

# communiqué



European Foundation for the Improvement of Living and Working Conditions

## Similar perceptions of quality of life across Europe

**Having a good job is ranked most important to ensure a good life, and the fight against unemployment is universally perceived to be one of the most important means of improving the economic and social conditions of family life. These are among the main conclusions from a joint study on living conditions and quality of life by the European Commission and the Foundation, providing a social picture of the current European Union (EU 15) and the acceding and candidate countries (ACC 13) on the eve of enlargement.**

**T**he results of the survey support an integrated employment policy, focusing on higher employment rates to achieve better quality jobs,' said **Willy Buschak**, the Foundation's Acting Director. 'With this report, we have for the first time an analysis of social conditions across the new Europe. It also represents the launching pad for the Foundation's monitoring initiative on quality of life in Europe, complementing the industrial relations and working conditions monitoring tools.'

### The good life

The survey finds that good health, sufficient income and having a family are the three main factors contributing to a good life for the majority of Europeans. When other less important factors are analysed, some differences appear between the EU 15 and the ACC 13: a good job, good relationship with a partner, having children, and adequate accommodation are mentioned more frequently in the ACC 13 than in the EU 15. Having enough leisure time to enjoy life is also relatively more important in the EU 15.



### Money matters

The next wave of enlargement will widen the range of economic inequality across the EU - from a difference of 2.8 times in GDP per capita between the richer and the poorer Member States in the current EU 15 to 6.5 times in the EU 25, thus shifting the north-south divide in economic development and living standards to an east-west bias. Overall, the report found that life satisfaction in the 28 countries is strongly linked to income level and GDP per capita. Deficits within the ACC 13 on traditional economic indicators are matched by poor life satisfaction scores. Bulgaria, Romania and Latvia reported the lowest levels of satisfaction with life ever recorded in EU surveys.

### Having a good job most important

The majority of Europeans agree that having a job provides not only income but also social contacts, self-esteem and a better quality of life. Those who have been unemployed for at least two years over the previous five years report lower satisfaction with life in general, with family life, with social life, and with health than those who have been in continuous employment.

[www.eurofound.eu.int/living/qual\\_life/index.htm](http://www.eurofound.eu.int/living/qual_life/index.htm)

## Higher collective bargaining levels in EU than Japan, USA

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## Spotlight on working conditions in two sectors

Two new reports shed fresh light on current trends in working and employment conditions in two of the EU's most rapidly changing sectors: road freight transport, and hotels and restaurants.

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## Migration levels likely to be low, survey reveals

Only about 1% of the population of the acceding countries is expected to migrate to current EU Member States over the next five years. This figure amounts to around 220,000 people per year under the conditions of freedom of movement.

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## Sharpening Europe's competitive edge

Industrial restructuring dominated the industrial relations landscape in 2003 with massive lay-offs across Europe, and there are no signs that this will decrease in 2004, says Barbara Gerstenberger, new coordinator for the EMCC.

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The annual overview *Industrial relations in the EU, Japan and USA* shows that some two-thirds of the workforce in the new enlarged European Union is covered by collective bargaining. Although collective bargaining coverage is lower in the acceding countries than in the current EU Member States, workers' pay and working conditions across the Europe of 25 are agreed collectively to a much greater extent than in Japan and the USA. This reflects the sharp differences in the industrial relations systems between the three economies.

'This is the single most striking difference between industrial relations in the EU on the one hand,

and in the USA and Japan on the other,' says **Willy Buschak**, the Foundation's Acting Director.

## Europe leads in employee involvement

Research shows that 13 of the current 15 EU Member States have widespread statutory or agreed systems of indirect or representational employee involvement at company or workplace levels, with the exception of the United Kingdom and Ireland – and a 2002 EU Directive on national information and consultation rules is likely to spread such arrangements even to these two countries. Across the EU, some 700 European Works Councils have been set up in multinational companies, following the 1994 EU Directive on the issue. Also, a majority of current EU countries have a statutory system of employee representation on company boards.

The new EU Member States will also be required to transpose the

information and consultation directive into their own legislation.

In contrast, neither Japan nor USA has any legislation providing for work councils-type structures or board-level employee representation, although forms of own-initiatives do exist, especially in Japan.

