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A review of developments in
European industrial relations



EUROPEAN FOUNDATION
for the Improvement of Living and Working Conditions

European Industrial Relations Observatory (EIRO)
Annual Review 2000

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EUROPEAN FOUNDATION
for the Improvement of Living and Working Conditions

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Foreword

The European Industrial Relations Observatory (EIRO) completed its fourth year of operation in 2000, continuing its work of providing accurate and up-to-date information and analysis on developments in industrial relations to its target audience of practitioners and policy-makers in EU institutions, trade union and employers' organisations and government departments. EIRO's audience continued to grow in 2000, with the number of visits to the EIROOnline website more than doubling over the year.

EIRO is one of the Foundation's permanent monitoring tools, which enables it to observe changes in both industrial relations systems themselves and the issues on their agenda. We believe that EIRO will in future become even more important as an industrial relations observatory that can serve both the information needs of its external audiences and the needs of the Foundation's new four-year rolling programme, *Analysing and anticipating change to support socio-economic progress*. EIRO will continue to be reviewed regularly. It will make a major contribution to our work on themes such as promoting better employment, extending equal opportunities for men and women, managing diversity, and examining the use of time. Plans are currently in progress to improve the usability and organisation of the EIROOnline database.

In future, EIRO's content will be developed further in line with user preferences, as the number of records increases and its comparative work develops (2000 saw the publication of its first 'annual updates', covering pay, working time and industrial action, as well as an increase in the number of comparative studies conducted). Over the coming period, EIRO's scope will be expanded to cover central and eastern European countries applying for EU membership, and also to look at topics of specific interest in countries outside Europe, such as the USA and Japan.

This EIRO *Annual Review* provides an overview and summary of western Europe's main industrial relations developments in 2000, drawing on the EIROOnline database records entered during the year. The Review also provides a guide to using EIROOnline. We hope that the Review will both be of use and interest to those who are already familiar with EIRO, and introduce new users to the value of EIROOnline.

Raymond-Pierre Bodin, Director
Eric Verborgh, Deputy Director

European Foundation for the Improvement of Living and Working Conditions

Introduction

Welcome to the 2000 *Annual Review* of the European Industrial Relations Observatory (EIRO). This fourth *Annual Review* presents a snapshot of developments in European industrial relations in 2000. It provides a brief comparative overview of developments across the EU Member States and Norway, followed by a summary of the main events and issues at the EU level and in each of the individual countries concerned. We examine the key issues covered by collective bargaining — pay, working time, job security, training and skills development — as well as legislative developments, the organisation and role of the social partners, industrial action, National Action Plans on employment, equal opportunities and diversity issues, information and consultation of employees and new forms of work.

EIRO is a major project of the European Foundation for the Improvement of Living and Working Conditions. The Observatory initiates, collects, stores, disseminates and provides access to information and analysis on developments in industrial relations in the 15 EU Member States, plus Norway, and at European level. EIRO is a network, made up of 16 National Centres and an EU-level centre (see pp. 137-138), from which information and analysis flows in to a central unit at the Foundation. This information is then processed and entered into a database, *EIROOnline*, which is made available through the World-Wide Web (at <http://www.eiro.eurofound.ie>) as the main means of dissemination, alongside printed products — the bi-monthly *EIRObserver* and this *Annual Review*. EIRO exists primarily to serve the needs of a core audience of national and European-level organisations of the social partners, governmental organisations and EU institutions. Fuller information on the aims and operations of EIRO is provided on pp. 130-138.

Every month since February 1997 has seen a delivery of records on the most important events and issues in industrial relations across the EU (plus Norway), and their

entry into the *EIROOnline* database. By the end of 2000, *EIROOnline* contained some 3,500 such records, with an average of 70 new records being delivered every month. Over the course of 2000, there were around 220,000 individual 'user sessions' (separate visits) recorded on the *EIROOnline* website — over double the level recorded in 1999. These and other figures indicate that *EIROOnline* is gaining ever-increasing acceptance as a useful information source, both for its target audience and more widely.

The *Annual Review* has, we hope, a value and interest of its own. However, it is also a guide to the contents of the *EIROOnline* database for 2000, and its usefulness is enhanced greatly if read in conjunction with the database. The text of the *Annual Review* contains numerous references to database records which provide fuller information on the issues in question, and all *EIROOnline* records for the year referring to each country are listed at the end of the individual national reviews. On pp. 131-134, we provide a guide to accessing and using the *EIROOnline* database. As well as in this paper version, the *Annual Review* can also be found in electronic form on the *EIROOnline* database, where the references to database records are direct hypertext links.

The *Annual Review* is based on individual country reviews of 2000 submitted by the EIRO National Centres. These reviews were coordinated and synthesised into a comparative overview by the EU-level centre — Industrial Relations Services — which also provided the EU-level review. The whole was then edited by the EIRO chief editor and assembled by the EIRO technical team. Special thanks are thus due to each of the National Centres, and especially Andrea Broughton at Industrial Relations Services.

Mark Carley
Chief Editor

Industrial relations in Europe in 2000 — a summary

Industrial relations in the European Union and Norway in 2000 were largely marked by pay moderation and a generally low level of industrial action, with continuing attention to employment and an increasing focus on equality and diversity issues, the information and consultation of employees and regulating new forms of work. Flexibility was the keyword in dealing with working time, but the reduction of working hours was prominent in France.

Pay

Pay bargaining in much of western Europe played out in 2000 against a backdrop of strong economic growth, rising inflation, falling unemployment and mounting skills shortages in some areas of the labour market. In this context, it might be expected that the striking pay moderation that has marked recent years would have been put under severe pressure, presenting a test for the wage restraint which is seen as being required by EU Economic and Monetary Union (EMU). However, pay moderation held in 2000. The average collectively-agreed pay increase across the EU and Norway stood at 3.0% in 2000 (although there were wide variations between countries), compared with 2.9% in 1999. Although nominal pay increases rose, reversing the fall from 1998 (3.1%) to 1999, they did so only slightly and, taking into account increases in prices and productivity, it seems that moderation persisted and even deepened in 2000.

Various factors influenced this moderate pay trend. Pay bargaining in the key economies of France and Germany was heavily affected by developments in other areas: the effects of new legislation and subsequent bargaining on the 35-hour working week in France; and recommendations from Germany's national tripartite Alliance for Jobs that there should be an 'employment-oriented bargaining policy'. Across Europe, relatively stable and largely centralised (at sectoral or intersectoral levels) bargaining systems delivered moderate pay outcomes, often in deals lasting for two years or more (as in Belgium, Denmark, Finland, Ireland and Norway). However, discontent among workers with the real value of their pay increases being eaten up by inflation started to surface in countries such as Greece, Ireland and Spain — with Ireland's national pay deal being renegotiated as a result. Pressure on pay moderation can be expected to mount in a number of countries in 2001.

Along with moderation, another persistent pay trend is inequality between women and men. On average across the EU (plus Norway), women's earnings are under 80% of men's.

Working time

In most countries, the major, wholesale reductions in weekly working time — by law or bargaining — often witnessed in the 1980s and 1990s have come to a halt in recent years, and 2000 was no exception. The main focus of working time bargaining and legislation is now on flexibility in the majority of countries, with any reductions in hours usually coming in the form of extra time off, often in the framework of flexible hours schemes. An important new item of employee-oriented working time flexibility legislation in 2000 was a new Dutch law allowing employees to request a lengthening or reduction of their working hours.

The great exception to this rule is France, where 2000 featured legislation implementing a 35-hour week, an issue which subsequently dominated bargaining in this country. The year also saw the Belgian government encouraging the social partners to debate working time reduction, and they subsequently agreed to call on lower-level negotiators to reduce the maximum working week from 39 to 38 hours by 2003. Some small movements towards a 35-hour week were also witnessed in Spain. Working time reduction remains a major trade union demand in many countries. However, the general standstill in working time reductions is underlined by the fact that average collectively-agreed weekly working time in the EU plus Norway stood at 38.1 hours in 2000 — while this was down half an hour from 1999, most of this was accounted for by the introduction of the 35-hour week in France.

Part-time work was a major subject of legislation in 2000 (often prompted by the implementation of the 1997 EU Directive on the subject), with new laws or proposals in Germany (where employees now have the right to request a reduction in working hours, which the employer may refuse only if there is good reason), Italy, Norway and the UK.

Equal opportunities and diversity issues

Against a background of continuing inequality on gender and other grounds, many countries examined both their legislation and general policies in the area of equal opportunities and diversity in 2000, often within the context of two new EU Directives adopted during the year (covering discrimination based on race, age, disability, sexual orientation, religion and belief). The European Commission also proposed EU legislation to regulate sexual harassment.

Countries which introduced or drew up new gender equality legislation or amended existing legislation in 2000 included Denmark, France, Germany, Italy, Luxembourg, Norway and Sweden. Gender equality issues were dealt with by national intersectoral agreements between the social partners in Belgium, Finland and Ireland. Legislation on discrimination on

grounds such as race, sexual orientation and disability was adopted or planned in France and Norway. The issue of integrating people with disabilities into the labour market was a focus of new initiatives in countries such as Austria and Germany. In the UK, the focus was largely on age discrimination, with the government promoting a code of practice on age diversity in employment and an employers' group seeking to commit employers to an active age diversity strategy.

Employment

Creating and maintaining employment remained a major issue at EU level in 2000, with the Lisbon summit in March adopting a 10-year strategy for harnessing the power of the 'knowledge economy' in order to create jobs, including concrete targets for employment and training (a move supported by the EU-level social partners). The European employment strategy completed its third annual cycle of Member States drawing up National Action Plans for employment (in which the social partners' involvement has now become entrenched in most countries) in response to EU Employment Guidelines. However, at national level, strong economic growth, falling unemployment and skills shortages meant that the need for job security clauses and employment-oriented bargaining was arguably seen as less great than in recent years (though with notable exceptions such as Germany). The debate in many countries focused on the role of older workers, in the context of encouraging this group to continue to play an active role in the labour market in order to reduce unemployment amongst them, or to encourage part-time working as a path into retirement and a way of creating jobs for younger workers.

Training and skills development

The issue of training and the acquisition and development of skills is vital in many countries where there are severe skills shortages. The issue was dealt with in bargaining and social dialogue at various levels in 2000 in countries such as Finland, Germany, Ireland, Italy, the Netherlands, Norway and Spain, as well as at the EU level. One of the most crucial areas of shortage of suitably qualified staff is the information technology sector — many countries were unable in 2000 to keep up with the demand for skilled workers in this sector and some, notably Germany, issued temporary work permits to non-EU nationals in order to resolve the shortages in the medium term.

The organisation and role of the social partners

The year saw a number of changes to the structure of social partner organisations, largely in the form of trade union mergers (as in Denmark, Finland and Greece). This included ambitious mergers (or planned mergers) of a number of unions organising in services in order to form

new 'super-unions' in this sector — as in Finland and Germany. The issue of the representativeness of unions (ie their ability or entitlement to represent workers and thus, in some countries, the right to sign collective agreements) was under debate in Luxembourg, France and the Netherlands. UK unions received a boost with the implementation of new recognition legislation. As for employers' organisations, there was a degree of restructuring in some countries (such as Austria and Belgium), often in response to changes in the economy.

A number of countries saw developments and debates in 2000 over the wider role of the social partners and social dialogue. Notably in France, the principal employers' organisation, MEDEF, launched a process of negotiations with trade unions aimed at overhauling industrial relations and achieving a better demarcation of social partner and government jurisdictions. To lend weight to its arguments, it threatened to withdraw from the joint management of a number of bodies which run the social protection system. In Austria, the approach adopted by the new right-wing government called into question the traditional role of the social partners in public policy-making.

Industrial action

The overall picture in 2000 was of levels of industrial action which were relatively low in historical terms (including in the largest economies of France, Germany, Italy and the UK). However, there were exceptions. There was significant industrial action over the conclusion of new agreements in some sectors in Finland and Norway. Elsewhere, the main focus of industrial action seemed to be the public sector, often linked to structural change, and individual company restructuring. Similarly, the year saw a number of cases of industrial action coordinated by trade unions at European level, largely in response to either company restructuring (as at ABB Alstom or Vauxhall) or sectoral liberalisation plans (as in the rail industry). Finally, the autumn was marked by protests by hauliers over high fuel prices in many countries, including Belgium, France and Spain.

Information and consultation of employees

The information and consultation of employees was a major focus of debate and action at EU level, with the political agreement on the worker involvement rules for the proposed European Company Statute, the expectation that the proposed Directive on national information and consultation rules will be adopted in the medium term, and a possible revision of the European Works Councils (EWCs) Directive. These developments sparked reactions from the social partners in some countries — for example, German, Irish, Spanish and UK trade unions issued a joint statement calling on their governments to drop their opposition to the national information and consultation Directive.

There were repeated calls in 2000 from bodies such as the European Parliament and the European Trade Union Confederation for a strengthening of information and consultation rights in EU legislation (notably the EWCs and collective redundancies Directives) in the event of company restructuring, prompted by various high-profile closures and mass redundancies.

In 2000, a number of countries began to amend their existing legislation in the area of information and consultation. Notably, in Germany, the government proposed a revision of the Works Constitution Act (expected to be adopted in 2001), which would enhance the rights of works councils, introduce co-determination rights in new areas and improve works council facilities.

During the year, the two EU countries which had so far not transposed the EWCs Directive — the UK and Luxembourg — did so. There was some evidence that EWCs are working together in the context of company mergers and alliances — as in the case of the Fiat-General Motors (GM) alliance. Furthermore, EWCs took on an unaccustomed bargaining role with management over restructuring at GM and Ford. 2000 also saw a number of developments in world-level industrial relations in European multinationals. Several multinationals concluded framework agreements on the worldwide observance of fundamental social standards — notably Faber-Castell, Freudenberg, Hochtief and Telefónica.

New forms of work

New forms of work and work organisation — and specifically temporary agency work, teleworking, 'economically dependent workers' (those who, although technically independent, in practice have an employment relationship with a single employer) and flexible work organisation — were very much at the forefront of debate at EU level in 2000, with the social partners engaged in negotiations for an EU-level agreement on temporary agency work and the European Commission consulting the social partners on the modernisation of work organisation (including teleworking and 'economically dependent workers').

Temporary agency work remains strictly regulated by law in many countries, but there have been recent moves to relax legislation to a certain degree (as in Belgium and Norway). There were some signs in 2000 that the temporary agency work sector is beginning to regulate itself, with new collective agreements for agency workers signed in Spain and Sweden.

In terms of teleworking, an accord in the information technology sector in Austria, concluded in 2000, includes regulations governing teleworking for the first time. In Denmark, an agreement on teleworking was concluded in the services sector, seeking to enable teleworkers to organise their working time more flexibly. In countries such as Germany and Ireland, other initiatives were taken to promote teleworking.

Comparative overview and EU-level developments

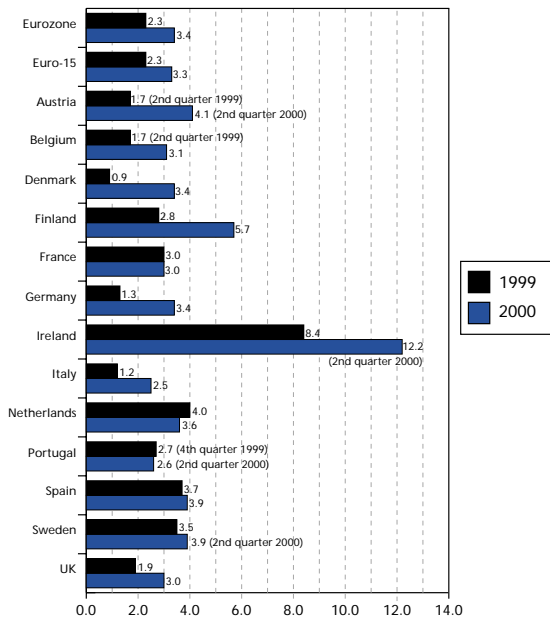
COMPARATIVE OVERVIEW

Economic developments

During 2000, the economic performance of the EU Member States continued to be kept within the parameters of the stability pact accompanying Economic and Monetary Union (EMU). The economies of the 11 'euro-zone' countries (those which have joined the third stage of EMU and the euro single currency) continued to converge, while those which remained outside the euro-zone in 2000 (Denmark, Greece, Sweden and the UK) continued to peg their economic performance to the euro-zone. During 2000, Greece intensified preparations to join the single currency and it became a member on 1 January 2001. Greece is the first country to join the third stage since it was launched on 1 January 1999. It is unlikely that any of the three remaining countries will join in the short term — the population of Denmark voted in September not to do so and referendums will have to be held in Sweden and the UK before any decision about membership can be made.

2000 was a year of robust economic growth across the EU — figures relating to the third quarter of 2000 show an average annual GDP growth rate of 3.3%, both in the

Figure 1. GDP growth in the EU, 3rd quarter 2000 and 1999 (% change compared to the same period in the previous year)



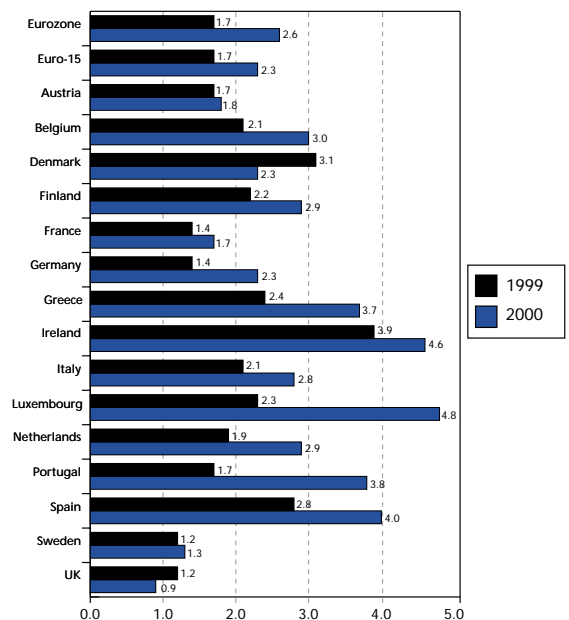
Source: Eurostat

EU 15 countries and in the euro-zone — see figure 1 above. This compares with a GDP growth rate of 2.3% in the EU 15 and the euro-zone in the third quarter of

1999. Growth in 2000 was particularly high in Ireland and Finland and low in Italy. Against the general trend, growth rates slowed in 2000 in the Netherlands and Portugal.

Inflation levels increased across the EU during 2000 — see figure 2 below. The annual rate of inflation in the year to December 2000 was 2.3% in the EU 15, compared with 1.7% in the year to December 1999. Inflation in the euro-zone was 2.6% in the year to December 2000, a larger jump compared with the 1.7% recorded in the year to December 1999. In 2000, inflation was highest in Luxembourg, Ireland and Spain. While all other countries registered a rise in inflation from 1999 to 2000 (notably Greece, Luxembourg and Portugal), the rate fell in Denmark and the UK.

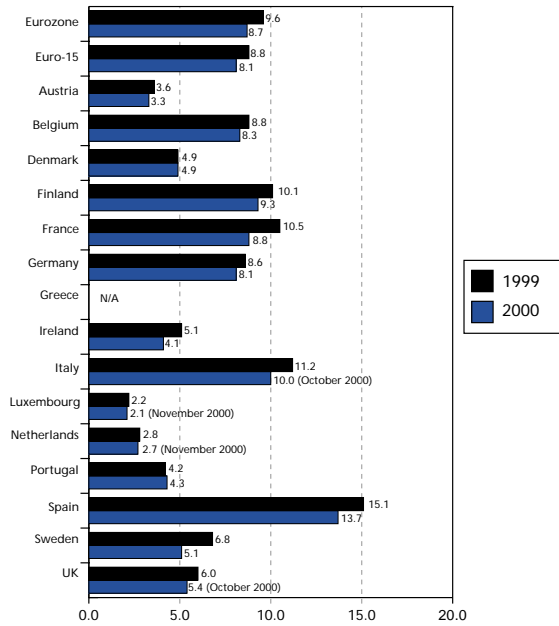
Figure 2. Inflation in the EU, annual % increase, to December 1999 and December 2000



Source: Eurostat

Europe's performance in relation to employment was good in 2000, reflecting both increased economic growth and the efforts made over the past three years by the European employment strategy (see below). Eurostat recorded a 1.5% increase in employment levels in the EU 15 in the third quarter of 2000 and 1.6% in the euro-zone. The unemployment rate decreased to 8.7% in the EU 15 as at December 2000, compared with 8.8% in December 1999 — see figure 3 opposite. There was a significant decline in euro-zone unemployment — to 8.1% in December 2000, compared with 9.6% in December 1999. In 2000, the unemployment rate remained at 10% or above in Italy and Spain, but was below 4% in Austria, Luxembourg and the Netherlands. While unemployment fell in all other countries from 1999 to 2000 (notably in France, Spain and Sweden), it rose slightly in Portugal and remained stable in Denmark.

Figure 3. Unemployment in the EU, % of workforce in December 1999 and 2000, seasonally adjusted



Source: Eurostat

Political developments

General elections were held in Greece and Spain — for an overview of all political developments in 2000, see table 1 on pp. 16-17. In Greece, the election resulted in a continuation of the Pan-Hellenic Socialist Movement (PASOK) government. In Spain, the March 2000 election was won by the centre-right People's Party (PP), which gained an overall majority having previously governed as a minority with the help of other parties.

New governments were formed in 2000 in Austria, Italy and Norway. The Italian and Norwegian governments resigned following internal events — regional elections in the case of Italy and the loss of a parliamentary vote in Norway. In Italy, the new government continued to be composed of a centre-left coalition, albeit headed by a new Prime Minister, Giuliano Amato. In Norway, the minority coalition government, comprising the three centre parties — the Christian Democratic Party (KRP), the Liberal Party and the Centre Party (SP) — was replaced by a minority Labour Party government in March 2000. The new government is led by Prime Minister Jens Stoltenberg.

By far the most controversial new government to come to office in 2000 was the new coalition formed in February between the christian democratic Austrian People's Party (ÖVP) and the populist Freedom Party (FPÖ). The formation of this coalition followed some months of negotiations between a mixture of political parties after the October 1999 general elections, in which the FPÖ made significant gains, becoming the second most popular party, behind the Social Democratic Party (SPÖ). Negotiations between the ÖVP and the FPÖ began in early 2000 following the breakdown of

SPÖ/ÖVP talks. Consequently, the ÖVP and the FPÖ announced the negotiation of a coalition agreement on 4 February. The fact that the new government included members of the FPÖ, which holds controversial views on issues such as immigration and racism, caused political difficulties during 2000 for Austria in terms of both domestic and foreign affairs. The other 14 EU Member States scaled down diplomatic ties with the country. On the domestic front, the new government started to implement a package of social measures which were controversial both in terms of their content and the manner in which the reforms were being carried out — the new government was seen to be largely ignoring the traditional social partnership method of social policy formulation.

In the other countries, governments elected over the past few years continued in office. In Germany, the current 'red-green' coalition government regained some support after experiencing political difficulties during 1999.

Collective bargaining developments

General

A number of significant collective bargaining developments took place during 2000 (see table 2 on pp. 18-19 for an overview). In Denmark, bargaining occurred in the influential private sector area represented by the Danish Confederation of Trade Unions (Landsorganisationen i Danmark, LO) and the Danish Employers' Confederation (Dansk Arbejdsgiverforening, DA), covering some 637,000 employees. The bargaining process went smoothly (DK0002167F), resulting in the conclusion of four-year agreements, in contrast to the usual two-year accords. The lengthening of the duration of the agreements was significant and aimed at ensuring stability and industrial peace in the medium term. Bargaining in this area was carried out in the context of a DA/LO framework 'climate agreement' concluded in late 1999, which aimed to ensure a calm negotiating process and to dampen expectations so that wage increases would not be too high in relation to Denmark's main trading partners (DK9910151F).

Collective bargaining in Finland was, in spring 2000, conducted at sectoral level following the breakdown of negotiations for a central incomes policy agreement in autumn 1999 (FI9910124N). Bargaining progressed smoothly in a majority of sectors, with average pay increases of 3.1% negotiated for 2000. However, some difficulties were experienced in a number of key industries, such as paper, where strikes were staged (see below under 'Industrial action'). Following the 2000 sectoral round, negotiations restarted late in the year over a further centralised incomes policy agreement, resulting in the conclusion of a new central agreement on 15 December (FI0012170F).

Table 1. Political situation in the EU Member States and Norway

Country	Political situation
Austria	A new coalition government was formed on 4 February 2000 by the christian democratic Austrian People's Party (Österreichische Volkspartei, ÖVP) and the populist Freedom Party (Freiheitliche Partei Österreichs, FPÖ). This resulted in an interruption of relations between Austria and other EU Member State governments, which subsequently announced a restriction of bilateral and diplomatic relations. The new government began to implement a series of controversial social policy reforms.
Belgium	Local and provincial elections were held on 8 October 2000. These elections resulted in a strengthening of power at local level for the 'rainbow' coalition of liberal (VLD and PRL-FDF-MCC), socialist (PS and SP) and environmentalist (Ecolo and Agalev) parties which make up the federal government. Conversely, the christian democratic parties (CVP and PSC) lost support, while the extreme-right Flemish 'Vlaams Blok' party gained ground in Flanders.
Denmark	The coalition government of the Social Democratic Party (Socialdemokratiet) and the Social Liberal Party (Det Radikale Venstre) continued to hold office in 2000, although commentators noted that the coalition was suffering from general fatigue and a loss of credibility following defeat in the September 2000 referendum on membership of the European single currency. The next general election must be called before March 2002.
Finland	The 'rainbow' coalition elected in March 1999 — made up of the Social Democratic Party (Suomen Sosialidemokraattinen Puolue), the conservative National Coalition Party (Kansallinen Kokoomus), the Left-Wing Alliance (Vasemmistoliitto), the Greens (Vihreä Liitto) and the Swedish People's Party (Svenska Folkpartiet) - remained in power during 2000. Municipal elections were held in October 2000, at which the Centre Party (Suomen Keskusta, KESK) made large gains. Presidential elections were held in February 2000 and won by the Social Democrat Tarja Halonen, who became Finland's first female President.
France	The 'cohabitation' between the conservative President, Jacques Chirac, and the left-wing coalition government led by socialist Prime Minister, Lionel Jospin, continued during 2000. Town and city council elections are due in 2001 and general and presidential elections in 2002.
Germany	The 'red-green' coalition government, composed of the Social Democratic Party (Sozialdemokratische Partei Deutschlands, SPD) and Alliance 90/The Greens (Bündnis 90/Die Grünen), elected in 1998, regained political strength during 2000 following a series of political difficulties experienced in 1999. The 'red-green' parties consolidated their position by winning regional elections in the federal states of Schleswig-Holstein and North Rhine Westphalia.
Greece	The ruling Pan-Hellenic Socialist Movement (Panhelleniko Sosialistiko Kinima, PASOK) won the general election held on 9 April 2000. It again formed a government, headed by Konstantinos Simitis as Prime Minister.
Ireland	The current government, elected in 1997 and composed of a coalition between the majority centrist Fianna Fail party and the small right-of-centre party, the Progressive Democrats (PDs), remained in power during 2000. Although the next general election is not due until 2002, there was speculation that it might be called in 2001.

