

communiqué



European Foundation for the Improvement of Living and Working Conditions

Focus on the quality of work



Europe needs to focus on the quality of the jobs it offers, to give itself an edge over its competitors.

Increasing employment rates has been at the top of the European political agenda for the past few years. In times of economic slowdown, job creation in terms of job quantity was seen as the main priority. However, as the Foundation's recently published first Foundation paper, *Quality of work and employment in Europe*, argues, Europe needs to focus more on the quality of the jobs it offers, in order to give itself an edge over its competitors. This was the view shared by all heads of government at the European summits in Lisbon in March 2000 and more recently in Laeken in December 2001.

The Foundation paper is the first in a series of papers linking the work of the Foundation to current social policy issues and provides a timely contribution to the debate at European level.

Creating good quality jobs is an investment in the future

The aim behind the Foundation papers is to highlight knowledge and analysis from Foundation research in the areas of employment, equal opportunities, social inclusion, time use and diversity. The objective is to make past, present and future work of the Foundation relevant and accessible in a concise format. The Foundation has carried out research in the field of employment and quality of work since the early 1990s. In its three working conditions surveys (1990, 1995 and 2000), the Foundation has provided an overview of trends in working conditions across the EU.

Linking quality and productivity

Quality of work and employment is about ensuring career and employment security, and maintaining and promoting a worker's health and well-being. It also involves the development of skills and competences, linking quality of work and productivity. At a time when employers are

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Evaluating the Foundation and its work

The first external evaluation of the Foundation has confirmed that the Foundation is fulfilling its mandate and proposes improvements for increasing effectiveness and impact.

The Foundation has examined the results of the first external review evaluating its operation and activities, mainly for the period 1997-2000. The review, carried out by Deloitte & Touche using a mix of questionnaire surveys, case studies and face-to-face interviews, was presented by the consultants and discussed during the meeting of the Administrative Board on 21-22 March 2002. The assessment was in general positive, but the report also highlighted strategic issues for further reflection by the Board and some proposals for strengthening the internal organisation and the impact of the Foundation's work.

Strategic objectives still valid

The review found that the Foundation has been faithful to its founding Regulation, that is, to provide relevant information to assist the European Union and its key players to improve living and working conditions. In particular, the review found that the Foundation's target audiences greatly value its monitoring tools, such as EIRO and the European Working Conditions Surveys, and that its strategic research projects can be seen to be informing policy development, for example, projects on local partnerships and on older workers. The external consultants suggested that the Administrative Board review the mission of the Foundation, to re-confirm the original objectives and interpret them in the light of intervening developments and today's needs, particularly in relation to living conditions. The strengths of the tripartite structure were confirmed by the evaluation and highlighted in the Board discussion, where all parties agreed that the current representation remained the



most appropriate to meet future needs. However, the forthcoming EU enlargement will present a challenge to all the tripartite agencies to retain the positive features of tripartism, while remaining effective operationally. The Board also felt the current mandate required no change. 'We see no need to re-discuss the mission of the Foundation,' said **Natascha Waltke** speaking on behalf of the employers' representatives. 'It is explicit and sufficiently open, and also distinct from other tripartite EU agencies.'

Closer collaboration with the European Commission

The evaluation noted that the priorities of the work programme of the Foundation have been consistent with those of the EU's Social Agenda, and that the Foundation is indeed making a positive contribution to the Commission's work. The consultants have recommended that efforts be made to strengthen the operational links between the Foundation and the Commission. However, the report clearly shows that the key stakeholders also value the autonomy of the Foundation and feel it should not become an actor in the policy

making process. 'We want to look to the future,' said **Bernhard Jansen**, Director of the European Commission's DG for Employment and Social Affairs and a new member of the Foundation's Administrative Board. 'We believe the Foundation to be a think-tank for the European Commission, providing authoritative analysis on research in the socio-economic field.'

An action plan for the future

The consultants recommended the Foundation pay attention in the future to achieving the right balance of monitoring and anticipatory work and focus on larger, but fewer, projects. This suggestion was appreciated by the Administrative Board and by the Foundation's Director, **Raymond-Pierre Bodin**, who presented an action plan in response to the review. 'We have already initiated several actions to improve our work,' he said, 'such as the new global communication strategy, a living conditions monitoring tool and increased developmental work to investigate new and emerging issues.'

