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'Non-permanent' work (notably fixed-term contracts, temporary agency work and casual or seasonal work) forms an increasingly substantial proportion of employment across much of western Europe - over an eighth of the EU workforce is currently employed in this way. At the same time, EU social policy has increasingly focused on the 'quality' of work in recent years. The comparative supplement in this issue of *EIRObserver* looks at the relationship between these two issues.

The supplement examines the extent and development of non-permanent employment and its regulation, focusing on collective bargaining and the implementation of the 1999 EU Directive on fixed-term work. It also looks at the possible effects of non-permanent employment on the quality of working life in terms of working conditions (eg pay and conditions, health and safety, employee participation) and the employees' overall labour market position and prospects (eg periods of employment/unemployment, social security, income). The supplement also outlines the views of the social partners on this issue.

In the context of the EU's coming enlargement, EIRO has begun to expand its coverage to the candidate countries since summer 2002, starting with Hungary, Poland, Slovakia and Slovenia. *EIRObserver* continues its initial coverage of the candidate countries in this issue, with the first features on Poland and Slovenia.

EIRObserver presents a small edited selection of articles based on some of the reports supplied for the *EIROnline* database, in this case for July and August 2002. *EIROnline* - the core of EIRO's operations - is publicly accessible on the World-Wide Web, providing a comprehensive set of reports on key industrial relations developments in the countries of the EU (plus Norway), and at European level. The address of the *EIROnline* website is:

http://www.eiro.eurofound.eu.int/

EIRO, which started operations in February 1997, is based on a network of leading research institutes in each of the countries covered and at EU level (listed on p.12), coordinated by the European Foundation for the Improvement of Living and Working Conditions. Its aim is to collect, analyse and disseminate high-quality and up-to-date information on key developments in industrial relations in Europe, primarily to serve the needs of a core audience of national and European-level organisations of the social partners, governmental organisations and EU institutions.

Mark Carley, Editor

EUROPEAN FOUNDATION *for the Improvement of Living and Working Conditions*

EU

Social partners sign teleworking accord

The central EU-level social partners have signed a framework agreement on telework, regulating areas such as employment conditions, health and safety, training and collective rights.

On 16 July 2002, the EU-level intersectoral social partner organisations formally signed a framework agreement on telework. The signatories were: the European Trade Union Confederation (ETUC); the Council of European Professional and Managerial Staff (EUROCADRES)/European Confederation of Executives and Managerial Staff (CEC) liaison committee; the Union of Industrial and Employers' Confederations of Europe (UNICE)/the European Association of Craft, Small and Medium-Sized Enterprises (UEAPME); and the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP). The conclusion of this accord represents the culmination of consultation and debate on this topic over the past two years. According to Anna Diamantopoulou, the European Commissioner for employment and social affairs: 'This is a landmark deal. Not only will this initiative benefit both workers and businesses, but it is the first European agreement to be implemented by the social partners themselves. This shows the coming of age of European social dialogue.'

Social partner consultations

Telework has been increasing across Europe in recent years - the European Commission estimates that there are currently 4.5 million employed teleworkers (and 10 million teleworkers in total) in the EU. Over the past 18 months, it has been the subject of two European-level sectoral agreements in the form of guidelines, the first signed in February 2001 in the telecommunications sector (*EIRObserver* 2/01 p.4) and the second in April 2001 in the commerce sector.

Against this backdrop, the Commission began to look at the issue of telework. Using the procedures provided for by Article 138 of the EC Treaty, it issued a first consultation paper to the EU-level social partners in June 2000 on the issue of 'modernising and improving employment relations', within the context of the conclusions of the March 2000 Lisbon European Council, which reinforced the commitment of EU governments to make the EU economy the most dynamic in the world by 2010 and to involve the social partners in this process.

In this consultation, the Commission asked the social partners for their views on ways in which employment relations could be modernised and improved, concentrating on 'economically dependent workers', (workers who, although not employees in the traditional sense, nevertheless rely upon a single source of employment) and telework. The Commission asked the social partners for their views on: the possible direction of Community action on the principles to be followed in the modernisation and improvement of employment relations; and the establishment of a mechanism to review existing legislative and contractual rules governing employment relations.

After gathering the views of interested parties, the Commission issued a second consultation paper in March 2001, focusing solely on telework. It asked the social partners to consider a number of basic principles as a potential basis for developing a framework to govern this form of working.

ETUC expressed its desire to negotiate a European-level social partner agreement on telework, under Article 139 of the Treaty. It hoped that such an agreement could follow the format of previous EU-level social partner framework agreements - the 1995 parental leave agreement, the 1997 part-time work agreement and the 1999 fixed-term work agreement - which had subsequently been given binding legal effect by a Council Directive.

However, UNICE was less willing to enter into negotiations over a binding agreement on telework. It announced in March 2001, just before the Commission started the second round of consultations, that it was prepared to enter into EU-level negotiations on a voluntary agreement. After an exchange of letters between ETUC and UNICE, in which ETUC sought assurance that if an EU-level agreement on telework were not to be legally binding, there would be some guarantees that it would be adequately implemented in the Member States, the social partners announced in September 2001 that they were entering into negotiations with the aim of concluding a voluntary agreement on teleworking. Negotiations opened on 12 October.

The agreement

The social partners negotiated for eight months, reaching an agreement on 23 May 2002 that was formally signed on 16 July 2002. Its provisions are set out in the box opposite.

The agreement states that the signatory parties view teleworking as a way in which employers (both in the private and public sectors) can modernise work organisation and a way in which workers can improve their work/life balance and achieve greater autonomy at the workplace. The accord aims to establish a general framework at EU-level which is to be implemented by the members of the signatory parties 'in accordance with the national procedures and practices specific to management and labour'. The parties also invite their members in the countries applying to join the EU to implement the accord.

It is made clear that implementation of the agreement does not constitute valid grounds to reduce the general level of protection already afforded to workers in this area. It also does not prejudice the right of the social partners to conclude 'at the appropriate level, including European level', agreements adapting and/or complementing this agreement in order to take note of the specific needs of the social partners concerned, thus giving a certain amount of flexibility to adapt provisions to specific situations. The text adds that care should be taken to avoid unnecessary burdens on small and medium-sized enterprises (SMEs) when implementing the agreement.

Implementation

The agreement is to be applied within three years of its signature - ie by 16 July 2005. The member organisations of the signatory parties will report on implementation to an *ad hoc* group set up by the signatories. This group will prepare a joint report on implementation within four years after the signature of the agreement. Any questions on the content of the agreement can be referred to the signatory parties by their member organisations, either jointly or separately. If one of them so requests, the signatory parties will review the agreement after five years.

Commentary

The conclusion of this agreement is an innovative development in the European-level social dialogue, in that it is the first time that a cross-industry EU-level framework agreement is to be implemented by the members of the signatory parties rather than by an EU statutory instrument.

Article 139 of the Treaty provides two options for implementing framework agreements negotiated in this way - either by a Council decision or 'in accordance with the procedures and practices specific to management and labour and the Member States'. The three previous cross-industry framework agreements were all subsequently given legal effect by a Council decision in the shape of a Directive. However, in this case, the signatories have used the other option provided for by Article 139, and no Directive will be issued to give legally binding force to the agreement.

Key provisions of the telework agreement

• **Definition and scope**. Teleworking is defined as: 'a form of organising and/or performing work, using information technology, in the context of an employment contract/relationship, where work, which could also be performed at the employer's premises, is carried out away from those premises on a regular basis'. A teleworker is a person carrying out telework in accordance with this definition.

• **Voluntary nature**. Where telework is not part of the initial job description and the employer subsequently makes an offer of telework, the employee may either accept or refuse this offer. Conversely, if a worker expresses the wish to telework, the employer may accept or refuse this request. The decision to telework is reversible by individual and/or collective agreement, at either the employer's or the worker's request, with the details to be established by individual and/or collective agreement.

• **Written information**. The employer must provide the teleworker with written information in accordance with the EU Directive (91/533/EEC) on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship. This includes information on applicable collective agreements and a description of the work to be performed. The nature of telework will normally require employers to provide additional written information on issues such as the department to which the teleworker is attached, their immediate superior and other reporting arrangements.

• **Employment status**. As the passage to telework only modifies the way in which work is performed, this does not affect the teleworker's employment status. A refusal on the part of the worker to telework should not be a reason for terminating the employment relationship or changing that worker's employment terms and conditions.

• **Employment conditions**. Teleworkers should benefit from the same rights, guaranteed by legislation and collective agreements, as comparable office-based workers. However, due to the nature of the work, complementary collective and/or individual agreements may be necessary.

• **Monitoring**. The privacy of the teleworker must be respected by the employer. If a monitoring system is put in place, it must be proportionate to the employer's objective and comply with the EU Directive (90/270/EEC) on visual display units (VDUs).

• **Data protection**. The employer has responsibility for taking appropriate measures to ensure the protection of data used and processed by teleworkers during their work. The employer must also inform the teleworker of all relevant legislation and company rules in the area of data protection. This applies in particular to restrictions on the use of information technology equipment or use of the internet and to the sanctions in the case of non-compliance. It is the teleworker's responsibility to comply with these rules.

• **Equipment**. All questions concerning equipment, liability and costs must be clearly defined before teleworking commences. As a general rule, the employer is responsible for providing, installing and maintaining equipment necessary for regular telework, unless teleworkers use their own equipment. The employer should also cover the costs directly related to regular telework, particularly those relating to communication. The employer should provide the teleworker with technical support.

• **Liability**. The employer is responsible, in accordance with national legislation and collective agreements, for the costs of loss and damage to equipment and data used by the teleworker. However, the teleworker must take good care of the equipment and must not collect or distribute illegal material via the internet.

• **Health and safety**. The employer is responsible for the health and safety of the teleworker in accordance with the 1989 EU framework health and safety Directive (89/391/EEC), its relevant 'daughter' Directives, national legislation and collective agreements. The employer must inform the teleworker of the company's policy on occupational health and safety, particularly in the case of VDUs. The teleworker has the responsibility of applying these policies correctly. The employer, workers' representatives and/or relevant authorities may have access to the place of teleworking in order to monitor whether health and safety provisions are being correctly applied. If this place is the worker's home, access is subject to prior notification and the worker's agreement. The teleworker is entitled to request inspection visits.

• **Organisation of work**. Teleworkers are entitled to manage the organisation of their working time, within the framework of relevant legislation, collective agreements and company rules. The teleworker's workload and standards for performance must be equivalent to those of comparable office-based workers. The employer must ensure that measures are taken to prevent isolation of teleworkers. These could include providing the opportunity to meet with colleagues regularly and allowing access to company information.

• **Training**. Teleworkers should have the same access to training and be subject to the same appraisal policies as their office-based colleagues. They may also receive appropriate training relating to the technical equipment they must use. Their supervisor and direct colleagues may also need training for this type of work and how to manage it.

• **Collective rights**. Teleworkers should have the same collective rights as their office-based colleagues and there should be no obstacles hindering them from communicating with workers' representatives. Teleworkers should also be able to participate in and stand for election to worker representation bodies on the same basis as office-based colleagues. Teleworkers should be included in calculating the thresholds for worker representation bodies in accordance with European and national law, collective agreements and practices. Worker representatives should be informed and consulted on the introduction of telework in accordance with European and national legislation, collective agreements and practices.

Before agreeing to take part in the negotiations, ETUC was concerned about implementation, arguing that this might not be as complete as it would if the agreement were legally binding. Further, as industrial relations practices vary between Member States, implementation may differ significantly. At the time, UNICE argued that the signatory parties will, by virtue of negotiating and signing the agreement, be responsible for ensuring correct implementation by their members, which will be sufficient to ensure that this takes place. Time will tell whether or not implementation will be smooth. There is in any case room for review after five years if any elements of the agreement or its implementation are found to be unsatisfactory. (Andrea Broughton, IRS)

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19 July 2002

IRELAND

Workplace partnership 'needs to evolve to next stage'

In July 2002, Ireland's new National Centre for Partnership and Performance issued a report on modernising workplaces through a partnership approach.