In 2000, a national framework played a role in the German bargaining round for the first time — the national tripartite 'Alliance for Jobs' (Bündnis für Arbeit) issued recommendations in January 2000 (DE0001232F) for an 'employment-oriented bargaining policy'. This exerted considerable influence on bargaining, even though the recommendations had no legally binding status. Thus, the 2000 bargaining round in Germany resulted in moderate pay increases, largely over a period of more than one year, in addition to improvements to partial early retirement (DE0007270F).

In Greece, a new National General Collective Agreement was concluded at the end of May 2000 (GR006175N). The new accord runs for two years, providing a framework for lower-level bargaining.

Centralised bargaining in Ireland continued in 2000, with the conclusion in March of a new national agreement — the *Programme for Prosperity and Fairness* (PPF) (IE0003149F). The new deal, negotiated against a backdrop of continuing economic prosperity, contained a 33-month pay agreement which provided for a 15% pay increase over its lifetime. In addition, the government

Country	Political situation
Italy	Local elections in 15 regions were held on 16 April 2000, resulting in gains for the opposition centre-right coalition. As a result, Prime Minister Massimo D'Alema resigned as head of the centre-left coalition government formed in 1999. A new government subsequently came to power at the beginning of May, still supported by a centre-left coalition and headed by Prime Minister Giuliano Amato.
Luxembourg	The coalition government, made up of the Social Christian Party (Chrëschtlech Sozial Vollekspartei, CSV) and the Democratic Party (Demokratesch Partei, DP), which came to power in August 1999, continued in office during 2000.
Netherlands	The 'purple coalition' government which came to power in 1998, composed of the Labour Party (Partij van de Arbeid, PvdA), the liberal People's Party for Freedom and Democracy (Volkspartij voor Vrijheid en Democratie, VD) and the social democratic Democraten 66 (D66), continued in office during 2000.
Norway	The minority coalition government comprising the three centre parties — the Christian Democratic Party (Kristelig Folkeparti, KRP), the Liberal Party (Venstre) and the Centre Party (Senterpartiet, SP) — resigned in March 2000 after losing a parliamentary vote on the building of gas-fired power plants. It was replaced by a minority Labour Party (Det Norske Arbeiderparti, DnA) government led by Prime Minister Jens Stoltenberg. A general election will be held in 2001.
Portugal	The Socialist Party (Partido Socialista, PS) government elected in 1999 continued in office during 2000. It has no overall majority, having exactly half of the seats in the National Assembly, with the remainder split between the Social Democratic Party (Partido Social Democrata, PSD), the Communist Party (Partido Comunista, PCP), the Greens (Os Verdes), the People's Party (Partido Popular, PP) and the Left Bloc (Bloco de Esquerda).
Spain	The March 2000 general election resulted in the re-election of the centre-right People's Party (Partido Popular, PP) with an overall majority which was large enough for it to govern without support from other political parties (which it had previously been forced to do).
Sweden	The minority Social Democratic Party (Socialdemokratiska Arbetarepartiet) government, elected in September 1998, continued in office during 2000. It governs with the cooperation of the Left Party (Vänsterpartiet) and the Green Party (Miljöpartiet de Gröna). The next general election is scheduled for 2002.
United Kingdom	The Labour Party government, elected in May 1997, continued in office during 2000. Local council elections were held in May 2000, at which the Conservative Party and Liberal Democrats gained seats and the control of a number of councils at Labour's expense. The next general election must be held by May 2002 but was widely expected in May 2001.

Source: EIRO.

made commitments on income tax which were expected to boost net pay by up to 25% in some cases. However, the central accord soon ran into trouble, largely due to a higher-than-expected rate of inflation and upward pressure on pay exerted by severe skills shortages in some areas of the labour market. Pressure from trade unions resulted in the Irish Business and Employers Confederation (IBEC) agreeing to a pay review towards the end of the year. The terms of the review were agreed in December 2000 (IE0012161F) and provide for an additional 3% to be paid to workers over the duration of the PPF. This was the first time that a central agreement

in Ireland had been subject to a review of its pay provisions, although Ireland is currently experiencing exceptional levels of economic growth, in the context of which the continuation of a centralised agreement is seen as a success in itself.

In Norway, 2000 saw the negotiation of a 'main settlement', in which the terms of two-yearly collective agreements were renegotiated in both the private (NO0005192F) and public (NO0006194F) sectors.

Bargaining structures generally remained stable in 2000. Trends toward decentralisation were visible in countries

Table 2. Trends in collective bargaining in the EU Member States plus Norway in 2000

Country	Trends
Austria	The 2000 bargaining round was conducted, as usual, on a sectoral basis. It resulted in moderate pay increases, with some accords including an option for flexible distribution of parts of the pay rise at company level.
Belgium	2000 was dominated by the conclusion and implementation of sectoral and company-level agreements negotiated within the framework of the 1999–2000 intersectoral accord. A new two-year intersectoral deal for 2001–2 was concluded at the end of 2000.
Denmark	Bargaining took place in the influential DA/LO private sector bargaining area and was completed peacefully, with agreements providing for moderate pay increases and increased leave entitlement.
Finland	The 2000 bargaining round was conducted at the sectoral, rather than the intersectoral, level. Agreements covering around 90% of employees were negotiated smoothly, providing for cost increases of around 3.1%. Negotiations were difficult in the chemicals, transport and paper sectors, where accords providing for higher increases were concluded following strike action. Following this decentralised bargaining round, a new intersectoral incomes policy agreement was concluded at the end of the year.
France	The 2000 bargaining round at both sector and company level was dominated by the negotiation of agreements on the reduction of working time to a 35-hour week, in response to legislation. These negotiations had a knock-on effect on pay — increases were moderate due to the pay pauses and moderate increases agreed in conjunction with working time cuts.
Germany	Bargaining was predominantly conducted at sectoral level, as usual, although influenced by the recommendations of the national Alliance for Jobs forum. Agreements provided for moderate pay increases in conjunction with improvements to partial early retirement. Many settlements were negotiated for a period of two years.
Greece	A new two-year National General Collective Agreement was concluded in May 2000, providing the framework for lower-level bargaining. The deal provided for minimum pay increases which were acceptable to all parties, although unions are seeking extra increases following a rise in inflation.
Ireland	A new national pay agreement, the <i>Programme for Prosperity and Fairness</i> , was endorsed in March 2000, providing for increases of 15.8% on a cumulative basis over its 33-month lifetime. However, the pay provisions were revised upwards at the end of the year following an increase in inflation.
Italy	The two-tier bargaining structure of sectoral and company agreements remained in place, and resulted in average pay increases of 2%. There were 49 sectoral agreements in force at the end of November 2000, covering a significantly lower proportion of the workforce than in the previous year, largely due to delays in renewing agreements in sectors such as transport, communications and the public administration. Attempts intensified to draw up new sectoral agreements for industries affected by liberalisation and privatisation, with a first such deal reached for telecommunications.

such as Germany and the Netherlands, but the coverage of sectoral bargaining nevertheless remained high in these countries. Decentralisation towards informal company bargaining in Spain was accompanied by centralisation at sector level in formal bargaining. Bargaining in Finland returned to the central intersectoral level in late 2000, following a sectoral bargaining round at the beginning of the year, while the Danish central social partner confederations reasserted a degree of influence over sectoral bargaining. In the UK, within a general context of decentralised bargaining, survey evidence suggested that there had been some movement away from workplace-level bargaining

towards bargaining at a higher level within the enterprise, covering all or several sites.

Bargaining structures in some countries adapted to economic changes and the emergence of new sectors. In Italy, there have been attempts to define new sectoral agreements for industries affected by liberalisation and privatisation processes, where formerly state monopolies are replaced by a competitive market with a number of operators. The first industry-wide agreement of this type was the telecommunications sector accord, signed in June 2000 (IT0007158F). Similar efforts are under way in sectors such as gas and water distribution, electric power

Country	Trends
Luxembourg	Bargaining generally focused on traditional issues such as pay and, of a total of approximately 250–300 collective agreements, mainly at company level, some 100 were renewed. Pay increases remained extremely moderate. A number of sectoral agreements were concluded in 2000, including a new deal for some 16,000 civil servants (also affecting 24,000 related staff) which provided for above-average pay rises and influenced the pay deal in the construction industry concluded in June.
Netherlands	Decentralisation pressures on collective bargaining continued to build throughout 2000, particularly in industries such as banking and insurance, construction and public utilities. However, the incidence and coverage of sectoral accords generally remained constant. Pay increases were moderate, with the emphasis on flexible pay provisions.
Norway	A two-year 'main settlement' was concluded in spring 2000 in both the private and public sectors. However, the private sector accord had to be renegotiated following rejection by trade union members over issues such as the proposed pay increase, the duration of the accord and training arrangements.
Portugal	Bargaining during 2000 remained relatively stable in terms of the number of agreements concluded — 331 during the first three quarters of 2000 compared with 398 during the whole of 1999. Sectoral agreements made up the majority of accords, but there was some increase in lower-level agreements. The main bargaining issue was pay, and bargaining on other themes remained lacking in innovation. National social dialogue focused on employment, training, health and safety, social security and productivity.
Spain	2000 saw a slight apparent decline in both the number of agreements and the coverage of collective bargaining. While bargaining became more centralised at sector level, non-formalised bargaining at company level also expanded. Wage moderation continued to prevail, although the number of revision clauses grew in response to a higher-than-expected rate of inflation. There was a slight reduction in agreed working time and issues such as converting temporary jobs into open-ended posts were prominent. At national level, the social partners began a social dialogue process aimed at reforming the labour market and social security and pensions systems.
Sweden	2000 was a relatively quiet year in terms of collective bargaining, as most sectors (the dominant bargaining level) were covered by the final year of three-year accords negotiated in 1998. However, exceptions included nurses, midwives and biomedical analysts, for whom a five-year accord was reached in March, pharmacy workers, for whom a 10-month pay deal was concluded in November and teachers, for whom a five-year accord was concluded in December 2000.
United Kingdom	Bargaining remained highly decentralised in 2000. Survey evidence suggested that the coverage of bargaining was still in retreat, although bargaining remained more prevalent in the public sector. Collectively-agreed pay is estimated to have risen by a relatively modest 3.1% and earnings by 4.1%.

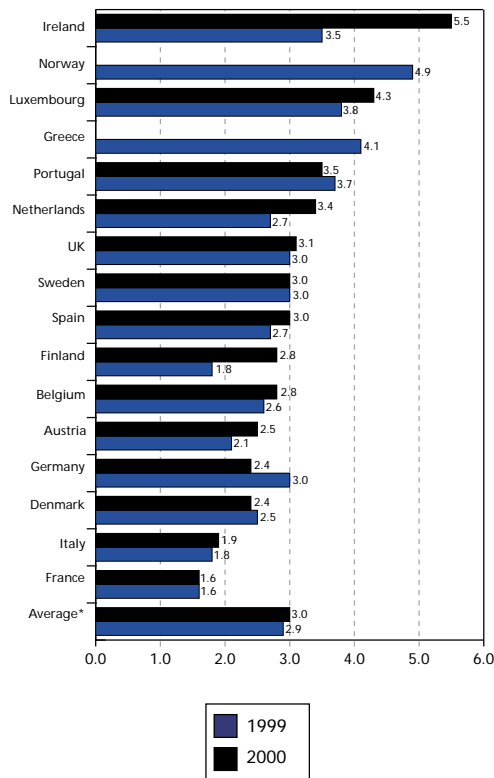
Source: EIRO.

and the railways. Austria saw the conclusion of a first-ever collective agreement for the information technology sector (AT0012235N), covering 20,000 employees involved in: data processing and recording; software development and related fields; and administration of databases, internet services and related businesses. A first agreement was signed for audio-visual technicians in Spain (ES0010115N), while the first sectoral collective agreement was concluded for blue-collar workers employed by temporary work agencies in Sweden (SE0011163N). Finally, in Belgium, new sectoral joint subcommittees were set up for home-help services and elderly persons' carers.

Pay

As indicated by figure 4 on p.20, the average collectively-agreed pay increase across the EU plus Norway was 2.9% in 1999 and 3.0% in 2000, although there were wide variations between countries (as calculated by EIRO — TN0102402U). It would appear that the trend towards pay moderation — average collectively-agreed increases had fallen from 3.1% in 1998 to 2.9% in 1999 — may be coming under pressure in some countries, although the 3.0% recorded in 2000 represented a slight average increase only. Furthermore, taking into account increases in prices and productivity, it seems that moderation persisted and even deepened in 2000.

Figure 4. Average collectively agreed pay increases, 1999 and 2000 (%)



Source: EIRO; 1999 average of 16 countries; 2000 average of 14 countries.

Across the European Union, EMU has placed new emphasis on the role of wage policy in the Member States. The EU's annual Broad Economic Policy Guidelines and the 'European employment pact' thus stress the importance of wage developments that are consistent with price stability and non-inflationary economic growth, and take into account labour productivity gains. An EIRO comparative study conducted in 2000 assessed the extent to which the national systems of wage determination in the Member States (and Norway) are prepared to meet these new requirements of EMU, examining both the outcome and the institutions of wage setting (TNO007402S).

The study found that over the past two decades, there has been significant convergence towards a policy of wage moderation, including a strong trend of declining nominal wage growth rates and of average increases in real wages clearly below increases in labour productivity. This strong convergence regarding the outcome of wage policy has been accompanied by remarkable stability in most national wage bargaining systems. In addition, most countries have some form of macro-coordination of wage policy across the different sectors of the economy, usually supporting a policy of wage restraint in order to sustain non-inflationary economic development and to improve national competitiveness. In most countries, both employers and trade unions take into account national macroeconomic circumstances — and in particular the development of prices and labour productivity — when setting their wage policy. Against this background, wage policy in the EU countries and Norway seems to be well prepared to meet the new

requirements of EMU. Wage developments since the 1980s have almost always been rather moderate and, if the current trend continues, the return of inflationary pressures arising from wage developments does not seem very likely. On the contrary, what might be a risk is the opposite scenario: if European countries increasingly follow a competition-driven wage policy and real wage increases continue to fall far below increases in labour productivity, this would not only lead to a further redistribution from labour income to capital income but might also undermine price stability in a deflationary direction.

In 2000, at individual country level, this pressure on all countries to practice pay moderation continued to be evident, as a way of ensuring the maintenance of national competitiveness. However, a number of significant upward pressures on pay were also in evidence, largely as a result of robust economic growth and the skills shortages which this inevitably brings. Key developments including the following:

- despite fears in Denmark that wage increases would be substantial in 2000, this proved not to be the case, with the DA/LO collective agreements resulting in increases which did not exceed 4% in 2000;
- similarly, the 3.1% increases concluded in sectoral deals in Finland in early 2000 were seen as moderate enough not to harm Finnish competitiveness, despite fears that such sectoral bargaining would result in higher increases. A slightly higher increase was negotiated in the influential paper industry, although this was estimated to be under 4%;
- in France, pay growth was largely kept in check by the range of agreements on working time reduction, within the context of the new working time reduction legislation (see below under 'Legislative developments'). As in 1999, many agreements on working time reduction were accompanied by moderate pay increases and sometimes by pay freezes, all of which had a dampening effect on pay growth. During the first half of 2000, purchasing power fell, fuelling a debate on the harmful effects of working time reduction on pay. However, purchasing power is thought to have risen during the second half of 2000, as the 'pay issue' reasserted itself;
- pay bargaining in Germany resulted in moderate increases for 2000, while many agreements had a duration of more than one year. Consequently, collectively-agreed pay is estimated to have risen by between 2% and 3% during 2000, with an average increase of 2.4%. The differential between eastern and western pay remains and, for the first time since unification, the gap widened as western pay rose faster than eastern pay in 2000, largely due to a pay freeze in the eastern construction industry;
- similarly, collectively-agreed pay increases in the Netherlands were seen as moderate in 2000, in the

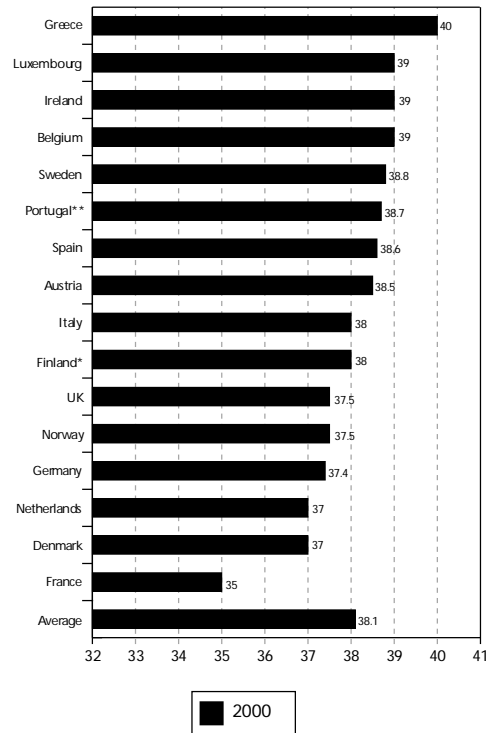
context of a significant tightening of the labour market. Collectively-agreed rates of pay rose by an average of 3.7%. The pay debate in the Netherlands revolved more around the issue of flexible pay (NL0003184F), with large companies such as Philips and Akzo Nobel pressing for increased flexibility. Trade unions remain wary, but are moving slowly towards some degree of acceptance of this issue;

- as mentioned above, inflationary pressures in Ireland led to a renegotiation of the pay provisions of the central incomes policy agreement in 2000. Wage drift, although more prevalent than in previous years, was not considered to be too problematic in Ireland, given the pressure that the labour market is currently under. However, a number of difficulties related to pay in Ireland remain unresolved, largely in the context of public sector pay. In order to examine and deal with the issue of pay relativity claims from the public sector, a 'benchmarking' body will report by June 2002 on the comparison of public and private sector rates of pay;
- in Spain, the problems caused by the mismatch between official government inflation figures and actual rates of inflation continued during 2000. Although the government had predicted inflation levels of 2% during 2000, actual inflation was closer to 4%. As the pay provisions of collective agreements are largely set on the basis of official pay forecasts, widespread losses in purchasing power resulted during 2000. Although the discrepancy was largely compensated by the inclusion of pay revision clauses in an estimated 70% of collective agreements (these clauses trigger an extra increase if inflation rises above a certain level), this still meant that a significant number of employees experienced losses in purchasing power in 2000; and
- in the UK, collectively-agreed pay rose by an estimated 3.1% during 2000, a figure which somewhat exceeded inflation, and average earnings are estimated to have increased by 4.1%. Above-inflation increases were awarded to a number of public sector groups, such as teachers, nurses, doctors, judges, the armed forces and senior civil servants, largely in order to overcome skills shortages in many of these professions.

Working time

As indicated by figure 5 at right, average collectively-agreed weekly working time in the EU plus Norway was 38.1 hours in 2000, down half an hour from 1999 (as calculated by EIRO — TN0102403U). A large part of this general reduction was due to the introduction of the 35-hour week in France. Agreed weekly hours were between 37 and 39 hours in 14 of the countries. In terms of the three sectors examined in the EIRO research, the agreed working week tends to be longest in the chemicals sector, followed by retail and the civil service.

Figure 5. Average collectively agreed normal weekly hours, 2000



Source: EIRO; *1999 figure; **1998 figure.

At the level of individual countries, working time continued to be the most significant collective bargaining issue in France in 2000, as legislation obliging companies to negotiate on the introduction of the 35-hour week came into force at the beginning of the year (see below under 'Legislative developments'). As at the end of November 2000, around 4.6 million people were covered by working time reduction agreements negotiated since June 1998. Although under the legislation, agreements can either safeguard or create jobs (so-called 'defensive' and 'offensive' agreements), as economic conditions have over the past year been buoyant, the majority of working time reduction accords — some 90% — have been of the offensive job-creating variety. Overall, the French government estimates that almost 252,000 jobs have either been safeguarded or created. The agreements are having an effect on average weekly working time, which was 36.8 hours at the end of September 2000, 0.5% shorter than during the previous quarter, and 4.1% shorter than in September 1999.

The French record on working time reduction remains unmatched in Europe, although, as in previous years, developments in France continue to have a knock-on effect in other European countries. In Belgium, the labour minister encouraged the social partners to debate working time reduction (BE0005312F) and in their 2001–2 intersectoral agreement they called on lower-level negotiators to reduce the maximum working week from 39 to 38 hours by January 2003 (BE0101337F). In Greece, debate on the introduction of a 35-hour week was kept alive by trade unions, which included this as one of their key bargaining demands. However, no progress on this issue has been made to date. In Spain, there was some discussion surrounding the 35-hour

week — a small number of organisations negotiated 35-hour week deals and the first sectoral collective agreement establishing the 35-hour week was signed in 2000 in the automobile repair sector in the Asturias region (ES0008102F).

Increased holiday entitlement featured in collective agreements concluded in 2000 in countries including Denmark and Norway.

Flexibility is another key issue in relation to working time, and is a topic on which employers are generally keen to see progress in a variety of countries. For example, in 2000:

- in Denmark, the reference period for working time flexibility in the industrial sector was increased from six to 12 months, although the average working week remains 37 hours;
- working time flexibility is a key collective bargaining theme in Italy, with a new agreement in road haulage, deliveries and logistics providing for a working week of between 30 and 48 hours, calculated as an average 38 hours a week over a four-week reference period (IT0009360F). At company level, Electrolux-Zanussi attempted unsuccessfully to introduce a radical 'on-call' working time model (IT0005159F) and Zf Marine negotiated a highly flexible working time system in order to deal with sudden shifts in demand (IT0001138N); and
- a new agreement in the cleaning sector in Luxembourg introduced a three-month reference period for working time (LU0001123N).

In Germany, the working time debate centred on lifetime working hours, with a range of improvements made to provisions governing partial early retirement. Further, a first sectoral accord on 'working life time accounts' was concluded in the steel industry in October (DE0011290N), permitting employees to save overtime in a long-term time-banking account.

Finally, the working time debate in the UK has centred largely on the effects of national legislation implementing the 1993 EU working time Directive (93/104/EC), which was expected to have reduced the traditional 'long-hours culture' of working time in the UK. However, recent studies reveal that, due to provisions such as individual opt-outs from the 48-hour working week, the effect of the legislation has been limited. One notable exception was the reduction of the working week at Peugeot's Ryton plant near Coventry, from 39 hours to 36.75 hours, although this is closely connected with working time developments in France in general and in the plant's French parent company in particular (UK0101111F).

Job security

In a year which was marked by strong economic growth and skills shortages, the need for job security clauses was arguably less great than in recent years. However, the

debate in many countries focused on the role of older workers, within the context of encouraging these workers to continue to play an active role in the labour market in order to reduce unemployment amongst them, or to encourage part-time working as a path into retirement and a way of creating jobs for younger workers.

The issue of part-time work for older workers, as a viable alternative to unemployment, was a feature in Austria. In Germany, the tripartite Alliance for Jobs forum recommended that the 2000 collective bargaining round be conducted in a manner which would enable employment creation and the safeguarding of jobs, although there were divergent views on how collective bargaining can contribute to raising employment levels: employers believe that this can be achieved by means of pay moderation, while unions favour the negotiation of early retirement schemes for older workers, thus enabling their place to be filled by young applicants.

As seen above (under 'Working time'), the employment safeguarding element of the working time reduction legislation in France was used to a far lesser extent than the employment creation element in 2000. Only some 10% of 35-hour week agreements are of the 'defensive' employment safeguarding variety. Nevertheless, the overall impact of the agreements negotiated within the context of the French legislation has, according to the latest figures, served to create or safeguard almost 252,000 jobs.

Discussions concerning job security in Ireland mostly take place at the national level, within the framework of national agreements. Within the current accord, the PPF, discussions on job security take place under the agreement's 'workplace partnership' clause.

In Italy, job security discussions may take place at a lower level. One particular example of a local-level job security agreement is the Milan employment pact, which encourages job creation for specific disadvantaged groups, signed in the spring of 2000 (IT0003264N). At company level, an agreement was reached in 2000, with the help of mediation from the Ministry of Labour, on the employment effects of the closure of the Goodyear Latina plant (IT0005153N).

Job security provisions agreed at company level are relatively limited in the UK — found in some 8% of all private sector workplaces. Over the course of 2000, a number of high-profile company restructuring announcements, such as those at Rover and Vauxhall, superseded previously-agreed 'no compulsory redundancy' clauses, calling into question the validity of such agreements (UK0012104F).

In Spain, the debate about job security was carried out within the context of converting temporary and fixed-term contracts into open-ended employment and regulating the operation of temporary employment agencies (ES00051189F).

The debate about the social consequences of industrial change continued during 2000. The high-level Gyllenhammar group, set up in 1997 by the European Commission to look into this issue, recommended the creation of a European observatory to monitor industrial change in its 1998 report, *Managing change*. The intention to create the observatory was taken up in the Commission's June 2000 five-year social policy agenda (EU0007266F) and confirmed in the December 2000 Nice European Council conclusions (EU0012288F). The observatory, now named the 'European monitoring centre on change', was entrusted to the European Foundation for the Improvement of Living and Working Conditions.

Training and skills development

The issue of training and the acquiring and development of skills is vital in many countries where there are severe skills shortages in certain areas of the labour market. One of the most crucial areas of shortage of suitably qualified staff is the information technology sector — many countries were unable in 2000 to keep up with the demand for skilled workers in this sector and some, notably Germany, issued work permits to non-EU nationals on a temporary basis in order to resolve the shortages in the medium term. Trade unions in Germany are keen for talent to be 'home-grown' and included demands for extra training places to be made available in their overall bargaining demands in 2000. As a result, many sectoral accords in Germany included new provisions on the promotion of vocational training.

In some countries, the issue of training and skills has been dealt with in the context of a national framework. In Finland, the new national accord concluded at the end of 2000 includes a clause stating that measures will be taken to promote 'ability to cope at work' and to promote training and lifelong learning. Similarly, the new Irish national agreement contains clauses relating to training, largely in the form of a commitment to evaluating active labour market programmes and to promoting lifelong learning. By contrast, few company-level agreements in Ireland include provisions on training and employee development.

The training debate in Italy has largely been conducted at the national level (IT0002144F), with the intention that increased vocational training and apprenticeships might contribute to reducing employment. More specifically, an agreement on the subject of immigrant workers in Veneto (IT0011362F), recognised the importance of training in the context of access to the labour market.

In Norway, the 2000 private sector pay settlement (NO0005192F) provided for further consideration of how to finance continuing and vocational training.

Although legislation promoting and supporting training and skills development exists in Luxembourg, collective

agreements rarely contain specific references to training. Exceptions to this rule are the collective agreement in the construction industry, which provides for the creation of a training institute in the sector, and the agreement for bus and coach drivers, which provides for investment in training which is equivalent to 0.2% of turnover.

Reference to training and skills development is more pronounced in the Netherlands, where 21% of employees covered by collective agreements have a collectively-agreed right to training. Specific provisions relating to personal development plans are included in the collective agreements covering almost a third of all employees covered by collective bargaining (NL0007199F).

