




European Foundation for the Improvement of Living and Working Conditions

# Living and working in Europe





A quick snapshot of today's Europe captures a continent in transition. Politically, the European Union has undergone its biggest ever expansion, with the accession of 10 new Member States in 2004, closely followed by Bulgaria and Romania in 2007. Employment has also grown substantially since the 1990s, with most new jobs being in higher-earning brackets and, indeed, occupied by women who entered the labour market in substantial numbers during this period.

What also emerges is a picture of a continent marked by stark differences, not least in terms of income and material well-being; this is the case both between and within countries and even those in the top quarter income bracket in the CC3 (the three countries that are candidates for accession to the Union – Croatia, the Former Yugoslav Republic of Macedonia, FYROM, and Turkey) are more deprived – in material terms – than the poorest in some of the EU15 Member States. Within countries, also, certain groups of citizens are still at risk of falling behind in terms of prosperity – women, the unemployed, unskilled workers and those with lower levels of education. These groups are often significantly disadvantaged in many other aspects of living and working conditions more generally: for instance, workers with a lower level of education are more likely to be forced to leave their jobs.

In general, people in the former EU15 do appear to enjoy better quality of life than their neighbours in the 12 new Member States (NMS12) and the CC3. However, the picture is more nuanced than such simple statistics might suggest. In this respect, the Mediterranean countries in both the EU15 and the NMS are more similar to one another in many aspects than they are to either northern or western Europe, or to eastern European countries.

Perhaps most importantly, however, most Europeans are content with their lives, particularly those in the Nordic countries and possibly unsurprisingly, citizens in richer countries are more content than those in poorer countries. However, once a certain level of prosperity has been reached, it appears that other, non-financial aspects become more important: for example across the Union, the most important precondition for feeling satisfied with life is a good family and social life. However, family life

varies substantially across Europe. In the NMS12 and CC3, multigenerational households are more common; in northern Europe, young people are likely to leave the family home at a relatively early age, while their neighbours in southern and eastern Europe are more likely to remain at home well into early adulthood, in part because of straitened economic circumstances.

Whatever its form, however, family life still constitutes a key part of European life, with half of all citizens meeting up with one of their adult children nearly every day. People are broadly happy with their family life and families still provide a real source of emotional and practical support to a majority of European citizens.

However, reconciling the demands of family life with those of employment is a growing challenge for many Europeans. Between a quarter and a third feel they don't spend enough time with their family, or with friends and acquaintances. Happily, the vast majority of European employers also appear to see their employees' work-life balance as increasingly important and in many cases, they have introduced greater flexibility in working time to help meet employees' needs. Other initiatives, such as in-house childcare facilities, are, however, nearly non-existent in European workplaces.

And despite changes in technology and broader societal transformations, most Europeans still largely follow a traditional model of working life – a standard working week of around 40 hours over five days, conducted in the company premises. This standardised working week also appears to be the most favourable model for meeting family commitments: working long hours – not surprisingly – fits badly with family commitments.



Otherwise, Europeans are generally satisfied with many aspects of their working conditions – a majority having good friends and feeling at home in their workplace, as well as feeling that their work is useful. However, although a majority of European workers – especially in the EU15 – are now employed in services, work still poses a risk to health in many instances, particularly in many of the NMS12.

The role of women has also changed significantly with many having entered the workforce in large numbers in recent years. Despite this, substantial segregation and inequality between the sexes still exists. Nearly 90% of the workforce in construction, for instance, is male, while in the health sector nearly 80% is female. Men work more hours in paid employment: more men than women have paying jobs, women are more likely to work part time and men are more likely to work long hours. However, when unpaid domestic work is accounted for, the picture changes dramatically: a woman working part time works more hours in total than a man working full time. Moreover, women still earn less than men – even when they are working full time in a comparable position.

On a broader scale, Europeans can expect to experience more change in the future. With more women entering the workforce, and having greater personal choice regarding family formation, fewer children are being born – so much

so that across the EU childbirth rates have fallen below replacement levels. With rising life expectancy, the number of older people is growing, as is the average age of the workforce. In the Scandinavian countries and the Netherlands, 15% of the workforce is over the age of 55; hence, a substantial number of workers are due to retire over the next 10 years. This in turn challenges our expectations regarding retirement and calls for a rethinking of what a typical life course should be.

Enlargement has resulted in more migration, from outside the Union and from eastern European Member States to western. Economic change is also shifting the nature of employment in Europe – substantial job loss has taken place in manufacturing in the EU15, for example, while there is notable job creation taking place in this sector in many of the new Member States.

This overview on *Living and working in Europe* aims to convey succinctly a comprehensive picture of life in Europe, at the level of the individual, the household, the workplace and at the macroeconomic level of the Union as a whole. It draws its material from a wide range of Eurofound work, covering – in some cases – 15 years of research. Necessarily, it does not attempt to be exhaustive in its approach but aims to paint a picture of what it really means to live and work in the European Union of today.

# PERSONAL LIFE IN EUROPE



## HOW HAPPY ARE EUROPEANS?

The good news is that Europeans are reasonably content with their lives. On a scale of 1 to 10, they rank themselves on average higher than 7 in terms of both happiness and life satisfaction.<sup>1</sup> The bad news is that there are sharp differences between countries, with the citizens of some appearing quite dissatisfied. Danes are the most content, rating their levels of happiness and satisfaction at more than 8, closely followed by the Finns and the Swedes. Citizens in Bulgaria however, rate both their happiness and satisfaction much lower – at 5.8 and 5 respectively.

So why is this the case? What are the characteristics of life in Denmark, for instance, that make its people so content?

### Wellbeing and income

One answer is wealth. Looking at the EU27, a consistent pattern seems to be that citizens of a country express higher subjective wellbeing when per capita gross

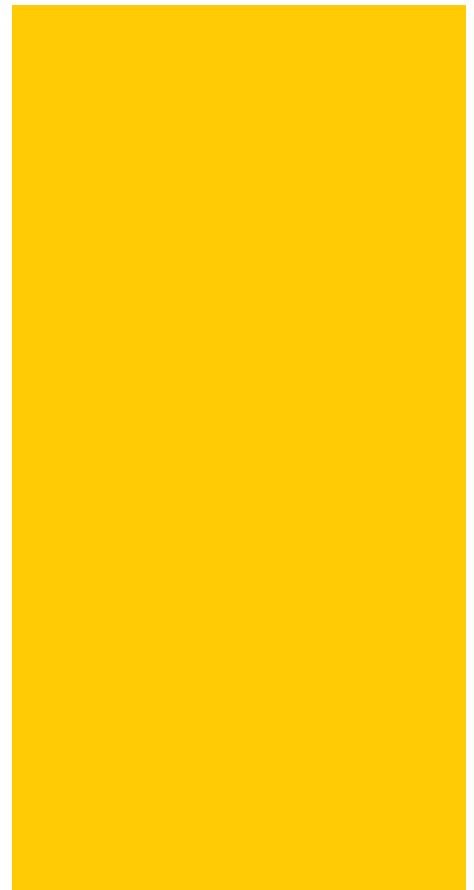
domestic product (GDP) is high: witness the difference between wealthy Denmark and the less well-off Bulgaria. But this is not the whole story. For instance, the per capita GDP of Luxembourg is nearly twice that of Ireland. However, the two countries have identical ratings for life satisfaction. Conversely, while Bulgaria and Romania have similar levels of per capita GDP, ratings of life satisfaction in Romania are notably higher than in Bulgaria.<sup>2</sup> It would, therefore, appear that once a country is prosperous enough to meet its citizens' basic needs, other factors also come into play in determining people's wellbeing, such as education and life expectancy.

Nevertheless, income still counts, since in nearly all countries, the richest are most satisfied with life, while the poorest are least satisfied. And research underlines the fact that the individual's level of satisfaction is also related to their country's prosperity. In rich countries, for example, people in every income grouping are more satisfied than those in poorer countries. So, for instance, people

<sup>1</sup> The questions asked 'All things considered, how satisfied would you say that you are with your life these days?' and 'Taking all things together ... how happy would you say you are?'. Although the two terms might be considered very similar, happiness is more emotionally driven and less affected by the level of living standards, while satisfaction is more influenced by socioeconomic circumstances.

<sup>2</sup> Second *European Quality of Life Survey* (forthcoming)





in the bottom 25% of the income scale in Denmark are more likely to be satisfied with their lives than people in the top 25% in Bulgaria.<sup>3</sup>

### What makes people happy?

In nearly all countries, people are most satisfied with their family life. But other factors also come into play such as education, standard of living, housing and health.

