



Eurofound

Industrial relations and working conditions developments in Europe 2012



Contents

Introduction.....	1
1 – Economic and political developments	2
2 – Industrial relations developments	28
3 – Employment conditions	51
4 – Wages.....	74
5 – Health and safety.....	84
6 – Skills and competencies.....	96
7 – Working time	108
Annex 1: Country groups and codes used in the report	118
Annex 2: Data sources for the averages of collectively agreed pay increases.....	118

Industrial relations and working conditions developments in Europe 2012

This annual review describes the main developments in industrial relations and working conditions in 2012 in the former 27 EU Member States and in Croatia and Norway, at both national and EU level. The report first sketches the current economic situation in these 29 countries, pointing to relevant political and legislative developments in individual countries. It discusses trends in industrial relations, including changes in the role and organisation of the social partners and the impact of government measures and legislation. The report highlights policies and initiatives, legislative developments and collective bargaining landmarks in five areas – employment conditions, wages, health and safety, skills and competencies, and working time – from the dual perspective of working conditions and industrial relations developments.

Introduction

This report describes the developments in industrial relations and working conditions in 2012 in the 27 EU Member States, in Croatia (not yet a Member State in 2012, but included in the comparative analysis) and Norway. It also considers policies, initiatives and legislative developments in EU-level industrial relations and working conditions taking into account the economic situation and responses to it. In the past, Eurofound has analysed trends in working conditions and industrial relations in two separate reports. But due to the important interdependences between the two areas, developments in working conditions and industrial relations are now combined into a single annual report.

Eurofound's European Industrial Relations Observatory (EIRO) and European Working Conditions Observatory (EWCO) remain reliable and up-to-date sources of news and comparative information on industrial relations and working conditions developments and trends for the key actors in the field of European social dialogue. The information published by these two observatories is supplied by a network of correspondents in each Member State and Norway, and at EU level.

However, the information provided by the correspondents relies on national sources and specific methodologies, and its nature can be very diverse in comparison with information from other sources. Thus, it is not always possible to conduct a proper comparative exercise. The comparative exercise on which most of this report is based therefore refers to general trends at national level to depict developments in working conditions and industrial relations in 2012. Where possible, data from a harmonised source are used to display trends common to all EU27 Member States, Croatia and Norway.

Structure of the report

The first chapter draws on data from official sources to present the current economic situation in EU Member States and on contributions from the network of Eurofound correspondents to examine relevant political developments and responses to the economic situation by governments and social partners.

The second chapter illustrates developments in industrial relations with particular reference to:

- changes in the organisation and role of social partners;
- the impact of government measures and legislation on the industrial relations system;
- industrial action developments in the countries covered by EIRO and in Croatia.

The following five chapters are thematic and cover employment conditions from a life course perspective, wages, health and safety, skills and competencies, and working time aspects from the double perspective of working conditions and industrial relations developments in 2012.

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1 – Economic and political developments

Economic developments

The economic growth that characterised many countries in 2011, bringing them officially out of recession or to a (slightly) positive outlook, came to a halt in 2012. On average, the EU28 (EU27 and Croatia) economy had a negative performance in 2012 due to the negative growth in gross domestic product (GDP) in 13 out of the 28 countries. Compared with 2011, the real GDP growth rate was -0.3% in the EU28 on average; it was even lower for the 17 euro zone countries (-0.6%). In the rest of the countries, with the remarkable exceptions of Latvia and Norway where performance was better than in 2011, there was a decrease – in several cases quite significant – in the growth rate (Figure 1).

Figure 1: Real GDP growth rate in the EU27, Croatia and Norway, 2011–2012 (%)

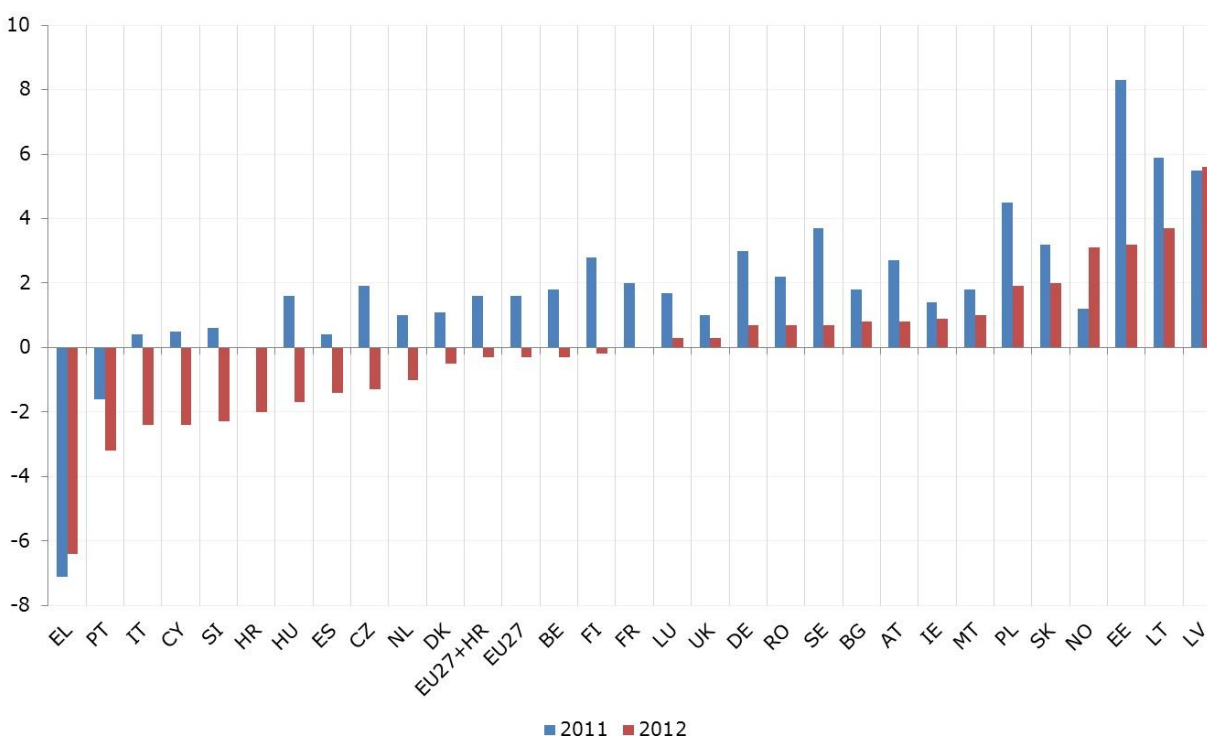


Figure 1: Real GDP growth rate in the EU27, Croatia and Norway, 2011–2012 (%)

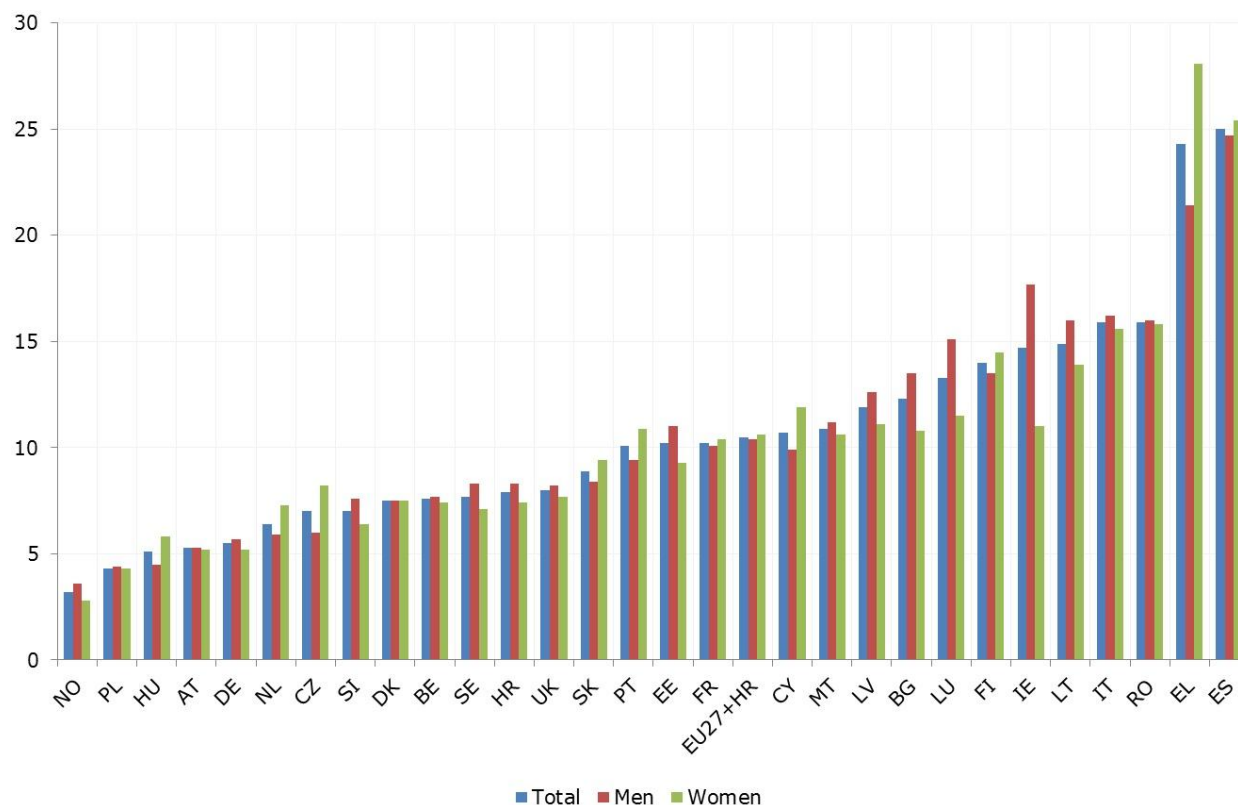
Note: See Annex 1 for a list of country codes.

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

The negative performance influenced the unemployment rate in some countries, which increased between 2011 and 2012 by more than two percentage points in Cyprus, Italy, Romania and Spain, by four percentage points in Latvia and by more than six percentage points in Greece. Greece had the second highest unemployment rate in Europe (24.3%) in 2012 after Spain (25.0%) (Figure 2).

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Figure 2: Unemployment rates in the EU27, Croatia and Norway, by gender, 2012 (%)**Figure 2: Unemployment rates in the EU27, Croatia and Norway, by gender, 2012 (%)**

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

As a consequence, the EU28 unemployment rate average increased slightly and was over 10% in 2012, with no significant gender imbalance. In contrast, unemployment decreased significantly in a small number of countries (Estonia, Lithuania and Luxembourg), to a lesser extent in others (Germany and Slovenia) or just marginally (Croatia, Denmark, Netherlands, Norway and Sweden) (Figure 3).

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Figure 3: Growth in unemployment rate in the EU27, Croatia and Norway, by gender, 2011–2012 (percentage points)

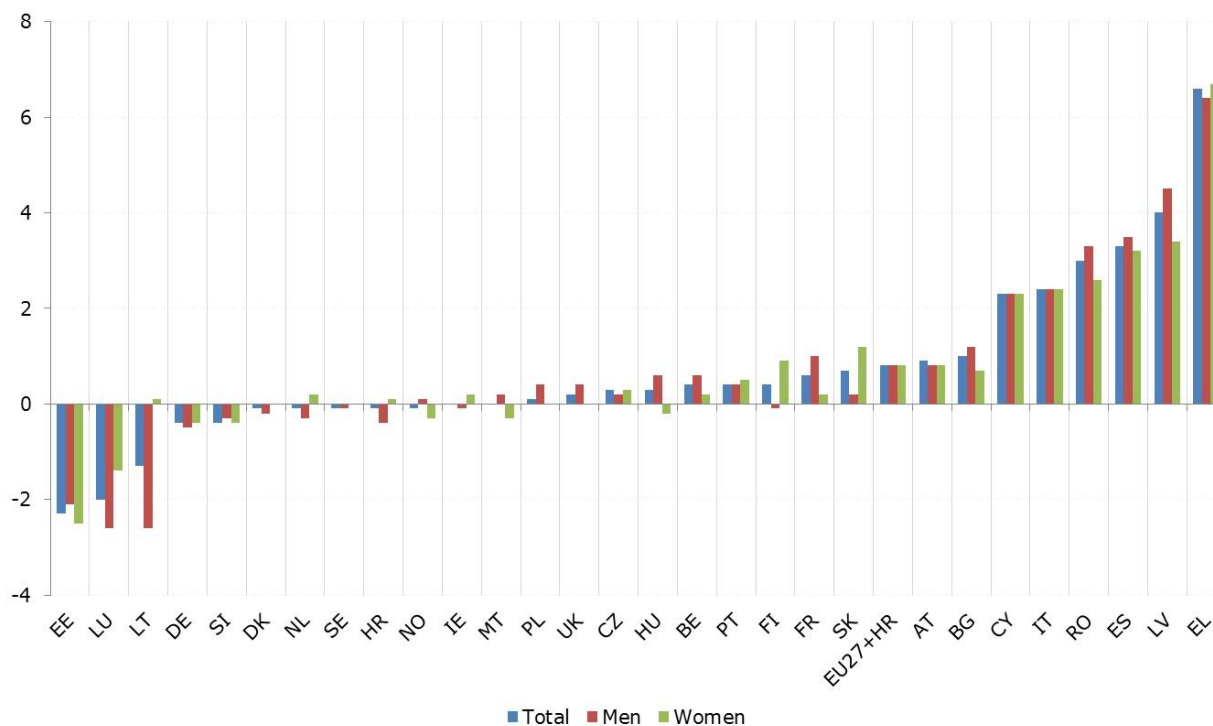


Figure 3: Growth in unemployment rate in the EU27, Croatia and Norway, by gender, 2011–2012 (percentage points)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

Youth unemployment continued to grow in most Member States, making the largest contribution to the average unemployment rates. In the EU28, the average youth unemployment rate reached 23% in 2012, with 14 countries having a rate below this figure (Austria, Germany, Norway and Poland had a youth unemployment rate under 10%) and the rest of the countries above it. In particular, the unemployment rate for people aged up to 25 years was greater than 30% in Cyprus, Finland, Greece, Ireland, Italy, Romania and Spain. Greece and Spain had the highest youth unemployment rates (55.3% and 53.2%, respectively); the unemployment rate for young Greek women was 63.2% in 2012 (Figure 4).

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Figure 4: Youth unemployment rate in the EU27, Croatia and Norway, by gender, 2012 (%)

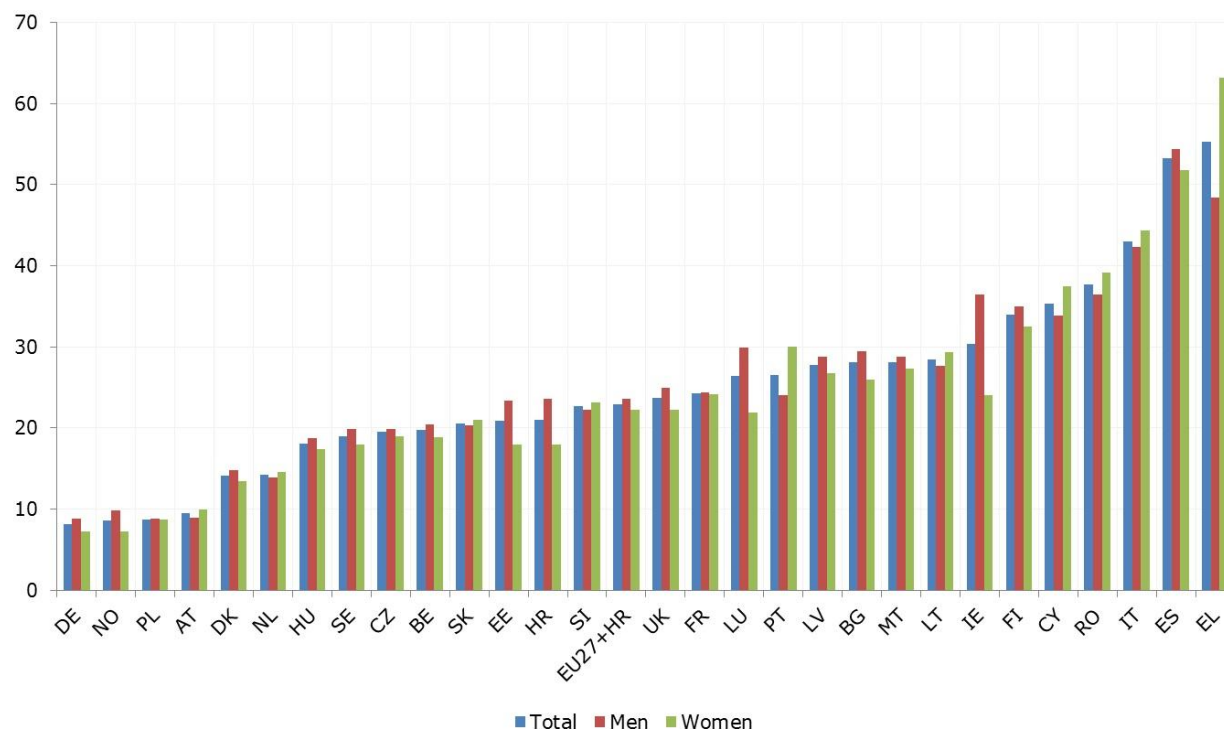


Figure 4: Youth unemployment rate in the EU27, Croatia and Norway, by gender, 2012 (%)

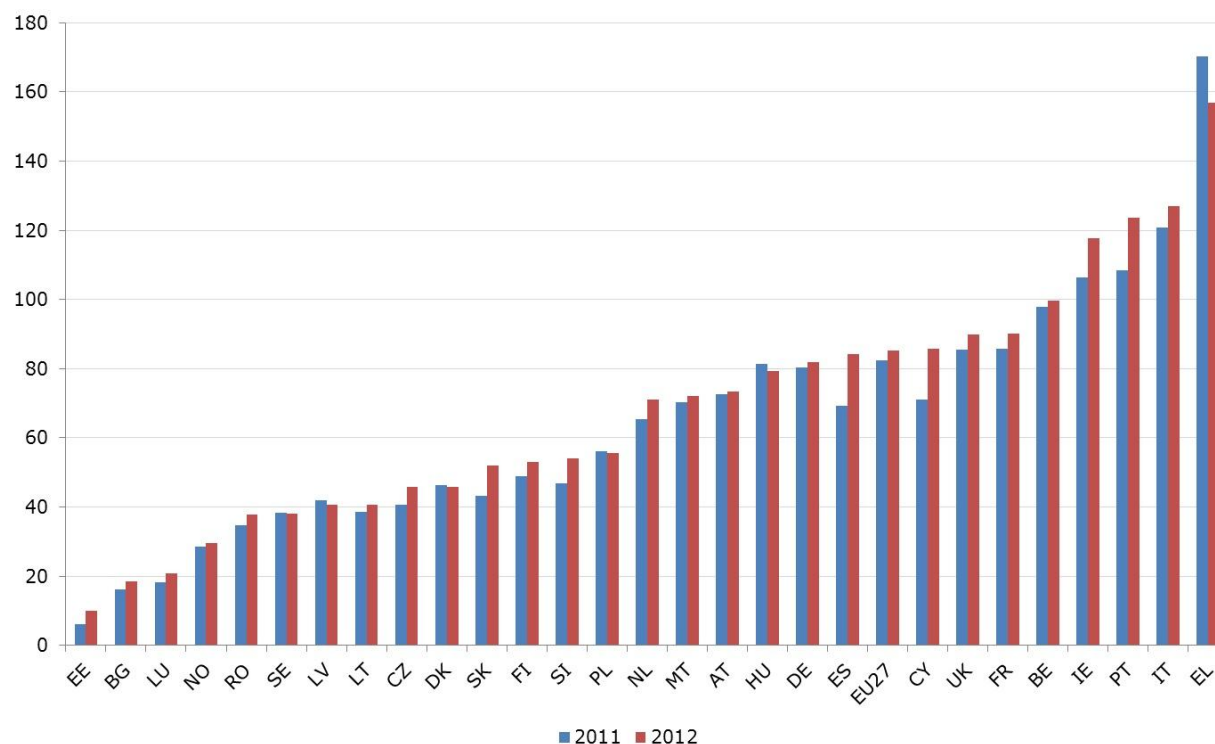
Note: Data refer to young people aged 25 years or less.

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

Public debt levels as a percentage of GDP continued to grow compared with 2011 in almost all EU27 countries, with the exception of Denmark, Greece, Hungary, Latvia, Poland and Sweden where it fell. This resulted in an increase in the EU27 average from 82.5% of GDP in 2011 to 85.3% in 2012. Greece appears to be the most indebted country, but available data display a decrease in the debt level as a percentage of GDP between 2011 and 2012. Belgium, Ireland, Italy and Portugal had – alongside Greece – public debt levels at the end of 2012 greater than 99% of GDP (Figure 5).

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Figure 5: Government debt levels as a percentage of GDP in the EU27 and Norway, 2011–2012**Figure 5: Government debt levels as a percentage of GDP in the EU27 and Norway, 2011–2012**

Note: Data for Croatia were not available.

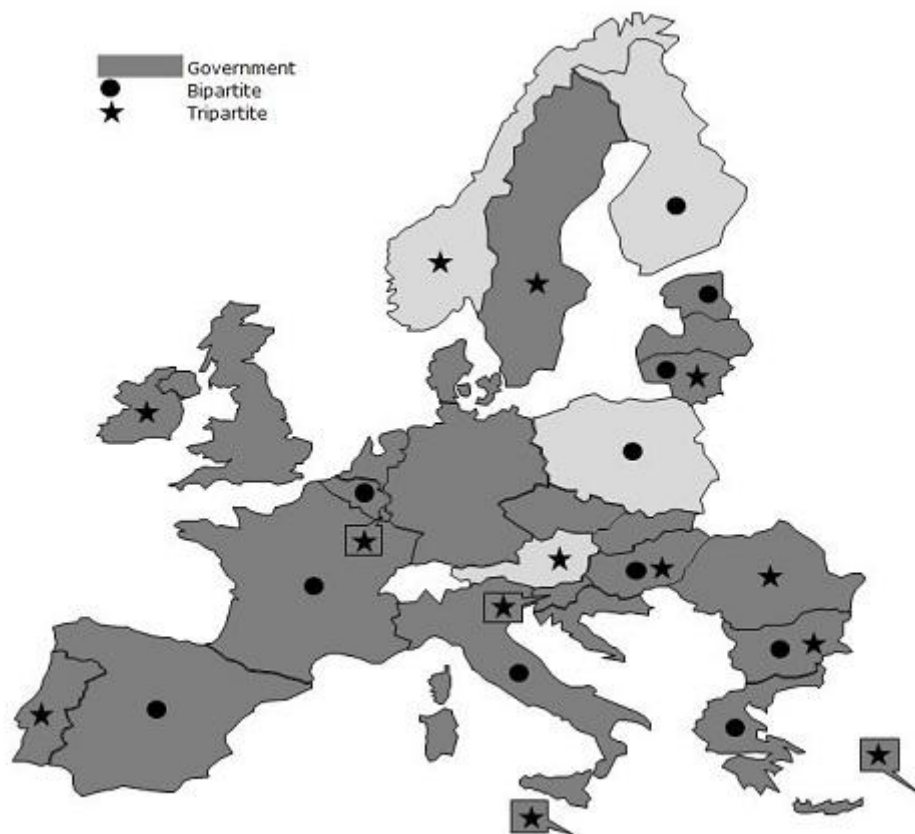
Source: Eurostat data warehouse, 2013 (data extracted 30 July 2013)

Responses to the economic situation

As a consequence of the economic dynamics at national level, almost all the national governments adopted specific measures or implemented reforms so as to deal with the economic situation; the exceptions were Austria, Finland, Norway and Poland (shaded in light grey in Figure 6). The social partners also had an active role in 2012 in promoting initiatives aimed at combating the negative economic trends, as shown by the number of bipartite or tripartite initiatives adopted in 21 out of the 29 surveyed countries (Figure 6). Examples of such initiatives, together with those promoted at EU level, are given below.

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Figure 6: Responses to the economic situation in the EU27, Croatia and Norway**Figure 6: Responses to the economic situation in the EU27, Croatia and Norway**

Source: Eurofound observatories

Government responses

EU institutions are trying to stimulate economic growth in the EU to move the economy out of recession, while at the same time trying to promote good quality employment for EU citizens. Much of the policy response from the EU in this area is outside the scope of employment and social policy; its implications for employment are contained in policy initiatives such as the [Employment Package](#) launched by the European Commission in April 2012.

At national level (Table 1), the measure adopted can be grouped in the following general categories:

- reforms of social welfare aimed at reducing or restricting access to benefits (for example, Belgium, Denmark, Estonia, Italy, Luxembourg and Portugal);
- reforms of labour market or labour law to achieve greater flexibility (for example, Cyprus, Croatia, the Czech Republic, Greece, Italy, Slovenia and Spain);
- measures aimed at modifying the industrial relations and social dialogue system (Bulgaria, the Czech Republic, Hungary, Ireland, Lithuania, Portugal and Spain);
- austerity measures (for example, Bulgaria, Cyprus, Latvia and the UK);

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- measures aimed at promoting growth in the economy and supporting job creation (for example, France, Hungary, Slovakia and Sweden).

Table 1: Government responses to the economic situation, 2012

Country	Commentary
BE	The government adopted wage moderation measures to reduce Belgium's wage drift compared with its principal competitors (Germany, France and the Netherlands). In addition, measures aimed at reforming the unemployment benefit system to reduce the number of unemployment benefits and the number of unemployed people entitled to receive a benefit. From the trade unions' point of view, however, this means increasing poverty and the payment of benefits transfers from the federal to the local level (BE1206011I).
BG	The focus on fiscal consolidation and austerity measures for 'freezing incomes' continued through 2012, making tripartite social dialogue difficult on a number of issues and provoking tensions. Due to the violation of the agreement on pension reform in late 2011 by the government and the practice of imposing unilateral decisions without consulting the social partners (for example, pay reform in the public administration), there was a decline in trust and cooperation between the social partners and government, and a narrowing of the scope of negotiations and even breakdown of social dialogue in the first quarter of 2012.
CY	The government has passed dozens of new laws relating to the whole range of issues covered by the Memorandum programme in the areas of regulation and supervision of the financial sector, fiscal policy, tax reform and structural measures including the pension system, labour market including pay indexation and minimum wages, and markets for goods and services. Most of the new laws refer to legislative amendments for the continuation of measures adopted in 2011 as a way of achieving the budgetary target in 2011 and the correction of the excessive deficit by 2012 in compliance with the Country Specific Recommendations (CSRs) (CY1303029Q , CY1301019Q). Pay cuts, pay and pension freezes in the civil service and broader public sector have been adopted (Law 168(I)/2012, Law 185(I)/2012).
CZ	The labour law underwent many changes through which the government aimed to increase flexibility of industrial relations and enhance motivation of employers to create new jobs. For example, the 'conceptual amendment' to the Labour Code, in force since the start of 2012, regulates the effect of a collective agreement at cessation of a party to it. It has introduced a new reason for dismissal (breach of the medical treatment regime by the insured person temporarily incapable of work) and addressed the issue of setting the time of the collective holiday leave, which now requires approval by the employee council. The unfavourable economic situation speeded up amendments to many other legal regulations, especially to the Employment Act No. 435/2004. This includes a stricter definition of illegal work, cancels employers' obligation to inform the public employment office about job vacancies, and reduces the critical time for evaluation of unemployment benefit eligibility.
DE	During the summer, the federal government and the federal states agreed on basic conditions for implementing the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union. It was confirmed that the German structural deficit is

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Country	Commentary
	not to exceed 0.5% of GDP and that the federal states are to keep their budgetary autonomy. Another topic high on the federal government's agenda was the shortage of skilled labour due to lower birth rates and an ageing workforce. A proposed solution was attracting more skilled workers and experts from abroad. Barriers to immigration to the labour market were lowered accordingly, with new regulations on the EU Blue Card coming into force on 1 August (DE1205039I). In October, the federal government hosted its first Demographic Summit to consider these and other options for combating the effects of demographic change (DE1211019I).
DK	The government introduced a social assistance reform for uninsured unemployed people as part of its 2020 plan. The aim is to bring 23,000 uninsured unemployed people into work. According to the 2020 plan, the reform of social assistance, activation, integration and sick leave will reduce the government budget by DKK 3 billion (€402 million). During 2012, the government and the employers committed themselves to find and offer a number of 'acute jobs', that is, ordinary jobs reserved for those unemployed people who would fall out of the benefit system at the end of the year according to the implementation of the new two-year period for receiving social assistance. Employers who offer an acute job will receive a reward from the state provided somebody takes the job. Another initiative adopted by the government was to set up a productivity commission with a mandate to review and suggest ideas to increase Danish productivity, which has been almost stagnating over the past decade.
EE	In March, the government approved an amendment of the Collective Agreement Act that makes it easier for employers to terminate collective agreements (EE1207019I). In May, the parliament approved a draft act that abolished the plan to extend eligibility for unemployment insurance benefit to people who left their employment relationship voluntarily or by agreement with their employer (EE1206019I). Finally, in November, the parliament approved the government's proposal to reduce the planned increase in the unemployment allowance flat rate from the originally planned €145 to €101 from 2013 (EE0901019I).
EL	<p>In the context of dealing with the economic crisis and the country's accession to the budgetary stability mechanism, a large number of laws have been adopted since 2010. These have radically reformed the system of individual and collective labour relations, both for private sector employees and for civil servants, but also for the employees of public utilities (DEKO), which maintain a separate status to salaried employees in the private sector and public sector employees. After the reforms of individual labour relations in past years, several regulations were adopted in 2012 on the system of collective bargaining.</p> <p>A focal point was Law 4046 of 14 February 2012, which introduced the provisions of Memorandum No. 2 into the Greek law. This was followed by Cabinet Act No. 6 of 28 February 2012, under which the modifications made under Law 4046 in relation to employment relations were specified in detail. Law 4093/2012 'Approval of the Medium-Term Financial Strategy Framework for the period 2013–2016 – Urgent measures pertaining to the implementation of Law 4046/2012 and of the Medium-Term Financial Strategy Framework for the period 2013–2016' was passed in November, introducing the provisions of Memorandum No. 3 into Greek law.</p>

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Country	Commentary
ES	<p>In Spain, the most important legislative development was Royal Decree 3/2012 of 10 February 2012, later transformed into Law 3/2012 of 6 July 2012. The main goal of the law was to extend flexibility in the labour market. The reform increases external flexibility by modifying the reasons that justify objective dismissal and reducing compensation. In addition, a new open-ended contract with a trial period that lasts one year has been introduced for enterprises with fewer than 50 employees. Regarding internal flexibility, the law has reformed the collective bargaining regulation by giving priority to company agreements over multi-employer agreements, even if social partners decide to set up an alternative structure of collective bargaining. The law also allows opting out from collective bargaining if the enterprise records a drop in its revenues or sales during six consecutive months. Finally, the reform modified the regulation of the Collective Redundancy Procedure (<i>Expediente de Regulación de Empleo, ERE</i>), which is an administrative procedure that includes redundancy procedures, temporary dismissal and working time reduction. The government has also reformed the unemployment benefit system by means of Royal Decree 20/2012 of 13 July 2012.</p>
FR	<p>A conference bringing together government representatives and social partners to define the incoming government's social policy was held under the new presidency on 9–10 July 2012. A wide range of subjects was debated including job creation for young people, training and development, initiatives for ensuring fairer pay, and the reform of pensions and the social security system (FR1205031I). The new government also launched several initiatives to reduce unemployment, specifically youth unemployment, creating a new scheme called 'Jobs for the future', which focuses on young people who have difficulty entering the job market (FR1209021I) and the 'Generation Contract' (FR1209031I).</p>
HR	<p>The government had the objective in 2012 of consolidating public finances and reviving the economy, then in its fourth year of recession. As a part of its strategy and with the aim of improving the labour market situation, the government – together with the Croatian Employers' Union – is willing to relax the rigid employment protection system, encountering the opposition of trade unions, which are mostly against changes in labour law. In the past four years, the Croatian government mostly aimed their efforts at mitigating the negative consequences of the drop in GDP and preserving the previously attained level of social rights, especially for the most vulnerable groups outside the labour market (pensioners, children and pregnant women). The goal was to retain the previous level of budgetary expenditure on social benefits and to reduce that part of the costs which undermine the principle of social fairness.</p>
HU	<p>The government organised a new system of cross-sectoral industrial relations to facilitate social dialogue, replacing the National Interest Reconciliation Council (Országos Érdekegyeztető Tanács, OÉT), abolished in 2011. The newly established National Economic and Social Council (Nemzeti Gazdasági és Szociális Tanács, NGTT) serves as a larger consultative social forum, where one representative from each of the nine employer organisations, the six trade unions, several civil organisations, churches and chambers participate. However, the social partners do not consider it an acceptable forum. Another body is the Consultative Forum of the Industry and the Government (Versenyszféra és a Kormány Állandó Konzultációs Fóruma, VKF), involving three trade</p>

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Country	Commentary
	<p>unions, three employers' organisations and the concerned state secretaries of the Prime Minister. The trade unions involved are the Federation of Hungarian Trade Unions (Magyar Szakszervezetek Országos Szövetsége, MSZOSZ), the Democratic League of Independent Trade Unions (Független Szakszervezetek Demokratikus Ligája, LIGA) and the National Federation of Workers' Councils (Munkástanácsok Országos Szövetsége, MOSZ). The employers' organisations involved are the National Federation of General Consumer Cooperatives and Trade Associations (Általános Fogyasztási Szövetkezetek Országos Szövetsége, ÁFEOSZ), the Confederation of Hungarian Employers and Industrialists (Munkaadók és Gyáriparosok Országos Szövetsége, MGYOSZ) and the National Association of Entrepreneurs and Employers (Vállalkozók és Munkáltatók Országos Szövetsége, VOSZ). Although this makes consultation much more effective, flexible and up to date, it only discusses issues proposed by the prime minister or the government, and does not cover all the labour market issues. In addition, a number of initiatives were adopted to deal with the economic situation, such as the flexibilisation of labour law (HU1211011I) to promote employment, obligatory health checks of disabled pensioners to force them back to work when considered able to work, nationalisation and centralisation of schools, restructuring of higher education (HU1202021I) to adjust school system output to the labour market demand, and changes in the taxation system to increase budgetary income.</p>
IE	<p>A new legal framework for sectoral wage-setting systems was put in place through the Industrial Relations (Amendment) Act, which sets new ground rules for the establishment and updating of Employment Regulation Orders (EROs) and Registered Employment Agreements (REAs). The legislation was required for two reasons: a High Court ruling in July 2011 which struck out all existing EROs as unconstitutional; and the stipulation by the EU/European Central Bank (ECB)/ International Monetary Fund (IMF) Troika in Ireland's bailout programme that these sectoral wage mechanisms be reviewed.</p>
IT	<p>A labour market reform, also known as the 'Fornero Law' after the Minister of Labour and Social Policies, Elsa Fornero, was adopted in late June (Law No. 92 of 28 June 2012). The reform was presented as a way to provide a more balanced regulatory framework in a highly fragmented labour market where non-standard employment contracts have significantly increased in recent years. In particular, it envisaged the partial loosening of the rules on individual dismissals alongside higher costs and stricter requirements for using non-standard employment contracts. Reforms of the unemployment benefit system were also introduced. The government initially staged broad consultations with the social partners and tried to reach a comprehensive agreement. But given the difficulties in reaching an overall compromise, it confirmed its readiness to proceed in a unilateral fashion and eventually presented a bill without the social partners' agreement.</p>
LU	<p>On 16 May 2012, the Council of Government adopted a bill to extend to 31 December 2013 the law of 3 August 2010 (in French, 97 KB PDF) on temporary measures to promote employment and to adapt unemployment benefits. The law increased the amount of the maximum allowance and extended the right to receive an allowance for about six additional months for job-seekers aged 45 or older. The law extended the short-time work scheme to 10 months per year with financial support to partially cover social contributions. On 23 November 2012, the Council of Government adopted a six-point</p>

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Country	Commentary
	<p>action plan (in French) to tackle youth employment that implements the idea discussed at EU level of a ‘youth guarantee’ to help young job-seekers to enter the labour market through supported employment contracts and by increasing the qualification and employability of young people.</p>
LT	<p>On 21 February 2012, the Lithuanian Ministry of Social Security and Labour (SADM), the European Social Fund Agency (ESFA) and leaders of employer and employee organisations signed 20 agreements governing the implementation of ESF-funded projects designed to promote social dialogue. The two-year projects are designed to develop the capacities of employers and trade unions in the area of social dialogue, to improve industrial relations and to promote the signing of collective agreements in the country. The first results of the projects have started to emerge – in October, the first territorial collective agreement was signed in Lithuania and registered at SADM (LT1301019Q). With a view to assisting business to survive in difficult economic and financial conditions in Lithuania, the parliament repeatedly initiated deliberation on the Labour Code’s liberalisation provisions. The parliament also adopted a new system for resolution of labour disputes so as to improve employees’ opportunities to defend their rights (LT1207019I).</p>
LV	<p>Stabilisation of the Latvian economy continued in 2012. Austerity measures were combined with incentives promoting economic development. The gambling tax rate was increased. Particular norms were changed in laws on excise tax, real estate tax, micro-enterprise tax, population income tax and value-added tax (VAT). In the second half of the year, the VAT rate was reduced to 21% and the personal income tax rate was reduced to 25%. The Latvian parliament (<i>Saeima</i>) ratified the EU agreement of fiscal discipline and the government announced its commitment to introduce the euro currency in January 2014. In addition, the government implemented so-called ‘nil (initial) declarations’ to disclose the real wealth of the Latvian population and a ‘white list of enterprises’ to promote fair business. Both measures were aimed at eliminating the shadow economy. In November, the State Chancellery (ValstsKanceleja, VK) introduced the conception of human resources development in the state administration, which proposes radical changes in the state administration regarding quality assessment and pay to increase its efficiency. At the end of 2012, the government announced its priorities for 2013, among which are improving the demographic situation, social integration, the development of the eastern part of Latvia (Latgale) and employment policy.</p>
MT	<p>The Maltese government, supported by the social partners, did not adopt the Working Time Directive which establishes a maximum average working week of 48 hours. The rationale behind this decision was that a small open economy, especially during a time when it is exposed to the ills of the world economic crisis, has to be flexible to maintain its viability. On 28 June 2012, the European Commission approved the Maltese government’s €130 million state aid restructuring plan for Air Malta. Given the relative size and importance to the economy of Air Malta and the extent of the financial problems, the unions had expected a much more open line of communication with management (MT1208019I).</p>
NL	<p>There was a period of standstill in Dutch politics in 2012 as the government had collapsed in the spring and the new government only took office in November 2012. The</p>

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Country	Commentary
	economic situation and the budget demands – cutbacks of €12 billion in 2013 – urged the outgoing government to cooperate in the Lower House and to reach out to the social partners for support.
PT	The government has implemented almost all the measures related to employment and industrial relations stipulated in the Memorandum of Understanding. The reduction of unemployment benefits and employment protection weakened the position of trade unions in industrial relations. The promotion of flexible working time arrangements could have stimulated negotiations (in particular at plant level), but the almost complete suspension of extension decrees of collective agreements and the restrictive regulation regarding these decrees passed in October 2012 (an explicit demand of the EU/ECB/IMF Troika) resulted in a major crisis in collective bargaining.
RO	The new government decreed two base salary increases for the employees paid from public funds (by 8% with effect from 1 June 2012 and by another 7.4% with effect from 1 December 2012), thereby bringing nominal wages back to the level at which they were in 2010, when the pay for these employees was 25% lower. At the same time, the government lifted the freeze on vacancies and promotions in place in 2010 in the education and health systems.
SE	At the beginning of 2012, taxation on restaurant services was lowered from 25% to 12%. The aim of the tax reduction was to create jobs in the restaurant sector and to reduce illicit work. The Confederation of Swedish Enterprise (Svenskt Näringsliv) claims the tax reduction has created 6,000 new jobs.
SI	On 15 November 2012, the National Assembly unanimously passed the government-proposed labour market reform at the first reading, although the changes to the Law on Labour Market Regulation (LLMR) and changes to the Law on Employment Relationships (LER) were not yet agreed with the social partners and the negotiations were still ongoing. The reform was adopted in March 2013. With this reform, Slovenia's employment protection index as measured by the Organisation for Economic Co-operation and Development (OECD) will reach the OECD average. Among other things, it reduces the rigidity of permanent labour contracts and simplifies administrative procedures. In parallel, the rules on fixed-term contracts were tightened to limit the segmentation of the labour market and to encourage the use of permanent contracts. The negotiations to reach consensus between the government and the social partners lasted for five months.
SK	The new government adopted its Programme Declaration for 2012–2016. The government's priorities in relation to the economic situation were to alleviate its impacts and increase people's social security, consolidate public finances by stretching the public budget debt, support economic growth and price stability, and support youth employment. To a great extent, 2012 reflected the demands of trade unions, which supported the Social Democratic Party (SMER - sociálna demokracia, SMER-SD) in the elections. Employers criticised recent changes in the Labour Code which, for instance, re-introduced the possibility of taking a redundancy payment and continuing to work during the notice period. This measure increases the costs of employers related to dismissal of employees.