Legislative developments

As indicated by table 3 on pp. 24-25, new legislation in a range of industrial relations and employment areas was introduced in individual EU Member States during the course of 2000. Legislation governing part-time work featured prominently in many Member States, as they implemented the provisions of EU Directive 97/81/EC on part-time work. In Germany, this legislation caused a significant amount of controversy as it gives employees the right to request a reduction in working hours, which the employer may refuse only if there is good reason (DE0011293F). The German legislation was accompanied by new provisions governing the conclusion of fixed-term contracts, the regulation of which remains relatively tight. Legislation regulating part-time work was also enacted in 2000 in Italy (IT0002261F) and the UK (UK0005175F).

In Norway, which is generally covered by EU social policy Directives via the European Economic Area agreement, there were moves to introduce new legislation which would bring national law in the area of part-time work into line with EU provisions. Further, new legislation governing the hiring out of labour came into force in Norway on 1 July 2000 (NO9912168F).

Wide-ranging pieces of legislation were adopted in 2000 in a number of countries. In Finland, amendments to the Employment Contracts Act were finally approved in December 2000 (FI0009161F). This followed months of debate and the culmination of some five years of work on the part of a special tripartite committee. Certain areas of the legislation had provoked particular controversy, specifically those provisions relating to the 'general validity' of collective agreements. However, it appears that the issue was resolved to the satisfaction of all concerned.

In Greece, the government had been attempting for some time to gain the agreement of the social partners on reform of wide-ranging labour market legislation. However, no accord was forthcoming and the government instead adopted law 2874/2000 in December 2000 (GR0012192F). The provisions of this

Table 3. Main legislative developments in 2000

Subject	New legislation
'Atypical' work	In <i>Germany</i> , parliament passed new legislation governing part-time work and fixed-term contracts in November. The new legislation, which came into force on 1 January 2001, gives employees a right to request part-time working. In <i>Norway</i> , new legislation governing the hiring out of labour came into force on 1 July. In <i>Italy</i> , new legislation on part-time work was approved by the government in January, implementing the EU part-time work Directive. In the <i>UK</i> , legislation implementing the part-time work Directive came into force in July.
Collective bargaining	In <i>Finland</i> , parliament adopted a new Employment Contracts Act in December, covering a wide range of basic employment law issues relating both to individual employment conditions and collective issues such as the general validity of collective agreements.
Employment, labour market and job creation	In <i>Germany</i> , new legislation relating to the employment of severely disabled people was adopted in April and came into force on 1 January 2001. Further, new German regulations on partial early retirement came into force on 1 January 2000. In <i>Greece</i> , law 2874/2000 was adopted at the end of 2000, covering a range of employment and labour market-related issues, which aims to increase labour market flexibility. In <i>Portugal</i> , new legislation governing the legalisation of the status of immigrant workers was approved and came into force on 22 January 2001. In <i>Italy</i> , a decree-law was approved by parliament in April regarding employment placement services, with the aim of facilitating entry into the labour market. In <i>Spain</i> , a new Law on Foreign Persons came into force in February. Its aim was to end 15 years of restrictive immigration policy, give immigrants rights and provide a solution to illegal immigration, but it was amended in a more restrictive direction at the end of the year.
Equality	In <i>France</i> , new legislation against discrimination on a variety of grounds, including sex and race, was adopted in October. A further piece of legislation, on sex equality at the workplace, specifically ending the statutory ban on women's night work in France, was adopted in November. In <i>Germany</i> , new legislation on parental leave and childcare payments was adopted in July and came into force on 1 January 2001. In <i>Luxembourg</i> , new legislation on sexual harassment at the workplace was approved in May. In <i>Italy</i> , new legislation governing parental leave came into force in March and a reform of law 125/91 on equal opportunities was enacted in May.

legislation range widely from working time and overtime to collective redundancies, social insurance contributions and pay for part-time workers.

In the area of working time, two countries adopted major new legislation. In France, the provisions of the second 'Aubry' law relating to the introduction of the 35-hour week came into force on 1 February 2000 (FR0001137F) and the year was taken up with negotiations at sectoral and company level on this issue. The law's provisions exempt smaller companies with 20 or fewer employees from the scope of the 35-hour week legislation until 2002. The extension of legislation to these smaller companies will go ahead as planned, despite employer attempts to postpone or modify the legislation in their case. In the Netherlands, new legislation governing the flexible organisation of working time came into force on 1 July, giving workers the right to request a modification of their working hours, in terms of either shortening or lengthening their working week (NL0002182F).

Legislation in a range of equality-related areas was enacted in many countries during 2000, in part in

preparation for the coming into force of the two new EU equality Directives which were adopted by the Council of Ministers in 2000 — those on race discrimination (2000/43/EC) and the general equality framework (2000/78/EC). In France, new legislation was adopted in October 2000, aiming to eradicate discrimination on a variety of grounds, including sex and race (FR0011198N). Arguably the most long-awaited piece of equality legislation in France — finally revoking the statutory ban on women's night work — was adopted in November 2000 (FR0010196F). This piece of legislation ended a long-running battle between the French government and the European Court of Justice (ECJ) over the ban. Although it had gone largely unheeded in recent years, the ECJ insisted that the ban should be removed from the French Labour Code.

In Luxembourg, new legislation on sexual harassment at the workplace was approved in May 2000 (LU0005137F), based largely on the European Commission's Recommendation and code of practice protecting the dignity of women and men and work. This pre-empted the revision of the 1976 EU equal treatment Directive, in the context of which the European Commission has

Subject	New legislation
European Works Councils	In the <i>UK</i> , the Transnational Information and Consultation of Employees Regulations 1999, implementing the EU EWCs Directive, came into force in January 2000. In <i>Luxembourg</i> , legislation implementing the EWCs Directive was adopted on 28 July.
Industrial relations	In <i>Sweden</i> , new mediation legislation came into force on 1 June. In <i>Italy</i> , a reform of law 146/1990 on the right to strike in essential public services was approved by parliament in April. In the <i>UK</i> , the provisions of the Employment Relations Act 1999 concerning the unfair dismissal of strikers came into force in April, followed by the coming into force in June of the provisions relating to new statutory trade union recognition procedures, and in September of the provisions relating to the right to be accompanied at disciplinary and grievance hearings and modified rules on the conduct of ballots on industrial action.
Pay and benefits	A national minimum wage was introduced for the first time ever in <i>Ireland</i> from 1 April 2000.
Social security	In <i>Austria</i> , the new government initiated a series of controversial social welfare reforms, including pension reforms. These reforms had not yet finally been completed by the end of 2000. In <i>Norway</i> , new legislation governing the provision of private pension schemes was approved during the course of 2000 and came into force on 1 January 2001. In <i>Portugal</i> , new basic legislation governing social security provision came into force during the course of 2000.
Termination of contract	In <i>Belgium</i> , a royal decree implemented the social partners' agreement of November 1998 on the harmonisation of blue- and white-collar notice periods.
Working time	In <i>Denmark</i> , parliament adopted a new Holiday Act in May, increasing flexibility relating to the taking of annual leave entitlement. In <i>France</i> , legislation governing the 35-hour week came into force on 1 February. The Adaptation of Working Hours Act was enacted in the <i>Netherlands</i> on 1 July, giving employees the right to request longer or shorter working hours

Source: *EIRO*.

proposed the inclusion of provisions relating to sexual harassment at the workplace.

In Germany, new legislation on parental leave and childcare payments was adopted in July 2000 and came into force on 1 January 2001 (DE0007271F).

A number of specific legislative developments in the area of the conduct of industrial relations occurred in 2000, notably in the UK and Sweden. A range of provisions included in the 1999 Employment Relations Act came into force in stages in the UK during 2000, covering areas such as: the unfair dismissal of strikers; the right to be accompanied by a trade union representative or workplace colleague during disciplinary or grievance hearings (UK0010195F); strike ballot procedures (UK0008184N); and, most controversially of all, procedures relating to the statutory recognition of trade unions for the purposes of collective bargaining (UK0007183F). This last provision is arguably seen as the centrepiece of the present UK Labour government's industrial relations legislation and there is evidence, according to data from a Trades Union Congress (TUC)

survey, that this legislation is helping to increase the incidence of trade union recognition in the UK.

In Sweden, new legislation relating to timetables for wage bargaining, including mediation procedures, came into force on 1 June 2000 (SE9912110F). The legislation also provides for the creation of a Mediation Authority, charged with the promotion of harmonious industrial relations. However, it is thought that the new legislation will only be of direct applicability to around one-third of the Swedish workforce, as the remaining two-thirds are already covered by collectively-agreed provisions relating to bargaining timetables and mediation procedures.

The organisation and role of the social partners

The year saw a number of changes to the structure of social partner organisations in European countries, largely in the form of trade union mergers. In 2000, notable cases of individual union mergers included:

- the merger of Austria's Union of Metal, Mining, and Energy Workers (Gewerkschaft Metall-Bergbau-Energie, GMBE) and the Textiles and Garment Trade Union (Gewerkschaft Textil-Bekleidung-Leder, TBL) in June 2000 (AT0008226N), within the context of the ongoing restructuring of the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB);
- the amalgamation of the Danish Railways Association (Jernbaneforeningen) with HK/Stat, the state employees section of the Union of Commercial and Clerical Employees in Denmark (Handels- og kontorfunktionærernes Forbund, HK) (DK0006181N), and the merger of both the Union of Brewery Workers (Bryggeriarbejder Forbundet) and the Union of Postal Workers (Dansk Postforbund) into the General Workers' Union (Specialarbejderforbundet i Danmark, SiD); and
- the unification of two Greek oil industry trade union federations, the Panhellenic Federation of Refinery and Chemical Industry Workers (POEDXV) and the Panhellenic Federation of Petroleum Products and Refineries, Mineral Oils-Petroleum-Liquid Gas Company Staff (POEEDOPY) to form the Panhellenic Federation of Employees in Petroleum Products-Refineries and Chemical Industry (POEPDHV) (GR0003166F), as a direct trade union response to company mergers in the oil industry.

In some countries, ambitious mergers of a number of unions in order to form general service sector unions have either been completed or are in the process of negotiation. In Finland, four unions, representing commercial employees, hotel and restaurant workers, caretakers and technical and special trades, merged to form Service Unions United (Palvelualojen Ammattiliitto, PAM) in November 2000. In Germany, the plan to merge five unions into a single Unified Service Sector Union (Vereinigte Dienstleistungsgewerkschaft, Ver.di) made progress during 2000. Although a substantial minority in the Public Services, Transport and Traffic Union (Gewerkschaft Öffentliche Dienste, Transport und Verkehr, ÖTV) attempted to block the merger during 2000 (DE0011292F), there were hopes that it would go ahead in March 2001.

The country which arguably saw the most tension during 2000 in terms of social partner structures is Norway. Following a failed merger attempt between the Confederation of Norwegian Professional Associations (Akademikernes Fellesorganisasjon, AF) and the Norwegian Confederation of Vocational Unions (Yrkesorganisasjonenes Sentralforbund, YS) in summer 2000 (NO0006195N), AF decided to dissolve itself in 2001 (NO0007199F). Shortly afterwards, four public sector unions announced plans to create a new trade union confederation which they hope to have in place in time for the 2002 main bargaining round (NO0009106F). In terms of individual trade unions, two Norwegian postal workers' unions merged towards the end of the

year (NO0011110N) and there are plans afoot for teachers' unions to merge.

The 'nationally representative' status of the Luxembourg Association of Bank Staff (Association luxembourgeoise des employés de banque, ALEBA) continued to be a contentious issue in Luxembourg during 2000. The union appealed against a December 1999 ministerial decree which blocked registration of a collective agreement in the banking sector signed by ALEBA on the grounds that the union did not have nationally representative status (which is required for unions to sign valid collective agreements). The Administrative Tribunal subsequently granted ALEBA nationally representative status (LU0011152F), changing the criteria for assessment of such status, although an appeal against this ruling has been made by the Minister of Labour. The representativeness of unions was also an issue for debate in France (FR0006170F) and the Netherlands.

On the employer side, there were also a number of mergers and reorganisations during 2000. For example:

- Austria's Chamber of the Economy (Wirtschaftskammer Österreich, WKÖ) restructured to create a more flexible organisation adapted to changes in the economy (AT0009230F);
- Fabrimétal, formerly the Belgian metalworking sector employers' organisation, was renamed as Agoria, 'the multi-sectoral federation for the technology industry', reflecting changes in its membership;
- two agricultural employers' associations in Belgium's Wallonia region merged in July; and
- a new employers' umbrella body, the Union of Luxembourg Enterprises (Union des Entreprises Luxembourgeoises, UEL), was set up in June, covering the great majority of the country's firms (LU0011151F).

A number of countries saw developments and debates in 2000 over the wider role of the social partners and social dialogue. In France, the Movement of French Enterprises (Mouvement des entreprises de France, MEDEF), the principal employers' organisation, launched a process of negotiations with trade unions aimed at overhauling industrial relations and achieving a better demarcation of social partner and government jurisdictions (FR0002143F and FR0102134F). In order to lend weight to its arguments, it threatened to withdraw from the joint management of a number of bodies which run the social protection system. In Italy, the Confindustria employers' confederation elected a new leadership (IT0006268F), with a new approach to the country's 'social concertation' system, and there was a debate over the future of this approach. In Austria, the approach adopted by the new right-wing government in 2000 ended the consensual atmosphere of public policy-making, calling into question the traditional role of the social partners in this area (though social partnership continued to function normally in collective bargaining).

Industrial action

2000 saw a number of cases of industrial action coordinated by trade unions at European level, largely in response to either company restructuring or sectoral liberalisation plans. One of the most high-profile sectoral actions in 2000 was a day of action carried out on 29 March by trade unions protesting against European Commission plans for restructuring in the rail sector (EU0004239N). European-level actions in response to the announcement of company restructuring plans during 2000 include a day of action coordinated on 10 April by the European Metalworkers' Federation (EMF) relating to ABB Alstom (EU0005247N) and the organisation of a day of action (held on 25 January 2001) in order to protest against Vauxhall's decision to end car production at its UK plant at Luton.

At national level, widespread strike action took place in Belgium in response to plans to restructure and liberalise postal services (BE0003305N). There was a great deal of unrest in the transport sector during 2000 in many countries. Protests by hauliers over high fuel prices took place in the autumn of 2000 in a large number of countries, including Belgium (BE0010329F), France (FR0010197F) and Spain (ES0010217F).

In contrast to the major strike of 1998, the bargaining round in Denmark passed off relatively peacefully in 2000. Exceptions to this included a dispute at a meat factory (DK0009198F), a strike by bus drivers in Copenhagen (DK0003169N) and a long strike by childcare workers in order to prevent the introduction of new rules on morning opening hours (DK0010101F).

In Finland, the 2000 bargaining round, which was conducted on a sectoral basis, saw week-long action in the chemicals sector, followed by action in the transport sector and a serious dispute of more than a week in the paper industry in April (FI0004142F).

By contrast, 2000 was a year of relative industrial peace in France, although there were some disputes relating to negotiations on the reduction of working time. Similarly, industrial action did not feature in Germany during 2000, with the exception of warning strikes organised to accompany collective bargaining in industries such as textiles and clothing, where an agreement was reached just as all-out strike action was being prepared (DE0010284N). Similarly, a last-minute compromise on a collective agreement in the public sector was reached shortly after workers had voted for strike action (DE0006268F). In the Netherlands too, the traditionally low incidence of strike action continued in 2000. Isolated disputes took place, largely in response to planned closures, and some action was taken at Dutch Railways (NS) (NL0010110N). In Portugal, the incidence of strike action was lower in 2000 than in 1999, with around a third of strike notices actually resulting in strike action.

Greece experienced two one-day general strikes, in October and December 2000 (GR0012190N), in protest

against the government's new employment legislation, in addition to a variety of industrial actions in other sectors (GR0012190N). General industrial action played a significant role in Norway in 2000, with a six-day strike in the private sector following the rejection of a new settlement by trade union members (NO0004188F). In addition, a number of smaller-scale actions were taken in individual sectors in Norway, such as the municipal sector.

The issue of pay was the cause of the most controversy in Ireland in 2000, particularly in the public sector, where employees pressed the government for pay reviews in the context of the continuing economic boom (IE0004149F). Conflict in the public sector appears to be the issue which has put the most pressure on the national pay programme, the PPF. Individual groups taking industrial unrest in Ireland during 2000 included train drivers (IE0008154F), teachers (IE0011224N) and staff at the state airline Aer Lingus (IE0011223N).

In Spain, 2000 was characterised by a considerable increase in the level of industrial disputes. In the construction sector in particular, trade unions protested about issues such as the continuing high industrial accident rate, precarious employment and levels of subcontracting (ES00042182F). In addition, a number of high-profile company disputes took place in Spain during the year.

National Action Plans (NAPs) for employment

Following the adoption of the Amsterdam Treaty, with its new title on employment (EU9707135F), it was agreed at the European Council's special 'jobs summit' in Luxembourg in November 1997 (EU9711168F) that a European employment strategy should be built on the four main 'pillars' of employability, entrepreneurship, adaptability and equal opportunities. Since 1998, a set of annual Employment Guidelines has been adopted by the Council, on a proposal from the European Commission, covering the four pillars and setting out a number of specific targets for Member States to achieve in their employment policies. The Guidelines must be transposed into concrete measures by the Member States, through their National Action Plans (NAPs) for employment. These NAPs are forwarded to the Commission for evaluation. The Commission then issues a joint employment report, together with the Council of Ministers, and may propose recommendations to individual countries on how they could better achieve set goals.

The Commission's 2000 draft 'employment package', containing the joint employment report, recommendations to Member States on the implementation of the 2000 Employment Guidelines, and the 2001 Employment Guidelines, was issued in September 2000 (EU0010276F).

In its overall assessment of Member States' performance in labour market policy in 2000, the Commission

Table 4. Main features of the social partners' involvement in Member States' NAPs in 2000

Country	Involvement
Austria	The central social partner organisations were involved in drawing up the 2000 NAP, in keeping with the Austrian tradition of social partner inclusion in all areas of economic and social policy. Despite problems in the social partnership approach since the new government came to office in 2000, it seems to have remained intact in relation to the NAP.
Belgium	Although the social partners were consulted over the 2000 NAP, consultation deadlines were tight and some felt that they had little chance to play an active role. The social partners play a more active role in the implementation of NAPs through their two-yearly intersectoral agreements, though this appears to reverse their normal role of asking the government to implement their agreements on social and labour issues.
Denmark	The social partners were strongly involved in the formulation of the 2000 NAP through their participation in a tripartite forum on labour market policy. Although political responsibility for the NAP rests with the government, the social partners' views are heard in detail.
Finland	The social partners participated actively in the formulation of the 2000 NAP, in both an official and an informal capacity. Most specifically, they were involved in the drawing up of a proposal for a three-part equality programme under the fourth pillar of the European employment strategy.
France	The 2000 NAP was the subject of numerous discussions between the social partners and the government before submission (FR0005164F), under the auspices of the Committee for Social Dialogue on European and International Issues (Comité du dialogue social pour les questions européennes et internationales, CDSEI). In 2000, for the first time, a review of the contribution made by the social partners to the NAP was included in the Plan itself. The social partners are actively involved in implementing the working time reduction and youth employment aspects of the government's employment policy and NAP strategy.
Germany	Social partner involvement in employment policy focuses on the tripartite Alliance for Jobs forum (Bündnis für Arbeit), rather than the NAP, for which there is no specialised institution providing for social partner involvement. However, the Alliance discusses many of the topics which feature in the NAP.
Greece	There is a widespread feeling that the Greek NAP is still not the product of meaningful dialogue between the government and the social partners. The 2000 NAP was seen by the social partners as an expression of government policy rather than the result of tripartite involvement. Both employers and unions felt that their views — which often oppose each other — had not been taken on board. Further, trade unions questioned the need for a third NAP, stating that it did not differ significantly in content from those of the previous two years.
Ireland	There is regular engagement between the government and the social partners regarding the formulation of the NAP, although the work of the social partners in this respect overlaps considerably with their employment policy-related work in the context of the current national agreement, the PPF. The PPF also states that employment plans will be the main channel for consultation on overall labour market policies.

maintained that substantial progress had been made in terms of structural reforms which are designed to increase 'the dynamism and adaptability of Europe's labour markets'. However, it concluded that governments 'can and must do more'. It conceded that long-term unemployment appears to be on the decrease, but noted that this still accounts for almost half of unemployment in the EU. Further, it maintained that gender differences in terms of employment, unemployment and pay still persist, as do major regional inequalities. It also noted that participation in lifelong learning is still relatively low, Member States' policies for 'active ageing' are limited and bottlenecks in labour supply and skills are building in some areas.

The employment strategy makes specific reference to the role of the social partners in individual Member States in the formulation of NAPs on those aspects which give them a direct role. Further, national governments are expected to consult the social partners generally about the NAP and take on board their views. As the process has now completed its third year, social partner involvement appears to be an integral part of the formulation of NAPs, although the social partners in a number of countries are still experiencing difficulties with regard to their involvement. Table 4 above gives an overview of the key elements of the social partners' involvement in the NAPs of the 15 EU Member States in 2000.

Country	Involvement
Italy	The social partners were involved in the formulation of the 2000 NAP, and in general they agreed with its provisions. However, they had some criticisms, mainly concerning the delay in the reform of job placement services and of the system of 'social shock absorbers', which ease the blow of redundancies. There is also some disagreement between the social partners about the focus of employment policy, with employers arguing that the priority should be to reduce labour costs and increase flexibility, and trade unions concerned about excessive flexibility.
Luxembourg	The difficulties which have beset the NAP process in Luxembourg continued unabated during 2000. The process of drawing up a new NAP was suspended in May due to differences between the social partners, and a small working party was set up to deal with outstanding problems (LU0006138F). It was not until November that negotiations between the social partners — which focused on working time organisation — resulted in an agreement that allowed the content of the NAP to be drawn up in detail (due in early 2001). Matters relating to part-time working and the European Commission's recommendations to Luxembourg on employment policy were being dealt with by working parties, which were due to submit their proposals in early 2001.
Netherlands	The social partners are involved in the formulation of the NAP mainly, although not exclusively, within the framework of the bipartite Labour Foundation (Stichting van de Arbeid, STAR), which issues recommendations and advisory papers on a range of labour market policy areas.
Portugal	The social partners at central level are involved in drawing up and putting into action the NAP (PT0006194N). The tripartite Economic and Social Council (Conselho Económico e Social, CES) accompanies the process, presenting proposals and demands. However, this collaborative effort arguably does not seem to be taking root at lower levels, especially when it comes to issues of qualifications, life-long training, work organisation and reconversion of the economic fabric.
Spain	The social partners were consulted about the content of the 2000 NAP. Employers' associations were relatively satisfied with its content, although trade unions were critical both of the Plan and of the allegedly formal nature of the consultation. Nevertheless, 2000 was the first year in which the assessments of the social partners were included in the NAP.
Sweden	The 2000 NAP contained declarations that the social partners would support the EU Employment Guidelines and that they would, together with the government, work for their fulfilment and ensure a major impact on Swedish employment policy (SE0005144F). However, the social partners have no specific input into particular themes included in the NAP. The Swedish tradition imposes a strict separation between the affairs of the social partners and the political sphere.
United Kingdom	The government consulted the Trades Union Congress (TUC) and the Confederation of British Industry (CBI) on the content of the 2000 NAP. The two organisations again submitted a joint contribution, reproduced in the NAP, focusing on the issues of improving employability, modernising work organisation and strengthening equal opportunities policies.

Source: EIRO.

Equal opportunities and diversity issues

Equal opportunities and diversity issues played a prominent role in industrial relations in many countries in 2000, mirroring the attention given to the matter at EU level (where two new EU equality Directives were adopted by the Council of Ministers, covering discrimination based on race, age, disability, sexual orientation, religion and belief).

In the area of equality between women and men, for example, the need for social partners and legislators to address the issue is underlined by persistent inequalities

and differences in treatment and situations. An EIRO annual update examining the gender aspects of a number of employment and industrial relations areas in 1999 and 2000 (TN0102401U) found that across the EU (and Norway):

- women's average earnings are around 79% of men's — see figure 6 on p. 30 (for details of sources and definitions, see TN0103201U). The gap is widest in Austria, Portugal and Germany, and narrowest in Norway, Luxembourg and Ireland. The Nordic countries in general have a narrower wage gap than average;
- male full-time workers work an average of 2.4 hours (6.3%) longer a week than their female counterparts.

Men work longer full-time weekly hours than women in all cases apart from the Netherlands, where weekly hours are the same for both. The largest differences are found in the UK and Sweden and the smallest, apart from the Netherlands, in Greece and France. However, average part-time hours are almost the same for men and women;

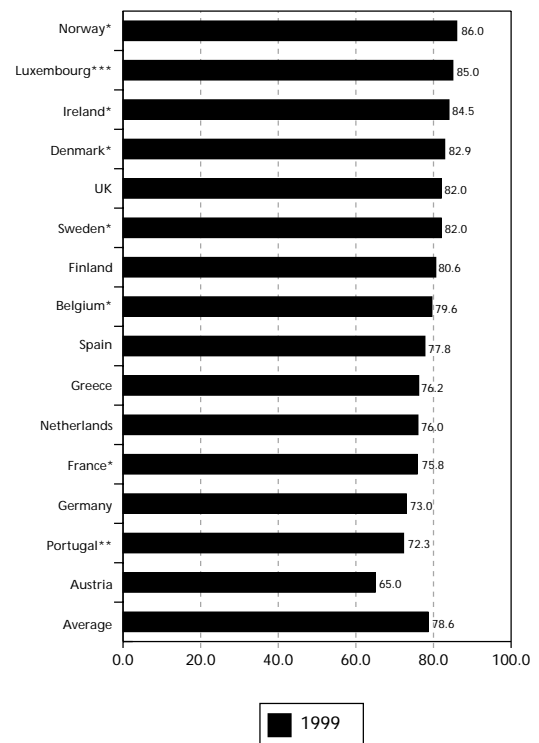
- the average male employment rate is nearly 20 percentage points (or over a third) higher than that for women. Male employment rates are higher than female rates in all 16 countries, with the largest gaps found in Spain, Greece, Italy, Luxembourg, the Netherlands and Ireland. Female and male employment rates are closest to parity in the Nordic countries;
- the average female unemployment rate is 2.6 percentage points higher than that for men (1999). However, while female unemployment rates are higher in 12 countries, the male unemployment rate is higher in Norway, Sweden and the UK, and the two rates are equal in Ireland. In those countries where the female unemployment rate is higher, the gap is lowest in Austria and Finland, and highest in Spain and Greece. In Greece, the Netherlands and Spain, women's unemployment rates are at least twice those of men, and Italy is nearing this figure;
- in the eight countries for which figures are available, average union density among men exceeds that among women by 3.9 percentage points (or 8%): see table 5 on p. 31 (for details of sources and definitions, see TN0103201U). Male union density is considerably higher than female density in Austria, Germany and the Netherlands. However, in the four Nordic countries, female union density is higher than that for men. Women make up about four in 10 members on average, though they are in a majority in Finland and Sweden;
- an average of nearly eight out of 10 part-time workers are female. Women are some five times more likely to work part time than men. Nearly three out of 10 women employees in the EU work part time, compared with about one out of 16 male employees; and
- women make up an overall small majority of fixed-term, temporary and casual workers, comprising a majority in seven countries for which the relevant data are available, and a minority in six. Women are nearly 30% more likely to work on a fixed-term/temporary/casual basis than men.