Does any one of these particular aspects play more of a role in determining whether someone will be satisfied with their life overall? The answer is yes, and throughout the EU, the most important factor for feeling an overall satisfaction with life is to be satisfied with one's standard of living; in the NMS, however, it is a stronger determinant, which could reflect the greater difficulty in ensuring an adequate standard of living in the NMS.

How people view their life satisfaction as against their happiness reveals some

subtle but important differences. While an adequate standard of living is still important in ensuring happiness across the EU, the most important precondition for a happy life is a satisfying family and social life. In the EU15, both of these are almost equally important; in the NMS by contrast, family life is much more important.<sup>4</sup>

As you might imagine, in countries where people largely feel happy and satisfied with their lives, feelings of alienation, pessimism and resignation are rare.

Unemployed people were the most at risk of feeling dissatisfied, unhappy and alienated, being three times more likely than those in employment to feel this way. Other at-risk groups included people with limited education, those on low incomes, unskilled workers, single parents and people suffering from chronic illness.<sup>5</sup>

### Feelings about the future

While current economic circumstances might change perspectives, a recent

Eurofound survey (2007) showed that Europeans still feel fairly optimistic about the future. In Denmark, Finland, Norway and Sweden, more than three quarters of people felt optimistic about the future. Indeed, more felt optimistic than pessimistic in 24 of the 31 countries surveyed. Only in three of the EU15 – France, Italy and Portugal – and four of the NMS12 – the Czech Republic, Bulgaria, Hungary and Slovakia – were less than half the population optimistic.

### THRIVING OR SURVIVING? PAY AND QUALITY OF LIFE

If contentedness is associated with personal income, how do Europeans fare in terms of their standard of living? One of the key aims of EU policy is to boost poorer regions and create greater harmonisation of wealth. So how much do standards of living vary between and within European countries?

<sup>3</sup> First European Quality of Life Survey: Life satisfaction, happiness and sense of belonging

<sup>4</sup> ibid

<sup>5</sup> ibid



## Pay

Nor surprisingly, pay is an important issue for European workers with around a third considering themselves underpaid, while a little over 40% feel they're well paid. Clearly, pay varies greatly depending on the type of work and comparing incomes is difficult when different countries have varying prices for goods and services. But it is clear that huge income differences exist between the EU's Member States, especially between the NMS12 and the EU15. Moreover, within some countries, substantial income inequalities prevail. Converting incomes into an artificial currency called Purchasing Power Standards (PPS), adjusting for differences in costs of living, can help in this comparison. By this measure, Luxembourg is by far the wealthiest country in the EU, with an equalised household income of 235 PPS.<sup>6</sup> For the rest of the EU15, the household income ranges between 82 and 150 PPS. By contrast, the household

income in Bulgaria – the lowest in the EU27 – is only 34 PPS.

However, the national averages, in many countries, conceal wide income disparities. Two of the candidate countries – FYR Macedonia and Turkey – have the highest income inequalities: the income of the wealthiest 20% of the population in both these countries is around 10 times higher than that of the poorest 20%. Within the EU, Latvia is the most unequal country, with the richest Latvians earning about eight times what the poorest earn. At the other end of the scale, Denmark, Slovenia, Bulgaria and Sweden are much more equal, the richest citizens in these countries earning only around four times what the poorest earn.<sup>7</sup>

## Doing without – deprivation in the EU

But looking at income does not necessarily give a good idea of whether people are materially deprived. When

this analysis is done, dramatic differences are again apparent between and within Member States. European citizens were asked if they lacked any of a range of six items because they were unable to afford them: adequate home heating; an annual holiday; new furniture to replace worn-out items; a meal with meat every second day; new clothes; and the means to entertain guests at home.

By this measure, citizens in the EU15 fare best among the survey countries: on average, a citizen in the EU15 is deprived of less than one of these items, as against just over two items for a citizen of the NMS12, and more than three items for someone in the CC3.

The disparity in terms of deprivation also varies substantially *within* countries: in Romania, the poorest 25% of citizens are deprived of four of the essential items, while the richest 25% citizens are deprived of only one. By contrast, the disparity (as well as the extent) of deprivation between and among citizens



<sup>6</sup> *Second European Quality of Life Survey – First Findings*

<sup>7</sup> *ibid*





in Sweden is extremely low. What is also striking is that in some of the poorer countries among the CC3 and the NMS12, the richest citizens are still more deprived than the poorest citizens in some of the EU15. In Turkey, FYR Macedonia, Bulgaria, Romania, Hungary, Lithuania, Slovakia and Latvia, the richest 25% of citizens are more deprived than the poorest 25% in Denmark, Sweden, Luxembourg and the Netherlands.<sup>8</sup>

## YOUR HEALTH IS YOUR WEALTH – QUALITY OF HEALTH

As might be expected, Europeans are generally agreed on the benefits of good health with 81% saying it was ‘very important’ for their quality of life. However, substantial inequalities in actual health persist between Member States: in Lithuania, for instance, 20% of people say their health is ‘bad’ or ‘very bad’, compared to Ireland, where only 3% feel this way. Unsurprisingly, older

people are generally in poorer health: in the EU27, fewer than 2% of people aged between 18 and 34 years suffer bad health, as against 18% of those aged 65 and over. Older people also fare worse in the NMS12 and CC3, where 34% and 35% respectively of older people suffer bad health, as against 15% of older people in the EU15.

Interestingly also, people with less education are also in poorer health. Some 41% of Europeans who have stayed in full-time education beyond the age of 20 stated in 2003 that they felt that their health was excellent or very good. However, for those who left school at 15 or younger, only half that number felt the same. And, while overall only 8% of Europeans rated their health as poor, this figure rose to 40% or higher among those who left school at 15 in Bulgaria, Latvia, Lithuania and Poland.<sup>9</sup>

In all countries, poorer people suffer bad health: on average, 14% of those at the bottom of the income spectrum are in poor health, compared with 4% of people

at the top. In some countries, however – Portugal, Hungary, Latvia, Bulgaria and Croatia – 30% or more of the poorest citizens suffer bad health.<sup>10</sup>

As research makes clear, one of the most important elements for a person’s sense of well-being is a happy family life. So how are European families faring? Eurofound research has examined family life in detail; the next section will take a closer look at what it has discovered.

<sup>8</sup> *Second European Quality of Life Survey – First Findings*

<sup>9</sup> *Quality of Life in Europe*

<sup>10</sup> *Second European Quality of Life Survey – First Findings*

# FAMILY LIFE IN EUROPE

European society is changing – perhaps nowhere more so than in the home. The number of households has risen considerably in the last few decades, in part due to an increase in marriage breakdown and an ongoing reduction in family size, with fewer children being born. However, despite these societal changes, family life and the support of families remain important for most Europeans.



## EUROPEAN FAMILIES – DIVERSITY ACROSS THE UNION

The ‘standard model’ of a household comprising two parents with children is increasingly less common. Only 37% of households in the EU27 fit this model. Households consisting of a couple without children make up around a quarter of the total, while one household in six consists of one person. The proportion is higher in the EU15, at 16%, than in the NMS12 (11%) or the CC3 (5%). In the EU27, one third of people aged 65 or over is living alone – and the proportion is higher for women than for men. Between 6% and 7% of all households are headed by a lone parent.<sup>11</sup>

