

communiqué



European Foundation for the Improvement of Living and Working Conditions

Approaching enlargement

Wide-ranging new data and analysis on living and working conditions in the current EU Member States and in the acceding and candidate countries (ACC) is being made available by the Foundation in the run-up to enlargement in May 2004.

Launching its comprehensive report on *Working conditions in the acceding and candidate countries* on 23 October, the Foundation provides a benchmark for working conditions in the 13 countries. *Social dialogue and EMU in the acceding countries*, published at the same time, focuses on the role of social dialogue in preparing for Economic and Monetary Union. A conference on social dialogue involving the 10 acceding countries will be held in March 2004. The presentation of the Foundation's much-anticipated pan-European Quality of Life survey will take place in May 2004.

Benchmarking working conditions

According to the report, workers in the ACC work longer hours in less service-related industries than in the current EU Member States. They also suffer higher exposure to various physical risk factors such as dangerous substances, fumes and noise.

'The survey provides a first comprehensive overview of working conditions in the 13 acceding and candidate countries, using the same methodology as in the previous European working condition surveys carried out by the Foundation in 1990, 1995 and 2000,' says **Willy Buschak**, the Foundation's Acting Director. 'The results provide a solid benchmark on the situation in these countries as ten of them move towards membership in May next year.'



Living conditions and quality of life

Before enlargement, and in collaboration with Eurostat, the Foundation will also provide wide-ranging data and analysis on living conditions in the acceding and candidate countries. The living conditions survey will focus on quality of life and personal satisfaction, social exclusion, income, deprivation and economic strain, as well as work and quality of work, healthcare and access to services, family aspects, and fertility and migration trends. In May, the Foundation aims to publish its much-anticipated *Quality of Life* in Europe monitoring initiative. It will focus on employment, economic resources, family life, community life, health and education. In short, it measures the quality of life in the 15 Member States and 13 acceding and candidate countries.

Changes in Europe's financial services market

Changes in Europe's financial services market are only just beginning, concludes the second Sector Futures feature from the EMCC, now available online.

More on p. 2

Foundation seminar: living and working conditions in 2010

The demand for a new organisation of time over working life, the ageing of the population and low fertility rates are among the most important factors for the future quality of life and work in Europe over the coming decade.

More on p. 2

EIRO expands to cover ten enlargement countries

The European Industrial Relations Observatory's (EIRO) network of correspondents has expanded to cover 10 enlargement countries.

More on p. 3

Promoting employee financial participation

The Foundation is preparing to draw up a new set of indicators to benchmark measures promoting employee financial participation schemes in the EU Member States.

More on p. 3

Enlargement: longer working hours in the ACC

Workers in the acceding and candidate countries work longer and report a higher level of risk to their health and safety than their counterparts in the European Union.

More on p. 5

Changes in Europe's financial services market

Changes in Europe's financial services market are only just beginning, concludes the second Sector Futures feature from the EMCC, now available online.

Electronic banking, cross-border mergers and acquisitions, the arrival of the euro, and supermarket credit cards and loans are just a few of the changes that have transformed traditional banking over the past two decades. The spread of information and communication technologies (ICT) is identified as the main driver of change, spurred on by European integration and the proposal to create a single market in financial services. The Foundation's European Monitoring Centre on Change (EMCC) also looks at restructuring and social trends affecting the sector in this second Sector Futures article.

A decade of intense change

During the past decade, the number of credit institutions in Europe has been almost halved, due to mergers and acquisitions and 'cooperations'. There have also been huge job cuts in the financial industry. However, the EMCC Sector Futures feature on the financial services market reveals that to date most mergers have taken place in Member States rather than across borders.

New initiatives and services

The move from state-financed to private pension systems, one possible means of offsetting the explosion of the so-called pension time bomb, will provide a major boost to the savings and capital markets. Today, the UK, Ireland and the Netherlands hold over 50% of the private pension

funds assets in the EU, a figure that is expected to rise significantly should EU governments allow individuals to take greater responsibility for their own financial futures. The article argues that this kind of privatisation of welfare across the EU could spawn new services such as private health care and unemployment insurance, resulting in greater flexibility in the financial market.