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Country	Commentary
UK	The government's response to the economic situation focused on cutting the public deficit and spending, accompanied by a number of measures aimed at promoting growth such as public investment in infrastructure and skills, business tax cuts and schemes to ease companies' access to finance. The direct industrial relations effects in 2012 were largely in the public sector, with continued conflict with trade unions (though less than in 2011) over pension reforms and job losses, and moves towards decentralisation of pay-setting. Part of the government's justification for its reforms of the law on dismissal was that this would help to create jobs during the economic downturn.

Source: Eurofound observatories

Social partner responses

Social partners at EU level worked during 2012 to deal with the issue of the economic situation.

Trade unions coordinated protests against austerity and the European Trade Union Confederation ([ETUC](#)) set up a [web page on the economic and financial crisis](#). In June 2012, the ETUC adopted the [Social Compact for Europe](#) as a counterpart to the social inequalities arising from the economic and financial crisis in Europe, calling on the European Commission, Council, European Parliament, heads of state and governments to engage in discussion aimed at putting growth, employment and social justice at the top of the European agenda.

Employer bodies at European level also set out responses to the crisis. For example, [BUSINESSEUROPE](#) published [Growing out of the crisis: Five steps to restore confidence](#), a policy document that looks at ways to encourage economic growth in Europe, which will in turn benefit employers and employees. Its five steps are to:

- safeguard the euro;
- improve public finances and structural reforms;
- promote private investment;
- unleash the single market;
- expand EU trade.

The European Association of Craft, Small and Medium-sized Enterprises ([UEAPME](#)), which represents small and medium-sized enterprises (SMEs), has also suggested ways to tackle the economic situation. For example, in July 2012, it issued a [position paper on a European Growth Pact \(231 KB PDF\)](#), in which it called on the EU to adopt measures to stimulate growth, led by the private sector, including SMEs.

At national level (Table 2), the bipartite and tripartite initiatives adopted in 2012 have mostly focused on promoting and stimulating the economy through an increase in competitiveness and productivity (Austria, Finland, France, Italy, Portugal). In other cases, they have been concerned with specific topics such as wages and wage-setting mechanisms (Cyprus, Estonia, Latvia, Lithuania, Malta), working time (Luxembourg, Poland), the public sector (Ireland, Slovenia), social dialogue and industrial relations (Bulgaria, Romania, Spain).

Table 2: Cross-sectoral and sectoral-level initiatives by social partners, 2012

Country	Commentary
AT	In late 2008 and 2009, the Austrian government implemented measures aimed at stimulating the economy and the labour market after an extensive tripartite social dialogue

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Country	Commentary
	<p>as part of two labour market packages (AT1105041Q, AT0903029I, AT0907019I). The majority of the measures and law amendments implemented are valid for an indefinite period and thus continued to be applied throughout 2012; some of the measures, however, have either already expired or are scheduled to expire in 2013. Measures that have been implemented or reformed in the course of the crisis include:</p> <ul style="list-style-type: none"> • an extension of short-time work and an increase in the short-time allowance for employers; • the combination of short-time work and qualifications; • the establishment of a work foundation for young workers; • improvements to the educational leave regulation; • facilitation of part-time work for older employees; • improvements in the solidarity support allowance; • an introduction of subsidies for one-person enterprises.
BE	<p>Like many European countries, one of the main challenges for Belgium is the ageing workforce. Social partners have therefore concluded a cross-sectoral agreement (CCT-CAO No. 104 of 27 June 2012) that aims to regulate the conditions and procedures of a compulsory plan for employment which companies have to establish with a view to maintaining or increasing the number of workers aged 45 and over. A second cross-sectoral agreement was concluded on establishing the reduction of working time or career for the 50+ age group. The Flemish government and social partners have signed a new employment agreement titled ‘Career Agreement’. It focuses on two groups of workers currently at particular risk in the labour market (young people leaving school without qualifications and older workers aged 50 and over) (BE1202031I).</p>
BG	<p>The decline in trust and cooperation between social partners and government forced social partners to conduct bipartite negotiations and to propose joint measures for social dialogue improvements and social security policies. The issue that brought the positions of trade unions and employers closer was the common dissatisfaction with the non-implementation of anti-crisis measures by the government and the lack of measures taken to improve the business climate, to stimulate growth in job creation and to fight the shadow economy (often declared as a priority aim). A package of measures was proposed to the then Prime Minister, Boyko Borisov, who agreed to discuss these proposals. A consultation on jobs creation and strategies for decent work sponsored by the International Labour Organization (ILO) and IMF, and supported by the International Trade Union Confederation (ITUC), took place in Sofia in July 2012. The consultation aimed to bring together government representatives, social partners and international institutions to discuss policy options to create jobs in times of crisis. The consultation was preceded by a joint ILO, IMF and ITUC conference on jobs and incomes, organised by two Bulgarian trade unions – the Confederation of Independent Trade Unions in Bulgaria (CITUB) and the Confederation of Labour ‘Podkrepa’ (CL Podkrepa) – in March 2012 (BG1203021I).</p>
CY	<p>A tripartite agreement was achieved in February to implement the wage indexation system throughout almost the whole private sector (CY1202019I). No other initiatives of a bipartite or tripartite nature were reported during 2012.</p>

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Country	Commentary
CZ	The economic and social policy of the present government is generating discontent among the social partners. In November 2012, for instance, the Confederation of Industry of the Czech Republic (Svazprůmyslu a dopravy ČR, SPČR) stated its discontent with government savings in pro-growth expenditure in applied research, export promotion, co-financing of structural funds and construction of transport infrastructure.
EE	In December, social partners agreed to increase the monthly minimum wage from €290 in 2012 to €320 from 1 January 2013 (EE1303029Q).
EL	The trade unions representing employees in both the private and public sectors have made numerous interventions since the beginning of the crisis. Notable in 2012 was the submission of complaints to judicial authorities (for example, the Supreme Administrative Court of Greece (StE), the Council of State) requesting a review of the compatibility of many of the austerity measures with the national constitution and international labour agreements.
ES	The main cross-sectoral bipartite agreement that aimed to promote the adaptation of collective bargaining to the crisis was the ‘agreement for employment and collective bargaining’ (2010–2012) signed by the Spanish Confederation of Employers’ Organisations (Confederación Española de Organizaciones Empresariales, CEOE), the Spanish Confederation of Small and Medium-Sized Enterprises (Confederación Española de la Pequeña y Mediana Empresa, CEPYME), the Trade Union Confederation of Workers’ Commissions (Confederación Sindical de Comisiones Obreras, CCOO) and the General Workers’ Confederation (Unión General de Trabajadores, UGT). On 6 February 2012, the same social partners renewed the agreement, signing the ‘agreement for employment and collective bargaining’ (2012–2014). The new agreement acknowledges the need to increase productivity to achieve competitiveness based on quality.
FI	Social partners from the export-dominated industry – the Federation of Finnish Technology Industries (Teknologiäteollisuus), the Chemical Industry Federation (Kemianteollisuus), the Finnish Forest Industries Federation (Metsäteollisuus), the Finnish Metalworkers’ Union (Metalli), the Finnish Paper Workers’ Union (Paperiliitto) and the Industrial Union (TEAM) – issued a joint statement calling on the government to adopt policies to improve competitiveness. Unions and employers in the export sector affiliated to the Confederation of Finnish Industries (Elinkeinoelämän keskusliitto, EK) and Central Organisation of Finnish Trade Unions (Suomen Ammattiliittojen Keskusjärjestö, SAK) say the sector cannot sustain new tax increases. Despite the joint statement, unions and employers disagree on how the government should go about restoring the country’s competitive edge.
FR	Despite being focused on the presidential election in 2012, social partners negotiated on measures to tackle the economic downturn and signed two national interprofessional agreements (ANIs). The first one (Accord national interprofessionnel du 13 janvier 2012 sur le chômage partiel (711 KB PDF)) made it easier for employers to introduce short-time working (FR1112031I) and the second one (Accord national interprofessionnel du 6 février 2012 relatif à l'activité partielle de longue durée (APLD) (64 KB PDF)) simplified the various short-time working measures and to increase public support for the unemployment system (Unedic). The social partners signed a further ANI to facilitate employees’ access to housing (Accord national interprofessionnel du 18 avril 2012 visant à faciliter l'accès

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Country	Commentary
	<p>aulogement pour favoriser l'accès à l'emploi (752 KB PDF)). In addition, after the social conference of July 2012, the worsening of the country's employment led the Minister of Labour, Michel Sapin, to bring unions and business leaders together to discuss ways of reforming the country's labour market (FR1209051I). Finally, the social partners signed an ANI on the Generation Contract (Accord national interprofessionnel du 19 octobre 2012 relatif au contrat de génération (111 KB PDF)), with the objective of combining job creation for young people aged between 16 and 25 years with a drive to retain older workers aged 57 and over in active employment (FR1209031I).</p>
HU	<p>The main issue dealt with in bipartite or tripartite fora was the codification of the labour law. The new Labour Code claims to make employment more flexible and market orientated (HU1211011I). Another issue of bipartite and tripartite consultation in 2012 was the minimum wage for 2013, also mainly discussed within the framework of the Permanent Consultative Forum between the private sector and the government (Versenyszféra és a Kormány Állandó Konzultációs Fóruma, VKF).</p>
IE	<p>The cessation of social partnership in 2009 means there are now very few tripartite initiatives between the state and the social partners on employment conditions. In the public sector, the bipartite Croke Park Agreement (CPA) between the government and the public service unions was being renegotiated in early 2013. The CPA affects the employment security and employment conditions of public service workers. The original four-year CPA, which was concluded in 2010, incorporated a four-year pay freeze and commitments by the government not to implement compulsory redundancies. In return, unions signed up for a 'transformation' programme, expected to yield major productivity improvements and efficiencies as well as a broad commitment to maintain industrial peace.</p>
IT	<p>The main bipartite development in 2012 was the agreement on 'Programmatic guidelines on the growth of productivity and competitiveness in Italy' signed on 21 November 2012 with the government. Parties to the agreement were, on the employers' side, the General Confederation of Italian Industry (Confederazione Generale dell'Industria Italiana, Confindustria), R.ETE. Imprese Italia, the Alliance of Italian Cooperatives (Alleanza delle Cooperative Italiane), the Italian Banking Association (Associazione Bancaria Italiana, ABI) and the Association of National Insurance Companies (Associazione Nazionale fra le Imprese Assicuratrici, ANIA), and on the trade unions' side, the Italian Confederation of Workers' Trade Unions (Confederazione Italiana Sindacati Lavoratori, CISL), the Union of Italian Workers (Unione Italiana del Lavoro, UIL) and the General Labour Union (Unione generale del lavoro, UGL). The General Confederation of Italian Workers (Confederazione Generale Italiana del Lavoro, CGIL) decided not to join the pact.</p> <p>The pact underlines the importance of collective bargaining to sustain the growth of productivity and competitiveness in Italy and to balance the interests of companies and workers. It urges the government and the parliament to introduce structural measures to grant 'productivity wages' – a number of incentives related to fiscal and social contribution reductions. As far as the collective bargaining structure is concerned, the agreement assigns to industry-wide collective bargaining the guarantee of homogeneous economic and normative conditions for all workers throughout the country, while second-level bargaining should operate to increase productivity through better use of production factors and the improvement of work organisation, and by linking wage increases to such developments.</p>

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Country	Commentary
LT	Given the expected shift of the ruling majority to seek to stabilise the political, economic and social situation in the country, the social partners initiated the signing of a new National Agreement prior to parliamentary elections. But consensus was not reached and so the agreement remained unsigned (LT1207029I). To enhance labour market development and improve living standards for employees, the social partners continued to focus on achieving an increase in the minimum monthly wage (MMW). This issue was put several times on the agenda at the Tripartite Council of the Republic of Lithuania (LRTT). An agreement on the MMW increase was even twice reached by the social partners at the LRTT.
LU	A tripartite body – the Economic Committee (Comité de conjuncture, CDC) – met each month in 2012 to implement measures to avoid redundancies using tools such as short-time work or early retirement schemes, and to invite social partners to negotiate an employment protection plan (<i>Plan de maintiendans l'emploi</i>). The economic situation has created tensions on social dialogue in several sectors such as the steel industry (ArcelorMittal) where its activities were reduced, the commerce sector, where social partners failed to agree on opening times, and the construction industry where social partners have failed to renew their collective agreement since 2009. At national level, the traditional tripartite discussions failed to reach consensus on national issues.
LV	At national level, major discussions were held around the compromise between providing a decent salary and reducing labour costs so as to increase the competitiveness of the Latvian economy. The Latvian Employers' Confederation (Latvijas Darba Devēju konfederācija, LDDK) and the government supported a reduction in the personal income tax rate and introduced a scheme whereby the tax rate would be reduced from 26% in 2011 to 22% in 2014. At sector level, the education sector (intensively reformed), the healthcare sector and specific institutions (such as the State Probation Service, Valsts Probācijas Dienests, VPD) were particularly active during the year in terms of protests, requests and expressions of discontent. Latvian farmers struggled for fair conditions for agriculture subsidies.
MT	The collective agreement signed between the government and six trade unions representing the country's civil service employees was heavily criticised by the employers' associations. This agreement, which covers a period of six years, gives civil service employees a 2.5% annual salary increase. The employers stated that such an increase coming at a time when workers across Europe were taking wage cuts was badly timed. But since the previous agreement had expired in 2010, the unions stated that their members had exercised restraint induced by the economic crisis by accepting a two-year delay for a new collective agreement without asking for arrears (MT1211019I).
PL	Social dialogue in Poland has been in crisis since July 2011 (PL1202029I). Despite mobilisation of the trade unions, the government avoided consultation on controversial retirement age reforms and the issue of 'junk contracts' from which social security contributions are not paid. However, some revival of social dialogue was observed in the second half of 2012 with a joint social partners' proposal to establish a tripartite board to manage the Labour Fund with the intention to support active labour market policies (PL1210019I). Another important initiative was an idea to extend the working time settlement period from four months to one year based on agreements with company-level trade unions or employee representation. The idea has been discussed in the Tripartite Commission on Socio-Economic Affairs since July 2012.

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Country	Commentary
PT	In January, the government, the employers' confederations and the General Workers' Union (União Geral de Trabalhadores, UGT) signed a tripartite agreement entitled 'Compromise for growth, competitiveness and employment'. The General Confederation of Portuguese Workers (Confederação Geral dos Trabalhadores Portugueses - Intersindical Nacional, CGTP-IN) opposed the agreement. The agreement focused on economic policies, active labour market policies and labour legislation. It was an important signal to Portugal's international partners that the government was able to create a broad social consensus with regard to the implementation of the adjustment programme set out in the Memorandum of Understanding. The economic crisis reduces the government's and employers' margin for compromise with the trade unions. This makes negotiations at all levels more difficult, but the major reason for the decline in collective bargaining is the restrictive reregulation of extension decrees rather than the economic situation.
RO	Following the initiative of the national trade union confederations in seeking the assistance of the ILO, a study was conducted on the impact of the government's legislative reforms in 2011 (Social Dialogue Act and a new version of the Labour Code). The study's conclusions were presented at a round table event attended by representatives of the government, IMF, European Commission, World Bank , ILO and social partner organisations of national importance. All participants agreed that the two basic pieces of legislation governing labour and industrial relations must be amended (or re-amended) for various reasons, including the need to comply with the ILO core conventions ratified by Romania (RO1302029I).
SE	In July 2012 at the annual Swedish political summit in Almedalen, Visby, Prime Minister Fredrik Reinfeldt proposed a tripartite job pact (SE1208019I) involving the government, trade unions and employers' organisations. The proposal aimed to counter Sweden's youth unemployment by helping young unemployed people to enter the labour market by combining on-the-job training with education and was estimated to generate 30,000 new jobs. The tripartite effort (SE1302019I) came to an end in January 2013, when the Confederation of Swedish Enterprises withdrew from negotiations.
SI	On 10 May 2012, the government and trade unions signed an agreement on austerity measures in the public sector. The measures had a major impact on more than 40 laws and other areas of legislation, and affected various aspects of industrial relations, including pay and other benefits for public sector workers. Tough measures to cut the budget deficit included the reduction of public sector salaries by 8% from June 2012 (SI1205019I).

Source: Eurofound observatories

Political developments

The focus of the first part of this section is on the governments in office and the elections that took place in 2012, including relevant significant events. The second part describes examples of the referenda that were held across Europe.

Governments and elections

The national correspondents reported 23 elections in 2012. There is no general trend in the dynamics of political change in the EU27, Croatia and Norway, though there seemed to be noticeably more strife than in previous years (Table 3). In a number of countries, issues such as high unemployment and public debt severely affected the political discourse and orientated policymaking and public debate. Thus, the 2012

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election cycle was dictated by a general mood of political unrest. There were unscheduled, extraordinary elections in several European countries, at times related to the conditions of the ongoing economic crisis. In Greece, parliamentary elections had to be held twice in 2012 before a stable government coalition could be established. In Romania, there was a rapid succession of three governments amid anti-austerity protests.

Figure 7 provides an overview of countries where governments changed or elections were held in the course of 2012.

Figure 7: Political developments in the EU27, Croatia and Norway, 2012

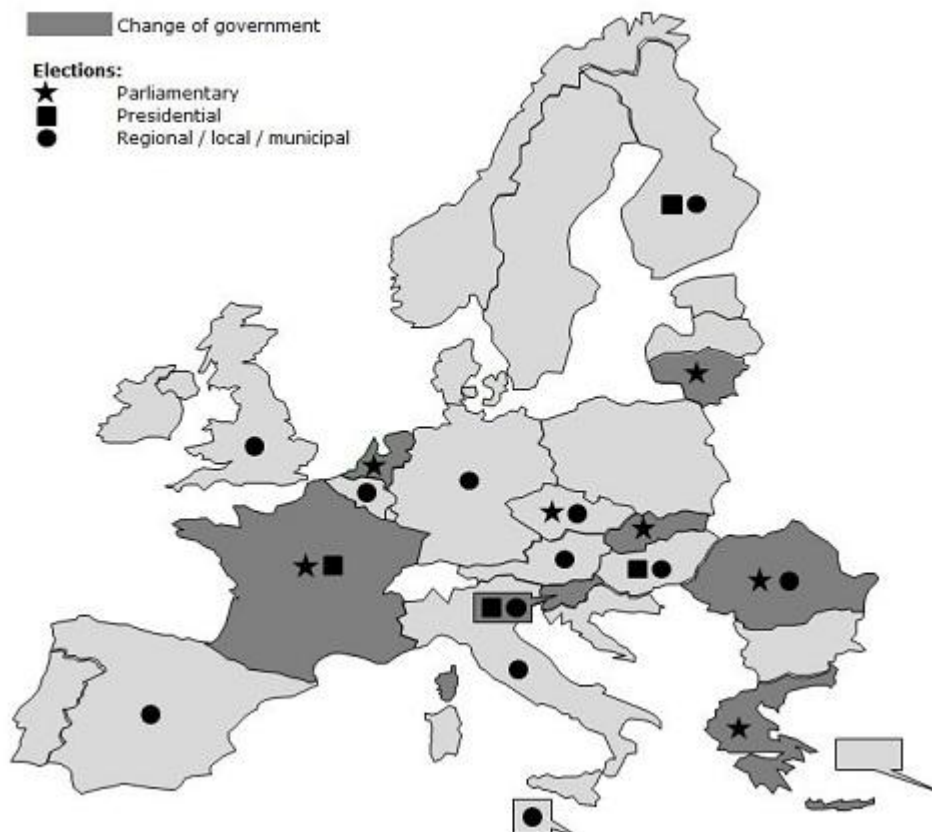


Figure 7: Political developments in the EU27, Croatia and Norway, 2012

Source: Eurofound observatories

Table 3: Political developments in the EU27, Croatia and Norway, 2012

Country	Commentary
EU level	In 2012, the council presidencies were held first by Denmark and then Cyprus. Both presidencies responded to the pressing issues in the Common Market area: <ul style="list-style-type: none"> • youth unemployment;

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Country	Commentary
	<ul style="list-style-type: none"> inclusion of women in the labour market.
AT	Local state elections took place but these had a negligible effect on federal politics and the government of Chancellor Werner Faymann. The composition of the federal council did not shift in a dramatic way. Since Austria is governed by a coalition, this may not change federal politics.
BE	Elio Di Rupo's government backed by the Dutch-speaking Socialist Party (Sp.a), the Open Flemish Liberals and Democrats (Open Vld), the Christian Democratic and Flemish party (CD&V), the French-speaking Socialist Party (PS), the Reformist Movement (MR) and the Humanist Democratic Centre (CDH) was in power from December 2011. In October 2012, regular local and provincial elections took place. To adhere to European guidelines, the government had to save €3.4 billion to limit the public budget deficit to 2.15% of GDP before the end of 2012 (BE12110311). Negotiation on the federal budget and its conclusion involved hard discussion within the industrial relations field at the end of 2012.
BG	Prime Minister Boyko Borisov and his government supported by the Citizens for European Development of Bulgaria survived a vote of no confidence in July 2012. Several of his ministers resigned amid controversy during this time.
CY	President Demetris Christofias led the government through the deepening economic crisis and negotiations with the EU/ECB/IMF Troika. Amid widespread criticism and unpopularity, he announced that he would not stand for reelection.
CZ	Petr Nečas's government based on the support of the Civic Democratic Party, TOP 09 and LIDEM – Liberal Democrats took office in July 2010. In April 2012, the originally coalition party, Public Affairs, left for opposition, being replaced by a political platform, later a party called LIDEM. During 2012, six ministers were replaced in the government. In October, the regular elections to regional governments and to the Senate of the Czech parliament took place, when left-wing parties achieved a constitutional (more than two-thirds) majority in the Senate. In November, the parliament decided on restitution of the property that churches lost as a consequence of damage between February 1948 and the end of 1989.
DE	In the state parliament elections one year ahead of the federal vote, the Social Democrat Party (SPD) opposition gained votes, while the junior partner in the federal government coalition, the Free Democratic Party (FDP), lost noticeably, as did The Left (Linke). Newcomer party 'Piraten' also profited from the protest vote. With a governing coalition consisting of the Christian Democratic Union (CDU) and FDP at the federal level, the state elections have an effect on the composition of the state chamber (<i>Bundesrat</i>).
DK	Prime Minister Helle Thorning-Schmidt's governing coalition of the Social Democrats, the Danish Social Liberal Party and the Socialist People's Party was unchanged in 2012.
EE	The government of Prime Minister Andrus Ansip and his governing coalition of the Estonian Reform Party (liberal) and Union of Pro Patria and Res Publica (IRL) (conservative) were unchanged.

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Country	Commentary
EL	Amid political turmoil related to the economic crisis and the terms and conditions that had been placed upon the Greek government by the EU/ECB/IMF Troika, early elections were held in May 2012. As this ballot failed to produce a governing coalition, another election followed in June. Antonis Samaras was eventually elected Prime Minister in a coalition government comprising the New Democracy, the Panhellenic Socialist Movement (PASOK) and the Democratic Left.
ES	The government of Prime Minister Mariano Rajoy continued to deal with the effects of the economic crisis, requesting assistance from the European Financial Stability Facility (EFSF). There were elections in five of the autonomous communities (Andalucia, Asturias, Basque Country, Catalonia and Galicia). The elections were held earlier than scheduled in the Basque Country, Catalonia and Galicia.
FI	Presidential elections were held on 22 January 2012 (first round) and 5 February (second round). Sauli Niinistö (National Coalition Party) was elected over Pekka Haavisto (Green League). Elections were held in 304 municipalities. There were gains for the True Finns (nationalist), but mostly losses for all other parties: National Coalition (liberal/conservative), Social Democrats (centre- left), Centre Party (centrist), Left Alliance (left), Green League (centre/liberal). Several municipalities were merged, resulting in the loss of over 700 seats.
FR	François Hollande was elected president, following Nicolas Sarkozy, after a hotly contested election. After the demise of Sarkozy, the Union for a Popular Movement (UMP) – now in the opposition – was left leaderless. The parliamentary elections were won by the Socialist Party (PS), which gained 280 seats in total. The left coalition (PS, the Left Party, Europe Ecology - The Greens and the Radical Party of the Left) now holds 331 seats (57.7%) out of 577, thus providing the new prime minister and the president with an absolute majority. The UMP won 194 seats and lost 119 compared with the former legislature. Jean-Marc Ayrault of the Socialist Party replaced François Fillon (UMP) as Prime Minister.
HR	Prime Minister Zoran Milanović, supported by a coalition of the Social Democratic Party of Croatia (centre-left), the Croatian People’s Party – Liberal Democrats (liberal), the Istrian Democratic Assembly (left/liberal) and the Croatian Party of Pensioners – the so-called Kukuriku coalition – was faced with the effects of the economic and financial crisis, as well as his country’s accession to the EU.
HU	János Áder (Fidesz) (conservative) was elected president of the country after the former president Pal Schmitt had to resign over a plagiarism scandal. The government of Prime Minister Viktor Orbán (Fidesz) backed the introduction of a controversial new Basic law (constitution) for Hungary.
IT	Mario Monti’s Technocratic government was in power from November 2011 to April 2013. A broad parliamentary majority made up of the Democratic Party and the People of Freedom backed the government. The government resigned in December 2012 after Silvio Berlusconi’s People of Freedom party withdrew its support. Subsequent early elections were held in February 2013. In addition, regular local administrative elections took place in May 2012 and showed a weaker centre-right, a stable left and an emerging Five Stars

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Country	Commentary
	Movement.
LT	Andrius Kubilius's government was in power until December 2012. The regular parliamentary elections were held in October 2012 and the Lithuanian Social Democratic Party, Homeland Union – Lithuanian Christian Democratic Party and the Labour Party emerged as the three biggest parties. The first and the third parties formed a coalition together with Party Order and Justice, and Lithuania Poles' Electoral Action; Algirdas Butkevicius became Prime Minister. The new government is expected to contribute to the development of social dialogue in Lithuania.
LU	Jean-Claude Juncker's government, backed by a coalition of the Christian Social People's Party and the Luxembourg Socialist Workers' Party, has been in power since June 2009. The only change in the composition of the government in 2012 was the replacement of the Minister of Economy and Foreign Trade. No elections or significant political changes took place in 2012.
LV	Valdis Dombrovskis's government took office in October 2011 and stayed in power without major changes. The only change in the composition of the government in 2012 was the replacement of the Minister of Justice. The government was formed by the coalition of the Association of Parties Unity, the National Alliance, Parties All for Latvia, For Fatherland and Freedom/LNNK, the Reform Party and a group of five independent parliament members. A significant legislative change was the amendment to the law on referenda which changed the procedure of initiating a referendum and made the process, in experts' view, more difficult. The amendments to the Law on Trade Unions set out that administrative aspects of trade unions' activity and their registration should be in compliance with the Associations' and Foundations' Law as regards associations.
MT	The Nationalist Party has been in power continuously since 1998. The government of Prime Minister Lawrence Gonzi had a one-seat majority. Throughout the year, the majority was threatened by a member of parliament who was critical of government action. The Minister of Justice was forced to resign after a no confidence motion was approved by a majority of one in parliament. The local elections were held in March 2012 with the Labour Party obtaining 57% of the votes and the Nationalist Party 42%. On 10 December 2012, the budget for 2013 presented by the government was not approved by the parliament with one of members on the government side voting against. Subsequently, the prime minister advised the president to dissolve parliament on 7 January 2013. General elections were held in March 2013.
NL	Mark Rutte's cabinet formed by the Liberal People's Party for Freedom and Democracy and the Christian Democratic Appeal was until April 2012 supported by the Party for Freedom. The Party of Freedom withdrew its support after serious doubts about the €12 billion cutbacks package for 2013. In September 2012, extraordinary national parliamentary elections took place with the Liberal People's Party for Freedom and Democracy and the Social Democratic Labour Party as the winning parties. These two parties formed a new government in November 2012. Unlike the old government, the new government explicitly seeks support from the social partners for its tough, yet socially inclined, coalition agreement that aims to change the welfare state and housing and job

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Country	Commentary
	markets.
NO	The government of Jens Stoltenberg took office for a second term in 2009. It was formed by the Norwegian Labour Party, the Centre Party and the Socialist Left Party of Norway. In 2012, there were no changes in the composition of the government and no elections took place. Audun Lysbakken took over as leader of the Socialist Left Party in March 2012 when Kristin Halvorsen stepped down from the position after 15 years. The next parliamentary elections will be in autumn 2013.
PL	Donald Tusk's government took office in November 2011 and was formed by the Civic Platform and the Polish Peasant Party. No major changes occurred in the government apart from the replacement of the Minister of Agriculture and Rural Development. No elections were held in 2012. The most important political events with an impact on industrial relations were the pension reforms and the revival of tripartite debates on a new anti-crisis package.
PT	The coalition of the Social Democratic Party and the Popular Party led by Prime Minister Pedro Passos Coelho has been in power since June 2011. In 2012, there was no change at the level of ministers and no elections took place. The government has implemented almost all the measures related to employment and industrial relations stipulated in the Memorandum of Understanding. These changes have a significant impact on industrial relations in the country. In September 2012, there were major protests about the government's plan to raise social security contributions.
RO	Emil Boc's government of the Liberal Democratic Party, the Democratic Union of Magyars of Romania and the National Union for the Progress of Romania, which had been in power since December 2009, stepped down in February 2012 after street protests were staged continuously for more than two weeks in many Romanian cities. The consequent government of Mihai Răzvan Ungureanu, which was formed by the same parties, remained in power until April 2012 when it was forced to resign after a no-confidence vote. The Social Democratic Party, National Liberal Party, Conservative Party and Independents formed a successive government under the leadership of Victor Ponta. This government stayed in power from May to December 2012, and during this period a number of ministers were replaced. In June 2012, regular local elections took place. In July 2012, an extraordinary referendum was held about the dismissal of the President of Romania. However, the referendum was invalidated in August by the Constitutional Court of Romania for quorum reasons. In December 2012, regular parliamentary elections took place. The Social Democratic Party and the National Liberal Party emerged as the two biggest parties. The second Ponta cabinet was formed by the same parties as the first Ponta cabinet but this time also with the National Union for the Progress of Romania. The Ponta government started a public debate on the amendment of the Labour Code and the Social Dialogue Act, which was modified in 2011 at the initiative of the Boc government.

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Country	Commentary
SE	Fredrik Reinfeldt's cabinet backed by the Moderate Party, the Centre Party, the Liberal People's Party and the Christian Democrats stayed in power for the whole of 2012. No significant elections took place in 2012. In July 2012, the prime minister proposed a tripartite job pact involving the trade unions and employer organisations.
SI	The government coalition of the Social Democrats, Zares - New Politics, the Democratic Party of Pensioners of Slovenia and the Liberal Democracy of Slovenia with Borut Pahor as the Prime Minister stayed in power from November 2008 to February 2012. Following the December 2011 election, a new cabinet led by Janez Janša took office. The new coalition consists of the Slovenian Democratic Party, Civic List, Democratic Party of Pensioners of Slovenia, Slovenian People's Party and New Slovenia Party. In late 2012, rallies in Ljubljana, Maribor and some other towns took place against charges of political elites and alleged corruption. In December 2012, scheduled presidential elections took place with Borut Pahor winning more than two-thirds of the votes. In March 2013, the Janša coalition collapsed over disputes about austerity measures and corruption allegations.
SK	Iveta Radičová's government of the Slovak Democratic and Christian Union – Democratic Party, the Christian Democratic Movement, Freedom and Solidarity and Most-Híd (Bridge), which took office in July 2010, did not survive parliament's vote of confidence in October 2011. In January 2012, nationwide protests took place following the 'Gorila' affair in which suspicions were raised about involvement of some politicians in corruption activities. In March 2012, extraordinary parliamentary elections took place. The Social Democratic Party, SMER-SD, gained the majority of seats in the parliament. In April 2012, it formed a single party government with Robert Fico as Prime Minister. In September 2012, the new government approved amendments to the Labour Code that had been put forward by the previous government. For various reasons, President Ivan Gašparovič postponed the approval of the new attorney-general elected in 2011 with the result that the new attorney-general was not inducted into office in 2012.
UK	David Cameron's government coalition formed by the Conservative Party and the Liberal Democrats has been in office since May 2010 and stayed without change for the whole 2012. In May 2012, scheduled elections took place in around 40% of local authorities in England, all local authorities in Scotland and almost all local authorities in Wales. The opposition Labour Party won 39% of the vote with the Conservative Party in second place with 33% of the vote. In London, the Conservative incumbent Boris Johnson was reelected as mayor.

Source: Eurofound observatories

Referenda

Eight referenda took place in the EU during 2012 covering a wide range of topics, including EU accession, fiscal stability and labour codes. Other topics included family law, independence, military service, nuclear energy and official language. Two referenda were held in Ireland and one in Austria, but most of the remainder were held in the enlargement countries (Figure 8).

Participation rates in referenda were generally low. Voters made up about half the electorate or less, and seldom reached more than two-thirds of the electorate. A planned referendum in Hungary was abandoned

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in 2012, following failure to achieve the number of signatures required. However, the government introduced Labour Code proposals and referendum proposals on a number of issues such as school leaving age, job-seeker's allowance and probationary periods, which were included in the new legislation. The highest participation rate was achieved in Latvia where the proposed adoption of Russian as the second official language was heavily rejected.

Successful referenda include the ones in Croatia, which approved EU accession, and Ireland, which accepted fiscal stability measures due to the economic crisis. In a second referendum, Ireland also gave constitutional approval for children's rights and approved state intervention measures to protect children.

Unsuccessful referenda included one held in Austria, which rejected changes to compulsory military service. Slovenia voted down changes to children's rights (including increased gay adoption rights) and Lithuania voted against the construction of a new nuclear plant.

In Romania, the majority of the voters were in favour of the dismissal of the president of the country. However, as the quorum required was not reached, the Romanian Constitutional Court invalidated the referendum.

Two referenda are at the planning stage. Bulgaria will hold a referendum on nuclear energy in 2013 and a referendum in Spain will be held on Catalan independence in 2014.

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Figure 8: Referenda in the EU27, Croatia and Norway, 2012**Figure 8: Referenda in the EU27, Croatia and Norway, 2012**

Notes: **Referenda 2012** – **Austria:** Compulsory military service; **Croatia:** EU accession; **Ireland:** Fiscal Stability Treaty, children’s rights; **Latvia:** Russian language status; **Lithuania:** New nuclear plant; **Romania:** Presidential impeachment; **Slovenia:** Family law.

Planned referenda – **Bulgaria:** Future of nuclear energy (January 2013); **Hungary:** New Labour Code, minimum school leaving age, job-seekers’ allowance, probation period, allocation of annual leave (2012) (Referendum in Hungary planned for 2012 but did not take place due to insufficient number of signatures to initiate it); **Spain:** Catalan independence (2014).

Source: Eurofound observatories

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2 – Industrial relations developments

This chapter describes the developments in industrial relations in 2012 in the 27 EU Member States and Norway. The first section analyses organisational developments in terms of increasing or decreasing membership, and in terms of concentrations or increasing fragmentation in the social partner landscape. A second section illustrates developments in the legal framework for collective bargaining, social dialogue and industrial conflict, and the changes in industrial relations practices. The third section explores the conflicting interests in industrial relations reflected in strikes or industrial actions.

Developments in social partner organisations

This section considers organisational changes first for trade unions and subsequently for employers' organisations. For both, it looks at increases or decreases in membership before presenting other kinds of organisational changes. In considering these organisational developments, the main question is whether the social partner landscape in the EU Members States is becoming more consolidated through increased cooperation or mergers, or whether it is becoming more fragmented.

A first comparison between the membership data of trade unions and employers' organisations highlights the difference between the availability of data. No trade union membership data are available for six countries and there are no data available for the employers' organisations in 13 countries. In other countries there is information only for some social partner organisations but not for all. As a consequence of the incomplete availability of data, the capacity to draw overall conclusions from the findings is also limited.

Taking these limitations into consideration, membership of employers' organisations is increasing in most countries where data are available and is more often stable than declining, pointing more in the direction of an increasing trend in Europe. A decline is reported in 2012 for the membership of all national peak-level trade union confederations in four countries, but a net increase in trade union members was found in four others. In most countries, there was a combination of some trade unions with a declining membership and others with an increasing or stable membership. The conclusion from this is that not all trade unions in Europe are losing members, some are also gaining members and some membership numbers are stable.

Box 1: Impact of the crisis on industrial relations actors

These developments in social partner organisations in 2012 deserve to be situated in the wider context of developments during the crisis years from 2008 to 2012. In a Eurofound study on the impact of the crisis on social partner actors, Table 4 below gives an overview of such developments during the crisis years.

Table 4: Crisis impact on industrial relations actors, by country

Impact on actors	Countries
Decline in trade union density	CY, BG, DK, EE, LT, LV, SE, SI, SK, UK
Changes to membership of employer bodies	CY (increase in membership), DE (increase in members not bound by collective agreement), LT (decline, followed by recent increase in membership)

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Trade union membership

The [ICTWSS Database](#), from the Amsterdam Institute for Advanced Labour Studies, illustrates how union membership has declined in many European countries over the past three decades, resulting in shifts in the composition of the remaining membership. In the recent book [Trade unions in western Europe: Hard times, hard choices](#), the authors argue that this declining trend does not allow general conclusions for all EU Member States. The findings presented in this review confirm that there is no general decline of trade union membership in all Member States.

As indicated in the report [Industrial relations and working conditions developments in Europe 2011](#), there are some Member States with a continued decline in trade union membership while in others some trade unions reported an increase in the number of members for 2012. In a series of countries, there are trade unions with a declining membership (Table 5), while other unions are increasing their membership or at least have a stable membership. Indeed, this does not permit the general conclusion that all trade unions in all countries are facing a declining membership. Four EU Member States (Belgium, France, Germany and Malta) reported a net increase in trade union membership in 2012.

Table 5: Membership trends in cross-sector trade union organisations, 2011–2012

Trend	Countries
Overall decline	BG, CY, CZ, EL, LV, NL, PL, SI, SK, RO, UK
Overall stable membership or diverging trends more or less stabilising each other	AT, BE, DE, DK, EE, FI, HU, MT, SE
Overall increase	BE, DE, FR, MT
No new membership data available	ES, IE, LT, LU, NO, PT

Source: Eurofound observatories

Declining membership

The report [Industrial relations and working conditions developments in Europe 2011](#) reported a decline in trade union membership for Cyprus, Germany, Hungary, the Netherlands, Slovenia and the UK. For the Netherlands, Slovenia and the UK, the 2011 membership decline continued in 2012. Latvia joins this group.

Netherlands: Membership declined for all three cross-sector organisations – the Dutch Trade Union Federation (Federatie Nederlandse Vakbeweging, [FNV](#)), the Christian Trade Union Federation (Christelijk Nationaal Vakverbond, [CNV](#)) and the Federation of Managerial and Professional Staff Unions (Vakcentrale voor Middengroepen en Hoger Personeel, [MHP](#))/Dutch General Independent Union ([De Unie](#)).

Latvia: Membership is declining for the single national peak-level organisation, the Free Trade Union Confederation of Latvia (Latvijas Brīvo Arodbiedrību savienība, [LBAS](#)), on the basis of data for 2011 from the LBAS database.

UK: The single cross-sector confederation, the Trades Union Congress ([TUC](#)), also reported a decline.

Slovenia: The decline in membership and in trade union density is an estimate by the national correspondent. This estimate is based on data from previous years indicating that the downward trend of the trade union membership and density rates continued during 2010 and especially during 2011 because

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of the economic crisis and a strong restructuring process which the whole Slovenian economy is going through. In 2012, trade union density was no more than 26%.

Bulgaria, the Czech Republic and Greece can be added to the group of countries with declining trade union membership in 2012, based on only partially available data.

Bulgaria: Membership is declining for the Confederation of Independent Trade Unions in Bulgaria ([CITUB](#)) and the Confederation of Labour ‘Podkrepa’ ([CL Podkrepa](#)) whose membership is declining, while there is no information available on membership of the [Promyana Union](#).

Czech Republic: Membership is declining for the Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, [ČMKOS](#)), while there is no information available for the Association of Independent Trade Unions of the Czech Republic (Asociace samostatných odborů ČR, ASO ČR).

Greece: The Civil Servants’ Confederation (Ανώτατη Διοίκηση Ενώσεων Δημοσίων Υπαλλήλων, [ADEDY](#)), which organises employees in the public sector, reported a decline in its membership due to the reduction in the number of civil servants. No information is available on the membership developments in 2012 of the main private sector trade union organisation in Greece, the Greek General Confederation of Labour (Γενική Συνομοσπονδία Εργατών Ελλάδας, [GSEE](#)).

In Cyprus, trade union membership declined for both 2011 and 2012. In 2012, however, some cross-sector trade union confederations reported a decline in their membership, while for others this was stable. This was also the case for Poland and Slovakia where only some of the trade union confederations reported a decline while others remained stable.

Cyprus: The Pancyprrian Federation of Labour ([PEO](#)) and the Cyprus Workers’ Confederation ([SEK](#)) faced a decrease in the number of members, while membership remains stable for the Democratic Labour Federation of Cyprus ([DEOK](#)).

Poland: The Independent and Self-Governing Trade Union ‘Solidarity’ (Niezależny Samorządny Związek Zawodowy Solidarność, [NSZZ Solidarność](#)) reported a decrease in membership; the membership of the Trade Unions Forum (Forum Związków Zawodowych, [FZZ](#)) remains stable; and there was no information available for the All-Poland Alliance of Trade Unions (Ogólnopolskie Porozumienie Związków Zawodowych, [OPZZ](#)).