Living in multigenerational households is quite common, particularly in the NMS12 and CC3, and particularly in low-income households in these countries. In Poland, 17% of all poor households

comprise three generations, while in FYR Macedonia it rises to 30%.<sup>12</sup>

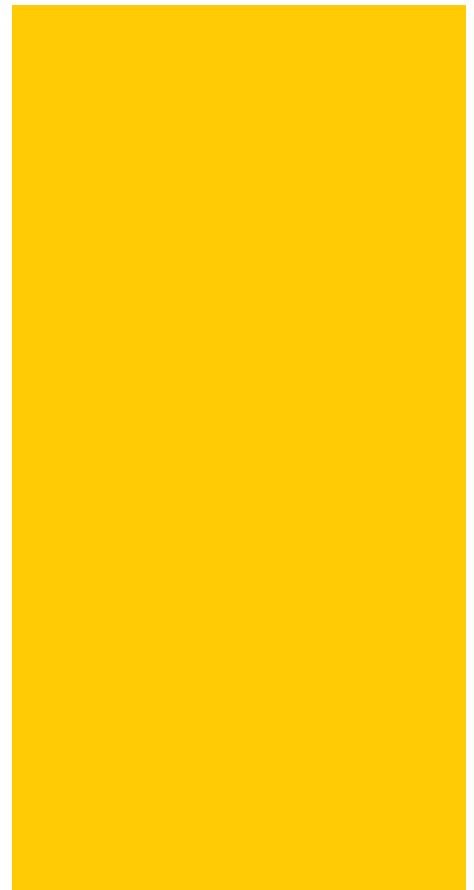
## LEAVING THE NEST

In southern European countries, young adults are more likely to remain in the family home for longer, particularly so in Italy, where, in 2003, around 60% of people aged between 18 and 34 years lived with their parents (but without a partner of their own or children). Similar patterns prevailed in many of the then NMS10. In Slovakia, for instance, 47% of young men and 38% of women lived with their parents. A shortage of affordable accommodation (and its relatively small size in poorer European regions) partly explains why young people are less willing or able to assume the independence that is more the case in the wealthier, northern European countries. For instance, at the same time, only 17% of young men lived with their parents in Denmark: a much

<sup>11</sup> Second *European Quality of Life Survey* (forthcoming)

<sup>12</sup> *ibid*





higher proportion – 33% – lived on their own, independently of their parents.<sup>13</sup>

## RELYING ON THE FAMILY: PRACTICAL AND EMOTIONAL SUPPORT

The majority of Europeans – 88% – say they can turn to their family when they need help – such as help around the house if they are ill or need advice and just over 70% felt they could turn to their families in an emergency for money.<sup>14</sup>

## FAMILY CONTACTS

Europeans have regular, frequent contact with their families and with friends. Half of all citizens in the EU27 with children living outside the household meet up with one or more of their children at least every day or every other day. In addition, contacts by phone, email or post are commonplace, with more than 75% of those citizens reporting such contact with

their children at least weekly and nearly half at least every day or every other day.<sup>15</sup>

While there are no differences overall in frequency of contact between people in the EU15 and the NMS12, there are big differences between countries, with the highest rates of contact in Hungary, Spain and Italy, and the lowest reported frequencies in Sweden.<sup>16</sup>

## SATISFACTION WITH FAMILY LIFE

Europeans also seem to be broadly satisfied with their family life. When asked to rate their satisfaction with family life on a scale of 1 to 10, on average, citizens of the EU27 gave a rating of 8. People in the Nordic countries are the most satisfied, followed by citizens in Cyprus, Luxembourg and Malta; however, substantial differences between the EU15, the NMS12 and the CC3 are not apparent. What is clear from research is

a very strong association between income and satisfaction with family life: in nearly all countries, people with a higher income are happier with their family life. People who are in couples (whether or not they have children) are the most satisfied with their family life, while single parents (particularly with young children) are less satisfied.<sup>17</sup>

## HOUSEHOLDS AND ACCOMMODATION

### Quality of housing

Housing also plays a key role in determining a family's quality of life. However, its quality varies widely across Europe. Generally, and not surprisingly, the wealthier the country, the better its quality of housing.<sup>18</sup> Austrian citizens appear to enjoy the best quality housing followed by Belgium, Denmark and Finland. In contrast, the worst housing is found in the CC3.<sup>19</sup>

<sup>13</sup> *Quality of Life in Europe*

<sup>14</sup> *Second European Quality of Life Survey* (forthcoming)

<sup>15</sup> *Second European Quality of Life Survey – First Findings*

<sup>16</sup> *ibid*

<sup>17</sup> *Second European Quality of Life Survey* (forthcoming)

<sup>18</sup> *First European Quality of Life Survey: Social dimensions of housing*

<sup>19</sup> *Second European Quality of Life Survey* (forthcoming)



Dutch citizens have the most living space. With 2.3 rooms per person, they fare far better than people in Romania, who have the least space, the average person having just over one room. Quality also varies. For instance, 33% of households in Latvia have problems with rot, 32% suffer with damp and leaks, while 19% don't have an indoor flushing toilet. By contrast, only 8% of Belgian households have problems with rot, 13% suffer from dampness or leaks and only 2% lack an indoor toilet.<sup>20</sup>

### Tenancy and ownership

Despite generally lower incomes, people in the NMS12 are much more likely to own their own homes than their counterparts in the EU15. This proportion is highest in Romania (87%), Bulgaria (86%) and Lithuania (84%). However, the conditions of these houses, as already noted, tend to be worse.

Across Europe as a whole, ownership without a mortgage is the most common form of occupancy. However, in the Netherlands and Sweden, a majority of the population pay some form of mortgage. In the Netherlands, 42% of households live in municipally provided housing. The figures are also high in the Czech Republic (38%), Latvia (28%), the UK (26%) and Austria (also 26%).<sup>21</sup>

One quarter of Europeans rent their accommodation, a majority of whom rent privately. However, only 5% of people in the NMS12 pay rent to a private landlord, compared with 19% in the EU15. The proportion of people renting privately is highest (over 15%) in Belgium, Germany, Sweden, Greece and France, while in Turkey around 20% of people rent privately. A number of countries have invested heavily in providing social housing through local authorities – Germany, Austria, Netherlands, Latvia and Poland, where more than 15% of

people live in such accommodation. By contrast, it is very rare in the CC3 (where fewer than 2% of people live in social housing).<sup>22</sup>

It is clear that examining family and domestic life only reveals part of the picture of European life. Most people spend much of their waking hours at work; it is through work that they support themselves and their families, and it is in work that much of their integration in the broader society takes place. Moreover, the numbers of Europeans in the workplace has risen dramatically in recent decades, as more women have entered the workplace, making working life an ever more pertinent concern for European citizens. The next section looks at how and where people work in Europe, and what work means to them.



<sup>20</sup> *ibid*

<sup>21</sup> *Quality of Life in Europe*

<sup>22</sup> *Second European Quality of Life Survey* (forthcoming)

# WORKING LIFE IN EUROPE

Overall, Europeans are generally satisfied with their working conditions, more than 80% saying they are satisfied, or very satisfied. Specifically, over 70% feel they have good friends at work, while some 64% feel 'at home' in the workplace. At least before the current international financial turmoil, more than 70% felt confident, or reasonably confident, about their job security. Europeans also find their work stimulating. Some 80% feel their work is useful and they enjoy the feeling of a job well done. The key to job satisfaction, it seems, is having a sense both of feeling at home in an organisation and of being well rewarded.



## CAUSES OF DISSATISFACTION WITH WORK

About a quarter of European workers feel they're underpaid, while around half feel their career prospects are not good. Workers are more likely to experience job dissatisfaction if they work long or non-standard hours, have to endure greater work intensity, lack control over their job, or if they're exposed to physical risks or mental strain. When people have more control over their job and have intellectual demands made of them (without undue pressure), they are more likely to enjoy greater job satisfaction.

A minority, most likely to be younger men, blue-collar and private sector workers, those with less education, and people on fixed-term contracts or working through temporary agencies, express a high degree of dissatisfaction with their working conditions.<sup>23</sup>

## Control over their work

So do European workers have much say in their work? In northern European countries, around half of all workers have some input into how work is organised, with regard to their time and needs. However, in southern and eastern European countries, more than three quarters of workers have no way of adapting the work schedules set for them by the company.

## Training for the job

Likewise, training could be more widespread. In 2005, fewer than 30% of Europeans had received any training in their job over the previous 12 months, despite the importance ascribed to lifelong learning. Nor did the levels of training rise between 1995 and 2005. However, workers in northern European countries fare better than their fellow citizens in southern and eastern Europe. While

<sup>23</sup> Fourth European Working Conditions Survey





more than 50% of workers in Finland and Sweden received training at work, only 20% of people in Spain did so, and even fewer in Bulgaria (10%). Better educated, better skilled white-collar European workers are much more likely to receive training. Those working part-time or on fixed-term contracts are less likely to have received training than their full-time permanent colleagues (25% as against 30%).

### Rising work intensity

Work intensity also appears to be on the rise. Increasingly, Europeans have to work faster, meet tighter deadlines and lack sufficient time to get the job done. In 1991, 36% of workers said they never had to work at a very high speed. By 2005, that had fallen to 21%. Similarly, the proportion of workers who said they never had to work to tight deadlines fell from 31% to 19%. Work intensity has risen sharply in Belgium, Italy and Denmark. In a number of countries – Slovenia, Finland, Sweden, Greece, Cyprus, Denmark and Austria – more than 50% of workers find themselves working harder. Workers in France, Ireland, Latvia, Lithuania, Poland

and Portugal are better off, with fewer than 40% in this position.