While the article acknowledges that there is a risk that some groups of people will be left behind as a result of these changes, it also asserts that new openings for non-traditional providers – including community or trade union based initiatives and credit unions – will offer new solutions not open to commercial lending and credit institutions.

Foundation seminar: living and working conditions in 2010

The demand for a new organisation of time over working life, the ageing of the population, low fertility rates and the need for ongoing business innovation in the face of globalisation are among the most important factors for the future quality of life and work in Europe over the coming decade.

These were some of the findings to emerge during the lively debate at the Foundation seminar, 'Working and living conditions in Europe in 2010', held in Ljubljana on 9-10 October.

The seminar brought together about 50 participants representing the social partners and public authorities

Living and working conditions in Europe in 2010

Ljubljana, 9-10 October 2003

at EU and national level, as well as the research community, from all over Europe. The need to refocus on the workplace as a crucial factor influencing quality of life as a whole was also stressed. Naturally, the impact of the forthcoming enlargement of the EU underpinned much of the debate.

Issues such as the movement of labour and capital and increasing disparities between countries and social groups were also addressed during the seminar. The findings will provide an important input to the ongoing debate about the future development of the Foundation's work.



EIRO expands to cover ten enlargement countries

The European Industrial Relations Observatory's (EIRO) network of correspondents has expanded to cover 10 enlargement countries: Bulgaria, Cyprus, Estonia, Hungary, Latvia, Malta, Poland, Romania, Slovenia and Slovakia.

We aim to collect, analyse and disseminate high-quality information on key developments in industrial relations in the acceding countries, following the same model that currently exists for the EU Member

States,' says **Willy Buschak**, the Foundation's Acting Director. 'The EIRO cross-country comparisons will be further developed to cover topics on the EU political agenda.'

Monitoring industrial relations developments

The European Industrial Relations Observatory (EIRO) was set up more than five years ago, following a request by the European Commission and the social partners. The aim is to provide national and

European-level social partner and governmental organisations, and EU institutions, on a regular basis with news and analysis of industrial relations developments in Europe. EIRO recorded an average 170,000 user sessions per month during the first six months of this year, which represents an increase of more than 120% compared to the first six months in 2002.

Contact Camilla Galli da Bino at email gdb@eurofound.eu.int for more information

Promoting employee financial participation

The Foundation is preparing to draw up a new set of indicators to benchmark measures promoting employee financial participation schemes in the EU Member States.

Financial participation has become more widespread throughout the EU during the 1990s, following new and extensive legislative measures and tax concessions in all EU Member States. However, still only one third (31%) of Europe's companies with more than 200 employees have an employee share ownership scheme in place, raising concerns that costs and administration hinder the large-scale introduction of such schemes.

A share in the profits

Financial participation is when employees participate in the financial results of the activity of the firm. This may take the form of a share in the profits, over and above the remuneration normally paid to employees, or a share in the ownership of the firm.

In 1999, the Foundation began a major research project on the nature and extent of financial participation in the EU. The results, published in the report *Recent trends in employee*

financial participation in the EU, illustrated large differences in the levels of use and types of financial participation schemes. More importantly, the report revealed a strong relationship between broad-based financial participation and team-based work structures, and between financial participation and representative participation. It also showed that financial participation does not weaken the role of trade unions or works councils.

France and the UK lead the way

Employee financial participation schemes are fairly evenly distributed between those that are broad-based – covering all employees (52% of cases) – and those that are narrow-based – targeting management and higher-level staff (48% of cases). Profit-sharing schemes are more common, being found in more than 45% of companies, and a higher proportion of such schemes tend to be broad-based.

France has the highest number of profit-sharing schemes, supported by mandatory regulations and promotional activities, while the United Kingdom, with its established tradition of financial participation, has

the highest number of share ownership plans in the EU.

Benchmarking to measure success

The second phase of the Foundation's financial participation project, which was launched in May of this year, will see the establishment of a set of indicators aimed at measuring the success of national policies and practices of financial participation arrangements in EU Member States.