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faced with a choice between focusing on higher turnover and bigger profits and focusing on better employment and working conditions, the first task is to define what constitutes quality of work and employment. The next task will be to identify indicators for measuring progress in this area, and to identify the social consequences of changes in work organisation. Several qualitative studies carried out by the Foundation confirm a strong correlation between increased levels of temporary work and poor working conditions, as well as poorer health in general. In fact, Foundation research supports the notion that decisions on work organisation have an impact on equal opportunities, the terms of employment, competence development and the reconciliation of working and non-working life, especially through the organisation of working hours. Findings suggest that there is a need to strengthen and develop consultation regarding organisational

choices, and to integrate job quality issues into corporate management practices.

Making work attractive

Increasing the number of workers over 50-55 years is one of the stated objectives of EU employment policy. At the same time, reports from several EU Member States attest to the growing need to retain workers in employment well beyond the normal retirement age simply in order to maintain employment levels. Foundation research in this area envisages two approaches: one involving institutional measures using labour market activation instruments, financial and fiscal incentives, as well as collective bargaining, and one involving organisational measures at company level designed to retain specific categories of people at work. Both approaches rely on improving the quality of work to achieve these objectives, since it has been shown time and again that low employment

rates are generally the result of unattractive working conditions.

Gender gap slowly closing

There are still major inequalities between the sexes in Europe. Foundation research shows that these imbalances are largely the result of gender segregation in the labour market. However, in some occupations there are signs that such inequalities are diminishing. At the same time, there is a higher proportion of women in employment in the candidate countries of the European Union. Recent research into the labour market suggests that there is a more balanced distribution of the sexes between occupational categories, and less vertical segregation in these countries.

Publications on these topics can be downloaded at www.eurofound.eu.int/working/working.htm
For more information, contact John Hurley, e-mail: joh@eurofound.eu.int

Good practices in European social public services

By making a collection of good practice in social public services available online, the Foundation highlights measures to improve the quality of services to users and the quality of working life at local level in Europe.

The Foundation has made available online a collection of good practice examples of developments in social public services in Europe. The collection illustrates the impact of quality improvement initiatives on both services to users and on the working life of service providers. Examples are drawn from all fifteen EU Member States and cover four client groups: dependent elderly people, adults with learning disabilities, adults with mental health problems, and young unemployed people. 'The online collection documents in

detail the cases and presents them in an accessible format,' says **Robert Anderson**, research coordinator of the Living Conditions team. 'We refer to it as the online casebook.' Social public services are directed to meet the needs of the citizen in relation to employment, health, housing, education, social security and care. These services have been subject to widespread reform and modernisation over the last decade, with policy attention to costs, more coordinated provision, and responsiveness to user needs. Social public services are generally regulated and funded by public authorities at national, regional or local levels. But they may also be provided by the private sector, voluntary or other third sector organisations. The collection of good practice is another output from the

Foundation's research on social public services which examined the impact of quality improvement initiatives on both services to clients and on working conditions, particularly at local level and concerning front-line staff. The research report, *Quality in social public services*, published in June 2001, looks at service improvements which aim to meet the needs of client groups with multiple needs. It focuses in particular on measures for coordinated and integrated service delivery for user empowerment and for quality assurance.

Access the online casebook at www.eurofound.eu.int/living/social.htm
For further information, contact Teresa Renahan, e-mail: ter@eurofound.eu.int

Strategies for social inclusion

The Foundation will coorganise the conference *Employment and labour market insertion strategies as a tool for social inclusion* in Toledo on 17-18 June 2002 with the Spanish Ministry of Employment and Social Affairs, under the auspices of the Spanish EU Presidency. The conference will examine active measures being developed for the employment of vulnerable groups, whose needs demand more comprehensive supportive policies and services in social welfare, health and education

sectors as well as labour market measures. Activation, coordination, prevention and evaluation are the four key strategies which will be discussed. The debate will concentrate around how these strategies can be implemented successfully, how they can be developed to meet future needs, and how the different actors can contribute.