Against this background of inequality on gender and other grounds, many countries examined both their legislation and general policies in the area of equal opportunities and diversity in 2000, often within the context of the two new EU Directives

Countries which introduced or drew up new equality legislation or amended existing legislation in 2000 included Denmark, where a new Equality Act was adopted, which is held to be the most far-reaching legislation in this field so far. It introduced the use of the

'mainstreaming' principle as an instrument in work to promote equal opportunities. A further bill was drawn up in the autumn, providing for greater accessibility of pay data in order to facilitate gender pay comparisons (DK0012106N). In France, far-reaching new legislation outlawing discrimination on a range of grounds was adopted in October 2000 and the ban on women's night work was also finally repealed (see above under 'Legislative developments'). In Germany, the outline of a future bill on equal opportunities between men and women was presented in September 2000 (DE0009282F), allowing companies to negotiate agreements meeting minimum statutory standards in the area of equal opportunities and providing for minimum standards if no agreement is reached. In Italy, a new law on parental leave was adopted in March 2000 and a reform of law 125/91 on equal opportunities was enacted in May 2000. New legislation governing the protection of parental rights was also enacted in Portugal in 2000 (decree-law 70/2000) (see above under 'Legislative developments').

Figure 6. Women's average earnings as % of men's, 1999



Source: EIRO; *1998 figure; **1997 figure; ***1995 figure.

In Norway, the government issued plans to amend the Working Environment Act (AML) which prohibits discrimination relating to recruitment and selection, adding disability to the existing grounds of sex, race, ethnic origin and sexual orientation. The government also put forward proposals on the sharing of the burden of proof in discrimination cases (including those relating to disability) and signalled a wish to change the Equal Status Act in order to improve balanced gender representation requirements on the boards of semi-public and private companies. In Luxembourg, new legislation

governing sexual harassment at the workplace was adopted in April 2000, obliging employers to create a workplace free of sexual harassment (LU0005137F). In Sweden, changes to the Equal Opportunities Act were approved by parliament in October 2000, largely extending discrimination protection to the recruitment and selection process.

Equality issues featured in national agreements in a number of countries. In Belgium, the 1999–2000 intersectoral agreement called on the social partners to review sectoral job classification systems which may lead to inequalities between men and women. In Finland, equality issues are addressed in a clause of the new incomes policy agreement (FI0012170F), which provided for a special wage increase for women and low-wage earners. Further, the social partners will carry out an equality project in 2001 in 12 workplaces. Likewise, the Irish national agreement, the PPF (IE0003149F), contains a wide variety of clauses related to equal opportunities issues and the elimination of discrimination, as well as clauses relating to childcare and work-life balance

A number of equality projects were initiated in some countries in 2000. In Denmark, the LO employers' confederation and DA union confederation agreed in February to initiate a study on gender equality and non-discrimination in the labour market. Further, a report was published showing that gender pay inequalities still exist in the Danish labour market (DK0006182F). In the Netherlands, a Labour Inspectorate survey showed that 82 collective agreements, out of a sample of 132, included clauses relating to the employment of particular labour market groups such as people with disabilities and from ethnic minorities. In Sweden, a 'diversity in working life' project, initiated by the government in 1999, issued its final report in December 2000, proposing the reinforcement of discrimination protection in working life.

The issue of integrating people with disabilities into the labour market was a focus in some countries. In Austria, the government announced the implementation of a new employment programme designed to encourage people with disabilities into the labour market (AT0101238N). In Germany too, the Federal Labour Office announced, in April 2000, a new programme aimed at reducing the number of unemployed people with disabilities.

In the UK, the focus was on age discrimination, with the government working to promote a 1999 code of practice on age diversity in employment. The Employers' Forum on Age also launched an initiative designed to commit UK employers to an active age diversity strategy (UK0003159N). The issue of age discrimination was also highlighted by an EIRO comparative study conducted in 2000 (TN0010201S), which described it as 'one of the most important — and, potentially, controversial — on the contemporary employment agenda'.

This study found that the implications of the ageing workforce in Europe are of increasing concern to policy-makers and industrial relations practitioners at both national and European level. Governments across Europe have been developing a series of labour market policies designed to limit the extent of early retirement and to encourage the employment and retention of older workers. However, it is clear that the issue of age discrimination has yet to become accepted as a key target of equal opportunities policy to the same extent as discrimination on grounds of sex, race or disability. The nature and coverage of existing national measures against age discrimination also vary considerably, and only a few countries have adopted a comprehensive approach to combating age discrimination in employment. At the same time, with some exceptions, age discrimination and the employment position of older workers are generally not the subject of extensive collective bargaining. Against this background, the impact of the age discrimination aspects of the new EU equal treatment Directive could be considerable in many countries.

Table 5. Trade union density (%), women and men, 2000

Country	All	Women	Men
Austria	39.8	29.1	48.2
Belgium	69.2	nd	nd
Denmark	87.5	88.6	86.5
Finland	79.0	83.0	75.0
France	9.1	nd	nd
Germany**	29.7	20.5	37.1
Greece	32.5	nd	nd
Ireland	44.5	nd	nd
Italy**	35.4	nd	nd
Luxembourg**	50.0	nd	nd
Netherlands*	27.0	20.0	32.0
Norway**	57.0	60.0	55.0
Portugal*	30.0	nd	nd
Sweden*	81.0	83.0	78.0
UK*	29.5	28.0	31.0
Average	50.1†	51.5††	55.4††

*Source: EIRO; * 1999 figure; ** 1998 figure; † average of 14 countries; †† average of eight countries.*

Information and consultation of employees

The information and consultation of employees is currently a major focus of debate and action at EU level, with the political agreement in December 2000 on the worker involvement provisions relating to the proposed European Company Statute (EU0012288F), the expectation that the proposed Directive establishing a general framework for informing and consulting

employees in the European Community will be adopted in the medium term (EU0012285F), and a possible revision of the European Works Councils Directive (EU0005248F). The main obstacle to the approval in the Council of Ministers of the European Company Statute proposals until the end of 2000 was the dissent of the Spanish government on some points. In Spain, this issue was an important topic of debate in 2000 as the government's stance was severely criticised by the trade unions. As for the draft Directive on national information and consultation rules, an interesting development during the year was a joint statement from German, Irish, Spanish and UK trade unions, calling on their governments — which were perceived to be blocking the proposal in the Council of Ministers — to drop their opposition (DE0010288F).

There were also repeated calls in 2000 from bodies such as the European Parliament (EU0003233N) and the European Trade Union Confederation (EU0001221N) for a strengthening of information and consultation rights in EU legislation (notably the EWCs and collective redundancies Directives) in the event of company restructuring, prompted by various high-profile closures and mass redundancies.

In terms of national-level developments, a number of countries have begun to amend their existing legislation in the area of information and consultation. There are plans in France to draft legislation aimed at enhancing information and consultation of employees in the event of collective redundancies. The issuing of proposals was postponed many times, but in January 2001, the government proposed a 'social modernisation' bill, which includes a provision stating that companies may not draw up a social plan implementing redundancies if they have not reduced the working week to 35 hours and if there is overtime working at the company in question (FR0101121F).

Similarly, in Germany, the Ministry of Labour presented in December 2000 the first draft of a revision of the Works Constitution Act, which was finalised by the cabinet in January 2001 (DE0102242F). The draft envisages: enhancing the rights of works councils; introducing co-determination rights in some extra areas; increasing the size of works councils; and, most controversially, lowering the company-size threshold for some works councillors to have the right to carry out works council duties on a full-time or part-time basis, from companies with 300 employees to companies with 200 employees. It is expected that the new Act will be adopted during 2001 in time for the 2002 works councils elections.

In the Netherlands, information and consultation procedures are set out in the Works Councils Act, which was most recently amended in 1998. However, two judgments of the Supreme Court issued in 2000 restricted the scope of the legislation somewhat (NL0004189F).

In terms of European Works Councils, implementing legislation came into force in 2000 in the two EU

countries which had so far not transposed the EWCs Directive — the UK and Luxembourg. The UK legislation, implementing the 1997 Directive that extended the original EWCs Directive to the UK (which had initially opted out), came into force in January 2000 (UK0001146N), while the Luxembourg legislation was adopted in July (LU0101157F).

There is some evidence that EWCs are working together in the context of company mergers and alliances — the EWCs of the parties involved in the Fiat-General Motors (GM) alliance (IT0004151F) succeeded in agreeing a common strategy for cooperation and avoidance of redundancies. Furthermore, the GM EWC reached an innovative agreement with management on the implications of the Fiat-GM alliance for employees and industrial relations in July. This followed an agreement concluded in January by the management and EWC at Ford, regulating the conditions to apply to employees of Visteon, Ford's components operation, in the event of it becoming independent (DE0004254N). This was thought to be the first time that an EWC had been accepted by the management of a multinational company as a bargaining partner in this way.

EWCs are the main forum for transnational contacts between management and employee representatives in multinational companies in Europe. However, 2000 saw a number of interesting developments in world-level industrial relations in European multinationals. Several German-based multinationals concluded framework agreements on the worldwide observance of fundamental social standards — notably Faber-Castell (writing, drawing and painting products) and Hochtief (construction) (DE0004249N) and Freudenberg (component manufacturing) (EU0008267F). A similar accord was signed at the Spanish-based telecommunications group, Telefónica (EU0005244N).

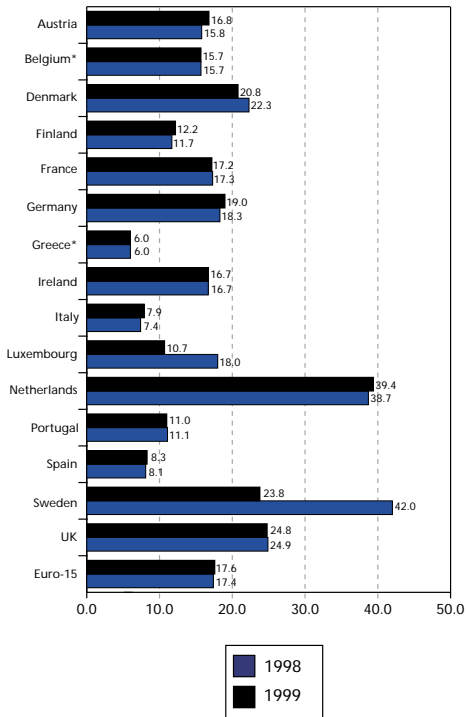
In terms of the proposed EU Directive on national-level information and consultation of workers, debate on the likely effects of this has been limited in the majority of EU Member States as national provisions in most cases already go beyond the likely content of the EU proposal. One of the major exceptions is the UK, where there is no statutory provision for regular information and consultation of workers, except in the area of health and safety. There has therefore been extensive debate of this issue in the UK, and its likely impact on national practice. The UK government is opposed to the proposal, although it is coming under pressure from trade unions to alter its stance, particularly in the light of a number of recent controversial restructuring announcements involving job losses in the car industry and steel manufacturing sector.

New forms of work

New forms of work and work organisation — and specifically temporary agency work, teleworking, 'economically dependent employees' and flexible work

organisation — were very much at the forefront of debate at EU level in 2000, with the social partners engaged in negotiations for an EU-level agreement on temporary agency work and the European Commission consulting the social partners on the modernisation of work organisation (including teleworking and ‘economically dependent employees’).

Figure 7. Part-time work in EU Member States, % of total employment, 2nd quarter 1998 and 1999



Source: Eurostat; *1998 data.

At national level, it would appear that the incidence of atypical and new forms of work is increasing — see figures 7 above and 8 on p. 34 for current figures on part-time and fixed-duration work. Studies carried out in the UK show a rise in the number of part-time and temporary workers over the past 20 years, in addition to an increase in teleworking and other types of flexible working practices. Nevertheless, a TUC report issued in June 2000 argued that in practice, traditional working arrangements still predominate (UK0009189F). In Italy, recent studies show that some two-thirds of all new jobs created are ‘atypical’. In addition to part-time, temporary and fixed-term employment, ‘consultancy and freelance work coordinated by the employer’ (collaborazione coordinata e continuativa) is gaining ground, currently employing around 1 million workers (IT0011273F).

In terms of regulation, there are some signs that the temporary agency work sector is beginning to regulate itself. In Sweden, a new collective agreement for white-collar temporary agency employees was concluded in February 2000, stipulating minimum pay and a right to training (SE0003127N). Similarly, a first sectoral agreement relating to blue-collar employees of temporary agencies was concluded in September 2000

(SE0011163N). This accord stipulates that temporary workers should receive the same rates of pay as workers in the user company. In Spain also, a collective agreement in the temporary agency sector was negotiated in 2000 (ES00091211F). The new accord resolves some of the ambiguities of the 1999 temporary agency work legislation, particularly in the area of the definition of pay.

However, temporary agency work remains strictly regulated by law in many countries, although there have been recent moves to relax legislation to a certain degree. Thus, legislation governing temporary agency working in Belgium was relaxed in 2000 to allow the conclusion of temporary agency work contracts of an indefinite nature. However, this only applies to ‘workers who are difficult to place’. Greece is now the only EU Member State where there is no institutional framework for the operation of temporary employment agencies, although this is an issue for discussion amongst the social partners. In Italy, where relatively tight restrictions on temporary agency work still apply, moves were made in 2000 to extend temporary work in public administration — a framework agreement was concluded in May 2000, followed by supplementary accords in other subsectors of the public administration (IT0008161N). In Norway, new legislation amending the rules on the hiring out of labour (by temporary work agencies and other companies) and lifting a ban on private employment agencies came into force in June 2000 (NO9912168F).

In Finland, in an attempt to close some loopholes, the reform of the Employment Contracts Act (see above under ‘Legislative developments’) contains provisions specifically stating that temporary agency workers should be covered by the collective agreement in force in the user company, if the agency is not bound by another agreement. In France, the new social modernisation bill increases sanctions for employers which abuse temporary agency work (see above under ‘Information and consultation of employees’).

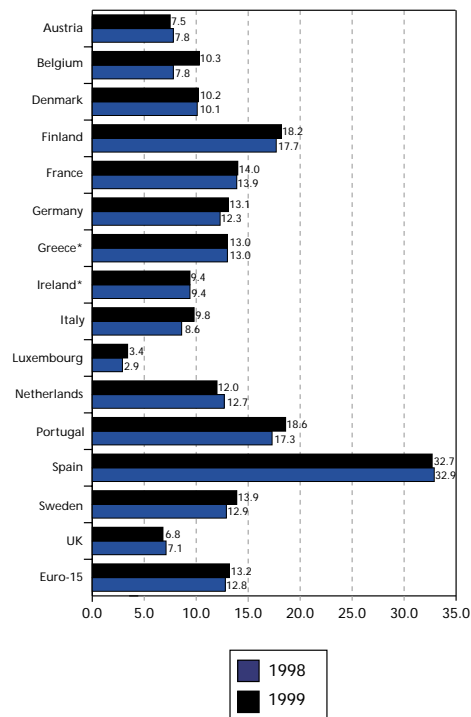
In terms of teleworking, an accord in the information technology sector in Austria, concluded in October 2000 (AT0012235N), includes regulations governing teleworking for the first time. In Denmark, an agreement on teleworking was concluded in 2000 by the Danish Commerce and Service (Dansk Handels & Service, DHS) employers’ organisation and the services section of the Union of Commercial and Clerical Employees (Handels- og Kontorfunktionærernes Forbund/Service, HK/Service) (DK0011102N). The accord relaxes the statutory provisions governing rest between working days in order to enable teleworkers to organise their working time more flexibly.

In Germany, teleworking is being actively encouraged by the government, believing that this will contribute to employment creation. It has thus set up a special programme aimed at encouraging teleworking in small and medium-sized companies. The new Irish national

agreement also promotes the increased use of teleworking and other new forms of work. In Norway, although there is no legislation specifically governing teleworking, a number of collective agreements now regulate this issue. In Luxembourg, the government is carrying out a study of the incidence of teleworking and other new forms of work prior to deciding on the type of legislation which needs to be drafted. In countries such as Greece, however, teleworking remains limited, largely due to the low use of new technologies in comparison with the rest of the EU.

In terms of 'economically dependent' workers — people who are not employed by an employer although in reality they are largely dependent upon one source of work and income — it appears that this issue has yet to attract much attention from the social partners and legislators. However, in Belgium a number of complaints have been filed by economically dependent workers who have asked the labour inspectorate to check on the legality of their contracts — for example, in 2000, the journalists on a daily newspaper brought before their sectoral joint committee's conciliation office a complaint concerning some 20 journalists who were deemed by their trade union to be falsely economically dependent. More generally, self-employment is growing in a number of countries, and union efforts to recruit this group continued in 2000 in countries such as Spain (ES0002277N).

Figure 8. Fixed-term employment in 1998 and 1999, % of total employment



Source: Eurostat; *1998 data.

Outlook

2001 looks set to be a challenging year in terms of social policy, industrial relations and, not least, pay moderation

in many EU Member States. The strong economic performance and resulting skills shortages experienced over 2000 in many countries are likely to continue during 2001.

On the political front, the Presidency of the EU Council of Ministers is held by Sweden in the first half of 2001 and by Belgium in the second half. At national level, general elections are widely expected in the UK and Italy in the spring of 2001 and in Norway during the course of the year.

In terms of collective bargaining, some countries will experience major bargaining rounds in 2001. Sweden will see renewal of the many three-year collective agreements which expire early in the year. As at the end of January 2001, agreements had begun to be concluded in industries such as paper and steel. At this point, it appeared that the negotiators had succeeded in meeting the challenges of securing increases which will not damage Swedish competitiveness, but will be sufficient to ensure that pay drift is kept to a minimum over the three-year life of the accords. In Spain, collective bargaining during 2001 will no doubt once more be characterised by trade unions' attempts to maintain purchasing power in the context of conservative government estimates of inflation movements for the year.

In the Netherlands, which is arguably one of the countries hardest hit by labour market and skills shortages, there is a concern to keep pay growth under control. One proposal is likely to be the offer of increased education and training as a partial substitute for pay increases. However, it is unclear whether trade unions will agree to this. Ireland is also a country which has been severely hit by labour market shortages and increases in inflation, to the effect that a renegotiation of the pay provisions of the national agreement took place at the end of 2000. The concern for 2001 is whether the new deal will hold — much will depend on inflation, industrial conflict and wealth redistribution by the government during 2001.

2001 will be the first year of a new national incomes policy agreement in Finland, with the innovation that the accord was not supported by the Confederation of Unions for Academic Professionals (Akateemisten Toimihenkilöiden Keskusjärjestö, AKAVA), which represents highly educated professionals. There was an expectation (largely unmet in early 2001) that some of the unions outside the central agreement might stage industrial action in support of demands for higher pay increases, although many AKAVA-affiliated unions have adhered to the provisions of the deal.

The coming year in Denmark will see new agreements in agriculture and finance (the major part of the private sector having concluded four-year agreements in 2000), with the expectation that bargaining should present no particular problems. Sectoral negotiations will also

dominate in Belgium, following the conclusion of an intersectoral accord for 2001–2.

In Norway, some soul-searching regarding current collective bargaining structures is likely in 2001, following the initial rejection of the private sector settlement and resulting widespread strike in 2000, continuing a debate begun in 1998. The report of the public Holden committee, issued in June 2000, called for a stronger coordination of wage formation based on the so-called 'trend-setting industries model', whereby those industries subject to most international competition establish the economic framework for national wage growth developments. Norway's social partners and politicians are expected to discuss the country's bargaining structures during the course of 2001.

Italy is preparing for renegotiation of a number of important sectoral accords, including that in the pace-setting metalworking sector. It is thought that the 2001 round will be an important test for the 1993 tripartite framework agreement on collective bargaining. There will also be negotiations over agreements for sectors undergoing liberalisation processes (gas/water and electric power), aimed at defining a common framework for both the present operators and prospective new entrants.

In terms of working time, flexible working is likely to be an issue in Luxembourg, with particular emphasis on the definition of reference periods within collective agreements. Company-level negotiations in France on the introduction of the 35-hour week are likely to continue during 2001 and preparations in small companies are likely to take place, in advance of the extension of the working time reduction legislation to small companies from the beginning of 2002.

Major legislative changes likely to take place in 2001 include further measures relating to parental leave and family-friendly employment in the UK. In general legislative terms in the UK, much will depend on the outcome of the general election — if the Conservative Party wins, it has pledged to repeal the statutory trade union recognition procedures contained in the Labour

government's recent Employment Relations Act. There is likely to be significant controversy in Greece over the recent adoption of law 2874/2000, with the social partners likely to refuse to implement it. An overhaul of the Norwegian Work Environment Act, dating from 1977, will be considered in order to create a more modern legislative framework for employment relations (though changes will not occur during the year).

The most significant legislative change which will be debated in 2001 in Germany is the planned revision of the Works Constitution Act. As there is considerable disagreement amongst the social partners on the content of the revision, it is likely that political conflict will take place in 2001, which will have a knock-on effect on the German industrial relations climate as a whole.

In Spain, the government approved far-reaching labour market reforms in early 2001 which build on the 1997 labour market reforms. This area will no doubt continue to be a focus for debate during 2001 as the trade unions are unhappy with the latest changes.

Social security and insurance is an issue which will occupy social policy-makers in many countries during 2001. In Sweden, reforms of the unemployment insurance, sickness insurance and rehabilitation schemes are likely to be adopted during the year. In the Netherlands, which has a particular difficulty with the number of people claiming disability benefits, this issue will remain central to the debate for both the government and the social partners. In Germany, attention will be focused on the new pension reform, which has been the subject of considerable dispute between the government, trade unions and employers. As the new legislation aims to improve company pension schemes, it is likely that this will become a focus in sectoral and company negotiations in 2001. Social insurance is likely to remain a hotly debated topic in Austria, following the government's controversial proposals for reform in a range of areas. In Spain, social insurance and pension reforms look set to occupy the social partners in the context of national-level social dialogue throughout the year.

Transnational: 2000 Records

February	<i>Updates</i>	Pay developments — annual update 1999	TN0002401U
		Working time developments — annual update 1999	TN0002402U
March	<i>Updates</i>	Developments in industrial action — annual update 1999	TN0003401U
	<i>Studies</i>	Industrial relations in the rail sector	TN0003402S
		<i>French version of above study</i>	TN0003277S
		<i>German version of above study</i>	TN0003288S
May	<i>Studies</i>	Equal opportunities, collective bargaining and the European employment strategy	TN0005402S
		<i>French version of above study</i>	TN0005202S
		<i>German version of above study</i>	TN0005203S
July	<i>Studies</i>	Wage policy and EMU	TN0007402S
		<i>French version of above study</i>	TN0007433S
		<i>German version of above study</i>	TN0007549S
August	<i>Studies</i>	Outsourcing and industrial relations in motor manufacturing	TN0008201S
		<i>French version of above study</i>	TN0008202S
		<i>German version of above study</i>	TN0008203S
October	<i>Studies</i>	Industrial relations and the ageing workforce: a review of measures to combat age discrimination in employment	TN0010201S
		<i>French version of above study</i>	TN0010202S
		<i>German version of above study</i>	TN0010203S

EU-LEVEL DEVELOPMENTS

Economic developments

2000 saw the continuation of the third stage of Economic and Monetary Union (EMU), launched on 1 January 1999. During the year, the European single currency, the euro, continued its depreciation in value against other currencies, although it rallied somewhat in the closing months of the year and most commentators believe that the currency is stable. As at 5 February 2001, the value of one euro was USD 0.93, GBP 0.64 and JPY 107.5.

The single currency continued to cover 11 of the 15 EU Member States in 2000 (the exceptions were Denmark, Greece, Sweden and the UK). However, preparations for membership were made during 2000 in Greece, which joined the single currency on 1 January 2001, the first country to do so since the launch of the third stage of EMU. On 28 September 2000, 53.2% of the Danish electorate voted against joining the single currency in a referendum (DK0010199N). A referendum on membership is likely to be held in Sweden in the medium term and might be held in the longer term in the UK.

According to figures produced by Eurostat and relating to the third quarter of 2000, annual GDP growth averaged 3.3% in the 15 EU Member States and also 3.3% in the 11 'euro-zone' countries. Inflation was 2.3% in the EU 15 in December 2000 and 2.6% in the euro-zone countries.

The general growth in employment across the EU was 1.5% in the year to the third quarter of 2000 (1.6% in the euro-zone countries). Unemployment in the 15 EU countries averaged 8.7% as at December 2000, a decrease compared with the 9.6% recorded in December 1999. Unemployment in the euro-zone was 8.1% in December 2000. Labour costs increased by a total of 3.9% in the year to the third quarter of 2000 (also 3.9% in the euro-zone).

Political developments

The Presidency of the European Council was held by Portugal during the first half of 2000. One of this Presidency's main events was the Lisbon Extraordinary European Council, held on 23—24 March (EU0004241F), at which a 10-year strategy was developed for harnessing the power of the 'knowledge economy' in order to create employment. The summit also agreed that special European Councils would henceforth be held each spring in order to debate economic and social issues, with input from the social partners.

The Council Presidency during the second half of 2000 was held by France, which sought to make progress on a

range of social policy dossiers. These efforts were rewarded notably with political agreement at a specially-convened Employment and Social Policy Council of Ministers held on 20 December 2000 on the worker involvement provisions relating to the proposal for a European Company Statute (see below under 'Legislative developments'). Formal adoption is now likely to be achieved during 2001, thus ending some 30 years of debate on this issue.

The year also saw the convening of further Intergovernmental Conference (IGC) negotiations, aimed at formulating amendments to the Treaties in order to smooth the process of enlargement of the European Union. The main goal was to achieve agreement on specific institutional reform issues which had eluded the previous round of IGC talks (culminating in 1997 in the conclusion of the Treaty of Amsterdam). Thus, these latest IGC talks were convened in February 2000 (EU0002229F) and reached a climax at the Nice European Council, held on 7—11 December (EU0012288F). Ministers succeeded in agreeing amendments to the Treaties, which will be contained in a new Treaty of Nice. The main areas of reform are as follows:

- *extension of qualified majority voting.* Many of the Articles upon which social policy instruments are based are already subject to qualified majority voting (QMV), with the notable exception of Article 13 and Article 137(3) of the Treaty establishing the European Community (TEC). The agreed reforms state that in the case of three of the areas under Article 137(3) — protection of workers where their employment contract is terminated, representation and collective defence of the interests of workers and employers, including co-determination, and conditions of employment for third-country nationals legally residing in Community territory — the Council may, by unanimous decision after consulting with the European Parliament (EP), apply the co-decision procedure, which is subject to QMV. This essentially clears the way to QMV in these areas without having to alter the Treaty further. Also, Article 13 has been amended to state that QMV may apply when the Council adopts Community encouragement measures 'other than any harmonisation of the legal and regulatory provisions of the Member States', ensuring that legislative changes will remain subject to unanimity;
- *reweighting of Council votes.* The total number of votes in the Council of Ministers will be approximately tripled from January 2005, with the larger countries such as France, Germany, Italy and the UK acquiring 29 votes each (previously 10). The smallest countries, including many applicants and Luxembourg, will have four votes (Luxembourg previously had two). At least 170 votes, accounting for at least 62% of the total population of the EU, will be needed for a qualified majority. After the EU has enlarged to 27 Member States (the amendments also set out the number of votes to which the new members will be entitled), a total of 258 votes, accounting for at least 62% of the EU population, will be needed for a qualified majority;

- *number of Commissioners.* Each Member State will, from 1 January 2005, have the right to appoint one member of the European Commission, which means that the larger Member States will lose their second Commissioner from this date. However, as soon as the EU numbers 27 members, Commissioners will be chosen on the basis of a rotation procedure, the details of which will be decided by unanimous Council vote.