'We also hope to explore and explain what barriers European small and medium-sized companies have to overcome in introducing financial participation schemes,' says **Christian Welz**, research manager at the Foundation.

Social partners warm to the idea

Although Foundation research suggests that employer organisations and trade unions at confederate level are increasingly in favour of financial participation, employers associations and trade unions tend to be largely absent in the detailed regulation of financial participation schemes at corporate levels.

For more information, contact Marina Patriarka at email mpa@eurofound.eu.int.

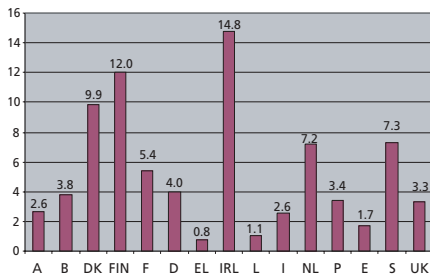
NEWS IN BRIEF

European Restructuring Monitor

Companies across Europe announced the loss of almost 66,151 jobs as a result of their restructuring initiatives between 1 July and 30 September 2003, according to recent data from the European Restructuring Monitor (ERM). 100 new jobs in France and 750 in Ireland were created through restructuring activities, totalling 850 jobs.

The ERM is an information service of EMCC, and analyses data on industrial restructuring as announced in Europe's financial press.

Announced job reductions due to restructuring per 10,000 people employed



'Ireland, Finland and Denmark has lost most jobs, given the smaller size of their active labour force, although the highest relative numbers are noted in Germany, France and the United Kingdom,' comments **Barbara Gerstenberger**, research manager at the Foundation's European Monitoring Centre on Change (EMCC). 'Manufacturing is the sector that accounted for the highest number of cases (76) and the employment effects here are quite significant, with around 25,000 jobs threatened.'

New products from EIRO

Over the next couple of months, comparative reports on topics such as collective bargaining (on occupational pensions, childcare and parental leave), tripartism in the acceding countries and industrial disputes will be published by the European Industrial Relations Observatory (EIRO).

The second *Industrial relations developments in Europe* report, a joint effort between the Foundation and the European Commission, which presents a comparative overview of the most significant industrial relations developments in 2003, is already in the production pipeline. The annual review, entitled *Industrial relations in the EU, Japan and USA*, which examines key issues such as pay, gender pay inequality, working time, new forms of work, leave, training and skills development, is due to be published before the end of the year.

More information from EIRO at www.eiro.eurofound.eu.int

Industrial change in Europe

Industrial change continues to have a profound impact on society. At European level, there is agreement among most economic and social players on the need to tackle industrial change in a proactive way. The Foundation argues that broad-based solutions – involving public authorities, social partners, regional development agencies and civil society as well as companies – play a crucial role in anticipating and managing industrial change.

To identify development prospects and to review the roles and responsibilities of the players concerned by industrial change, the Foundation is organising a high-level two-day conference in Brussels on 20-21 November 2003, entitled 'Industrial change in Europe: current situation, prospects and responsibilities.' The conference is organised in conjunction with the European Economic and Social Committee. The event, which brings together EU-level policymakers, social partners, national and regional authorities, enterprises, researchers and other experts, will also assess the impact of enlargement on the enterprise policy of the existing 15 EU Member States.

For more information on the event, visit www.eurofound.eu.int/newsroom/eesc_conf.htm

EVENTS

The power of local action: 2003 International Healthy Cities Conference
19-22 October 2003, Belfast, Northern Ireland
WHO Regional Office

Managing diversity in health and social care in the interest of all citizens
20 October 2003, Gothenburg, Sweden
European Social Network

Expert Forum on OSH monitoring
3 November 2003, Bilbao, Spain
European Agency for Safety and Health at Work

EurOhse 2003 – Health and safety at work
4-5 November 2003, London, United Kingdom
EurOHS Magazine

Group of specialists on employment for marginalised groups
6 November 2003, Strasbourg, France
Council of Europe

Industrial change: re-organisation of business and production
11 November 2003, Brussels, Belgium
European Parliament, EP-PES Group