Further details at www.ue2002.es
 Information Liaison Officer: Teresa Renehan, e-mail: ter@eurofound.eu.int

EVENTS

Industrial relations and change in the EU

19 April 2002, Modena, Italy

Community strategy on health and safety at work

22-23 April 2002, Barcelona, Spain

Social dialogue and EMU in candidate countries

22-24 May 2002, Vienna, Austria

Work and labour network

22-25 May 2002, Osnabruck, Germany

European knowledge society foresight

28-29 May 2002, Dublin, Ireland

Women, work and health

2-5 June 2002, Stockholm, Sweden

Shaping the future of social services in Europe

5-7 June 2002, Barcelona, Spain

Employee ownership in Europe

6 June 2002, Seville, Spain

Worklife enlargement

6-7 June 2002, Dublin, Ireland

European Business Summit

6-7 June 2002, Brussels, Belgium

Structural funds, women and employment

15-16 June 2002, Santander, Spain

Employment and labour market insertion policies as a tool for social inclusion

17-18 June 2002, Toledo, Spain

Europe makes a difference—challenges for the European social model

Foundation Forum

29-30 August 2002, Dublin, Ireland

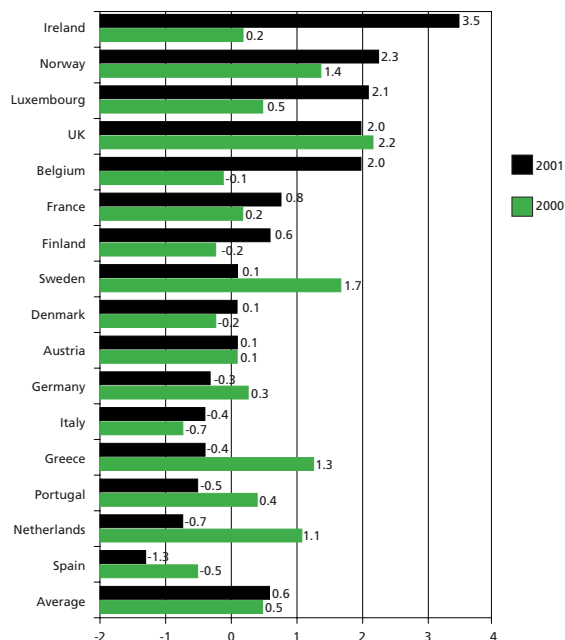
RESEARCH IN FIGURES

Nominal pay increases

Developments in economic integration have had major implications for wage policy in the EU. The euro-zone countries have no longer been able to use exchange and interest rates to adjust imbalances in economic performance and pay has played an important compensating role. Furthermore, the introduction of the euro has added a greater degree of transparency to comparisons of wage levels.

The European Industrial Relations Observatory (EIRO) found that average collectively agreed nominal pay increases rose from around 3.2% in 2000 to 3.5% in 2001. However, when adjusted for inflation, workers in five EU Member States saw their nominal pay increase diminished by inflation. Worst hit are workers in Italy and Spain, who have seen their pay increase disappear in this way for two years in a row.

Average collectively agreed pay increases, adjusted for inflation, 2000 and 2001 (%)



Source: EIRO

Increase in labour costs

Hourly labour costs across the EU Member States and Norway have increased from 3.3% in 1999 to 4.3% in 2001, according to the recent annual update from the European Industrial Relations Observatory (EIRO). The study aims to provide a broad and general indication of labour cost levels and trends, based on contributions from the EIRO national centres. Labour costs are estimated to account for some two-thirds of the production costs of goods and services, making this a powerful factor for political, economic and social decision makers.

Comparing the trend in average hourly labour costs with that in average collectively agreed pay increases, the study finds that the gap between these two indicators has grown over the three-year period, suggesting an increase in labour costs.

The overall upward trend over the three years disguises the fact that developments in most countries are not uniform. While a clear upward trend can be seen in Germany, Ireland, Luxembourg and Sweden, most countries have witnessed a more variable trend with, for example, increases diminishing in 2001 in Austria, France, Italy, the Netherlands, Portugal and the UK. Among those countries for which figures are available for all three years, the highest increases are found in Ireland, followed by Portugal, Luxembourg and the UK. The lowest increases are found in Austria and Germany.

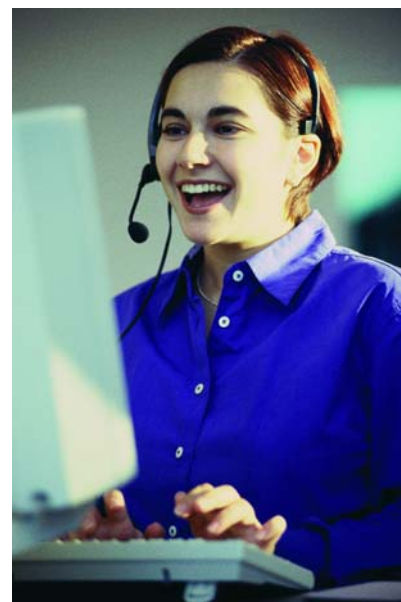
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Promoting gender equality at the workplace

The drive for gender equality at workplaces must be supported by a comprehensive process of change management. If not, then only 'islands' of equality may be achieved, and sustainable equality will not be guaranteed.