Slovakia: Membership of the Confederation of Trade Unions of the Slovak Republic ([KOZ SR](#)) is declining, while the membership of the Independent Christian Trade Unions of Slovakia ([NKOS](#)) remains stable.

In Hungary and Romania, there are some trade union confederations gaining members, though at a slower rate than the others are declining, which results in an overall declining trend.

Hungary: The Democratic League of Independent Trade Unions (Független Szakszervezetek Demokratikus Ligája, [LIGA](#)) increased its membership by 112,000 members in 2012 compared with 100,644 in 2009. The National Federation of Workers’ Councils (Munkástanácsok Országos Szövetsége, [Munkástanácsok](#)) reported a stable membership of 50,000. Four other Hungarian trade unions lost more members than LIGA gained, resulting in a net loss of trade union membership in Hungary. The National Association of Hungarian Trade Unions (Magyar Szakszervezetek Országos Szövetsége, [MSZOSZ](#)) reported 125,000 members in 2012 compared with 205,000 in 2009. For the Trade Unions’ Cooperation Forum (Szakszervezetek Együttműködési Fóruma, [SZEF](#)), more than half of the 225,000 members in 2009 were lost with only 110,000 members remaining in 2012. The Alliance of Autonomous Trade Unions (Autonóm Szakszervezetek Szövetsége, [ASZSZ](#)) had 80,000 members, a loss of a third of its 120,000 members in 2009. The Confederation of Unions of Professionals (Értelmiségi Szakszervezeti Tömörülés, [ÉSzt](#)) had 76,000 members in 2012 compared with 85,000 in 2009. Combining the 11,356

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members gained by LIGA with the 80,000 lost by MSZOSZ, the 115,000 members lost by SZEF, the 40,000 members lost by ASZSZ and the 9,000 members lost by ÉSZT, the result is a net loss of 232,644 members between 2009 and 2012.

Romania: One union had an increasing membership and three had fewer members in 2012, resulting in a net decrease of more than a million members. The National Trade Union Confederation Meridian (Confederația Sindicală Națională Meridian, [CSN Meridian](#)) reported 320,204 members in 2012 compared with 170,000 members in 2008, whereas the National Trade Union Confederation Cartel Alfa (Confederația Națională Sindicală Cartel Alfa, [CNS Cartel Alfa](#)) had 301,785 members in 2012 compared with a million in 2008, the National Trade Union Bloc (Blocul Național Sindical, [BNS](#)) had 254,527 members in 2012 compared with 375,000 in 2008 and the National Free Trade Union Confederation of Romania Frăția (Confederația Națională a Sindicatelor Libere din România Frăția, [CNSLR Frăția](#)) had 306,486 members in 2012 compared with 850,000 in 2008. Combining the 150,204 members gained by CNS Meridian with the members lost by CNS Cartel Alfa, BNS and CNSLR Frăția results in a net loss of 1,211,998 trade union members in Romania between 2008 and 2012.

Stable membership or counterbalancing trends

Germany: Trade union membership declined in 2011, while the membership decline for 2012 is only partial because some trade union confederations report an increase in their membership. This is also the case in Austria, Belgium, Denmark, Finland, Malta and Sweden. For Belgium, Germany and Malta, this even results in a relatively small overall net increase of membership. For Denmark, the overall result is a small decline, and for Austria, Finland and Sweden there are no data available to assess the overall trend. In Estonia, the two peak-level trade union organisations, the Estonian Trade Union Confederation ([EAKL](#)) and the Estonian Employees' Unions' Confederation (TALO), reported a stable number of members for 2012. The diversity becomes even clearer when looking at those countries that combine different trends, with some trade unions whose membership has declined and others reporting an increase.

Austria: Four trade unions reported a decreasing number of members, while three others had more members in 2012 than in 2011. The three unions with more members were the Union of Salaried Employees, Graphical Workers and Journalists (Gewerkschaft der Privatangestellten, Druck, Journalismus, Papier, [GPA-djp](#)) (+1.56%), the Union of Public Employees (Gewerkschaft Öffentlicher Dienst, [GÖD](#)) (+0.59%) and the Union of Construction and Wood Workers (Gewerkschaft Bau-Holz, [GBH](#)) (+1.19%). The Austrian trade unions with fewer members in 2012 were the Union for Municipal Employees and the small Arts, Media, Sports and Liberal Professions (Gewerkschaft der Gemeindebediensteten – Kunst, Medien, Sport, freie Berufe, [GdG-KMSfB](#)) (-1.17%), the trade union [vida](#) (-2.60%), the Union of Post and Telecommunications Employees (Gewerkschaft der Post- und Fernmeldebediensteten, [GPF](#)) (-2.33%) and the Manufacturing Union (Produktionsgewerkschaft, [PRO-GE](#)) (-0.58%).

Belgium: The largest cross-sector trade union confederation, the Confederation of Christian Trade Unions (Confédération des Syndicats Chrétiens/Algemeen Christelijk Vakverbond, [CSC/ACV](#)), reported a decrease in membership. The two other Belgian trade union federations increased their membership in 2012: the Belgian General Federation of Labour (Fédération Générale du Travail de Belgique/Algemeen Belgisch Vakverbond, [FGTB/ABVV](#)) and the Federation of Liberal Trade Unions of Belgium (Centrale Générale des Syndicats Libéraux de Belgique/Algemene Centrale der Liberale Vakbonden van België, [CGSLB/ACLVB](#)).

Denmark: The Confederation of Professional Associations in Denmark (Akademikernes Centralorganisation, [AC](#)) increased its membership in 2012, while the number of members of the Danish Confederation of Trade Unions (Landsorganisationen i Danmark, [LO](#)) declined. The Confederation of Professionals in Denmark (Funktionærernes og Tjenestemændenes Fællesråd, [FTE](#)) reported a stable

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membership for 2012. AC has 160,000 members and is the smallest of the three trade union organisations mentioned above, while LO is the largest with 895,000 members at the end of 2012. Since 2009, membership of AC has increased by around 2% every year, while LO has experienced a decline of around 2%–4% every year since 1996. FTF has 352,000 active members. In total, the main organisations have experienced a small decline in membership in these past years.

Germany: One cross-sector trade union organisation reported higher membership in 2012, another trade union reported a decrease, while a third had a stable membership. The overall net change was positive though relatively small. Membership of the German Civil Service Association (Beamtenbund und Tarifunion, [DBB](#)) rose from 1,265,720 in 2011 to 1,271,563 in 2012. The German Confederation of Trade Unions (Deutscher Gewerkschaftsbund, [DGB](#)) reported a fall in membership from 6,155,899 in 2011 to 6,151,184 in 2012. The Christian Federation of Trade Unions (Christlicher Gewerkschaftsbund, [CGB](#)) counted around 280,000 members.

Finland: The changes in trade union membership reflected the increasing number of well-educated, white-collar employees and a decreasing number of blue-collar workers in the Finnish labour market. Thus, the Confederation of Unions for Professional and Managerial Staff in Finland ([AKAVA](#)) increased its membership and the Finnish Confederation of Salaried Employees (Toimihenkilökeskusjärjestö, [STTK](#)) had a stable membership. Although it is still the largest trade union organisation in Finland, the Central Organisation of Finnish Trade Unions (Suomen Ammattiliittojen Keskusjärjestö, [SAK](#)), that reported a decline in its membership.

Malta: Three trade unions gained members in 2012 while one lost members, resulting in a net increase. The United Workers' Union (Union Haddiema Maghqudin, [UHM](#)) reported a decrease of 319 members, while membership was stable in 2012 for the Malta Union of Bank Employees ([MUBE](#)). The unions gaining members were the General Workers' Union ([GWU](#)) with an increase of 1,969 members, the Malta Union of Teachers ([MUT](#)) with an increase of 163 members and the Malta Union of Midwives and Nurses ([MUMN](#)) with an increase of 123 members. This results in a net gain of 1,936 members in Malta for 2012. No information was available for three small unions in Malta: the Union of Architects in the Public Sector (72 members in 2011), the Malta Union of Professional Psychologists (111 members in 2011) and the Emergency Nurses Union (69 members in 2011).

Sweden: The Swedish union membership declining trend from the past ([SE0901029Q](#)) has stabilised, as it is more than balanced out by trade unions that have increased their membership. Membership of the Swedish Trade Union Confederation (Landsorganisationen i Sverige, [LO](#)) declined, while two other union confederations increased the number of their members in 2012 – the Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation, [TCO](#)) and the Swedish Confederation of Professional Associations (Sveriges Akademikers Centralorganisation, [SACO](#)). However, if membership of the trade union Unionen had not increased by 9,000 members, TCO would also have had a decline in membership by about 3,000 members rather than a positive change of 6,265 members. The membership numbers for all of 2012 are not available for LO, but the union confederation claims the negative trend further decelerated towards the end of the year.

Increasing membership

As indicated above, some trade union confederations increased their membership, while others decreased, resulting in a small overall net increase for Belgium, Germany and Malta. There is also an overall increasing trend for France, though no data are available to assess its significance.

In **France**, the two largest trade union confederations reported an increase in their membership – the General Confederation of Labour (Confédération Générale du Travail, [CGT](#)) and the French Democratic Confederation of Labour (Confédération française démocratique du travail, [CFDT](#)). Two other trade

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union confederations reported a stable membership – the French Confederation of Christian Workers (Confédération Française des Travailleurs Chrétiens, [CFTC](#)) and the French Confederation of Management - General Confederation of Executives (Confédération française de l'encadrement - Confédération générale des cadres, [CFE-CGC](#)). Even though no information is available on the number of members of the third largest trade union Force ouvrière ([FO](#)), the overall number of trade union members appears to have increased in France in 2012.

Unfortunately no information is available on the 2012 changes in trade union membership in Ireland, Lithuania, Luxembourg, Norway, Portugal and Spain. In many countries, there are trade unions with a declining membership. Because some trade unions are clearly increasing their membership there is no general decline in all countries, but certainly a transformation of the composition of the trade union landscape. In Belgium, France, Germany and Malta, there is a net increase in trade union membership.

Organisational changes in trade unions

Some trade unions in a few countries have in the course of 2012 increased cooperation. Examples of such increased cooperation are presented below from Bulgaria, France, Poland and the UK. Three other countries (Hungary, the Netherlands and Norway) saw both concentration and fragmentation in the trade union landscape through trade union mergers and splits, respectively. Finally, organisational changes were reported in terms of leadership changes in France. In Table 6, these organisational changes reported for 2012 are compared with the changes for 2011 (see also [Industrial relations and working conditions developments in Europe 2011](#)).

Table 6: Organisational changes in trade unions in 2011 and 2012

Consolidation or fragmentation trends	2011	2012
Consolidation	FI, LI, MT, PT, SI, UK	BG, FR, PL, UK
Combination of both	-	HU, NL, NO
Fragmentation	CY, FI, HU, NL	-
Other kind of organisational changes	CZ, EE, FR, LU	FR

Bulgaria: Cooperation increased in between the two main trade union organisations that meet the [representativeness](#) criteria. The leadership of CITUB and CL Podkrepa developed this cooperation in the Joint Consultative Council. The two trade unions coordinate their policies and activities both in regard to their participation in the social dialogue and in regard to protest and strike activities at national and local level.

France: Another example of increased trade union cooperation in 2012 comes from France. Five unions came together to form an ‘inter-union’ – CGT, CFDT, the National Federation of Independent Unions (Union nationale des syndicats autonomes, [Unsa](#)), the Unitary Union Federation (Fédération syndicale unitaire, [FSU](#)) and [Solidaires](#). The aim was to coordinate action against the government of François Fillon and its austerity measures.

Poland: A tendency towards intensified cooperation of nationally representative trade unions was manifested in their joint proposals and activities in the Tripartite Commission for Social and Economic Affairs (Trójstronna Komisja ds. Społeczno Gospodarczych, [TK](#)) and joint actions against some governmental reforms such as reform of the retirement age. The Tripartite Commission involves

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government representatives and representatives of trade union confederations and employer organisations that are representative at the national level.

UK: Increased trade union cooperation occurred in the UK between the general union [GMB](#) and the public services union [Unison](#) (with some two million members between them). They formed an alliance in June 2012 primarily to campaign against the government's austerity policy. Later in the year, the two unions announced plans to develop the alliance, raising the possibility of an eventual merger. The [Unite](#) general union and the Public and Commercial Services Union ([PCS](#)) (with a combined membership of around 1.8 million) also strengthened their cooperation. However, merger talks in the transport sector ([UK1109019I](#)) between the National Union of Rail, Maritime and Transport Workers ([RMT](#)) and Transport Salaried Staffs' Association ([TSSA](#)) broke down in 2012.

Beyond intensified cooperation is the question of trade union mergers; opposite to such concentrations are splits resulting in more fragmented trade union landscapes. Such kinds of concentrations or fragmentations have occurred in Hungary, the Netherlands and Norway.

Hungary: Two dynamics enhanced cooperation between trade unions. The European-level merger of IndustriAll trade unions led to increased cooperation of its Hungarian affiliates. The second factor was of a national nature. Because only three trade unions (MSZOSZ, LIGA and Munkástanácsok) are involved in the industry–government consultative forum VKF, the other trade union organisations have had to rearrange their cooperation. Because ASZSZ is not involved in the consultative forum VKF, it is tightening its connections to MSZOSZ. Deeper cooperation also developed in 2012 between SZEFT and ÉSZT, which deal only with the public sector.

Also in terms of concentrations in Hungary, the bakery union joined with the agricultural workers union in MSZOSZ, while the Union of Military Employees left ÉSZT and joined LIGA. Fragmentation in Hungary was caused by part of the Democratic Trade Union of Social and Healthcare Workers (Egészségügyi és Szociális Ágazatban Dolgozók Demokratikus Szakszervezete, [EDDSZ](#)) leaving LIGA.

Netherlands: The main organisational changes involves FNV, which some affiliated unions left in February 2013 following developments in 2012 – these unions were the General Dutch Pensioners Union ([ANBO](#)) and FNV Construction, which represents self-employed workers in the construction sector ([NL1205029I](#), [NL1306019I](#)). A concentration of unions organising civil servants, MHP and Ambtenarencentrum, also caused a reorganisation of the trade union landscape in the Netherlands, which subsequently caused a split between MHP and De Unie.

Norway: The Norwegian Union for Marine Engineers (Det norske maskinistforbund, [DNMF](#)) announced it would leave the Confederation of Vocational Unions (Yrkesorganisasjonenes Sentralforbund, [YS](#)). DNMF will leave YS on 1 January 2014 when it will affiliate to the Confederation of Unions for Professionals ([Unio](#)). Another change in the trade union landscape in Norway happened when the Norwegian Society of Radiographers (Norsk Radiografforbund, [NRF](#)) became affiliated to Unio on 1 January 2013. NRF was not previously affiliated to any of the four union confederations.

Finally, in **France**, several organisational changes occurred, mainly involving the leadership. The CFDT General Secretary, François Chérèque, announced his resignation on 18 September 2012 with effect from November 2012; he was replaced by Laurent Berger, the 44 year-old previous Deputy General Secretary. As for the CGT, Thierry Lepaon succeeded Bernard Thibault as the new General Secretary at the 50th CGT Congress in March 2013.

Also in France, the law passed in July 2010 on the reform of social dialogue in the public sector linked the rights and resources available to unions with the results of workplace elections. A decree on union rights and funding, within the framework of the 2010 law, was issued in February 2012. It does not reduce the funding available to the unions, but creates greater transparency in their use of public resources ([FR1203011I](#)).

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Employers' organisations membership

There were no data available on the changes in the membership of employers' organisations in 2012 for about half the countries covered in this report, that is, Belgium, Estonia, France, Ireland, Latvia, Lithuania, Luxembourg, Norway, Portugal, Romania, Spain, Sweden and the UK. In five other countries (Germany, Greece, Hungary, Malta and Poland), information was available on the membership development of some of the employers' organisations but not for others.

Among the countries where membership data are fully available, all employers' organisations in Austria, Bulgaria, Cyprus and Slovakia reported an increasing membership in 2012. One employers' organisation in Denmark in 2012 reported an increase in membership and another reported a stable membership. Employers' organisations in Italy and the Netherlands reported a stable membership. In Finland, some employers' organisations reported a declining membership and others were stable. But in Slovenia, all employers' organisations are estimated to have a declining membership. Overall, most countries are found in the increasing category and still more in the stable category than in the declining one, pointing more in the direction of an increasing trend in Europe. Based on the employers' organisations for which membership data are available in these countries, Greece can be added to the category of countries with organisations with an increasing membership, while for Malta some organisations are increasing their membership and others are stable. Germany and Poland are in the stable membership category, and Hungary is in the partly increasing and partly stable membership category (Table 7).

Table 7: Changes in the membership of cross-sector employers' organisations, 2012

Trend	Countries
Overall increasing	AT, BG, CY, DK, EL*, HU*, MT*, SK
Overall stable	DE*, IT, NL, PL*
Overall declining	FI, SI
No membership data available	BE, EE, ES, FR, IE, LT, LU, LV, NO, PT, RO, SE, UK

*Note: * Only partial data are available.*

Source: Eurofound observatories

Increasing membership

Austria: The Chamber of Commerce (Wirtschaftskammer Österreich, [WKÖ](#)) reported an increase in its membership in 2012. Due to mandatory membership, the increase in members means an increase in the number of companies/business licences in Austria.

Bulgaria: The four employers' organisations that reported an increase in their membership were the Bulgarian Industrial Association ([BIA](#)), the Bulgarian Chamber of Commerce and Industry ([BCCI](#)), the Confederation of Employers and Industrialists in Bulgaria ([CEIBG](#)) and the Bulgarian Industrial Capital Association ([BICA](#)).

Slovakia: Both the Federation of Employer Associations (Asociácia zamestnávateľských zväzov a združení Slovenskej republiky, [AZZZ SR](#)) and the National Union of Employers (Republiková únia zamestnávateľov Slovenskej republiky, [RÚZ SR](#)) increased their membership in 2012.

Cyprus: Both the Cyprus Chamber of Commerce and Industry ([CCCI](#)) and the Employers' and Industrialists' Federation ([OEB](#)) reported an increase in their membership.

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Greece: Membership increased for the National Confederation of Greek Commerce ([ESEE](#)) and the General Confederation of Professional Light Industry Owners and Merchants of Greece ([GSEVEE](#)). Even though a large number of commercial undertakings have closed in the last years due to the crisis and the resulting measures, the ESEE and GSEVEE reported that many undertakings had applied for membership to participate in collective procedures and to ensure that their interests were represented. For the Association of Undertakings and Industries ([SEV](#)), no membership information was available for 2012.

Denmark: The Confederation of Danish Employers (Dansk Arbejdsgiverforening, [DA](#)) had increased its membership and the Danish Employers' Association for the Financial Sector (Finanssektorens Arbejdsgiverforening, [FA](#)) had a stable membership in 2012.

Malta: Two employers' organisation saw an increase in their membership and one had a stable membership – the Association of General and Retailers and Trade ([GRTU](#)) increased to 110 members and the Malta Employers' Association ([MEA](#)) increased to 20 members, whereas membership of the Malta Hotel Restaurants Association ([MHRA](#)) was stable. The [Malta Chamber of Commerce, Enterprise and Industry](#) is one of the largest employers' associations in Malta, but because it is not registered under the Employment and Industrial Relations Act ([EIRA](#)), no membership data are available for this organisation for 2012.

Stable membership

Italy: Membership of the employers' organisations has been stable.

Netherlands: This is also the case in the Netherlands for the Confederation of Netherlands Industry and Employers (Verbond van Nederlandse Ondernemingen en het Nederlands Christelijk Werkgeversverbond, [VNO-NCW](#)), for the Dutch royal organisation of SMEs (Koninklijke vereniging midden en kleinbedrijf, [MKB-Nederland](#)) and for the employers' organisation for the agriculture sector (Land- en Tuinbouworganisatie Nederland, [LTO-Nederland](#)). In the Netherlands, employers' organisations have a stable membership base with 80%–90% of companies being a member of one of the three associations mentioned.

Germany: Also falling into the category of countries with a stable membership of their employers' organisation was Germany. The German Confederation of Employers' Associations (Bundesvereinigung der Deutschen Arbeitgeberverbände, [BDA](#)) represented around a million German companies in 2012. For the German Confederation of Skilled Crafts (Zentralverband des Deutschen Handwerks, [ZDH](#)), which represented about 1.15 million establishments in 2012, no information was given about how this number had changed compared with the previous year(s).

Declining membership

Finland: Employers' organisations reported a decline in membership for the State Employer's Office (Valtion työmarkkinalaitos, [VTML](#)) and the Church Employers (Kirkon työmarkkinalaitos, [KIT](#)). Not all employers' organisations in Finland, however, had a decline in their membership in 2012, with membership of the Confederation of Finnish Industries (Elinkeinoelämän keskusliitto, [EK](#)) and the local government employers' organisation (KT Kuntatyönantajat, [KT](#)) remaining stable.

Hungary: The National Federation of Craftsmen Boards (Ipartestületek Országos Szövetsége, [IPOSZ](#)) reported an increase in membership from 50,000 in 2011 to 60,000 in 2012, whereas the Confederation of Hungarian Employers and Industrialists (Munkaadók és Gyáriparosok Országos Szövetsége, [MGYOSZ](#)) retained its 6,000 members in 2012. Membership data are provided for the other Hungarian employers' organisations, but not on whether these changed or stayed stable in comparison with previous year(s). These organisations are the National Association of Entrepreneurs and Employers (Vállalkozók és Munkáltatók Országos Szövetsége, [VOSZ](#)) with 53,000 members, the Agrarian Employers' Federation

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(Agrár Munkaadói Szövetség, AMSZ) with 1,500 members in 2011, the National Federation of Agricultural Cooperatives and Producers (Mezőgazdasági Szövetkezők és Termelők Országos Szövetsége, [MOSZ](#)) with 62 members, the National Federation of Traders and Caterers (Kereskedők és Vendéglátók Országos Érdekképviselői Szövetsége, [KISOSZ](#)) with 40,000 members, the Hungarian Industrial Association (Magyar Iparszövetség, [OKISZ](#)) with 1,951 members in 2010, the National Federation of Consumer Cooperatives (Általános Fogyasztási Szövetkezetek Országos Szövetsége, [ÁFEOSZ](#)) with 8,300 members and the National Association of Strategic and Public Utility Companies (Stratégiai és Közszolgáltató Társaságok Országos Szövetsége, [STRATOSZ](#)) with 10,000 members.

Slovenia: The crisis had an impact on the membership of the employers' organisations. The Chamber of Commerce (Gospodarska zbornica Slovenije, [GZS](#)) had 11,532 members in 2010, 10,454 in 2011 and only 9,638 by the beginning of 2012, reflecting a loss of almost 1,900 members in 15 months. A similar trend was reported for the Association of Employers of Slovenia ([ZDS](#)) mainly due to the bankruptcy of medium and large companies, although this trend stabilised in 2012. Together with Finland, employers' organisations in Slovenia are losing members, while among those countries where employers' membership data are available, the trend of employers' organisations with increasing members is stronger. The countries with stable membership among employers' organisations complete the divergence in terms of membership trends.

Organisational changes in employers' organisations

The organisational changes reported for 2012 point mainly at a trend of increased cooperation and mergers. Examples of increased cooperation between employers' organisations come from Hungary and the Netherlands, while mergers are reported in France, Norway and Sweden. In Ireland, the Irish employers' organisation IBEC announced in 2012 a change in its approach of servicing its members (Table 8).

Table 8: Organisational changes in employers' organisations in 2011 and 2012

Consolidation or fragmentation trends	2011	2012
Consolidation	DE, FI, NL, RO	FR, HU, NL, NO, SE
Fragmentation	CY, SI	-
Other kind of organisational changes	-	IE

Netherlands: Increased cooperation between employers' organisations took place in 2012 in the Netherlands between VNO-NCW and MKB-Nederland.

Hungary: Also in Hungary, employers' organisations moved to closer cooperation in 2012. This was enhanced by the fact that only three employers' organisations were included in the industry and government consultative forum, VKF – ÁFÉOSZ-KESZ, MGYOSZ and VOSZ. The other employers' organisations not directly involved in the VKF subsequently sought closer cooperation to one of these three. MGYOSZ now also represents MOSZ based on mutual interests, while ÁFÉOSZ will represent STRATOSZ. VOSZ is aiming to cover IPOSZ and KISOSZ, although this cooperation is still being developed.

Mergers between employers' organisations occurred in 2012 in France, Norway and Sweden.

France: Two employers' organisations representing 'Portage Salarial' (sometimes translated as 'umbrella companies' – see [FR1007061I](#)) merged in November. The National Union of Umbrella Companies (Syndicat national des entreprises de portage salarial, SNEPS) and the National Federation of Wage

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Payers (Fédération nationale regroupant les sociétés et entreprises de portage salarial en France, [FeNPS](#)), which together represented 90% of such employers, formed the ‘Syndicat des professionnels de l’emploi en portage salarial’ ([PEPS](#)).

Norway: The employers’ organisation for the agricultural sector (Landbrukets Arbeidsgiverforening, [LA](#)) merged with NHO Mat og Bio, an affiliate of the Confederation of Norwegian Business and Industry (Næringslivets Hovedorganisasjon, [NHO](#)) on 1 January 2012. The merger resulted in a new employers’ organisation, NHO Mat og Landbruk, which is an affiliate of NHO.

Sweden: The newly merged employer organisation, the Industry Employers ([Industriarbetsgivarna](#)) consists of the Employers’ Association of the Steel and Metal Industry (Stål och Metall Arbetsgivareförbundet), the Swedish Association of Mines, Mineral- and Metal Producers (SveMin), the Trade and Employers’ Federation of Welding Engineering (SVEMEK), and the Swedish Forest Industries Federation (Skogsindustrierna); it represents 860 companies with a total 82,000 employees.

Ireland: Another kind of organisational change was reported from Ireland. The Irish Business and Employers’ Confederation ([IBEC](#)) announced in 2012 a future change in servicing its members. Under a plan called [The future is this way: A new strategic direction for IBEC 2013–2015](#), affiliated members of IBEC have been informed that the confederation is planning the biggest shift in the strategic direction of the organisation since it was formed from the merger of the Federated Union of Employers (FUE) and the Confederation of Irish Industry (CII) 20 years ago. IBEC members have been told a ‘new pricing model’ will be developed after a ‘review’ and will be based on new ‘membership propositions and service benefits’. What this is likely to mean, according to the independent weekly magazine *Industrial Relations News*, is a move away from the annual membership fee based on employee numbers towards a more client-based fee system for work performed. IBEC will not, however, be moving to a pricing model that is based exclusively on the level of service used by members.

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Box 2: Representativeness criteria of social partner organisations

Changes in 2012 to the representativeness criteria of social partner organisations impacted the industrial relations system in Bulgaria, Cyprus, the Czech Republic, France, Slovakia, Poland and Romania.

In **Bulgaria**, changes were made to the Labour Code in January 2012 which introduced more stringent criteria for the representativeness of social partners. To implement these new criteria, the Ministry of Labour and Social Policy carried out a census of social partners' national representativeness in 2012. Only four of the six employers' organisations met the more stringent criteria. The employers' organisations representing SMEs – the Union for Private Economic Enterprise (UPEE) and the Union of Private Bulgarian Entrepreneurs 'Vazrazhdane' (UPBE) – did not meet the new criteria ([BG1209011I](#)) and UPBE merged with BICA. This concentration among Bulgarian employers' organisations was enhanced by the fact that the two employers' organisations that lost their representative statute were subsequently no longer taking part in the tripartite bodies or in the sector structures of social dialogue and collective bargaining. This means that at cross-sector level, the National Council for Tripartite Cooperation (NCTC) will work under a new configuration with representatives of four employers' associations and two trade union confederations, as will a range of national councils built on the tripartite principle in the fields of employment, vocational education, lifelong learning, health and safety, and gender equality. Changes were also introduced in the composition of management/supervisory bodies of institutions set up on the tripartite principle. At sector level, changes in the employer side followed the census in councils for cooperation and for collective bargaining. At company level, the amendments to the Labour Code provide for equal rights for temporary agency workers – the right to join trade unions and collective agreements, the right to strike, and the right to information and consultation.

In **Cyprus**, representativeness criteria were effected indirectly from the enactment of Law 55(I)/2012 in May 2012 on Recognition of Trade Union Organisation and of the Right to Provide Trade Union Facilities for Recognition Purposes, together with the amendment to the 1995–2005 Laws ratifying the Workers' Representatives Convention. These legislative changes are considered to enhance the role of the trade unions at bipartite level. Both legislative reforms were enacted in May 2012 and formed part of the package of legislative measures for modernising the system of industrial relations in Cyprus (CY1105049Q), aimed at strengthening legislation provided for by the International Labour Organization (ILO) Convention No. 135. The implementation of Law 55(I)/2012 was assigned to the Division of Trade Unions' Registrar, which began an information campaign by distributing an informative guide and holding relevant seminars.

In the **Czech Republic**, the 'conceptual amendment' to the Labour Code, was welcomed by employers, but was seen by trade unions as weakening the position of employees and their representatives. The amendment to the Labour Code has prescribed a requirement of representativeness for a trade union operating with an employer (the right to negotiate with the employer if at least three of its members work with that employer), allowed the termination of a collective agreement concluded for a definite period of time, and set a rule that if a trade union ceases to exist the effect of the collective agreement ceases by the end of the following month at the latest.

In **France**, there was a dispute between the three national-level employer organisations – the Movement of French Enterprises (Mouvement des entreprises de France, [MEDEF](#)), the General Confederation of

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Small and Medium-sized Enterprises (Confédération générale des petites et moyennes entreprises, [CGPME](#)) and the Craftwork Employers' Association (Union professionnelle artisanale, [UPA](#)) – over the method of determining their representativeness. Due to disagreement, they refused to fund the CGPME. The French government asked the employers' organisations to put forward a proposal by mid-2013 on the criteria of representativeness of employers organisations.

At the sector level, the industrial relations framework in the public sector changed with the government reform of public sector social partner representativeness. This was launched on 31 January in the Common Council of the Public Sector ([Conseil commun de la Fonction publique](#)) and adopted in February 2012. The decree provides unions with greater rights and links this to the resources available to unions according to the results of workplace elections. This does not reduce the funding available to the unions, but creates greater transparency in their use of public resources ([FR1203011I](#)). The reform of the industrial relations system in the public sector has also an impact on collective bargaining ([FR1110021I](#)). At company level, and linked to the representativeness reform of 2008, the government organised the first works council election within small companies employing fewer than 50 workers ([FR1301021I](#)).

In **Slovakia**, Labour Code amendments implemented in 2011 introduced criteria for the representativeness of trade unions in collective bargaining. To represent employees in collective bargaining, any trade union organisation established after 1 September 2011 had to prove, on the request of a respective employer, that it represents at least 30% of the employees working there. For trade unions in existence before 1 September 2011, this precondition applied from 1 January 2013 ([SK1109019I](#)). This provision was new to Slovak labour legislation and fundamentally changed the conditions for participation of trade unions and collective bargaining. In 2012, the government proposed, and the parliament approved, more amendments to the Labour Code which abolished the abovementioned criteria for representativeness of trade unions in collective bargaining. These amendments entered into effect on 1 January 2013 ([SK1210019I](#)).

For Poland and Romania, proposals for changes were discussed but not adopted by the end of 2012. In **Poland**, the Tripartite Commission (TK) began to discuss in 2012 the changes in the representativeness criteria for trade unions. NSZZ Solidarność proposed to secure the rights to collective bargaining for nationally representative trade unions only. According to the alternative proposal of the Ministry of Labour and Social Policy, the right to collective bargaining would be granted to all trade unions in the company (if they reach an agreement) or the trade union chosen by employees in a ballot. Discussions on these proposals were still ongoing at the end of 2012.

In **Romania**, the major legislative changes that occurred in 2011 (the new Social Dialogue Act, and the amended Labour Code) were not followed in 2012 by any measures or initiatives likely to have a bearing on the social dialogue, collective bargaining, and labour conflicts. After the changes to labour legislation in 2011 without parliamentary debates or consultations with the social partners, the trade union confederations made a number of proposals in 2012 and submitted them to public scrutiny. The main proposals, not adopted until the end of 2012, include the reinstatement of the national unique collective agreement, changes to the representativeness criteria at sectoral and company level, and new rules for labour disputes.

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Impact of governmental measures and legislation

Changes in the governance of the overall industrial relations system, collective bargaining and the regulations regarding industrial action have been recorded in 16 countries (Table 9). Most of the changes reported relate to the collective bargaining mechanisms, especially at sector and company level.

Table 9: Changes in government measures or legislation on industrial relations

	Industrial relations system			Collective bargaining system			Industrial action		
	Cross-sector level	Sector level	Company level	Cross-sector level	Sector level	Company level	Cross-sector level	Sector level	Company level
BE	X	X	X	X	X	X	X	X	X
BG	X	X	X		X	X			X
CZ			X		X	X			
EE						X			
ES					X	X			
FR	X	X	X		X	X		X	
EL				X		X			
HU	X					X	X	X	X
IE		X			X				
LT		X	X		X	X	X		X
LU		X	X		X				
MT	X		X						X
NO					X	X			
PT					X				
SK						X			
UK		X	X						

Source: Eurofound observatories

Changes to collective bargaining systems

In 2012, governments from a number of countries introduced changes to their collective bargaining systems. In Belgium, government decisions reduced the room left for collective bargaining at all levels, while in Ireland a new framework for sector-level collective bargaining was introduced. For a number of other countries, changes were made affecting the duration of collective bargaining agreements. This is the case for Estonia, Greece and Spain. In Portugal, changes were made to the extension mechanism of collective bargaining agreements.

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Belgium: The federal budget decided by the government in 2012 impacted on the traditional two-year round of collective bargaining for a cross-industry agreement for 2013–2014. The cross-sector agreement is partly based on budgets defined by the federal level. The more the budget is reduced, the more social dialogue comes under pressure. Government austerity measures and wage moderation strongly limited the space for collective bargaining in the two-year round of collective bargaining at cross-industry level. While the government plays an increased role in wage-setting in the country, this reduces the role of the social partners in this field, and reduces the chances to reach cross-sector collective bargaining agreements. Trade unions protested against these government measures through several general strikes and demonstrations against unemployment benefit reform, the government's austerity package and the questioning of the automatic wage indexation system.

Ireland: A new legal framework for sectoral wage-setting systems was put in place through the Industrial Relations (Amendment) Act 2012, which sets the new ground rules for creating and updating EROs and REAs. These can set binding minimum pay and conditions in sectors that employ up to 300,000 workers in various low-pay industries like retail, hairdressing, catering and hotels. Social partner nominees form a major part of the committees at which these sectoral agreements are negotiated.

Estonia: The government approved an amendment of the Collective Agreement Act in March 2012 which makes it easier for employers to terminate collective agreements ([EE1207019I](#)). Before the amendment of the act was implemented in May 2012, employers did not have an opportunity to terminate collective agreements, because according to the previous legislation, even when a collective agreement expired, employers were still bound by its rules until a new agreement was signed and thus the old collective agreement could potentially stay in place forever. This system was found to violate the freedom of entrepreneurship because it was not possible for employers to withdraw from an expired agreement. Trade unions were strongly against the proposed amendments, arguing that the amendments would not help to improve industrial relations and would instead increase the number of collective labour disputes ([EE1207019I](#)). The real impact of these changes is not yet clear.

Greece: Changes occurred in the collective bargaining system at cross-sector and company levels. At the cross-sector level, there was a ministerial decision reducing unilaterally the level of minimum remuneration for private sector workers. Furthermore, the possibility of collective agreements with an indefinite duration was abolished, as was their continuing effect and the principle of most favourable regulation.

Spain: Collective bargaining rules were reformed by Royal Decree 3/2012 of February 2012, which was transformed in July 2012 into Law 3/2012. This law reforms collective bargaining regulation by giving priority to company agreements over multi-employer agreements even if social partners decide to establish an alternative structure of collective bargaining. Moreover, the law allows opting out from collective bargaining if the enterprise records a drop in its revenues or sales during six consecutive months. In addition, the reform finishes with the so-called 'ultra activity' of collective agreements, establishing that a collective agreement will cease to be in force one year after its completion. In the past, collective agreements were automatically renewed unless there was another agreement. However, the law allows enterprises to modify wages on the grounds of technical or organisational reasons which justify the measure, thus encouraging competition by means of wage reduction. The reforms in Spain are expected to have an effect on the degree of centralisation of collective bargaining. Until the new regulation came into force, Spain recorded high levels of bargaining centralisation compared with other European countries, according the European Commission report [Industrial Relations in Europe 2010](#). However, the new regulation is expected to increase the decentralisation of collective bargaining since it gives preference to company agreements over sector agreements in many aspects, including pay.

Portugal: The restrictive regulation of extension decrees passed in October 2012 (on explicit demand of the Troika) has resulted in a major crisis in collective bargaining at sector level. The new labour

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legislation has opened the way to new types of negotiations at company level carried out by works councils (workers' commissions). The impact of this is limited, as there are only a few hundred works councils in the country, and because CGTP-affiliated unions that dominate most of the existing works councils oppose autonomous negotiations at plant level. This, nevertheless, resulted in strong protests by trade unions and employers' associations. Employers' representatives argue that the new regulation of extension decrees prevents them from signing collective agreements because, without extension, their members have to accept disadvantages in relation to competitors that are members of the employers' association which signs a collective agreement.

Other changes to industrial relations systems

In 2012, government measures redefined the conditions related to the right to strike in three countries – Hungary, Lithuania and Malta.

Hungary: The law on the right to strike was amended in December 2010 and came into force in January 2011. The main changes concern the 'minimum services' that have to be guaranteed before workers or unions planning industrial action can go on strike.

Lithuania: A court decision considerably impeded the possibility of organising strikes.

Malta: An amendment was made in October 2011 to the Employment and Industrial Relations Act which gave the minister responsible for transport the power to declare specific jobs in land and sea-based transport in Malta as an essential service, effectively removing the right to strike from transport workers. This change to labour law was made without consulting the social partners. Throughout 2012, the GWU supported by FORUM, continued its protest about this measure.

Closely linked to conflicts are the mediation mechanisms aimed to avoid or solve industrial conflicts, and changes were made in 2012 to these mechanisms in Greece and in Lithuania.

Greece: The role of the Mediation and Arbitration Organisation ([OMED](#)) was also limited in 2012; the option to unilaterally submit a dispute to the arbitration procedure has been abolished and arbitration can now only relate to the specification of the basic salary/wages.

Lithuania: In 2012, the government designed a new system for individual labour dispute resolution to improve employees' opportunities to defend their rights. Since 1 January 2013, individual labour dispute resolution commissions were set up under the regional subdivisions of the State Labour Inspectorate (Valstybinė darbo inspekcija, [VDI](#)). According to information provided by the VDI, as many as 300 employees applied to the commissions in January 2013. This support for social dialogue in terms of information and consultation and dispute resolution had a positive impact on sectoral-level industrial relations and collective bargaining.

Czech Republic: The 'conceptual amendment' to the Czech Labour Code, the most extensive amendment to the Labour Code since it came into force in 2007, deregulated industrial relations and contributed to labour market liberalisation. The amendment introduced, among other things, a new reason for dismissal and the issue of setting the time of collective holiday leave.

Estonia: The government introduced changes to the unemployment insurance system. Also in Estonia, a cross-sector social partners' agreement of December 2011 increased the minimum wage level in 2012, for the first time since 2008. This agreement reshaped the Estonian industrial relations setting and especially the relation between the social partners and the government.

France: Changes occurred in 2012 that affected the industrial relations framework at cross-sector, sector and company levels. At cross-sector level, the social partners signed, on 17 February 2012, an [agreement on the modernisation of 'paritarism' \(in French, 1.2 MB PDF\)](#) – a form of participative decision making in which employers and employees negotiate binding agreements. This agreement produced a new set of

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rules of governance that apply to the various bodies the parties manage jointly. At the sector level, the industrial relations framework in the public sector was changed with the government reform of public sector social partner representativeness, as referred to in Box 2 regarding changes to representativeness criteria. For the civil aviation sector, the parliament adopted in February 2012 a law to reduce the effects of strikes, that is [Law No. 2007-1224 of 21 August 2007 on social dialogue and the continuity of public services within scheduled passenger land transport \(in French, 143 KB PDF\)](#). The law encourages airlines and other companies to negotiate agreements, including measures to force some employees to give notice of their intention to take industrial action (**FR1203021I**). As for the company-level collective bargaining, the French government reinforced the commitment to negotiate on the gender pay gap and created a new commitment to negotiate (under the guise of the new Generation Contract) to set conditions on the employment of young workers and for maintaining the employment levels of older staff (**FR1209031I**).