## Steady decline in union membership

A common feature of Europe, Japan and USA is that union membership has generally been falling in recent decades. However, average trade union membership levels in the EU are still significantly higher than those in Japan and USA. It is predicted that the EU 25 will have an average level of trade union density of 29%, while Japan stands at 20% and USA at 13%.

In terms of union density, this is generally lower in the acceding countries than in the current Member States.

The report is available at [www.eiro.eurofound.eu.int/comparativestudies.html](http://www.eiro.eurofound.eu.int/comparativestudies.html)

# Part-time workers still experience adverse working conditions

**Part-time workers are less likely to report job-related health problems and are more likely to achieve a positive work-life balance. However, part-time workers also experience fewer opportunities for training and career progression, less job tenure, lower salary levels and reduced access to supplementary payments and social protection benefits, according to the first topic report from the new European Working Conditions Observatory (EWCO).**

One of the most important changes in Europe's employment structure over the past 10 years concerns the increasing diversification of working-time schedules. The most evident of this is the rise in the rate of part-time work relative to full-time employment.

Part-time work has expanded in the EU, currently affecting around 18.1% of the total EU working population.

'Part-time employment has been publicly praised as a tool for promoting market flexibility and

reorganising working time, for family policy and for redistributing existing employment - and therefore for reducing unemployment,' says **Agnès Parent-Thirion**, research coordinator for the working conditions team. 'For employers, part-time work can permit greater flexibility in responding to market requirements, for example by increasing capacity utilisation or extending opening hours.'

The report is available at [www.eurofound.eu.int/working/working.htm](http://www.eurofound.eu.int/working/working.htm)

# Spotlight on working conditions in two sectors

**Two new reports shed fresh light on current trends in working and employment conditions in two of the EU's most rapidly changing sectors: road freight transport, and hotels and restaurants. As the Foundation's third European working conditions survey revealed, both of these sectors are undergoing significant upheaval, triggered by the introduction of new technology, more intense international competition and new work practices.**

The studies provide a detailed analysis of these developments, based on qualitative and quantitative data from all 15 Member States, as well as literature reviews. The topics covered range from the quality of employees' health and working conditions to the regulatory environment and trends. There are also recommendations for solutions to various problems, supported by case studies.

## EU road freight transport sector

According to the road freight transport report, drivers in this sector are experiencing an increasing lack of control over their jobs. Demands from customers for faster 'just in time' (JIT) deliveries, coupled with the introduction of new 'Big Brother' technologies in vehicles, such as GPS satellite systems, are just two of the recent developments that have contributed to this problem.

To add to these challenges, staff face mounting pressure to take on a wider range of tasks as companies strive to reduce costs in this highly competitive and cyclical industry. Drivers are frequently expected to load and unload vehicles, as well as perform warehouse duties. This exposes them to additional risks. Increasingly, they are also the

company's sole point of contact with customers, requiring new communication skills, including foreign languages as the sector spreads its wings across national boundaries. Many drivers, however, lack these skills: the typical employee is male, about 40 and with a relatively low level of education.

Despite these additional responsibilities and obstacles, training is limited, largely due to the fact that over 65% of road freight businesses employ fewer than 10 staff and lack the necessary resources. Regulatory compliance is also low.

**The road freight transport sector and the hotels and restaurant industry are both undergoing significant upheaval, triggered by the introduction of new technology, more intense international competition and new work practices**

The picture is not all bleak, however. Technological advances have reduced employees' exposure to fumes and vapours, while more ergonomic truck designs have reduced the risk of musculoskeletal disorders. Even some of the new on-board devices, have had positive spin-offs, including improved road safety.

The report can be downloaded at [www.eurofound.eu.int/publications/EF03102.htm](http://www.eurofound.eu.int/publications/EF03102.htm)

## EU hotel and restaurant sector

The hospitality industry must 're-think its business models and ways of attracting and keeping employees' if it is to satisfy consumers' demands for higher and more flexible levels of service, according to the Foundation's report on the sector. In particular, hotels and restaurants will

have to treat staff more like investments, rather than costs, with a stronger emphasis on training and more secure employment contracts.