On 24 July 2002, the National Centre for Partnership and Performance (NCPP) launched a report entitled *Working together for change and a modern workplace*, at a seminar on workplace partnership. The NCPP was established in 2001 to replace the previous National Centre for Partnership (NCP). Its main role is to provide institutional support for the wider diffusion of workplace 'partnership'.

At the launch, NCPP's executive chair, Peter Cassells, stated that a new direction is now needed for workplace partnership, and that it has to move on to the next stage. Although there have been some signs of progress, advanced forms of workplace partnership are still rare in Ireland. Mr Cassells said: 'we urgently need to move to a new and more mature phase of partnership that will drive organisational change and modernise companies and public sector organisations throughout the country.'

In particular, according to Mr Cassells, much stronger workplace partnerships are required, whereby managers, employees and trade unions cooperate and work together to: increase productivity, protect competitiveness and safeguard jobs; modernise the workplace to address new pressures on workers, by increasing training and teamwork and improving work-life balance; improve the delivery of public services; and modernise industrial relations and reward systems.

The new NCPP report incorporates a list of guidelines aimed at providing practical assistance for employers, unions and employees that wish to modernise their workplaces using a partnership approach. In terms of mutual gains arising from partnership, 'as employees become more deeply-involved in problem-solving there are often marked decreases in the level of absenteeism, staff turnover and industrial conflict', the report claims. Thus, it would appear, the more advanced the problem-solving initiative, the greater the benefit.

The report points to the key importance of employment security provisions for ensuring genuine partnership that provides a fair balance of mutual gains for all 'stakeholders'. Employees are unlikely to be positive towards partnership if it means their jobs are less secure. Redundancies should thus be viewed as a last resort, with all other avenues being explored first.

Examples of partnership

The report outlines participative initiatives in four major Irish companies, which are often cited as well-established exemplars of partnership. These initiatives range from more formal and structured forms of partnership, to more informal and 'organic' forms.

Tegral Metal Forming Ltd has a joint union-management partnership structure, with eight members. It has also introduced a skill-based pay system, annualised hours and a self-monitored 'gainsharing' scheme linked to four jointly established 'key performance indicators': cost per tonne (productivity); hours lost (safety); customer complaints (quality); and delivery time (customer service). Overtime has almost been eliminated as a result of annualised hours, and working time has been reduced.

Aughinish Alumina Ltd, an alumina refinery, has had semi-autonomous teams in place since 1993, with teams having a significant degree of control over work organisation. The organisational structure has been flattened to just three levels of decision-making. Union-management partnership arrangements are based on informal cooperation, and there is no permanent formal partnership structure. A number of joint partnership groups have been established to address various issues, such as future business strategy. Moreover, 'single-status' provisions have been implemented (ie uniform employment conditions for all categories of staff), and an annualised hours scheme introduced for all unionised employees, which is working well.

Dairygold Cooperative Society Ltd has used autonomous teams and gainsharing in the maintenance area at its Galtee pigmeat plant in Michelstown for many years. The idea was initially devised by the trade union at the plant, as an alternative to decreasing the maintenance workforce. The maintenance workers run their function as a self-managed work team, and have responsibility for budgeting, planning work and liaising with production. They schedule their own holidays and working hours (within certain constraints), and their team leader negotiates the annual maintenance budget with management. Financial savings are shared between the company and the employees, with the first EUR 25,400 split 75% to 25% in the employees' favour, and a 50%-50% split beyond that point.

Jury's Doyle Hotel Group has established a partnership steering committee, consisting of five union and five management representatives. Local department partnership committees have also been established. For instance, a job-sharing initiative has been introduced on a permanent basis in the hotels' accommodation and reservations sections.

Among the lessons to emerge from these studies, the report says, is that securing a 'quick win' – eg in the area of health and safety - is important for inspiring confidence in partnership. Further, there is growing recognition that partnership and industrial relations processes need to be intertwined, and that shared objectives must be identified that can deliver mutual gains for all 'stakeholders'.

The NCPP acknowledges that, 'while there has been a significant level of innovation and experimentation with partnership-based approaches to decision-making in Irish companies, there is little compelling evidence that partnership has become part of the mainstream approach to change.'

Commentary

At present, although Ireland has a number of well-established exemplars of partnership, beyond this, advanced forms of partnership and joint decision-making appear to be relatively rare. However, there are signs of increased activity, with the NCPP playing a key role in driving the process forward.

As matters stand, workplace partnership is voluntary, in that there is no statutory obligation on employers to share power over key operational and strategic issues. Unilateral management regulation would appear to be far more prevalent than joint regulation - in whatever guise. Moreover, even where partnership does exist, employers can withdraw at any time, as it currently has no legal underpinnings. EU developments may be significant here. In particular, the new EU Directive (2002/14/EC) on national information and consultation rules will require Irish employers that fall under its provisions to provide workers with new information and consultation rights. It remains to be seen whether the Directive can provide a boost to the diffusion of partnership in future. (Tony Dobbins, IRN)

IE0208203F (Related records: IE0204203N, IE0001204F, IE9807120F, IE0007153F, EU0204207F)

16 August 2002

Government and social partners sign 'Pact for Italy'

In July 2002, the Italian government, employers' organisations and trade unions - except the Cgil union confederation - signed a major agreement on: incomes policy and social cohesion; 'welfare to work'; and investment and employment in the South of Italy.

In October 2001, the centre-right government led by Prime Minister Silvio Berlusconi presented a White Paper setting out the main lines of its reform policies for the labour market and industrial relations (*EIRObserver* 6/01 p.6). In November and December 2001 the government issued proposals for reforms of the labour market, the tax system and the pension system in the form of 'proxy laws', whereby parliament delegates to the government the power to legislate on a particular issue.

The following months saw controversy over the government's proposals, with on-off negotiations with the social partners. The trade unions were critical, though the Cisl and Uil confederations were more willing to talk with the government than the more confrontational Cgil. However, the three confederations united in calling a well-supported eight-hour general strike on 16 April 2002, notably in protest at the government's proposed amendments to Article 18 of the Workers' Statute. This Article provides for the reinstatement of workers unfairly dismissed in companies with over 15 employees, and the government planned, for an experimental period, to replace reinstatement with financial compensation for certain groups of workers.

Following the general strike, the government softened its position somewhat and negotiations resumed on 31 May. The government, the employers' associations, Cisl and Uil signed a 'statement of agreement' that negotiations would be held on four issues - labour market reform, tax reform, the South of Italy and irregular work. Cgil refused to sign, and was unwilling to negotiate any aspect of the labour market reform unless the proposed changes to Article 18 were deleted.

The negotiations culminated on 5 July with the conclusion of a 'Pact for Italy', signed by the government, the main union confederations (Cisl, Uil, Cisal and Ugl) apart from Cgil, and all the central employers' bodies.

The agreement

The Pact for Italy lays down guidelines for proxy laws on the reform of the labour market and tax system, and on measures for the South. These proxy laws are provided for in the budget law and will be presented to parliament in the coming months. The accord's objectives are said to be those agreed by the European Council at Lisbon in March 2000 and Barcelona in March 2002, whereby 'economic dynamism and social justice should go hand in hand'. This includes increasing employment rates: Italy has the EU's lowest employment rate, with the highest regional and gender differences. The agreement covers three main issues: incomes policy and social cohesion; 'welfare to work' (including labour market matters); and investment and employment in the South.

Incomes policy and social cohesion

The agreement recognises that the 1992 tripartite national agreement and the tripartite agreement of 23 July 1993 on incomes policy and the bargaining system played a key role in Italy's ability to participate in EU Economic and Monetary Union (EMU). The social dialogue/concertation practices and the incomes policy resulting from these agreements allowed for the recovery of Italy's public finances and the control of inflation, the accord emphasises. The government explicitly recognises in the pact the importance of social concertation - which it had previously questioned - and states that it considers this method fundamental to achieving the Lisbon employment and modernisation objectives.

The agreement lays down guidelines for tax reform, with tax cuts to be concentrated on low-income families and tax incentives on small and medium-sized enterprises (SMEs). The further details of the tax reform were to be discussed by the partners during the preparation of the new budget law.

'Welfare to work'

The pact's section on 'welfare to work' covers 'all the instruments aimed at encouraging and assisting citizens in entering or re-entering the labour market' - and this includes some of the more controversial labour law and employment issues. The main points are set out in the box on p. 6, apart from those related to 'temporary and experimental measures to promote regular employment and company growth', outlined below

The agreement contains measures to promote employment growth in companies with 10-15 workers. Article 18 of the Workers' Statute provides additional employment protection for workers in companies with over 15 employees - in such companies employers are currently obliged to reinstate workers who have been dismissed, if their dismissal is found by the courts to be unfair.

In order to avoid the existence of this 15-employee threshold discouraging small employers from recruiting new staff (bringing their workforce size to over 15 and thus making them subject to tighter employment protection rules), the pact provides that certain categories of employee will not be counted towards this threshold. It does not, however, modify the content of Article 18 itself. This technique of 'non-inclusion' of certain types of worker when calculating workforce size for legal purposes already applies to workers on work/training contracts, apprenticeship contracts and employment reintegration contracts, and to temporary agency workers and workers employed under the 'socially useful jobs' employment-creation scheme. The main change introduced by the pact is that workers on open-ended contracts will in future not be counted towards the threshold in some situations, while previously this applied only to workers on various temporary contracts.

The effect of the new provisions is that the rules providing for the reinstatement of unfairly dismissed workers will be suspended for three years, on an experimental basis, in all companies that, through new recruitment on open-ended contracts, bring their workforce size to over 15 workers. At the end of the three-year period, the decision on whether or not to prolong this measure will be subject to the social partners' joint opinion. To prevent companies which currently have more than 15 employees from seeking to circumvent Article 18 by cutting their workforce to below 15 employees and then rehiring staff under the new rules, the agreement provides that the new provisions will not cover any company that employed an average of at least 15 workers in the 12 months before the implementing decrees enter into force.

Investment and employment in the South

Measures to promote the economic recovery of the South are an important part of the pact. They include: additional resources and expenditure; promoting 'territorial pacts'; encouraging the location of production facilities in the South; simplified credit procedures for businesses; improving infrastructures; reorganising the vocational training system; strengthening collaboration between public research organisations and businesses; and fighting organised crime.

Reactions

The pact has further divided the three main union confederations. Cgil refused to sign because it believes that the

Welfare to work provisions

• **Public employment services**. Public job placement will be reorganised and the rights and duties of unemployed people will be defined. Private placement services will be promoted. The social partners may be involved in the management of placement services through new joint bodies. A 'labour services network' will be set up with the aim of linking public and private bodies operating in this area.

• **Education and training for employability**. The agreement promotes lifelong and permanent learning. The government has launched a reform of the education system, aiming to establish a closer link between education and work, which will seek to guarantee permanent training to everybody. The duration of compulsory school education or training will be increased to 12 years and will involve a higher level of basic competences. Some 700,000 adult education and training places will be offered annually.

• **Income support for unemployed people**. The agreement increases the levels of unemployment benefit and introduces the concept of 'active protection' which involves 'a strict link between the allocation of benefits and the rights and duties of unemployed people'. Unemployed people receiving unemployment benefits will be monitored to verify that they are unemployed, and must obligatorily undergo training. A 'bargaining table' is to be organised - involving the government, the regional and provincial authorities and the social partners - to examine how to link income support measures with specific training programmes for unemployed people. The pact increases the amount and duration of unemployment benefit. Benefit will be payable for up to 12 months, rather than the current six months, though it may not be claimed for more than 24 months (30 months in the South) in a five-year period. During the first six months of unemployment, benefit will correspond to 60% of previous pay, falling to 40% during the following three months and 30% during the last three months of entitlement.