The Foundation's report *Promoting gender equality at the workplace* analyses 21 case studies from both the public and private sector in seven Member States: Finland, France, Germany, Italy, the Netherlands, Spain and UK. The report concludes that there is a significant danger that equality may remain marginal in the organisation unless some critical elements are included in the strategy. These are:

- Monitoring the development of equality action, which is important for organisational learning. This should not only cover the number of people affected, take-up of measures etc. but also include qualitative measurements such as behaviour, values, culture etc.;
- Equality should be embedded in an innovative HR approach, so that all activities and areas of the organisation are covered;



- Organisational culture and behaviour must be addressed;
- All actors need to be involved through social partnership;
- Equality must be embedded in all other organisational change strategies.

The report can be downloaded at www.eurofound.eu.int/publications/0164.pdf
Contact Sabrina Tesoka, e-mail: ste@eurofound.eu.int

PUBLICATIONS

Eiobserver 02/02

EN: www.eiro.eurofound.eu.int/eiobserver.html

Employment and working time in Europe (summary)

Now available in all languages:
www.eurofound.eu.int/publications/EF0158.htm

European employment and industrial relations Glossary: Sweden

EN www.eurofound.eu.int/publications/EF0163.htm

Quality of work and employment in Europe: Issues and challenges

EN/FR:
www.eurofound.eu.int/publications/EF0212.htm

Gender, employment and working time preferences in Europe (summary)

Now available in all languages:
www.eurofound.eu.int/publications/EF0149.htm

Gender, employment and working time preferences in Europe (report)

Now available in FR also:

www.eurofound.eu.int/publications/EF0145.htm

Promoting gender equality in the workplace (report)

EN: www.eurofound.eu.int/publications/EF0161.htm

Public sector reform under EMU (literature review)

EN: www.eurofound.eu.int/publications/EF0203.htm

Temporary agency work in the EU (report)

EN: www.eurofound.eu.int/publications/EF0202.htm

Understanding, anticipating and managing change: identifying the drivers of change (EMCC conference summary) DE EN FR:

www.eurofound.eu.int/publications/EF0176.htm

Free publications can be downloaded directly from the website and priced publications can be ordered online (www.eurofound.eu.int). They can also be ordered from your usual bookshop or from one of the sales agents of the Office for Official Publications of the European Communities (addresses available at www.eur-op.eu.int).

INSIDE THE FOUNDATION

67th Board Meeting

The external evaluation of the Foundation, the Foundation's Annual Report 2001 and the work programme 2002 were the main items discussed at the spring meeting of the Administrative Board on 21-22 March 2002.

Marc Boisnel, chairman of the Administrative Board, also welcomed eight new members: Kim Tååsby representing the Danish Government; Leila Kurki for the Finnish workers' organisation; Florence Cordier representing the French employers' organisation;

Gloria Malaspina for the Italian workers' organisation; Nadine Welter representing the Luxembourg government; and Cristina Galache for the Spanish government. Bernhard Jansen, Director of the European Commission's DG for Employment and Social Affairs has recently replaced Odile Quintin as the European Commission representative on the Administrative Board. Ylva Tivéus, Head of Information at DG Environment, is also new to the Administrative Board, taking up the second seat of the European Commission.



Recent staff changes

Marina Patriarka joined the Foundation as Information Liaison Officer in the Industrial Relations Team on 1 March 2002. Tel: +353-1-204 3115; mpa@eurofound.eu.int

Hanne Hansen, Administrative Assistant in the Operational Support Unit, will leave on 30 April after 14 years at the Foundation, to take up a post in DG Competition in the European Commission in Brussels.

More web users

The number of users accessing the Foundation's website (www.eurofound.eu.int) is exceeding the record numbers shown for the last two months of 2001. In February 2002 some 61,687 user sessions were recorded on the site up from 56,794 in January 2002.

The EIRO Online website (www.eiro.eurofound.eu.int) recorded even more user sessions with an all-time high in February 2002 of 76,341. This represents an increase on the 62,362 user sessions in January 2002.

communiqué

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