment rate	3.1%
Trade union density	46%
Employer organisation density	80%
Workplace representation	58%
Collective bargaining coverage	58%
Degree of bargaining centralisation	33%
Strike activity index	2%
Gross annual earnings	40,575 euro
Minimum wage	1,237 pps
Monthly labour cost	No data
Collectively agreed pay increase	+4.2%
Actual pay increase	+4%
Female employment rate	51%
Gender pay gap	81%
Collectively agreed working hours	39.0 hours
Usual weekly working hours	39.7 hours

Malta

GDP per capita in PPS (EU25=100 / 2004)	69.2
Real GDP growth	0.9%
Productivity growth	1.6%
Inflation	2.5%
Employment rate	54.2%
Unemployment rate	7.5%
Trade union density	63%
Employer organisation density	63%
Workplace representation	10%
Collective bargaining coverage	56%
Degree of bargaining centralisation	24%
Strike activity index	6%
Gross annual earnings	11,926 euro
Minimum wage	821 pps
Monthly labour cost	1,257 euro
Collectively agreed pay increase	+2.4%
Actual pay increase	+2.8%
Female employment rate	33.1%
Gender pay gap	94%
Collectively agreed working hours	40.0 hours
Usual weekly working hours	40.6 hours

Netherlands

GDP per capita in PPS (EU25=100 / 2004)	124.4
Real GDP growth	1.3%
Productivity growth	0.6%
Inflation	3%
Employment rate	73.6%
Unemployment rate	3.2%
Trade union density	25%
Employer organisation density	85%
Workplace representation	64%
Collective bargaining coverage	81%
Degree of bargaining centralisation	58%
Strike activity index	1%
Gross annual earnings	37,900 euro
Minimum wage	1,202 pps
Monthly labour cost	3,828 euro
Collectively agreed pay increase	+3.1%
Actual pay increase	+3.5%
Female employment rate	65.3%
Gender pay gap	76%
Collectively agreed working hours	37.0 hours
Usual weekly working hours	38.9 hours

Poland

GDP per capita in PPS (EU25=100 / 2004)	48.8
Real GDP growth	3.2%
Productivity growth	4.9%
Inflation	4.3%
Employment rate	52.6%
Unemployment rate	18.5%
Trade union density	17%
Employer organisation density	20%
Workplace representation	22%
Collective bargaining coverage	35%
Degree of bargaining centralisation	20%
Strike activity index	0%
Gross annual earnings	6,230 euro
Minimum wage	398 pps
Monthly labour cost	699 euro
Collectively agreed pay increase	+4.6%
Actual pay increase	+4.6%
Female employment rate	47%
Gender pay gap	86%
Collectively agreed working hours	40.0 hours
Usual weekly working hours	41.5 hours

Portugal

GDP per capita in PPS (EU25=100 / 2004)	72.4
Real GDP growth	1.3%
Productivity growth	1.3%
Inflation	3.3%
Employment rate	68.4%
Unemployment rate	5.2%
Trade union density	17%
Employer organisation density	58%
Workplace representation	34%
Collective bargaining coverage	87%
Degree of bargaining centralisation	30%
Strike activity index	4%
Gross annual earnings	15,196 euro
Minimum wage	663 pps
Monthly labour cost	1,395 euro
Collectively agreed pay increase	+3.7%
Actual pay increase	+5.1%
Female employment rate	61.3%
Gender pay gap	80%
Collectively agreed working hours	38.6 hours
Usual weekly working hours	40.2 hours

Slovakia

GDP per capita in PPS (EU25=100 / 2004)	51.9
Real GDP growth	4.1%
Productivity growth	6.7%
Inflation	7.8%
Employment rate	57%
Unemployment rate	18.5%
Trade union density	30%
Employer organisation density	30%
Workplace representation	50%
Collective bargaining coverage	50%
Degree of bargaining centralisation	33%
Strike activity index	0%
Gross annual earnings	5,706 euro
Minimum wage	320 pps
Monthly labour cost	636 euro
Collectively agreed pay increase	+6.8%
Actual pay increase	+8.4%
Female employment rate	51.6%
Gender pay gap	71%
Collectively agreed working hours	40.0 hours
Usual weekly working hours	41.4 hours

Slovenia

GDP per capita in PPS (EU25=100 / 2004)	79.1
Real GDP growth	3.4%
Productivity growth	3.8%
Inflation	6.9%
Employment rate	63.6%
Unemployment rate	6.2%
Trade union density	44%
Employer organisation density	40%
Workplace representation	64%
Collective bargaining coverage	100%
Degree of bargaining centralisation	43%
Strike activity index	3%
Gross annual earnings	11,280 euro
Minimum wage	667 pps
Monthly labour cost	1,497 euro
Collectively agreed pay increase	+6.5%
Actual pay increase	+8.8%
Female employment rate	58.8%
Gender pay gap	89%
Collectively agreed working hours	40.0 hours
Usual weekly working hours	41.5 hours

Spain

GDP per capita in PPS (EU25=100 / 2004)	97.6
Real GDP growth	3.5%
Productivity growth	0.2%
Inflation	3.3%
Employment rate	58.7%
Unemployment rate	11.2%
Trade union density	16%
Employer organisation density	72%
Workplace representation	41%
Collective bargaining coverage	81%
Degree of bargaining centralisation	38%
Strike activity index	35%
Gross annual earnings	19,828 euro
Minimum wage	625 pps
Monthly labour cost	2,082 euro
Collectively agreed pay increase	+3.3%
Actual pay increase	+3.1%
Female employment rate	44.7%
Gender pay gap	75%
Collectively agreed working hours	38.5 hours
Usual weekly working hours	40.5 hours

Sweden

GDP per capita in PPS (EU25=100 / 2004)	117.4
Real GDP growth	2.6%
Productivity growth	3%
Inflation	1.9%
Employment rate	73.1%
Unemployment rate	5.5%
Trade union density	77%
Employer organisation density	55%
Workplace representation	86%
Collective bargaining coverage	92%
Degree of bargaining centralisation	56%
Strike activity index	3%
Gross annual earnings	33,620 euro
Minimum wage	No minimum wage
Monthly labour cost	4,313 euro
Collectively agreed pay increase	+3%
Actual pay increase	+3.5%
Female employment rate	71.5%
Gender pay gap	85%
Collectively agreed working hours	38.8 hours
Usual weekly working hours	39.9 hours

United Kingdom

GDP per capita in PPS (EU25=100 / 2004)	116.3
Real GDP growth	2.8%
Productivity growth	2.3%
Inflation	1.2%
Employment rate	71.4%
Unemployment rate	5%
Trade union density	29%
Employer organisation density	40%
Workplace representation	47%
Collective bargaining coverage	35%
Degree of bargaining centralisation	13%
Strike activity index	4%
Gross annual earnings	41,253 euro
Minimum wage	1,084 pps
Monthly labour cost	3,849 euro
Collectively agreed pay increase	+3.1%
Actual pay increase	+3.9%
Female employment rate	65.2%
Gender pay gap	70%
Collectively agreed working hours	37.3 hours
Usual weekly working hours	43.2 hours

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