Hungary: There have also been changes at cross-sector and company levels. At cross-sector level, the government organised a new system of cross-sector social dialogue, instead of the National Council for the Reconciliation of Interests (Országos Érdekegyeztető Tanács, OÉT) that was abolished in 2011. This change to the consultation system and its financing has a significant impact on industrial relations and decision-making process concerning labour. This new system is composed of the National Economic and Social Council (Nemzeti Gazdasági és Szociális Tanács, NGTT) and the industry–government consultative forum VKF. The NGTT serves as a larger consultative social forum in which one person from each of the nine employers’ organisations, six trade unions, several civil organisations, churches and chambers participate. The VKF is composed of three trade unions and three employers’ organisations plus the state secretaries of the prime minister concerned. This new consultative forum does not include some social partners (three trade unions and six employers’ organisations) which previously participated in the OÉT. Among the advantages of the new system are increased effectiveness and flexibility because of less media attention. The VKF, however, only discusses issues initiated by the prime minister or the government and does not cover the entire labour market issues. At workplace level in Hungary, there has been a shift of certain competences from trade union delegates to works council members. For trade unions, this means a limitation of only one to five delegates that are entitled to legal protection and limitations on the exempted working time for trade union work. Also the legal protection of works council members is reduced in the new Labour Code, where it is only foreseen for the president and no longer for other works council members. The amount of working time exemption for works council members remains the same, but can no longer be accumulated and passed on to give one person full-time exemption. The new Labour Code does not mention the right of trade union delegates to participate in the election committee for works council elections.

Lithuania: A new provision was introduced into the Labour Code in 2012 stipulating that employers are required to inform and consult employees in case of business transfer.

Luxembourg: Developments in the industrial relations system occurred at company and sector levels, with no changes at cross-sector level. The government prepared a reform of social dialogue within companies for adoption in February 2013. At sectoral level, the Luxembourg government had to intervene in social dialogue in the steel industry in the framework of a tripartite meeting with unions (OGBL and LCGB) and the management of ArcelorMittal. On 28 March 2012, the parties signed a tripartite memorandum of understanding setting out a plan to tackle growing economic problems. The main commitments of the ‘Lux-2016 plan’ for the future of steelmaking included investments of €150 million in Luxembourg over five years, social measures to support employees affected by a decision to close the steelworks at Schifflange, including an early retirement option, and the reduction of production at the plant at Rodange. However, it did not contain any job security commitment for the employees of the Rodange and Schifflange plants.

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Malta: Changes to the industrial relations systems concern the membership of the Malta Council for Economic and Social Development ([MCESD](#)), which is the national tripartite body for social dialogue and the regulation of industrial conflict. As a vehicle to campaign for MCESD membership, a loose confederation of unions, known as Forum Unions Maltin (FORUM) was set up in 2004. When in April 2011, FORUM was accepted as a member of the ETUC, its claim to be included as an MCESD member became more valid. Eventually in April 2012, the government gave in to pressure from FORUM, which was supported by the GWU, and made the necessary amendments to the law governing the composition of the MCESD to enable FORUM to form part of it. By this amendment, the Gozo Business Chamber was also admitted to become a member of the MCESD. To date no such revision has been made ([MT1202019I](#)).

Norway: Collective bargaining changes occurred at company and sector levels, particularly in the cleaning and temporary agency sectors. For companies in the cleaning sector, an accreditation scheme was introduced in September 2012. The main goal of the scheme is to improve the health, working conditions and safety of employees in the industry and to prevent unregistered work. Companies that make use of the services of such services risk legal liability if the company is not accredited ([NO1301019I](#)). Also the implementation in 2012 of the Temporary Agency Work Directive has implications for collective bargaining. Amendments to the Labour Code granted the trade union representative at company level some influence when it comes to enforcement of the equal treatment principle. Furthermore, social partners agreed that temporary work agencies could be bound by sector-level collective agreements covering the sector they hire their personnel to ([NO1205029I](#)). Social partners therefore dropped the plan to make an agreement to set up a collective agreement for the temporary work industry. This also has implications for industrial actions as these companies can be covered by industrial actions at sector level.

UK: The government, issued draft legislation related to company-level social dialogue in the case of collective dismissals following two legal cases ([UK1301019I](#)); and a sector-level measure was adopted regarding the civil service. In October 2012, following consultations ([UK1203019I](#)), the government issued new rules on trade union ‘facility time’ (that is, paid time off for trade union representatives to carry out union work) in the civil service. Under the previous arrangements, the government claimed that around 250 civil servants were effectively full-time union officials whose wages were paid by the state. The new rules prevent any civil servant from spending more than 50% of their work time on their union role and limit the proportion of the pay bill of government departments spent on facility time to 0.1% (the government estimated that facility time previously accounted for 0.26% of the pay bill). Facility time will also be monitored more rigorously. Trade unions strongly opposed the move, which they claimed would reduce the effectiveness of representation and consultation.

Twelve countries – Austria, Cyprus, Denmark, Finland, Germany, Italy, Latvia, the Netherlands, Poland, Romania, Slovenia and Sweden – did not report changes. Some minor changes or indirect effects were nevertheless observed in Cyprus and Latvia, while possible changes that might be adopted in 2013 were in preparation in 2012 in Poland and Romania.

Industrial conflicts

According to the frequency or intensity of industrial conflicts in 2012, the EU27 Member States and Norway can be categorised in three groups (Table 10).

Table 10: Frequency of industrial conflicts in EU27 Member States and Norway, 2012

Frequency	Countries
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No or hardly any conflicts	AT, CZ
Few conflicts or fewer than before	DK, FI, FR, HU, IE, LT, LU, LV, MT, NL, NO, PL, RO, SE, SI, SK, UK
Many conflicts or more than in previous years	BE, BG, CY, DE, EE, EL, ES, IT, PT

Source: Eurofound observatories

Countries with no or hardly any conflicts

Austria and the Czech Republic had the lowest incidence of industrial conflict. In both countries, there were strike alerts or warning strikes, but otherwise hardly any industrial conflicts in 2012.

Austria: No strikes have occurred in the overall economy since 2005, with the exception of warning strikes in the metalworking industry in 2011 ([AT11120111](#)).

Czech Republic: Seven collective disputes occurred and were resolved by a mediator or an arbiter, according to ČMKOS data. Two of these cases were at sector level and five at company level. Neither strikes nor other forms of collective disputes are centrally monitored in statistics in the Czech Republic. The ČMKOS survey concerns its own members and covers only strikes during disputes related to concluding a collective agreement, strike alerts during conclusion of collective agreements, and disputes resolved in proceedings in the presence of a mediator or arbiter. On the basis of this information, no strikes were reported apart from one large trade union demonstration. On 21 April 2012, trade unions and civic organisations held the biggest demonstration in Prague against government policy since the fall of communism in 1989. Police estimated the number of protesters at 90,000.

Countries with few conflicts or fewer than before

A total of 17 countries had relatively few industrial conflicts or fewer than in previous years. In some of these countries, though, significant conflicts occurred.

Denmark: A remarkable blockade took place in the summer of 2012. The largest union in Denmark, the United Federation of Danish Workers (Faglig Fælles Forbund, [3F](#)), issued a blockade against a restaurant that refused to sign a collective agreement with the union. Demonstrations in Denmark during 2012 were few – and even fewer related to labour market issues – and they were mostly isolated to a small number of persons involved. In the context of the ETUC-initiated European action day of 14 November 2012 against ‘austerity measures’, the Danish confederations sent letters of protest to the Troika and expressed solidarity with the southern European countries.

Finland: According to [Statistics Finland](#) data on labour disputes, there were 86 cases of industrial action in 2012 involving 15,000 participants and resulting in 17,300 working days lost. This was far less than in 2011 when there were 163 disputes, 59,200 participants and 127,800 days lost. Data gathering in Finland tries to be comprehensive and the information comes from employer associations, enterprises and the media; nevertheless, some proportion of small actions are excluded.

France: The latest data available for France are for 2010. In 2012, there were no major nationwide industrial disputes. However, the dramatic increase in the incidence of company restructuring in 2012, due to the economic downturn, may well have resulted in a high level of strike action at company level.

Hungary: In 2012, only calls for strikes and demonstrations were reported. Due to the new strike law, no real strikes occurred. The reported demonstrations mostly concerned the public sectors (education, media, public transport and healthcare), although there was also some protesting in 2012 in the Hungarian metal sector and in the food processing industry. The debates on the radical changes in higher education

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(HU1202021I) continued during 2012 with several demonstrations, public discourses and some results, but the final decisions have not yet been agreed or codified.

Ireland: There was a very low level of official industrial conflict in 2012, indicative perhaps of how the economic crisis has further blunted the power of workers. Data from the Central Statistics Office ([CSO](#)) shows that there were 8,486 days lost in 2012 in five industrial disputes. This compares with 3,695 days lost in 2011 in eight disputes. Therefore, despite the break-up of social partnership in late 2009, levels of industrial strife, particularly in the private sector, remain at the low levels experienced over the past decade or so.

Latvia: A list of industrial actions in several sectors appeared in the mass media in Latvia in 2012. These Latvian industrial conflicts have not been followed by settlements with an impact on social dialogue. They have resulted in some local (sector) success or promises. In education, teachers' salaries were raised in September 2012 but on the basis of the ministry's internal resources. In healthcare, financing was somehow raised but from the very low basic level.

Lithuania: Six strikes took place in 2012 with 1,260 working days lost, according to Lithuanian Statistics (Lietuvos statistikos departamentas, [STD](#)). Furthermore, there were 187 warning strikes resulting in 1,820 working days lost. All these strikes and warning strikes in 2012 took place in the education sector ([LT1112029I](#), [LT1210019I](#)). These industrial actions helped teachers to find solutions satisfying both parties (teachers and the Ministry of Education and Science, [SMM](#)). Furthermore, the National Association of Officers' Trade Unions of the Republic of Lithuania (Nacionalinis pareigūnų profesinių sąjungų susivienijimas, [NPPSS](#)) initiated several protest campaigns against 'poverty in law enforcement', demanding better working conditions and salary increases.

Luxembourg: Industrial conflicts occurred at cross-sector, sector and company levels. At cross-sector level, there was a demonstration against government proposals to reform the pension system ([LU1210011I](#)). At sectoral level, social dialogue failed in civil aviation with disputes arising on the future of Cargolux (freight) since the company is owned by Qatar Airways and Luxair. In the construction sector, social partners failed to renew their collective agreement. In the public sector, disputes affected education, with teachers opposed to the education reform, and the whole public sector in the beginning of 2012. At company level, there were disputes during the negotiation of the social plan for the companies [Chemolux](#), [Hyosung](#), [Mangen Constructions](#) and [KBL](#).

Malta: In 2012, three strikes took place at company level, with a total of 700 working days lost. The strikes were concerned with industrial conflicts involving port workers, airport security staff and wealth managers of the HSBC Bank in Malta.

Netherlands: No particular strikes were reported for 2012, although precise data were not available. In 2011, a total of 17 strikes took place involving 47,100 employees and resulting in 22 working days lost. The reasons for the strikes have generally been about redundancies, restructuring and pay.

Norway: A total of 16 strikes took place related to the 2012 collective bargaining round. In addition, there were a few minor strikes connected with the establishment of a collective agreement (that is, a demand for a collective agreement declined by the employer). In the oil sector, there were three strikes in which three trade unions joined forces in an effort to secure continuation of an early retirement scheme. Three strikes occurred in the state sector and three others in the municipal sector. Altogether, a significant number of working days were lost to industrial action in 2012. The most comprehensive strikes, measured in terms of working days lost, took place in the public sector. Norway also saw strikes in the private security, private nursing homes and electricity sectors, plus two other smaller conflicts. In terms of settlements, the Norwegian government set up a public committee to review wage formation in Norwegian working life. All major employer and employee organisations are represented in this tripartite committee.

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Poland: In 2012, 17 strikes were reported at company level. At cross-sector level, there were trade union protests and demonstrations in May and June 2012 against the raising of the retirement age, the expansion of ‘junk contracts’ and the lack of social dialogue ([PL1206019I](#)). All nationally representative trade unions organised protests on 14 November 2012 as part of the European Day of Action and Solidarity proclaimed by the ETUC. On 29 September 2012, NSZZ Solidarność, the main oppositional party Law and Justice ([PiS](#)) and a Roman Catholic organisation [Radio Maryja](#) organised anti-governmental protests in Warsaw under the slogan ‘Awake, Poland!’. At sector level, nurses demonstrated in October 2012 against the public healthcare policies ([PL1210059I](#)). Strike action in 2012 took place in sectors such as civil aviation, railways, healthcare, electricity, chemical and electronics manufacturing.

Romania: There is no record of strikes for 2012 formally acknowledged in accordance with the rules of the new Social Dialogue Act which introduced new procedures regarding the notification of protest movements. Unlike the previous legislation, a strike in its own right may not be staged unless a warning strike is called first, but the latter may not be called until the employer receives advance notice of at least two business days. In addition, initiating a strike now encounters more obstacles after the toughening of the representativeness criteria, particularly the condition that the trade union members should represent at least half plus one of the total number of the company’s workers. Statistically speaking, based on the official records of the Ministry of Labour, Family, Social Protection and Elderly (Ministerul Muncii, Familiei, Protecției Sociale și Persoanelor Vârștnice, [MMFPSPV](#)), the first nine months of 2012 saw 23 labour conflicts (compared with 35 in the first nine months of 2011), which involved 10,540 employees (compared with 55,200 in the same period in 2011) of a total of 14,695 workers in the companies where the conflicts broke out (compared with a total of 120,518 people in the same period in 2011). Most of the labour conflicts occurred in manufacturing (12 – the same as in 2011), which involved 6,263 employees of the total 8,841 employees of the companies involved. Metallurgy had the highest number of conflicts, followed by road vehicle manufacturing, electrical equipment manufacturing and the vocational, scientific and technical sector. In January 2012, protesters took to the streets of Bucharest and many other towns in Romania to demand the resignation of the government and the President of Romania, and a reshuffling of the entire political class.

Slovakia: Two strikes took place among teachers in 2012, in which three working days were lost. There are no data available on the number of teachers and other school employees involved in these strikes in primary and secondary schools ([SK1211019I](#)). To settle the conflict with the teachers, the government promised to increase wages of teachers and other workers in schools by 5% in 2012. There were 16 collective labour disputes registered by the Ministry of Labour, Social Affairs and Family ([MPSVR SR](#)) in 2012 (15 were registered in 2011), of which 14 were dealt with by mediators. Five were successfully settled by mediators and three conflicts were settled by direct agreement between parties in dispute. Nevertheless, none of registered collective labour disputes resulted in strike or lockout.

Slovenia: A new regulation on strikes is in preparation, including a provision on the collection of data on industrial conflicts. Awaiting this, there are no reliable data on strikes in Slovenia. When the government and the unions signed an agreement on austerity measures in the public sector, the deal was sealed when the Agreement on the Resolution of Strike Demands (ARSD) was concluded by the Coordination of Strike Boards of the Public Sector Trade Unions and the government ([SI1205019I](#)). The largest industrial conflict in Slovenia happened on 18 April 2012, when a one-day general strike in the public sector was held in protest at the Slovenian government’s package of austerity measures. Around 100,000 workers from 23 public sector unions took part in the strike.

Sweden: Six sector-level strikes were reported in 2012, one of which was significantly larger than the others. Of the 37,000 working days lost during 2012, 32,300 were lost in a wage level dispute in the construction industry regarding five collective agreements between the Swedish Building Workers’ Union

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(Svenska Byggnadsarbetareförbundet, [Byggnads](#)) and the employers' organisations VVS Företagen ([VVS Företagen](#)) and Plåtslageriernas Riksförbund ([PLR](#)).

UK: According to the Office for National Statistics ([ONS](#)), 128 strikes were counted in 2012 compared with 149 in 2011. In total, 248,300 working days were lost in 2012 compared with 1,389,700 in 2011. The ONS statistics seek to record all strike action except for disputes involving fewer than 10 workers or lasting less than half a day, unless 100 working days are lost due to a single dispute, regardless of the number of workers involved. In 2012, according to ONS data, pay was the cause of 45% of stoppages and 68% of working days lost. The next most important causes were redundancy questions (24% of stoppages and 20% of working days lost) and working conditions and supervision (12% of stoppages and 8% of working days lost). The most significant industrial actions in the UK in 2012 were in the public sector and at the paper company Mayr-Melnhof Packaging. Civil servants, health service workers, lecturers and some other public sector workers held a one-day strike on 10 May as part of a continuing dispute over pensions reform ([UK1112029I](#)).

Countries with many conflicts or more than in previous years

Belgium, Bulgaria, Cyprus, Estonia, Germany, Greece, Italy, Portugal and Spain all reported more industrial conflicts in 2012 than in previous years.

Belgium: Several official strikes occurred at the cross-sector level, as was the case with strikes against unemployment benefit reform, the government's austerity package and the end of the automatic wage indexation. Several strikes also occurred at sectoral level, especially within the public sector such as in the railway sector. Finally, the large number of negative restructurings was the reason for many strikes at the company level. The most important was at Ford where 4,300 jobs were lost. At this level, strikes are more spontaneous, in reaction to management decisions, whereas at the sector or cross-sector levels, they are often official. The largest industrial actions in Belgium in 2012 were those at cross-sector level and the strike and protests against Ford.

Bulgaria: Cross-sector, sector and company-level strikes and conflicts were reported. On 1 November 2012, at cross-sector level, a demonstration took place involving over 1,000 miners, metalworkers and chemists – members of CITUB and CL Podkrepa – against attacks from green movement representatives who argue that these industries pollute the environment. At sector level, there were several demonstrations of healthcare workers and patients provoked by the closure of small hospitals and inadequate financing of healthcare establishments. Farmers also held protests related to the delayed payments of subsidies and insufficient resources allocated in the 2013 draft budget. Mothers throughout the country protested against the linking of motherhood benefits for the second year of maternity leave with the minimum wage (October 2012). At company level in Bulgaria, the most significant industrial conflict was at the OZK Karzhali lead-zinc plant. Four other strikes were reported in 2012, with 109 working days lost. Two of these four strikes happened in mines, the third strike was at VMZ-Sopot, a state military industry company ([BG1212031I](#)), and the fourth was at the General Ganetzki-Pleven company. All four strikes ended with agreements and the unpaid wages were subsequently paid. There were also protests at company level in Bulgaria in a number of companies.

Cyprus: A total of 56 strikes were reported resulting in 48,294 working days lost. The upward trend in the number of strikes that was noted in 2011 continued in 2012, with a significant increase both in the number of strikes and in the number of employees affected; the number of working days lost almost doubled. Specifically, in 2012, there were 56 strikes with 48,294 working days lost compared with 42 strikes and 25,305 working days lost in 2011. Data on strike activity were provided by the Department of Labour Relations of the Ministry of Labour and Social Insurance ([MLSI](#)).

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Estonia: Two large sector-level strikes were held in 2012, which is very uncommon as strike action is rare in Estonia. Teachers went out on strike in March 2012 and healthcare workers in October 2012. Some 15,000 teachers took part in the three-day strike ([EE1202029I](#)). The conflict was settled when the government approved on 3 January 2013 the new minimum wages for junior and regular teachers ([EE1301019Q](#), [EE1303029Q](#)). In October 2012, the Estonian Medical Association (Eesti Arstide Liit, [EAL](#)) together with the Union of Estonian Healthcare Professionals (Eesti Tervishoiutöötajate Kutseliit, [ETK](#)) went on a strike that lasted for 25 days ([EE1301019Q](#)). According to official data from Statistics Estonia (Eesti Statistika, [Statistikaamet](#)), 13,302 workers participated in the strike. Compared with previous years, the number of strikes and political demonstrations has increased noticeably in Estonia.

Germany: The two most remarkable industrial conflicts in 2012 were in the public sector and in the metal and electrical sector. The collective bargaining round for the public service was accompanied by national token strikes in which some 300,000 public sector employees took part. This conflict was settled when a new agreement valid for 24 months was concluded in March 2012 ([DE1205029I](#)). In the metal and electrical industry, token strikes occurred in the state of Baden-Württemberg, where a pilot agreement for the whole sector was concluded ([DE1206019I](#)).

Greece: A lot of strike action occurred in 2012. Because of the economic downturn, the reduction of wages and the immense changes in labour relations in general caused significant reactions on the part of trade unions. At cross-sector level, the highest-level trade unions, GSEE and ADEDY, called general strikes covering all workers throughout the country. There were seven 24-hour general strikes, two 48-hour general strikes and a three-hour suspension of work in 2012. These strikes were basically protests against the austerity measures and took place on dates that the parliament agreed austerity measures and the budget. At sector level in Greece, ADEDY declared five three-hour strikes (suspension of work) during the year. In the public sector, the strikes of employees in the healthcare sector were significant; they sought suspension of the reduction in public expenses for the National Health System (ESY) and the reduction in salaries, as well as the payment of unpaid salaries for already performed work. Significant strike actions also occurred at organisations in the broader public sector.

Italy: Industrial conflicts arose from the reorganisation of the Fincantieri shipyards (settled by an agreement on 21 December 2011 ([IT1201059I](#)), though some of the shipyards were not covered), Monte dei Paschi (banking sector – on downsizing and restructuring), Unicredit (banking sector – on outsourcing), Banca Intesa (banking sector – on restructuring), AnsaldoBreda (transport equipment – on company restructuring), Indesit (white-goods – on a plant closure in Piedmont) and Coca Cola Italia (beverages – on job cuts). A remarkable protest was sparked by a court decision in late July to stop production in a number of sections of the Ilva plant in Tarant, due to allegations of severe and continuous pollution. Agricultural workers went on strike in April 2012 to protest against the proposal to extend the use of ‘vouchers’ for casual workers in agriculture, which they believed could reduce protection levels and increase precariousness, and the reduction of the wage replacement rate of the new ‘reduced’ unemployment benefits.

Portugal: As in previous years, industrial action was intense in 2012. Due to the suspension of the publication of statistical data on strikes by the Labour Ministry, it is not possible to make an informed statement on the extent of conflicts in the private sector. At cross-sector level, two general strikes took place. The first one organised by CGTP only was held on 22 March and the second one on 14 November. In 2012, the Economic and Social Council (Conselho Económico e Social, [CES](#)) issued 55 arbitral verdicts regarding minimum services during strikes; 54 of these verdicts referred to strikes at (mostly public) companies in transport and postal services.

Spain: Up to October 2012, 608 out of a total of 641 strikes recorded in Spain were due to labour reasons. Moreover, 495 of these strikes were called by reasons not related to collective bargaining. In June 2012, different strikes were held in the mining regions of Castilla y León and Asturias. Significant strikes were

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held in the public health sector in the Autonomous Community of Madrid (December 2012, January 2013). On 31 December 2012, workers at Roca, a company specialising in the manufacture of ceramic sanitaryware, undertook a sit-in in the cathedral in Alcalá de Guadaría, Seville, where the enterprise is located. During November 2012, workers in the telecommunications company Telefónica (Barcelona) held a hunger strike, protesting against unfair dismissals. Overall, 2012 was also a very conflictive year in terms of demonstrations in Spain.

3 – Employment conditions

The weak recovery from the financial and economic crisis in 2011 and the negative GDP growth recorded in a number of European countries in 2012 resulted in growing unemployment rates and a generalised reduction in employment across Europe. Employment rose between 2011 and 2012 in 11 Member States, in Croatia and in Norway (Figure 9); between 2010 and 2011 it increased in 17 EU countries and in Norway. Considering the EU as a whole, employment decreased by 0.7% between 2011 and 2012 while it increased by 0.4% between 2010 and 2011.

Figure 9: Employment growth in the EU27, Croatia and Norway, 2011–2012 (%)

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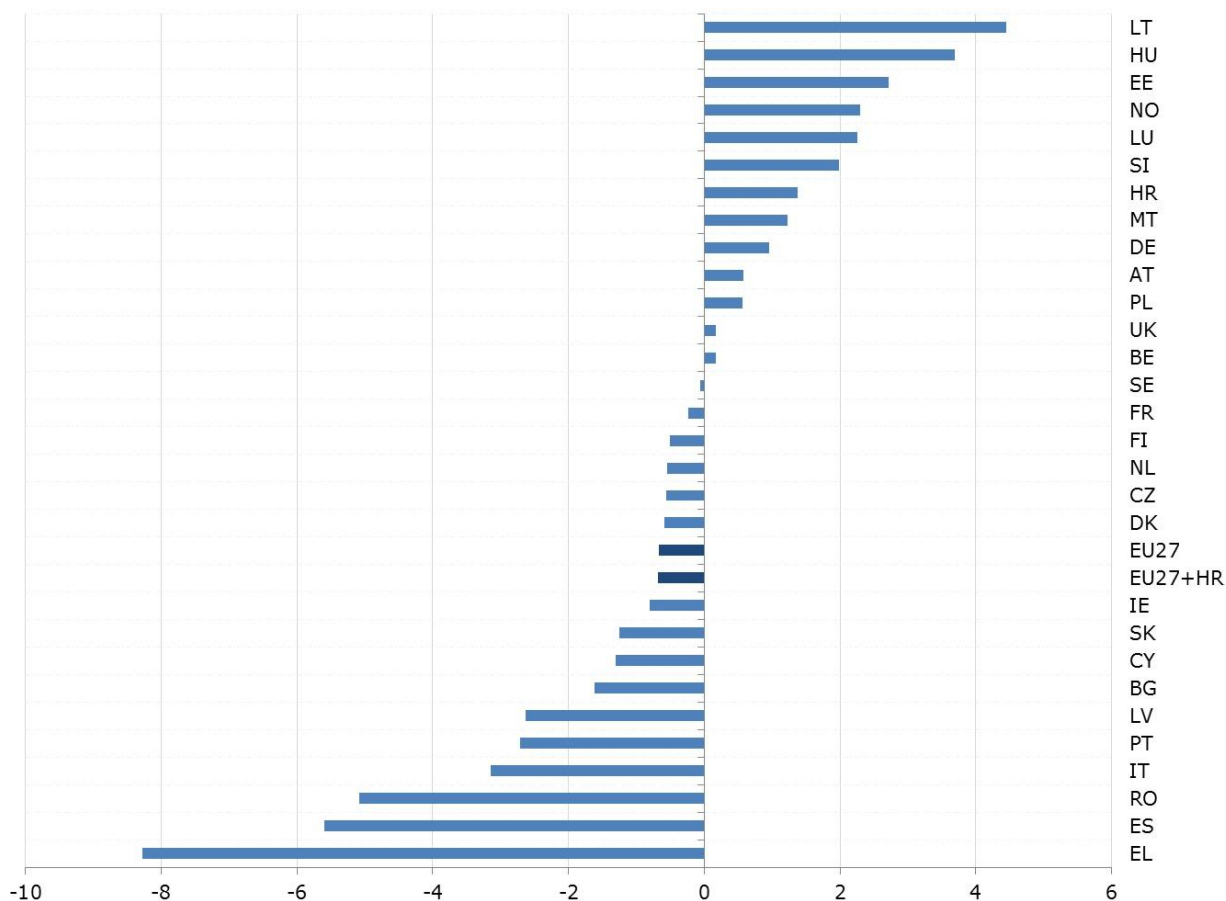


Figure 9: Employment growth in the EU27, Croatia and Norway, 2011–2012 (%)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

In a number of countries (Austria, Belgium, Estonia, Germany, Hungary, Lithuania, Luxembourg, Malta, Norway, Poland, Slovenia and the UK), employment has been increasing over the past few years and grew also in 2012. The previous decreasing trend in Bulgaria, Cyprus, Denmark, Greece, Ireland, Portugal, Romania and Spain continued, although at different intensities. The Czech Republic, Finland, Italy, Latvia and Sweden recorded a decrease in employment in 2012, in contrast with the previous period. Greece reported the biggest loss of employed people (-8.3%) in 2012 and Lithuania reported the best result (+4.4%). The employment decrease between 2011 and 2012 appears to have been lower for women (-0.2%) than for men (-0.7%) in terms of the EU27 average (also when considering Croatia). Employment growth was mainly among women in a number of countries such as Belgium, the Czech Republic, Cyprus, France, Hungary, Malta, the Netherlands, Poland, Sweden and the UK. The Netherlands, followed by Hungary, had the highest growth in female employment between 2011 and 2012 (Figure 10).

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Figure 10: Employment growth for men and women in the EU27, Croatia and Norway, 2011–2012 (%)

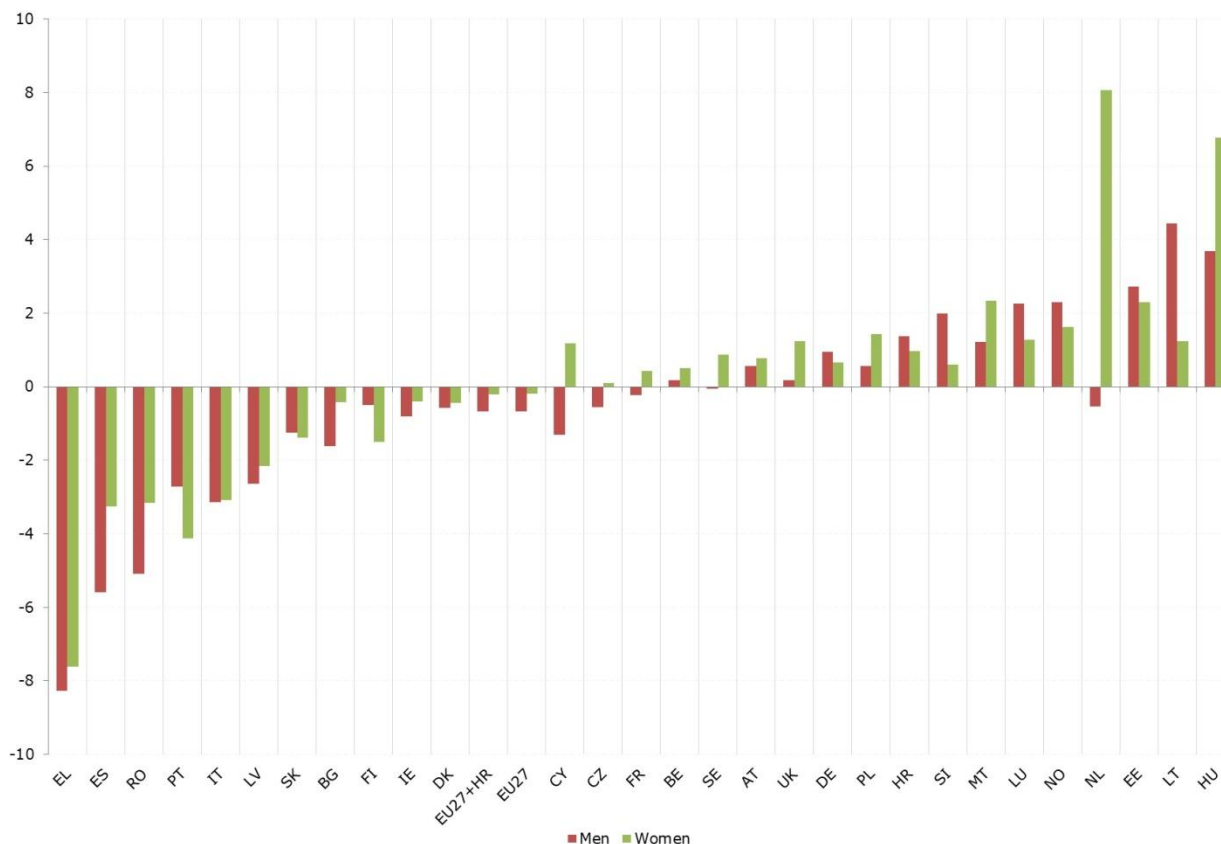


Figure 10: Employment growth for men and women in the EU27, Croatia and Norway, 2011–2012 (%)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

Temporary employment decreased in the EU27 and EU28 on average by 0.4 percentage points and in the majority of European countries between 2011 and 2012 (Figure 11). Temporary employment decreased in 12 countries, stayed stable in four and increased in another 13.

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Figure 11: Temporary employment growth in the EU27, Croatia and Norway, 2011–2012 (percentage points)

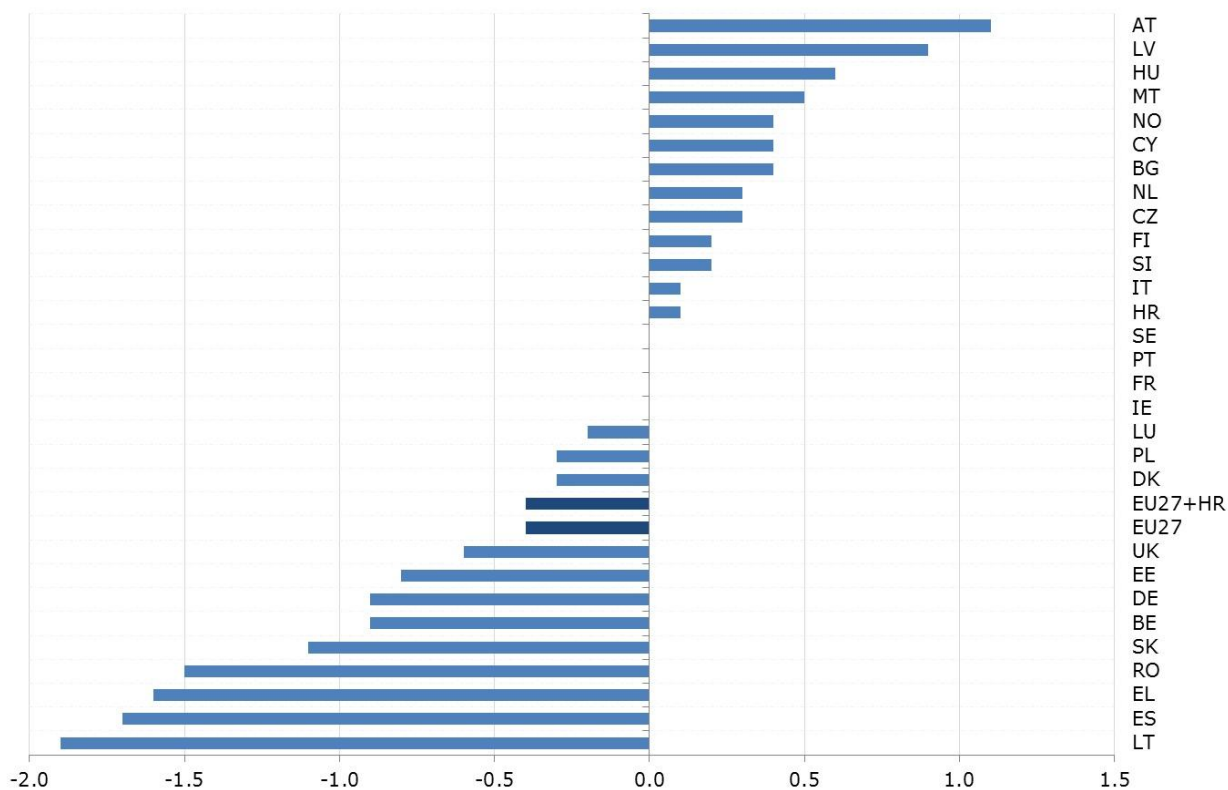


Figure 11: Temporary employment growth in the EU27, Croatia and Norway, 2011–2012 (percentage points)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

Portugal, Romania and Spain were the only countries in 2012 with a percentage of temporary workers higher than 20% of total employment (26.9% in the case of Portugal).

Temporary employment in the EU27 and EU28 on average decreased slightly more among women (-0.4 percentage points) than men (-0.3 percentage points) between 2011 and 2012. In Croatia, the Czech Republic, Finland, France, Luxembourg, Norway and Portugal, however, the increase in temporary employment was higher for women than for men (Figure 12).

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Figure 12: Temporary employment growth in the EU27, Croatia and Norway, 2011–2012 (percentage points)

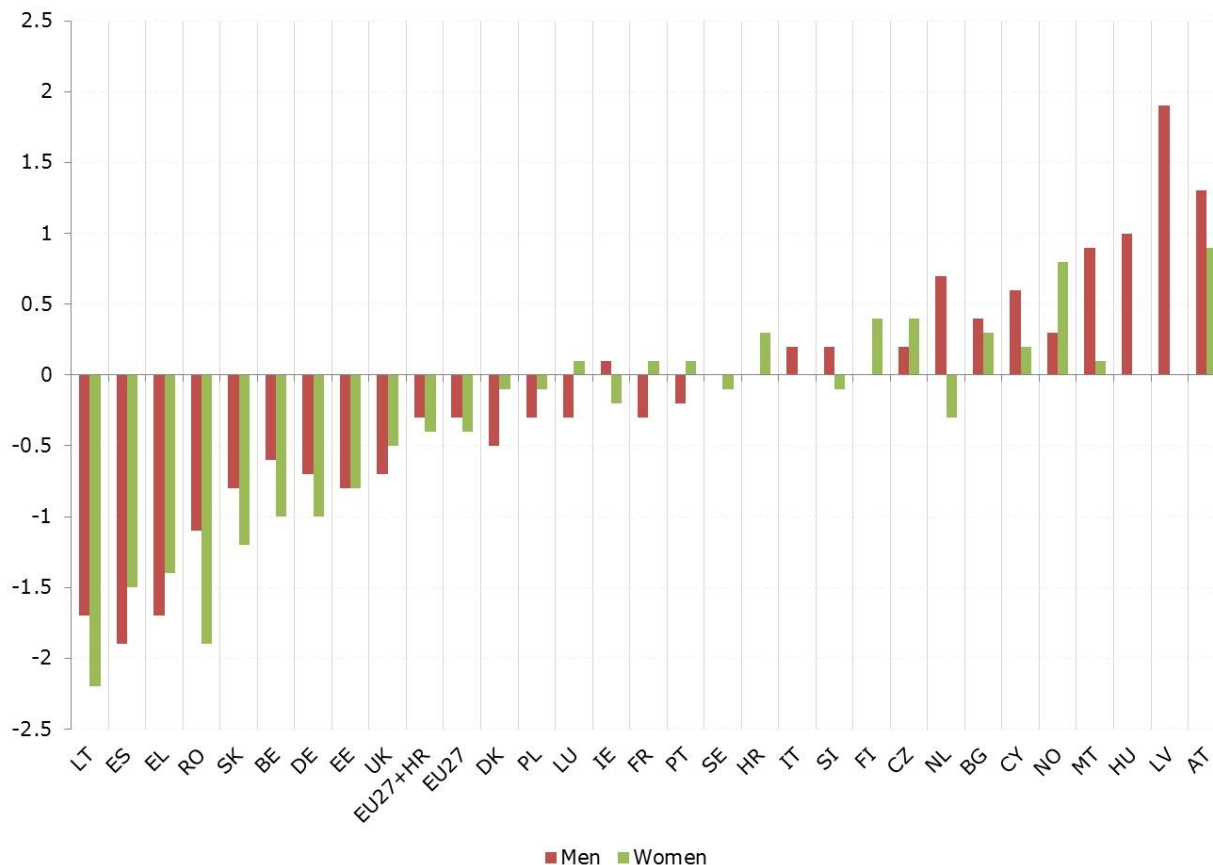


Figure 12: Temporary employment growth in the EU27, Croatia and Norway, 2011–2012 (percentage points)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

Part-time employment increased in most of the EU27 Member States, Croatia and Norway in 2012; it was stable in four countries and decreased only in six (Figure 13). In most of these countries, part-time employment grew more than total employment. In the case of Cyprus, the Czech Republic, Greece, Ireland and Spain, where employment growth was negative, it is reasonable to consider such an increase as being the combined effect of the decrease in permanent employment and the conversion of full-time contracts into part-time ones.

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Figure 13: Part-time employment growth in the EU27, Croatia and Norway, 2011–2012 (percentage points)

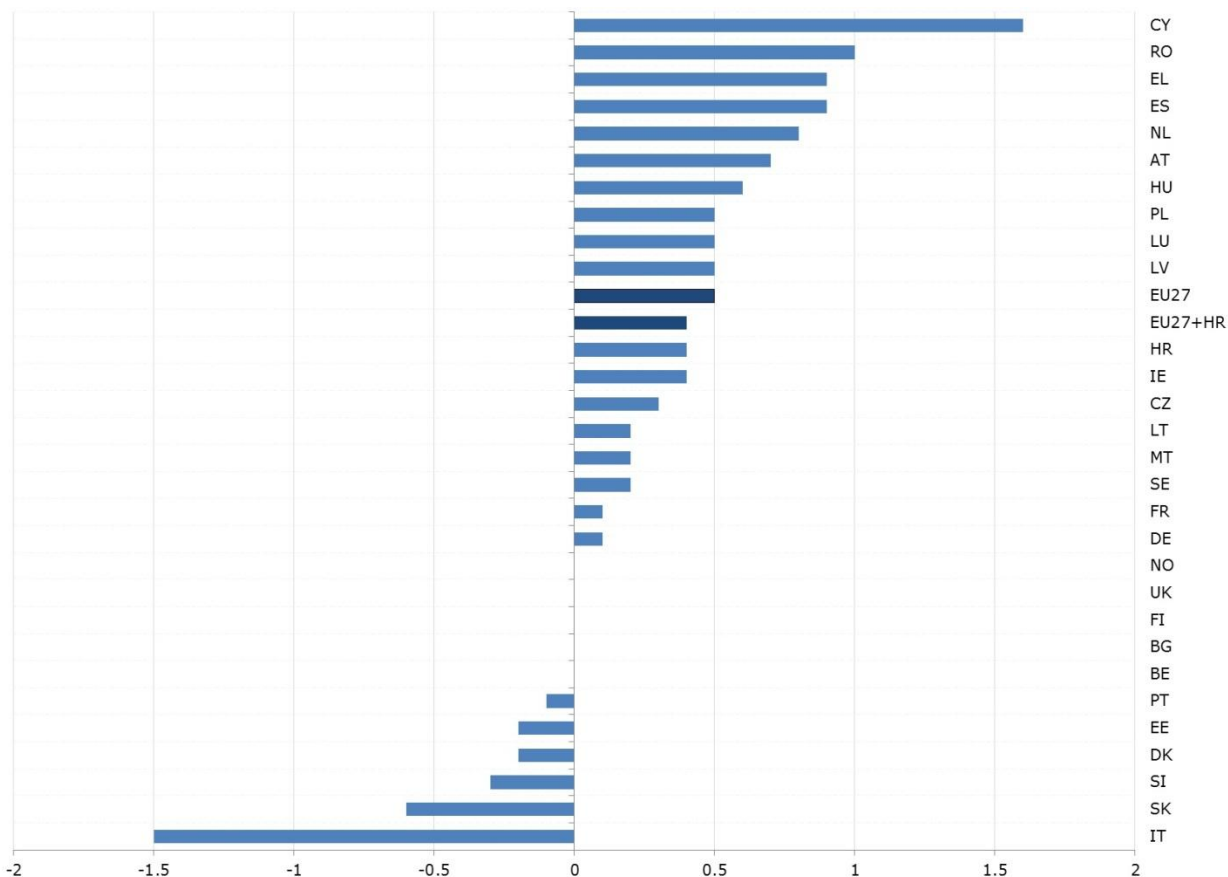


Figure 13: Part-time employment growth in the EU27, Croatia and Norway, 2011–2012 (percentage points)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

The increase in part-time employment between 2011 and 2012 affected men more than women in a number of countries (for example, Austria, Croatia, Denmark, Hungary, Ireland, Norway, Romania and the UK), while the increase was around the same for men and women in terms of the EU28 average (Figure 14).