Industrial change in Europe: current situation, prospects and responsibilities
20-21 November 2003, Brussels, Belgium
European Economic and Social Committee

PUBLICATIONS

Age and working conditions (report)
EN and FR: www.eurofound.eu.int/publications/EF02107.htm

As time goes by: a critical evaluation of the Foundation's work on time (report)
EN and FR: www.eurofound.eu.int/publications/EF0309.htm

EIRObserver no 5/03
EN: www.eurofound.eu.int/publications/EF0387.htm

Flexibility and social protection (report)
EN: www.eurofound.eu.int/publications/EF0355.htm

Sector futures
The future of financial services: changing times
EN: www.emcc.eurofound.eu.int/content/source/tn03006a.html

The Future of IT: now it's getting personal
EN: www.emcc.eurofound.eu.int/content/source/tn03005a.html

Shaping the future of ICT
EN: www.emcc.eurofound.eu.int/content/source/tn03005a.html

Social dialogue and EMU in acceding countries (report)
EN: www.eurofound.eu.int/publications/EF0388.htm

Working conditions in acceding and candidate countries (report)
EN and FR: www.eurofound.eu.int/publications/EF0306.htm

Working conditions in acceding and candidate countries (info sheet)
EN and FR: www.eurofound.eu.int/publications/EF0375.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).

Enlargement: longer working hours in the acceding and candidate countries

Workers in the acceding and candidate countries work longer and report a higher level of risk to their health and safety than their counterparts in the EU. These are among the findings of the Foundation's survey of working conditions in acceding and candidate countries, published on 23 October.

The average working week in the future Member States is over six hours longer than in the current Member States (44.4 hours per week compared to 38.2 hours). The proportion of workers working very long weeks (over 45 hours) is nearly twice as high in the ACC as in the current EU. These findings based on survey data may go some way to explain the high levels of work-related fatigue reported by workers in the applicant countries (41% compared to 23% in the EU).

Scope of the survey

The Foundation extended its European working conditions survey to cover the then applicant Member

States in 2001. The survey for Turkey was carried out in 2002. Over ten thousand workers were interviewed with the same questionnaire used in the Third European working conditions survey (2000). Their responses provide an interesting snapshot of working conditions in the future Member States and offer a basis of comparison with the existing fifteen Member States following the Foundation's three EU working conditions surveys in 1990, 1995 and 2000.

Despite convergence in recent years, one of the principal conclusions of the report, *Working conditions in acceding and candidate countries*, is that there exist significant differences in terms of workforce structure and working conditions between the old and new EU Member States.

Structural and gender differences

One in five of the workforce in the acceding and candidate countries works in the agricultural sector

compared to only one in twenty in the EU. In terms of work organisation, work tends to be less decentralised, less service-oriented and more hierarchical in the new states. But the gender differences that characterise the EU workplace are less marked in the acceding and candidate countries where the survey data reveals a more even distribution of women in different job categories and sectors as well as at different hierarchical levels within their organisations.

Positive input to enlargement

According to **Willy Buschak**, the Foundation's Acting Director, 'these survey findings will provide a positive input to the socio-economic policies for the new enlarged European Union and serve as a basis for monitoring future trends in working conditions'.

The fourth European working conditions survey, planned for early 2005, will cover workers in the 25 EU Member States as well as applicant states and selected third countries.