• **Reorganisation of incentives**. Various incentives for companies to employ specific categories of people will be reorganised. The aim is to promote the recruitment of long-term unemployed people and women, and to increase employment in the South.

• **Outsourcing**. The government had proposed, in order to allow more outsourcing, to abolish rules which prevent the transfer of a company's productive activities. The pact instead updates the current rules in this area, stating that: outsourcing must be carried out respecting the EU rules on transfers of undertakings: and the current legislative requirement that part of a company must have 'pre-existing functional autonomy' in order to be outsourced, will be amended so that this autonomy can be 'potential' and may be acquired during the transfer process. The social partners will negotiate a joint opinion on this subject.

• **Income support for poor people**. Income support schemes of this kind have been launched on an experimental basis over recent years, directly managed by the central state. They will now be reformed and the regions will be entrusted with running them.

• **Social dialogue**. The government is to draw up a new Work Statute - a single consolidated source of labour law - and a commission made up of academics will be established to prepare the necessary materials. The government will start talks with the social partners on this issue by the end of 2002. As regards new rules on arbitration and conciliation in individual labour disputes - an issue included in the government's previous 'proxy law' and strongly opposed by the unions - the social partners are to draw up a joint position. The partners were also to start talks during July 2002 on social security and protection policies, with the government guaranteeing that social expenditure will not be reduced in the next budget.

deal: will not be able to promote employment and economic development; and does not cover the issues of young people, illegal work, reductions in prices and tariffs, development policies, industrial plans and strategic decisions. According to Cgil, the pact takes a 'neo-corporatist approach, tends to exclude all the parties which did not sign it, and is based on weak representativeness'. Cgil wants the agreement to be put to workers for their approval, and will continue to mobilise against the government's proposals.

Cisl and Uil, by contrast, support the pact, while the Confindustria employers' confederation sees it as a turning point in the direction of reform, combining equity and development.

Commentary

The contents of the Pact for Italy are very similar to various 'pacts for employment' signed in a number of European countries over the past decade. One novelty, in the Italian context, is the new measures for the participation of the social partners in the management of some aspects of the labour market.

On more controversial issues, the agreement has moderated the government's original plan to exclude from Article 18's coverage all workers recruited on fixed-term contracts which were then transformed into open-ended contracts. Preventing this measure - supported both by the government and Confindustria - was a positive result for the unions. The changes introduced by the pact, on an experimental basis, concern a less important aspect of protection against dismissal - the company-size threshold above which some aspects of this protection apply. Moreover, the approach of not including certain categories of workers in calculating workforce size for the purpose of the application of employment legislation was used during the 1990s, when unions did not oppose it or make it a matter of principle. Furthermore, the solution adopted in the pact does not deprive of this protection those workers who already benefit from it.

A very positive aspect of the agreement is the tax reform in favour of low-income families which represents one of the most significant tax cuts ever decided in Italy. The measures adopted for the South are also widely regarded as very significant.

However, according to some observers, the government's economic policy is at risk due to the poor perspectives for economic growth. GDP growth forecasts have been repeatedly revised downwards, and the economic slowdown may jeopardise the government's programmes and the availability of the necessary resources to achieve the Pact for Italy's objectives.

The pact has increased the strain on relations between the trade union confederations, though they are still acting together in terms of day-to-day action at local and sectoral level. Unity will probably recover slowly, even if further divisions are possible over the detailed negotiations on specific issues provided for in the pact.

Finally, the pact and the divisions between the unions have had a major impact on the political debate and in particular on the opposition centre-left parties, in which there are divisions between those who support Cgil's positions and those who support Cisl and Uil. (Domenico Paparella and Vilma Rinolfi, Cesos)

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19 July 2002

No support for coalition agreement among social partners

Trade unions and employers' organisations have reacted negatively to the coalition agreement reached by the new three-party centre-right government formed in June 2002.

In June 2002, a new coalition government was formed, following May's general election, by the christian democratic CDA, the liberal VVD and the newly-founded right-wing populist LPF.

Disability benefits

The new coalition has decided not to accept the advice on the reform of the Occupational Disability Insurance Act (WAO), reached in March 2002 by the social partners in the Social and Economic Council (SER) (*EIRObserver* 2/02 p.9). Instead, the government intends to restrict access to WAO benefits, reduce the level of benefits and raise the costs for employers. While the SER agreement sought a compromise between the wishes of employers and employees, the government's proposals aim mainly at cutting expenses for the authorities.

The VNO-NCW employers' organisation is incensed by the fact that the new government is thus planning once again to make businesses responsible for much of the pay during an employee's second year of sickness absence. This places an additional burden on companies, which had been hoping for tax reductions given the economic downturn. However, the Federation of Small and Medium-sized Businesses (MKB-Nederland) is happy with the government's plan that small employers will no longer face a fine if their employees start receiving WAO benefits.

The largest trade union confederation, FNV, is strongly opposed to the new government's proposals in this area, and the fact that the SER agreement is being over-ridden. Collective bargaining will now have to start again on the level of benefits during the second year of illness - under the SER agreement, during the second year of sickness, the employee's benefit of up to 70% of last-earned salary could no longer have been topped up on the basis of the provisions of collective agreements (in the first year of sickness, benefits could still generally have been topped up to 100% by agreed provisions, as at present). The government believes that receipt of benefits topped up to the equivalent to 100% of pay is inappropriate for full WAO recipients - a view that FNV finds 'scandalous'.

FNV has also been angered by the government's proposal to pay lower benefits than agreed by the SER to employees declared completely unfit to work. Furthermore, FNV is opposed to: plans to make the criteria for receiving WAO benefits tougher; the fact that the procedure for linking benefit levels to the income of a WAO recipient's entire household will remain unchanged, despite the SER's proposals for change; and a plan to require partially disabled WAO recipients and unemployed people over the age of 57.5 actively to seek work The CNV union confederation reacted equally vehemently.

Subsidised employment

FNV and CNV have criticised government plans to abolish the most widespread of the current subsidised employment schemes for groups such as long-term unemployed people and people with disabilities. CNV is concerned that thousands of people with lower levels of education will lose their jobs, currently subsidised by the government through payments to employers. The unions believe that eliminating subsidised employment will further damage the healthcare and education sectors.

Pensions and leave

The new government is planning to reform private occupational pension funds, restricting their freedom in areas such as investment and savings policy, while making pension schemes more flexible. The coalition parties have agreed to lower the contribution to private pension schemes from 2% to 1.75% of pay, thereby encouraging employees to continue working longer. Under the proposed new rules, employees would have to work five years more in order to achieve a pension - made up of both the basic state retirement pension and supplementary private provision - of 70% of former pay.

Employers' associations call the plan too ambiguous to evaluate, while FNV's initial reaction was to state that half of all employees will be affected by this proposal. Moreover, it points out that the increase to 2% in private occupational pension contributions implemented by the previous government was used to finance a variety of flexible 'pre-pension' schemes designed to replace the 'costly' collectively agreed VUT early retirement scheme. According to the unions, the flexibility in the new government's proposals affects employees only, in that they will be required to work longer.

The government plans to combine various leave schemes enabling employees to take time off to care for children and sick relatives and for training, introducing a new scheme, known as the 'lifetime facility' - a fiscally advantageous way to save in order to be able to take leave when necessary..

Severance pay

The new government plans to cut the severance payments to employees whose employment contracts are terminated, provided for by the Unemployment Insurance Act (WW). Given the existence of 'golden handshakes' and compensation for dismissal awarded by the courts, the government wishes to reduce the attractiveness of using the WW as a redundancy scheme. WW payments are not currently affected by golden handshakes and court awards, but in future it is planned that they will be. The largest trade union and employers' organisations are unanimous in their opposition to these proposals, though for different reasons.

FNV states that the coalition's plan unjustly gives the impression that compensation for redundancy is a luxury, leading to abuse of the WW. FNV claims that the proposal would rob the unions of their room for manoeuvre in negotiations over 'social plans' accompanying company reorganisations. However, CNV has no complaints about the proposal, due to the perception that it primarily involves highly paid employees.

VNO-NCW believes that WW payments plus the payment of supplements by employers ease the rigidities of Dutch dismissals legislation. For employers, paying employees off is the easiest way to shed personnel. However, the government proposal would make the dismissal system inflexible.

The new government also wants to cut back government personnel costs by 10% - a move opposed by the civil servants' unions affiliated to both FNV and CNV.

Commentary

The coalition agreement reached by CDA, VVD and LPF has been concluded in a less favourable economic climate than that in which the previous 'purple' coalition of the social democratic PvdA, VVD and social liberal D66 operated during the past decade. However, the question remains of whether the strict budgetary discipline chosen by the new government is appropriate for the current mild recession. Within their own narrowly defined margins, the three parties took decisions and did not duck controversial issues, with disagreements resolved and agreements reached regarding the WAO, subsidised employment and pensions. However, the social partners remain critical of the whole programme. It will take several years of implementation of the new government's policy to enable an assessment of whether the plans in the coalition agreement are as robust as they are now being presented. (Marianne Grünell, HSI)

NL0207103F (Related records: NL0206103N, NL0204101N, NL0206104F)

19 July 2002

POLAND

Non-union forms of employee representation

This feature examines the non-union forms of company-level employee representation which exist in some types of Polish enterprise.

Trade unions in Poland have lost members and influence and become increasingly marginalised in recent years, with union density now as low as 14% of the workforce. This hampers unions' ability to provide effective representation of workers' interests in companies. Legislation, however, also provides for various forms of non-union employee representation at company level.

Workers' councils

In state-owned enterprises, the 1981 Act on workers' self-government (since amended) provides for workers' councils with a representative function, separate from trade unions. Workers' councils have the following legal rights:

- approving and amending the enterprise's annual plan;
- making investment proposals;
- adopting the enterprise's annual report and approving its balance sheet;
- approving mergers and divestments;
- approving changes in the direction of the enterprise's development;
- deciding on the enterprise's works regulations; and
- adopting resolutions on the appointment or dismissal of company directors and others with managerial functions.

Currently, the significance of this form of representation of workers' interests is very small, mainly because of:

- the increasing importance of unions at the beginning of 1990s, in particular in large state enterprises. As a result, workers' councils often merely voice the opinions of the strongest union organisation in the enterprise;
- workers' self-government has been severely affected by economic transformation. Although it is not generally true that workers' councils hinder privatisation, most councils have adopted an attitude of passive approval of any changes, and their activity has been limited to deciding about the details of changes of ownership; and
- a major fall in the number of workers' councils. State enterprises are disappearing through 'commercialisation' or privatisation, and where ownership changes hands from the state, workers' councils are automatically abolished. There were 2,054 state enterprises in 2001 (compared with 8,453 in 1990).

Representation on boards

In former state enterprises whose ownership has changed, workforce representatives are appointed to the supervisory board. Under the 1996 Act on the privatisation and commercialisation of state enterprises, in companies subject to commercialisation (ie transformation of an enterprise into a partnership) two-fifths of the members of the supervisory board should be selected by the workforce, provided that the State Treasury is the partnership's only shareholder (in 2001 there were 600 such companies). After the State Treasury cedes over half of its shares, workers retain the right to choose around a third of the members of supervisory boards.

Moreover, in such companies established in the course of commercialisation and employing over 500 workers, one member of the management board is also chosen by the employees. Up until the end of 2001, the Treasury ceded its shares in over 950 enterprises.

It is widely believed that workers' representation on supervisory boards is merely symbolic, a view supported by research conducted towards the end of 1990s among such representatives. Over half of the representatives surveyed thought that they should represent the interests of the whole company or its owner. One fifth believed that the interests of the company and the owner were equally important. Only one fifth placed workers' interests first.

New forms of representation?

Neither workers' councils not employee representation on supervisory boards exist in former state enterprises which have been directly privatised, or in private enterprises newly established during and since the 1990s. The employees of such companies must rely for representation solely on trade unions, whose influence is limited, while non-union employers are unwilling to recognise unions. Recent research indicates that private employers view much more favourably the idea of an employee delegate or representative directly selected by the workforce, who would be responsible for contacts with the company's owner or management. However, this idea is criticised by unions, which wish to remain the only form of representation of workers' interests in private enterprises.