### WHERE WE WORK: COMPANY PREMISES VS TELEWORK

Most Europeans, however, still tend to work a standard week of five days, totalling around 40 hours. This standard model of employment is reflected in where they work. Almost 60% of workers in the EU work all (or nearly all) the time in their company's premises. Telework, despite being much discussed as a viable alternative to office-based work, is still in its infancy. Fewer than 3% of working Europeans telework all or nearly all the time, and only 8% telework at least a quarter of the time. As might be expected, self-employed people are much more likely to telework than others, and those working in real estate, financial services and education do so much more often. Generally, workers in the Scandinavian countries and in the Netherlands are more likely to telework. Working at home, with or without the aid of computer

technology, appears to bring benefits. Interestingly, some 48% of those working at home are very happy with their work-life balance, as against 32% of those who work at their company's premises, and 28% of those who work elsewhere.<sup>24</sup>

### WORKING TIME

Since 1991, there has been a clear trend towards a shorter working week. The average worker in the EU27 works 39 hours over five days a week. In fact, it is notable how persistent is the pattern of a 'standard' working week: a substantial majority of workers in most countries follow this routine, and more than half of Europe's workers do the same number of hours every day, with fixed starting and finishing times. Furthermore, despite predictions of a move towards a 24-hour society, the number of Europeans who work at weekends or at night appears, far from rising, to have fallen slightly since 1992.

Countries in which agriculture is still an important part of the economy, such as Turkey and Romania, have the longest

<sup>24</sup> ibid



working weeks – 55 hours a week and 45 hours respectively; in countries with a strong agricultural element, people also work the most days per week. Workers in the Netherlands, by contrast, have the shortest average hours, at around 34 hours per week.<sup>25</sup> In general, people in eastern and southern Europe work the longest hours, while those in central and northern Europe work the shortest.

Concern over the length of the working week is widespread across Europe – for good reason. Those working more than 48 hours a week are twice as likely as other workers to feel their health and safety is at risk. They are also more likely to feel their job damages their health and three times as many feel their working hours don't fit in with their family and social commitments.<sup>26</sup> Unsurprisingly, countries with longer working weeks show the greatest number of people working long hours. Men and the self-employed are more likely to work long hours: men are more than twice as likely as women to

work more than 48 hours a week, while the self-employed are more than four times as likely as an employee to work long hours.

## FLEXIBLE WORKING

Flexible working is increasingly becoming a feature of European working life. A key reason for this, according to company managers, is to facilitate workers in better combining their work and family life.

Around half of those companies with 10 or more employees have some sort of flexible working time scheme, the simplest form allowing employees to decide their own start and end times within a given working day. Others allow employees to build up time credit or debit in hours and to take time off in compensation – up to a day, in the most advanced schemes. The greatest flexibility is offered by schemes that allow employees to build up credit hours and to take extended periods of leave (a 'working time account').<sup>27</sup>

Companies in Cyprus, Portugal and Greece are least likely to offer some form of flexible working, fewer than one third of companies doing so. By contrast, about two thirds of all companies in Finland, Latvia and Sweden do so. The type of flexibility offered varies. Most forms of flexible working in Germany and Austria involve some type of working time account, while in southern Europe this is offered in fewer than half the companies that offer flexible working options.<sup>28</sup>

Flexible working is somewhat more likely to be used in the service sectors than in manufacturing, and in larger companies than smaller. Similarly, big companies are around twice as likely to offer schemes such as working time accounts, which require a certain minimum uptake to make their setup costs worthwhile. Moreover, such companies can more readily redeploy workers to cover for those not working.<sup>29</sup>



<sup>25</sup> *ibid*

<sup>26</sup> *ibid*

<sup>27</sup> *Working time and work–life balance in European companies*

<sup>28</sup> *ibid*

<sup>29</sup> *ibid*





## PART-TIME WORK

Many Europeans use part-time work as a way to better balance their work and non-work lives. Nearly a third of women workers work part time.<sup>30</sup> In particular, mothers with pre-school or school age children are the largest group of workers who work part time. With age, women are even more likely to work part-time, as they seek to accommodate the growing demands of family responsibilities. Fathers of course, make up some of the part-time workforce, but more frequently in Belgium, the Netherlands, Sweden and the UK.

Dutch companies have the highest rate of part-time workers. Some 90% of establishments there have part-time workers, as against some 20% in Greece and Portugal. Moreover, in over half of those Dutch companies, 20% or more of the workforce work part-time, representing 46% of the national workforce.<sup>31</sup> In certain establishments of some European

countries, part-time work is in fact the predominant way of working. In 5% of establishments in Denmark, Germany, Latvia and Sweden, and in 11% of workplaces in the Netherlands and the UK, 80% or more of the workforce works part-time. Nearly all of these 'high part-time' establishments are small in size (with fewer than 50 employees), are in the services sector, and have predominantly female workforces.

### Disadvantages of part-time work

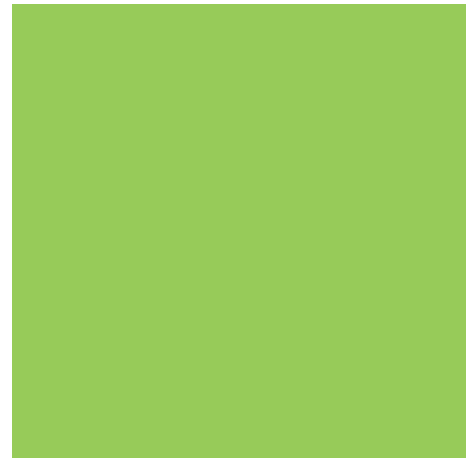
Despite its apparent advantages, however, many workers are wary of part-time work – since the working conditions for part-time jobs tend to be poorer than for full-time jobs. In some countries, many part-time jobs are more precarious, have poorer social security provision, lower wages and limited employee rights. Part-time work is associated with other forms of non-standard employment: for instance, a quarter of workers with a fixed-term contract, and nearly



<sup>30</sup> *ibid*

<sup>31</sup> *Fourth European Working Conditions Survey*





40% of those working for a temporary employment agency, work part time.

Many workers who would otherwise consider switching to part-time work at least temporarily, are reluctant to do so for fear it might jeopardise their career development.<sup>32</sup> Moreover, some 27% of managers believe the career prospects of part-timers are worse than for full-timers, especially in manufacturing and financial services. Employee representatives have an even less favourable view of career prospects for part-time workers, with 34% regarding them as worse.<sup>33</sup>

Nor is moving to part-time work necessarily easy. In around one third of European workplaces, personnel managers say moving to part-time work from full-time work is only possible in exceptional circumstances. Meanwhile, switching back to full-time work after working part-time is also difficult. In only 9% of workplaces does a system exist for a full reversibility of working time (from part-time to full-time and back). This flexibility is mainly found in Sweden, the UK, France and Austria.

## UNSOCIAL WORKING HOURS

Some 40% of workplaces in the UK require employees to regularly work Saturdays, while only about a third do so in Cyprus, France and Ireland.<sup>34</sup>

Company managers report that establishments with at least 20% of staff working unusual or changing hours face more difficulties than companies with

standard working hours. Challenges include sickness, absenteeism, motivational problems and staff turnover.

Changing work hours, such as shift work, and work on Sundays, have been identified as the most detrimental forms of work for work-life balance.<sup>35</sup> Employees working changing hours clearly benefit the longer they know in advance of changes to their work schedules, so they can organise their lives. However, while more than half of such workers get at least two weeks' notice of schedule changes, as many as 20% of workers in companies with fewer than 20 employees get fewer than four days' notice. And employees wishing to switch from changing work hours to fixed hours have a hard time doing so; it is only possible in some 25% of the workplaces that employ shift workers.

## WORK AND HEALTH

At their peak, heavy industry and agriculture took a severe toll on the health of European workers. As employment falls in these areas, their associated health risks should diminish. However, despite the general trend towards a service-based, knowledge economy, physical and psychological strains did not diminish much between 1990 and 2005, and work intensity, as we have seen, has increased.

Many of the 'old' risks still apply. One in five workers is likely to be inhaling smoke, dust or fumes, despite a slight improvement between 1990 and 2005. As many as 62% of Europeans have to perform repetitive hand or arm movements in the course of their work.