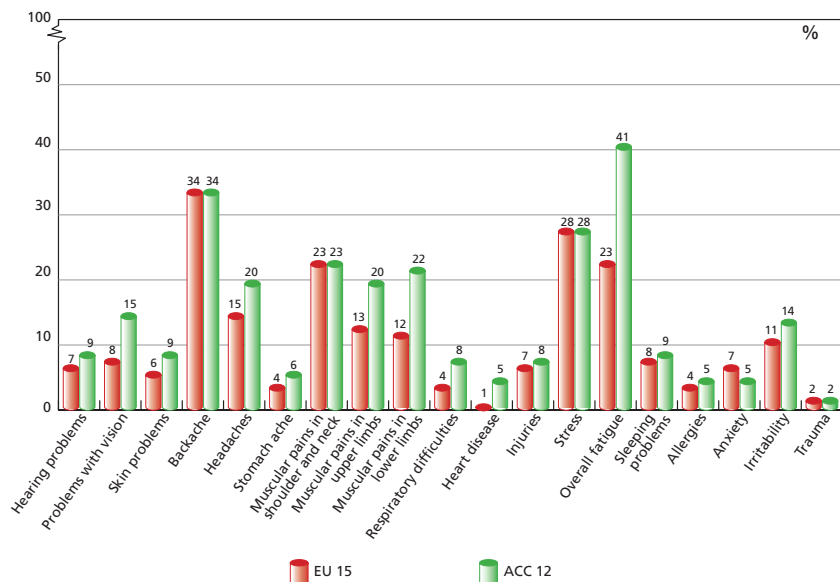
RESEARCH IN FIGURES

Levels of overall fatigue significantly higher in the acceding and candidate countries

The perception that health and safety are at risk because of work is more widespread in the acceding and candidate countries (ACC) than in the current EU Member States. The most frequent complaints are overall fatigue, backache, stress, and muscular pains, together with other problems usually found in heavy industrial work, which characterises the work environment in the acceding and candidate countries.

While stress and muscular pain are as common in the current 15 EU Member States as in the ACC, overall fatigue is significantly higher in the acceding and candidate countries.

Workers exposed to work-related health problems



INSIDE THE FOUNDATION

Observers from the acceding countries join the Administrative Board



Observing the proceedings of the Administrative Board

Some 30 observers representing governments, employer organisations and trade unions of the ten acceding countries joined the Foundation's Administrative Board at its 70th meeting in Dublin on 23-24 October 2003. The meeting focused on the outline of the Foundation's work programme 2005-8.

Paving the road to enlargement

The acceding country observers were introduced to the work of the Foundation in detail during a day-

long induction seminar, prior to the Administrative Board meeting.

'I do hope that with the knowledge we have acquired [during the induction seminar and 70th meeting of the Administrative Board], we'll be able to contribute in a constructive way to the promotion of the objectives of your organisation,' said **Lenia Samuel**, representing the Cyprus Government. 'We are impressed by the way you work, and in particular, by the commitment of the Foundation's staff. We are all

looking forward very much to cooperating in a constructive spirit.'

Tribute to Raymond-Pierre Bodin

On the same occasion, the Foundation's recently refurbished conference centre was dedicated to the memory of Raymond-Pierre Bodin, the Foundation's former Director who passed away suddenly on 4 July 2003.



Presentations in the new Information Centre

Large attendance

The launch of the report, *Working conditions in the acceding and candidate countries*, and presentations of the Foundation's four core research areas which took place in the new Information Centre attracted a large audience.

communiqué

Communiqué is published by the European Foundation for the Improvement of Living and Working Conditions, Wyattville Road, Loughlinstown, Dublin 18, Ireland.

The Foundation is an autonomous body of the European Union, established by Regulation (EEC) 1365/75 of the EU Council of Ministers of 26 May 1975.

Acting Director: Willy Buschak

Communiqué is published six times a year, in English and French.

Any item may be reproduced without further permission if the source is acknowledged.

Communiqué is available free of charge. It is also available for free download at

www.eurofound.eu.int/newsroom.

Managing Editor: Elisabeth Lagerlöf

Original language: English

Circulation: 15,500

EF/03/97/EN

Staff changes

Departures

The Foundation bids farewell to **Evanghelos Psaroudakis** who retired at the end of October after 20 years' service in the translation unit.

Arrivals

Marika Ylitolva from Finland arrived on 22 September to take up a post in the Finance unit.

Greet Vermeulen from Belgium joined the Working Conditions area as research manager on 1 October.

Transfers/Appointments

Catherine Cerf transferred to the EMCC team on 15 September.

Cécile Deneys was assigned to the Directorate on a full-time basis on 15 September.

Agnès Parent-Thirion was recently appointed Coordinator of the Working Conditions area.