European Works Councils

The trade unions' 'monopoly' of employee representation may be challenged in some private companies by the development of European Works Councils (EWCs). In April 2002, Poland's Act on EWCs was adopted, aimed at implementing the EU Directive on the subject. The Act will come into force on the date of Poland's EU accession.

The Polish legislation largely follows the terms of the Directive. However, in certain areas the Directive leaves scope for national-level 'customisation' - notably the method for the selection of the members of the special negotiating body (SNB) which negotiates with management over EWC agreements, and of statutory EWCs based on the Directive's subsidiary requirements (where no agreement is reached). On the selection of such Polish employee representatives, the new Act distinguishes between cases where there the multinational concerned has only one Polish operation and cases where it has more than one.

In the first case, the Polish SNB or EWC representatives are appointed by the representative company-level trade union organisation. If there is no such organisation, representatives are elected by at least 100 employees or their representatives. If there is more than one union in the enterprise, representatives are appointed jointly by all these unions. If they cannot agree, representatives are elected by employees from candidates nominated by the unions.

In the second case, three representatives are appointed or elected in the above fashion in each enterprise concerned. These representatives then elect from among their number the Polish representative(s) on the SNB or EWC.

Although Poland is not yet covered by the Directive, Polish representatives have already been included on the EWCs of 10-20 multinationals operating there. According to recent research, the Polish representatives are usually union members. The majority belong to NSZZ 'Solidarność'. Nearly all are senior officials in company-level union organisations, and some are also members of the governing bodies of sectoral trade unions or even of the central organisations of NSZZ 'Solidarność' or OPZZ.

According to the research, Polish EWC members point to a number of advantages related to their participation in the EWC for the Polish subsidiaries, their workforce and the unions. Most respondents claimed that participation in the EWC increases the role and prestige of the Polish subsidiary as part of the overall multinational, while the information provided to EWC members is beneficial for Polish subsidiaries.

Commentary

Unfortunately, the above forms of representation of workers' interests exist in only a small number of companies. A much greater proportion of workers have neither trade union nor non-union representation of their interests. Most employers try to avoid the establishment of a union organisation within their company, which is a serious hindrance to the introduction of new structures at this level. At the same time, any attempts to institutionalise workers' representation outside trade unions meet with strong objections on the part of the latter. (Rafal Towalski, Warsaw School of Economics and Institute of Public Affairs)

PL0208106F (Related records: PL0208102F, PL0206102F)
16 August 2002

Number of collective agreements falls

Official statistics on collective bargaining and industrial action in Portugal in the first half of 2002, published in August 2002, show that there was a steep fall in the number of agreements concluded, and that the number of strikes rose.

In August 2002, the Directorate-General for Working Conditions (DGCT) and the Institute for the Development and Inspection of Working Conditions (IDICT) at the Ministry of Labour and Solidarity published statistics on collective bargaining and industrial action in the first half of the year.

Collective bargaining

According to the DGCT figures, there was a fall of about a quarter (24.4%) between the first half of 2001 and 2002 in the number of collective agreements registered and published - see table 1 below. The fall was steeper for company-level and multi-employer agreements (down 29.4%) than for sectoral agreements (21.4%) (multi-employer agreements cover more than one firm, but are not negotiated by an employers' association). The sector remains the main bargaining level.

The DGCT statistics also indicate that:

- the proportion of wholly new agreements and agreements that fully revise earlier agreements (and not just their pay provisions) was particularly high in the first half of 2002. Of all agreements registered, 5.9% were new, compared with an average of 4.7% over the previous three years. In addition, 13.1% of agreements were fully revised, compared with an average of 8.5% over the previous three years;
- the average pay increase laid down in the agreements was 4.0% in the first quarter of 2002 and 3.7% in the second quarter. However, in real terms, agreed pay fell by 0.6% in the second quarter (with only the health and social work sector not experiencing a real fall);
- manufacturing industry is still the sector in which there are most agreements, accounting for 51.9% of the total. The wholesale and retail trade accounted for 14.5%, transport and communications for 9.8%, and community, social and cultural services for 9.8%;
- in 71.4% of cases, the agreements had last been revised, at least in part, about a year previously, although a significant number of agreements had not been previously been renegotiated for several years;
- all agreements negotiated in the first half of 2002 dealt with pay issues, with the most significant topics being wage scales, meal subsidies, multiskilling payments, geographical mobility bonuses and length-of-service increments;
- the most significant non-pay-related subjects negotiated - see table 2 above - were job descriptions (featuring in 28.57% of agreements in the second quarter and 15.15% in the first), careers, increased annual leave (to 25 working days), and adaptation of agreed provisions to the working time legislation. Only for private-sector health and nursing staff was a reduction in working time agreed, from 38 hours a week to 36 hours for nurses and to 35 hours for doctors; and
- compared with a few years ago, the geographical scope of agreements is showing signs of decentralisation, with 38.2% (in the first quarter of 2002) and 44% (in the second quarter) of agreements signed having national scope, lower figures than in previous years.

Table 1. Collective agreements registered in the first half of 2001 and of 2002

	First half 2002	First half 2001
Sectoral agreements	99	126
Company-level and multi-employer agreements	53	75
Total	152	201

Source: DGCT report on development in collective bargaining, first and second quarters 2002.

Industrial action in the first half of 2002

According to the IDICT figures, in the first six months of 2002, the number of strikes (198) rose by about 9.4% compared with the same period in 2001 (181). Compared with 2001, there was an increase in the proportion of strikes covering an entire sector, and a fall in the proportion of strikes occurring in the public sector (which traditionally has a high level of strike action).

Commentary

The sharp fall in the number of collective agreements signed in the first half of 2002 may be a result of Portugal's current economic difficulties, which make it difficult to negotiate improved pay and conditions without seeking new approaches to bargaining. The increase in the number of 'new' agreements, is attributable to: attempts by recently created trade union organisations to gain support from workers by negotiating 'parallel agreements' alongside those concluded by existing unions; and bargaining in new companies created from former public corporations with a tradition of collective bargaining.

According to negotiators themselves, the fall in the number of agreements may be attributable to the expectations raised - especially amongst employers - by the recent election of the new coalition government of the centre-right PPD/PSD and right-wing CDS/PP, and the previously announced proposals for changes in collective bargaining rules, which have now been presented in the draft text of a new Labour Code. One of the most keenly awaited changes is the proposed introduction of a time limit for the expiry of collective agreements. Currently, agreements can remain in partial force for decades if unions regard some of their clauses as favourable to employees. According to employers, this seriously affects the balance of power in negotiations, and blocks innovation in bargaining, especially at company level. (Maria Luisa Cristovam, UAL)

Table 2. Main non-pay issues dealt with in agreements registered in the first half of 2002 (% of all agreements)

	First quarter 2002	Second quarter 2002
Careers	18.18%	17.46%
Job descriptions	15.15%	28.57%
Annual leave	15.15%	11.11%
Length of working week	9.09%	1.59%
Training	3.03%	4.76%

Source: DGCT.

PT0208102F (Related records: PT0205101N, PT0208101N)

16 August 2002

SLOVENIA

Law on European Works Councils adopted

In June 2002, the Slovene parliament passed a Law on European Works Councils, aimed at transposing the EU Directive on EWCs into national legislation in advance of EU accession.

On 20 June 2002, the Slovene parliament passed the Law on European Works Councils (LEWC). The purpose of the LEWC is primarily to transpose the requirements of the EU Directive on European Works Councils (EWCs) into Slovene legislation. Because the Directive is a part of the EU legal order, it was necessary to transpose it before Slovenia's accession. The LEWC came into force on 20 July 2002. It will come into use on the day that Slovenia joins the EU. The exception is where multinational companies decide to include in their EWC employee representatives from subsidiaries in Slovenia.

In Slovenia, the information and consultation of employees directly and through works councils or workers' representatives is regulated by the 1993 Law on the Participation of Workers in Management. This law regulates information, consultation and also co-determination. However this law does not take into account supranational company structures, which may take away from national-level management responsibility for decisions that have consequences for employees' working and social situation. Therefore the LEWC can be considered as a natural extension of existing Slovene legislation in this field.

Contents of the LEWC

The LEWC follows the Directive to a great extent. Therefore we focus here on areas which leave scope for national-level 'customisation'.

The LEWC provides that workers' representatives from Slovenia on the special negotiating body (SNB) which negotiates with management over EWC agreements based on the Directive are to be elected by the workers' assembly in a secret ballot. The right to propose candidates for election as SNB members is granted to works councils and representative trade unions in the company or subsidiary concerned, or to a group of at least 50 workers in the company or subsidiary.

Regarding supplementary members (on top of the basic allocation of one member for each country covered by the Directive where the multinational concerned has an operation) of SNBs in multinationals based in Slovenia, the LEWC provides that each Member State with at least 25% of the multinational's total workforce in the countries covered by the Directive is entitled to one extra representative, rising to two extra representatives for those with at least 50% of the total workforce and three for those with at least 75% of the workforce.

With regard to the selection of EWC members from Slovenia on EWCs based on the Directive (ie 'Article 6' agreements), the LEWC provides that, unless otherwise determined by the agreement, the selection method is the same as for SNB members (see above) and members of statutory EWCs (see below).

Regarding supplementary members (on top of the basic allocation of one per relevant country) of statutory EWCs based on the Directive's subsidiary requirements (essentially where no agreement is reached) in multinationals based in Slovenia, the LEWC determines that: one extra member is to be appointed from every Member State with at least 20% of the multinational's total workforce in the countries covered by the Directive; two extra members from Member States with at least 30% of workforce; and so on up to seven extra members from Member States with at least 80% of the workforce.

Statutory EWC members from Slovenia are to be selected in the same way as SNB members and members of agreed EWCs (see above).

EWC members employed in Slovenia are protected according to Article 67 of the Law on the Participation of Workers in Management and Article 113 of the Law on Labour Relations. This protection also covers substitute EWC members, SNB members and workers' representatives in the framework of an information and consultation procedure.

Finally, the new law sets out monetary fines for breaches of the LEWC. In addition, the Penal Code provides for sanctions in the event of breaches of rights to participation in management.

Social partner involvement

The draft LEWC was discussed on 8 May 2002 in Economic and Social Council of Slovenia (ESSS). Both employers and trade unions made remarks, some of which were - after further consultations - taken into account by the government when it sent the final LEWC proposal to parliament.

Dusan Semolic, the president of the Union of Free Trade Unions of Slovenia (ZSSS) stated that the draft LEWC was basically sound, but did not take into account certain special circumstances in Slovenia. He proposed that:

- the members of the SNB and the EWC should have substitutes;
- representative trade unions in the company should nominate their representatives on the SNB, with representatives nominated by the workers' assembly only if there are no such unions;
- unions should be able to take the initiative for the establishment of an EWC, because Slovene law includes such a provision; and
- EWC members should be elected in secret ballots, in which all workers could participate.

The representative of the Chamber of Commerce and Industry of Slovenia (GZS) on the ESSS stated that the draft LEWC adequately followed the Directive. Therefore, Mr Semolic's proposals were not well grounded and referred more to the organisation of the LEWC's implementation. GZS called attention to the provisions on dispute resolution and was of the opinion that these provisions should be changed.

Dusan Rebolj, the president of the Confederation of Trade Unions Pergam of Slovenia (Pergam), agreed with GZS's view that the resolution of collective disputes has not been regulated yet and expected this question to be regulated in the forthcoming new Law on Collective Agreements.

At the end of the ESSS discussion, a heated debate took place about the role of trade unions.