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Figure 14: Growth in part-time employment for men and women in the EU27, Croatia and Norway, 2011–2012 (percentage points)

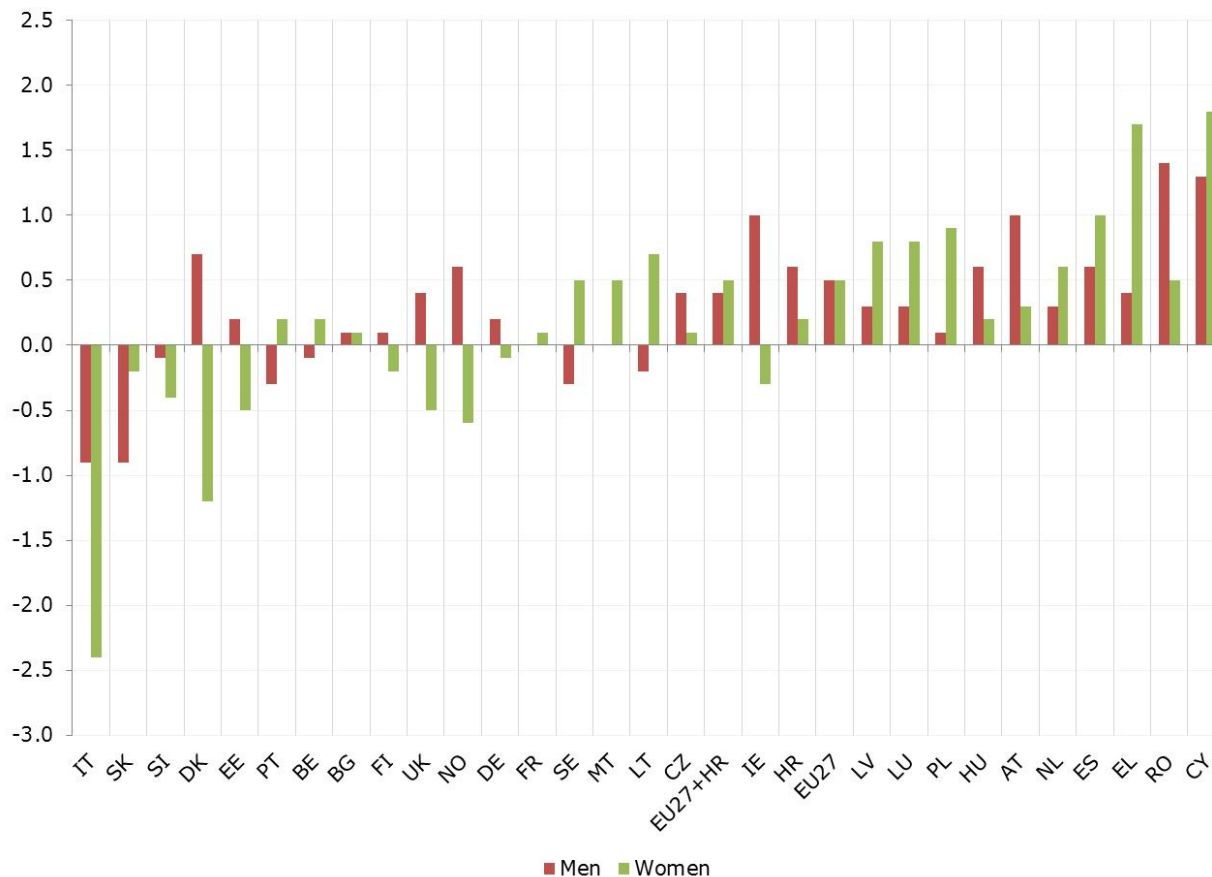


Figure 14: Growth in part-time employment for men and women in the EU27, Croatia and Norway, 2011–2012 (percentage points)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

Policies and initiatives

A number of initiatives were adopted at EU and national level in 2012 in the area of employment conditions (employment security, contractual arrangements, entry and exit from the labour market and employment, job mobility and transitions, retirement age and pensions).

At EU level, the European Commission's strategy [Towards a job-rich recovery \(128 KB PDF\)](#) was approved on 18 April 2012. Also known as the Employment Package, it urges Member States to strengthen their national employment policies and lay down key areas for reform so that labour markets become more dynamic and inclusive and therefore more resilient to economic change. It also promotes the creation of a genuine EU labour market through the improvement of labour mobility and the removal of obstacles to the free movement of workers. Finally, it calls for reinforced coordination and monitoring of employment policies at EU level in line with EU economic governance.

More initiatives adopted in 2012 are related to the three flagship policies linked to employment and social affairs within the European Commission's [Europe 2020](#) strategy.

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- [Youth on the move](#) aims to improve young people's chances of finding a job by helping students and trainees gain experience in other countries and by improving the quality and attractiveness of education and training in Europe. Under this policy, a wide range of events targeting young people were held around the EU during 2012.
- An [agenda for new skills and jobs](#) aims to give fresh momentum to labour market reforms to help people gain the right skills for future jobs, to create new jobs and to overhaul EU employment legislation. As part of this policy, a high-level conference on anticipating skills needs at EU level was held in Brussels in November 2012.
- The [European platform against poverty and social exclusion](#) aims to bolster work at all levels to reach the agreed EU headline target of lifting at least 20 million people out of poverty and exclusion by 2020. The second annual convention of the platform was held in Brussels in December 2012.

In January 2012, the European Commission initiated a Europe-wide public debate on corporate restructuring and anticipating change that ran until 30 March 2012 ([EU1201041I](#)).

The Commission launched in March 2012 a consultation of stakeholders on the role of women in decision-making, intended to feed into an assessment of possible EU-level measures to enhance female participation in economic decision-making. The responses to this consultation will help the Commission decide whether to propose action and what form such action might take ([EU1203021I](#)).

At the level of Member States, the initiatives reported are numerous, given the span of the topic (Table 11). They are also very diverse, ranging from campaigns (for example, in Austria), to pension systems reforms (for example, Denmark), active labour market policy design and implementation (for example, Bulgaria), reform of employment services (for example, Lithuania), equal opportunities initiatives (for example, Czech Republic), and actions to fight the shadow economy and undeclared work (for example, Latvia).

Table 11: Policies and initiatives in the area of employment conditions, 2012

Country	Commentary
AT	<p>The Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB) launched a major campaign on the improvement of the welfare state. This initiative demands improvements in the following areas:</p> <ul style="list-style-type: none"> • childcare (creation of more and high-quality childcare places); • education (equal chances to education for all including no tuition fees at universities); • improvements and investment in apprenticeship training; • investments in social care for the elderly (including improved working conditions for carers); • closing gaps in the welfare system; • reconciliation of work and family life; • higher qualification of young people; • retaining employability of older people; • higher unemployment compensation; • automatic adjustment of care allowance. <p>To sustainably finance the welfare state, the campaign demands:</p> <ul style="list-style-type: none"> • an increase in capital taxation (to the EU level);

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Country	Commentary
	<ul style="list-style-type: none"> • implementation of inheritance and gift taxes; • termination of reliefs for companies; • strict and effective supervision of the finance sector; • termination of tax privileges of buy orders.
BE	<p>Unemployment benefit reforms were implemented in 2012 with the aim of reducing the minimum levels of unemployment benefit and applying a tougher degressive system relating to how those benefits are paid (BE1206011). This reform of unemployment benefits does not allow young unemployed people to obtain benefits. This is the reason for developing the ‘training-integration’ contracts – offering advantageous financial conditions for the employers (lower employers’ contributions or lower salaries) and providing relevant experience for young unemployed people. Moreover, to support and promote the recruitment of new workers, especially within small and medium-sized enterprises (SMEs), a reduction in employer contributions was implemented for the hiring of the first three workers. The Belgian government has intensified its drive towards equal pay for men and women and providing a better deal for older workers. This law forced companies to report on rates of pay for men and women (BE1205021). Another measure has been the extension of the Parental Leave Directive, which has been extended from three to four months, with the same former conditions. The student job system was also reviewed; students are now allowed to work 50 days a year, whenever the employer wants, with reduced social contributions. To tackle undeclared work and financial fraud, the National Social Security Office (Office National de la sécurité sociale/Rijksdienst voor Sociale Zekerheid, ONSS/RSZ) has developed an electronic application named Dolsis. This aims at connecting all public institutions directly with the ONSS/RSZ database. Finally, to provide more employment security and better wage conditions, the service vouchers sector implemented new rules in 2012.</p>
BG	<p>Active labour market policy, including the ‘National action plan for employment 2012’ and schemes and procedures under the Operational Programme ‘Human Resources Development’ 2007–2013 (8.3 MB PDF), was adopted by the government in agreement with the social partners. In March 2012, the Council of Ministers adopted the National Initiative Employment for youth in Bulgaria (in Bulgarian, 103 KB MS Word) for the period 2012–2013. In public administration, mass dismissals in past years and the introduction in mid-2012 of a package of reforms including performance-related pay, new rules for employee appraisal, less paid leave and reduced compensation at retirement, contributed to the increase in employment insecurity (BG1111011).</p>
CY	<p>In relation to the participation of women in the labour market, a subsidy scheme for inclusion in employment with flexible arrangements remained in force for 2012. The scheme, which has been implemented by the Cyprus Productivity Centre (Κέντρο Παραγωγικότητας, KEPA) since 2006, aims to attract economically non-active women, older people and job-seekers with a special schedule due to family obligations, as well as unemployed people facing difficulties in entering and remaining in the labour market who would like to work on the basis of some flexible form of employment. In the enterprises/organisations included in the scheme, a grant is provided that covers 65% of labour costs for people who are hired for a period of 12 months.</p>

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Country	Commentary
CZ	In July 2012, the non-profit Association for Integration and Migration (Sdružení pro integraci a migraci, SIMI) in cooperation with the charitable trust People In Need (Člověk v tísni, o.p.s.), the media agency Ogilvy & Mather Ltd, and the Economics Institute of the Academy of Sciences of the Czech Republic (Národohospodářský ústav Akademie věd ČR, NHU) launched the project Equal chances on the threshold of Czech households (in Czech) . The project aimed at promoting equal opportunities of female foreigners in the labour market, via a series of activities such as legal and social counselling, courses and practical information. The project is intended also for employers to strengthen the sense of shared responsibility among them for the working and living conditions of the target group.
DE	Launched in autumn 2011, the DGB's Fair Mobility (in German) initiative was further developed in 2012. This national campaign aims to provide information and assistance to migrant workers from central and eastern European countries on wages and working conditions. On 3 December 2012, the second Week of Action for People with Disabilities was launched by the Federal Employment Agency (Bundesagentur für Arbeit, BA) with support from the BDA. The initiative forms part of a drive to increase the labour force participation of disabled people in the light of demographic changes and a consequent lack of skilled workers in Germany.
DK	During the recent crisis, unemployment increased, in particular among graduates. A sum of DKK 60 million (about €8 million) was allocated from the national budgets for 2012 and 2013 in an effort to get young people and graduates into work by improving their skills through education. One of the initiatives was to improve the existing job rotation scheme, where private companies and public organisations can obtain subsidies to cover the wages when employing unemployed unskilled or skilled employees while permanent employees are getting continued vocational training. The job rotation scheme was extended to embrace unemployed with higher education. Uptake of the scheme increased by more than expected and the budget for 2012 was raised by a further DKK 88 million (about €11.7 million). In addition, the government has allocated DKK 272 million (about €36.5 million) to the scheme from the national budget for 2013 for increasing initiatives for young peoples (Ungeindsatsen (in Danish)). In June 2006, the government introduced a gradual rise in the early retirement age from 60 to 62 years between 2019 and 2022, and a gradual rise in the retirement age within the ordinary pension scheme from 65 to 67 years in the period from 2024 to 2027. In January 2012, the government introduced a Retirement Reform (<i>Tilbagetrækningsreformen</i>), advancing the implementation of the gradual rise of the retirement and early retirement age by five years. The reform also implies a gradual reduction of the period of early retirement from five to three years, by adding a further two years to the gradual rise of the early retirement age from 62 to 64 years (DK1112019).
FR	In April 2012, the Davy report on professional career security (in French, 832 KB PDF) made 11 recommendations to give more security to workers when they have to change their job, undertake training or become unemployed.
EL	The GSEE's Labour Institute (INE) implemented the programme entitled 'Establishment of jobs at the local level through non-profit programmes', which is part of the Operational Programme 'Human Resources Development' and is co-financed by the European Social Fund (ESF).

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Country	Commentary
ES	The government reduced its budget for active labour market policies in 2012 by 20% (€1.5 billion). The most important measure in terms of employment services was the authorisation of temporary work enterprises to operate as outplacement agencies. The most relevant reform of the social protection system was the reduction of the replacement rate of the unemployment contributory benefit. The unemployment benefit replacement rate now reduces from 60% to 50% after 120 days.
HR	Under the National Employment Promotion Plan for 2012, the Croatian Employment Service (Hrvatski zavod za zapošljavanje, HZZ) financed training of unemployed people to address labour market needs. Long-term unemployed people and special groups of the unemployed (persons with disability, war veterans, members of national minorities, particularly Roma, drug addicts who have completed rehabilitation programmes in the therapeutic community) had an advantage with regard to inclusion in training. Measures included subsidised employment and self-employment, further training subsidies, training of 60 unemployed people, public works and on-the-job training without a work contract. The National Programme for Roma included people in the employment incentive programmes funded from other resources.
HU	The pension system has been centralised (HU1012011) and early retirement has been abolished, even for people who had retired previously under this regulation. If those people are under the age of 60 years, they are redirected to the labour market. The ban on a person working as a public employee after reaching pension age meant that patient-centred care became difficult to provide without retired staff in disadvantaged regions of Hungary, where the public healthcare system already suffers from a lack of qualified employees. The government continued a public work programme (in Hungarian) for 2012 that was initiated in 2011 and aimed to get long-term unemployed people into work. The government allocated €7 million to this programme at the beginning of 2012 for 300,000 people, most of them employed in the agricultural sector. However, people employed with this status cannot earn more than half of the monthly minimum wage for a 40-hour week.
IT	<p>A labour market reform law (Law No. 92 of 28 June 2012) passed with a ‘confidence vote’ (which requires the government to resign if the parliament fails to pass the bill) at the end of June. The main changes introduced concern the following aspects.</p> <p>The reform of the rules on individual dismissals reduces the scope of reinstatement in the case of illegitimate firing of workers with open-ended contracts. Reinstatement is mandatory only in the case of discriminatory dismissals. In the event of illegitimate ‘disciplinary’ dismissals, reinstatement is only possible in the circumstances specifically identified by collective agreements, while ‘economic’ dismissals (that is, due to the company’s economic situation) can be sanctioned with reinstatement only when the motivation put forward by the employer has no grounds.</p> <p>The law introduces a number of changes aimed at increasing the costs of ‘flexible work contracts’ for employers and making abuse – or substitution between flexible and open-ended contracts – less likely. These changes include:</p> <ul style="list-style-type: none"> an increase in the social contributions paid on fixed-term employment and temporary agency work; an increase in the time that employers and workers have to wait before renewing a fixed-

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Country	Commentary
	<p>term contract, which is increased to 60 or 90 days if the previous contract lasted six months or more;</p> <p>stricter rules on autonomous and freelance work to avoid abuse.</p> <p>At the same time, the need to justify the use of fixed-term contracts lasting up to one year was eliminated with a view to reducing the impact of these stricter rules on work flexibility.</p> <p>Social Insurance for Employment (Assicurazione sociale per l'impiego, Aspi) was introduced, replacing the existing unemployment benefit system (with the exception of the agriculture sector, which will continue with the previous system) and the so-called 'mobility allowance' for workers involved in collective redundancies. Aspi came into force on 1 January 2013. The Aspi unemployment benefit will last for 12 years for workers below 55 years-old and for 18 months for those aged 55 years and over. The existing Wage Guarantee Fund was partly extended to new activities, but it is being phased out.</p>
LT	<p>Reform of the Lithuanian Labour Exchange (Lietuvos darbo birža, LDB) system began at the beginning of 2012 to reinforce the effectiveness of employment services. The essence of the reform is the implementation of a result-oriented performance appraisal model, which is expected to result in better effectiveness of performance of territorial labour markets, more expeditious and better employment of people looking for jobs, more job offers and improved supply to employers with required pre-selected or pre-trained employees. During the year, the government paid considerable attention to reducing youth unemployment in Lithuania; several measures were used including a reduction of social insurance contributions for employers who take on young workers, and 'Support for the first job' and 'Increasing youth employment' projects funded from the ESF. At the end of 2012, the LDB put much effort into improving labour market e-services. An e-manual for job-seekers was ready in November and the LDB's representatives actively considered further improvement of labour market e-services.</p>
LU	<p>The government launched pension reforms in 2011 (LU1103031), adopting a bill (in French) on the issue on 20 January 2012 which was approved by parliament on 5 December 2012. The law of 21 December 2012 came into force in 1 January 2013. The reform attracted strong opposition from unions (LU1210011).</p>
LV	<p>The government intensified its efforts against the shadow economy, adopting an anti-shadow economic policy based on the action plan for eliminating the shadow economy and promoting fair competition in 2010–2013. The plan includes 66 measures, of which 63 had been implemented by February 2013. The plan is updated every year. Implementation of the plan is discussed regularly by the Cabinet of Ministers. In the social protection area, changes were implemented in unemployment insurance and pension insurance systems. A total of 47 activities grouped in four priorities were implemented within the programme for the European Year for Active Ageing and Solidarity between Generations. The focus of the government's active labour market policy switched from assistance programmes to active involvement programmes. Increased attention was paid to youth employment with two new specifically youth-oriented measures being introduced by the State Employment Agency (Nodarbinātības Valsts aģentūra, NVA): an active labour market programme and a training programme.</p>

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Country	Commentary
MT	<p>Following a consultation process carried out in June 2011, the Cabinet of Ministers was presented with a report containing a number of recommendations for pension reform which are being considered by the government. The Maltese parliament has already passed legislation stipulating the rise in the pension age to 65 by 2026. The Employment Training Corporation (ETC) undertook the following programmes and initiatives in 2012.</p> <p>The Community Work Scheme, which provides long-term unemployed people with the opportunity to undertake community work, was extended. From 2012, unemployed persons registering for more than three years (previously four years) are eligible to participate in the scheme.</p> <p>The Employability Programme aims to reintegrate job-seekers and economically inactive people into the labour market and to provide assistance to those in employment to secure and advance their position within the labour market. In January 2012, a total of 1,376 people had started a training course under this programme.</p> <p>The Employment Aid Programme was extended. This programme aims to integrate disadvantaged persons and people with a disability into the labour market by facilitating access to employment through financial assistance and by upgrading the skills of those furthest away from the labour market through work experience.</p>
NO	<p>The main development regarding employment conditions was new legislation on temporary agency work. Following the implementation of the Temporary Agency Work Directive, all temporary agency workers have the right to equal treatment when it comes to basic working conditions. More funds have been allocated to the Labour Inspectorate to enable increased focus on the sector. The government and social partners are cooperating on improving working conditions as well as fighting unregistered work in industrial cleaning. Among the several new measures is an accreditation scheme for cleaning companies (NO1301019I) and the introduction of a tripartite sector programme for the cleaning sector. Labour migration to Norway from the eastern European Member States remained high and the transitional arrangements for citizens from Romania and Bulgaria were lifted in 2012. In November 2012, the prime minister announced that the government would put forward a third action plan to fight so-called social dumping. Part-time work and especially involuntary part-time work was also on the agenda in 2012. The government allocated funds for pilot projects aimed at reducing the number of involuntary part-time workers and social partners in several sectors are working together to reduce involuntary part-time work and to organise work in more full-time positions.</p>
PL	<p>Since 2011, a significant part of the Labour Fund, including resources to support active labour market policies paid from employers' contributions (PL1210019I), was frozen to reduce the country's budget deficit. In July 2012, following a request from the Ministry of Labour and Social Policy (Ministerstwo Pracy i Polityki Społecznej, MPiPS), PLN 500 million (€121 million as at 24 April 2013) was released from the Labour Fund to counteract unemployment at the <i>powiat</i> (local administration) level. In mid-2012, the government launched the programme Youth in the Labour Market (in Polish, 1 MB PDF) targeting people aged up to 30 years in those areas of the country severely impacted by unemployment. The programme offers a variety of measures aimed at increasing the job mobility of vocationally inactive young people. A pilot phase of the programme called Your career – your choice (in Polish) was launched in 23 districts in May 2012. A project</p>

This report is available in electronic format only.

Country	Commentary
	called New Horizons, which had begun in October 2009, whose main objective was to test the capability of private entities (employment agencies) to support unemployed people in their search for a job was stopped in November 2012 due to its poor results in terms of the number of participants who found employment. In 2012, trade union NSZZ Solidarność launched a campaign against the expansion of the civil law and temporary employment contracts in Poland, demanding also the introduction of obligatory contributions to the social security and pension systems for all types of employment contract.
PT	The government implemented the Stimulus 2012 (in Portuguese, 230 KB PDF) aimed at 'enhancing the return to the labour market of long-term unemployed people with greater difficulties of integration, providing them with the training and the skills adequate for their job and, at the same time, to promote the increase of companies' productivity and competitiveness'. This measure grants financial support to the end of an employment contract to unemployed people registered at a local employment centre for at least six months, with the obligation to provide vocational training.
RO	<p>The measures laid down in the Labour Force Employment Programme led to the employment of 323,510 people during 2012 through:</p> <ul style="list-style-type: none"> • mediation services provided by the local public employment agencies; • subsidies granted to jobless persons who started work before the expiry of the unemployment benefit period; • the hiring of new graduates; • completion of vocational training courses (provided by authorised training providers and financed from the public employment services budget); • geographical mobility incentives permitted by law.
SE	In April 2012, the government presented the results of an investigation into retirement age (in Swedish) launched in April 2011. The background is the ageing Swedish population and the increasing ratio of older people to people of working age. The results indicate that the possibility of a longer working life is improving, although working conditions need to be adjusted to meet the needs of older workers. The study concluded that the problem of age discrimination must be prevented and that age awareness among employers must improve.
SI	The Ministry for Labour, Family and Social Affairs (Ministrstvo za delo, družino in socialne zadeve, MDDSZ) carried out several active employment policy measures (in Slovenian) which covered formal and informal training and education, sharing of workplaces by unemployed people, employment incentives, subsidies for people at a disadvantage in the labour market and promotion of self-employment. At the local level, the municipality of Slovenj Gradec started a programme called Vključim.se , aimed at facilitating the social inclusion of foreign women and their entry to the labour market. At the national level, a project called SIPA (in Slovenian) took place in 2012, aiming to support and educate unemployed women to begin providing home help services such as housekeeping, childcare or providing care for elderly people.
SK	The government adopted specific measures to support employment of young people in November 2012. These measures were aimed at job creation for people under 29 years-old

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Country	Commentary
	who were registered as unemployed for at least three months and for disadvantaged job-seekers over 50 years-old who had been registered as unemployed for at least six months (SK1302019I). Amendments to the Labour Code implemented in 2012 increased employment flexibility. For instance, they allowed the conclusion of temporary fixed-term employment contracts for three years, which could be prolonged three times during this period (previously only for two years). There was more scope for employment flexibility by the abolishment of redundancy payments to those redundant employees who continued working for the employer during the notice period and by the introduction of job sharing.
UK	<p>The government continued to implement its programme of welfare-to-work reforms, involving a major overhaul of the social security benefit system and a variety of schemes such as:</p> <ul style="list-style-type: none"> • work experience placements for unemployed young people (UK1203029I); • the Youth Contract providing training and work placements for young people; • the Work Programme aimed at ensuring that long-term benefit claimants undertake active and effective job-seeking; • enterprise allowances to help unemployed people set up their own business; • sector-based ‘work academies’, offering pre-employment training, work placements and job interviews.

Source: Eurofound observatories

Legislative developments

At EU level there were few major legislative developments during 2012 concerned with employment conditions. The most relevant development was the launch in March 2012 of two legislative initiatives concerning the posting of workers:

- a proposal for an [Enforcement Directive \(80 KB PDF\)](#) aimed at improving the implementation, monitoring and compliance with the current directive on the posting of workers;
- a proposal for a [council regulation \(240 KB PDF\)](#) aimed at clarifying the relationship between the right to strike and the freedom to provide services and of establishment (the so-called Monti II Regulation – subsequently withdrawn).

The Enforcement Directive aims to improve the way the Posting of Workers’ Directive is implemented, applied and enforced in practice across the European Union, without modifying its provisions. It is expected to facilitate cross-border provision of services, prevent abuses and contribute to fairer competition and a more level playing field for companies, including SMEs, while enhancing transparency with regard to the rights and obligations of companies and workers.

In February 2012, the European Commission published a White Paper looking at how to create adequate, safe and sustainable pensions in the European Union. The White Paper contains a range of hard and soft initiatives intended to help create conditions that will enable a balance between time spent working and time in retirement to ensure that those who move to another country can keep their pension rights and to help people obtain adequate pensions once they are retired ([EU1203011I](#)).

Two other events are also worth mentioning here: the launch by the European Commission of a [Europe-wide public debate on corporate restructuring and anticipating change](#) that ran until 30 March 2012, and a [multi-stakeholder consultation on transnational company agreements](#) (TCAs) on 10 September 2012. The

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latter invited all interested parties to share their views, in particular on ways to support those involved in TCAs to achieve more legal certainty in the way such agreements are applied.

At national level, 25 countries reported legislative developments in the area of employment conditions (Table 12). Most of these are concerned with the pension system (Cyprus, France, Lithuania, Latvia, Poland, Slovenia), the industrial relations system (Croatia, Estonia, Ireland, Slovakia), equal opportunities between women and men (Austria, Greece, Netherlands), the public sector (Hungary, Portugal, Slovenia), and labour market regulation (Finland, Germany, Malta, Norway, Portugal, Sweden, UK).

Table 12: Legislative developments in the area of employment conditions, 2012

Country	Commentary
AT	<p>In March 2011, a new amendment to the Equal Treatment for Men and Women Act (<i>Gleichbehandlungsgesetz</i>) had been implemented which stipulated that companies employing more than 1,000 workers must disclose the average annual incomes of their female and male employees separately, anonymously and adjusted for working time (AT1008021I). The amendment is gradually extended to smaller companies; since the beginning of 2012, all companies with 500 or more employees were affected by the law. In 2013, it will apply to companies with more than 250 employees and in 2014 to all companies with more than 150 employees. The law is expected to force employers into more income equality by making wage discrimination visible. Works council members are allowed to see the income reports; in companies with no works councils, all employees must have access to them.</p>
CY	<p>As reported in the National Reform Programme for 2012, as part of the government's efforts to achieve the double objective of safeguarding the long-term sustainability and adequacy of pensions, an amendment of the Social Insurance Law was put into force, which includes a gradual adaptation of measures to ensure the long-term sustainability of the General Social Insurance Scheme (GSIS) up to 2048. Of the measures adopted, the gradual increase between 2009 and 2012 in insurance preconditions for establishing entitlement to an old-age pension from three to 10 years of basic insurance is considered to act as an incentive for people, primarily women, to remain in employment by increasing their pensions.</p>
DE	<p>Measures aimed at introducing a higher flexibility in the labour market and contributing to enhancement of companies' competitiveness were contained in the draft amendment to the Labour Code submitted for debate to the government and the parliament at the beginning of December. Under this amendment, repeated (without any time limits) contracting for work for a definite period would be allowed only for a limited range of situations (for example, for seasonal jobs) and by the approval of the trade union operating with the employer.</p> <p>The amendment to the Employment Act tightened sanctions on illegal employment, changed criteria for unemployment benefits (if the employer does not pay a severance payment to the employee in time, the public employment office will grant compensation to the employee who subsequently demands it from the employer), as well as introducing 'shared mediation of jobs' permitting work agencies to place job-seekers registered with the public employment office. The new regulations regarding the raising of the retirement age adopted by the federal government in 2006 came into force on 1 January 2012, reigniting the debate between the social partners on the necessity of the measure (DE1201029I).</p>

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Country	Commentary
DK	<p>Legislation on labour market issues is very limited in Denmark. The acts mentioned below all have to do with active labour market policies, which is foremost a government matter.</p> <ul style="list-style-type: none"> • LOV nr. 1374 of 23 December 2012: Act on a training system for unemployed people who have exhausted their entitlement to unemployment benefit. • LOV nr. 1033 of 7 November 2012: The Act applies to unemployed members of an unemployment fund if unemployment benefits expire within a maximum of 13 weeks during the period from 1 October 2012 to 1 April 2013 and 30 June 2013. They will be offered an ‘acute job’ and private employers will be offered a bonus if they hire them in these jobs. • LBK nr. 905 of 3 September 2012: The Board of Equal Treatment deals with complaints of discrimination based on sex, race, colour, religion or belief, political opinion, sexual orientation, age, disability or national, social or ethnic origin. • LBK nr. 706 of 28 June 2012: Adjustments of the act on an active labour market policy.
EE	<p>On 6 June 2012, the parliament approved the draft act on the parental pension scheme. The so-called parental pension, which is being enacted from 1 January 2013, aims to decrease inequalities in old-age pensions caused by the amount of time parents have spent outside the labour market. The pension is expected to particularly improve the future pensions of women as women are usually the parent taking parental leave. According to the act, 4% of the average wage would be paid to the second-pillar pension fund to one of the parents whose child is born before 2013 or later, until the child reaches the age of three.</p>
EL	<p>Article 5 of the Cabinet Act no. 6/2012 abolished the lifelong employment established by internal organisation codes or regulation of large public undertakings, organisations, public utility undertakings or banks. These regulations linked the term of the employment agreement with the fulfilment of the conditions for retirement. The Temporary Agency Work Directive has been transposed into Greek law (Law 4052/2012), while Law 4097/2012 ‘Implementation of the principle of equal treatment of men and women exercising an independent professional activity’ transposed Directive 2010/41/EC into Greek law.</p>
ES	<p>Royal Decree 3/2012 of 10 February, later transformed into Law 3/2012 of 6 July, reformed collective bargaining rules by giving priority to company agreements over multi-employer agreements even if social partners decide to establish an alternative structure of collective bargaining. Moreover, the law allows opting out from collective bargaining if the enterprise records a drop in its revenues or sales during six consecutive months. In addition, the new ultra activity means that collective agreements will cease to be in force one year after completion rather than being automatically renewed unless there was another agreement. However, the law allows enterprises to modify wages on the grounds of technical or organisational reasons which justify the measure, thus encouraging competition by means of wage reduction.</p>
FI	<p>An amendment to the Employment Contracts Act was proposed and passed in late 2012 (becoming effective on 1 January 2013). It clarified that a temporary employee must be told the date or estimated date of their contract’s expiry. This is important in situations when expiry is associated with a specific event (for example, completion of an order) rather than</p>

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Country	Commentary
	a particular date.
FR	A law adopted on 21 December 2011 (in French) will delay an individual's retirement by an additional few months; this is in addition to the increase in the age of retirement brought about by the previous reform in 2008. After the presidential election, the government's first measure was to allow workers, who began working before the age of 20, to retire by 60. To fight precariousness in the public sector, the parliament voted in favour of a law (in French) on 1 March 2012, which limits the use of fixed-term employment contracts and enables fixed-term employees to be given permanent employment as a civil servant. To help workers enter the labour market, the government has adopted a Jobs for the Future bill (in French) , passed by the Council of Ministers on 29 August 2012, to help young workers who have major difficulties entering the job market (FR1209021I).
HR	The Act on Criteria for Participation in Tripartite Bodies and Representation for Collective Bargaining (OG 82/12 and 88/12) introduced the concept of representation for trade unions in collective bargaining and for trade union associations and employers' associations in tripartite dialogue. Several legislative changes in the pension insurance system were adopted. It is foreseen that the retirement age for men and women will be gradually levelled over the period from 2011 to 2030 (the retirement age for women will increase by three months annually, from 60 to 65 for old-age retirement, and from 55 to 60 for early old-age retirement).
HU	The overall change in the labour law and the changes to the law on public servants led to changes in collective rights. The law on public servants (2011, CXCIX) came into force on 1 March 2012. Among other things, it changes the former process that employers may deduct trade union membership fees from wages and remit them directly to the union. This resulted in a dramatic decrease in union income, as employees decided not to pay for membership, and has a negative impact on the bargaining power of the public servant unions.
IE	New legislation regulating temporary contracts could have a significant impact in Ireland on the employment conditions of contract workers of all ages. The new legislation to transpose the Temporary Agency Work Directive into Irish law is not only retrospective on pay (but not other matters) back to 5 December 2011, but also raises issues around identifying host company workers as comparators for agency workers, the mutual obligations of hiring employers and agencies, and the possible inclusion of some self-employed contractors, among others. The Protection of Employees (Temporary Agency Work) Act 2012 was issued following the social partners' failure to agree a derogation that would exempt agency workers on shorter assignments from the equal treatment provisions of the EU directive from day one. The Industrial Relations (Amendment) Act 2012 sets new ground rules for the establishment and updating of EROs and REAs. Changes in the state pension rate bands came into effect in September 2012 for new customers. A move to a 'total contributions' approach for determining eligibility for the state pension is planned in 2020 to replace the current averaging system.
LT	In January 2012, amendments to the Law on Cash Social Assistance were introduced, providing for a number of measures having direct or indirect effects on work incentives. Amendments to the Law on State Social Insurance Pensions became effective on 1 January 2012. The amendments serve as a basis for gradual extension of the retirement age

This report is available in electronic format only.

Country	Commentary
	(currently 62.5 years for men and 60 years for women). Amendments to the Law on Early Payment of State Social Insurance Old-Age Pensions also came into effect on 1 January 2012; these cancelled the need to be registered with the LDB for 12 months as unemployed before applying for the early old-age pension. In October, a refined procedure came into force whereby local labour exchanges are required to take additional measures to mitigate the negative effects of group redundancies.
LV	The retirement age was increased to 65 years for men and women, and the transition timetable from the current retirement age of 62 to 65 years-old was envisaged in amendments to the law on state pensions. These amendments also detail the right to receive an old-age pension two years before the normal retirement age and the level of pension reimbursement for these pensions for non-working pensioners – 50% of the calculated amount of the state old-age pension. Amendments also set out that those involved in paid public work are insured for an old-age pension.
MT	Legal Notice 44 enacted in 2012 states that a worker has to satisfy at least five of the criteria listed to qualify for self-employed status. The aim was to offer more employment security to vulnerable workers who might have been compelled by their employer to register as bogus self-employed. Through Legal Notice 362 of 2012, amendments to 33 Work Regulations Orders (WROs) adjusted the wages of the employees whose conditions of work are governed by their respective WRO. A working group from the Research and Development Department was set up to identify, analyse and measure the causes of early school leaving and to set up a regular monitoring and reporting mechanism.
NL	The Minister of Social Affairs simplified the dismissal Act (NL1207019I). Legislation on targets for women in executive positions passed the First Chamber and became effective on 1 January 2013 (NL1302029I). Work-to-work trajectories, implying young people under 27 years-old either work or receive training, were legally settled (NL1307049I). The most contested issue in 2012 was raising the retirement age and pension age (NL1112029I), an issue that split the largest trade union federation, FNV. Illegal work was another relevant issue given extra attention, with the Inspectorate SZW (Inspectie SZW) intensifying its controls (NL1202019I , NL1209019I).
NO	The Temporary Agency Work Directive was implemented in 2012, with legislative amendments in force from 1 January 2013. Implementation included an enforcement package that aims to prevent abuse of labour within this industry. No exception from the principle of equal treatment has so far been allowed under Norwegian legislation (NO1205029I). An accreditation scheme for cleaning companies was introduced in September 2012. Its main goal is to improve the health, working conditions and safety of employees in the industry and to prevent unregistered work. Companies that make use of the services of such companies risk legal liability if the company is not accredited (NO1301019I). In 2012, regional health and safety officers were introduced in the cleaning industry as well as the hotels and restaurant sector. Their main responsibility will be workplaces without safety officers (NO0907049I).
PL	The most important legislative development came in June 2012 with the raising of the retirement age to 67 for both men (by 2020) and women (by 2040) (PL1206019I). Trade unions opposed the reform. In November 2012, the Ministry of Labour and Social Policy issued an ordinance amending the rules on registration of the unemployed by introducing

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Country	Commentary
	new, computer-aided procedures. This was supposed to be the first step in far-reaching reform of the employment services.
PT	<p>The State Budget 2012 (in Portuguese, 1 MB PDF) defined a set of measures to cut costs in public administration, including the reduction or abolition of allowances and the definition of lower limits for tax exemption of the food allowance. Law 3/2012 of 10 January 2012 introduced changes to the labour law on the establishment of extraordinary renewal of fixed-term contracts. Amendments regarding the method of calculation of the compensation due in the case of non-renewal of fixed-term contracts were also included. The compensation due corresponds to 20 days of basic wage and seniority payments for each full years of work. Furthermore, Law 23/2012 (in Portuguese, 256 KB PDF) of 25 June 2012 introduced important changes to the Portuguese Labour Law, outlined below:</p> <ul style="list-style-type: none"> • employers can dismiss workers when their post disappears or when they fail to adapt to new conditions; • reduction of the compensation due to the workers when a fixed-term or an open-ended contract is ended by the employer; • very short-term contracts can now last for up to 15 days for a total of 70 working days per year with the same employer. <p>The Decree-Law 64/2012 (in Portuguese, 256 KB PDF) of 15 March 2012 amended the legal framework of unemployment protection for employees and other beneficiaries of the general social security scheme by reducing the qualifying period for unemployment benefits, the unemployment benefit amount and the periods granted. The Decree-Law 85-A/2012 (in Portuguese, 256 KB PDF) of 5 April determined the immediate suspension of early retirement, that is, before the age of 65. This suspension will stay in force during the Programme of Economic and Financial Assistance (<i>Programa de Assistência Económica e Financeira</i>).</p>
SE	<p>The new law on the Hiring Out of Labour 2012:854 (in Swedish, 25 KB PDF) requires temporary employment agencies to provide equal terms and conditions of employment to hired-in employees as to directly hired employees. It does not require equal pay for externally hired employees and directly hired employees. The employer organisation, the Swedish Staffing Agencies (Bemanningsföretagen), has reported a complaint about the government to the European Commission on the grounds that two directives are not sufficiently regulated. Proposals to modify the Employment Protection Act to help people with disabilities to find and maintain employment through wage subsidies have been formulated. Finally, a proposal to introduce a new form of educational apprentice employment, for a maximum of 18 months, for people under the age of 23 years has been drafted.</p>
SI	<p>The Fiscal Balance Act (in Slovenian) (ZUJF) was the most important public sector reform. It has had an effect on the provisions of more than 40 laws in terms of sustainable public finances. This includes pensions, which had not been adjusted for the period up to the end of 2012. At the end of 2012, the parliament adopted a new Pension and Disability Insurance Act (in Slovenian) (ZPIZ-2), starting from 1 January 2013. The act increased the retirement age to 65 and equalised conditions for men and women. Provisions from this law will be enforced until 2020.</p>

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Country	Commentary
SK	According to rules valid in 2012, extension of a multi-employer collective agreement required the consent of the employer concerned by the extension. Also due to existing regulation, there were no extensions of multi-employer collective agreements registered in 2012. MPSVR SR initiated changes in the mechanism of extensions, which would not require the consent of the employers concerned. However, the intended changes were not implemented in 2012 as the Ministry of Economy (MH SR) raised objections to the proposed changes, arguing that such changes would reduce the flexibility of collective bargaining and harm the principles of free social dialogue between representatives of employers and employees.
UK	<p>During the year, the coalition government implemented or proposed a number of legislative changes to the rules and procedures relating to dismissal, arguing that such reforms would give employers more flexibility and confidence in managing their workforce and reduce employment law ‘red tape’. From April 2012, the qualifying period of employment for entitlement to claim unfair dismissal on most grounds was extended from one to two years (UK1112039I). At the same time, a number of modifications were made to employment tribunal procedures. Draft legislation issued later in the year (mainly as part of the Enterprise and Regulatory Reform Bill) will, from 2013 (UK1210039I):</p> <ul style="list-style-type: none"> • further ‘streamline’ tribunal procedures (for example, making it easier for tribunals to dismiss weak cases and charging employees a fee for bringing cases forward); • allow for a reduction in the maximum compensation for unfair dismissal; • cut the consultation period over collective redundancies; • promote the greater use of ‘settlement agreements’ to terminate employment relationships without recourse to an employment tribunal (UK1206019I). <p>However, the government dropped plans to introduce a ‘compensated no-fault dismissal’ scheme for small businesses (UK1111019I).</p>

Source: Eurofound observatories

Collective bargaining

According to the European Commission report, [Industrial Relations in Europe 2012](#), EU-level sectoral social partners concluded a total of 14 agreements on topics related to collective bargaining in 2012 compared with 10 such agreements in 2011. There have also been a number of company-level agreements on the issue of managing restructuring. For example, in July 2012, the French banking group BNP Paribas signed an agreement with unions on employment and the management of change ([EU1209011I](#)).