This is the most common type of physical risk encountered in the workplace. Moreover, the more that people perform repetitive movements, the more likely they are to suffer musculoskeletal disorders (backache or pains in their neck, arms, hands or shoulders) – the most widespread occupational-related illness in the EU.

Indeed, substantial numbers of European workers feel their work is having an adverse impact on their health. In this regard, Eastern European countries tend to fare the worst: some two thirds of workers in Poland, Latvia and Slovenia (as well as Greece) feel their work is damaging their health. By contrast, only about a fifth of workers in the UK and a quarter of those in Germany, the Netherlands, Ireland and France feel so affected.

As might be expected, those working in agriculture are most likely to feel that work affects their health. More than 60% of agricultural workers believe this, followed by workers in construction and manufacturing (45% and 40% respectively). However, these workers suffer fewer work-related psychological issues such as anxiety or sleeplessness. Workers in public administration and health, while they do not suffer much physical illness, are most likely to suffer psychological ill-health. Interestingly, the extent of ill health in a country doesn't appear to correspond to the amount of sick leave taken: although the health of Greek workers appears to be very adversely affected, they do not take the most sick leave in Europe. In fact, Greece ranks 30th out of 31 European countries

<sup>32</sup> Part-time work in European companies

<sup>33</sup> Fourth European Working Conditions Survey

<sup>34</sup> Working time and work-life balance in European companies

<sup>35</sup> Extended and unusual working hours in European companies



in terms of the average number of sick days taken per worker.<sup>36</sup>

One area in which the health picture is improving is in relation to exposure to other people's tobacco smoke. At least, this is the case in countries such as Ireland, the UK and Italy, where legislation restricts or prohibits workplace smoking. Just over 2% of Irish workers are exposed to tobacco smoke at work (in Italy, fewer than 6% are affected and just over 9% in the UK). By contrast in Spain, where such legislation is more limited, nearly 22% of workers endure colleagues' and clients' smoking.<sup>37</sup>

## CHANGING JOBS

A key element of working life is job mobility. This may be done by changing job, employer or progressing within an organisation. People in Denmark have the greatest job mobility: only 6% of Danes have never changed their employer, compared with 42% of Maltese citizens. Other countries in which people are likely to change jobs are Ireland, the UK and Sweden. In the NMS, people from

Estonia, Latvia, Lithuania and Hungary are likely to change jobs more readily.

The countries in which people more readily change employer tend to share common characteristics. In the EU15, at least, such countries tend to have more flexible and liberalised welfare and employment regimes. In these regimes, jobs tend to be less protected but there is often greater social security provision and active labour market policies are in place. Citizens in such an environment may feel freer and safer in leaving their employment and taking new employment.<sup>38</sup> Denmark, with its much discussed 'flexicurity' policies, is an exemplar of this.

Although a degree of job mobility is generally considered desirable, a distinction needs to be drawn between voluntary and forced mobility. More than a third of the European workforce has been forced to change their job – for health reasons, due to redundancy, or by virtue of working on temporary contracts. Certain workers are more likely to be vulnerable to forced mobility: the poorly educated and those employed in

heavy manufacturing are more prone to being made redundant. Younger workers, aged between 25 and 34, are more likely to have a contract expire. Meanwhile, workers aged between 55 and 64 are more likely to be made redundant or may need to retire on health grounds.

## WOMEN AND WORK

As was noted above, women have joined the EU labour market in increasing numbers in recent decades but differences still remain. More men than women have paying jobs – 55% of men as against 44% of women. Nonetheless, in three of the eastern European NMS, the proportions are almost equal, with 49% of women in the workforce. By contrast, in a number of Mediterranean countries, it is much lower: 27% in Turkey and 31% in Malta, for instance.

Women also still tend to work in different jobs: they are, for instance more likely to work in sales, health and education. They are also more likely than men to work at, or near, the bottom of the career ladder. And sectoral segregation

<sup>36</sup> *Fourth European Working Conditions Survey*

<sup>37</sup> *ibid*

<sup>38</sup> *Foundation Findings: Mobility in Europe – The way forward*





is still marked in Europe. For instance, in construction, 89% of the workforce is male. Similar male dominance can be found in electricity, gas and water supply and in transport and communication. By contrast, women make up 79% of the workforce in the health sector and 72% in education.<sup>39</sup> Occupations are also heavily segregated. Most senior managers are men, while women account for the majority of clerical workers. In fact, less than a quarter of the workforce works in an occupation that is gender balanced (in which at least 40% of the workforce is male and 40% female). Furthermore, women appear to be less intellectually challenged or stimulated in their work than men are, and they tend to do more repetitive and monotonous work.

Women, however, are slowly rising into the ranks of management. The number of Europeans reporting directly to a female boss stood at 25% in 2005, and this was higher still at 40% in Finland and Estonia. However, these figures are only averages:

the majority of workers reporting to a female manager are themselves likely to be women; on average, across Europe, fewer than 10% of men have a female manager. In addition, women are more likely to manage workers lower down the organisational hierarchy.

And still today, European women earn less than their male counterparts – and not just because they are more likely to work part time. Even women who work full time, who have enjoyed the same job tenure and hold the same occupation as a male counterpart, are likely to be paid less;<sup>40</sup> this contributes to the fact that around a half of all European women find themselves in the bottom third of the income scale.<sup>41</sup>

## WORK-LIFE BALANCE

Against this background, Europeans are feeling time-poor: more than 40% of people feel that they don't have enough time for their hobbies or interests, or for

voluntary work or political activities. Between a quarter and a third feel they don't spend enough time with their family or with other social contacts.

Women are generally more likely than men to feel that they have too little time for non-work activities of daily life (except for contact with family members) – particularly in the NMS12 and CC3. Working Europeans are most likely to feel time-poor in southern and eastern European countries.

While having insufficient time for social contacts and one's own activities is difficult for many Europeans, the real challenge lies in trying to reconcile the conflicting demands of caring responsibilities and employment – an issue that has become more prominent as more women have moved into the workforce. The next section will look at work-life balance, and how policymakers and employers are trying to help workers achieve it.



<sup>39</sup> *Fourth European Working Conditions Survey*

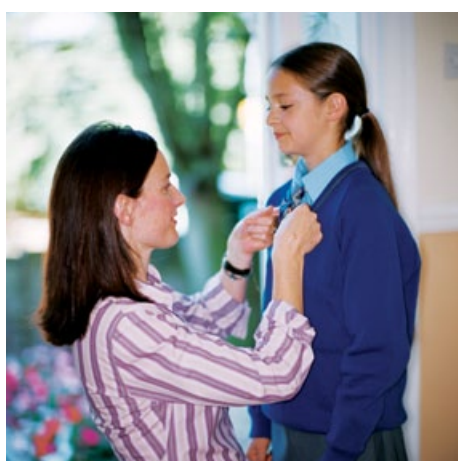
<sup>40</sup> *ibid*

<sup>41</sup> *ibid*



# JUGGLING FAMILY AND WORK

Successfully combining paid employment and domestic responsibilities in the home is a challenge for most European workers – especially working parents and those caring for dependent adults or elderly relatives. This is even more difficult for people in the NMS12 and the CC3 than in the EU15, because of the generally longer hours that people work in these countries – especially in Bulgaria, Romania and Turkey.<sup>42</sup> Women in southern countries in the EU15 also find making time difficult, more so than men. Although women in these countries generally work fewer hours than women in other EU15 countries, it is likely that the demands upon their non-working hours are greater: welfare systems in Greece, Italy, Spain and Portugal (as well as in the NMS) rely heavily on care provided within the family – largely by women. Affordable and available childcare would ease the situation of working parents everywhere. However, availability and costs differ greatly between Member States. Moreover, the flexibility of working time required of many parents is not matched by a corresponding flexibility of extended opening hours, weekend opening and holiday care.<sup>43</sup>



## DOMESTIC RESPONSIBILITIES – SHARING THE BURDEN?

So as women join the work force in growing numbers, is there a corresponding shift in their domestic responsibilities? It would seem that it is not significant as men still work more hours in paid employment than women, while women do more unpaid work in the home. In the EU27, for example, 76% of women do housework every day, as against 23% of men.<sup>44</sup>

However, it is working women who shoulder the bulk of this work. In fact, although men work longer paid hours than women, when unpaid work

is taken into account, women in all countries work more hours every week. In the Scandinavian countries and the Netherlands, working time is most balanced between men and women.<sup>45</sup> Even here, however, women still do over 60 hours per week when all work is totalled, whereas men do around 55 hours. The picture is most imbalanced in Bulgaria and Romania, where women do a total of some 78 hours a week, and men do just over 60. In all European countries, women do considerably more unpaid work than men. They do around twice as much in the Scandinavian countries and the Netherlands, and about four times as much in the countries of southern Europe. More strikingly, women part-time workers still work more hours in total in a week

<sup>42</sup> *ibid*

<sup>43</sup> *Foundation Findings: Work-life balance – Solving the dilemma*

<sup>44</sup> *ibid*

<sup>45</sup> *ibid*



than do men working full-time (56 hours as against 54 hours).<sup>46</sup>

In the Netherlands and the Scandinavian countries, women spend 16 hours per week caring for children, while men spend seven. In the southern European countries, the picture is even less balanced: women spend some 12 hours a week on childcare, while men spend only four. National priorities are also striking. In the Netherlands and the Scandinavian countries, workers spend less time on doing housework than they do on raising children. In Ireland and the UK by contrast, workers spend more time on housework.