Commentary

It can be expected that the main benefit for the Slovene social partners in terms of the impact of EWCs on industrial relations will be a better awareness and understanding of the internationalisation of company strategies, and of industrial relations and working conditions and arrangements in EU Member States. This is especially important because Slovenia will soon become a member of the EU. In Slovenia, the influence of EWCs and the related processes of 'Europeanisation' of industrial relations are at an early stage. EWC membership for Slovene employee representatives currently depends on the outcomes of negotiations over the establishment of an EWC in multinational companies operating in Slovenia. Slovene representatives are full EWC members in some multinationals (eg Danfoss), have observer status in some others (eg Renault-Revoz) and are awaiting representation in still others (eg Henkel). (Stefan Skledar, on behalf of the Institute for Labour Law, University of Ljubljana)

SI0208103F (Related records: SI0206101N, SI0207103F)

16 August 2002

Educating tomorrow's trade union activists

This feature focuses on the provision of training for trade union representatives and activists in the UK.

Massive and rapid expansion in trade union education was enabled in the 1970s by government grant aid for TUC-approved training courses. Union education largely concentrated on training workplace representatives to bargain and negotiate and on training health and safety representatives. The cornerstone of the provision was a 10-day course for workplace representatives on the basis of paid day release of one day per week over 10 weeks.

The election of the union-hostile Conservative government in 1979, the decline of the unions' manufacturing industry heartland and economic recession reduced the number of trade unionists able to negotiate paid release for longer courses. This forced a rethink of the TUC's provision, resulting in a broader range of one- and two-day courses on specific issues. The TUC also increased its women-only courses.

From 1993, the Conservative government began phasing out the grant for union education, which ceased altogether in 1996. This prompted another rethink, involving new partnerships with further and higher education institutions, together with further expansion of short courses. A more recent innovation has been online courses.

As a result of warmer union-government relationships since the election of the Labour government in 1997, new funding arrangements for union education have been agreed and came into effect in August 2002. TUC courses run through further education courses are now free of charge and this should open up opportunities for expansion.

Current take-up

The bulk of trade union courses are delivered by the TUC education service (recently relaunched), which in 2001 trained more than 30,000 union representatives. Although the 10-day course still exists, short courses are now more popular - eg on the role of 'learning representatives', industrial relations and collective bargaining, health and safety, and equality.

Many individual unions also have their own education services. Of 35 TUC-affiliated unions responding to a recent University of North London survey, 30 run their own courses and 10 train over 1,000 trade unionists per year.

Data from a 1998 survey indicate that 70% of union representatives had received some training for their role, but under half (44%) of those who had been in their roles for one year or less had been trained. This poses a question about the extent to which newer representatives are adequately prepared for the current decentralised bargaining context, and adds to arguments for new modes of delivery and participation.

Purposes

Union courses for representatives serve two primary purposes; developing workplace representatives' negotiating, bargaining and representational skills, plus creating understanding of the broader social, political and economic contexts; and developing skills to participate in the union organisation itself. The TUC's programme aims to:

- improve representatives' performance at the workplace and in the union;
- promote understanding of union priorities, including equal opportunities;
- develop personal/study skills and improve the confidence of participants;
- enable recognition of achievement in learning through accreditation; and
- contribute to lifelong learning.

Women-only courses

Women make up just over one-third of TUC course participants. The TUC provides women-only courses, as do some individual unions. Women-only provision grew in response to concern in the 1970s over women's under-representation on mixed-sex union courses and to feminist pressure on unions to deliver on equality issues. Today, 12 of 35 unions responding to the University of North London survey provide women-only courses, with up to 4,000 women attending annually.

Women-only courses have become something of an institution, with most unions now recognising the importance of women-only spaces for advancing women's equality. Although unions have made strides towards women's equality, their hierarchy remains male-dominated. It is widely believed that women-only courses can help in overcoming women's lack of confidence to participate, and in bringing on female leaders. Women-only courses also help to build networks of women in unions, which help to sustain women's activism. Women's inequality inside union structures, combined with the unions' need to recruit more women members, warrants special provision for educating women members and activists.

Online courses

The 1999 TUC conference set TUC Education a 'millennial challenge' to reach union representatives who have difficulty accessing the service because of release problems, family responsibilities or work patterns. In response, TUC Education Online was established in 2000. The TUC currently has online versions of a range of courses, including training for workplace, health and safety and learning representatives, and a course on tackling racism. In 2000, it ran an online course for women union officials and staff. About 400 students have completed online courses, with a target of 5,000 by the end of 2004.

As the law restricts the right to paid time off to duties concerned with negotiations, health and safety and learning representatives, online courses in certain areas - eg tackling racism - could help ease some of the problems representatives experience in getting paid release for courses which their employer does not view as essential.

Online delivery does not, however, fully resolve the problems of paid release. The TUC is keen to ensure paid release for online learning is as much part of the negotiating agenda as day release for attendance-based courses, otherwise participants will run into problems in fitting in learning with other work, union and family commitments.

Commentary

Within the British trade union movement, there is a renewed emphasis on the importance of union education for reaching the enormous numbers of workers employed in parts of the economy where union organisation and influence are weak and paid release is harder to obtain. There is also greater recognition that many workers, women especially, have to fit union training around work and family responsibilities, requiring more flexible provision. The TUC and individual unions are moving away from 'demand-led' training provision towards using courses to achieve strategic objectives - eg involving a greater diversity of members.

Given the increasing emphasis on 'separate organisation' for under-represented social groups, women-only courses should remain a significant feature of union education provision. Online education could have a significant role to play in reaching diverse groups of members. However, there are concerns that the collective nature of union education should not be lost within online courses, because a sense of solidarity and collectivism remains important for engendering the willingness to be involved in union activism. There are thus pedagogic issues which need to be thought through, building on the early experiences. There is also the question of the place of online learning within overall union education provision. Online courses aim to add to the total number of courses and participants rather than replace conventional classroom-based provision. If the union movement can address these two fundamental issues, online learning could revolutionise trade union education.
(Gill Kirton, University of North London)

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eiro observer
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An advisory committee for industrial relations has been set up to monitor EIRO as well as all the Foundation's other industrial relations activities. The advisory committee has a tripartite structure: employers, trade unions, governments and the European Commission are represented.

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Non-permanent employment, quality of work and industrial relations

'Non-permanent' employment has attracted increasing attention in recent years. It can broadly be defined as all employment which is not based on an open-ended and continuous employment contract, but which is limited in time - the main types being employment on fixed-term contracts, temporary agency work and casual or seasonal work. This supplement - based on the contributions of the EIRO national centres in the EU Member States and Norway - examines the links between non-permanent employment and the 'quality' of working life, and looks at its treatment in industrial relations. The primary focus is on fixed-term employment (more information on temporary agency work is provided in *EIRObserver* 1/00). This supplement is an edited version of a full comparative study - which contains considerably more detail on some issues - available on the *EIROnline* website.

The issue of 'quality' of work is currently high on the EU social policy agenda, and is linked with non-permanent employment. Quality of work is a key emphasis in the European employment strategy. Under the 2001 EU Employment Guidelines, for example, the social partners are invited to 'negotiate and implement at all appropriate levels agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive and competitive, achieving the required balance between flexibility and security, and increasing the quality of jobs. Subjects to be covered may, for example, include ... new forms of work.'

Similarly, under the European Commission's current five-year social policy agenda: 'The overall focus will be the promotion of quality as the driving force for a thriving economy, more and better jobs and an inclusive society: strong partnership, dialogue and participation at all levels, access to good services and care, social protection adapted to a changing economy and society ... Such an approach means striving to achieve competitiveness, full employment and quality of work, quality in industrial relations and quality of social policy ... Quality of work includes better jobs and more balanced ways of combining working life with personal life.'

In June 2001, the Commission issued a Communication on *Employment and social policies: a framework for investing in quality*, which takes forward the social policy agenda commitment to promote quality. It proposed a set of possible indicators for quality of work, which include indicators related to 'flexibility and security' and 'work organisation and work-life balance', notably the proportion of workers with flexible working arrangements. This approach was endorsed at the European Council meeting in Laeken in December 2001.

In this context, alongside information on the extent and development of non-permanent employment and the EU and national regulatory context (law and collective bargaining), this supplement looks at the possible effects on quality of working life in terms of conditions at work and employees' overall labour market position and prospects.

Extent of fixed-term employment

According to the 2000 Eurostat labour force survey, 13.4% of employees in the EU had an employment contract of limited duration - see table 1 on p.ii. Compared with 1983, this represented a significant increase in fixed-term employment over the 1980s and 1990s (though Denmark, Greece and Ireland saw fixed-term employment fall over this period).

In all countries, the share of women with a fixed-term contract is higher than the share of men. Considering all forms of non-permanent employment, the gender difference is even clearer: EU women were 30% more likely to work on a fixed-term/temporary/casual basis than men in 1999.

By age group, the rate of fixed-term employment is high among people aged between 15-24 and 25-49. While the rate for men and women aged 15-24 is the same, the rate is higher for women in the 25-49 age group, perhaps because this is the age when many women are having children. Non-permanent employment occurs across all levels of qualification.

There has been a trend towards greater use of non-permanent employment across a variety of sectors, but this is particularly evident in the expanding service sector. In the EU, over 66% of all fixed-term contracts are in services, covering retail, catering, transport, finance and the public sector.

EU Directive on fixed-term work

With non-standard forms of work, such as part-time and non-permanent employment, having become more common since the 1980s, the European-level social partners were consulted by the European Commission in 1995 on a European framework of legislation to protect the rights of workers on 'atypical' contracts. This resulted in agreements between the central European-level social partners on part-time work in 1997 and fixed-term work in 1999. Both agreements were implemented via EU Directives. The latter Directive is of particular relevance here.

In March 1999, UNICE, CEEP and ETUC signed a framework agreement on the rights of workers on fixed-term contracts, implemented through EU Council Directive (1999/70/EC) in July 1999. The agreement/Directive aims to 'improve the quality of fixed-term work by ensuring the application of the principle of non-discrimination', and to 'establish a framework to prevent abuse arising from the use of successive fixed-term employment contracts or relationships'. The key points are set out in the box on p.iii.

Talks on a similar agreement on temporary agency work broke down in May 2001 and in March 2002 the Commission issued a draft Directive on working conditions for temporary agency workers. This aims to improve the quality of agency work by applying the principle of non-discrimination to temporary agency workers and to establish a suitable framework for the use of such work to contribute to the smooth functioning of the labour market.

Implementing the Directive

By June 2002, the fixed-term work Directive had been transposed through new legislative provisions in seven of the 16 countries examined (Finland, France, Germany, Italy, the Netherlands, Spain and Sweden), with the July 2001 deadline met in only a few cases. Portugal also appeared to have implemented the Directive at least partially. The implementation process was relatively well advanced in five further countries (Belgium, Denmark, Ireland, Norway and the UK), though Ireland and the UK at least were due to miss even the extended July 2002 transposition deadline. In Austria and Luxembourg, the government believes that no implementing measures are required, as current provisions already meet the Directive's requirements. In Greece, there appeared to have been no substantive moves towards transposition.

The impact of the Directive's implementation varies considerably between different Member States. This depends on the previous state of national regulations on fixed-term work.

The changes to national regulations made (or due to be made) to comply with the Directive are relatively minor in countries such as Belgium, Denmark, Germany, the Netherlands and Norway, and rather more substantial in countries such as Finland, France, Greece, Spain and Sweden. In some countries, the legislation implementing the Directive also covers other aspects of fixed-term work not dealt with in the Directive (as

Table 1. Employees with a fixed-term employment relationship as % of total dependent employment, 1983 and 2000

	1983	2000	Change 1983-2000
Austria	6.0*	7.9	+1.9 (1995-2000)
Belgium	5.4	9.0	+3.6
Denmark	12.5	10.2	–2.3
Finland	11.1	17.7	+6.6
France	3.3	15.0	+11.7
Germany	10.0	12.7	+2.7
Greece	16.3	13.1	–3.2
Ireland	6.1	4.6	–1.5
Italy	6.6	10.1	+3.5
Luxembourg	2.3	3.4	+1.1
Netherlands	5.8	14.0	+8.2
Norway	nd	9.7	–
Portugal	14.4	20.4	+6.0
Spain	15.6	32.1	+16.5
Sweden	12.0	14.7	+2.7
UK	5.5	6.7	+1.2
EU 15**	9.1**	13.4	+4.3***

1995 figure; ** excluding Austria; * excluding Austria 1983.*
Sources: Eurostat labour force survey and EIRO.

in Italy and Spain). The impact will arguably be greatest in countries which previously had little or no specific regulation of fixed-term work, notably the UK.