At present, the sector is characterised by low wages, anti-social hours and a predominantly young, under-educated workforce, most operating on temporary or short-term employment contracts due to the industry's highly seasonal nature. In some countries, there is even a trend towards hiring staff on an 'on-call' basis. As a result, employee turnover tends to be high and level of experience low.

However, a number of trends within the hospitality sector are likely to induce change. For example, consumers are increasingly switching from 'sun' holidays to more specialist, 'up-market' holidays involving cultural and environmental attractions and activities, each requiring particular employee skills. Generally, the market is becoming more fragmented.

The need for greater computer and technical literacy among staff is also intensifying as technology becomes more deeply ingrained in the sector. Moreover, the ageing of Europe's population raises questions about the commercial wisdom of the industry's strong slant towards young employees, particularly female staff.

Inevitably, these challenges are not universal. The larger hotels and restaurant chains appear to be addressing these issues. The problem is that the vast majority of businesses in the sector are small- to medium-sized enterprises, still cocooned in the past.

The report can be downloaded at [www.eurofound.eu.int/publications/EF03398.htm](http://www.eurofound.eu.int/publications/EF03398.htm)

NEWS IN BRIEF

## A road map for conflict resolution

By combining social dialogue and tripartite concertation, the Foundation project 'Social dialogue and conflict resolution mechanisms' has initiated a way to produce national development projects outlining effective industrial relations systems in all 10 acceding countries. The project, co-funded by the Swedish Worklife Enlargement project, is a follow-up to previous projects on social dialogue and EMU in the current and new EU Member States. The findings will be presented at a conference in Ljubljana, Slovenia on 31 March 2004. 'The workshops on conflict resolution have led to real dialogue between participants,' says **Frank Pulicino**, Director of the Department of Industrial and Employment Relations in Malta. 'For us in Malta, the project will contribute to a wider use of tripartite concertation, leading to peaceful industrial relations.'

For more information, check out <http://www.eurofound.eu.int/industrial/social-dialogue/ljubljana04/background.htm>

## Managing the challenge of an ageing workforce

Over the next two decades, the number of Europeans in the 20-29 age group will fall by 20%, while the 50-64 age group will increase by 25%. This issue, with its wide-reaching consequences for the European labour market, has become a matter of concern for company managers and worker representatives alike. Policies and practices that enable and motivate older workers to remain in employment for longer periods will

need to be developed in order to address the situation.

The first EMCC company network seminar in 2004 will explore the challenges faced by companies in terms of managing their human resources in a period of demographic change and increasing life expectancy.

More information is available at [www.emcc.eurofound.eu.int/content/source/eu04003a.html](http://www.emcc.eurofound.eu.int/content/source/eu04003a.html)

## Working conditions: an international comparison

Analysing the various approaches adopted in working conditions surveys around the world, the Foundation's new comparative report *Working conditions surveys: a comparative analysis* covers a total of 51 surveys. The report examines a small number of these in terms of their focus on working conditions, multi-sectoral approach, and frequency.

Over the past four years, the Foundation's working conditions surveys have been among the most popular documents downloaded from the *Eurofound* website. There are a number of reasons for this, not least the current policy focus across Europe and sound research and analysis by the working conditions team. The approach and methods used in the Foundation's working conditions survey are currently emulated by government agencies in Italy and Spain, and as far afield as Australia, Canada, and USA, as well as by the International Labour Organisation (ILO).

The full report can be downloaded at [www.eurofound.eu.int/publications/EF0371.htm](http://www.eurofound.eu.int/publications/EF0371.htm)

EVENTS

**Reconciling mobility and social inclusion - Role of employment and social policies**  
1 -2 April 2004, Bundoran, Co. Donegal, Ireland  
Irish EU Presidency conference

**EMCC exchange 2004 - Developing Europe's capacity for change**  
28-29 April 2004, Brussels, Belgium  
Foundation own event

**Social dialogue and conflict resolution in the acceding countries**  
31 March-2 April 2004, Ljubljana, Slovenia  
Foundation own event

PUBLICATIONS

*Unless otherwise stated, publications are in English*

**EU hotel and restaurant sector: Work and employment conditions**  
EN: [www.eurofound.eu.int/publications/EF0398.htm](http://www.eurofound.eu.int/publications/EF0398.htm)