Before it can come into force, the new Treaty of Nice must be ratified by individual Member States, a process which usually takes around 18 months.

Legislative developments

A number of important legislative developments in the area of social policy took place during 2000 (see table 1 for details). These included: the adoption of existing proposals; the issuing of new proposals and announcement of the intent to issue new proposals by the Commission; and progress made in debates in the Council of Ministers on existing proposals.

The dossier relating to the extension of the 1993 working time Directive was finally completed in 2000. In

November 1998 (EU9901144F), the Commission had issued a package of four measures designed to extend the protection of the Directive to previously excluded sectors and activities. Two of the proposals — Directive 1999/63/EC concerning the agreement on the organisation of working time of seafarers concluded by the European Community Shipowners' Association (ECSA) and the Federation of Transport Workers' Unions in the European Union (FST); and Directive 99/95/EC concerning the enforcement of seafarers' hours of work on board ships using Community ports— had been adopted in 1999.

The most wide-ranging proposal was for a so-called 'horizontal Directive' extending the Directive to non-mobile workers in the excluded sectors and affording some protection to mobile workers. A compromise text reached by a Council-EP conciliation committee convened under the co-decision procedure (EU0005249F) was adopted by the EP on 17 May 2000 and by the Council of Ministers on 18 May, and the Directive was formally adopted on 22 June.

The most controversial proposal of the four was that extending some protection to mobile workers in the road transport sector. After a series of debates and new

Table 1. Main EU social policy legislation adopted and proposed in 2000

Equality	Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin was adopted on 29 June 2000.
	Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation was adopted on 27 November 2000.
	A proposed Directive amending Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion and working conditions was issued on 7 June 2000.
Health and safety	Directive 1999/92/EC on minimum requirements for improving the safety and health protection of workers potentially at risk from explosive atmospheres (15th individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC) came into force on 28 January 2000 following approval of a conciliation committee text by the EP on 2 December 1999 and by the Council on 5–6 December 1999.
Information, consultation and participation	Political agreement was reached on 20 December on the proposed Directive complementing the Statute for a European Company with regard to the involvement of employees in the European Company. Formal adoption to follow after scrutiny by the EP.
Working time	Directive 2000/34/EC amending Council Directive (93/104/EC) concerning certain aspects of the organisation of working time to cover sectors and activities excluded from that Directive came into force on 22 June 2000 following the acceptance by the Council and the EP of a compromise text drawn up by a conciliation committee.
	Political agreement was reached on 22 December on the proposal for a Directive concerning the organisation of working time for mobile workers performing road transport activities and for self-employed drivers. Formal adoption to follow.
	Directive 2000/79/EC concerning the European agreement on the organisation of working time of mobile workers in civil aviation concluded by the Association of European Airlines (AEA), the European Transport Workers' Federation (ETF), the European Cockpit Association (ECA), the European Regions Airline Association (ERA) and the International Air Carrier Association (IACA) was adopted on 27 November.

compromise texts drawn up by the Commission, political agreement was finally reached at the 22 December meeting of the Transport Council (EU0101290N), on a text which provides for a temporary two-year exclusion of self-employed drivers from the scope of the proposals.

The European-level social partners in the civil aviation sector concluded a working time agreement on 22 March 2000 (EU0004238N). This agreement seeks to adapt the principles contained in the working time Directive to the needs of the aviation industry (which was excluded from the Directive) and was subsequently given legal effect by means of a Directive in November 2000.

2000 also saw the adoption of the two equal treatment Directives based on Article 13 of the Treaty, issued by the Commission on 25 November 1999 (EU9912218F), in addition to the issuing of a new proposal aimed at revising the 1976 equal treatment Directive, which includes sexual harassment within its scope (EU0006255F). For details of these proposals, see below under 'Equal opportunities and diversity issues'.

The long-running Council debates on proposals for a European Company Statute were concluded at the end of 2000, when political agreement on the draft Directive providing for worker involvement in European Companies was reached at the 20 December meeting of the Employment and Social Policy Council (EU0012288F). For details, see below under 'Information and consultation of employees'.

The Commission also consulted the EU-level social partners during 2000 on revision of Council Directive 80/987/EEC on the approximation of the laws of the Member States relating to the protection of employees in the event of the insolvency of their employer. As most felt that the issue was best dealt with through legislation, a proposal for a revised Directive was subsequently issued in January 2001.

In addition, the European Commission proposed, in June 2000 (EU0007266F), a new five-year social policy agenda, in which it sets out its aims in all major social policy areas and invites the social partners to take a pivotal role in social policy development.

The organisation and role of the social partners

Social partner and social dialogue developments continued throughout 2000 at both intersectoral and sectoral level. The structure of sectoral social dialogue has been reorganised following the European Commission's Communication on *Adapting and promoting the social dialogue at Community level*, issued on 20 May 1998 (EU9806110F).

Following the Commission's Communication, a reform of the sectoral dialogue took place in 1999 (EU9902150F).

The Commission's most recent round-up of social dialogue activities was published in May 2000 and relates to 1999. It states that 23 new sectoral dialogue committees had been or were in the process of being set up by the end of 1999. Of these, nine were former joint committees, 11 former informal working parties and three were entirely new — in culture (live performance), personal services (hairdressing) and tanning (EU0009269F). The European-level social partners in the polyvinyl chloride (PVC) industry decided in October 2000 to create a permanent social dialogue forum (EU0012283N). Under this process, regular meetings between employer and employee representatives in the industry will take place, and a steering committee will meet once a year.

At intersectoral level, social partner negotiations began between the European Trade Union Confederation (ETUC), the Union of Industrial and Employers' Confederations of Europe (UNICE) (plus the European Association of Craft and Small and Medium-sized Enterprises, UEAPME) and the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP) on the issue of the regulation of temporary agency work. This follows UNICE's decision in May 2000 to enter into social partner talks on this issue (EU0005245N). Negotiations were still ongoing at the end of 2000 on this, the third and final subject to be discussed by the social partners under the umbrella of the European Commission's original 1995 social partner consultation on 'atypical work'. This consultation has so far yielded the 1997 agreement on part-time work (EU9706131F) and the 1999 agreement on fixed-term contracts (EU9901147F).

The social partners are currently looking at the issue of 'modernising and improving employment relations', following a first-stage consultation by the Commission on this subject in June 2000 (EU0007259N). The issues which the Commission believes should be given early consideration by the social partners are teleworking and 'economically dependent' workers. The social partners have established a teleworking working party which met in November to develop a more precise definition of the concept of teleworking, draw up a list of questions to be dealt with and assess their cross-border dimension.

Other issues discussed in the intersectoral social dialogue in 2000 included:

- the outcomes of the March 2000 Lisbon European Council meeting (see above under 'Political developments'). The social partners expressed their support for the Lisbon strategic objective in a joint declaration adopted on 15 June. On 21 November, they adopted a joint declaration asking that an annual meeting with the social partners be organised before the annual spring European Councils agreed at Lisbon, in order to assess the progress of the Lisbon implementation strategy for economic growth and full employment, and to make their contribution to it;

- the Commission's employment package (see below under 'European employment strategy'). In October, the partners adopted a 'compendium of relevant good practices for employment', which will be supplemented and followed up through regular reports;
- the macroeconomic dialogue set up by the European employment pact approved at the Cologne European Council in June (EU9906180N), involving the social partners, Member States, and European institutions including the European Central Bank. The social partners' macroeconomic committee examined issues such as economic forecasts and the impact of the rise in oil prices;
- the EU observatory on change (see below under 'Other developments'). The social partners made a joint contribution on the tasks and scope of the observatory and called for it to be set up within the European Foundation for the Improvement of Living and Working Conditions;
- training. The partners' training working party examined identifying ways of promoting access to lifelong training and the development of skills; and
- health and safety. The social partners adopted a joint text on the procedures of the Health and Safety Advisory Committee for presentation to the Commission.

At European sectoral level, notable joint texts included the following:

- a working time agreement concluded by the social partners in the civil aviation sector — the Association of European Airlines (AEA), the European Transport Workers' Federation (ETF), the European Cockpit Association (ECA), the European Regions Airline Association (ERA) and the International Air Carrier Association (IACA) — on 22 March (EU0004238N), which was subsequently given legal effect by means of a Directive (see above under 'Legislative developments');
- a joint declaration on employment promotion and a joint statement on combating racism and xenophobia concluded by the commerce sector social partners — EuroCommerce for employers and Uni-Europa Commerce (the European commerce section of Union Network International, UNI) for trade unions — in April and May respectively (EU0005243N);
- a joint declaration on the social implications of liberalisation in their industry signed by the social partners in the electricity industry — Eurelectric for employers and the European Federation of Public Service Unions (EPSU) and European Mine, Chemical and Energy Workers' Federation (EMCEF) — on 27 November (EU0101289N); and
- a joint statement on EU employment policy agreed by the social partners in regional and local government — the Employers Platform of the Council of European

Municipalities and Regions (CEMR) and EPSU — on 15 November.

On the trade union side, a number of European and international organisations examined the future development of the social dialogue and collective bargaining, or issued notable statements on issues of relevance. For example, in December 2000, the ETUC executive committee endorsed a guideline on the coordination of collective bargaining, including a formula for wage claims, drawn up by a special committee on this issue (EU0101291N). The guideline's aims include: the avoidance of social and wage dumping and wage divergence in Europe; and the coordination of wage claims, especially in the euro-zone, to encourage an 'upward convergence' of living standards.

In the public sector, EPSU agreed a policy statement entitled *Public service trade unions and collective bargaining in a European environment* on 18 April at its sixth general assembly, held in Lisbon (EU0007261F). The statement aims to put into place a framework for joint collective action, which it hopes could pave the way for a coordinated system of collective bargaining in Europe's public services. The social dialogue process in the graphical industry received a boost following a report, issued in September 2000, looking at ways in which to strengthen both the social dialogue process and cross-border trade union networks in the sector (EU0011282F). Other developments included a position paper on the issue of 'green cards' for information technology professionals, adopted by the Industry, Business Services and Information Technology (IBITS) sector committee of UNI-Europa in September 2000 (EU0010272N).

Industrial action

2000 saw a number of coordinated actions at European level, organised by trade unions in response either to specific events or to Community policies which are perceived to have implications for workers in Europe.

One of the first was a day of action in the rail sector on 29 March (EU0004239N), coordinated by ETF. The aim of the protest was to criticise EU plans, in the form of a draft Directive, to introduce a 'European rail freight network' which, according to the unions, could lead to 'social dumping' and lower safety standards. One of the major focuses of the day of action in Europe was the organisation of three international 'campaign train' journeys, with accompanying press conferences, which involved railway workers' unions in Austria, Belgium, France, Germany, Hungary, Italy and Luxembourg.

On 10 April, the European Metalworkers' Federation (EMF) staged a day of action in Brussels to protest against the restructuring plans of the Franco-Swiss power-generation equipment company ABB Alstom Power (EU0005247N). Trade unions estimated that the plans would result in the loss of some 10,000 jobs across Europe.

On a narrower scale, a row broke out in September 2000 over the issue of trade union recognition at the European Central Bank (ECB) (EU0011279N). Two international civil service unions, the International Public Servants' Organisation (IPSO) and Union Syndicale (USE), have been trying to gain recognition at the ECB for some time. UNI-Europa Finance, the European finance branch of UNI, issued a statement on 20 September that it was prepared to mount a legal challenge if the ECB continued to refuse recognition.

European employment strategy

Unemployment levels in the EU appear to be decreasing. The rate for December 2000 was 8.7% in the EU as a whole, and 8.1% in the single currency zone, a significant fall when compared with an EU 15 rate of 9.6% in December 1999.

Thus, the European employment strategy, launched at the special European employment summit held in Luxembourg in November 1997 (EU9711168F), appears to be having the desired effect. 2000 saw the completion of the third annual cycle of the strategy, under which annual Employment Guidelines are issued in the autumn by the EU institutions to the Member States. These are then implemented through the Member States' National Action Programmes (NAPs) on employment, which are forwarded to the Commission for assessment. The Commission then draws up an employment report on Member States' implementation of its guidelines and, if it deems it necessary, proposes recommendations to Member States on how they could improve their implementation of the guidelines.

The Commission's 2000 draft 'employment package', containing the joint employment report, recommendations to Member States on the implementation of the 2000 Employment Guidelines, and the 2001 Employment Guidelines, was issued in September 2000 (EU0010276F). The Commission's overall assessment of Member States' 2000 employment performance was generally positive, noting that substantial progress had been made in terms of structural reforms which are designed to increase 'the dynamism and adaptability of Europe's labour markets'. However, the Commission concluded that governments 'can and must do more'. Although it conceded that long-term unemployment appears to be on the decrease, it noted that it still accounts for almost half of unemployment in the EU. Thus, it issued a number of recommendations to Member States on how they can improve their performance in 2001 in the following areas:

- youth and long-term unemployment. Member States should aim by 2002 to offer a new start to young people within six months of becoming unemployed and to all adults within 12 months. The Commission noted that progress in this area was uneven across Member States, and in particular in Greece and Italy. It proposed recommendations to Belgium, France, Germany, Greece, Italy, Spain and the UK;

- tax and benefit reforms. The Commission noted that the only countries which had comprehensively reviewed their tax and benefit systems were Denmark, the Netherlands and the UK. It proposed recommendations on this point to Belgium, Finland, Greece, Spain, and Sweden. In the area of taxes on labour, it noted that the reduction process was slow and that the average tax on employment was 39%, 15 percentage points above that in the USA. It proposed recommendations on this point to Austria, Belgium, Denmark, Finland, France, Germany and Sweden;
- skills and lifelong learning. Although it acknowledged that progress had been made, the Commission believed that there was still more to be achieved and it therefore proposed recommendations to 10 Member States (the exceptions were Austria, Denmark, Finland, the Netherlands and Sweden);
- older workers. The Commission highlighted the differences in the labour market participation rates of older workers in individual countries. It praised Austria, Denmark, Finland, Germany and the Netherlands for their current or envisaged policies in this area, but nevertheless issued recommendations to Austria, Denmark, France, Germany and Italy;
- gender mainstreaming and equal opportunities. Noting the difference in employment rates of men and women, the Commission highlighted the situation in countries such as Greece, Ireland, Italy and Spain, where the gender gaps in the labour market were greater than 20 percentage points. It also drew attention to the continuing differential between male and female earnings and singled out Spain and Greece as having taken only limited action to improve both the participation rate and the pay of women. It proposed recommendations to 11 Member States (the exceptions are Belgium, France, Greece and the Netherlands);
- services sector. Stating that the services sector is a key net jobs creator in the EU, the Commission proposed recommendations on this point to Greece and Portugal; and
- modernisation of work. The Commission noted that there was relatively little evidence of comprehensive efforts to modernise work organisation and issued recommendations to Greece, Luxembourg, the Netherlands, Portugal, Spain and the UK.

As for the 2001 Employment Guidelines to the Member States, in general the Commission saw no reason to radically alter the basic format of the Guidelines, which are based on four pillars (employability, entrepreneurship, adaptability and equal opportunities), but felt that specific focus could be applied to the following areas:

- tackling labour shortages, bottlenecks and skills gaps;
- abolishing the so-called poverty trap and avoiding the creation of the 'working poor' and marginalised people;

- eradicating illiteracy;
- boosting education policy targets;
- establishing comprehensive strategies to promote 'active ageing' and to help older workers;
- increasing investment in human resources;
- investing in education and training in order to build a knowledge-based society;
- identifying and combating discrimination on the grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;
- developing equal opportunities policies by means of consultation with equal opportunities bodies; and
- considering the establishment of targets for childcare.

The employment package was subsequently endorsed by the Council of Ministers on 27–28 November 2000 (EU0012287F).

Equal opportunities and diversity issues

2000 was a year in which much progress was made at European level on the issues of equal opportunities and diversity. The year began with the Council of Ministers debating the package of measures — two Directives and a proposal for a Community action programme to combat discrimination — issued in late 1999 by the Commission (EU9912218F). The proposals were issued with the new Article 13 of the Amsterdam Treaty as their legal base. Although these measures were subject to unanimous approval in the Council, they were progressed extremely rapidly.

The first measure to be adopted, on 29 June, was Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin, on which political agreement had been reached on 6 June (EU0006256F). Member States have three years from the coming into force of this Directive — ie until 19 July 2003 — to implement its provisions.

The second Directive, 2000/78/EC establishing a general framework for equal treatment in employment and occupation — which covers discrimination based on age, disability, sexual orientation and religion/belief — was adopted on 27 November (EU0102295F), following political agreement on 17 October (EU0010274F). Member States have three years from the coming into force of this Directive — ie until 2 December 2003 — to implement its provisions, although they may, if requested, have an additional three years in the case of the provisions relating to discrimination based on age and disability.

The accompanying Council Decision (2000/750/EC) establishing a Community action programme to combat discrimination (2001 to 2006) was also formally adopted on 27 November.

Thus, in the space of one year, the EU-level legislative framework in the area of equal treatment has been expanded from issues related to gender to a wide range of other issues, such as race, ethnic origin, age, sexual orientation and disability.

2000 also saw the drawing up of a long-awaited proposal aimed at formulating a legal framework at EU level for the regulation of sexual harassment at the workplace. This is an issue on which the Commission originally — in 1996 — consulted the European-level social partners. Although ETUC was willing to negotiate, the agreement of the employers to enter into negotiations could not be secured, so the onus to act returned to the Commission. After a hiatus, the Commission finally — in June 2000 — issued its proposal for the amendment and modernisation of Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions, aiming to update it in line with some 25 years of case law in the area of equal treatment made by the European Court of Justice (ECJ) (EU0006255F). This proposal also included the topic of sexual harassment, defining this as a form of discrimination. The proposal was not debated at any length in the Council in 2000, but there are hopes that it will be on the social agenda in 2001.

Finally, 2000 was the year in which the Commission issued a proposal for a fifth Community framework strategy on gender equality (EU0007264F). This should follow on from the fourth programme, which expired at the end of 2000, and run from 2001 to 2005. The main aim of the programme is to promote gender equality by means of exchange of information and best practice. Although this programme does not contain many firm commitments to issue new legislative proposals, it does include a commitment to review the 1975 equal pay Directive. It is intended that this gender equality action programme and the abovementioned programme to combat discrimination should complement each other.

Information and consultation of employees

The main event of 2000 in the area of information and consultation of employees was without doubt the political agreement reached on 20 December on the proposed Directive containing worker involvement provisions relating to the European Company Statute. Discussion of this particular proposal had been intensifying over the past two or three years, following the work carried out on this dossier in 1997 by the high-level group chaired by Etienne Davignon (EU9705128N). Successive Council Presidencies issued compromise texts, on the basis of which discussions in the Council came tantalisingly close to an agreement (EU9911211F). The final breakthrough — which won over the opposition from the Spanish delegation — was achieved at the Nice European Council on 7–11 December 2000 (EU0012288F), which paved the way for the political

agreement reached on 20 December. The text was to be forwarded to the EP for an opinion. Formal adoption is now expected to take place in 2001, thus providing firms with an option to set up a company incorporated under EU law.

2000 also saw the first in-depth discussions in the Employment and Social Policy Council of the Commission's proposed Directive establishing a general framework for informing and consulting employees in the European Community (EU9812135F). The first discussion in Council in 2000 came on 17 October (EU0010274F), where delegates heard a Commission report, which was followed by a brief exchange of views. A more substantial debate was held on 27—28 November (EU0012287F), but general reservations were stated by the UK, German, Danish and Irish delegations. Thus, although this proposal is subject to qualified majority voting, there is the potential for a blocking minority. However, by the end of the year, some commentators believed that this minority was becoming more fragile (EU0012285F).

The other main issue relating to the information and consultation of workers to have gained prominence during 2000 was the possibility of amending the 1994 European Works Councils Directive. The Directive requires the European Commission, in consultation with the Member States and the European-level social partners, to review its operation 'with a view to proposing suitable amendments to the Council, where necessary', by 22 September 1999. The Commission finally issued its long-awaited report on the implementation of the Directive in April 2000 (EU0005248F). As widely expected, the Commission's report did not contain any proposals for an immediate amendment of the Directive, although it did highlight areas where it believed, on the basis of evidence given by a variety of parties, that the practical implementation of the Directive could be improved. It is widely believed that some amendments to the Directive may be made at a later stage, once the European Company Statute and national information and consultation proposals (see above) have been formally adopted.

Pressure for amendments grew in 2000, with ETUC in particular lobbying hard for a strengthening of the Directive's provisions and a lowering of its workforce-size thresholds (EU0001221N). The EP has also argued for improvements to the information and consultation provisions of the Directive (EU0003233N).

New forms of work

New forms of work are an issue which is gaining increasing prominence at EU level, and which certainly looks set to dominate social dialogue at intersectoral level in 2001. At the end of 2000, the social partners were engaged in intersectoral talks on the issue of temporary agency work (see above under 'The organisation and role of the social partners'). The talks commenced in mid-2000 and there are indications that

progress is difficult due to the delicate nature of the subject matter and the fact that it involves a triangular relationship between employee, agency and user company.

The Commission's June 2000 consultation of the social partners on the issue of modernising and improving employment relations (see above under 'The organisation and role of the social partners') makes specific reference to two new forms of work which are seen as most needing some kind of EU-level framework of regulation: telework; and economically dependent workers (those who, although technically independent, in practice have an employment relationship with a single employer). The Commission believes that these two forms of work in particular are widespread in the EU and has asked the social partners to consider whether Community-level action would be desirable in these two areas. The intersectoral social partners have set up a working party on the teleworking issue.

Other developments

The year saw further deliberations and eventual agreement on the Charter of fundamental rights of the European Union. Work on drafting this charter was launched in October 1999 at the Tampere (Finland) European Council (EU9910202F). The Convention — the body commissioned with drafting the text of the charter — met at regular intervals throughout 2000 and submitted a first draft on 28 July 2000 (EU0008268F). The charter aims to set out a range of social, economic, political and civil rights, drawn from a variety of existing international instruments, thus consolidating the basic rights of EU citizens in a single text. Despite expressions of disappointment relating to the perceived weakness of the text from some employee representative groups, such as ETUC, the text of the charter, incorporating some amendments, was finalised on 28 September and approved at the October 2000 European Council, held in Biarritz (EU0010273N). The text was then forwarded to the Nice summit, held in December 2000. The main focus of controversy at this point rested on the issue of the legal status of the text. Pressure for the text to be incorporated into the Treaty on European Union (TEU) was exerted by bodies such as the ETUC, some non-governmental organisations (NGOs) and some Member States, while other bodies, such as business representative organisations, and other Member States, wanted the text to take the form of a non-binding declaration. The Nice Council (EU0012288F) formally proclaimed the text jointly with the Commission and EP (EU0012284N), but did not incorporate it into the TEU, stating that the issue may be taken up by Council Presidencies during 2001.

There was also progress in the setting up of a 'European observatory on industrial change'. The creation of such a body was first recommended by the high-level Gyllenhammar group, set up in 1997 to look into the

social consequences of industrial change. The group issued its report, *Managing change*, at the end of 1998, recommending the creation of an observatory which would gather and disseminate information on industrial change. The intention to create the observatory was included in the December 2000 Nice European Council conclusions (EU0012288F). The observatory, now named the 'European monitoring centre on change' has been entrusted to the European Foundation for the Improvement of Living and Working Conditions in Dublin,

Outlook

2001 looks set to be a year of consolidation in many social policy areas, most notably equality and diversity, as Member States begin to look at transposing the two important anti-discrimination Directives adopted in 2000. 2001 will also be the first year of operation of the two five-year Community action programmes — on gender equality and on combating discrimination in a wider sense. As we have seen, the emphasis in these programmes is on exchange of information and best practice between Member States in order to promote equality issues and combat discrimination. Thus, the coming five years are likely to see an increase in equality-related debates and actions at Member State level.

Further, it is likely that the Commission will in 2001 begin to look at a review of the 1975 equal pay Directive, in line with stated commitments in the gender equality programme. This would complement the review of the 1976 equal treatment Directive, which is already under way and likely to be progressed during 2001. More generally, Sweden, which holds the Presidency of the Council of Ministers for the first six months of 2001, has expressly stated in its work programme that employment will be one of the three issues on which it will focus, making it likely that employment and social policy-related

issues will remain at the fore during the first half of 2001.

The information and consultation of workers is also likely to be prominent during the year. The draft Directive on worker involvement in the European Company Statute is expected to be adopted, while the Swedish Presidency is hoping to make substantial progress on the proposed Directive on national information and consultation rules (and there are signs that the opposition of some Member States is crumbling). Movement in these two areas might also open the way for the Commission to propose amendments to the European Works Councils Directive at some future date.

In terms of social partner negotiations, 2001 will see the outcome of the intersectoral negotiations on temporary agency work. If the parties reach an agreement, it will doubtless subsequently be given legal force by a Directive proposed by the Commission. If the parties fail to reach an agreement, the Commission will then decide whether to issue a proposal for a statutory instrument to regulate this area. 2001 may also see the start of formal social partner negotiations on the issues of teleworking and economically dependent workers, following the Commission's 2000 social partner consultation on modernising and improving the employment relationship.

The enlargement of the EU is likely to begin from 2002 onwards and recent changes to the Treaties, agreed at the 2000 IGC, will, it is hoped, ensure that the enlargement progresses smoothly in the medium term, although a further IGC — to deal with issues such as the procedure for rotating Commissioners once the EU reaches 27 Member States — is likely to be convened in 2004. Thus, although 2001 will not see the admittance of any new Member States, accession negotiations will continue throughout the year, paving the way for the front-runner countries to join from 2002.