In the UK, there are currently no legislative restrictions on the reasons for the use of fixed-term contracts, their length or whether (and the number of times) they are renewable, nor on equal treatment for fixed-term employees. The government postponed implementation of the Directive in 2001, stating that consultation on draft measures 'revealed particular problems with implementation in the UK'. The Regulations eventually drawn up and due to come into force in October 2002 cover issues such as equal treatment for fixed-term employees (including on pay and pensions, which exceeds the Directive's requirements) and measures to prevent abuse of successive fixed-term contracts. Ireland too has little specific legislation on fixed-term work, so its implementing measures are also likely to be quite extensive.

While implementation of the Directive has been (or will be) mainly effected through legislation, the social partners have played an important role in some countries. Both the Belgian and Italian legislation is based on views jointly expressed by the social partners, while collective agreements play the main role in implementation in Denmark (as is usual), though with supplementary legislation to cover workers not subject to collective agreements.

Discrimination and 'employment risks'

The implementation of the fixed-term work Directive should ensure a basic level of protection and rights for fixed-term employees across Europe, and prevent discrimination in some areas. The proposed temporary agency work Directive, if adopted, should do the same for agency workers. However, the context of these changes is one in which workers in non-permanent employment have traditionally been subject to discrimination, and such employment may have negative implications for their career prospects and living conditions.

Non-permanent employees may be excluded from (or receive less coverage by) various areas of employment and social protection - eg protection against dismissal (as the employment relationship ends with the term of the contract), pension entitlement, unemployment benefits and social welfare in general. Moreover, career opportunities may be restricted, as non-permanent employees may be able neither to demonstrate their employability for a longer period nor participate in further training measures on the job. They therefore risk joining the fringe 'peripheral' workforce. On the individual level, researchers have claimed that non-permanent employment leads not only to greater insecurity in terms of future employment perspectives, as it is often followed by periods of unemployment, but also to unstable social relationships.

Below, we examine the position of non-permanent workers in a number of areas of possible discrimination.

General employment protection law

In most countries, non-permanent workers are, in law, treated relatively equally with permanent workers in many areas of employment protection and rights (though see below for exceptions), where they are considered by law to be employees. However, in a number of countries, the nature of non-permanent employment is such that the workers involved may be deprived fully or partly or various elements of protection and rights. This is most notably the case, at least at present, in Ireland and the UK, though specific cases occur in other countries.

In Ireland, employment legislation provides all employees with a minimum level of protection and does not explicitly distinguish between permanent and temporary employees. However, many aspects of employment protection legislation still exclude non-permanent workers because they do not fulfil certain prerequisites for eligibility.

In the UK, where there is no statutory definition of either 'temporary' or 'normal' work, non-permanent workers can fall outside legal employment protection and minimum entitlements for two reasons: employment protection and several other rights are currently restricted by requirements to fulfil a minimum qualifying period of continuous employment with the same employer; and such rights are conferred only on workers who are 'employees' and (in most instances) not on those who are 'self-employed'. Hence, many non-permanent workers lack the main forms of employment protection, such as the right to claim unfair dismissal (see below) and the right to statutory redundancy pay (for both of which there is a 12-month qualification period of continuous employment) and the right to contractual benefits. According to their length of service, temporary workers may not qualify for statutory sick pay (13 weeks) or maternity pay (26 weeks). Following a European Court of Justice judgment, the government recently removed the previous qualifying period of 13 weeks' service for paid holiday entitlement.

Aside from length of service, UK temporary workers are not entitled to such rights if they do not have a contract of employment with their 'employer'. A key issue in British employment law is whether a person is an 'employee' or 'self-employed'. Varying definitions in different legislation, and conflicting court judgments, have made it complicated to establish in law whether some non-permanent workers are 'employees'. To address this problem, some recent legislation has accorded protection to 'workers', defined more widely than 'employees'.

Denmark distinguishes between two groups of fixed-term employees, those with contracts of under and over three months. While the latter are entitled to all forms of protection provided by the relevant collective agreements and, in the case of white-collar employees, by the Salaried Employees Act, the former are not covered by this legislation, which entitles salaried employees to full pay during sickness and holidays, seniority-related dismissal notice periods, redundancy payments etc.

Other countries also make a distinction between non-permanent workers who

Key points of the EU fixed-term work Directive

A fixed-term worker is defined as a person 'having an employment contract or relationship entered into directly between an employer and a worker where the end of the employment contract or relationship is determined by conditions such as reaching a specific date, completing a specific task, or the occurrence of a specific event'.

In respect of employment conditions, fixed-term workers must not be treated in a less favourable manner than comparable permanent workers solely because they have a fixed-term contract or relationship, unless different treatment is justified on objective grounds. To prevent abuse arising from the use of successive fixed-term employment contracts or relationships, Member States and/or the social partners must introduce one or more of the following measures:

- objective reasons justifying the renewal of such contracts or relationships;
- the maximum total duration of successive fixed-term employment contracts or relationships; or
- the number of renewals of such contracts or relationships.

Employers must inform fixed-term workers about vacancies which become available, to ensure that they have the same opportunity to secure permanent positions as other workers. As far as possible, employers should facilitate access by fixed-term workers to appropriate training opportunities. Fixed-term workers must be included in calculating the threshold above which statutory workers' representative bodies may be constituted in undertakings. As far as possible, employers should give consideration to the provision of appropriate information to workers' representative bodies about fixed-term work in the undertaking.

EU Member States were to transpose the Directive into national law by 10 July 2001 (with a further one year permitted to take account of special difficulties or implementation by collective agreement).

are considered as employees (notably those with a fixed-term contract) and those in other forms of non-permanent employment who are not clearly employees, such as self-employed people, 'economically dependent' workers (formally self-employed but depending on a single employer for their income) and freelancers. Employees with a fixed-term contract general have comparable legal protection with employees on open-ended contracts in many areas, but self-employed or freelance workers have little or no protection.

Legal protection related to dismissal

In most countries, the distinction between non-permanent workers who are considered as employees and those in other forms of non-permanent employment who are not clearly employees applies to dismissal protection. Employees with fixed-term contracts generally have the same legal protection against dismissals as employees on open-ended contracts, in terms of trial periods or dismissal during the contract period, along with dismissal protection relating to sickness and childbirth - though of course they are not protected against losing their job when their contract expires. However, self-employed or freelance workers have little or no protection.

The rules on dismissal during the term of a fixed-term contract differ in some respects - notably unfair dismissal claims and compensation for dismissal - from those on the dismissal of employees on open-ended contracts in a number of countries. In Italy, the difference relates to dismissals without 'just cause'. In such cases, fixed-term workers can obtain only compensation, and not reinstatement. In Luxembourg, employees on fixed-term contracts receive the same dismissal compensation as employees on open-ended contracts, except that this compensation equals at a maximum the amount of pay due for the remaining period, and cannot exceed what the employee would be entitled to if on an open-ended contract. In Belgium, unfair dismissal claims may be made only in respect of open-ended contracts, and not fixed-term contracts. In the UK and Denmark, the application of some aspects of dismissals law depends on the duration of employment.

In Ireland, since 1993 the Rights Commissioners/Employment Appeals Tribunal have been able to examine any second or subsequent temporary/fixed-term contract to determine whether the nature of the contract is designed to avoid liability under the unfair dismissals legislation, and in this situation a claim for unfair dismissal can be pursued (previously, such contracts could be repeatedly renewed by employers without any obligations). As a result, employer 'abuse' of temporary contracts has been curbed somewhat.

In Spain, until 2001 only two of the many types of temporary contract included financial compensation for dismissal. However, most temporary contracts now attract compensation, though this is equivalent to eight days' pay per year of service, compared with 33 days' pay per year for open-ended contracts. Notice of termination of employment for workers on temporary contracts is only 15 days (compared with 30 days for open-ended contracts), and then only if employees have worked for more than one year with the same company. Otherwise, they may be given no notice of dismissal.

The situation is different in Norway, where non-permanent employees who have been employed for more than one year are entitled to written notification of the date their employment is to end, at least a month before this date. If no such notification is given, the employee has the right to stay on until one month after such notification has been given.

In France, employees on fixed-term contracts are entitled, at the end of the contract, to a 'precariousness allowance' (worth 6% of the total gross pay received during the contract). This does not apply to work on a seasonal contract, though since 1999 a pilot measure has entitled regular seasonal workers to a special compensation scheme, less advantageous than the general scheme. Seasonality is also a factor in German dismissals law, with legal protection against dismissals not applying to seasonal companies.

There are some cases of particular protection or benefits for fixed-term contract workers relating to the termination of their employment contract before its term. In Sweden, non-permanent employees may not be dismissed during the contract period, except for summary dismissal on grounds of gross neglect of obligations. In Belgium, employers may end a fixed-term contract prematurely only by paying compensation up to a maximum of double what would have been owed if the contract had reached its term - the termination of a relatively lengthy fixed-term contract can thus be more attractive for a dismissed employee than an indefinite contract

Training opportunities

In practice - notwithstanding the provisions of the EU fixed-term work Directive and national legislation in some countries - training opportunities for non-permanent workers seem be less than for those on open-ended contracts. This is widely reported from countries such as Finland, Germany, Greece, Spain and Sweden.

The training opportunities that do exist for non-permanent workers seem to depend on the kind of work they are employed for and on the duration of their employment, with training more likely for those on longer contracts. UK research indicates that fixed-term contract workers in general are as likely as permanent employees to have benefited from training and development

activities, but short-term temporary workers are much less likely to have done so.

In some countries, specific training regulations for temporary agency workers may put them in a better position than non-permanent workers in general. Collective agreements and/or laws on temporary agency work (as in France, Italy, the Netherlands and Portugal) often include regulations on training, such as entitling employees to an assessment of their training needs, or obliging temporary work agencies to spend a proportion of their total paybill on training.

With regard to the qualification and skill levels of non-permanent jobs, the evidence is mixed. At one extreme, in Ireland non-permanent employment is often associated with jobs with lower qualification standards. At the other end of the scale, in Denmark non-permanent employment is not dependent on qualification levels, being as widespread among professionals, for example, as among clerical workers. This is generally also the case in Norway and the UK (though there is a not very marked tendency for short-term temporary workers to be in less skilled jobs).

Differences in pay

Overall, it seems that the basic hourly or monthly pay of workers on fixed-term contracts differs little from that of those on open-ended contracts - indeed in some countries (eg Italy or Luxembourg), this is guaranteed by law. There are a few exceptions - several of the types of temporary contract used in Spain provide for a lower level of pay, linked to training, while in Ireland non-permanent employment is frequently associated with lower pay rates.

However, in reality, it appears that the earnings of fixed-term workers tend to be lower in most countries, mainly because they do not meet - partially or fully - the eligibility requirements for various additional payments, such as those linked to length of service. This is reported from countries such as Belgium, Finland, France and Greece and Norway. Furthermore, lower average earnings for fixed-term workers may result from the fact that they are often young employees with less work experience and sometimes lower qualifications than the average permanent employee - this is reported, for example, from Spain.

France is a rare example of a country with special pay provisions favouring non-permanent employees, who receive financial compensation for the precarious nature of their employment (see above). This 'precariousness allowance' is 10% of total gross pay for temporary agency workers and 6% for employees with a fixed-term contract.