At national level, information on collective agreements covering employment conditions signed in 2012 is available in only 13 out of 28 Member States (Table 13). In addition, no specific collective agreements related to employment issues were signed in Greece and Malta in 2012. This is also what normally happens in Bulgaria where there are no specific collective agreements related to employment as each collective agreement contains a special chapter on employment issues.

Table 13: Number of collective agreements on employment conditions, 2012

	Total	Cross-sector	Sector	Company	Other level	Commentary

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	Total	Cross-sector	Sector	Company	Other level	Commentary
AT	More than 450	Most of the total	Dozens of the total	A few of the total	n.a.	Estimates
BE	n.a.	Three (10 in 2011)	586 (556 became compulsory, in 2011 there were 1,438)	4,991 (3,499 in 2011)	n.a.	
DE	n.a.	n.a.	n.a.	n.a.	n.a.	Total numbers are not available for single subjects
ES	2,611 (4,377 in 2011)	n.a.	n.a.	1,979 (representing 76% of total agreements and covering 11% of workers; in 2011, the percentage was 75%, covering 9% of workers)	n.a.	
FR	n.a.	Five (15 in 2011)	n.a.	Several 'employment-competitiveness' agreements	n.a.	Two of the agreements signed deal directly with employment conditions topics
HR	850	n.a.	n.a.	n.a.	n.a.	Estimates
LT	n.a.	0	n.a.	n.a.	One (first territorial agreement)	
NO	n.a.	n.a.	n.a.	n.a.	n.a.	No major changes estimated
PL	n.a.	n.a.	n.a.	n.a.	89 (94 in 2011)	Multi-employer agreements, data on company level agreement n.a.
PT	93 covering	n.a.	n.a.	n.a.	n.a.	Collective

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	Total	Cross-sector	Sector	Company	Other level	Commentary
	327,622 employees (182 covering 1.2 million employees in 2011)					bargaining has been limited to pay questions over the last few years.
RO	n.a.	n.a.	Seven (two in 2011)	5,492 (3,074 in 2011) plus 1,378 addenda (2,670 in 2011)	n.a.	
SE	525 (304 in 2011, 550 in 2010)	n.a.	n.a.	n.a.	n.a.	
SK	n.a.	0	23 multi-employer (27 in 2011)	n.a.	n.a.	

Note: n.a. = not available.

Source: Eurofound observatories

In Belgium, social partners (re)defined the time-credit regulations with national collective agreement no. 103. This cross-industry agreement allows the time-credit system to be used, with appropriate justification (for example, to care for a young child or sick family member), for a maximum of 36 months during a worker's career, whether they work full time or part time ([BE1112021I](#)). Moreover, those aged 55 and over with 25 years' seniority are now allowed to reduce their working time by a half or a fifth of a full-time equivalent. However, under certain conditions such as heavy work or extra-long careers, the age limit can be reduced to 50 years-old. National cross-industry collective agreement no. 104 of 27 June 2012 requires all companies that employ more than 20 workers to prepare an employment plan covering several years aimed at increasing or maintaining the number of workers aged 45+.

In France, two of the collective agreements signed relate to employment conditions:

- ANI of 18 April 2012 facilitating employees' access to housing ([Accord national interprofessionnel du 18 avril 2012 visant à faciliter l'accès au logement pour favoriser l'accès à l'emploi \(in French, 752 KB PDF\)](#));
- ANI of 19 October 2012 on the Generation Contract ([Accord national interprofessionnel du 19 octobre 2012, relatif au contrat de génération \(in French, 111 KB PDF\)](#)) to help young people enter the labour market.

Employment security was one of the main topics covered by cross-sectoral social partners in their agreement of 11 January 2013, which had been negotiated from September 2012. The agreement included measures to:

- smooth the transition between jobs and unemployment;
- anticipate changes in occupations or improvements to existing measures used during an economic downturn to maintain employment.

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At company level, several companies negotiated agreements – called ‘employment competitiveness’ – to secure the future of a plant and to avoid closure or redundancies. For example, an agreement was signed at the northern France car factory Sevelnord, a subsidiary of PSA Peugeot-Citroën ([FR1209041I](#)).

4 – Wages

Trends in collective wage bargaining

The number of newly negotiated or renewed agreements is a first indicator of the role played by collective wage bargaining within any economy and how it develops over time. A more complete picture, however, can be obtained by looking at:

- the levels at which the agreements were made;
- the coverage in terms of workers or companies;
- whether or not extension or derogation mechanisms are in place;
- to what extent these mechanisms had been applied.

Number of agreements

For the purpose of this report, EIRO national correspondents were asked whether there were any databases that register the number of collective agreements made at different levels. If no such data could be reported on, they were asked to make their own assessment of how the number of collective wage agreements developed. Table 14 summarises the outcome of this exercise. The respondents reported a considerable fall in the number of collective agreements, mainly in the Troika programme countries (Cyprus, Greece, Ireland and Portugal), but also in Bulgaria, Lithuania and Poland.

Portugal: The share of branch agreements in total collective bargaining dropped below the number of single company agreements. Collective bargaining in general was considerably weakened, but it is obvious that the crisis at branch level is paramount. The drastic fall in the number of agreements resulted in an even more accentuated decrease in the number of workers covered, from 1.2 million in 2011 to 328,000 in 2012.

Cyprus: Many agreements have either been delayed or discontinued, as a result of the financial crisis, which is true for most sectors of economic activity. This also explains the increased number of labour disputes that were referred to mediation.

Additionally, many agreements reached deadlock both at the stage of direct negotiations and the stage of mediation (for example, construction sector), while in the cases where collective bargaining took place, 2012 is characterised by pay freezes (for example, banking and metal sectors).

Greece: The new legal framework caused an immense increase in bargaining at the company level, as sector-level agreements had not been renewed. Several undertakings and employer organisations have terminated the existing collective agreements and requested company trade unions or employee associations to sign new collective agreements prescribing a reduction of wages. Thus, the new agreements during 2012 were mainly signed following the termination by the employers of the previous collective agreements and contained provisions that were more disadvantageous for workers as regards wages and employment conditions (especially in relation to working time). In many cases, the company trade unions reacted through strikes, complaints before courts and occupations of worksites, and even hunger strikes in a few cases.

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Bulgaria: The analysis of the content and provisions in the collective agreements at different levels shows a narrowing scope and very often compromises in the negotiations. The social partners managed to keep the main provisions of the preceding year, although with certain difficulties. There were tendencies towards deregulation and decentralisation of the negotiations. In a number of cases, there has been a ‘trade-off’ effect – with negotiation of measures for employment, training, holidays, working time, new social benefits and so on to compensate for maintaining wages at the level of the preceding year.

Spain: Under the new regulation it is expected that there will be a trend towards decentralisation since new rules give preference to company agreements over multi-employer agreements. However, current statistics do not show this trend. Company agreements are much more widespread but they still cover only 11% of the workers covered by agreements.

Netherlands: The process of bargaining slowed down in 2012, but has not completely disappeared.

Table 14: Number of collective wage agreements by level, 2012

	Cross sector	Sector	Company	Other level	Number of wage agreements	Source
AT	○	○	○		Total: about 450	EIRO
BE	n.a.	n.a.	n.a.	n.a.	n.a.	EIRO
BG		8 (2012)	1,885 (2012) ↓	56 (2012) ↓		General Labour Inspectorate (GLI)
CY		↓	↓			EIRO
CZ		n.a.	↓ 4,900 (2011) 4,660 (2012)			ČMKOS
DE	n.a.	n.a.	n.a.	n.a.	5,266 (2012)	Federal Ministry of Labour and Social Affairs
DK		○	○			EIRO
EE				48 (2011) 47 (2012)		Ministry of Social Affairs
EL		↓ 45 (2011) 29 (2012)	↑ 170 (2011) 975 (2012)			Ministry of Labour
ES		○ 660 (2011) 632 (2012)	○ 1,872 (2011) 1,979 (2012)		2,611 (2012, provisional); 2,532 (February 2011)	Hoja estadísticas
FI	↑	↓	○			EIRO

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	Cross sector	Sector	Company	Other level	Number of wage agreements	Source
FR	↑	n.a.	○	○ (branch)		EIRO
HR	○	○	○		About 845	EIRO
HU		○				EIRO
IE	○	↓	↑			EIRO
IT	n.a.	n.a.	n.a.	n.a.	n.a.	EIRO
LT	○	○	↓	↑ (territorial)		EIRO
LU		n.a.	69 (2011)	↓	n.a.	Labour and Mines Inspectorate (ITM) annual report
LV		n.a.	n.a.			
MT		n.a.	↑		21 (2011) 43 (2012)	Department of Industrial and Employment Relations (DIER)
NL	n.a.	n.a.	n.a.	n.a.	n.a.	EIRO
NO	○	○	○	○ (branch)		EIRO
PL		↓	↓			EIRO
PT			↓ groups of companies: from 22 to 9; ↓ companies from 55 to 40	↓ branch: 93 (2011) 36 (2012)		Ministry of Economy and Employment
RO				○ Group of units		EIRO
SE	n.a.	↑ 525 of 680 collective agreements were negotiated during 2012. This roughly equals the number negotiated in 2010 (550) but exceeds the number negotiated in 2011 (306).				EIRO
SI	○	○	○	○		EIRO
SK		↓ 23 multi-	○	n.a.		MPSVR SR

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	Cross sector	Sector	Company	Other level	Number of wage agreements	Source
		employer agreements in 2012 vs. 27 in 2011				
UK		○ 28 (2011) 28 (2012)	○ 571 (2011) 549 (2012)		○ 702 (2011) 713 (2012) – sample of agreements	Payline database Labour Research Department (LRD)

Notes: Source of data is as given in the table.

n.a. = not available; ↑ = increased; ○ = remained about the same; ↓ = decreased

Blank cells = 'not applicable'.

Changes in collective bargaining levels and wage-setting mechanisms

There are many ways in which wages are set or negotiated, by whom, at which level, according to what rules and how various levels are interlinked. Indeed, not one pay-setting system in any Member State is similar to that of another. For more detailed information on this topic see the Eurofound report [Developments in collectively agreed pay 2012](#). This section merely highlights the most recent changes and debates on changes of collective bargaining levels in 2012. As illustrated in Table 15, the majority of Member States did not report any major changes in the level of pay-setting, though there were changes in a number of cases. The different types of changes are illustrated below.

Table 15: Changes in collective bargaining coverage, 2012

Trend	Country
Debates on changes in pay indexation mechanisms	MT
Modification of the pay indexation mechanism	CY
Change in central-level pay-setting mechanisms	RO
Company-level bargaining now more prevalent than branch or sector-level bargaining	CY, EL, PT
Return to central framework agreement	FI
Changes in public sector wage-setting	BG, UK
No major change	AT, BE, CZ, DK, EE, ES, FR, HR, IE, IT, LT, LU, LV, NL, NO, SE, SI, SK, UK

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Source: Eurofound observatories

Pay indexation

In Cyprus, the pay indexation mechanism was modified to grant only one instead of two increases per year.

In Malta, debates on the modification of the pay indexation mechanism, triggered by the European Commission's country-specific recommendations, did not result in any changes. However, the government decided to retain the cost of living adjustment (COLA) as it believes that abolition of this mandatory annual adjustment of wages might jeopardise harmonious industrial relations.

New Social Dialogue Act

A major change was recorded in Romania where the new Social Dialogue Act instituted a decentralised procedure for the collective bargaining of wages. Previously the national gross monthly minimum wage and the wage incremental coefficients proportional to the workers' level of education were stipulated in the national unique collective agreement, which was applicable to all employees in the national economy, irrespective of their economic sector or type of company. Now that the national collective agreement has been abolished, the national minimal wage in the private sector is determined by the National Tripartite Council for Social Dialogue (Consiliul Național Tripartit pentru Dialog Social, CNTDS), the body newly established under the Social Dialogue Act, and the national minimum wage for the public sector is set by law.

Return to central agreement

In Finland, the national framework agreement negotiated by social partners in October 2011 offered a basis for sectoral collective agreements in all sectors in 2012. The agreement lasts for 25 months.

Public sector pay-setting

In Latvia, wage-setting principles have changed in the Central State Administration. In 2008, Prime Minister Ivars Godmanis forbade the payment of bonuses, although monetary awards and additional payments were allowed. In November 2012, the State Chancellery (Valsts Kanceleja, [VK](#)) introduced the human resources development concept for employees in state administration which included payment of bonuses. The concept sets forth criteria for determining whether an employee deserves such an incentive. Moreover, every function in an employee's job description should have a specific purpose related to the overall goals and objectives of the institution. At the end of 2012, the government adopted regulations that allowed for increases to the pay of chief executive officers (CEOs) of large state enterprises. As a result, the pay of some CEOs increased enormously ([LV1302019I](#)) and the government was forced to determine limits for wage growth.

In the UK's public sector, pay bargaining is more centralised. Local government is covered mainly by national agreements, while national pay-setting is also largely the rule for groups such as healthcare and education workers. Pay for civil servants is set at the level of individual government departments and agencies. In 2012, the government announced plans for a greater emphasis on local rather than national pay-setting in many areas of the public sector, including for civil servants, healthcare workers and teachers ([UK1204029I](#)).

Changes in collective bargaining coverage

Again, the majority of countries either reported no major changes in their collective bargaining coverage or could not draw on recent data.

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The most substantial decrease in coverage took place in Portugal, where the number of covered employees declined from 1.2 million to only 328,000.

In Bulgaria, the non-extension of collective agreements in 2012 resulted in a drop in coverage of around 35%, according to expert estimates.

No ‘hard’ figures are available for Cyprus, but the Department of Labour Relations reported that more employers adopted unilateral changes of the terms and conditions of employment that in most cases resulted in a partial violation of the collective agreement and covered fewer people. Partial violation either means that not all the provisions of the agreement are enforced, or that only a small proportion of the staff is covered – usually the permanent staff who are union members. The same goes for Greece, where however it is safe to assume a decline in overall coverage.

Derogations from collective agreements

Only in a few countries is derogation from collective agreements possible, under certain rules. Data on derogation – where they exist – are extremely patchy (Table 16).

Table 16: Derogations from collective agreements, 2012

Trend	Country
Derogation is not possible for wages or not applicable because there are no sectoral/national agreements	AT, BE, BG, CZ, DK, FI, FR, HU, LT, LU, PT, UK
Derogation is possible in principle or for certain agreements, but is rarely applied or no change recorded this year	HR, LV, MT, NO
Derogation mechanisms exist, but no quantitative info on derogation in 2012	CY, DE, IE, IT, EE, NL, SI, SK EL (derogation is likely to be high) SE (see company example)
Derogations increased	PL

Source: Eurofound observatories

In Ireland, under the new legislation covering REAs, employers can make an ‘inability to pay’ case under certain conditions through Joint Labour Committees (JLCs), which agree and update legally enforceable EROs that fix minimum pay rates for lower-paid sectors.

In Sweden, there are no databases providing information on derogations but two examples of derogations from specific collective agreements attracted attention in 2012. The first case was the announcement by Scandinavian Airlines (SAS) of a restructuring programme in November 2012 ([SE1211019I](#)), which included demands for unions to accept the downgrading of the company’s collective agreements. The demands included worsened conditions including longer working hours, an increase in the retirement age and lower wages for several groups of employees. Such a lowering of wages in a Swedish collective agreement has not occurred since the 1930s. The second case was in the education sector, where two unions demanded higher increases than those set within the pace-making agreement.

In Poland, the only data available concern the number of protocols suspending the single-employer collective agreements; there was a 35% decrease between 2010 and 2011 in such protocols. The suspended regulations referred mostly to the limitation of bonuses, pay increases and employers’ contributions to the Employee Benefit Fund.

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Outcomes of collective wage bargaining

The overall picture of collectively agreed pay increases across Europe remains gloomy. A more detailed description can be found in Eurofound's latest annual report on this topic, [Developments in collectively agreed pay 2012](#). While nominal agreed increases in 2012 were slightly higher than in 2011 in many countries, the rise in prices reduced people's purchasing power still further. In real terms, only a handful of countries – Sweden (+1.7%), Austria (+0.8%), Germany (+0.6%), France and Belgium (+0.4%), and Finland (+0.1%) – had positive but modest increases in collectively agreed pay on average. In countries where pay indexation mechanisms are in place, the increases set via these mechanisms did, by and large, compensate for the rise in prices in 2012, having failed to do so in 2011. Figure 15 shows the 'average' pay increases as agreed in collective wage agreements from different national sources for those Member States where such databases are maintained and available.

Figure 15: 'Averages' of collectively agreed pay, 2011 and 2012 (%)

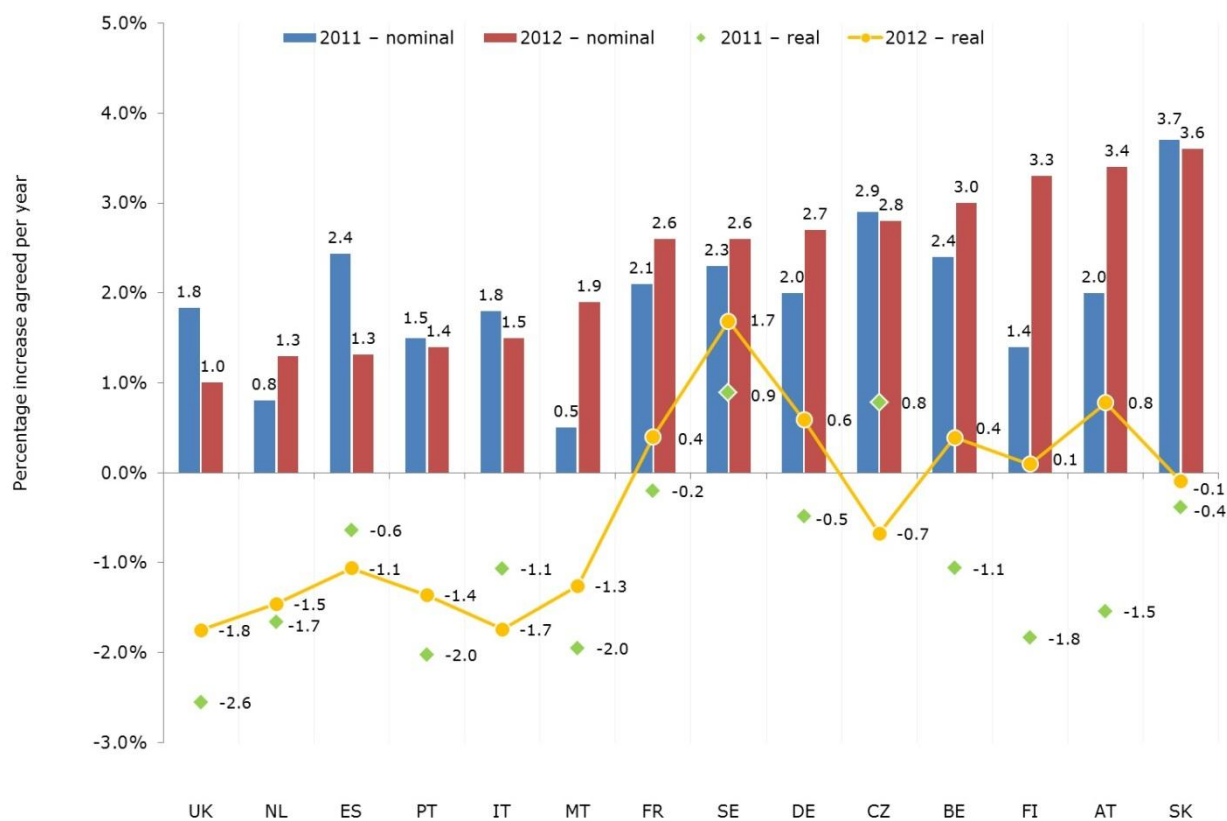


Figure 15: 'Averages' of collectively agreed pay, 2011 and 2012 (%)

Source: Different national databases of collective agreements (see Annex 2)

In the metal, banking and local government sectors, nominally agreed pay increases continued to diverge across these three sectors in 2012. Although the outcomes of collective wage agreements were comparatively high again in the metal sector, the recorded agreed increases in the banking sector were still positive, but in general lower than in the metal sector and lower than in recent years. In the local government sector, as part of public administration in many countries, however, pay continued to be frozen, cut or was only moderately increased.

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A similar picture emerges when looking at the development of statutory minimum wages. While these were increased again in 2012, in a number of countries that had chosen to freeze them during the crisis, the increases were not high enough to compensate earners for the increase in prices.

Action to reduce discriminatory pay gaps

Although the principle of equal pay for equal work has been written into EU treaties since 1957, in practice the principle is far from being rigorously applied. The best researched area as regards equal pay, and the area where most initiatives have been launched, is the pay gap between men and women. This report is no exception in this regard.

The pay gap between men and women in the European Union (unadjusted for any other observable characteristics) stood at 16.2% in 2011 according to the latest available data from Eurostat. However, equal pay for equal work goes beyond gender pay gaps, but includes gaps that could arise from other – observable or non-observable – characteristics.

Table 17 shows the prevalence of various measures taken in the EU27 Member States, Croatia and Norway in 2012 to address the principle of equal pay for equal work.

Table 17: Reported actions to address the principle of equal pay for equal work in the EU and Norway, 2012

Type of initiative	Country
Sector-related initiatives	
Public sector initiatives	FR, LU, LV
Additional pay increases in low-paid sectors	NO
Legislation (partly under preparation)	
Quota for women in executive positions	NL
Pay audit requirement	FR, PL, UK
Bill on equal pay	DE
Strengthen and improve mechanisms for monitoring equal pay legislation	CY
Awareness raising (reported)	
Equal pay day	CY, DE, EU
Media campaign addressed at general public	CY
Court cases reported	
Court case on equal pay for foreign workers	NL (NL1209019I)
Birmingham City Council	UK (UK1211019I)
Collective agreements stipulating equal pay for equal work principle (reported)	CZ, EU (EU1206011I), LV
Other initiatives/occurrences reported	
Certification body for the application of good practice on gender equality	CY

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Discussion on the harmonisation of blue-collar and white-collar status	BE
No major (new) initiatives in 2012	AT, BG, CZ, ES, IT, LV

Source: Eurofound observatories

In a small number of countries, initiatives or discussions took place in the public sector. In Luxembourg, the government presented on 17 April 2012 the results of a programme on positive action in the public sector to reinforce equal treatment between men and women in four voluntary public institutions. In Latvia, the principle of equal pay for equal work was addressed in connection with uneven wage increases in the public sector where, in some areas, crisis-related wage cuts were compensated sooner than in others. In France, a law of 12 March 2012 affecting the public sector takes into account periods of parental leave to smooth the impact on a civil servant's career.

Legislation to promote equal pay

In Poland, a conference was held in Warsaw in July 2012 during which the Government Plenipotentiary for Equal Treatment, Agnieszka Kozłowska-Rajewicz, announced that her office would be preparing draft legislation requiring employers to report the average earnings of men and women. At the time of writing, no draft legislation had been published.

In France, such a pay audit has been mandatory since 1 January 2012; companies that have not taken steps to close the pay gap between women and men through a collective agreement or a unilateral action plan face a fine of up to 1% of their payroll costs ([FR112011I](#)). A law of 26 October 2012 reinforced the scheme: collective bargaining (or a plan of action) must focus on reducing the pay gap between men and women and establish numeral indicators. Furthermore, all agreements (or plan of action) must cover at least three (for companies with 50–299 employees) or four (300 employees and more) of the seven dimensions settled by law (hiring, training, working conditions, wages and so on). Companies are required to send their agreement or plan of action to the labour inspectorate.

A further initiative to improve the mechanisms for monitoring the legislation on equal pay for men and women was launched in Cyprus in 2012. This includes the training of inspectors and the preparation of inspection manuals.

In the UK, the coalition government proposed legislation during 2012 (as part of the Enterprise and Regulatory Reform Bill) that will require employment tribunals to order employers found guilty of gender pay discrimination to conduct an equal pay audit.

In Germany, the SPD introduced a draft bill on equal pay to the German parliament in summer 2012. So far no decision has been taken.

The Netherlands was the only Member State where legislation for quotas was introduced in 2012, where the First Chamber is prepared to set target figures for women in executive positions ([NL1302029I](#), [NL1106019I](#)).

Court cases on equal pay

Two interesting related court cases were reported in 2012. In the Netherlands, there was a court case on equal pay for foreign workers ([NL1209019I](#)). In the UK, a landmark [Supreme Court](#) ruling in October 2012 in a case brought forward by former employees of Birmingham City Council extended the time limit within which individuals can submit equal pay claims from six months to six years, thereby potentially opening the way for many more such cases and higher compensation ([UK1211019I](#)).

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Collective agreements addressing equal pay

Very little information is available as to whether and to what extent collective agreements address the issue of equal pay for equal work.

According to the Working Conditions Information System (Informační systém o pracovních podmínkách, [ISPP](#)), specific terms for equal treatment and a ban of discrimination at work in the Czech Republic were stipulated in the private sector in 33.7% of company-level collective agreements and in the public sector in 17.6% of company-level collective agreements.

In the UK, the [TUC equality audit 2012 \(900 KB PDF\)](#) found that equal pay was the ‘stand-out equality bargaining priority’ and cited cases of unions reaching agreements with large private sector employers to carry out equal pay audits and take action to address disparities. Half of the TUC’s member unions reported having negotiated new agreements on women’s pay and employment over the 2009–2012 period. For example, at BT (telecoms company), an equal pay review in 2012 led to agreement with the [Prospect](#) union for professionals that 0.3% of the pay bill would be set aside for equal pay adjustments, for at least 4,000 employees at a low level in their pay band.

In Spain, however (and in other Member States), the ‘agreement for employment and collective bargaining’ (2012–2014), the major central wage agreement, only mentions the need to promote equality of opportunities between women and men and does not give detailed guidelines on how to achieve this goal.

An example of a European agreement at company level can be found in GDF Suez, the France-based energy and utilities multinational. In June 2012, it signed a European agreement on equality between women and men with three European-level trade union federations. The company hopes the ground-breaking agreement will make a significant contribution to ensuring equal pay for work of equal value for men and women at every level of the company, increase the proportion of women on permanent contracts, and give all workers a better work–life balance ([EU1206011I](#)).

Awareness-raising campaigns

Equal pay days are the major awareness-raising events. The second [European Equal Pay Day](#) was held on 2 March 2012. Similar events are held in a number of Member States at different dates during the year to demonstrate the amount of time within a calendar year that women ‘work for free’.

In Cyprus, a major campaign was held in 2012 to raise awareness among the public about the problem of the wage gap between men and women in Cyprus, with messages on television, radio, in the press and on the internet.

Other initiatives

In Norway, additional pay increases were awarded within the textile industry, considered to be a low-wage agreement area.

In Cyprus, planning for the certification body for the application of good practice on gender equality in the work environment was initiated in 2012, with the first certifications of enterprises or organisations expected to take place in 2013.

In Belgium, social partners are still discussing the harmonisation of the status of blue-collar and white-collar workers, which could have impacts on pay issues. In May 2012, the Home Secretary, Joëlle Milquet, denounced the differences in pay between men and women and asked all politicians to try to improve the situation. However, there was no specific measure explored before 2013.

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5 – Health and safety

Health and safety at work are of fundamental importance for working conditions and are a core competence of the European Union as stated in Article 153 (1 and 2) of the [Treaty of Lisbon](#). The Treaty authorises the Council to adopt, by means of EU directives, minimum requirements as regards improvements in the working environment so as to protect workers' health and safety.

The European Commission and other European bodies are continuously striving to improve health and safety in the European Union. Health and safety at work appears to be one of the areas where the EU has had the biggest impact with its legal framework covering the maximum number of risks with the minimum number of regulations. For example, [Directive 89/391/EEC](#) on measures to improve safety and health at work encourages improvements in occupational health and safety and promotes workers' rights to make proposals relating to this issue.

The [European Community Strategy for Health and Safety at Work 2007–2012](#) aimed to further promote health and safety at work in the EU. The strategy had the target to reduce the total incidence rate by 25% by 2012 by improving health and safety protection. According to a European Commission [report published in 2007 on improving quality and productivity at work](#), the main instruments that should help to achieve this goal include:

- proper implementation of EU legislation;
- support for SMEs in the implementation of health and safety legislation;
- adapting and simplifying the legal framework;
- promoting the development and implementation of national strategies;
- encouraging changes in the behaviour of workers.

In December 2011, the Commission issued a [report on its mid-term review of the 2007–2012 strategy](#) that identified the need for action to protect Europe's workers. The European Parliament adopted a [resolution](#) later the same month with a number of recommendations and proposals for the Commission, Member States and social partners. During 2012 the Commission was evaluating the strategy for 2007–2012 and preparing for its new strategy, which will cover the period 2013–2020.

The joint efforts of the EU institutions and the Member States in dealing with occupational health and safety issues can be illustrated by some indicators from a [pan-European opinion poll on occupational health and safety](#) conducted by the European Agency for Safety and Health at Work ([EU-OSHA](#)). The poll captures the opinions of workers on issues related to health and safety such as information on risks, work-related stress and actions to address health and safety problems across the EU.

Figure 16 shows how well employees in EU Member States and Norway consider themselves to be informed about safety and health risks in the workplace. Generally speaking, employees consider themselves better informed in northern (including Ireland and the UK) and central Europe than in the Balkan countries and western Europe. However, the span between these groups is relatively small and does not exceed 20 percentage points for the majority of countries.

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Figure 16: Employee awareness of health and safety risks at the workplace in the EU27, Croatia and Norway, 2012 (%)

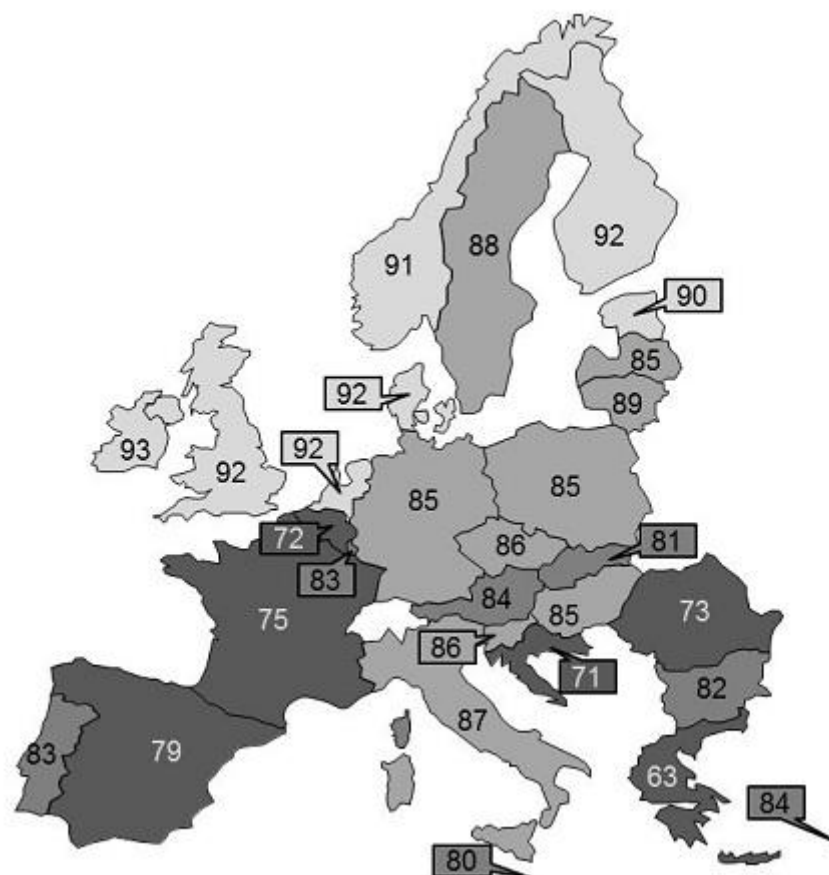


Figure 16: Employee awareness of health and safety risks at the workplace in the EU27, Croatia and Norway, 2012 (%)

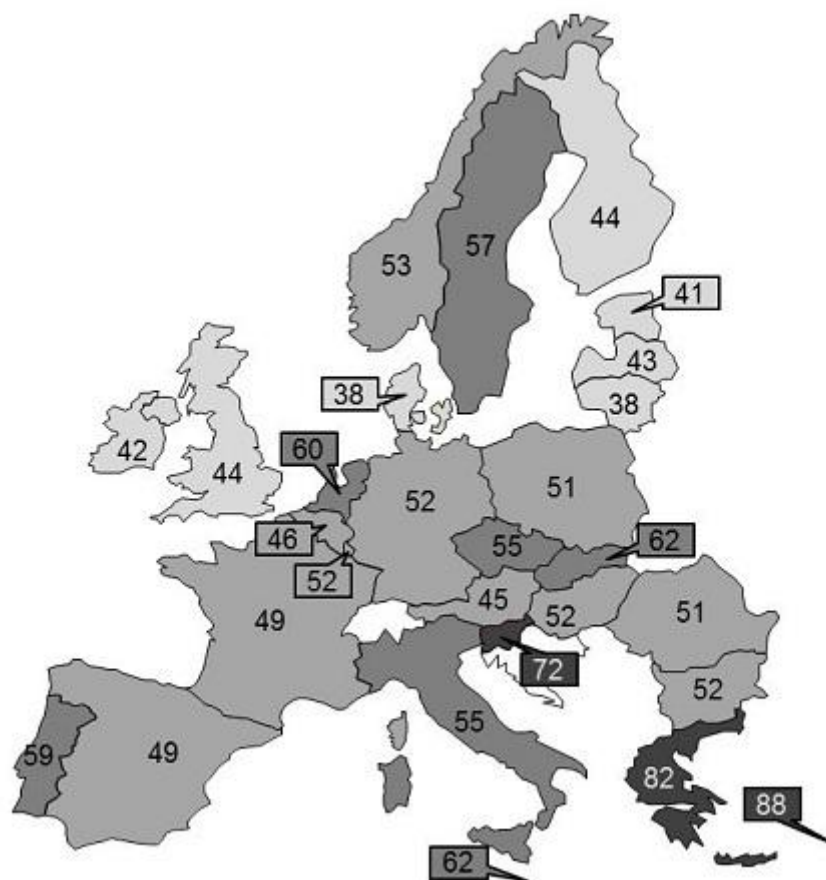
Notes: Employees aged 18 years and over who considered themselves ‘very well informed’ or ‘fairly informed’ about health and safety risks at the workplace.

Source: EU-OSHA, [Pan-European opinion poll on occupational safety and health 2013](#)

Figure 17 depicts the percentages of employees who answered that the cases of work-related stress are ‘very or fairly common’. Among the countries presented, the Baltic states, Denmark, Finland, Ireland and the UK seem to have the lowest incidence of work-related stress. Cyprus, Greece and Slovenia report cases of work-related stress most often.

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Figure 17: Incidences of work-related stress in the EU27 and Norway, 2012 (%)**Figure 17: Incidences of work-related stress in the EU27 and Norway, 2012 (%)**

Notes: Workers aged 18 years and over who considered cases of work-related stress to be 'very common' or 'fairly common'.

No data available for Croatia.

Source: EU-OSHA, [Pan-European opinion poll on occupational safety and health 2013](#)

Figure 18 illustrates employees' confidence that action would be taken to address reported workplace health and safety problems. Roughly speaking, there is a division between countries in south-eastern and north-western Europe. In the countries in south-eastern Europe (and Belgium and Portugal), employees are relatively less confident that safety problems at work would be addressed if reported to a supervisor. Employees in north-western Europe (and Cyprus and Malta) have more confidence that action would be taken to address workplace safety problems.

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Figure 18: Employee confidence that health and safety problems would be addressed in the EU27, Croatia and Norway, 2012 (%)

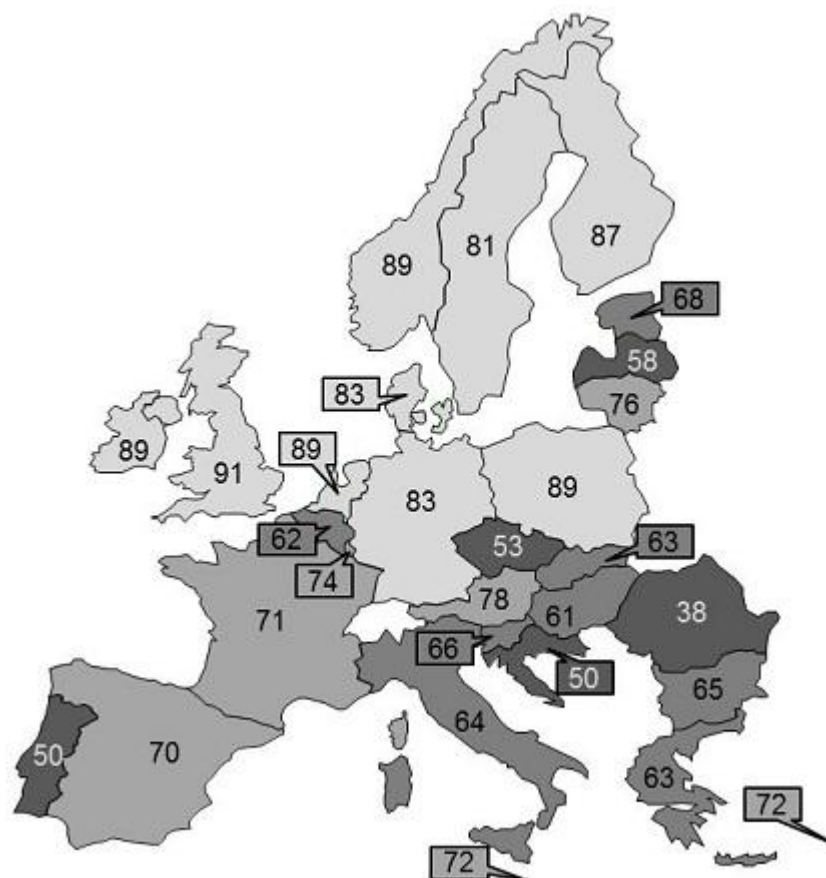


Figure 18: Employee confidence that health and safety problems would be addressed in the EU27, Croatia and Norway, 2012 (%)

Notes: Workers aged 18 years and over who were ‘very confident’ or ‘fairly confident’ that a health and safety problem would be addressed if they raised it with their supervisor.

Source: EU-OSHA, [Pan-European opinion poll on occupational safety and health 2013](#)

Policies and initiatives

At a national level, a wide variety of health and safety policies, programmes and initiatives were carried out in 2012. They can be grouped into two categories:

- preventive policies, programmes and initiatives;
- initiatives increasing awareness.

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Preventive policies, programmes and initiatives

These are generally aimed at reducing the health and safety risks at European workplaces. A total of 15 countries reported developments in this area in 2012 (Table 18). A number of initiatives tackled physical and environmental risks (for example, in France). Other initiatives focused on psychosocial risks (for example, in Bulgaria) and equal opportunities (for example, in Croatia).