EU Level: 2000 Records

January	<i>Features</i>	ETUC seeks action from Portuguese Presidency on a range of initiatives	EU0001223F
		Divergent views on future role of social dialogue	EU0001224F
		Commission sets out proposals for IGC	EU0001225F
<i>In briefs</i>	Helsinki Council discusses employment, enlargement and institutional reform	EU0001219N	
	Portuguese Presidency sets out employment priorities	EU0001220N	
	ETUC adopts resolution on review of EWCs Directive	EU0001221N	
	ECJ rules that women should be allowed to join German army	EU0001222N	
February	<i>Features</i>	Commission sets out five-year objectives	EU0002228F
		IGC launched as governments take position on qualified majority voting	EU0002229F
<i>In briefs</i>	Portuguese Presidency holds conference on developing the European social model	EU0002026N	
	Commission launches jobs strategy for the 'knowledge economy'	EU0002027N	

March	<i>Features</i>	Social affairs Councils examine discrimination proposals and prepare for employment summit	EU0003235F
		UNICE and ETUC draw up position papers for Lisbon summit	EU0003236F
	<i>In briefs</i>	Commission issues reports on gender equality	EU0003237F
		Belgium, France and Italy present joint priorities for Lisbon summit	EU0003232N
		Parliament seeks review of Directives on collective redundancies and EWCs	EU0003233N
April	<i>Features</i>	Lisbon Council agrees employment targets	EU0004241F
		Progress on EU Charter of fundamental rights	EU0004242F
	<i>In briefs</i>	Civil aviation social partners conclude working time accord	EU0004238N
		Railway workers' unions stage day of protest	EU0004239N
		Council and Parliament reach conciliation agreement on working time Directive extension	EU0004240N
May	<i>Features</i>	Commission reports on implementation of European Works Councils Directive	EU0005248F
		Extension of working time Directive agreed	EU0005249F
		Employment and Social Policy Council discusses economic guidelines and anti-discrimination package	EU0005250F
	<i>In briefs</i>	ECJ rules that pension entitlement may be backdated	EU0005251F
		Commerce social partners agree joint employment declaration	EU0005243N
		UNI negotiates labour standards accord at Telefónica	EU0005244N
		UNICE to open talks on temporary agency work	EU0005245N
		Commission challenges Ireland over incorrect transposition of parental leave Directive	EU0005246N
		ABB Alstom workers protest against restructuring	EU0005247N
June	<i>Features</i>	Commission proposes amendments to 1976 equal treatment Directive	EU0006255F
		Employment and Social Policy Council agrees race discrimination Directive	EU0006256F
	<i>In briefs</i>	Report allays fears over impact of eastwards enlargement	EU0006257F
		ESC adopts opinion on anti-discrimination proposals	EU0006252N
		CEC sets out position for temporary agency work negotiations	EU0006253N
		French employment minister outlines social agenda for EU Presidency	EU0006254N
July	<i>Features</i>	EPSU agrees framework for coordinated action	EU0007261F
		Costs and benefits of EWCs assessed	EU0007262F
		Informal Employment Council maps out agenda for French Presidency	EU0007263F
		Commission proposes fifth gender equality programme	EU0007264F
		The impact of EMU on industrial relations	EU0007265F
	<i>In briefs</i>	Commission issues new five-year social policy agenda	EU0007266F
		Social issues debated at Feira Council	EU0007258N
		Commission consults social partners on modernisation of work	EU0007259N
		Commission proposes social package for road transport sector	EU0007260N
August	<i>Features</i>	Global labour standards agreement signed at Freudenberg	EU0008267F
		Draft EU Charter of fundamental rights stirs controversy	EU0008268F
September	<i>Features</i>	Positive assessment of 1999 social dialogue	EU0009269F
		OECD issues updated guidelines on conduct for multinationals	EU0009270F
October	<i>Features</i>	Council reaches political agreement on framework anti-discrimination Directive	EU0010274F
		Report highlights health and safety risks facing workers	EU0010275F
		Commission issues new 'employment package'	EU0010276F
	<i>In briefs</i>	No agreement on working time in road transport	EU0010271N
UNI takes position on 'green cards'		EU0010272N	
		Draft EU Charter of fundamental rights agreed	EU0010273N
November	<i>Features</i>	Advocate-General delivers opinion on first EWC case to reach European Court of Justice	EU0011280F
		Economic Policy Committee reports on state pension systems	EU0011281F
		Strengthening social dialogue in the graphical industry	EU0011282F
	<i>In briefs</i>	Commission proposes Directive regulating occupational pension provision	EU0011277N
		Biarritz Council approves Charter of fundamental rights	EU0011278N
		Dispute over union recognition at ECB	EU0011279N
December	<i>Features</i>	No agreement yet in negotiations on EU consultation Directive	EU0012285F
		ETUC adopts resolution on tackling child labour in Europe	EU0012286F
		Council debates participation proposals	EU0012287F
		Nice summit agrees new Treaty and reaches consensus on worker involvement in European Company Statute	EU0012288F
	<i>In briefs</i>	Social dialogue launched in PVC industry	EU0012283N
		Parliament endorses draft Charter, employment package and social policy agenda	EU0012284N

National reviews

AUSTRIA

Political developments

The most significant political event which took place in 2000 was the formation of a new coalition government by the conservative People's Party (Österreichische Volkspartei, ÖVP) and the populist Freedom Party (Freiheitliche Partei Österreichs, FPÖ) on 4 February, following the general election in October 1999 (AT0002212F). The new government replaced the previous coalition of the Social Democratic Party (Sozialdemokratische Partei Österreichs) and ÖVP. The participation of FPÖ brought harsh criticism from Austria's international partners, which resulted in an interruption of foreign relations, most importantly with EU Member States. The other 14 Member States announced a restriction of bilateral and diplomatic ties with Austria — a reaction which was unique in the EU's history.

The formation of the new coalition government also caused unprecedentedly severe tensions in Austrian politics. The political initiatives proposed and implemented by the government met with harsh criticism from organised labour. The traditional corporatist process of policy-making in the social and economic field, based on symmetry between organised business and labour, was therefore challenged. Hence, conflicts emerged especially with the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB) and the Chamber of Labour (Bundesarbeitskammer, BAK).

Several provincial elections took place throughout 2000, although the wider political importance of these elections is limited. 2001 will see an important local election in Vienna, which is deemed crucial for the coalition government at the federal level.

Collective bargaining

In Austria, the most important level of negotiations is the sectoral level, with the metalworking industry acting as the pattern-setting sector. More than 400 collective agreements are concluded per year, the majority being agreements covering small numbers of employees in narrowly-defined sectors or separate agreements on specific issues. In 2000, there was a trend towards fewer collective agreements, since some sectors concluded collective agreements with a duration of more than one year. Establishment-level agreements also exist, but are far less important for collective bargaining than negotiations at the sectoral level.

A significant development in 2000 was the conclusion in October 2000 of a first-ever collective agreement for the information technology sector (AT0012235N). The

information technology sector was previously covered only by the general agreement for the commerce sector, but the new agreement was concluded specifically for the 20,000 employees involved in: data processing and recording; software development and related fields; and administration of databases, internet services and related businesses.

Pay

In general, it can be said that pay arrangements are the most important aspect of Austrian collective agreements. In 2000, after rather brief negotiations, the social partners successfully concluded the autumn collective bargaining round in metalworking, Austria's pattern-setting sector. The minimum wage rate was increased by 3.7% to a minimum of ATS 15,870 per month. Actual pay was increased by 3.4%, with a minimum monthly increase of ATS 650. This meant that low-wage groups received a pay increase of 4.3%. This pay settlement covered both blue- and white-collar employees in the metalworking industry. As in previous years, the collective agreement also contained several other provisions. For example, the 'distribution option' (Verteiloption), which enables individual companies to introduce a more customised pay structure, was prolonged (AT0011233N).

In parallel, pay agreements were also concluded for white-collar employees in other industrial sectors. Minimum pay in these sectors was raised by 2.5%-3.5% and actual pay by 2.0%-2.8%.

Collective bargaining in other parts of the private sector generally resulted in lower pay increases. For example, the collective agreement for the 'trade' sector, which covers a variety of different branches, provided for an increase of 2.2% in minimum wages. In commerce, pay was increased by 2.4%-3.0%, depending on individual income.

The social partners in the public sector also reached an agreement after only a short period of negotiations, which was seen as rather surprising, given the bitter confrontation which had preceded the negotiations (see below under 'Industrial action'). The government had proposed combining the pay negotiations with other issues, such as workforce reductions, new working time schemes, privatisation and restructuring. The accord increased monthly pay by ATS 500 from 1 January 2001. This means a pay rise of more than 2% for low-paid public employees.

Working time

New working time regulations were included in some specific collective agreements, such as working time flexibility provisions in the information technology sector (see above). The agreement, which came into force on 1 January 2001, lays down new regulations on flexible working time, providing for flexitime (gleitende

Arbeitszeit) and several other models. One important form is the 'bandwidth model' (Bandbreitenmodell), whereby the usual weekly working time is 38.5 hours, distributed over five days. Normal working hours may be distributed flexibly, in that: maximum weekly working time may be extended to up to 45 hours; the maximum working day may be extended up to nine hours; while an average week of 38.5 hours must be maintained over a 12-month reference period. Generally, however, no major changes in this area took place in the 2000 bargaining round.

Job security/training and skills development

Job security (related to working time) as well as training and skills development were a feature in some important collective agreements, especially in the metalworking sector. Most importantly, new regulations concerning part-time work for older workers were implemented in the metalworking agreement, covering issues such as severance payments and bonuses. The sectoral social partners agreed to recommend part-time work for older workers as a means of preventing unemployment among older employees (AT0011233N).

Legislative developments

The new coalition government initiated a variety of changes in the social welfare system (AT0002212F). The greatly disputed changes to pensions legislation (AT0008228F) had far-reaching consequences. Early retirement was especially targeted, with the age at which employees may retire early increased and higher pension reductions imposed in the event of early retirement. A range of other pensions (eg survivors' pensions, invalidity and disability pensions) have either been reduced or will be abolished. Since early retirement is strongly linked with unemployment amongst older workers, measures have been introduced which are aimed at improving the employment of older workers.

The process of implementing these changes was not yet complete at the end of the year. The most important reforms — such as the abolition of free co-insurance for family members, changes in unemployment benefits and other aspects — were still being discussed (AT0011234F).

The organisation and role of the social partners

A number of important changes in the organisation of the social partners took place in 2000. The Chamber of the Economy (Wirtschaftskammer Österreich, WKÖ) employers' organisation and the Union of Salaried Employees (Gewerkschaft der Privatangestellten, GPA) both restructured their organisations, motivated by shifts in the structure of the economy.

The new leadership of WKÖ (AT0004217N) proposed a cut in the Chamber's membership dues of 30% by 2004. An important aspect of the reform is the restructuring of the sectoral and subsectoral units. WKÖ currently has six federal sections — covering small-scale craft production, manufacturing industry, commerce, finance, banking and insurance, transport and communications, and tourism — and about 900 federal sectoral subunits. The six sections are to be replaced by seven 'branch areas' (Sparten), with a new branch area for the 'new services' sector set up in addition to the six traditional sections. The legal status and the collective bargaining competence of WKÖ are to be maintained in the new system (AT0009230F).

GPA, which is the largest individual union within the ÖGB confederation, representing all unionised white-collar employees in the private sector and covering many rapidly changing areas of the economy, introduced a far-reaching restructuring of its organisation in 2000. Its six sections are being replaced by 24 'economic branches' (Wirtschaftsbereiche). 'Interest groupings' (Interessengemeinschaften) have been introduced to pursue the special interests of members across different branches who work under similar conditions, such as information technology specialists or sales representatives. Further, 'issue platforms' (Themenplattformen) have been introduced in order to discuss specific issues (such as working time) and to work out the union's position on these topics (AT0008277F).

The changes to the internal structure, and to the organisation of sectoral and branch-specific interests, in both WKÖ and GPA are interrelated. In both cases, the new organisation is seen as a more flexible framework, capable of meeting changes in the economy. Although their traditional bargaining competence is maintained, new opportunities for collective bargaining should be opened in the future.

The Union of Metal, Mining, and Energy Workers (Gewerkschaft Metall-Bergbau-Energie, GMBE) and the Textiles and Garment Trade Union (Gewerkschaft Textil-Bekleidung-Leder, TBL) merged in June 2000. This was a further important step in the reorganisation of the structure of ÖGB launched in 1995 (AT0008226N). GMBE can be seen as the dominant partner in terms of both bargaining power and membership — it had over 200,000 members, compared with TBL's 18,000 — while the metalworking industry is the pattern-setting sector in Austrian collective bargaining (see above under 'Collective bargaining'). The new union is called the Metalworking and Textiles Union (Gewerkschaft Metall-Textil, GMT).

Industrial action

The welfare reform plans of the new coalition government (see above under 'Legislative developments') and the resulting conflicts with ÖGB disrupted the consensual atmosphere of Austrian industrial relations

severely and resulted in demonstration strikes and other action by ÖGB and its affiliates (AT0007225F). On 28 June, ÖGB held a 'day of action' in response to the cuts in the welfare system. The numerous actions organised by ÖGB included warning strikes by the Union of Railway Employees (Gewerkschaft der Eisenbahner, GdE), with all trains in Austria halted for an hour, and the holding of 26 'staff meetings' in the Viennese local transport sector, in which about 4,000 employees participated. The main reason for the rail workers' strike was government proposals for changes to their pension system, which is still comparatively favourable.

National Action Plan (NAP) on employment

The drawing up of the Austrian 2000 NAP, in response to the EU Employment Guidelines, followed the long-established tradition of decision-making in Austria, under which the social partners are included in all areas of economic and social policy. Four key actors hold the status of social partner in this context: ÖGB, BAK, WKÖ and the Federation of Austrian Industry (Industriellenvereinigung, IV). In the case of the NAP, these organisations were not only involved in discussion of those guidelines that explicitly call for their participation, but were also incorporated in discussions regarding all aspects of the NAP. The contribution of the social partners is based on voluntary participation. The Ministries of Economic (Bundesministerium für Arbeit und Wirtschaft) and Social Affairs (Bundesministerium für soziale Sicherheit und Generationen) first contacted the social partners in mid-March 2000, after they had drafted a revised version of the 1999 NAP. The following tripartite meeting gave the institutions the opportunity to present their positions on the 2000 NAP. In the course of the following stages of the decision-making process, the social partners were permitted to comment on the Ministries' drafts in writing.

The drawing up of the NAP 2001 was still in progress at the end of 2000, but was to follow the schedule and method of the previous NAP. Additionally, the social partners are also represented on the governing board of the Public Employment Service (Arbeitsmarktservice, AMS) and in its directorates in the federal states (Länder), which implement most of the NAP projects. The atmosphere of negotiations since the new government came to power is still widely regarded as constructive by the participants. Social partnership in this context is perceived to be still intact, especially since AMS policy is based on consensus.

Equal opportunities and diversity issues

The main event in the equal opportunities and diversity field in 2000 was the announcement by the coalition

government of the implementation of a new employment programme for people with disabilities (known as Behindertenmilliarde) (AT0101238N). The programme was mainly motivated by the relatively high unemployment rate among disabled persons in Austria. Policymakers stressed that these people's successful integration into the labour market requires a favourable environment. Hence, measures have been devised to enhance mobility and access to new technologies. In 2001 and 2002, ATS 1 billion will be available for this programme. There were no legislative changes in the area of equal opportunities for women and men in 2000.

Information and consultation of employees

There were no developments or important discussions in respect of employee information and consultation in Austria in 2000. However, ÖGB made a number of proposals relating to EU Directive 94/45/EC on European Works Councils (EWCs) (AT0001210F). ÖGB supports the European Trade Union Confederation's demands for a review of the EWCs Directive and regards the following ETUC proposals as especially important to Austria:

- inclusion of trade unions and employee representatives from central and eastern European countries. For ÖGB, large-scale Austrian direct investments in these countries and the frequent presence of Austrian companies there makes information and consultation regarding companies' activities in central and eastern Europe increasingly necessary. An essential demand of ÖGB is therefore to grant access for union representatives from accession countries to EWCs;
- extension of the scope of the Directive. In reaction to the increasing importance of smaller international companies, the unions propose a lowering of the size threshold for establishing EWCs. This is in the context of restructuring and outsourcing measures, which produce smaller companies operating internationally. The Directive currently applies to companies with at least 1,000 employees within the EEA, of whom at least 150 have to work in each of two countries. This issue is especially important for Austrian unions, as the national economy is dominated by small and medium-sized companies; and
- cancellation of Article 13 agreements. As some voluntary agreements signed before 22 September 1996 on the basis of Article 13 contain unacceptable provisions from the unions' point of view, ÖGB deems it necessary to introduce binding control procedures, especially if minimum standards are agreed upon in the review of the Directive. Unions should be allowed to cancel agreements containing substandard regulations, such as insufficient information and consultation procedures or restrictions on the appointment and delegation of EWC members.

New forms of work

Generally, new forms of work have grown constantly over the past few decades in Austria, but their incidence is still below the European average (AT9912208F). There was one important development in respect of collective bargaining in this area in 2000: for the first time, regulations on teleworking — covering the principles, employment conditions and employees' rights — were included in the new collective agreement for the information technology sector, concluded in October 2000 (see above under 'Collective bargaining').

Outlook

In general, the reform approach adopted by the new government in 2000 ended the consensual atmosphere of public policy-making. Social partnership developed in two relatively divergent directions. In respect of collective bargaining, which takes place mainly at sectoral level, cooperation is still working well. However, in the field of public policy, which formally falls within the purview of state powers, social partnership has increasingly lost its function as a platform for 'interest clearing' and its ability to resolve problems. It remains to be seen how this new atmosphere will affect industrial relations in 2001.

Austria: 2000 Records

January	<i>Features</i>	European Works Councils: Austrian developments and proposals for amendments	AT0001210F
	<i>In briefs</i>	New information and communication technology sectors challenge union representation	AT0001209N
February	<i>Features</i>	New government presents policy	AT0002212F
	<i>In briefs</i>	New pension reform plans heavily disputed	AT0002211N
March	<i>Features</i>	The representation of women's interests in Austrian trade unions	AT0003215F
	<i>In briefs</i>	Unions propose works council amendments	AT0003214N
April	<i>Features</i>	Chambers of Labour under renewed discussion	AT0004218F
	<i>In briefs</i>	Chamber of the Economy elections held	AT0004217N
May	<i>Features</i>	Bargaining in the public sector	AT0005221F
	<i>In briefs</i>	Survey of Chamber of the Economy members	AT0005219N
June	<i>In briefs</i>	Postal service faces restructuring	AT0006222N
July	<i>Features</i>	Conflicts highlight regulation of industrial disputes	AT0007225F
	<i>In briefs</i>	Social democrats win Chamber of Labour elections	AT0007224N
August	<i>Features</i>	Pension reform in place	AT0008228F
	<i>In briefs</i>	White-collar workers' union launches restructuring Metalworking and textiles unions to merge	AT0008277F AT0008226N
September	<i>Features</i>	Union membership falls more slowly in 1999	AT0009229F
		Chamber of the Economy presents reform plans	AT0009230F
October	<i>Features</i>	Youth employment measures and new apprenticeships	AT0010231F
	<i>In briefs</i>	Collective bargaining round starts	AT0010232N
November	<i>Features</i>	Report issued on social security reforms	AT0011234F
	<i>In briefs</i>	First agreements signed in bargaining round	AT0011233N
December	<i>Features</i>	The labour and social policy of the Federation of Austrian Industry	AT0012236F
	<i>In briefs</i>	First collective agreement for information technology sector	AT0012235N

BELGIUM

Political developments

At the federal level, a blue-red-green 'rainbow' coalition has been in power since June 1999, made up of six parties: Vlaamse Liberalen en Democraten (VLD) (Flemish liberals); Parti Réformateur Libéral-Front Démocratique des Francophones-Mouvement du Citoyen pour le Changement (PRL-FDF-MCC) (French-speaking liberals); Parti Socialiste (PS) (French-speaking socialists); Socialistische Partij (SP) (Flemish socialists); Ecolo (French-speaking environmentalists); and Agalev (Flemish environmentalists). On 8 October 2000, over 7 million voters went to the polls to elect their local authority and provincial representatives. Although the issues were local, the results showed how the governing parties have strengthened their position and how support for the christian democrat parties (Christelijke Volkspartij, CVP, and Parti Social Chrétien, PSC) has continued to fall away. On the other hand, the extreme right sprang a surprise, being heavily defeated in the French-speaking part of the country but making ground in certain strongholds in Flanders, such as Antwerp, where the 'Vlaams Blok' (the extreme-right Flemish party) won 33% of the votes.

Collective bargaining

Belgium has a two-year collective bargaining cycle. A national intersectoral agreement is normally concluded at the end of even years, while odd years (ie the first years of these two-year cycles) are marked by the widespread negotiation of mainly sectoral collective agreements and their subsequent registration. The second year of the cycle (even years), generally sees more company agreements. In 1999, the directorate of the clerk's office of the Ministry of Employment and Labour's collective labour relations administration logged a total of 3,792 collective agreements and related legal instruments — see table 1 below. According to the Federal Ministry of Employment and Labour, this figure 'is the best result since the setting up of the collective labour relations

Table 1. No. of collective agreements registered, 1999

Level	Number
National Labour Council	8
Sectoral joint committees	961
Enterprise level	2,823
<i>Total</i>	<i>3,792</i>

Source: Federal Ministry of Employment and Labour.

administration. It far exceeds the yearly average of 3,085 for odd years between 1993 and 1999' (according to the Ministry's September 2000 introduction to the 2001 national budget).

Available figures for 2000 cover the first half of the year only (from January to June). Table 2 below thus compares the first six months of 2000 with the first six months of the previous even year (1998).

Table 2. No. of collective agreements registered, 1998 and 2000

	Level 1998 (first six months)	2000 (first six months)
Sectoral agreements	179	299
Enterprise-level agreements	1,721	1,524
<i>Total</i>	<i>1,900</i>	<i>1,823</i>

Source: Federal Ministry of Employment and Labour.

The negotiation of collective agreements is one of the main roles of sectoral joint committees in Belgium. As at 30 June 2000, there were 94 joint committees, involving 2,351 social partner representatives (of whom only 281 — 11% — were women). Two new joint subcommittees were set up in 2000 (No. 318.01 for home-help services and No. 318.02 for elderly persons' carers), and three former joint committees were abolished: No. 122 (preparation of flax), No. 123 (textiles industry in the Verviers district); and No. 138 (manufacture of, and trade in, hessian bags).

Pay

The national intersectoral agreement reached in November 1998, covering 1999 and 2000 (BE9811252F), provided that hourly labour costs should not rise any faster than those in Belgium's three main neighbouring countries (France, Germany and the Netherlands). Pay rises over the two years should, it was recommended, be within a maximum increase of 5.9% in the labour costs for full-time workers. This applied during 2000, but economic growth during the year revived talk of the appropriateness of such a pay norm in Belgium (BE0008323F). However, the new intersectoral agreement for 2001–2, concluded in December 2000, retained a norm, setting it at 6.4% over two years, or 7% in well-performing sectors (BE0101337F).

Working time

The Minister of Labour, Laurette Onkelinx, reinitiated debate on shorter working hours in May 2000 when she called on the social partners to work actively in this field and proposed measures such as a four-day working week, a 35-hour working week and a system of time

credits (BE0005312F). The year saw the negotiation of a number of agreements in line with the law of 26 March 1999: this legislation allows companies to obtain reductions in employers' social security contributions if they recruit extra staff and reduce average working hours, or take on more workers in the context of introducing a four-day working week.

The 1999–2000 intersectoral agreement provided for a reduction in the legal maximum for weekly working hours, from 40 to 39 hours as of 1 January 1999. The 2001–2 agreement, signed in December 2000, contained a number of measures in response to the the Minister of Labour's working time proposals. The Minister had asked the social partners to reduce the maximum working week from 39 to 38 hours with immediate effect, which was unthinkable for employers in small and medium-sized companies. The agreement leaves negotiations on this issue to the sector and company levels, but with a requirement to cut weekly hours to 38 by January 2003. The social partners also asked the government to make the reduction in employers' social security contributions for companies that conclude collective agreements reducing working time available from 2001 (rather than 2002, as planned).

The new intersectoral accord also contained a number of measures to assist in the reconciliation of work and family life: the right to a 'time credit' of one year, full time or half time; the right to a career break equivalent to one-fifth of a week for five years; the right to half-time work or 80% work for workers aged over 50; a system of specific leave (eg parental leave or leave to care for an ill family member); and a specific system for very small companies with fewer than 10 workers (which will include a requirement for the employer's consent for the new forms of time off). Independent of these measures, paternity leave was raised to 10 days (previously three). The agreement also retains existing early retirement systems, while seeking to improve employment opportunities for older workers, through a variety of working time adaptations and recruitment incentives.

Job security

Under the 1999–2000 intersectoral agreement, the social partners aimed to unite their efforts in order to achieve employment rates in Belgium that are at least as high as those achieved by its three main neighbouring countries and, if possible, to improve upon this, taking into consideration agreements on training and employment and reductions of labour-related costs. The Organisation for Economic Cooperation and Development (OECD) estimated that over 1999–2000, employment in Belgium would increase by exactly the same percentage as in the three reference countries (BE9912312F).

The recommendations of the 1999–2000 intersectoral agreement were transposed into the law of 26 March 1999 on the 1998 Belgian National Action Plan (NAP) for

employment (see below) and other provisions. This law provides for reductions in employers' social security contributions where the employers concerned are party to a collective agreement on training and employment that has been concluded by a joint committee or at company level.

Both the 1999–2000 and 2001–2 intersectoral agreements provide for an effort of 0.10% of total paybill for the employment and training of people from 'risk groups'.

Training and skills development

The 1999–2000 intersectoral agreements confirmed the social partners' commitment to making additional efforts in the area of continuing training and education, with a view to achieving investment in training in Belgium which is equivalent to the average level reached by its three main neighbouring countries (ranging from 1.2% to 1.9% of total paybill) within six years. For the period 1999–2000, this meant an increase in employer contributions to training from 1.2% to 1.4% of paybill. One year on from the conclusion of the agreement, it was thought that 80% of sectors were covered by agreements that included training provisions (BE9912312F).

A particularly notable sectoral agreement signed within the framework of the 1999–2000 intersectoral accord was that in the most important joint committee, the national auxiliary joint committee for white-collar workers, which covers 300,000 salaried employees not catered for within other sectors (BE0008324F). The agreement provides that all full-time workers in the sector are entitled to at least four days of training over the three-year validity of the agreement (the entitlement for part-time workers is pro rata) — a measure which contrasts with the usual approach in sectoral agreements of laying down a budgetary norm for training expenditure.

In the 2001–2 intersectoral agreement, signed in December 2000 (BE0101337F), the social partners confirmed their commitment on continuing training. In practice this means that, up until the end of 2002, companies will increase their spending on such training to 1.6% of pay costs. The intersectoral negotiators expressly requested the individual sectors to give priority in their agreements to training for certain target groups (such as older workers, women, unskilled workers, and occupations experiencing labour shortages). A new feature of the agreement was that part-time workers will now also be entitled to paid education leave for vocational training. There will also be additional training opportunities for workers over the age of 45.

Legislative developments

A number of legislative changes took effect in the employment field in 2000. First, a royal decree confirmed

the extension of notice periods for blue-collar workers, in accordance with the provisions of the 1999–2000 intersectoral agreement. This formed part of a continuing process of harmonising the employment status of blue- and white-collar workers (BE0003307F). The 2001–2 intersectoral agreement calls for further harmonisation measures.

Second, the Minister of Labour introduced legislation authorising non-EU immigrants who do not have the correct papers and are seeking to have their position regularised, to take up employment while waiting for a decision on their application. The stated aim is to 'help those concerned to live in conditions that respect each person's individual dignity, and to enable those who have found a job to have employment'.

Finally, new legislation provides that unemployed artists may take artistic employment and retain their unemployment rights as long as they meet certain conditions (such as a maximum limit on the income from the artistic work concerned) (BE0101338F).