Significantly less time is spent caring for dependent adults. However, in southern European countries, and Bulgaria, Romania and Turkey, it's around twice as common as in the Scandinavian countries and the Netherlands. The age of carers differs too. People get married younger in Bulgaria, Romania and Turkey and start families at an earlier age, so younger people are more occupied with caring for

children than their counterparts in the EU15.

## COMPANIES AND WORK – LIFE BALANCE

The vast majority of managers in European workplaces accept the employer has some responsibility for employees' work–life balance. Companies can assist their employees in achieving a better work–life balance by offering in-house services, such as cleaning or shopping services, thereby facilitating employees in having real leisure time outside work. Nevertheless, such support is available in only 1% of workplaces. Higher-than-average (3%) provision of such services is made available in the UK.

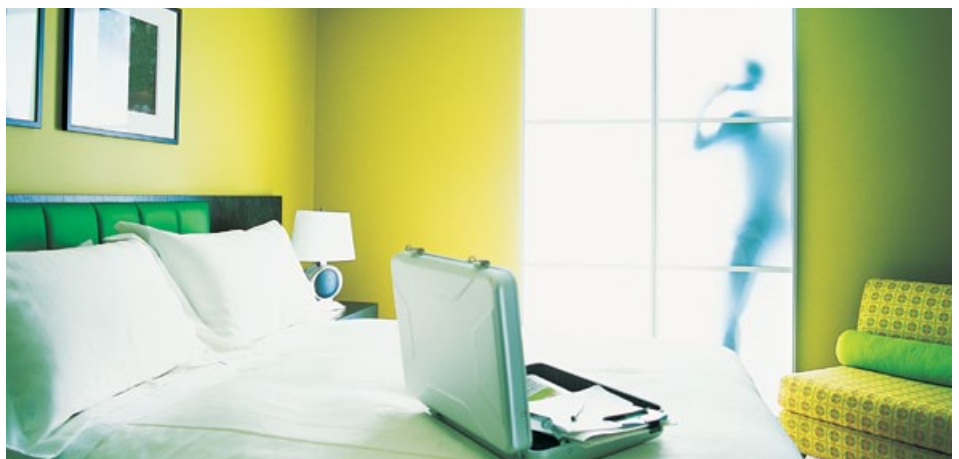
### Childcare facilities

The presence of childcare facilities at a workplace is a boon for working parents and it can make a workplace more attractive for job seekers. However, only 3% of workplaces offer a crèche. A further

2% offer, perhaps in addition to a crèche, other forms of professional childcare. Workplaces in the services sector are twice as likely to offer such a facility, and it is more common in larger workplaces. The Netherlands has the largest number of workplaces offering childcare services: 12% of workplaces have their own crèche, while a further 17% offer other forms of childcare assistance.<sup>47</sup> Some other countries have better-than-average provision of work-supplied childcare: the UK (7% of workplaces), Ireland (6%), and Latvia, Greece and Luxembourg (all at 4%). Public-sector workplaces are more likely to offer such facilities than those in the private sector.

### Companies and working time

What working time arrangements would make life easier for employees trying to balance work and family responsibilities? Some 26% of employee representatives believe the introduction or extension of working time accounts would be the most important initiative. Most representatives



<sup>46</sup> Fourth European Working Conditions Survey

<sup>47</sup> Working time and work–life balance in European companies



who cited this work in places that already have a flexibility scheme, indicating the importance both of flexibility and how it is organised in practice.<sup>48</sup> Some 19% of employee representatives would also like to see a reduction of weekly working hours.

Long working weeks seem to be particularly difficult to reconcile with family demands. Nearly half of those working fewer than 20 hours a week are very happy with their work-life balance, compared to only 12% of people who work more than 48 hours a week. Part-time workers, primarily women, and those working fewer than 35 hours a week, are the most happy with their work-life balance and have the lowest levels of physical and psychological health problems.<sup>49</sup> Men – who work full-time by and large – are less happy with the balance between work and family life.

People's satisfaction with work-life balance varies between countries. This is partly because working hours vary so much between countries. The proportion of workers unhappy with their work-life balance rises as the working week

lengthens. In Denmark, with an average 36-hour working week, some 12% are unhappy with their work-life balance. In Romania, where the average working week is 46 hours, more than twice this proportion of workers (25%) are dissatisfied.

### Parental leave

A key strategy for enabling parents to spend more time on family responsibilities is parental leave, the availability of which is determined largely by national policy. In 2005, it was provided in just over half of European workplaces, particularly larger ones, and especially in the services sector.

The manner in which parental is made available also varies – in length, flexibility, whether it is paid, and how much. If it is unpaid, many parents can't afford to take it. If it is paid, and if the sum is close to the level of the salary, mothers and fathers are more likely to avail of it. Parental leave is paid in Finland and Sweden: in these countries, parental leave is availed of by more than 80% of parents. Moreover, in 69% of workplaces in

Sweden and 59% of Finnish workplaces, fathers take parental leave. By contrast, in Spain, unpaid parental leave is availed of in only 25% of workplaces. Men are also more likely to take parental leave when their portion is not transferable to the mother. Furthermore, the take-up of parental leave is greater where there is a guarantee of being able to resume one's position. In the Irish public service, for instance, return-to-work guarantees facilitate a greater uptake of parental leave.<sup>50</sup>

<sup>48</sup> *ibid*

<sup>49</sup> *Fourth European Working Conditions Survey*

<sup>50</sup> *Foundation Findings: Work-life balance – Solving the dilemma*



# EUROPE: THE BIGGER PICTURE

It is clear that the personal and working lives of Europeans are also today being shaped by larger trends: economic change, globalisation and European integration are changing the political landscape, as well as the lives of individuals. The next section will look at this bigger picture – the nature of employment in Europe, the likely scope and impact of migration within the Union, and the changes resulting from economic restructuring.



## EUROPEAN MODEL OF EMPLOYMENT AND INDUSTRIAL RELATIONS

A key element in shaping the working and living conditions of Europeans, as well as the broader context of employment, is the European model of employment and industrial relations. Workers and employers interact, at the Member State and the EU level, in a process of social partnership. One aspect of this partnership is collective bargaining – the process by which worker and employer organisations settle the central issues of pay, working hours, and other issues. Although collective bargaining has not yet developed at EU level, an EU-level coordination of collective bargaining in the Member States is beginning to emerge.<sup>51</sup>

An important issue in relation to bargaining is its coverage – the proportion of workers whose pay is determined by collective agreements. Centralisation of bargaining means that collective agreements will cover all employers in the sector or the country, even where workers

are not members of trade unions and employers are not members of employer organisations and not parties to the collective agreement. Coverage ranges from 90%–100% in Austria and Belgium, 80%–90% in the Nordic countries, 67% in Germany, to 36% in the UK, and only 15% in the US.

Pay, of course, is not the only issue of concern to workers: such topics as working practices and health and safety also play a role. Rather than these decisions being taken unilaterally by management, a mandatory system of worker participation has developed in many of the EU Member States. Workers are involved in these decisions through representative structures such as works councils, enterprise committees, trade union bodies and similar forms. These exist in almost all of the EU15. Only in Ireland and the UK is such a general and permanent system lacking.