Table 18: Preventive policies and initiatives in EU27 countries, Croatia and Norway, 2012

Country	Commentary
AT	The Fit2work programme was implemented in six federal provinces under the framework of the Work and Health Act. Fit2work is a free-of-charge consulting service for employees whose job is endangered due to health problems or for people who have difficulties finding employment due to a health condition. The programme aims to prevent an early exit from the labour market and to achieve sustainable securing of employability.
BE	The Belgian Safe Work Information Centre expanded its activities to individual and collective protection equipment. The aim is to develop a database of best practices.
BG	<p>The government and social partners have since 2008 jointly developed and implemented an annual programme on health and safety at work. The measures for 2012 aimed to ensure welfare at work, providing legislative, organisational, technical, health and other preventive measures. The first wave of the scheme ‘Safe work’ under the Operational Programme Human Resource Development was implemented in 2012. About 240 companies availed of this scheme which aims to modernise equipment and to improve working conditions.</p> <p>The General Labour Inspectorate participated in the European inspection campaign, ‘Psychosocial Risk Assessment’, carrying out 570 inspections in the health and social work and freight road transport sectors. Following the risk assessment by some employers, preventive, corrective and mitigating measures were taken to address and reduce the adverse impact of psychological strain and stress at work.</p> <p>Due to the more stringent General Labour Inspectorate control and joint inspections with social partners and other control institutions, the number of violations related to health and safety fell in 2012. However, there was an increase of accidents at work.</p>
DE	Several organisations jointly set up a new Alliance for Better Elderly Care. The alliance seeks to improve the situation both for older people in need of nursing care and for those employed in the care sector.
FI	A new policy was implemented to facilitate earlier intervention and rehabilitation in cases of long sickness absence.
FR	<p>At sector level, the National Research and Safety Institute for the Prevention of Accidents at Work and Occupational Illnesses (Institut national de recherche et de sécurité pour la prévention des accidents du travail et des maladies professionnelles, INRS) signed four national conventions with other bodies on a partnership to improve health and safety:</p> <ul style="list-style-type: none"> • the construction sector – improving health at work; • the automotive repair industry – prevention of risk from chemicals; • the wood and furniture industry – on formaldehyde substances;

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Country	Commentary
	<ul style="list-style-type: none"> the construction sector – prevention of wood dust. <p>The INRS has also developed software for road freight transporters to help them to evaluate professional risks. Together with the Atomic Energy and Alternative Energies Commission (Commissariat à l'énergie atomique et aux énergies alternatives, CEA) and the French National Institute for Industrial Environment and Risks (Institut National de l'Environnement Industriel et des Risques INERIS), the INRS published a methodological guide to characterise occupational exposure to nanoparticles.</p> <p>The French National Agency for the Improvement of Working Conditions (Agence Nationale pour l'amélioration des Conditions de Travail, ANACT) published a methodological kit to help SMEs deal better with occupational mental risks. The Ministry of Labour published a guide to help the consultants specialising in mental risks and tools to help SMEs evaluate and generally deal with them. The ministry responsible for the public sector launched social dialogue on the prevention of mental risks within the public sector.</p>
HR	The National Strategy for Equal Opportunities for Persons with Disabilities 2007–2015 aims to eradicate discrimination, and to improve and strengthen the protection of rights of persons with disabilities. In 2012, 1,378 newly employed persons with disabilities were recorded.
IE	The government set up an interdepartmental group to consider proposals for corporate manslaughter legislation. The committee has not yet issued a report. The Irish Health and Safety Authority (HSA) continued to roll out its Taking Care of Business Plan, which aimed to help smaller businesses address health and safety issues. As part of the plan it has further developed an online risk assessment tool called BeSMART.ie .
IT	The central government and regions agreed on guidelines for the implementation of training for occupational health and safety workers' and employers' representatives. The guidelines specify the typologies of both training activities and trainees, the role of bipartite bodies that play a subsidiary role in occupational health and safety, e-learning, the follow-up and updates. The National Institute of Insurance Against Accidents at Work (Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro, INAIL) considerably increased (up to €205 million) resources to co-finance projects presented by employers to promote certification on health and safety (SGSL – general system of safety at work) and to support their investments in occupational health and safety. Over 4,000 projects were financed, 90% of which were in companies with fewer than 50 employees.
LT	The Action Plan for Occupational Health and Safety in 2011–2012 came into force. In accordance with the plan, the occupational health and safety legal framework, research, system of education, training, attestation and safety issues of workers in precarious jobs, and so on, were further improved.
LU	The Ministry of Labour announced plans to prepare a law on mobbing and mental harassment to reinforce the protection of employees in the private sector. In contrast to employees in the public sector, there is a lack of reference in current labour law to private sector employees. Mobbing ASBL evaluated that about 3% of the workforce in Luxembourg are victims of psychological harassment.
NL	The Social and Economic Council (Sociaal Economische Raad, SER) provided advice on health and safety at work, with an emphasis on primary, secondary and tertiary prevention. Among other things, the SER specifically addressed critical levels for dangerous substances

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Country	Commentary
	and non-substance-related risks. It also discussed the role of occupational doctors. In 2006, the Ministry of Home Affairs started a programme called ‘Safe Public Service’ which aimed to reduce violence and aggression by third parties towards public employees by 25%. Several studies were performed, tools were developed (including the quick-scan, cost-benefit tool for organisations) and a help desk was set up. Recently, the focus has shifted to local municipalities. A topic of discussion was the maintenance of policies, particularly in the light of the merger of the Labour Inspectorate with the Ministry of Social Affairs and the possible implication of the fact that the inspectorate is no longer independent.
NO	In 2012, the scheme of regional safety officers was extended to industrial cleaning and hotels and restaurants. A tripartite sector programme for the cleaning sector was launched in 2011–2012, where one of the aims was to improve working conditions and health and security in this sector.
PL	The National Labour Inspectorate implemented a series of programmes aimed at increasing the quality of health and safety at work, with a stronger emphasis on preventative and control activities. Among others, the construction sector (including projects related to the UEFA Euro 2012 football championship, PL1207019I) and road transportation were targeted.
RO	<p>The Labour Inspection Office (Inspekția Muncii, IM) conducted seven inspection missions during 2012 with a focus on:</p> <ul style="list-style-type: none"> • social and emotional hazards posed by various jobs; • assessment of health and safety risks in SMEs; • implementation of EU health and labour safety legislation; • observance of the minimal health and labour safety requirements for workers in the construction, mining, agro-food and fuel distribution sectors.

Source: Eurofound observatories

Awareness-raising initiatives

Other initiatives focused on increasing (public) awareness about diverse health and safety issues by means of campaigns, handing out awards or other promotion activities (Table 19). Campaigns were run, for example, in Belgium, Italy and Portugal. Awards were given to companies performing well in relation to certain criteria (for example, in Luxembourg, Malta and Slovenia).

Table 19: Information and awareness campaigns in the EU27 and Croatia, 2012

Country	Commentary
BE	The public authorities worked to communicate the messages of the European campaign ‘Working together for health prevention – through leadership and worker participation’ to public and private companies. The Federal Public Service Employment, Labour and Social Dialogue (SPF/FOD) launched a campaign to reduce stress, violence and harassment at the workplace including TV adverts, leaflets and posters and a website.
BG	The scheme ‘Health awareness campaigns’ tried to attract public attention to the prevention of occupational accidents and the implementation of health and safety standards.
CZ	A project focusing on foreigners’ occupational health and safety and equal rights in the

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Country	Commentary
	labour market was launched in October 2012. The project includes public debates, workshops and a conference. The output to be presented on a dedicated internet platform will include professional publications and a manual for foreigners.
EE	The State Labour Inspectorate (Valsts Darba inspekcija, VDI) launched an initiative to inform new entrepreneurs of different health and safety issues by sending them electronic newsletters with useful information on health and safety.
HR	The Office for Human Rights (Ured za ljudska prava) organised a project, ‘Supporting equality in the Croatian labour market’, with the aim of raising public awareness of discrimination in the labour market. As part of this project, the office organised seminars and workshops for employees and employers from the private and public sectors.
IT	The Ministry of Labour launched a campaign tackling work-related diseases, with a special focus on musculoskeletal disorders and respiratory diseases in agriculture, large retailers and transport, including guidelines, data and information on trends. The Ministry for Health launched an asbestos plan.
LU	The Ministry for Health awarded the 5th Prize of Occupational Health 2011 to seven companies. The topic in 2012 was well-being at work, the companies and the health of their employees, with a focus on the specific needs of women, adequate working conditions for older workers and corporate social responsibility.
LV	Social partners focused on information and training regarding health and safety at work. The LBAS published guidelines on labour protection for employee representatives and trustees. The LDDK and LBAS organised information and training measures regarding safety at work within the frameworks of programmes in receipt of EU structural funds.
MT	In the project, ‘I’m not a Racist, But...’ of the National Commission for the Promotion of Equality (NCPE), reference was made to discrimination in various social and economic spheres and training was held for immigrants to combat discrimination. The NCPE formally certified 15 employers with the Equality Mark for behaviour in accordance with gender equality.
NL	The Ministry of Social Affairs and Employment introduced the ‘Action Plan Healthy Business’. This plan is primarily directed at SMEs and aims at creating awareness in ways to increase sustainable employability. The main focus is the management of physical and psychosocial load.
PT	A Campaign on Psychosocial Risk Assessment developed by the Authority for Working Conditions (Autoridade para as Condições de Trabalho, ACT) aimed to promote the evaluation of psychosocial risks in the workplace and to improve the quality of existing risk assessment. The National Day of Prevention and Safety at Work on 28 April 2012, promoted by ACT in cooperation with the social partners highlighted the significance of promoting safety and health in a context of economic downturn. The UGT organised a compilation of data on psychosocial risks at work in Portugal. This publication is based on the outcomes of EU-OSHA’s Enterprise survey on new and emerging risks (ESENER).
SE	Safety measures focused on women’s health, mental illness and anti-discrimination. Women were found to be more prone to long-term sick leave and to increasingly leave work life prematurely. The government asked the Swedish Social Insurance Agency

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Country	Commentary
	<p>(Försäkringskassan) to investigate the sick leave differences between men and women. The Swedish Work Environment Authority (Arbetsmiljö Verket, AV) launched an initiative targeted at improving the health of working women. The initiative tries to:</p> <ul style="list-style-type: none"> • raise awareness of women’s health; • investigate what factors at work make women require sick leave; • implement research on work-related injuries; • identify differences in work environment between men and women; • highlight general risks of workplace hazards. <p>An investigation of all Swedish legislative grounds for discrimination (sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age) took place during 2012 and aimed to improve active measures against discrimination.</p>
SI	<p>The Ministry of Labour, Family and Social Affairs organised three events as part of EU-OSHA’s campaign ‘Working together for risk prevention’: a competition for the recognition of ‘Good practice in the field of health and safety at work 2012’, two seminars in cooperation with social partners and awarded companies, and the European week of health and safety at work. The aim was to raise awareness among employers, employees and the public about the critical areas of health and safety at work. Between March 2010 and June 2012, the Association of Employers of Slovenia (Združenje delodajalcev Slovenije, ZDS) organised a series of awareness-raising seminars and a conference covering issues such as absenteeism, fluctuation, burn-out, and work and life reconciliation.</p>
UK	<p>The TUC ran a campaign to ‘defend health and safety’ from perceived government attacks that reduce or undermine workers’ protection. Other issues prioritised by unions during the year included violence at work, occupational cancer, dust, maintenance work, personal protective equipment and stress.</p>

Source: Eurofound observatories

Legislative developments

In the majority of countries with legislative developments there was a tendency to broaden the scope of legislation in the area of health and safety in the workplace. In contrast, in Slovakia and the UK, tendencies to soften the regulatory framework were observed. Especially in the UK, the coalition government continued a policy of deregulating aspects of health and safety.

The reported legislative developments can be divided into:

- developments aiming at preventing health and safety risks;
- developments relating to the enforcement of health and safety regulations.

Preventing health and safety risks

A number of countries reported developments in legislation aimed at preventing physical and environmental risks. Exposure to chemicals, vibration or noise, as well as working with tools, working in uncomfortable positions or in motion are some of the factors reported as physical or environmental risks. These are often associated with work-related diseases and accidents (Table 20).

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Table 20: Legislative developments aimed at preventing physical and environmental risks in EU27 countries, Croatia and Norway, 2012

Country	Commentary
EU	There was ongoing work in 2012 at EU level on the European Commission's proposals in the areas of electromagnetic fields, musculoskeletal disorders and environmental tobacco smoke. Furthermore, the Commission was preparing practical guides to improve information about and the application of legislation in the areas of exposure to asbestos and in the agriculture sector. The Commission also continued its work on the evaluation of the European health and safety strategy in preparation for its new strategy covering 2013–2020.
BE	After discussions with social partners, three royal decrees on health and safety issues were adopted concerning: <ul style="list-style-type: none"> • risk analysis of various factors that play a role in the thermal environment; • primary demands required at the workplace regulating equipment, lighting, ventilation, temperature, social facilities, and work and rest seats; • minimum requirements on electrical installations at the workplace.
FI	The Ministry of Social Affairs and Health issued guidance on jobs that are appropriate for young people aged 14–18 years. The guidance also lists jobs that are dangerous for this age group and regulates the duration of their jobs to half their school holidays.
FR	Decree 2012-639 of 4 May 2012 increased the protection of workers from the risks associated with exposure to asbestos in the workplace and reduced the acceptable limits of an individual's exposure to this material. Furthermore, the reform of occupational health, introduced in 2011, came into force in 2012.
HR	The 2012 amendments to the Act on Protection at Work relate to Directive 92/85 EEC on the introduction of measures to improve the health and safety of pregnant workers and workers who have recently given birth or are breastfeeding in the workplace.
IE	New regulations were introduced governing the hours worked by mobile transport workers.
IT	The Ministry of Labour issued a decree on standardised procedures on risk assessment for companies with fewer than 10 employees. The procedure can also be implemented by companies with 10–49 employees.
LT	The Labour Code was amended relating to the improvement of occupational health and safety management at company level. Changes included obligatory completion of the Occupational Safety and Health Status Card and establishing the general duties of employees in ensuring the safety and health of employees in work regulations.
LV	Four administrative acts regulating labour protection were amended to eliminate the administrative burden. This included amendments requiring protection of employees from the risk caused by the noise of the work environment and amendments establishing lower requirements for the labour protection system in companies with fewer than 10 employees operating in dangerous sectors.
MT	The legal notice regulating the use of ionising radiation by medical users was enacted. Amendments to existing regulations updated chemical exposure limits, regulation of fire drills and employers' responsibilities towards and the protection of pregnant workers.

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NO	Regulations on an accreditation scheme for cleaning operations came into force. All cleaning companies need to be approved by the Labour Inspectorate to operate legally; it was made illegal for companies to buy cleaning services from businesses that are not approved.
PT	Decree-Law 24/2012 consolidated the minimum requirements for the protection of workers from risks to health and safety due to exposure to chemical agents at work and transposed Directive 2009/161/EU into national law.
SK	The obligation of employers to perform annual joint checks of jobs was abolished. Employers were freed from the obligation to provide occupational health services to employees performing work with lower occupational risks. The entitlement of employees in some occupations to preventive recovery services was also changed. For instance, the minimum length of compulsory participation of respective employees in preventive recovery services was shortened from two weeks to seven days.
UK	The coalition government announced that it would exempt low-risk employers from proactive health and safety inspections. Such inspections would be restricted to companies operating in higher-risk sectors such as construction, and those with a track record of poor performance, reported incidents or an employee complaint (UK1209019I).

Source: Eurofound observatories

Other legislative changes specified and/or simplified the regulations related to physical and environmental risks.

In the Czech Republic, a new amendment of the Labour Code lists the key values whose fulfilment is pursued by legal regulation. These values are significant in interpretation of the law and are related to safe working conditions.

In Greece, Directive 2007/30 was implemented to simplify and rationalise the reports on practical implementation of directives on minimum work safety and health specifications.

In Norway, a total of 47 health, safety and environmental regulations were removed and replaced by six new regulations from January 2013. The new regulations do not contain any substantive changes, but their structure seeks to provide an easier overview of stakeholders' duties and rights.

Psychosocial risks are related to processes or factors that are of both social and psychological origin. Work intensity, short deadlines, lack of autonomy, extended working hours, shifts, job insecurity, bullying, harassment and violence are some of the factors that can influence workers' health, well-being and satisfaction and which can result in stress and stress-related illnesses – as demonstrated by the empirical evidence reported in most of the international literature on the topic. These risks were addressed by developments in the legislative sphere in France and Germany.

After the French Constitutional Court nullified the definition of sexual harassment in the penal code, the government introduced a law with a new definition of sexual harassment and moral harassment. The new definition defines two situations in which harassment can be recognised – the uniqueness of facts or repetition.

Public and social partner debate on work-related stress and psychological strains took place in Germany in 2012 ([DE1212029I](#)). Several publications dealt with the topic. The debate focused on the suitability of provisions in the Occupational Health and Safety Act for dealing with mental strain. Four federal states introduced into the upper house of the federal parliament a draft bill dealing with mental strain. However, no final decisions had been taken by the end of 2012.

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Enforcement of health and safety legislation

Five countries reported modifications of the regulations relating to the enforcement of health and safety legislation. France and Romania strengthened sanctions, while the UK relaxed some of the health and safety provisions (Table 21).

Table 21: Legislative developments in the area of sanctioning health and safety in the Member States, 2012

Country	Commentary
FR	The new law on sexual harassment strengthened the sanctions (penalty and imprisonment) and employers' commitment to prevent harassment.
MT	The Occupational Health and Safety Regulations standardised the penalties related to the transgression of occupational health and safety law.
RO	The amended Labour Inspectorate Act strengthened the authority of the Labour Inspection Office. It is now empowered to enforce companies' compliance with health and labour safety regulations. Penalties and fines have increased sharply for employers who deny inspectors access to information and documents during the inspections. Furthermore, an Advisory Tripartite Council was set up as an extension of the Labour Inspectorate Office.
UK	According to new legislation, businesses can be held liable for civil damages in health and safety cases only if they can be shown to have acted negligently. Previously, businesses could automatically be liable for damages even if they were not negligent. Other changes announced or implemented during 2012 included abolishing or rationalising various regulations. Self-employed people whose work 'poses no harm to others' were excluded from the coverage of health and safety law. The government proposed legislation that would abolish the provisions in the Equality Act 2010 on 'third-party harassment', which make employers liable, in certain circumstances, for the harassment of an employee by a third party, such as a customer or supplier.

Source: Eurofound observatories

Collective bargaining

In April 2012, the EU-level social partners concluded an agreement on the health and safety of workers in the hairdressing sector. This agreement builds on existing national best practice in Member States that are effective in reducing occupational health risks. It addresses, in particular, specific risks such as the use of materials, products and tools to protect the skin and respiratory tract, and the need for sufficient space and ventilation in salons where chemical substances are transferred or mixed. Furthermore, a joint opinion in the extractive industry and a joint opinion in the tanning and leather industry were agreed in 2012.

In the Member States, the level at which negotiations take place about the collective agreements that tackle the issue of health and safety varies between countries. For example, in Croatia, Luxembourg, Malta and the UK, negotiations take place mainly at company level. In Bulgaria, the Czech Republic, Estonia, Latvia and Spain, negotiations take place at both company and sectoral levels. In France, the negotiations take place mainly at company and sectoral levels but, in 2012, cross-sectoral partners started bargaining over an interprofessional agreement covering quality of working life. In Slovakia and Romania, the issue is dealt with by single-employer and multi-employer collective agreements. In Belgium and Germany, health and safety is discussed at three levels – national, sectoral and company

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level. In contrast, in Latvia and Poland, health and safety issues are more typical collective bargaining topics. There were no major changes reported for 2012.

Only three countries reported information regarding collective agreements covering health and safety.

In Germany, the United Services Union (Vereinte Dienstleistungsgewerkschaft, [ver.di](#)) and the Employers' Association of Private Banks (Arbeitgeberverband des privaten Bankengewerbes, [AGV Banken](#)) renewed in 2012 the declaration adopted in 2010. This highlights the need for improvement in prevention and a considerate approach to cases of mental and physical disease/strain. Companies are called on to develop suitable occupational health and safety measures for their corporate strategies. The measures must respect employee participation, avoid the allocation of inappropriate workloads by managers and include an analysis of the current health situation of employees. During the 2012 bargaining round, an annual health monitoring was negotiated. In addition, social partners agreed to discuss occupational health and safety matters once a year.

In France, many agreements were signed in 2012 on issues such as arduous work and on mental risks and stress at work, either at company or sectoral level. Since 2010, compulsory negotiation over arduous work must take place in companies with more than 50 employees or in companies where 50% of the total workforce is exposed to professional risks.

In the UK, the [TUC equality audit 2012 \(900 KB PDF\)](#) found that 39% of member unions reported having negotiated new agreements on harassment and bullying over the 2009–2012 period.

6 – Skills and competencies

Available Eurostat data on the participation of employed people in lifelong learning activities (without any indication if these activities were paid by the employer) show little variation between 2011 and 2012, though there are some remarkable exceptions (Figure 19). A total of 15 countries reported an increase in the share of workers involved in lifelong learning activities, although in 10 of them the increase was ≤ 1 percentage point – it was highest in Lithuania, the UK and Norway (almost +2 percentage points). No variation was recorded in Croatia, Germany, Italy and Portugal. The rest of the countries reported a decrease of between -0.2 and -0.9 percentage points in the share of workers involved in lifelong learning activities, with the notable exception of Slovakia which recorded a larger decrease of 2.6 percentage points.

Figure 19: Change in participation in education and training by employed people in the EU27, Croatia and Norway, 2011–2012 (percentage points)

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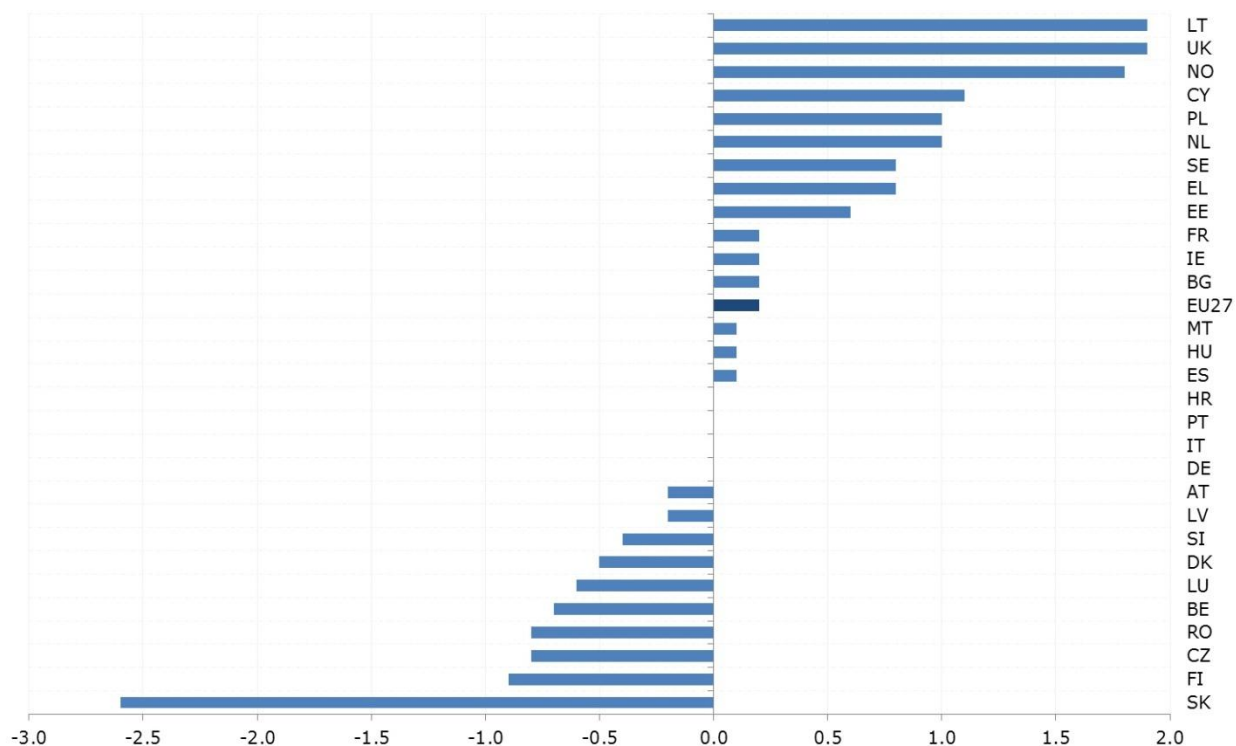


Figure 19: Change in participation in education and training by employed people in the EU27, Croatia and Norway, 2011–2012 (percentage points)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

However, the share of employed people attending education and training in 2012 was higher than the EU27 average in only 13 countries and it was only greater than 25% in Denmark, Sweden and the UK. Less than 4% of employed people participated in education or training in 2012 in Bulgaria, Finland, Greece, Italy, Malta and Slovenia (Figure 20).

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Figure 20: Participation of employed people in education and training in the EU 27, Croatia and Norway, 2012 (%)

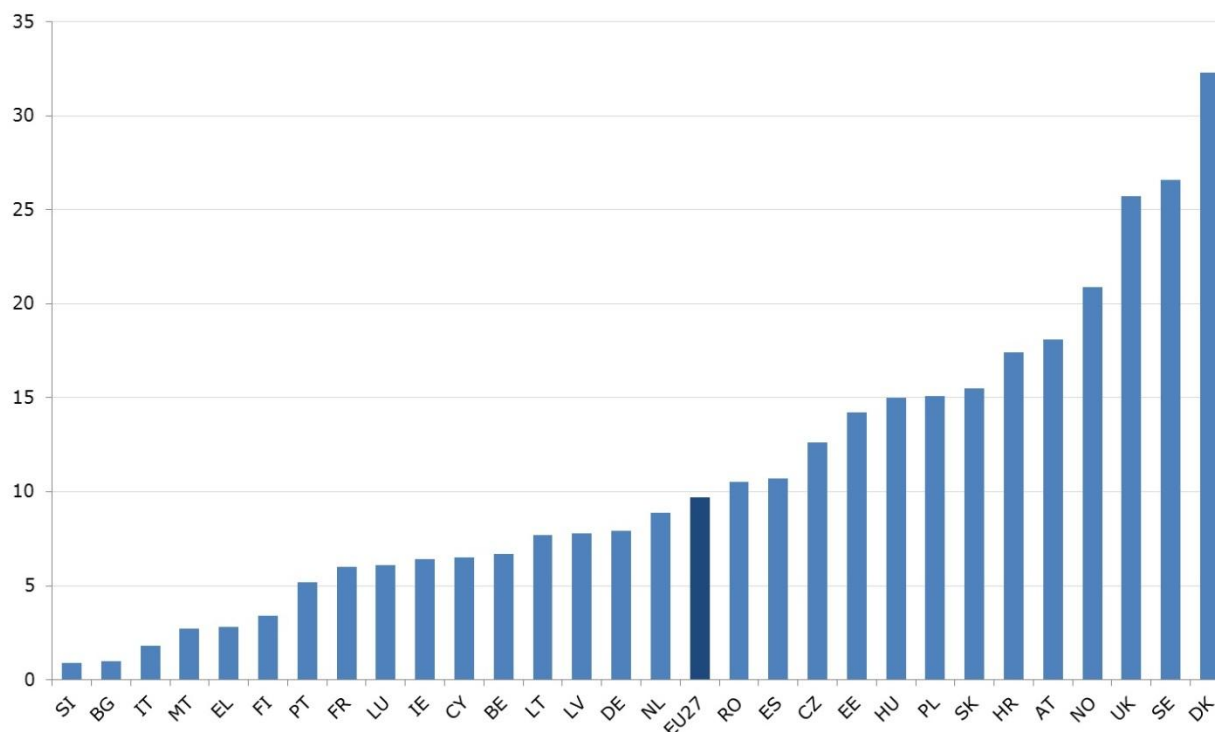


Figure 20: Participation of employed people in education and training in the EU27, Croatia and Norway, 2012 (%)

Source: Eurostat data warehouse, 2013 (data extracted 28 June 2013)

Policies and initiatives

The European Commission's flagship skills policy is its [Agenda for New Skills and Jobs](#). As part of this, in December 2012, the Commission launched its [EU Skills Panorama](#), a website presenting quantitative and qualitative information on short-term and medium-term skills needs, skills supply and skills mismatches. It is hoped that this website, which will be updated regularly, will help to monitor skills needs and supply, thus helping to address skills mismatches by targeting education and training more effectively.

In the more general area of labour market policy, in April 2012, the Commission launched its [Employment Package](#), which contains a range of measures designed to boost job creation. For example, it sets out to encourage recruitment by reducing taxes on labour and supporting business start-ups. It also identifies those areas with the biggest job potential for the future, that is, the green economy, health services and information and communications technology (ICT).

At national level, 24 countries reported initiatives adopted in the field of skills developments (Table 22). In 13 of the countries (Austria, Croatia, Cyprus, Finland, Germany, Hungary, Ireland, Italy, Malta, Norway, Portugal, Spain and the UK), probably as a consequence of the impact of the crisis on younger generations, the target population is represented by young people to facilitate their transition from education into employment. In a small number of countries, training activities targeted at a wider

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population have been implemented (Bulgaria, Latvia, Romania, Slovenia and Sweden) or innovations were introduced in the respective training systems (Denmark, Germany and Greece).

Table 22: Policies and initiatives in the area of skills and competencies development in the EU27, Croatia and Norway, 2012

Country	Commentary
AT	Two coaching programmes for young persons were set up in 2012: one programme for apprentices (<i>Lehrlingscoaching</i> , launched by the Federal Ministry of Labour, Social Affairs and Consumer Protection, BMASK) and one for school pupils in the last mandatory year of schooling) or for young people who are neither in school nor in education aged up to 19 years (<i>Jugendcoaching</i> , launched by the BMASK and the Federal Ministry of Economy, Family and Youth, BMWfJ). Both programmes are targeted towards the prevention of dropouts and provide support for the transition phases between education and employment.
BE	The National Labour Council (Conseil National du Travail/Nationale Arbeidsraad, CNT/NAR) and the Central Economic Council (Conseil Central de l'Economie/Centrale Raad voor het Bedrijfsleven, CCE/CRB) published an assessment (in French, 150 KB PDF) of further sectorial improvements on training. Its recommendations include taking into account sector specifics and checking the regulation on sectoral agreements.
BG	<p>Various measures have been taken to improve the qualifications and skills of the labour force and to reduce the mismatch between labour demand and supply under the National Action Plan for Employment (NAEP) 2012 and Operational Programme Human Resources Development. The National Employment Agency implemented active labour market programmes aiming at increasing skills and key competences, including voucher training schemes for both unemployed and employed people, and qualification services. 'I can' is a voucher training scheme aimed at improving the skills of employed people; in 2012, it successfully trained 11,627 people. The scheme 'I can more' is a continuation of 'I can' and offers voucher training for employed and self-employed people to improve their skills and key competences; in 2012, 34,137 people concluded their training. 'Development' is a scheme for vocational educational and training (VET) or re-qualification of people who have lost their job since 1 November 2009 because of restructuring or closure of their company, reduced production levels or partial closure aiming at their future employability. The scheme 'Training and adaptation' began in March 2012 and by September 2012 more than 1,500 people had submitted applications to participate.</p> <p>Joint projects and initiatives of social partners also aimed to promote skills development. Under the scheme 'Strengthening the effectiveness and flexibility of the labour market through active social partners' involvement', a National Reference Network for competence assessment of the labour force at branch and regional level was set up. It is being implemented by the Bulgarian Industrial Association in partnership with CITUB and CL Podkrepa. In line with the Council Recommendation on validation of non-formal and informal learning of 20 December 2012, the Ministry of Education, Science and Youth in partnership with the social partners' organisations started a project to develop a methodology and instruments for assessing the skills and competences obtained outside the official education system and to provide a certificate for these skills and competences. Finally, the scheme, 'Support for institutional building of the institutions in the labour market, social inclusion and healthcare', under the Operational Programme Human</p>

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	Resources Development, aimed to provide an opportunity for young people up to 29 years old from disadvantaged groups in the labour market to do traineeships on individual training programmes under the guidance of a mentor.
CY	During 2012, policies, programmes or initiatives in the area of skills developments refer almost entirely to the continuation of a number of measures undertaken by the government in the previous years, especially during the period 2009–2011 (CY1105049Q , CY1004019Q , CY0912019I), which aim to deal with the adverse effects of the economic crisis (CY1101019Q).
CZ	A trade union project ‘Extending and improving the scope and quality of services rendered for employees through social dialogue and human resources development’, which started on 1 January 2010, was designed for participants of regional social dialogue, employees in unfavourable work or personal situations, and expert employees of social partner organisations involved in helping to solve employees’ difficult situations. The project’s aims included: <ul style="list-style-type: none"> • producing a comprehensive information system available on a dedicated internet portal; • improving expert knowledge and skills by means of targeted educational activities of social dialogue participants; • developing a system assessing the impacts of educational activities on the target group; • improving the system of regularly processing results of collective bargaining in organisations.
DE	The National STEM Forum (STEM: Sciences, Technology, Engineering and Mathematics) was set up by the National Academy of Science and Engineering (Deutsche Akademie der Technikwissenschaften, acatech) and Mint Zukunft schaffen (a platform set up by the BDA and the Federation of German Industries (Bundesverband der Deutschen Industrie, BDI) for German initiatives promoting STEM occupations. The Pact on Apprenticeships also continued (DE1212019I).
DK	There is a significant focus on training and education in Denmark where competence development is seen as a kind of raw material. Statutory education committees whose aim is to strengthen vocational and labour market education are guided and monitored by the social partners. In the State Budget for 2013 (from October 2012) it was agreed by the government and the Enhedslisten (the Unity List) to remove the price ceiling on six weeks of self-selected training courses. In addition, a few initiatives specifically aimed at young people received funding of more than DKK 600 million (€80.4 million).
EL	A series of programmes were implemented within the framework of the Operational Programme Human Resources Development (co-financed by the ESF) which aimed to upgrade the system of certification and licensing of training providers and to provide training to unemployed people in certified vocational training centres.
ES	The ‘training contract’ (<i>Contrato de Formación</i>) introduced in 1995 with a duration of between six months and two years, and aimed at people aged 16–21 years (or up to 24 years old in the case of unemployed people who participate in a training workshop or an employment workshop programme), was further reformed in 2012 (after the 2011 reform) to: <ul style="list-style-type: none"> • extend its applicability to people up to 30 years old;

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	<ul style="list-style-type: none"> • prolong the maximum length of the contract from two to three years; • modify the training component (the new contract stipulates that training must be provided within the company rather than at a training centre); • extend working time from 75% to 85% of the maximum legal working time or the maximum time established by collective bargaining.
FI	Preparations were made during 2012 to implement the Youth Guarantee , which became effective on 1 January 2013. This guarantee is a set of policies to ensure that a young person is offered an opportunity for work, training or rehabilitation within three months of becoming unemployed. This is a collaborative effort of various authorities.
HR	The Ministry of Education, Science and Sport (Ministarstvo znanosti, obrazovanja i sporta) carried out a project, ‘Inclusion of pupils with difficulties into education for employment’, at the level of secondary vocational education; the project consists of two contracts – a services contract and a contract on the award of a grant. In 2012, work on further development and implementation of the Croatian Qualifications Framework at national level with use of EU funds continued. The draft bill on the framework was drawn up, as was a report – the so-called ‘referencing report’ – on connecting the framework with the European Qualifications Framework (EQF) and the Qualifications Framework of the European Higher Education Area (QF-EHEA). Ten sector working groups were formed with around 200 members in total.
HU	The restructuring of the higher education system started in 2011 (HU1202021I), but protests in 2012 led to changes and the reform is not yet finalised. An overall restructuring of the primary and secondary school system is ongoing. The main intention is the nationalisation of the educational institutions and the centralisation of procedures, contents, working conditions and financial supervision. The legislation has furthermore provided the legal background (Degree No.202/2012. (VII. 27)) for the introduction of a central national supervisory institution (and employer of around 7,000 teachers in public primary and secondary schools).The dual system in professional education began in September 2012.
IE	As part of a wider Action plan for jobs 2012 (1.2 MB PDF) , the Irish government continued JobBridge , its National Internship Scheme providing 5,000 work experience placements in the private, public and voluntary sectors. This scheme provides work experience placements for interns for a period of six to nine months. More broadly, a major reform of Ireland’s labour market activation schemes continued in 2012 on the back of recommendations in 2010 by the EC/ECB/IMF Troika that fundamental changes were required to better coordinate and condense policy in this area.
IT	On 19 April 2012, the Conference State-Regions signed an agreement on competences certification (in Italian, 611 KB PDF) in general and for apprentices. This agreement implements EQF regulations, according to European Centre for the Development of Vocational Training (Cedefop) standards. It sets definitions, the object of certification, the process and the minimal requirements in terms of procedures, information included, registration on the training personal booklet, accreditation and authorisation of bodies responsible for certification.
LT	To adapt education and training systems to reflect labour market conditions and skills demand, a Plan of the Qualifications Map was approved by the government in July 2012. The Qualifications (Skills) Map is expected to provide better information to people on the

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	structure of skills demand and the identification of the specialities most demanded and thus offering the widest opportunities in the labour market. The Qualifications Map will also help to identify the higher education institutions whose graduates are the most attractive for employers and to provide a current picture of occupations. It is expected that transfer to constant skills monitoring will take place in April 2014.
LV	The Ministry of Economy implemented two support programmes for training activities – one for measures that are organised in partnership and one for measures that are organised by individual merchants. These activities are funded from EU structural funds. Ten NVA measures also contribute to skills development, but these are available only for unemployed people. NVA assistance is given to training and active labour market measures. The NVA also provides assistance in skills development through training courses, training with the employer or at work, assistance in finishing professional education, assistance in starting business activity and career development.
MT	A project implemented by the ETC called ‘Inclusion for Employment’ aims to facilitate the progression of vulnerable students to higher-level vocational programmes and ultimately employment by reviewing and designing syllabi with the required support, teaching materials and relevant pedagogical skills, course accreditation and staff training. The Youth Employment Programme (YEP) launched by the ETC in 2010 was still on track in 2012. YEP is an initiative aimed at increasing the employability and labour market integration of young people, especially disadvantaged young job-seekers and those in precarious work who would benefit from further training and from greater knowledge of their rights and responsibilities at work. During January 2012, internal discussions started about the drafting of a new apprenticeship legal notice. The new legal notice is envisaged to give the ETC the legal authority and flexibility to introduce new apprenticeships with an approved training institution.
NO	In April 2012, LO, NHO and the Ministry of Education and Research signed a social pact on more apprenticeship training places. The aim is to secure more places for in-service training in an enterprise (the vocational training is partly based on two years at school and one or two years in an enterprise). The Ministry, LO and NHO also started an initiative in January to secure more in-service training places for apprentices.
PL	Social partners brought up the need to implement the European Framework Agreement on Inclusive Labour Markets , which was discussed at a conference (in Polish) in Warsaw in April 2012.
PT	<p>‘Young Impulse’ (Impulso Jovem) was launched as a strategic programme to address increasing youth unemployment. It is structured around three main types of measures:</p> <ul style="list-style-type: none"> • professional internships; • support for hiring and entrepreneurship; • support for investment. <p>The professional internships – called Employment Passport (<i>Passaporte Emprego</i>) – covered the whole national territory and specific fields of activity: innovation; social economy; youth organisations; and agriculture. These short-term, six-month internships include compulsory vocational training and are targeted at young unemployed people aged 18–35 years, depending on the field of activity.</p>

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RO	The 2012 National Plan for Vocational Training provided free vocational training services for 41,130 people, of whom half should have been women.
SE	In September 2012, the government decided to introduce a new staffing structure for teachers in July 2013. Two new career stages were introduced, namely, first teacher and senior teacher. The government is subsidising the wages of 10,000 positions with a maximum SEK 85,000 (€10,190) per first teacher and SEK 170,000 (€20,380) per senior teacher. The government budget for the wage subsidies for 2013–2016 is SEK 2.3 billion (€272 million). In February 2012, Prime Minister Fredrik Reinfeldt opened up to the possibility of a more generous regulation on who can receive government student loans.
SI	The government adopted guidelines for implementation of active employment policy measures for the period 2012–2015 issued by MDDSZ in 2011; these included education, training and lifelong career orientation. Among the measures contained in MDDSZ's Active Employment Policy Implementation Plan for 2012 are training and counselling. Education and training activities were designed for unemployed persons and co-financing of education and training for employees in companies was introduced. The Programme of Adult Education in Slovenia for 2012 set out the educational programmes and activities in the field of adult education, (co-)financed from the national budget and the ESF.
UK	In February, the government launched an Employer Ownership of Skills pilot whereby businesses can bid for grants from a fund worth GBP 250 million (€296 million) to co-finance the design and delivery of innovative and flexible vocational training programmes. Apprenticeships received considerable attention from the coalition government during the year. In April, the government introduced a grant for SMEs taking on their first apprentice, and later in the year launched a scheme to increase awareness among SMEs of the benefits of apprenticeships. In August, it introduced new standards for apprenticeships, including a 12-month minimum duration. In November, an independent report commissioned by the government called for an improvement in the quality of apprenticeships and a greater focus on employers' needs. In December, the government announced plans to add new levels to the apprenticeship system, introducing for the first time graduate- and postgraduate-level apprenticeships in subjects such as law, accountancy and engineering. The aim is to make vocational learning an attractive alternative to the traditional higher education route.

Source: Eurofound observatories

Legislative developments

Only some countries reported legislative developments related to skills development – Bulgaria, Estonia, France, Lithuania and Poland.

In 2012, the Bulgarian government adopted a [National qualifications framework \(in Bulgarian, 185 KB PDF\)](#), in line with the [Recommendation of the European Parliament and of the Council of 23 April 2008](#) on the establishment of the EQF for lifelong learning. This reflects a broad agreement on the potential benefits of such a framework for facilitating European mobility through recognition of qualifications in other Member States and for promoting lifelong learning. It aims to integrate and coordinate national qualification subsystems and to improve the transparency, access, progression and quality of qualifications in relation to the labour market and civil society. It was adopted with the social partners' participation and its implementation is expected to further strengthen mutual trust by promoting dialogue and coordination between the partners in the field of skills and competences.

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Two important legislative developments took place in Estonia. First, from 1 January 2012, employers' expenditure on employees' formal training was released from fringe benefit tax. Secondly, in May 2012, reform of higher education was agreed and will enter into force in 2013. The reform aims to increase the quality of education by providing better access to higher education and making university graduates more competitive on the job market. In addition, in December 2012, the government approved a new draft of the Vocational Educational Institutions Act, which enables people aged up to 22 years who are without basic education to acquire vocational education.