**EU road freight transport sector: Work and employment conditions**  
EN: [www.eurofound.eu.int/publications/EF03102.htm](http://www.eurofound.eu.int/publications/EF03102.htm)

**EIRObserver no 1/04**  
EN: [www.eurofound.eu.int/publications/EF0422.htm](http://www.eurofound.eu.int/publications/EF0422.htm)

**The knowledge society in Finland: Current situation and future trends**  
EN: [www.eurofound.eu.int/publications/EF0405.htm](http://www.eurofound.eu.int/publications/EF0405.htm)

**The knowledge society in Germany: Current situation and future trends**  
EN: [www.eurofound.eu.int/publications/EF0406.htm](http://www.eurofound.eu.int/publications/EF0406.htm)

**Programme of work for 2004**  
All languages: [www.eurofound.eu.int/publications/EF0401.htm](http://www.eurofound.eu.int/publications/EF0401.htm)

**Social inclusion: Local partnerships with civil society** (Foundation paper no. 4)  
FR: [www.eurofound.eu.int/publications/EF0377.htm](http://www.eurofound.eu.int/publications/EF0377.htm)

**Quality of life in Europe: an illustrative report** (summary)  
EN: [www.eurofound.eu.int/publications/EF0402.htm](http://www.eurofound.eu.int/publications/EF0402.htm)

**Work environment statistics in Sweden** (report)  
EN: [www.eurofound.eu.int/publications/EF0418.htm](http://www.eurofound.eu.int/publications/EF0418.htm)

**European Restructuring Monitor quarterly, Issue 3, Winter 2003**  
EN: [www.erm.emcc.eurofound.eu.int/default.aspx?Content=Bulletins](http://www.erm.emcc.eurofound.eu.int/default.aspx?Content=Bulletins)

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# Migration levels likely to be low, survey reveals

**Only about 1% of the population of the acceding countries is expected to migrate to current EU Member States over the next five years. This figure amounts to around 220,000 people per year under the conditions of freedom of movement.**

**Nevertheless, a real risk of a ‘brain drain’ from the new Member States remains, argues the Foundation in a new study on *Migration trends in an enlarged Europe*.**

The study recommends that the appropriate regional and structural policy measures to stimulate growth and encourage young and highly qualified employees to remain in their countries need to be put in

place. This is necessary if enhanced labour mobility in an enlarged European Union is to be beneficial for both sides.

## Risk of ‘youth and brain’ drain

The study, based on survey findings, reveals a serious risk of a ‘youth and brain drain’ from the acceding countries, with about 2-3% of the 15-24 age group indicating a ‘firm intention’ to move. One third of potential migrants declaring a firm intention to migrate are students and a quarter are well-qualified with a third-level standard of education. ‘The dilemma of migration as a policy challenge to the EU, is that while labour mobility may be good

for economic growth and cohesion across the EU as a whole, it may put pressure on social cohesion at local level, if not accompanied by a coherent approach to integration,’ comments **Hubert Krieger**, research manager in the Living Conditions team.

Unemployment has an influence on migration, but to a much lesser extent than was previously thought and only in a limited number of countries. Overall, only 2% of unemployed people indicated a firm intention to move.

The report can be downloaded from [www.eurofound.eu.int/publications/EF03109.htm](http://www.eurofound.eu.int/publications/EF03109.htm)

## RESEARCH IN FIGURES

# Europe’s small economies worst hit by industrial restructuring cases

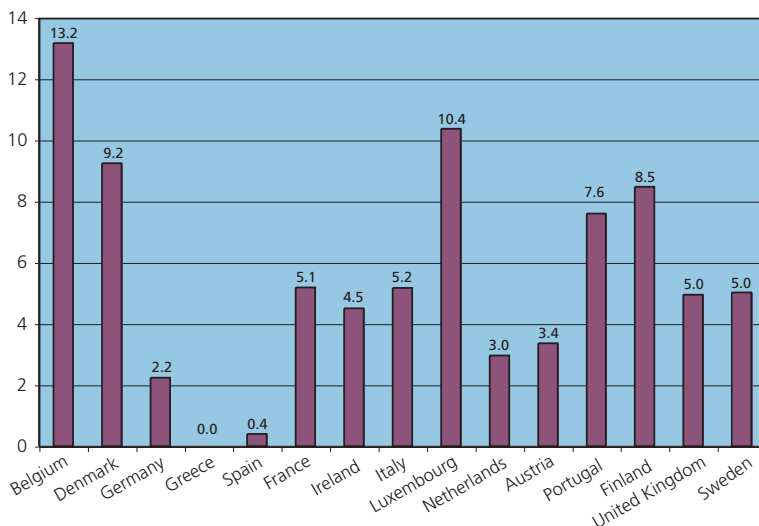
A total of 67,058 jobs were lost as a result of company restructuring in the European Union during the last quarter from 1 October until