The organisation and role of the social partners

A number of changes to the organisation of employers' organisations took place in 2000. In November, Fabrimétal, formerly the metalworking sector employers' organisation, was renamed as Agoria, 'the multi-sectoral federation for the technology industry'. According to the federation, it changed its name because 'for several years, the name and image of the employers' federation had ceased to reflect what was actually happening in the sector. The federation now brings together enterprises in the metals and materials sector, metal products, plastics, engineering, electrical engineering and electronics, information and communication technology (ICT), automotive, aerospace, defence and security.'

In July 2000, two agricultural employers' associations in Wallonia region, the Belgian Agricultural Alliance (Alliance Agricole Belge, AAB) and UPA-UDEF merged and became the Agriculture Sector Union (Union Professionnelle Agricole, UPA).

Industrial action

Three basic types of industrial action took place in Belgium in 2000, as follows:

- strikes in response to restructuring. Action occurred in the public postal service, following the announcement by management of a social plan (involving the loss of 11,000 jobs) with a view to liberalising postal services (BE0003305N). In addition, conflict was seen around the restructuring of the police and the gendarmerie into an 'integrated police force' (BE0008320N). In the private sector, there was a dispute over the decision of

the Canadian engineering group Bombardier to close its Manage plant in Belgium (BE0004309F). In the end the factory did not close, but was instead acquired by the Italian-Swiss Duferco group which had already purchased two steelworking sites in Wallonia, Forges de Clabecq and the former UGB at La Louvière;

- occasional industrial unrest around the renewal of collective agreements in certain sectoral joint committees and at enterprise level. An example was the not-for-profit sector (welfare, healthcare and social-cultural activities), where important negotiations took place in 2000, resulting in March in the conclusion of a new federal-level agreement in the healthcare sector (BE0003305F). Further, various agreements were also signed in this sector at regional level in Flanders (BE0011331F). The renewal of the collective agreement at the GIB retail group led to strikes following the non-payment of a profit-sharing bonus that had been awarded for the previous 20 years (BE0006314N); and
- industrial unrest linked to renewed economic growth, which grew from July onwards. Euphoria over the upturn prompted certain members of the government to make some very optimistic statements suggesting that there were resources available to meet the demands of many groups. This triggered demands from certain sectors during the autumn — two high-profile disputes concerned lorry drivers (BE0010329F) and the TEC public transport system in Wallonia (BE0012334F).

National Action Plan (NAP) on employment

The social partners were consulted over the preparation of the 2000 Belgian NAP. However, the consultation deadlines for NAPs have been very tight and the content of successive NAPs has tended to be repetitive. The social partners have thus not always had a chance to play an active role in preparing the NAP.

By contrast, the social partners played a quite different role in the implementation of the NAP: the two-yearly intersectoral agreements now comply with the NAP guidelines. For example, in the 1999–2000 NAP, the social partners stated that they 'would like to help to implement the Belgian April 1998 NAP, and particularly the programme for reducing employment and training costs in order to increase the employability of the active population'.

The social partners therefore play a more active role in the implementation of the NAP. However, in his 2000 evaluation report on federal employment policy, Michel Jadot, general secretary at the Ministry of Employment and Labour, offers a critical analysis of the way the social partners are involved in the implementation of the NAP: 'the social partners seem to be given exclusive and far-reaching responsibility. But their freedom is limited: the

objectives are fixed, and all they can do is discuss ways of achieving them.' He also stressed that this kind of concertation emphatically does not correspond with Belgian practice 'where, in social matters, the social partners impose the outcome of their negotiations on the government, and not the other way round'.

Equal opportunities and diversity issues

In the 1999–2000 intersectoral agreement, the social partners called on sectors in which the system of classifying job functions leads to inequality between men and women to carry out a review of these systems within the joint committees. This review of the classification of functions was described in a 1999 joint report on employment as positive. However, according to the abovementioned 2000 evaluation report on federal employment policy, as yet, only a few sectors have set up a study group to look into the possible introduction of a new sectoral scheme.

The Minister of Employment and Labour transferred to the budget earmarked for the May 2000 social elections of employee representatives (see below under 'Information and consultation of employees') BEF 10 million from the equal opportunities budget in order to mount an information campaign aimed specifically at women.

Lastly, the Belgian government decided in 2000 to broaden the competence of the public Centre for Equal Opportunities and Opposition to Racism (Centre pour l'égalité des chances et la lutte contre le racisme/Centrum voor gelijkheid van kansen en voor racismebestrijding) by expanding its remit to cover matters such as gender, sexual orientation, age, disability, as specified in Article 13 of the EU Treaty.

Information and consultation of employees

There were no significant changes in the structure of employee information and consultation in Belgium during 2000.

However, one of the main events during the year was the 'social elections', which took place in May 2000. In the private sector, approximately 1.3 million employees in nearly 6,000 companies voted to elect their representatives on works councils (conseils d'entreprise/ondernemingsraden) and committees for prevention and protection at the workplace (comités pour la prévention et protection au travail/comités voor preventie en bescherming op het werk) (BE0006316F). The elections did not result in major changes in the balances of power between the three main trade union confederations — the socialist Belgian General Federation of Labour (Fédération Générale du Travail de

Belgique/Algemeen Belgisch Vakverbond, FGVB/ABVV), the Confederation of Christian Trade Unions (Confédération des Syndicats Chrétiens/Algemeen Christelijk Vakverbond, CSC/ACV) and the Federation of Liberal Trade Unions of Belgium (Algemene Centrale der Liberale Vakbonden van België/Centrale Générale des Syndicaux Libéraux de Belgique, ACLVB/CGSLB).

In terms of trade union representation in companies, unions demanded improvements in the protection of their representatives in the light of what they saw as a proliferation of attacks on trade union freedoms, through the dismissal of union delegates and court interference in disputes (BE0012333N).

New forms of work

Temporary agency work

The temporary agency work sector in Belgium is unusual in several ways: first, because it has its own social partners and sectoral joint committee; and second, because the law has played an important role since temporary agency work was first introduced in Belgium. This legislation is notable both for the high level of protection it gives temporary agency workers (a trade union demand) and for the extended legal opportunities for using this type of work (an employer demand). Similar trends continued in 2000, and open-ended temporary agency work contracts were allowed for the first time — previously, contracts could cover only the duration of a specific task. However, this statutory extension of flexibility affects only those workers seen as 'difficult to place'. A subsequent collective agreement broadened opportunities for using agency workers in so-called 'exceptional' jobs (one of the three statutory grounds for using temporary agency staff). This trend towards broadening the category of people affected by temporary agency working, and of opportunities for using such workers, confirms the considerable growth of this form of employment that took place during the second half of the 1990s.

In the 2001–2 intersectoral agreement, the social partners agreed to 'discuss objectively' the possibility of lifting a ban on the use of temporary agency work in the construction sector.

Teleworking

Teleworking is governed by a law dating from 1996 that sets out guidelines for contracts for working at home, in line with a 1994 opinion from the National Labour Council (Conseil National du Travail/Nationale Arbeidsraad, CNT/NAR). There was little statutory change in this area in 2000. However, on 26 June 2000 the social partners on the National Labour Council and the Central Economic Council (Conseil Central de l'Economie/Centrale Raad van het Bedrijfsleven, CCE/CRB) issued an opinion on the information society (in the framework of EU decisions taken at the 2000

Lisbon and Feira European Councils). This opinion includes a short section on teleworking.

Economically dependent workers

Under Belgian law, self-employed workers are distinguished from dependent employees by the fact that the latter are governed by the employer's legal authority, and that the employer has the right to give the worker orders in the performance of his or her contract. In some cases, self-employed status is imposed on workers who are economically dependent on a single employer. However, the concept of an 'economically dependent worker' is vague, and is dealt with legally on a case-by-case basis in the event of a dispute. It depends, among other factors, on the evaluation of criteria such as financial independence (the ability to earn money from a variety of different sources) and technological independence (independence with regard to the materials required to do the job).

There were no significant developments in this field either in law or in collective agreements during 2000. However, a number of complaints have been filed by economically dependent workers who have asked the

labour inspectorate to check on the legality of their contracts. For example, in 2000, the journalists on a daily newspaper brought before their sectoral joint committee's conciliation office a complaint concerning some 20 journalists who were deemed by their trade union to be falsely economically dependent.

Outlook

2001 will be notable for the sectoral bargaining which will follow on from the intersectoral agreement concluded at the end of December 2000. In some sectors, it is to be hoped that the social partners will reach an agreement despite the fact that social dialogue is currently coming under strain: examples of this trend include the banking sector, where sectoral negotiations in 1999 led to many days of strikes (BE9911310N).

The second half of 2001 will be characterised by the Belgian Presidency of the European Union. The social partners have already notified the government of the social policy issues where they hope to see progress being made (BE0101335N).

Belgium: 2000 Records

January	<i>Features</i>	Belgian social policy inspired by new 'active welfare state' approach	BE0001304F
	<i>In briefs</i>	'Social elections' to be held in May 2000	BE0001302N
		New 'social Maribel' scheme introduced	BE0001303N
February	<i>In briefs</i>	Ban on night flights highlights conflict between employment and environment	BE0002312N
		Employers propose making information technology specialists available to education system	BE0002313N
March	<i>Features</i>	Collective relations institutionalised in not-for-profit sector	BE0003305F
		Socialist trade union and feminist groups propose career 'leave credit' system	BE0003306F
	<i>In briefs</i>	Call for harmonisation of white- and blue-collar status	BE0003307F
		Post Office faces change	BE0003305N
April	<i>Features</i>	Bombardier announces intention to close Manage plant	BE0004309F
		The National Labour Council in 1999: an overview	BE0004310F
	<i>In briefs</i>	Unions criticise lack of consultation on Lisbon summit	BE0004308N
May	<i>Features</i>	Minister launches debate on working time reduction	BE0005312F
		Brussels-Capital Territorial Employment Pact examined	BE0005313F
	<i>In briefs</i>	Mergers affect social dialogue in banking sector	BE0005311N
June	<i>Features</i>	Social elections bring little change	BE0006316F
		Public consultation on reorganisation of civil service opposed by unions	BE0006317F
	<i>In briefs</i>	Unrest at GIB	BE0006314N
July	<i>Features</i>	Government agrees bill on local services and local jobs	BE0007319F
	<i>In briefs</i>	Tension and agreement in French-speaking not-for-profit sector	BE0007318N
August	<i>Features</i>	Debate focuses on pay increases in times of economic growth	BE0008323F
		White-collar workers' joint committee prioritises training	BE0008324F
	<i>In briefs</i>	Law agreed for new integrated police force	BE0008320N
September	<i>Features</i>	Belgian, Dutch and German construction unions sign cooperation agreement	BE0009327F
	<i>In briefs</i>	Turmoil hits textiles sector	BE0009325N
October	<i>Features</i>	Fuel price increases spark unrest	BE0010329F
November	<i>Features</i>	Flexible career options introduced in the Flemish not-for-profit sector	BE0011331F
	<i>In briefs</i>	Talks start on 2001-2 intersectoral agreement	BE0011330N
December	<i>Features</i>	Major public transport strike hits Wallonia	BE0012334F
	<i>In briefs</i>	Protection of union representatives under debate	BE0012333N

DENMARK

Political developments

No significant national, regional or local elections were held in 2000 in Denmark. The present ruling coalition, composed of the Social Democratic Party (Socialdemokratiet) and the Social Liberal Party (Det Radikale Venstre), has formed the government for nine years and is now widely deemed to be suffering from general fatigue. Following controversy over the reform of the voluntary early retirement scheme in 1998 (DK9812197F), Prime Minister Poul Nyrup Rasmussen suffered a serious loss of credibility which he has found difficult to restore, and the result of the referendum on joining the European single currency (see below) signalled a further weakening of his position. In December 2000 there was a government reshuffle of certain ministerial posts following the decision of the Minister of Foreign Affairs, Niels Helveg Petersen, to resign after the Nice European Council and the appointment of the Minister for Defence, Hans Hækkerup, to the post of chief for UN activities in Kosovo. The Minister for Foreign Affairs found that he could no longer credibly administer Denmark's EU policy after the voters had rejected the single currency.

The most significant political event of 2000 was the referendum concerning the possible reversing of Denmark's opt-out from the third stage of Economic and Monetary Union and the euro single currency, obtained at the Edinburgh summit in 1992. Following the successful completion of the 2000 collective bargaining round (see below under 'Collective bargaining'), the government chose to hold a referendum on joining the euro in 2000. Until then, it had been expected that a referendum would, at the earliest, take place in 2001 or maybe after the next general election, which must be held before March 2002. The referendum took place on 28 September after a very rough campaign, during which those on both sides brought out data and forecasts which were seen as unrealistic. The situation was made even more difficult for the voters when economic experts disagreed about the economic consequences of a 'no' vote. (DK0008193F). The social partners were nearly unanimous in their support of a 'yes' vote (DK9909144F and DK0004175F).

However, the referendum showed that the Danes were not ready to give up the krone for the euro — 53.2% voted against joining the single currency. With a turn-out close to 90%, this can be seen as reflecting the fact that the population does not follow the normal party political lines when it comes to EU policy matters. If that had been the case, those in favour would have won 80% of the vote, as pro-euro parties have 80% of the seats in the Danish parliament (DK0010199N).

As mentioned above, the next general election must be called before March 2002. Many experts expect that the government will call an election in connection with the negotiations over the 2002 Finance Act in the autumn of 2001. Elections for municipal boards and county councils will take place in November 2001.

Collective bargaining

In the spring of 2000, negotiations took place in the trend-setting private sector bargaining area represented by the Danish Confederation of Trade Unions (Landsorganisationen i Danmark, LO) and the Danish Employers' Confederation (Dansk Arbejdsgiverforening, DA), covering 637,000 employees (DK0002167F). LO and DA do not participate directly in these negotiations, but through their so-called 'climate agreement' (see below under 'Pay'), concluded in September 1999, they had an influence on the negotiation process and thus again played a political role which they were at risk of losing, especially after the large-scale industrial dispute in 1998 (DK9804166N). There are some 600 agreements at sector and local level in the LO/DA field. The most notable aspect of the 2000 agreements was that they were concluded for a period of four years instead of the usual two (DK0002168F). It is hoped that the four-year period will ensure a balance between centrally-negotiated and locally-implemented provisions.

Research published in 2000 (DK0011104F) indicated that the level of coverage of collective bargaining has been increasing in Denmark since the mid-1990s, and that four out of five employees are now covered by a collective agreement. The increase in coverage is most marked among private sector white-collar employees, while the level of coverage is also increasing within some of the 'new economy' and information technology sectors

Pay

During the introductory phase to the 2000 collective bargaining round, LO and DA concluded a 'climate agreement' under which they committed themselves to contribute to ensuring a calm negotiating process and to dampening expectations so that wage increases would not be too high in relation to Denmark's main trading partners (DK9910151F). This agreement should be seen in the light of the breakdown of the DA/LO area negotiations in 1998 which led to a large-scale industrial dispute which lasted 11 days. With a historically low level of unemployment, it could be expected that trade unions would seek large wage increases in 2000. However, this was not the case and the sectorally agreed pay rises did not exceed the expected 4% in the private sector. The sectoral agreements concluded in 2000 provided for a minimum pay increase of 2.4% from March 2000. The subsequent wage negotiations at enterprise level, which occur in most sectors, seem to have kept within the framework of the average 4%.

During the course of 2000, a new wage system was introduced in Denmark's second-largest bank, Unibank, which shortly afterwards merged with the Finnish/Swedish-owned Merita-Nordbanken and thus became the biggest bank in Scandinavia (DK9912159F). This initiative was significant and may point the way to future developments in pay systems. With the finance sector moving away from the traditional system of regulating pay and working conditions towards a system based on a higher degree of flexibility at the workplace (DK0011103F), Unibank chose to test a wage system which is based more on work functions, rather than education, job title and seniority. However, new pay systems introduced in the public sector led to some conflict during 2000 (see below under 'Industrial action').

In September, LO called for employee share-ownership — which has boomed in Danish companies over the past decade — to be regulated by collective agreements (DK0009197F). While the union confederation stressed that it would continue to seek better pay and believed that employee share-ownership should not replace wages, it stated that the increased use of such schemes makes it necessary for unions to decide how to tackle the issue through bargaining.

Working time

A keyword in the 2000 collective agreements was working time flexibility. Although the contractual working week is still 37 hours, in the industrial sector the reference period for averaging out working time was extended from six to 12 months. This means that employers may plan work for 12 months ahead, provided that the average working week is 37 hours and subject to agreement with the employees at the local level.

Another step in the direction of increased flexibility was the agreement in the DA/LO area on five extra days of holiday a year (bringing the total to six weeks). This does not constitute an additional week of statutory annual leave, taking the form of individual days off which may be organised in accordance with the needs of both the employer and the employees. These special holiday days may also be converted into cash payments.

Job security/training and skills development

There were no significant developments in the area of bargaining on either job security or training in Denmark in 2000. The need for job security clauses is not widespread, given the current robust state of the economy and the resulting tightness of the labour market.

Legislative developments

In May, parliament adopted a new Holiday Act (DK0007188F). The new legislation increases flexibility relating to when holiday may be taken — primarily by making it possible to conclude agreements concerning the transfer of the fifth week of annual leave from one

holiday year to the next. The new rules were introduced after many years of discussion and reflect a strengthening of the role of the social partners. Employees in fields which are not covered by any collective agreement will also be covered by the Act, but are to follow the rules laid down in the agreement which would normally be applicable in the field concerned. The Holiday Act does not regulate the five extra days of holiday negotiated in 2000's collective agreements (see above under 'Working time').

The organisation and role of the social partners

The year saw a number of trade union mergers among affiliates of LO. In June, the Railways Association (Jernbaneforeningen) was amalgamated with HK/Stat, the state employees section of the Union of Commercial and Clerical Employees in Denmark (Handels- og kontorfunktionærernes Forbund, HK), after 12 months of preparations (DK0006181N). The Railways Association will maintain a certain independence, as a branch unit for traffic and railways has been set up inside HK/Stat. On 1 January 2001, the Union of Brewery Workers (Bryggeriarbejder Forbundet) merged with the General Workers' Union (Specialarbejderforbundet i Danmark, SiD). At the same time, the Union of Postal Workers (Dansk Postforbund) also became part of SiD (DK9909146N).

Industrial action

Although no figures from Statistics Denmark (Danmarks Statistik) were available by the end of the year, it is widely thought that 2000 was a relatively peaceful year in industrial action terms. The renewal of collective agreements took place without disputes and there were only a few work stoppages in breach of collective agreements. Workers employed at a large meat factory went on strike for the right to maintain a piecework agreement without any reduction in wages (DK0009198F). Bus drivers in Copenhagen went on strike in protest against new working time arrangements and subsequently negotiated less rigid arrangements (DK0003169N). Childcare workers in Copenhagen successfully took strike action to prevent the introduction of new rules on morning opening hours in childcare institutions (DK0010101F). Finally, the Danish Association of Masters and PhDs (Dansk Magisterforening, DM) took industrial action in connection with the implementation of a new wage system in the state sector, with two academic employees in the county administration of Northern Jutland striking for nearly six months (DK0004173N).

National Action Plan (NAP) for employment

The Danish labour market model is characterised by a multi-layered system based on collective and other agreements and legislation. The social partners play a

central role in the determination of pay and working conditions by means of collective agreements and other agreements. Traditionally, the social partners are also involved in connection with legislation and not least the administration of legislation, both at the central and regional level. With a growing need for labour market flexibility, the strong involvement of the social partners is of strategic importance. Since 1999, the social partners at the national level have been involved in a tripartite forum concerning the labour market. This includes negotiations on employment and in this connection the social partners participated to a great extent in the drawing up of the Danish NAP for 2000. Although political responsibility naturally lies with the government, the views of the social partners are heard in every detail.

Equal opportunities and diversity issues

Legislation prohibiting discrimination at work is now being amended in order to extend its scope to discrimination on grounds of age and disability, in addition to ethnic origin. However, the social partners will have the responsibility of implementing as many of these provisions as possible by means of collective agreements. In connection with the 2000 collective agreements (DK0002168F), LO and DA agreed to initiate a study on the topic of gender pay equality and non-discrimination in the labour market. However, by late 2000 the social partners had not come up with any initiatives in this area.

In early summer 2000, a study undertaken by the Danish National Institute for Social Research (Socialforskningsinstituttet, SFI) on behalf of the Ministry of Labour (Arbejdsministeriet) was published. One of the conclusions was that gender pay inequalities still exist in spite of promises during the past two decades to solve this problem (DK0006182F). The Minister for Equal Opportunities introduced a new Equality Act which was adopted just a week before the Minister of Labour's pay inequality report was published. This new act is held to be the most far-reaching law in this field so far. It introduces the use of the 'mainstreaming' principle as an instrument in work to promote equal opportunities. The mainstreaming principle means that all public authorities are to incorporate the gender aspect in all planning activities and in their administrative activities. An interesting feature was that the new act did not cover equal pay. Given this fact, and that the social partners had the opportunity of negotiating an agreement on the issue but failed to do so, in autumn 2000 the Minister of Labour asked civil servants to draw up a bill on equal pay which will make wage data more easily accessible so as to create a greater transparency in terms of individual pay at company level (DK0012106N).

In August, the High Court delivered its long-awaited judgment in the high-profile 'headscarf case', in which a woman of Iraqi descent sued the Magasin department store for refusing to take her on as a trainee because she

insisted on wearing her Muslim scarf. The High Court ruled that this was a violation of the Act prohibiting discrimination in the labour market, as it constituted indirect discrimination. However, two major retail firms, FDB and Dansk Supermarked, stated that they would maintain their ban on special headgear among their employees (DK0008192F).

Information and consultation of employees

There were no significant developments in the area of the information and consultation of employees in Denmark in 2000.

New forms of work

In autumn 2000, the Danish Commerce and Service (Dansk Handels & Service, DHS) employers' organisation and the services section of the Union of Commercial and Clerical Employees (Handels- og Kontorfunktionærernes Forbund/Service, HK/Service) concluded an agreement regarding new rules for teleworking, with the aim of facilitating work at home (DK0011102N). Under the terms of the agreement, the statutory requirement to take a break of at least 11 hours between working days will no longer stand in the way of those of the 95,000 members of HK/Service who want to telework from home. Up until now, this 11-hour rule meant that if an employee chose to work at home, for instance during the period from 21.00 to 00.00, they would not be able to start work until 11.00 the following morning.

Other relevant developments

The 2000 bargaining round had two further key aspects. First, in the course of the four-year agreement period, contributions to occupational pension schemes for most groups will reach 9% of pay, of which the employers pay two-thirds and the employees one-third. This was the target set when these schemes were introduced in 1991. Second, in the industry sector it was agreed to work towards an amalgamation of agreements for manual workers and salaried employees into a single 'umbrella' agreement. This development reflects the trend in enterprises towards a closer involvement of employees and towards giving employees a higher degree of influence over their own working conditions.

Outlook

The collective bargaining which took place in the LO/DA field in 2000 covered most areas of the private sector. In 2001, new agreements will be concluded in the two other fields in the private sector — agriculture and finance. Both fields operate the so-called 'normal wage system' which means that actual (rather than minimum) hourly wage rates, pension and holiday entitlements are negotiated at the central level.

(In early 2001, the first agreements were signed in the agriculture sector (DK0101112F). A four-year deal for 6,000 workers in the 'agrarian-industrial' sector provided, alongside increases in pay and holiday entitlement, for occupational pension contributions of 9.9% of pay, compared with the 9% agreed in most of the private sector in 2000. Shortly afterwards, similar agreements were concluded for horticulture and bakeries.)

New bargaining and agreement structures will be implemented in the finance sector in 2001. The two main organisations in this field, the Organisation of

Employers in the Finance Sector (Finanssektorens Arbejdsgivere, FA) and the Financial Services Union (Finansforbundet, FF), agreed during the course of autumn 2000 on the procedure and themes of the negotiations (DK0011103F). Considerable flexibility will be introduced into a traditionally rigid structure.

Finally, on the political front, as mentioned above, the possibility of a general election in the autumn of 2001 cannot be excluded. This may have a range of implications for industrial relations in Denmark in 2001.

Denmark: 2000 Records

January	<i>Features</i>	'Danish model' maintained by implementation of EU Directives through collective agreements	DK0001164F
		Industrial relations in shipbuilding in Denmark	DK0001165F
	<i>In briefs</i>	More time off and occupational pensions are main themes in bargaining Unlawful strike by bus drivers	DK0001161N DK0001169N
February	<i>Features</i>	2000 bargaining round completed peacefully Compromise means renewed stability in Danish industrial relations	DK0002167F DK0002168F
	<i>In briefs</i>	Historic 'stability pact' agreed in industry sector	DK0002166N
	March	<i>Features</i>	'Atypical' employment grows among highly-qualified Trust restored between trade union members and negotiators
<i>In briefs</i>		Unlawful strike by bus drivers	DK0003169N
April		<i>Features</i>	Members fail to take active part in union work Unions and employers' organisations both recommend a Danish 'yes' to EMU
	<i>In briefs</i>	New public sector pay systems lead to 'individualised' strikes	DK0004173N
	May	<i>Features</i>	Initiatives to promote the integration of immigrants 1999 was a peaceful year on the Danish labour market
<i>In briefs</i>		Minister of Labour opposes legislation on urine tests	DK0005176N
June		<i>Features</i>	Danish women still a long way from equal pay Falck rescue workers reject collective agreement
	<i>In briefs</i>	Railway union merges with HK	DK0006181N
	July	<i>Features</i>	New Holiday Act introduces more flexibility Care services in private hands as local authorities increase use of outsourcing
<i>In briefs</i>		Third time lucky: Falck agreement approved Professional associations' journals launch campaign against xenophobia	DK0007186N DK0007187N
August		<i>Features</i>	Court finds against department store in Muslim headscarf case Debate over EMU membership intensifies
	<i>In briefs</i>	Concern over education and training choices	DK0008190N
	September	<i>Features</i>	LO wants employee share-ownership regulated by collective agreements Working Environment Authority requires reduced working hours in meat factories
<i>In briefs</i>		Employee representatives and management take on new roles in municipal/county sector Wage increases fall despite low unemployment	DK0009194N DK0009195N
October		<i>Features</i>	Copenhagen childcare cuts withdrawn after long strike
	<i>In briefs</i>	Denmark votes no to the euro	DK0010199N
November	<i>Features</i>	New bargaining structures and flexibility in finance Collective bargaining coverage increases	DK0011103F DK0011104F
	<i>In briefs</i>	New working time rules agreed for telework	DK0011102N
	December	<i>Features</i>	Compromise over 'anticipatory pension' scheme reform Childcare workers' unions plan merger
<i>In briefs</i>		Negotiations on 'flexi-jobs' and early retirement deadlocked Legislation to make gender wage differences more visible	DK0012105N DK0012106N

FINLAND

Political developments

The presidential elections held in February 2000 saw the election of the Social Democrat, Tarja Halonen, as President — the first woman in Finnish history to hold this office. She won the election by a very small margin against her main competitor, the Centre Party candidate Esko Aho. The result was 51.2% for Ms Halonen and 48.8% for Mr Aho.