In France, law 2012-354 of 14 March 2012 was approved with the aim of increasing the number of young apprentices to 800,000 in 2015. Under the new law, enterprises with 250 employees or more must achieve a quota by 2015 of having 5% of their workforce in an apprenticeship (instead of 4% in 2011). If they fail to reach their quota they will have to pay a supplementary contribution (*contribution supplémentaire à l'apprentissage*).

The Lithuanian government introduced a new system of vocational training of unemployed people on 1 January 2012. Under this system, training of unemployed people and those notified of pending dismissal will be provided exclusively on a targeted basis, that is, training a worker for a specific job.

There were two important legislative developments in Poland in late 2012 aimed at increasing the coherence of the national framework of skills and qualifications. First, the Ordinance of the Ministry of Labour and Social Policy Amending the Ordinance on the Classification of Occupations and Specialisations (*Klasyfikacja Zawodów i Specjalności*, [KZiS](#)), which reflects the standards of the International Standard Classification of Occupations ([ISCO](#)) was updated. Secondly, the Ordinance of the Ministry of National Education Regarding the Classification of Occupations for Vocational Schools (*Klasyfikacja Zawodów Szkolnictwa Zawodowego*, [KZSZ \(in Polish, 3.1 MB PDF\)](#)) was amended, with an intention of making the classification more compatible with KZiS.

Collective bargaining

In 2012, the sectoral social partners at EU level agreed two joint texts on issues related to training and skills development. The first was a joint opinion by the social partners in the education sector in March 2012 on amendments to the Professional Qualifications Directive. The second was a joint opinion on the [STARTS](#) (Skills, Training and the Road Transport Sector) project by the social partners in the rail sector in October 2012. This compares with a total of seven EU-level sectoral agreements on these subjects during 2011. The joint texts concluded during 2012 deal with sector-specific issues relating to training and skills development. Overall, discussions between the social partners at EU sector level take place within the context of the EU's skills policy and overarching themes such as:

- skills mismatches;
- development of new technology;
- growth of the green sector and what this means for skills;
- policies relating to youth employment and the employment of older workers.

Little country-specific information on collective bargaining practices related to skills and competencies was available for 2012. In some cases (Cyprus, Greece and Hungary), this was because skills development is not covered by collective bargaining practices, while in the vast majority of cases, no data are collected at national level or no significant developments took place. In most of the countries where information is available, skills development policies are negotiated at sectoral or company level, but it is not possible to identify any specific trends (Table 23).

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Table 23: Developments in collective bargaining in the area of skills and competences in the EU27, Croatia and Norway, 2012

Country	Number of agreements	Level of negotiation	Significant developments
AT	n.a.	n.a.	n.a.
BE	n.a.	Sectoral level (training funds)/company level (individual and collective)	n.a.
BG	n.a.	Sectoral/company level	Social partners in some branches agreed to set up a special training fund.
CZ	In 2012, general requirements for employee professional development were stipulated in 61% (59% in 2011) of higher-level collective agreements, and in 33% (32.1% in 2011) of company-level agreements.	Cross-sectoral, sectoral and company levels	n.a.
DE	n.a.	Cross-sectoral, sectoral and company levels	Provisions on apprenticeships are included in two collective agreements.
DK	The 2012 collective agreement for the public sector and 2011 collective agreement for the private sector covered both skills development topics.	Sectoral level	Skills development is a recurring topic in Danish collective agreements, with the Industry Agreement 2012–2014 being a good example.
EE	n.a.	n.a.	n.a.
ES	43% of company agreements signed in 2012 included vocational training clauses compared to 42% of the multi-employer agreements. 24% of the company agreements signed in 2012 included clauses on paid training leave compared to 22% of multi-employer agreements.	Company level/multi-employer agreements	n.a.
FI	One agreement including	n.a.	n.a.

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Country	Number of agreements	Level of negotiation	Significant developments
	provisions for paid days off for training.		
FR	n.a.	Company level	n.a.
HR	n.a.	Company level	n.a.
IE	No agreements for the cessation of social partnership	n.a.	n.a.
IT	n.a.	Cross-sectoral, sectoral, regional and company levels	Several agreements were signed at different levels dealing with skills development and training.
LT	n.a.	Sectoral/territorial level	n.a.
LU	n.a.	n.a.	n.a.
LV	In 2012, 3.3% of collective agreements dealt with the topic of skills development, while in 2011 only 0.3% did so.	Company level	n.a.
MT	n.a.	n.a.	n.a.
NL	n.a.	Sectoral/company level	n.a.
NO	n.a.	Sectoral level	n.a.
PL	n.a.	n.a.	n.a.
PT	n.a.	n.a.	n.a.
RO	n.a.	Company level	n.a.
SE	n.a.	n.a.	Specific collective agreement containing provisions for young people.
SI	No collective agreement in 2012 while five collective agreements dealing with the topic were signed in 2011.	National level (public sector)/sectoral level (private sector)	n.a.
SK	n.a.	Company level	n.a.
UK	n.a.	Company level	Initiatives adopted by individual employers.

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Note: n.a. = not available.

Source: Eurofound observatories

Some specific aspects of collective bargaining covering skills development topics from Bulgaria, Denmark, France, Germany, Italy, Spain, Sweden and the UK in 2012 are worth mentioning.

Bulgaria: Social partners in some branches agreed to set up a special training fund (for example, in the collective agreement in the construction sector) or initiatives related to skills development (for example, the brewery industry). The collective agreement in construction contains provisions for employees to participate in training to keep their employability and professional qualifications up to date. The sectoral employer chamber is committed to setting up a special fund for vocational training and qualification.

Denmark: The pace-setting agreement for the entire labour market, the Industry Agreement concluded between the Central Organisation of Industrial Employees (Centralorganisationen af Industriansatte i Danmark, [CO-industri](#)) and the Confederation of Danish Industry ((Dansk Industri, [DI](#)), states that it is possible to supplement or deviate at local level from the provisions of the sectoral agreement on further training and education. Deviation is allowed provided there is an agreement between the local parties, that is, management and the shop steward, who is also the union representative in the company.

France: Negotiations took place mainly at company level, as employers have a commitment to negotiate annually over professional training and every three years over the Jobs and Skills Planning System (*Gestion prévisionnelle des emplois et des compétences*, [GPEC](#)). However negotiations also take place at sectoral level.

Germany: The collective bargaining round was characterised by a renewed interest in the position of apprentices. Collective agreements concluded in the public administration sector and in the metal and electrical industry include provisions for continued employment of apprentices after completing their training. The agreement in the public sector foresees that fully trained apprentices will be taken on for 12 months by their employer. After the first year, the fixed-term contract can be replaced by an open-ended contract if there is a need for staff and the first year of employment proved successful. In the metal and electrical industry, employers also have to offer employment to their fully trained apprentices. However, they are given two different options as to how they do this and the agreement also contains deviation clauses ([DE1206019I](#)). In addition, social partners in the metal and electrical industry in Baden-Württemberg agreed to support young people with learning difficulties more fully.

Italy: There were several regional-level agreements, such as in Lombardy (April 2012) and Veneto (March 2012) in the craft sector to implement the 2011 unique text on apprenticeship. The intersectoral agreement with the Association of Small and Medium Enterprises (Associazione Piccole e Medie Industrie, API) in July 2012 promotes the role of bipartite bodies in training policies. Others like the national labour contract in banking (signed on 19 January 2012), on mobility (signed on 20 July 2012) and in metalworking (signed on 5 December 2012 but not by the Italian Federation of Metalworkers (Federazione impiegati operai metallurgici, [Fiom-Cgil](#))), implement the regulation of professionalising apprenticeship. Also, the national labour contract in the chemical sector, signed in September 2012, stresses the central role of training, introduces the possibility of appointing a training workers' representative, and encourages the promotion and reward of multiskilling/multitasking and internal mobility. At company level, the agreement at Metro in October 2012 guarantees at least 36 hours of training to any employee with over three years of contract validity. National and local levels play a dominant role in skills policies: most of regulatory activities at company level are concentrated on training plans supporting application to national-level intersectoral training funds, including restructuring by using temporary inactivity benefits such as wage integration funds.

Spain: According to statistics from the Ministry of Employment, clauses in agreements signed in Spain that aim to improve workers' skills remained more or less constant in 2012 compared with 2011. For

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example, 2% of the agreements signed in Spain in 2012 included vocational training clauses compared with 44% in 2011. These agreements covered 53% of the workers covered by an agreement compared with 52% in 2011. In 2012, 23% of the agreements signed included clauses on paid training leave compared with 22% in 2011; these agreements covered 28% of the workers covered by an agreement compared with 3% in 2011. Nevertheless, the figures for 2012 are still provisional and must be treated with caution.

Sweden: One of the main issues needing to be tackled in the current Swedish economy is youth unemployment, which brought about the Prime Minister's Job Pact initiative mentioned above. One initiative taken by social partners aiming at reducing youth unemployment was that the Bargaining Union for State Employees ([SACO-S](#)) suggested a specific collective agreement to regulate student employment in the state sector. The agreement seeks to:

- help with the transition between higher education and working life;
- improve students' competitiveness in the labour market;
- prevent educational mismatch;
- avoid future skill shortages in the state sector.

UK: Notable collective agreements reported during the year included the following. The East Midlands Ambulance Service became the first ambulance trust to sign a learning agreement with trade unions. Under the agreement, 2,700 ambulance staff in all grades are entitled to pursue self-development at work and to apply for reasonable time off to pursue their studies. EDF Energy signed an agreement with unions to:

- work together to promote equality of opportunity for personal development and participation in lifelong learning and skills for life;
- ensure fair access to learning for all and tailored support for employees with learning needs and disabilities;
- support and develop trade union learning representatives and the activities associated with their role.

Wolverhampton City Council became the first UK employer to sign up to a 'charter for apprentices' drawn up by [Unionlearn](#), the TUC's learning and skills organisation. The charter provides eight guarantees to apprentices including rights to fair pay, a contract of employment, access to a union and high-quality training.

7 – Working time

Working time is defined in the Working Time Directive as 'any period during which the worker is working, at the employer's disposal and carrying out his activities or duties, in accordance with national laws and/or practice'. Directive 2003/88/EC has been under discussion since the first phase of social partner consultation was initiated in March 2010 ([EU1004011I](#)). In August 2012, the European Commission announced that the deadline for the EU-level cross-sector negotiations on the revision of the directive had been extended to 31 December 2012, given that progress was being made in the negotiations. Under Article 155 of the [Treaty on the Functioning of the European Union](#) (TFEU), social partners had nine months in which to reach agreement, although this period was jointly extendable between the partners and the Commission. Social partners are focusing on reaching an agreement on issues around maximum working times and on-call working ([EU1208011I](#)). The social partners representing Europe's employers and trade unions have been faced with key issues such as:

- on-call working;

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- hours banking;
- the opt-out clause for the 48-hour week;
- interpretations of [European Court of Justice](#) (ECJ) rulings on the directive.

Representation included the employers' organisation, BUSINESSEUROPE, the European Association of Craft, Small and Medium-sized Enterprises ([UEAPME](#)) and the European Centre of Employers and Enterprises Providing Public Services ([CEEP](#)). Trade unions were represented by the ETUC ([EU111051I](#)).

Negotiations on revised directive on-going

Although the European Commission had hoped that 2012 would see an end to the long search for agreement on revision of the directive, there continues to be substantial change and negotiations across Member States. There was a tendency for employers to use the legislation as a lever to smooth the peaks and troughs induced by the economic crisis and, for the most part, governments complied. The trade unions sought to protect workers through the directive, but the crisis put them under pressure to compromise. Although a revised directive appears to be some way from being agreed, the case of the inland waterways shows that social partners can agree on rather wide measures ([EU1202031I](#)). Divergence remains, however.

Employers' attitudes to the directive can be summed up in terms of flexibility. They argue that flexibility is crucial for companies in the organisation of working time. Customer demands, work cycles and the nature of the activity itself demands working time flexibility. Rules at EU level, such as opt-out and on-call hours, may hamper flexibility and compromise economic growth and job creation. Hence, the critical question of the [reference period](#) remains a sticking point. The aim is to provide greater flexibility in the organisation of working time. Workers can vary their weekly working time as long as average working time over the set reference period does not exceed the set limit. Employers wish for greater flexibility within the reference period, whereas trade unions want the reference period preserved, with no opt-outs for maximum working hours and an adherence to the decisions of the ECJ.

In this context, it is important to take note of the [ECJ](#) decision in the case of two dismissed German workers who were given 'zero hours short-time worker' contracts. They did not have to work, but could receive a financial allowance from Germany's Federal Employment Agency ([BA](#)). The employees mounted an action for unpaid leave but their employers, Kaiser GmbH, refused to pay compensation and a court case ensued. The court found that this short-time working was based on an agreed social plan which suspended any reciprocal obligations of work and salary previously existing. Moreover, the worker on short-time hours was free to rest or undertake leisure activities. Accordingly, such workers essentially became part-time workers and subject to the EU *pro rata temporis* rules of determining annual leave. Employers were therefore not liable to pay for holidays in this case ([EU1211011I](#)).

To conclude, the partners remain in disagreement and, if agreement cannot be reached, the European Commission will issue a legislative proposal to amend the directive based on its previous consultation and impact assessment work.

Collectively agreed working time in Europe

[Working time](#) is regulated in all EU Member States through either collective bargaining or legislation (or a combination of both). In some countries, notably, Estonia, Latvia, Lithuania, Luxembourg, Poland and Slovenia, working time is not generally regulated through collective bargaining.

The average collectively agreed working time in 2012 did not change compared with 2011 and 2010. The average collectively agreed weekly working time in the EU27 and Croatia in 2012 was 38.1 hours. The

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average for the EU15 countries (the 15 EU Member States prior to enlargement in 2004) in 2012 was 37.6 hours per week and the average for the EU12 countries (the 12 EU Member States that joined in 2004 and 2007) plus Croatia was 39.7 hours per week.

Belgium, Slovakia, Spain, Sweden and the UK were the only countries registering changes between 2011 and 2012. Slovakia continued in a decreasing trend whereas Spain halted its upward trend: both countries registered a fall of 0.1 hours in collectively agreed weekly hours. Sweden and the UK registered an increase of 0.1 hours per week, while Belgium recorded the highest increase of 0.2 hours per week.

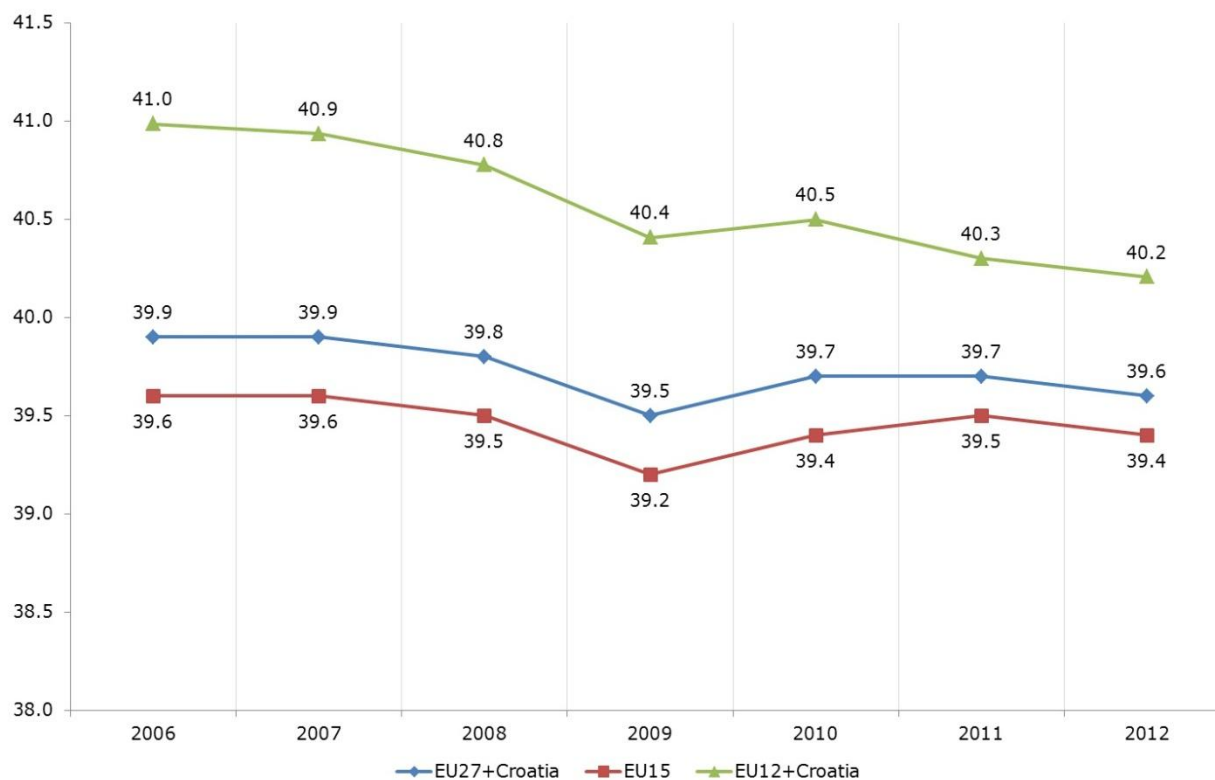
France remains the country with the lowest collectively agreed hours (35.6 hours per week). The Netherlands and the Nordic countries continue near the bottom of the scale with 37–37.5 hours.

Figures on actual weekly working hour give a more accurate impression of how many hours people really work in a given week, as they take into account factors such as overtime and absence. Eurostat figures for the EU27 and Croatia show that, on average, EU workers worked 39.6 hours per week in 2012 with the longest actual working hours found in Romania (41.2 hours) and the shortest actual hours found in Finland (37.6 hours), France (37.9 hours) and Italy (38 hours).

Looking at the seven-year period from 2006 to 2012, it seems that the EU12 plus Croatia continued their downward trend registered for the whole period of time with the exception of the 2010 glitch (Figure 21). It is important to note, nevertheless, that the variation between 2011 and 2012 differed significantly across the Member States: whereas, for example, in Belgium, Croatia and Estonia, there was a decrease of 0.4 hours and in Hungary of 0.6 hours, Latvia, the Netherlands, Slovakia and Norway did not register any changes, and in Cyprus, Luxembourg and the UK full-time employees actually worked on average 0.5, 0.4 and 0.3 hours, respectively, more per week than they did in 2011.

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Figure 21: Actual weekly working hours in the EU27 and Croatia, 2006–2012**Figure 21: Actual weekly working hours in the EU27 and Croatia, 2006–2012**

Note: Average number of actual weekly working hours in main job, full-time employees.

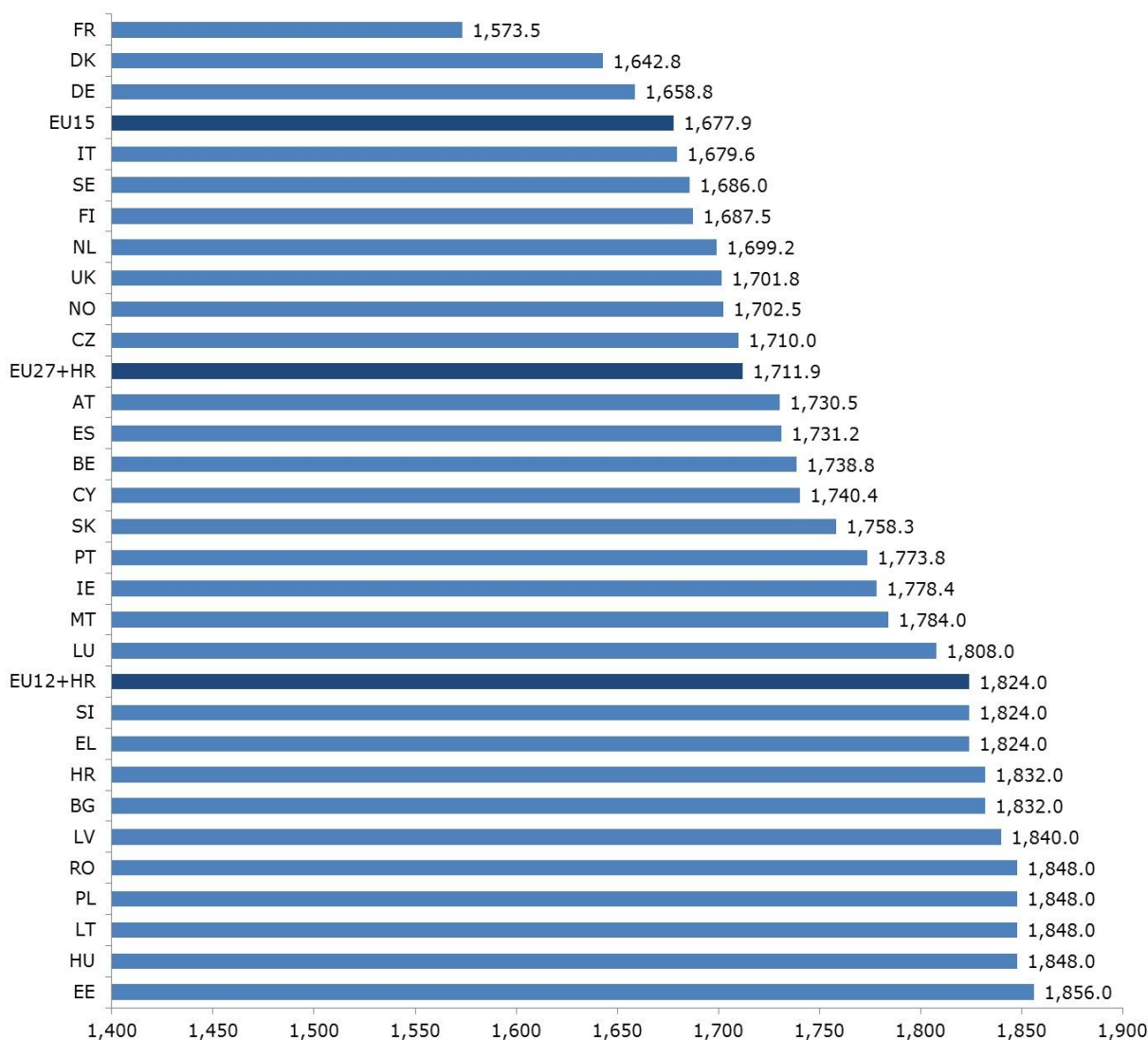
EU12 + Croatia average calculated by EIRO.

Source: Eurostat, EU LFS

Weekly figures, however, do not take into account leave, holidays and flexibility arrangements which are therefore better reflected through annual figures. EIRO calculations of collectively agreed annual working hours reflect leave and holidays but, naturally, do not include overtime or flexible working time arrangements. They provide, nevertheless, a crude picture of how many hours workers are supposed to work if collectively agreed weekly hours are considered (Figure 22).

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Figure 22: Average collectively agreed normal annual working time, 2012 (hours)**Figure 22: Average collectively agreed normal annual working time, 2012 (hours)**

Source: Eurofound observatories

In 2012, the average collectively agreed annual normal working time in the EU27 plus Croatia was 1,711.9 hours. In the EU15 it was 1,677.9 hours, and in the EU12 plus Croatia it was 1,824 hours. This means that workers in the EU12 plus Croatia worked on average 146 hours a year (around 8.5%) longer than their counterparts in the EU15, that is, the equivalent of over 3.5 working weeks. The Czech Republic was the only EU12 country registering a collectively agreed annual working time around the average for the EU27 plus Croatia. Overall, the longest hours were worked in Estonia, Hungary, Latvia, Lithuania, Poland and Romania in 2012 (1,840 hours or more), while the shortest were worked in Denmark, France and Germany (below 1,660 hours).

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Within each country, however, there are differences in terms of working time arrangements across the sectors of activity. One source of such diversity is that each sector is characterised by specific product and labour markets and different industrial relations frameworks, resulting in different contexts and practices.

Three sectors were selected for examination – metalworking, banking and local government, representing the manufacturing industry, services and the public sector respectively. The banking sector recorded the shortest average agreed normal weekly working hours in the EU in 2012, with 37.6 hours, followed by the local government sector, with 37.8 hours, and metalworking, with 37.9 hours. The agreed weekly working hours were higher in the EU12 plus Croatia than in the EU15 in all three sectors. The largest difference can be found in the banking sector, in which the average normal agreed working week in the EU plus Croatia (39.9 hours) was three hours longer than in the EU15 in 2012. The difference was 2.1 hours in the metalworking sector and 2.6 hours in local government.

The estimates from Croatia and Malta indicate that collectively agreed weekly working time replicated the statutory 40 hours in all three sectors. Other countries also had uniform agreed weekly working hours across the three sectors, though these were shorter (37 hours in Denmark and 37.5 hours in Norway). Relatively little variation occurred in Austria, France, the Netherlands, Spain and Sweden – countries in which none of the three sectors examined differed by more than two hours from one another. On the contrary, wider differences in the three sectors analysed here were evident in Belgium, Germany, Italy and Portugal.

Developments in flexible working time arrangements

Flexible working time arrangements can be defined in a myriad of different ways. But, as explained in the Eurofound report [Working time flexibility in European companies](#), they must always be tackled through a double perspective – as a means by which workers can reconcile work and personal life and as a means used by companies to deal with changes in production needs. This section presents first some of the most important developments in legislative terms in the EU in 2012 and second some developments related to or resulting from negotiations or agreements between employers and workers' representative organisations.

Legislative developments

During 2012, only 12 governments initiated legislative change concerning working time flexibility. It is noteworthy that most changes in this period resulted from government engagement with collective bargaining. In turn, employers faced with the economic crisis initiated many arrangements affecting working time flexibility. Here, legislative change also incorporates salient collective bargaining changes involving working time. Employers used working time agreements, for example, to adjust shift work and to respond to peaks and troughs in trade.

Few governments issued concrete regulations in 2012. In one key example, Bulgaria issued a Council of Ministers decree in January, introducing flexible working hours for central public administration. Legally regulated since 2007, this is only now established through regulatory guidelines and the organisation of flexible working hours is to be controlled by electronic means. However, the development has not been reflected in the private sector.

Changes in Greece included the amendment of minimum daily rest time. This means that for each 24-hour period, a minimum amount of rest time may not be less than 11 consecutive hours. Shop workers were subject to changes in working time. Opening hours of trade outlets are to be substantially deregulated in 2013. Small outlets may open every Sunday while large outlets may open seven Sundays annually. These changes have been met with opposition from trade unions.

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Similarly in Luxembourg, changes have been made to Saturday opening times of retail outlets with a similar reaction as in Greece ([LU1109051Q](#)).

The French government adjusted working time legislation in response to the crisis. Short-term work and working time reduction measures were introduced for companies facing economic difficulties. In this case, working time reduction is regarded as a lever to temporarily adjust enterprise activity. A governmental decree issued on 4 May 2012 was based on the National Interprofessional Agreement for short-time work. This included arrangements for calculation of paid compensation, profit-sharing measures and paid leave. Annual leave is based on a full working week rather than the short week, as if employees were working full time. Maintaining employment is a key focus. If an enterprise faces temporary difficulties, it is now allowed to reduce working time. A majority of employees must agree proposals, but having accepted them are bound by them – otherwise they may be made redundant without compensation. However, such agreements may not deviate from labour law.

Many of the working time initiatives aimed to allow flexibility in a time of economic crisis. In Belgium, the government allowed adjustments in working time as a temporary anti-crisis measure ([BE1004019Q](#)). This included the extension of a technical unemployment option for white-collar workers ([BE1212021Q](#)). Minor adjustments were also made in the Czech Republic, which were aimed at shift work rather than promoting flexible hours.

Shift work was a critical focus – as in changing definitions in Hungary’s Labour Code. Continuous and shift work now depends on an employer’s activity rather than the way in which employees’ working time is organised. Shift work may be only organised if the duration of the employer’s activity reaches 80 hours in a week. The employer permits an employee to schedule at least half of their daily working time on the weekly average in light of the unique characteristics of the job and in the interest of autonomous work organisation. A standard work pattern is now recognised, where work is scheduled for five days a week, Monday to Friday. Employers may now change a working time regime with notification of just four compared with seven days.

Latvia also introduced minor changes to work scheduling. Employers there would like to increase the length of both the working day and week, and they would like to reduce the regulation of working time in general.

Although Malta opted out of the Working Time Directive, it legislatively incorporated the notion of working time in 2012 to promote better working conditions. The Overtime Regulations (Legal Notice 46 of 2012) now allows for an annualised hours system that helps employers to balance activities over the year. Full-time employees may bank a maximum of 376 hours normal working time each year. This means they can work extra hours during periods of high work activity and redeem them in periods of lower activity by working fewer hours. Overtime rates are paid when employees are required to work more hours than those scheduled in the annualised hours system. Unredeemed hours at the end of the year are paid as overtime.

Only minor legislative changes took place in 2012 in Lithuania, where provisions for changes in companies’ internal work schedules are now allowed by the Labour Code.

Small amendments to the Labour Code in Portugal focused on specifying how extra work under working time accounts is compensated – that is, by a reduction of working time, increase in leave or remuneration according to the extra work carried out.

Legislation on the statutory right to request flexible working was introduced in the UK in 2012 ([UK0304104F](#)). This right is aimed at those who have been employed for a minimum of 26 weeks and are parents or carers. The coalition government plans to extend this right to all employees from 2014. This development has been strongly supported by the trade unions but the employers are sceptical about its practical application.

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Collective bargaining and flexible working time arrangements

At EU level, the social partners in the inland waterways sector signed on 16 February 2012 an agreement laying down specific rules for working time on passenger or cargo transport ships in inland waterways across the EU. Where workers live on board vessels, working consecutive days rather than travel home between shifts is preferred. High levels of unplanned downtime occur, such as waiting at locks, or loading and unloading, often at night. This means that daily and weekly working time limits can be set higher. Social partners agreed a flexible package embodying a high level of worker protection. This includes hours, breaks and leave. The signatory parties to this agreement will now ask the Commission for it to be made legally binding in the EU, under Article 155 of the Treaty on the Functioning of the European Union (TFEU). Social partners had nine months in which to reach agreement, although this period was jointly extendable between partners and the Commission (EU1202031I).

At national level, the great majority of Member States did not register significant developments in terms of flexible working time arrangements established or changed through collective bargaining in 2012. In some countries, however, there are examples of ongoing discussions on the implementation of flexible working time arrangements or the signing of collective agreements.

Shorter working weeks in Cyprus: The OEB reported that, as a result of the economic crisis, there has been a move to shorter working hours at company level, functioning as an essential driver in reducing dismissals, particularly for companies employing 10–50 people. The reduction was implemented either using a system of a shorter working week (that is, 38-hour working week on a four-day basis) or a 20% decrease in weekly working hours with a corresponding decrease in pay, again on a four-day basis. According to the OEB, working time arrangements took place mostly in enterprises without trade union representation ([CY1301019Q](#)). As far as future developments are concerned, working time is expected to be a point of friction between the social partners in Cyprus. The main employers' organisations, the OEB and the CCCI, will seek what they refer to as a rationalisation of the provisions of the collective labour agreements. With regard to working time, the two organisations demand a longer working week of 40 instead of 38 hour to boost productivity, a reduction in the number of official holidays and a reduction of the cost of overtime.

'Working time question' and working on-call in Denmark: The Danish government invited the social partners for tripartite discussions in June 2012 about, among other issues, the 'working time question'. The discussions did not last long as the trade unions declared that they would not support an increase in working time in a time of crisis and unemployment and, consequently, the Minister of Finance excluded the possibility of further discussions. The renewal of the Working Time Directive – implemented in Denmark through the trend-setting Industry Agreement – and the European social partners' attempt to find an agreement was discussed in Denmark during autumn 2012. The organisations contributing to the discussions were the main trade union confederations, LO and FTF (both members of the ETUC), and the main employers' organisation, Local Government Denmark ([KL](#)) which represents the public employers in CEEP. KL has declared that it will keep the opt-out in relation to the directive if the social partners do not succeed in finding a common solution, which it doubts is possible. KL does not want to count on-call hours as normal working time. This creates a problem for the municipalities that will have to seek extra staff to cover these hours. However, the trade unions (LO and FTF) want to phase out the opt-out and they are afraid that a compromise will not count on-call hours as working time. They hope that possible exceptions from the directive can be regulated by collective bargaining.

Working time flexibility in Italy to tackle the crisis: The adoption of flexible working hours is common practice in many workplaces in Italy. The practice is regulated by collective bargaining, which foresees standard flexibility regarding starting and finishing times at work (foreseen in practically all collective agreements) or seasonal working hours (mainly in agriculture, but also in sectors such as food, textiles, tourism, commerce and construction).

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However, there can also be more specific forms of flexibility depending on the characteristics of the workers in the sector. For example, due to the high number of foreign workers in the construction sector, the sectoral actors have decided to make it possible for people to carry over two out of four weeks of their annual leave for a period of 24 months in order to accumulate more leave days which can then be spent in their country of origin ([IT1005019I](#)). Some agreements in the textile clothing sector, characterised by a high presence of female workers, tend to favour work–life balance by providing for job-sharing, part-time and time banking arrangements. Another example of such a practice can be seen in the food sector, which is also characterised by a high female presence. The supplementary company-level agreement at Parmalat of 22 March 2012 ([IT1205019I](#)) includes, among other things, flexibility regarding starting and finishing times and extra flexibility for parents for the first few days in which they must take their children to kindergarten/playschool.

Due to the crisis, many Italian enterprises have started to adopt flexible working hours to solve the problem of falls in productivity. Large enterprises such as Telecom Italia ([IT0908019I](#), [IT1009019I](#)) or Safilo ([IT1207019I](#)) have started using solidarity contracts, making it possible to avoid redundancies by reducing the annual working hours of all (or nearly all) workers.

There is also evidence of an increase in the number of daily working hours for some newly hired workers. For instance, the new national collective agreement in the banking sector includes such changes, together with a general change in working time, so that banks can remain open to the public for longer periods ([IT1202039I](#)).

Weekly and seasonal working time in Luxembourg: During 2012, Luxembourg registered negotiations about working time in various sectors. In the construction sector, for example, there is an ongoing debate about working more in summer and less in winter. In November 2011, the employers' proposal for a working week of 54 hours was followed by protests among workers (as reported in an [OGBL communique \(in French\)](#)) and refusal of a form of flexibility considered as 'negative' for the workers. In May 2012, some 2,500 workers protested against the proposal to increase working time and both trade union federations in the sector (OGBL and LCGB) issued a [communique \(in French\)](#) informing the [National Conciliation Service](#) that this had been perhaps the largest social conflict ever in this sector. According to the [results of a survey \(in French\)](#) in autumn 2012 commissioned by the employers' organisation in the construction sector, 51% of the interviewed workers did not accept this proposal. The conciliation procedure started in November 2012 and continued into 2013 ([OGBL statement \(in French\)](#)). In 2011, there were negotiations between the employers and the trade unions in the retail sector about the opening hours of shops on Saturdays when it was agreed that the opt-out of opening on Saturdays after 18 hours would not be continued from 1 July 2012. On 17 February 2012, the government adopted a bill that fixed the closure time on Saturdays and on the eve of public holidays at 19.00 ([LU1109051Q](#)); otherwise, each shop could ask for derogation, once a year, to open for a period of 24 successive hours as set out in a [press release of the Government Council of 17 February 2012 \(in French\)](#). The main employers' organisation, the Union of Luxembourg Enterprises (Union des entreprises Luxembourgeoises, [UEL](#)), asked the government to introduce more flexibility in working time. The government, it declared should encourage 'greater flexibility of working hours', particularly in the construction sector and for seasonal activities ([LU1209021I](#)). Negotiating on working time flexibility was also the aim of some employers that have withdrawn from collective agreements by the end of 2012, such as ArcelorMittal and CargoLux or Luxair.

Working time accounts in Portugal: Since 2009, the most relevant changes in collective bargaining on working time regulation in Portugal have been those related to the introduction of working time accounts. The Association of Metal, Metalworking and Allied Industries of Portugal (Associação dos Industriais Metalúrgicos, Metalomecânicos e Afins de Portugal, [AIMMAP](#)) and a group of unions led by the National Industry and Energy Trade Union (Sindicato Nacional da Industria e da Energia, [Sindel](#)) were

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among the first organisations to make use of the possibility of regulating working time accounts in a collective agreement (first published in 2010). Social partners in other important sectors followed, for instance:

- in the construction sector – in 2011 between the Association of Construction and Public Works Services (Associação de Empresas de Construção e Obras Públicas e Serviços, [AECOPS](#)) and the Union of Construction, Public Works and Services (Sindicato da Construção, Obras Públicas e Serviços, Setaccop);
- in the hotel and restaurant sector – in 2100–2012 between the Association of Hotels, Restaurants and Similar Services of Portugal (Associação da Hotelaria, Restauração e Similares de Portugal, [AHRESP](#)) and the Federation of Service Workers’ and Technicians’ Unions (Federação dos Sindicatos dos Trabalhadores de Serviços, [FETESE](#));
- in the insurance business – in 2012 between the Portuguese Sociological Association (Associação Portuguesa de Sociologia, [APS](#)) and the Union of Insurance Activity Workers (Sindicato dos Trabalhadores da Actividade Seguradora, [STAS](#)).

Ongoing debate in Austrian metalworking: In the metalworking sector, there has been an on-and-off debate on the flexibility of working time for several years now. The issue at stake is that the employers demand increased flexibility, while the trade unions demand a shortening of working hours. This was brought up again in the 2012 bargaining round.

Belgian negotiations for 2013: The intersectoral social dialogue on working conditions for 2013–2014 was difficult and therefore split into subthemes ([BE12110311](#)). Within that framework, social partners have been negotiating a new agreement on working time, paying particular attention to more flexible working time regulations. The propositions under discussion (not yet approved at the time of writing) are as follows:

- more overtime hours – on an annual basis, the number of overtime hours would increase from the current 65 to 91 hours. In cases where it is already possible to work 130 hours overtime, this would be increased to 143 hours;
- the employee could choose between cash or additional leave as compensation for the overtime hours;
- annualisation of working time – a system of spreading the working hours in which more hours are worked in peak times and fewer hours in calm periods;
- school-bell contracts (*schoolbelcontracten*) – these offer more possibilities for parents to adjust their working time to the family needs.

Summary

In brief, although the discussions at European level concerning the Working Time Directive came to a halt, at national level, governments, workers and employers’ representative organisations are discussing and even applying, in practice, flexible forms of working time arrangements. Collectively agreed working time did not change, on average, although the differences between ‘older’ and ‘newer’ Member States persist.

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Annex 1: Country groups and codes used in the report

Country groups

EU15	15 EU Member States prior to enlargement in 2004
EU12	12 EU Member States that joined in 2004 and 2007
EU27	27 EU Member States (from 1 January 2007 to 30 June 2013)
EU28	28 EU Member States from 1 July 2013

Country codes

EU27

The order of countries follows the EU protocol based on the alphabetical order of the geographical names of countries in the original language.

BE	Belgium	FR	France	AT	Austria
BG	Bulgaria	IT	Italy	PL	Poland
CZ	Czech Republic	CY	Cyprus	PT	Portugal
DK	Denmark	LV	Latvia	RO	Romania
DE	Germany	LT	Lithuania	SI	Slovenia
EE	Estonia	LU	Luxembourg	SK	Slovakia
IE	Ireland	HU	Hungary	FI	Finland
EL	Greece	MT	Malta	SE	Sweden
ES	Spain	NL	Netherlands	UK	United Kingdom

Other

HR	Croatia*
NO	Norway

* During the period covered by this report, Croatia's status was that of a candidate country for membership to the European Union. It became the 28th EU Member State on 1 July 2013.

Annex 2: Data sources for the averages of collectively agreed pay increases

Country	Institution	Source
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AT	Statistik Austria	Tariflohnindex TLI
BE	Federal Administration of Employment, Work and Social Dialogue (FOD WASO)	Index of Conventionally Agreed Wages (Indice des salaires conventionnels)
CZ	Trexima	Working Conditions Information System (Informační systém o pracovních podmínkách, ISPP)
DE	Institute for Economic and Social Research (WSI) within the Hans Böckler Foundation (Hans Böckler Stiftung)	Collective Agreement Archive (WSI-Tarifarchiv)
ES	Ministry of Labour	Labour Statistics Bulletin
FI	Statistics Finland	Index of Negotiated Wages and Salaries
FR	Ministry of Employment's Office for Research and Statistics (Direction de l'animation de la recherche, des études et des statistiques du ministère de l'Emploi, DARES)	Annual Collective Bargaining reports (La négociation collective)
IT	National Institute of Statistics (Istat)	'Contratti collettivi e retribuzioni contrattuali', 26 January 2012 Istat 'Contratti collettivi e retribuzioni contrattuali', 21 December 2012
MT	Department of Industrial and Employment Relations (DIER)	Economic Survey
NL	Inspection Service of the Ministry of Social Affairs and Employment, which includes the former Labour Inspectorate.	I-SWZ
PT	Ministry of Economy and Employment	Variação média ponderada intetabelas (Average weighted variation between wage tables)
SE	National Mediation Office (Medlingsinstitutet)	Avtalsdatabasen (The Agreement Database)
SK	MPSVR SR and Trexima Ltd.	The annual sample survey Informačný systém o pracovných podmienkach (ISPP)
UK	Labour Research Department (LRD)	Payline database

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