The EU has now taken a decisive step towards establishing the practice of information and consultation of employee representatives as part of the European social model. Directive

<sup>51</sup> For more information, see the European Industrial Relations Dictionary, available at [www.eurofound.europa.eu/areas/industrialrelations/dictionary/index.htm](http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/index.htm)



2002/14 establishes a general framework for informing employees and consulting with them in the European Community. It applies to all undertakings employing at least 50 employees or establishments employing at least 20 employees in the European Community, according to the choice made by Member States. The directive is estimated to cover fewer than 3% of all companies, however representing about half of all employees in the EU. Member States had to implement the directive into national law by 23 March 2005.

## Trade unions

Social partnership requires substantial trade union membership. In the EU15, trade union density, i.e. union membership as a proportion of the working population, is extremely variable. However, despite the general downward trend of recent years, there is a pattern: a group of four countries with a high union membership density (ranging from 69% in Belgium to 88% in Denmark). A second

larger group of countries has a medium union density hovering around the 29% to 40% level, and including the three big economies of Italy (35%), Germany (30%) and the UK (29%). In between, these are two small countries: Luxembourg with 50% and Ireland with 45%. Finally, two big countries have low levels of union density: Spain with 15% and France, with only 9%.

The combination of size and density means that, although the unweighted average union density of the 15 countries is 43%, the largest countries have considerably lower density so that the weighted EU average is only 30%. The median figure was Italy at 35%. In contrast, trade union density in the US in 2002 was 13%, lower than any EU country except France.

## European level social partners

The European Trade Union Confederation (ETUC) is the only representative cross-sectoral trade union organisation at European level. In practice, ETUC seeks

to influence EU legislation and policies by making direct representations to the various institutions, and engaging in extensive consultation with European authorities. ETUC also seeks to establish industrial relations with employers at EU level through European social dialogue.

BUSINESSEUROPE is the European confederation of employers. It aims to foster solidarity between its member organisations, to encourage a Europe-wide competitive industrial policy, and to act as a spokesperson body to the European institutions.

Apart from the public sector employer organisation CEEP, BUSINESSEUROPE is the leading employer organisation participating in European social dialogue. However, since 1998 it also consults the European Union of Crafts and Small and Medium Enterprises (UEAPME), which represents the interests of crafts, trade and small and medium-sized enterprises, prior to taking public positions.



## MOBILITY AND MIGRATION

One of the key rights of European citizens is the right to freedom of movement throughout the EU. Europeans view it as being of fundamental importance, with 53% listing 'freedom to travel and work in the EU' first, when asked what the EU represents to them.<sup>52</sup> However, geographical mobility among EU citizens is low, and this is unlikely to change in the foreseeable future. Long-distance mobility is uncommon in the EU: survey results from 2005 indicate that only 18% of citizens have ever moved outside their region to live or work; only 4% have moved to another Member State, while only 3% have moved outside the EU. Moving across borders represents a challenge, posing the risk of losing the support of social networks. Moreover, finding a new job is a hurdle, as is dealing with the administrative systems of a new country.<sup>53</sup>

Most Europeans who leave their home and move to another region in their country or to another Member State, do so to avail of a new job or a job transfer

(34%). Another key reason for moving is for marital or domestic partnership reasons. Men are nearly twice as likely as women to move for job-related reasons, whereas women are more likely to move in order to follow their partner.

People with a high level of education are much more likely to have moved region or country in the past than those with a low-to-average level of attainment. Younger citizens, those aged between 15 and 24 years, have generally not had sufficient time to move elsewhere. However, the next youngest group, those aged between 25 and 34 years have moved as much as older generations but in a shorter time span. This suggests that a general, EU-wide increase in mobility may be taking place. The most mobile Europeans to date are from the Nordic countries, where up to 45% of the population has lived in another region or country or outside the Union. By contrast in most of the NMS, mobility – at least in 2005 – had been at low levels.



<sup>52</sup> *Foundation Findings: Mobility in Europe – The way forward*

<sup>53</sup> *ibid*





Most Europeans who have moved region or country deem it a positive experience. Only 11% felt that nothing had improved as a result of the move. The single biggest difference was in housing conditions: 36% felt their housing situation had improved, while 6% felt it had got worse. Some 25% felt their job situation or that of their partner, had improved, while 3% felt it was worse. Some 22% found their household income had improved, compared with 7% for whom it had worsened.<sup>54</sup>

## Looking to the future

How do Europeans feel about future migration? Will we be more mobile? Despite their being highly approving of mobility in its benefits for individuals, labour markets, and EU integration, in 2005 almost 70% of Europeans had no intention of moving region or country in the coming five years, and only around 1% of the working-age population intends to move to another member state in the next five years. (Some 3% did intend to move to another region of their own country.)

When looked at in detail, the EU can be broken down into four groups of countries, each with a distinct 'mobility profile'. In the 'high mobility' group of Estonia, Latvia, Lithuania, and Poland, as many as 4% of people were thinking of moving to a different region or country. Those contemplating such a move were young and well-educated – three quarters under 35, one third highly educated and one third still studying. By contrast, their neighbours in the Czech Republic, Hungary, Slovakia and Slovenia were the least likely to move, with fewer than 2% expressing an intention to move. It is unlikely that future migration from these four countries would pose a challenge to labour markets in the EU15 – an important point to note, given concerns about the extent of migration from eastern to western Europe. In fact, citizens in the EU15 are more likely to move than those from this second group – in some cases twice as likely.

The movement of people from other countries, notably Poland, poses a challenge – in particular for Poland itself. Although the proportion of those who expressed an intention to move countries

is low, the absolute numbers may be substantial.<sup>55</sup> Between 2.4% and 3.6% of the working-age population of Poland expressed a firm intention to move over the coming five years. With a working-age population of some 25 million, this could translate into a potential outflow of around 600,000 and 900,000 people by 2010. The presence of their compatriots in other Member States can also exert a powerful tug on potential migrants. Of course, the future direction of economic development and job creation in Poland will play a huge role in determining the extent of such migration; indeed, with better job opportunities at home, and with economic deteriorations deteriorating globally, it would appear that many Polish citizens have decided to return home.

## PATTERNS OF EMPLOYMENT IN EUROPE

### Age and work

The age profile of European countries varies considerably. In the Scandinavian countries and the Netherlands, 15% of workers are aged 55 years or older; over

<sup>54</sup> *ibid*

<sup>55</sup> *ibid*



the next 10 years a substantial proportion of these workers will be retiring. These countries have an even larger proportion, just under 40%, aged between 40 and 54 years – a potential ‘demographic time bomb’. Given that these countries have low birth rates and small family sizes, how will retirement and care for the elderly be managed in the future? In contrast, in Romania and Bulgaria, the largest grouping in the workforces is aged between 25 and 39 years: in these countries, the problem is further off in the future.

### Where Europeans work

In the EU27, more than 66% of the workforce is employed in services. Only around 27% work in manufacturing, and a mere 5% in agriculture. In Europe as a whole, employment continues to decline in agriculture and manufacturing, and to rise in services. However, manufacturing remains a very important employer in such new Member States as Slovenia, where it accounts for 35% of the workforce, and candidate countries such as Croatia, with more than 30% in the manufacturing sector. In some countries agriculture is still a significant employer: for instance, more than 30% of the Romanian workforce is working on the land.<sup>56</sup>

### Employment and self-employment

Most people in Europe work in small companies. Some 66% work in companies with fewer than 50 employees, and nearly seven out of ten work in the private sector.<sup>57</sup> A small but significant number

of Europeans are self-employed (11%); around two thirds of these self-employed workers are men, and more than 60% work in agriculture and fishing. Some 5% of Europeans are workers who themselves employ others. Again, the majority – around two thirds – of these employers are men.<sup>58</sup>

### Employment status

While permanent or indefinite term contracts are by far the norm, fixed-term contracts are quite common in many countries. Overall, 12% of European workers are on fixed-term contracts but the figure is much higher than this in some countries. For instance, in Spain, 21% of workers are on fixed-term contracts. Indeed, not every European worker has an employment contract: across Europe, 7% of workers have no contract; however, in Cyprus, as many as 42% are in this position. Generally, unskilled workers are vulnerable, with 14% having no contract. And in sectoral terms, workers in agriculture are the most vulnerable, with 24% of workers having no contract.<sup>59</sup>

### Educational attainment of EU workers

The typical European worker completed full-time education at the age of 18.<sup>60</sup> Workers in the Scandinavian countries and the Netherlands are better educated, overall, than other Europeans. In Denmark, at least 84% of workers stayed in education beyond the age of 19. Turkey has the least educated workforce, where fewer than 14% of its workers stayed in education beyond 19 years of

age. The Scandinavian countries and the Netherlands also have much higher proportions of highly-educated workers, those who stayed in full-time education to the age of 30 or beyond. For instance, more than 11% are in this category in Denmark, compared with the EU average of just 1.3%.