Other employment conditions

In terms of other conditions of employment - such as paid holidays, working time and sick pay - a similar picture applies to that for pay. Generally, legal or collectively agreed entitlements do not distinguish between fixed-term and permanent staff - except that entitlement for the former is often pro rata - but fixed-term staff are likely to suffer where length of service is a factor in eligibility (as with paid annual leave in Greece). In countries where conditions of employment are less regulated and more at the employers' discretion, discrimination against non-permanent staff may occur. For example, in Ireland, terms and conditions of employment tend to be poorer for non-permanent workers, with research indicating that they are less likely to be entitled to sick pay, holiday pay etc.

Pensions

The effect of non-permanent employment on pension coverage and entitlements depends on the national social security system. With regard to basic state pensions schemes, these generally do not distinguish between non-permanent employees and others, but there is a distinction between countries where entitlement depends on completion of a certain number of years of employment and contributions, or earnings during such employment, and those where it is independent of employment. In the former case, non-permanent workers may suffer disadvantage where their periods of employment are interspersed with periods out of work. Countries where basic state pension entitlement is independent of employment history include Denmark and the Netherlands. Countries where state pension entitlement is linked to periods of work include Belgium, Germany, Italy, Luxembourg, Norway and Spain.

With regard to pension provision over and above the basic state scheme - state supplementary schemes, occupational schemes and private schemes - non-permanent work may also be disadvantageous. In some countries, such as Denmark, non-permanent employees are included in such schemes in the same way as those on open-ended contracts, with problems for the former arising from possible shorter contribution periods. However, in other countries - such as Ireland, the Netherlands, Norway, Spain, Sweden and the UK - non-permanent workers may be excluded fully or partly from additional pensions provision based on agreements or employer initiative.

Unemployment benefits

As with pensions, where unemployment insurance schemes require a certain period of employment and contributions for entitlement to benefit, this may disadvantage non-permanent workers. This is commonly the case (eg in Belgium, Germany, Italy, Luxembourg and the Netherlands), but exceptions include Denmark and Sweden.

Health and safety

With regard to the health and safety risks encountered by non-permanent workers, the European Foundation's third European survey on working conditions found that 'the emerging trend of 1995 of a link between temporary work and fixed-term contracts and poor working conditions continued in 2000. In total, 51% of temporary workers reported working in painful conditions (compared with 47% for all workers) and 35% stated that they were subject to noise (compared with 29% for all workers).' However, at national level, conclusive statistics on links between increased health and safety risks and non-permanent employment are scarce, though a possible link is reported from countries such as Belgium, Finland, Ireland, the Netherlands, Spain and Sweden. For example, some Spanish studies point to a clear relationship between 'unstable' employment and accidents as a result of pressure, stress, inexperience, less training etc. According to a 2000 study by the Trade Union Confederation of Workers' Commissions (CC.OO), between 1993 and 1998 there were four times more accidents among non-permanent workers than among permanent workers. The reasons put forward for this are the type of tasks performed by temporary workers, and a lower knowledge of risks and protective measures due to lack of training and experience.

Employee participation and representation

In terms of non-permanent employees' access to employee participation and representation structures based on legislation or collective agreements, in most countries there are formally no restrictions. However, there are in some cases service-related conditions for acting as employee or trade union representatives or standing and/or voting in elections, which may affect non-permanent workers' representation. For example:

- in Luxembourg, fixed-term contract employees have the same active and passive voting rights in elections of representatives as employees on open-ended contracts, but the right to vote requires six months' service in the company, and the right to stand as candidates requires 12 months' service;
- Dutch works councils legislation provides for representation of non-permanent workers, but one year's service is required to be elected to a works council, and six months' service to vote in works council elections (these periods can be altered by works councils themselves);
- in Norway, non-permanent employees have the same rights as permanent employees in voting and standing for elections of works council members and employee representatives on company boards. However, the right to vote

Table 2. Examples of sectoral bargaining on non-permanent work (excluding specific agreements on temporary agency)

Country	Bargaining
Denmark	The major agreements in industry, services and construction (and local agreements within their remit) make special provisions for fixed-term employees in terms of pay and conditions, an example being the rules on notice dismissal periods.
France	Bargaining deals only rarely with fixed-term contracts, though there are some provisions in sectoral agreements such as those for metalworking and building, while sectoral agreements in some industries using a sizeable proportion of casual work lay down special arrangements for such workers (eg on types of employment contract or unemployment allowances).
Italy	Sectoral bargaining in many industries has laid down the maximum permitted level of fixed-term employment as a proportion of the permanent workforce and, until recent legal changes, defined the permitted reasons for use of fixed-term work
Netherlands	In 1999, provisions on non-permanent employment were included in around 60% of collective agreements (at sectoral and company level), often placing limits on the duration of non-permanent employment, setting a quota for non-permanent employees or defining the situations in which they can be used.
Norway	Legislation permits collective agreements laying down less strict rules on on temporary employment than those established by law in certain very limited areas, such as the arts, research work and sport. However, very few such agreements are thought to exist.
Portugal	Sectoral agreements in some cases include provisions on non-permanent work, but these tend merely to repeat the legislative provisions in this area.
Spain	Almost all sectoral agreements contain provisions on non-permanent employment, often regulating the duration of the various types of temporary contract and the type of activities for which they may be used, or laying down commitments to convert temporary contracts into permanent contracts.
Sweden	It is quite common, especially in the private sector, for sectoral agreements to contain relatively minor variations in aspects of pay and conditions - such as working time - for non-permanent employees.

Source: EIRO.

is limited to employees who have been employed for at least three months before the ballots take place, and the right to stand for election to employees with at least one year's service in the company. Elected safety officers must have at least two years' service, and shop stewards at least one year's service;

• in Italy, fixed-term workers may attend workers' meetings and participate in all union activities. In elections for unitary workplace union structures (Rsus) - governed by a 1993 intersectoral agreement - all employees who have completed a trial period can vote, including fixed-term workers. The intersectoral agreement leaves to sectoral bargaining the establishment of rules on non-permanent employees standing as candidates. For instance, the metalworking agreement establishes that fixed-term workers may be elected as Rsu representatives if the remaining duration of their contract is at least six months at the date of the election; and

• in Finland, some collective agreements stipulate that personnel representatives must be permanent employees.

Temporary agency workers are in a special position, owing to the triangular nature of their relationship, involving the agency and the user company. For example:

• in France, agency workers' representation and union rights are mainly exercised in the temporary work agency. To vote in staff representative elections in the agency, workers must have been employed for three months or have worked 507 hours over the 12 months prior to the election. To stand as a candidate, they must have worked for six months or 1,014 hours over the 18 months leading up to the election;

• a national collective agreement in Belgium governing the representation of agency workers provides that their union delegates must have been employed for at least 120 days in the year preceding their appointment;

• in the Netherlands, since 1999, temporary agency workers are represented on the works council of the temporary agency (not that of the user company). When agency workers are employed in the same user company for over two years, they also acquire representation rights in that firm (alongside their existing right in the agency); and

• in Italy, temporary agency workers exercise all the trade union and participation rights provided for by legislation and collective bargaining at the agency. The 1998 sectoral agreement for temporary work agencies introduces a specific procedure for obtaining paid time off for union delegates who are working at a user company. While working in a user company, temporary agency workers may attend workers' meetings and have the right to participate in all union activities.

Longer-term perspective

A key issue related to non-permanent work is the longer-term role it plays in the working lives of those involved - does it improve the employability of unemployed people, helping them enter open-ended employment at some point, or does it lead only to more non-permanent employment or further periods of unemployment? And does non-permanent employment have negative effects for those involved, such as greater insecurity, problems in engaging in social relationships etc?

In most countries, the long-term prospects of non-permanent employees seems to vary according to their educational level, income opportunities and job, but reliable data on this issue seem very patchy.

On the issue of employability and unemployment, taking the example of temporary agency workers, Belgian research indicates that most do this kind of work because they hope that it will lead to open-ended employment, but that in fact this does not occur in most cases - the most common form of mobility is not from temporary agency work to open-ended work, but from agency work to unemployment and back again. German studies also emphasise that mobility between non-permanent and open-ended employment is low and asymmetrical, contributing to labour market segmentation (largely to the disadvantage of women and young people). In Ireland the employability of non-permanent workers is reportedly likely to suffer from limited access to training and because long periods may be spent out-

Table 3. Unionisation rate of non-permanent and permanent workers

Country	Non-permanent	Permanent
Finland	70%	85%
Netherlands	10%	30%
Norway	39%	59%
Sweden	69%	85%

Source: EIRO.

side the labour market. However, Norwegian research suggests that non-permanent work mainly serves as a stepping-stone to permanent employment. The contradictions of research in this area are illustrated by the case of Italy, where some studies indicate that those entering the labour market through a fixed-term contract may find it harder subsequently to find an open-ended job and are more likely to be unemployed, while other studies find that entering the labour market as a fixed-term worker does not have any significant impact on later career and occupational status.

Unsurprisingly, given the nature of their employment, insecurity seems a common feature of non-permanent workers' lives. UK research has found that temporary workers feel less secure in their jobs than permanent employees, and are considerably more vulnerable to unemployment. Finnish research highlights the greater insecurity felt by non-permanent workers in terms of fear of losing their jobs, and the fact that their prospects worsen with age. It appears that the negative side-effects of non-permanent employment are greater for older employees, and it is not surprising that the European Foundation's 2000 European survey on working conditions concluded that: 'Job security is a key factor in the job search strategies of most employment seekers. Only young entrants would accept a non-permanent contract.'

Collective bargaining

The extent to which aspects of non-permanent employment are dealt with in collective bargaining varies considerably between countries, and between forms of such employment. In many countries, bargaining relating to temporary agency work seems to be spreading. This often refers to specific sectoral collective agreements (covering issues such as pay and conditions, benefits, representation rights and training) for the temporary agency work sector - as in Austria, Belgium, France, Luxembourg, the Netherlands, Portugal, Spain and Sweden. There are also some company-level agreements between individual temporary agencies and unions, as in Germany - at Randstad Deutschland and Adecco.

Another approach to temporary agency work is agreements in other sectors or companies which regulate the use of agency work. This is the case in many Italian sectoral agreements (eg in chemicals and the public sector), which: identify when the use of temporary agency work is allowed or not allowed; and lay down the maximum number of agency workers permitted, as a proportion of the permanent workforce. An example of a company agreement is at Rover in the UK, where in 1999, a deal was reached on the use of temporary agency labour in the context of additional staffing needs in the run-up to the launch of a new model.

Non-permanent work in general (rather than temporary agency work specifically), or other specific types of non-permanent work, seem to be rather less regulated by bargaining in most countries. There are, however, several cases of national intersectoral agreements dealing with some aspects of the issue. For example, a general framework governing a number of aspects of employment conditions for various forms of non-permanent employment is provided by intersectoral agreements in Belgium.

At sectoral level, bargaining seems quite scarce on this issue, with the main exceptions being Denmark, Italy, the Netherlands, Spain and Sweden - see table 2 on p.v.

Company bargaining on non-permanent work (excluding temporary agency work) is uncommon. Local agreements in Denmark may lay down specific terms and conditions for fixed-term workers, while some company agreements in the Netherlands provide rules on the use of non-permanent workers. In Italy, company agreements often contain provisions on the extension to fixed-term workers of variable pay provisions, or lay down exceptions to the upper limits for the number of fixed-term workers agreed at sector level. In some instances, UK trade unions have secured agreements at company or site level regulating the use of temporary staff and/or providing that they be employed on the same terms and conditions as permanent staff. Such agreements are particularly found in the automotive sector, including Vauxhall, Ford and Agco. In Luxembourg, some collective agreements oblige employers to inform staff on fixed-term contracts of open-ended posts that become vacant, and give them preferential treatment, if appropriate.