30 December 2003, according to new figures released from the Foundation’s *European Restructuring Monitor Quarterly*, available online at [www.erm.emcc.eurofound.eu.int](http://www.erm.emcc.eurofound.eu.int).

The manufacturing sector in Belgium was worst hit, with massive redundancies following the closure of Ford’s plant in Genk, followed by Luxembourg, Denmark and Finland. This confirms the trend that Europe’s small economies are suffering most in the current economic climate. Over the same period, there were 10 announcements signalling the creation of 2,785 new jobs through restructuring activities.

The *ERM* tracks, analyses and provides statistics on industrial restructuring cases as reported in the press across the 15 current EU Member States, involving the reduction or creation of at least 100 jobs (or affecting 10%) of the workforce in sites employing 250 people or more.

Announced job reductions per 10,000 people employed (1 Oct-30 Dec 2003)



Source: *European Restructuring Monitor* (ERM)

INSIDE THE FOUNDATION

# Sharpening Europe's competitive edge

**Industrial restructuring dominated the industrial relations landscape in 2003 with massive lay-offs across Europe, and there are no signs that this will decrease in 2004, says Barbara Gerstenberger, new coordinator for the EMCC.**

The European Restructuring Monitoring (ERM), the monitoring tool of the Foundation's European Monitoring Centre of Change (EMCC), has reported on more than 260,000 redundancies resulting from some 600 restructuring cases across all sectors in Europe in 2003.

**Laying the groundwork**

The Foundation was invited to set up the EMCC two and a half years ago, in response to a proposal by the High Level Group on Industrial Change, following the massive disruptions and layoffs which resulted from the sudden closing down of the Renault plant in Vilvoorde, Belgium, in 1997. The initiative received the support of the European Parliament, the European Council, the European Commission and the Social Partners at European level. EMCC's mission is to cast a spotlight on the economic

and social changes resulting from developments and shifts in technologies, work organisation, production and business models, legislation, working practices and the labour market that drive change in the European economy.



**Barbara Gerstenberger, new coordinator for the EMCC team**

During the preparatory phase, the EMCC has devised and put into place several valuable monitoring instruments. The European Restructuring Monitor provides regular data on restructuring cases in Europe, while the EMCC Sector

*Futures* is a series of forward-looking articles describing the changing dynamics of a selected sector, as well as presenting future scenarios and outlining relevant policy issues. Finally, the EMCC Company Network Seminars provide a forum where all the actors involved in change, in particular those at company level, can focus on selected issues such as how to integrate older workers and how gender balance can help companies gain a competitive edge.

**Towards a sectoral approach**

Barbara Gerstenberger believes that in future the EMCC will focus on a smaller number of issues and approaches. 'Today we are covering too many subjects, and cater to too wide an audience,' she says. 'But that is because we are still experimenting. We are concentrating our present efforts on monitoring, debating, researching and applying the foresight methodology to develop future scenarios in selected sectors. With time I believe EMCC will be an important contributor to sectoral social dialogue.'

## Full utilisation of 2003 budget

**New project monitoring and budget control procedures have resulted in full (99.9%) utilisation of the Foundation's 2003 budget.**

As part of the institutional reform programme of the European Commission, the Foundation has had to put in place new procedures for project monitoring and implementation. They form part of a new set of financial arrangements giving the Foundation full responsibility for the implementation

of its budget. The Foundation's Administrative Board formally adopted the financial regulation on 28 March 2003. The previous system was characterised by a sharing of financial control responsibilities between the Foundation and the European Commission. 'The new system allows decisions to be taken more quickly,' comments **Terry Sheehan**, head of administration, 'and it allows us to better control and monitor the spending of our budget.'

**communiqué**

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