## JOB CREATION AND DECLINE

The picture of employment in Europe is a dynamic one, with substantial job loss and job creation taking place as a result of restructuring. Overall, in the second quarter of 2008, most new jobs were announced in Poland, with almost 38,000 new jobs being announced.<sup>61</sup> Most of these were in motor manufacturing, mining and financial services. This was far ahead of the next country on the list of ‘winners’ – the Czech Republic – which gained fewer than 6,000 new jobs.

### More and better jobs

Against this background of job loss and creation, the overall employment rate in Europe has risen markedly since 1995, reaching 66% of working age adults in 2006. The quality of jobs, as measured by the average hourly wage paid, has also risen. Most European countries have been creating many jobs of good quality (in terms of wage) over the last 11 years, especially in the EU15. However, many of these countries have also been creating many low-quality jobs as well.

Broadly, Europe – at least the EU15 – generated more and better jobs between

<sup>56</sup> Fourth European Working Conditions Survey

<sup>57</sup> *ibid*

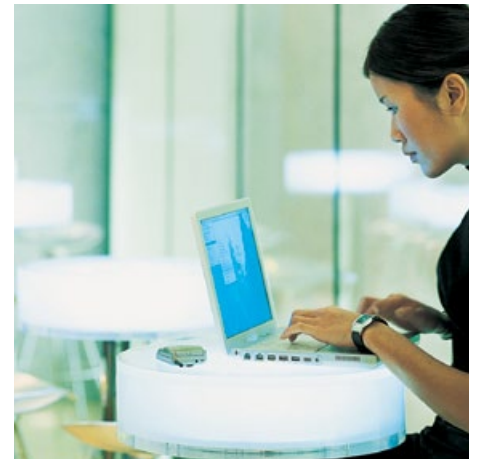
<sup>58</sup> *ibid*

<sup>59</sup> *ibid*

<sup>60</sup> *ibid*

<sup>61</sup> European restructuring monitor quarterly: Issue 2 – summer 2008





1995 and 2006; the NMS10 fared less well.<sup>62</sup> Denmark, Finland, Ireland, Luxembourg and Sweden were the best performers in terms of the quality and quantity of new jobs. Other countries showed a more polarised pattern of job creation, with jobs being created at the top and bottom of the earnings spectrum, but fewer in the middle.<sup>63</sup>

### The primary sector and manufacturing

Many jobs were destroyed between 1995 and 2006, especially in the primary sector – agriculture, fishing, mining and quarrying. In the EU15, most of these lost jobs were the lowest paid. As outlined earlier, employment in the EU15 is increasingly dominated by services; as a result, the manufacturing sector (which accounts for some 20% of the workforce in most EU15 countries) is experiencing even faster job loss than the primary sector. There has been a very substantial loss of low-paid, ‘low tech’ manufacturing jobs in the EU15, with some 1.4 million jobs in the bottom 80% of the income

spectrum being lost. However, even high-tech manufacturing jobs have been lost in the EU15, albeit at a slower pace, with some 750,000 jobs being lost in the bottom 80% of the income spectrum. This job loss was only partly compensated for by the creation of 400,000 jobs at the very top of the income structure.

The underlying dynamics of economies in the NMS are quite different; hence, changes in employment are also quite different. In many of these Member States, inefficient state manufacturing companies have been restructured, with consequent job losses, and new, often foreign-owned, high-tech manufacturing companies setting up. Hence, while there has been substantial destruction of lower-paid low-tech manufacturing jobs in the NMS, there has also been notable creation of middle-earning jobs in high-tech manufacturing.

### Services

Most of the labour force, especially in the most advanced European economies,

work in the services sector. Employment in services is still growing. In the EU15, services formed 66% of employment in 1995 and had grown to 70% by 2006.

Furthermore, a shift seems to have taken place towards knowledge-intensive services (KIS), such as business, health and education. Growth in jobs in KIS has been the main source of employment growth in the advanced European economies over the last 11 years.<sup>64</sup> It has both generated more jobs than any other economic activity, and generates highly paid jobs. At the same time, substantial numbers of jobs in lower-paid services were also created.

### Women’s employment

The majority of the new jobs created since 1995 were taken by women; in the EU15 as a whole, across the earnings structure, the increase in women’s employment being substantially greater than that for men. Most of the growth in female employment growth happened near the top of the earnings structure



<sup>62</sup> *More and better jobs: Patterns of employment expansion in Europe*

<sup>63</sup> *ibid*

<sup>64</sup> *ibid*





(the greatest job expansion taking place in relatively well-paid jobs in education and health, where women predominate; however, substantial growth of low-paid women's jobs also took place). New male employment was somewhat more concentrated at, or near, the top of the earnings structure, with fewer low-paid new jobs taken by men: in the EU15, there were almost four million more women in lower paid jobs in 2006 than in 1995, compared with one million more men.<sup>65</sup>

Only in Sweden were more jobs created for men than for women; here, however, the starting point was quite different, workplaces (though not sectors) already being quite gender-balanced in 1995. And in some countries – Austria and Germany – there was a net loss of men's jobs over the period.<sup>66</sup>

The situation in the NMS was different before the transition to market economies. The workplace was more gender balanced than it was in the EU15. However, that changed over the 1990s, with women's employment rates dropping towards EU15 levels. That decline had stopped by the start of the 21st century, with women's employment rates converging in the EU15 and the NMS.<sup>67</sup>

### Atypical jobs

A disproportionate number of the low-paid jobs created in Europe since 1995 were 'atypical' – they were either part-time or fixed-term contracts. In some countries, especially Austria, Belgium and Germany, net destruction of low-paid employment of the standard type took place, with a net creation of only atypical low-paid jobs. By contrast, most of the jobs created

at the top of the earnings structure were full-time and permanent.<sup>68</sup> So, while the overall picture of the quantity and quality of jobs is positive, it seems less so for lower skilled workers and those displaced from declining industries. Stagnating employment growth at the bottom of the earnings spectrum means fewer (albeit low-paying) jobs for these workers, and the relative lack of new jobs in the middle of the spectrum makes it harder for these workers to move upwards. Meanwhile, employment at the bottom of the spectrum is becoming more precarious.<sup>69</sup>

### Offshoring

The movement of jobs from Europe to low-cost locations has sparked considerable concern among European citizens and policymakers. However, there is no evidence to suggest that the offshoring of manufacturing and services has damaged employment levels. In fact, structural unemployment levels have fallen in Europe over the last 10 years, even as substantial portions of activity have gone elsewhere. Offshoring accounted for only 7% of job losses in 2007. In fact, since 2002, the proportion of job losses related to restructuring, and attributable to offshoring, has never risen above 7.5%. Manufacturing jobs are the most likely to be lost through offshoring, with almost three quarters of offshore job losses occurring in this sector between 2002 and 2007. This is the case even though manufacturing accounts for a much smaller percentage of restructuring-related job losses (42%) and a small proportion of overall employment – only 18% in the EU15. Contrary to expectations, high-technology manufacturing, rather than low-tech, was most affected. For instance, nearly

half the jobs offshored in 2007 were in high-technology manufacturing areas such as chemicals, computers and communications equipment. This may have been because many lower-tech manufacturing jobs had already been offshored or that even in high-tech sectors there are some very low-tech jobs.

About a quarter of all jobs offshored were in the services sector, a proportion much less than the overall restructuring job losses they represent. Very few were in the lower-level services, requiring direct contact with customers, such as in hairdressing. Much more likely to be affected were knowledge-intensive service sector jobs.

## AFTERWORD

The European Union, together with its citizens, is undergoing profound change. Demographic change, greater global competition, technological developments and the enlargement of the EU itself are all shaping the lives – both private and professional – of ordinary men and women across the Member States. This overview uses Eurofound's research findings to capture a snapshot of what it means to live and work in Europe at the start of the 21st century. The reports listed in this overview, all available through the Eurofound website, will give the reader a deeper insight into the issues raised here.

<sup>65</sup> These findings stem from research conducted before the 2007 enlargement of the Union.

<sup>66</sup> *More and better jobs: Patterns of employment expansion in Europe*

<sup>67</sup> *ibid*

<sup>68</sup> *ibid*

<sup>69</sup> *ibid*



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