Trade unions and non-permanent employment

In most countries, trade unions are quite critical about the increase in non-permanent employment, although they tend in many cases no longer to be opposed to atypical forms of work per se but rather to the exploitation and 'casualisation' sometimes associated with them, in the unions' view. The general approach, with some exceptions, is to accept a certain degree of non-permanent work and seek a set of rights and protections for the workers involved, while still in some cases (eg Belgium and Denmark) regarding open-ended employment as the norm. Unions are having to address concerns that employers are using non-permanent workers in order to reduce labour costs, while at the same time attempting to respond to their members' wishes for more 'employee-friendly' flexible working arrangements.

Within this general approach, there are variations in the degree of acceptance and national-specific concerns and demands. For example:

- Belgium's Confederation of Christian Trade Unions (CSC/ACV) was long opposed to the unrestricted development of temporary agency work, mainly because of the insecurity of its status. Now, following improvements to this status, CSC/ACV sees agency work as 'preferable in social terms to many other forms of flexible or temporary, and less well structured, employment' - while continuing to argue that employment contracts should be open-ended as often as possible;

- France's General Confederation of Labour (CGT) is calling for the use of fixed-term contracts and temporary agency work to be restricted to covering for employees temporarily absent from work, plus the payment of additional 'deterrent' social security contributions by companies using such work, an increase in the current 'precariousness allowance' (see above), and equal pay for those on precarious contracts (all bonuses included);

- Portuguese unions believe that only through open-ended employment contracts can the quality of working life be promoted, and they therefore take a critical view of the expansion in fixed-term contracts, temporary agency work etc. The fight against this development is an explicit goal of the General Worker's Union (UGT), while the General Confederation of Portuguese Workers (CGTP) aims to promote 'quality employment', including the fight against precarious employment; and

• in November 2001, Spain's General Workers' Confederation (UGT) presented a a 'popular legislative initiative' (whereby citizens may present proposals directly to parliament if they are endorsed by a certain number of signatures) on 'stability and safety in employment', which demands guarantees of quality in employment. It calls, among other measures, for more 'rational' regulations on the use of temporary contracts, in order to prevent abuse and foster recruitment on permanent contracts.

Union membership

In general, union membership among non-permanent employees seems to be lower than among open-ended employees - one factor being that the limited period of employment in one company is not conducive to union membership, and another being the insecurity of such workers. Non-permanent employment is often more likely to be found in non-union establishments than in unionised ones. However, there is a lack of accurate data on union membership among non-permanent workers in many countries. For example, while lower unionisation for this group is reported from Greece (where it is thought to be marginal) Ireland, and Portugal, no figures are available. The figures for the four countries where data are available are set out in table 3 on p.vi.

There may be other specific factors working against union membership among non-permanent workers. For example, in Greece, trade union legislation requires that a person be employed for two months before joining a union organisation.

However, the picture of low union membership among non-permanent workers is not universal. In Belgium, non-permanent workers have become a substantial source of union members - eg over half of all temporary agency workers are members. This may be because Belgian unions can pay out unemployment benefit, and provide members with legal support, thus providing incentives for non-permanent workers to join. Similarly, union membership among non-permanent workers in Denmark may be higher than the national average of 83% because Unemployment Insurance Funds are linked to the unions (though union membership is not compulsory for receiving benefit from these funds).

Organisation strategies

In most European countries, unions have traditionally focused their work on open-ended, full-time employment and have often ignored the increase in new forms of employment. In recent years, some unions have made efforts to recruit new members in non-permanent work and in atypical employment more widely.

Specific attempts to organise non-permanent workers include efforts made by Dutch unions around the time of the 1999 legislation on 'flexibility and security' (which regulated some aspects of such work), though it remains difficult for them to recruit such workers. The unions' aim is to achieve equal terms of employment for permanent and non-permanent employees, ensuring that when employers use non-permanent work this is motivated by a need for flexible labour and not just cheap labour costs. Since the early 1990s, UK unions have increasingly come to recognise the enduring nature of non-permanent forms of employment, and therefore the need to extend union recruitment, organisation and representation to these groups. A central focus for the Trades Union Congress (TUC) union organising academy has been initiatives aimed at organising employers and locations with a high proportion of non-permanent workers. Spanish unions have campaigned extensively around temporary agency work, including the provision of specific advisory services.

Non-permanent workers have also been included in wider trade union campaigns to organise atypical workers - such as the special unions for new types of workers established by the Italian union confederations. In Ireland the recruitment of atypical workers, particularly in the largely non-unionised private service and technology sectors, is one of the key challenges facing the trade union movement, given declining overall union density. However, to date, the unions have not experienced too much success in recruiting and organising non-permanent workers, especially in new sectors of the economy.

Employers' views

In general, non-permanent employment is seen by employers as a means to make their workforce more flexible, adapting the number of employees to the company's requirements. Flexibility is a central aim of employers in the current competitive environment, and employers' organisations thus tend to promote non-permanent employment and, by and large, oppose new regulations and call for the relaxation of existing rules in this area.

Non-permanent employment plays an important role in what is widely seen as an employers' strategy to create a core/periphery distinction in their workforce in order to achieve flexibility. According to various commentators, since the mid-1970s, non-permanent employment has spread as many businesses have restructured and moved to more flexible ways of staffing. Many firms tend to have a permanent core workforce, plus a peripheral workforce in which non-permanent workers allow the company to achieve numerical flexibility, in order to:

• meet fluctuations in demand;

• replace staff absent from work;

• reduce labour costs; and

• find employees with scarce skills needed only for a short period or special projects.

From this perspective, non-permanent workers create a 'buffer' peripheral workforce as a hedge against market uncertainty. Moreover, it is claimed that a further advantage for employers is that, since non-permanent workers are less likely to be trade union members or covered by collective agreements, their use is associated with low union influence. Alternative ways for firms to achieve numerical flexibility are the increased use of part-timers, flexible working time arrangements, overtime and new shift patterns, as well as 'outsourcing' strategies. External flexibility is often accompanied by internal flexibility - employees in the permanent workforce must show more flexibility than before, though they do not necessarily face the insecurity connected with non-permanent employment.

In this context, in nearly all countries examined, employers' associations view the labour market as too inflexible and demand more flexible regulations, whatever the current legislative framework. This is not to say that employers are always opposed to regulation of non-permanent work, while there are also nuances in their support for non-permanent employment. Danish employers see non-permanent work as a supplement to a permanent workforce and not as an end in itself (a point also made by Finnish employers), while 'organised' employers believe that there should be a degree of regulation.

The case of the UK illustrates that, as well as seeing benefits in non-permanent employment, some employers may also experience problems. While employers' organisations have generally welcomed the development of a flexible labour market, a 1999 study found that half of the companies surveyed for the research perceived temporary staff as being less reliable, less committed and less well trained than permanent employees. A quarter reported that costs had increased as a result of using temporary employees. These findings are supported by a survey of workplaces in the West Midlands region, which found that employers increasing their use of short-term temporary, fixed-term and temporary agency workers were more likely to report increases in costs, and in problems of coordination, than decreases.

Aside from the flexibility issue, some employers' organisations - such as the Movement of French Enterprises (MEDEF), the Irish Business and Employers Confederation (IBEC) and Italy's Confindustria - also promote non-permanent employment as a means of creating employment

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Commentary

To summarise briefly the findings of this study:

• in 2000, over an eighth of employees in the EU had an employment contract of limited duration, up from under a 10th in 1983. The level of limited-duration employment ranges from around 5% of employment or under in Ireland and Luxembourg to nearly a third in Spain, where non-permanent work is a central issue in industrial relations;

• women are more likely to have non-permanent employment than men - in 2000, 14.6% of all female employees in the EU had a limited-duration employment contract, compared with 12.6% for men;

• the 1999 EU Directive on fixed-term work, providing for the principle of non-discrimination and seeking to prevent abuses and provide a number of guarantees, had been transposed through new legislative provisions in seven of the 16 countries examined by June 2002. The implementation process was relatively well advanced in a number of other countries, though in Austria and Luxembourg the government believes that no implementing measures are required. The impact of the Directive varies considerably between Member States, depending on the previous state of national regulations on fixed-term work. The changes to national regulations made (or due to be made) to comply with the Directive are relatively minor in countries such as Belgium, Denmark, Germany, the Netherlands and Norway, rather more substantial in countries such as Finland, France, Greece, Spain and Sweden, and greatest in countries which previously had little or no specific regulation of fixed-term work, notably the UK;

• the implementation of the Directive should ensure a basic level of protection and rights for fixed-term employees across Europe, and prevent discrimination against them in some areas (the proposed Directive on temporary agency work, if adopted, should do the same for agency workers). However, the context is one in which workers in non-permanent employment have traditionally been subject to discrimination, and in which such employment may have negative implications for career prospects and living conditions;

• although the situation varies from country to country, non-permanent workers are in some cases likely to face discrimination in a number of areas, often owing to length-of-service requirements for entitlement to some legal or collectively agreed entitlements, or benefits offered by employers. This can apply in areas such as dismissal protection and compensation, pay (especially additional payments), pensions (sometimes basic state pensions, and more frequently additional provision) and unemployment benefits;

• non-permanent employees (especially those on shorter contracts) tend to receive less training than those on open-ended contracts, though temporary agency workers are sometimes better provided for in this area;

• there is some evidence of links between non-permanent employment and increased health and safety risks or poor working conditions;

• in some countries, there are service-related conditions for acting as employee or trade union representatives or standing and/or voting in elections, which may affect the representation of non-permanent workers;

• in most countries, the long-term career prospects of non-permanent employees seem to vary according to their educational level, income opportunities and job, but reliable data on this issue seem very patchy. There is contradictory evidence on whether non-permanent employment improves the employability of unemployed people, helping them enter open-ended employment, or leads only to more non-permanent employment or further periods of unemployment;

• the extent to which non-permanent employment is dealt with in collective bargaining varies considerably. In many countries, bargaining on temporary agency work seems to be spreading, but non-permanent work in general, or other specific types of non-permanent work, seem to be rather less regulated by bargaining in most countries. There are relevant national intersectoral agreements in a few countries, and sectoral and company agreements in some others, generally adapting pay and conditions to non-permanent workers, or regulating the use of non-permanent work;

• broadly speaking, many trade unions have moved from outright opposition towards accepting a certain level of non-permanent work and seeking a set of rights and protections for the workers involved, while still in some cases regarding open-ended employment as the norm. In general, union membership among non-permanent employees seems lower than among open-ended employees. Some unions have made efforts to recruit new members in non-permanent work; and

• non-permanent employment is generally seen by employers and their organisations as a means to make their workforce more flexible, allowing them to adapt the number of employees to the company's requirements. Flexibility is a central aim of employers in the current competitive environment, and employers' organisations thus tend to promote non-permanent employment and, by and large, oppose new regulations and call for the relaxation of existing rules in this area.

However, there is relatively little precise information on all forms of work differing from the 'typical' employment relationship, and different forms of non-permanent employment are often not distinguished. This also applies to information on the effects of non-permanent employment, especially in a lifetime perspective, so that only very general conclusions - such as that such employees are often part of the fringe labour market and face low income, unstable working conditions and a lack in social security - can be made. If the social security system is based on labour market participation, low or discontinuous incomes and interrupted employment (especially because of care obligations) affect social security entitlement negatively. Some of the more detailed studies find, that although there is a high mobility between different forms of employment, non-permanent employment constitutes a 'trap' for lifetime employment prospects and earnings. Non-permanent employment is often used as a 'trial period' for labour market entrants such as young or unemployed people. However, some employees may voluntarily choose non-permanent employment on the grounds that it enables their preferences for more autonomy in working time (and in general) to be met.

Against the common view that that the quantity of jobs can be increased only by lowering the quality of jobs, the concept of 'flexicurity' - which has been used in the debate on non-permanent employment for some years, especially in the Netherlands - aims to find a balance between flexibility for employers (and employees) and security for employees.

It is difficult to draw simple conclusions or to give uniform assessments on non-permanent employment, as such atypical work allows entry into the labour market, but at the same time reproduces segmentation and segregation on the labour market relating to gender and hierarchical relationships. Thus, it leads to a reproduction of inequality on the labour market.
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