The 'rainbow' coalition government consisting of left- and right-wing parties — the Social Democratic Party (Suomen Sosialidemokraattinen Puolue), the conservative National Coalition Party (Kansallinen Kokoomus), the Left-Wing Alliance (Vasemmistoliitto), the Greens (Vihreä Liitto) and the Swedish People's Party (Svenska Folkpartiet) — remained in power. Municipal elections were held in October and the Centre Party (Suomen Keskusta, KESK) became the largest party at the municipal level, increasing its share of the vote by 2.1 percentage points to a total of 23.9%. This pushed it ahead of the Social Democrats, who gained 23.0% of the vote. In Helsinki, the Greens sprang a historic surprise and came in second place behind the National Coalition Party and ahead of the Social Democrats.

Collective bargaining

The 2000 collective bargaining round was conducted on a sectoral basis, after the collapse of national intersectoral negotiations in the autumn of 1999, following opposition to a central agreement from the Chemical Workers' Union (Kemianliitto), the Transport Workers' Union (Auto- ja Kuljetusalan Työntekijäliitto, AKT) and the Paper Workers' Union (Paperiliitto) (FI9910124N). The spring of 2000 saw strikes or strike warnings by a number of powerful trade unions, such as those in chemicals, transport, and paper. These key unions were seen as endeavouring to take by force what they had not been able to obtain through negotiations, and their efforts proved successful. They achieved settlements in excess of the general wage increase norm of 3.1%. In addition, the bargaining system seemed to move towards greater decentralisation (FI0005147F).

Pay

The sectoral bargaining round was opened by the metalworking industry, with the Metalworkers' Union (Metalli) — along with the Construction Trade Union (Rakennusliitto) — setting the general trend by obtaining wage increases equivalent to a 3.1% rise in labour costs (FI0001133F). Many sectors followed this lead, and bargaining seemed to be developing into a form of centralised settlement when over 90% of the wage

earners involved soon approved deals at that level (FI0002135N). This pay increase was widely considered as moderate, even though employers stated that it was too high in the light of EU Economic and Monetary Union (EMU).

The bargaining round continued without problems for some time after the opening settlements. However, the negotiations involving the strongest unions came last and, as expected, proved difficult: it was awkward sectoral problems in these industries that had scuppered the prospects of a central deal, because these problems could not be dealt with in a national incomes policy agreement. These unions played a waiting game, finally putting their demands onto the table long after the others (FI0004142F). It was nevertheless somewhat unexpected that unions called strikes in key sectors — notably in chemicals, transport and paper (see below under 'Industrial action') — and thus achieved pay settlements higher than the general trend. In chemicals, the agreement — lasting more than three years — increased the wages of the employees in the heavy chemicals, oil, gas, petrochemicals, plastics and chemical product industries by 3.9% in the first year. For the two years after that, the intention is to follow the general trend in industry as a whole.

The new agreement in transport runs for three years and covers nearly 30,000 employees. The cost effect for the first year was about 4.9%. The aim for the other two years is to follow the general trend, plus an additional 1.4% pay rise. The agreement in the paper sector is valid for three years, and the cost effect of the wage increase for the first year was under 4%. Wage increases for the second and third years were left open for subsequent agreement. Settlements catering to various sector-specific problems were also concluded (FI0004145N).

Following the sectoral level bargaining round, industrial relations stabilised again in late 2000. The social partners began to discuss the possibility of a new central accord and, on 15 December 2000, a new comprehensive incomes policy agreement was signed (FI0012170F). This new two-year national wage agreement will mean an increase in labour costs of 3.1% in 2001 and 2.3% in 2002. The agreement covers about 2 million wage earners, or some 90% of Finnish employees. The main pay-related points of the new central accord, which will run until January 2003, and was subsequently implemented at sector level, are as follows:

- in 2001, there will be a general pay rise of FIM 1.20 per hour or FIM 200 per month, with a minimum increase of 2.1%. There will also be an additional amount of 0.5% to be distributed in subsequent negotiations within sectors in line with particular circumstances, and an 'equality allowance' of 0.6% to be used to improve the position of women and lower-paid workers in sectors. The overall effect will be a 3.1% increase in labour costs;

- in 2002, there will be a general pay rise of FIM 1.07 per hour, or FIM 179 per month, with a minimum increase of 1.9%. There will be an additional 0.3% for sector-level distribution. The overall effect will be a 2.3% increase in labour costs;
- an indexation clause has been introduced, under which if inflation exceeds 2.6% over the period from January 2001 to December 2001, pay will be increased by the corresponding percentage. However, minor increases in prices of up to 0.4 percentage points over 2.6% will not result in pay increases. Thus, in practice, if inflation reaches 3.1%, this will trigger a pay increase of 0.5%; and
- an incomes progression clause has been introduced, aimed at ensuring that there is an equal wage development for those sectors that fall behind the average wage development for all workers. A special committee, consisting of the national conciliator and one representative from each sector's employer and trade union organisations, will monitor developments over the period April 2000-April 2002 and decide on any possible additional pay increase by 30 August 2002.

Working time

A number of working time-related developments were considered in the 2000 sectoral bargaining round. The Metalworkers' Union had sought a working time reduction of one day per year, but with no success, due to outright rejection of this proposal by the employers, which argued that Finnish metalworkers already had one of the shortest working weeks in Europe. However, the Chemical Workers' Union succeeded in its demand of making the Saturday after Ascension Day a paid holiday — which means a cut of one shift (ie eight hours) in annual working time.

The new central incomes policy agreement for 2001–2, concluded in December 2000, provides that Ascension Day will become a national paid public holiday in 2002, for those employees who do not already have a holiday on this day. This provision does not include shiftworkers. Further, the accord provides that projects will be set up to promote good working time practices

Job security

Job security provisions did not feature strongly in the 2000 bargaining round, which concentrated mainly on pay and working time. However, the new central incomes policy agreement provides that the existing 'job rotation' sabbatical leave scheme (FI9704110F) will be continued for two years.

Training and skills development

A number of training elements were included in the 2001–2 central incomes policy agreement. For example,

the agreement states that measures will be taken to promote employees' 'ability to cope' at work (FI9911127F) and to promote training. Further, the accord includes a clause stating that projects will be set up to promote lifelong learning.

In January, a working group of the central social partner organisations presented its proposals on the implementation of a training benefit scheme for persons of working age (FI0002134N). The benefit, equal to about 80% of unemployment benefit, would be granted only for full-time vocational training of up to one and a half year's duration, undertaken at the initiative of employees. In order to receive the benefit, the applicant would have to be employed by the same employer for at least one year altogether (either continuously or in separate periods) and to have a working history totalling at least five years. This third phase of the so-called 'training guarantee scheme' is a sequel to the first and second phases, which were intended for unemployed and long-term unemployed people. The proposal requires government action to implement it.

Legislative developments

In September 2000, the long-running dispute between the government and the social partners concerning the reform of the Employment Contracts Act was resolved. The Employment Contracts Act — known as the 'working life constitution' — is a cornerstone of Finnish employment law, covering basic issues such as drawing up contracts of employment, the rights and duties of employers and employees, terms and conditions of employment, the grounds for termination of employment, the procedure to be observed on termination, and rules on the application of collective agreements. A tripartite committee with the task of reforming the Act was set up in 1995 (FI9706116F). The preparation of the proposed amendments involved many disagreements and, during the final stage, disputes centred especially around changes concerning the 'general validity' of collective agreements, and temporary agency work (see below under 'New forms of work').

General validity means the binding application of collective agreements on all employees and employers in a sector, irrespective of whether or not they are members of the signatory organisations. Under the proposal finally agreed, the general validity of a collective agreement will be determined not just on the basis of statistical data on the membership of employers' organisations (the agreement is considered generally applicable within a sector when about half the employees in that sector work for an employer which is bound to that agreement under the terms of the Collective Agreement Act), but also in the light of other criteria, such as the established practice of collective agreements in the sector and the general level of membership of both trade unions and employers' organisations. The committee submitted its compromise proposal for a new Employment Contracts Act in February 2000 (FI0003138F); a compromise was

reached in September (FI0009161F) and parliament passed the Act in December 2000.

The government decided in May on the content of a bill concerning opening hours in the retail trade (FI0005148F). The bill provides for an extension of opening hours, with the aim of improving the competitiveness of smaller shops. The bill would permit grocer's shops — ie establishments selling mainly food supplies — with a floor area of up to 400 square metres to open on Sundays between 12.00 and 21.00. Other retail outlets would be permitted to open on Sundays in May and November, in addition to June, July, August and December as currently permitted. This was submitted to parliament in December.

The organisation and role of the social partners

In November 2000, four service sector trade unions affiliated to the Central Organisation of Finnish Trade Unions (Suomen Ammattiliittojen Keskusjärjestö, SAK) merged to form Service Unions United (Palvelualojen Ammattiliitto, PAM). The unions involved were: the Union for Commercial Employees (Liikealan ammattiliitto); the Hotel and Restaurant Workers' Union (Hotelli- ja Ravintolahenkilökunnan Liitto, HRHL); the Caretakers' Union (Kiinteistötyöntekijäin Liitto, KTTL); and the Technical and Special Trades Union (Teknisten ja Erikoisammattien Liitto, Tekerli). This new union has over 200,000 members, and is Finland's second largest after the Trade Union for the Municipal Sector (Kunta-alan ammattiliitto, KTV).

Industrial action

The final agreements in the spring 2000 sectoral collective bargaining round were hastened by a number of strikes. The first significant industrial action took place in March in the chemicals industry, where an agreement was achieved after a week-long strike (FI0004142F). This was followed by a major nationwide five-day strike in the transport sector. The scope of this dispute was widened following a lock-out by employers, although an agreement was reached on 3 April. Finally, a deal in the paper sector was reached on 19 April, following a nationwide strike lasting more than a week (FI0004145N). In the first six months of 2000, a total of 72 strikes took place, involving 73,565 employees. The number of working days lost was 246,763.

Some significant disputes took place in Finnish seafaring during 2000. In May, the Finnish Seafarers' Union (Suomen Merimies-Unioni, SM-U) held a boycott and sympathy strike in a dispute over the application of a Finnish collective agreement to an Italian-registered ship with a mainly Estonian crew. The conflict provided an outlet for underlying worries about the future of Finnish seafarers' jobs. Under an amendment made to the Maritime Act in early 2000, the registering of Finnish

ships under the flag of another EU or EFTA country is now possible without ownership being transferred from Finland. According to the Finnish Shipowners' Association (Suomen Varustamoyhdistys, SVY), this practice can be prevented only by increasing state subsidies and cutting taxation (FI0005149F). Despite a government decision to grant subsidies to shipowners, tensions over 'outflagging' and the use of foreign labour in Finnish merchant shipping continued until August 2000, with a dispute over a shipowner hiring Polish seafarers. The Finnish Seafarers' Union considered these contracts of employment invalid and boycotted the vessels concerned (FI0008156F). In August 2000, however, the Seafarers' Union reached an agreement, following conciliation, which ended its dispute with the shipowner. Under the deal, the pay and conditions of the Polish seafarers will be increased so that they are more in line with Finnish levels (FI0009159N).

National Action Plan (NAP) on employment

The social partners participated actively in the working group drawing up the Finnish NAP for 2000, in both an official and unofficial capacity. In the area of equal opportunities (the fourth pillar of the EU Employment Guidelines) a unanimous proposal for a three-part programme to promote equality was approved. Two parts of the programme will look at how to eliminate labour market segregation, while the third will comprise a wage survey.

Equal opportunities and diversity issues

The 2001–2 national incomes policy agreement reached in December 2000 provided for a special wage increase for women and low-wage earners (see above under 'Pay'). In addition, the social partners have decided to pursue an 'equal workplace' project in cooperation at 12 workplaces in 2001. The project has already introduced a number of new areas for discussion and action. Furthermore, tripartite discussions have occurred on the possible appointment of an official 'discrimination ombudsman'. As noted above, an equality programme has also been agreed in the context of the Finnish NAP.

Information and consultation of employees

There were no legislative or any other significant developments in the area of the information and consultation of employees in Finland in 2000. However, a significant factory closure initiated some debate about information and consultation. Fujitsu Siemens decided to shut down a profitable computer-assembly plant in Finland and move production to Germany (FI0002136F). Following the closure (attempts to find a prospective buyer failed), 450 employees were made redundant by

the end of March 2000. The employees were anxious to ascertain whether laws and agreements had been violated, as had been the case in the closure of Renault's Vilvoorde plant in Belgium in 1997. However, it became clear that nothing could prevent the closure, though the significant electronics industry cluster that has been established in Finland should provide work for those made redundant. After the redundancies took effect, the Ministry of Labour — and later also the employees — asked the police to undertake an investigation as to whether the Cooperation Act had been violated, in that proper negotiations may not have occurred over the closure. Investigation of a possible criminal act was still under way at the end of the year, while unions prepared to sue the company on behalf of redundant workers. Commentators note that this case clearly indicates the potential threats of globalisation.

New forms of work

In the area of temporary agency work, the new Employment Contracts Act which was enacted in 2000 (see above under 'Legislative developments') regulates employment contracts for this kind of work, requiring temporary agency workers to be subject to the regulations of the generally binding collective agreement applicable to the user company, if the temporary agency is not bound by another collective agreement.

In the area of teleworking, it is estimated that 17% of the Finnish workforce telework at least sporadically. Of all the different categories of telework, it is call-centre work which seems to have grown most rapidly. There are as yet no specific collective agreements regulating telework, although telework is regulated in the new Employment Contracts Act. Furthermore, the new and expanding category of economically dependent workers — those who are not employed, but rely on one employer as their

main source of income — are covered by the new Employment Contracts Act.

Outlook

Like its 1998–9 predecessor (FI9801145F), the new centralised incomes policy agreement for 2001–2 has attained a wide coverage, estimated at more than 90% of Finnish employees. The agreement can be considered a 'solidaristic' one which supports both wage earners' purchasing power and employment. Despite the centralised nature of the agreement, there has been a continuing incorporation of flexible elements, which take sectoral and workplace-level needs into consideration. An unusual feature of this incomes policy round was the decision of the Confederation of Unions for Academic Professionals (Akateemisten Toimihenkilöiden Keskusjärjestö, AKAVA), which represents highly educated professionals, to remain outside the agreement. However, despite this decision, almost all of AKAVA's member unions signed the agreement. Some of the unions that remained outside the deal had been thought likely to take some sort of industrial action to press their demands in 2001, with the problems focused on low-paid groups such as kindergarten teachers working for the municipalities (though events in early 2001 indicated that these groups, with the exception of doctors, were settling in line with the central agreement without industrial action). The Prime Minister, Paavo Lipponen, has already promised to support the idea that the municipalities should launch a study of wage structures.

After the conclusion of the 2001–2 central deal, it can be concluded that the Finnish industrial relations model seems to be functioning well in the new environment of EMU. Finland's competitiveness is so high at the moment that the agreed wage increases will presumably not represent any threat to the predicted strong continuation of economic growth.

Finland: 2000 Records

January	<i>Features</i>	Agreement in metalworking sets trend for bargaining round	FI0001133F
	<i>In briefs</i>	Metalworkers prepared to strike	FI0001130N
February	<i>Features</i>	Closure of Fujitsu Siemens plant — a repeat of Renault Vilvoorde?	FI0002136F
	<i>In briefs</i>	Third phase of training guarantee scheme agreed	FI0002134N
		New agreements reached for over one million workers	FI0002135N
March	<i>Features</i>	Committee on Employment Contracts Act submits proposals	FI0003138F
		Proposed 'rehabilitative employment' scheme causes controversy	FI0003140F
	<i>In briefs</i>	Tension heightens in bargaining round	FI0003137N
April	<i>Features</i>	Strikes break out as bargaining round nears conclusion	FI0004142F
		Dispute over outsourcing of postal services	FI0004144F
	<i>In briefs</i>	Paper workers on strike	FI0004143N
		New agreement follows strike in paper sector	FI0004145N
May	<i>Features</i>	Moves towards decentralisation in 2000 bargaining round?	FI0005147F
		Government issues bill on extension of shop opening hours	FI0005148F
		Dispute highlights threat to Finnish seafarers' jobs	FI0005149F

June	<i>Features</i>	Government withdraws bill to reform Employment Contracts Act Rifts open between government and trade union movement	FI0006151F FI0006152F
	<i>In briefs</i>	Employers demand amendment of strike legislation	FI0006150N
July	<i>In briefs</i>	Government agrees to grant subsidies for shipping	FI0007154N
August	<i>Features</i>	Cheap labour conflict continues in merchant shipping	FI0008156F
September	<i>Features</i>	New centralised agreement faces many obstacles Dispute over Employment Contracts Act resolved	FI0009157F FI0009161F
	<i>In briefs</i>	Foreign labour dispute resolved in merchant shipping SAK launches trade union internet portal	FI0009159N FI0009160N
October	<i>Features</i>	Social partners issue demands for incomes policy round Accelerating inflation aggravates bargaining round	FI0010164F FI0010165F
	<i>In briefs</i>	Controversy as paper workers stick to bargaining timetable	FI0010162N
November	<i>Features</i>	New centralised incomes policy agreement concluded	FI0011167F
	<i>In briefs</i>	Protest strike at Finnair	FI0011166N
December	<i>Features</i>	Incomes policy agreement signed	FI0012170F
	<i>In briefs</i>	IAU fined following airport strike	FI0012169N

FRANCE

Political developments

There were no significant elections in France in 2000. The 'cohabitation' between a right-wing President, Jacques Chirac, and a left-wing government led by Prime Minister Lionel Jospin continued, pending the town and city council elections in 2001 and particularly the general and presidential elections in 2002. Social and industrial relations issues frequently dominated the political debate between the presidency and the government. The reduction of working time introduced by recent legislation (see below under 'Working time') — and its moderating influence on pay increases and consequences in terms of the total number of hours worked at a time of strong economic growth — was a significant topic for debate. Social protection — particularly unemployment benefit and the mechanisms for access to, and funding of, pension schemes — was another bone of contention, especially in terms of the link with taxation and equal treatment of employees. A new debate on the respective roles of the state and the social partners also continued, both cutting across the abovementioned themes and as a separate debate in itself.

Collective bargaining

Statistics on the number of collective agreements and the level at which they were negotiated in 2000 will not be available until June 2001. However, in 2000 the quantitative aspects of bargaining was arguably of less interest than a number of new developments in the environment shaping bargaining. In particular, two critical factors introduced new and distinctive features into the process of collective bargaining: negotiations on the reduction of working time following the adoption of legislation introducing a statutory 35-hour working week (see below under 'Working time'); and a debate over a new balance of power in industrial relations, at the employers' initiative (see below under 'The organisation and role of the social partners').

Pay

The reduction of working time has had many repercussions in terms of pay and pay bargaining. First, hourly wages have risen proportionally to the reduction of working time (ie, workers are still receiving the same wage for a 35-hour week as they received for a 39-hour week, thus increasing the hourly rate). This is particularly noticeable for employees paid the statutory national minimum wage (salaire minimum interprofessionnel de croissance, SMIC), the monthly level of which has remained unchanged (despite the number of working hours in a month being cut) due to government subsidy (FR0007177N). Second, collective agreements on

working time reduction have contained various clauses relating to wages — such as temporary pay freezes, amendments to bonuses, etc — which have had the combined effect of moderating rises in individual pay. Consequently, the effects of pay bargaining proper have been difficult to distinguish from the diverse ways in which working time has been reduced.

The pattern of bargaining on working time has influenced the outcomes of wage negotiations. In its overview of 2000, the National Institute of Statistics and Economic Studies (Institut national de la statistique et des études économiques, INSEE) identified two distinct periods in terms of the development of employees' purchasing power. In the first six months of the year, the effects of the negotiations on working time were strongly felt, leading to a 0.1% drop in purchasing power (taking inflation into account), a situation which fuelled political debate on the harmful effects of working time cuts on income levels. In the second half of the year, purchasing power is thought to have risen by 0.6%, in spite of inflation picking up speed. It is thought that this was due to the risk of labour shortages in some sectors and companies' improved economic performance, which led to 'pragmatic' pay rises (FR0009191F).

Pay thus re-emerged as a key issue in bargaining in the latter part of the year. According to the government, although individual wage rises remained moderate in 2000, the increase in the number of employees in both the private and public sectors led to a 4.5% increase in the overall payroll. The forecast for 2001 is for a rise in purchasing power as a result of the three-pronged effect of a fall in inflation, the ongoing risk of labour shortages in certain sectors, and the declining importance of wage moderation linked to the reduction of working time (however, around 380,000 new jobs are expected to be created in 2001, distinctly lower than the level witnessed in 2000).

The SMIC was raised by 3.2% as of 1 July 2000, which meant that the gross hourly rate was raised to FRF 42.02. Gross monthly minimum pay was therefore FRF 7,101.38 for 169 hours of actual working time (FRF 5,609.38 after social security deductions). The monthly basic pay index for all employees (l'indice du salaire mensuel de base, SMB) grew by 0.7% in the third quarter of 2000, and 1.9% for the preceding 12-month period. The hourly basic pay index for manual workers (salaire horaire de base des ouvriers, SHBO) rose 1.1% over the third quarter of 2000 (of which 0.3% was traceable to the reduction of working time). Over the year to this date, it rose by 5.3%. The consumer prices index (for all households and excluding tobacco prices) rose 0.5% in the third quarter of 2000, and by 2.2% between November 1999 and November 2000.

In the public sector, negotiations on the reduction of working time began in 2000 without reaching a conclusion (FR0003151F). Wage negotiations carried out

at the end of the year were also fruitless (FR0012108N). The government unilaterally awarded a 0.5% pay rise in December 2000.

Working time

Since the initial pilot 35-hour week law of June 1998 (FR9806113F), which encouraged negotiations on the issue, bargaining has been largely dominated by the reduction of working time. Since January 2000 (FR0001137F), the second law has governed the move to the statutory 35-hour working week for companies with more than 20 employees. Negotiations on this theme generally took place at sector level in 1999 (FR0007178F), and bargaining then continued at company level in 2000.

As of the end of November 2000, 42,805 agreements on the reduction of working time, covering 4.6 million employees, had been concluded since June 1998. These agreements had led to the creation or retention of 251,915 jobs. Around 90% of agreements had been signed by all the trade unions operating within a given company. The average working week was 36.8 hours at the end of September, which was 0.5% shorter than it had been the previous quarter, and 4.1% less than it had been 12 months previously. Weekly working time was less than 36 hours for over half of full-time employees in companies with 10 or more staff (compared with 15% a year previously).

Despite the demands of certain small business employers' associations, the government has refused to consider an amendment of the 35-hour week legislation or a postponement of the date when it becomes applicable to small and medium-sized enterprises (SMEs) in January 2002 (FR0101117N).

Job security

The 35-hour week legislation provides for two kinds of working time reduction agreement: 'offensive' job-creating accords; and 'defensive' job-safeguarding accords. Current favourable economic conditions partially explain why the vast majority of agreements concluded so far on the reduction of working time have been 'offensive' in nature. Fewer than 10% of agreements are of a defensive nature, in that they provide for job retention and include job security clauses.

Training and skills development

No figures are yet available on the content or extent of bargaining over training and skills development in 2000. In 1999, negotiations on training had intensified, mainly at sector level, often linked to the reduction of working time. Agreements dealt with issues such as adapting employees to changing skills needs, improving job opportunities for young people, developing training in SMEs and offering lifelong learning. At company level,

bargaining activity was limited, with training dealt with in under 4% of agreements.

Legislative developments

Apart from the second law on the reduction of working time adopted in January 2000 (see above under 'Working time'), there were two noteworthy new laws passed in 2000. In October, a law against discrimination (on sexual, racial, physical grounds, etc) was passed (FR0011198N), which should bring French law into line with new EU anti-discrimination legislation. The government passed a law on sexual equality in the workplace in November 2000, including an article repealing the ban on night work for women (FR0010196F), in order to comply with EU sex equality legislation. This section of the law provoked strong opposition from political and trade union quarters, although there had been numerous exemptions from this ban.

A bill on employee savings schemes (FR0011103F) passed parliamentary first reading stage in October, splitting the governing coalition. Some saw it as a means of bolstering employees' ability to have access to durable and secure savings options (pension funds), while others feared that it would make it easier to challenge 'pay-as-you-go' pension schemes to the advantage of personalised savings. The debates on this issue begun in 2000 should be either reflected in the final version of the law adopted in 2001, or postponed until after the elections in 2002.

The organisation and role of the social partners

In late 1999, the Movement of French Enterprises (Mouvement des entreprises de France, MEDEF), the principal employers' association, launched an initiative calling for talks with trade unions over the 'overhaul of the industrial relations system' and a better demarcation of social partner and government jurisdictions (FR9912122F). It argued that the current regulations are obsolete and called state intervention under current circumstances 'inappropriate', basing its argument on the example of the recent laws on the reduction of working time in order to win over its supporters. It invited the unions to join in a more active bargaining process, which should reduce the state's capacity for initiative, and limit the 'favourability principle' (whereby sector-level negotiations may only improve the guarantees stipulated in the law, just as company-level negotiations may only improve on guarantees provided for in sectoral agreements). To encourage unions to participate in talks, MEDEF threatened to end its involvement in a large number of joint employer-union management bodies that run much of the social protection system. The subsequent negotiations on the UNEDIC unemployment insurance scheme (see below under 'Other relevant developments') thus took place in conditions sometimes described as 'blackmail' by some unions.

In February 2000, the five representative trade union confederations agreed to respond positively to MEDEF's proposal and work with MEDEF, the General Confederation of Small and Medium-sized Enterprises (Confédération générale des petites et moyennes entreprises, CGPME) and the Craftwork Employers' Association (Union professionnelle artisanale, UPA) on drawing up a joint framework for the overhaul of the industrial relations system (FR0002143F). The union confederations involved are the General Confederation of Labour (Confédération générale du travail, CGT), the French Democratic Confederation of Labour (Confédération française démocratique du travail, CFDT), the General Confederation of Labour — Force ouvrière (Confédération générale du travail — Force ouvrière, CGT-FO), the French Confederation of Professional and Managerial Staff — General Confederation of Professional and Managerial Staff (Confédération française de l'encadrement — Confédération générale des cadres, CFE-CGC) and the French Christian Workers' Confederation (Confédération française des travailleurs chrétiens, CFTC).

While all parties involved agreed on the main principle of redesigning the industrial relations system, their objectives differ profoundly. The employers are seeking to obtain both greater autonomy for the social partners and greater flexibility in the adaptation of those measures pertaining to industrial relations which would remain the state's responsibility. Individual sectors and companies might, according to MEDEF, thus be able to apply the overall principles using diverse adjustments appropriate to varying economic circumstances. MEDEF believes that sectoral and company levels of bargaining should be autonomous and equal. The unions, however, are concerned that this type of structure would disadvantage employees in the weaker companies, and limit the scope of sector-level agreements.

The industrial reform talks were to take the form of eight sets of parallel negotiations. During 2000, talks began on unemployment insurance, supplementary pensions, occupational health, vocational training and collective bargaining. Agreements were reached on unemployment insurance and occupational health, although they were not signed by all unions (see below under 'Other relevant developments'). Employers have had to take account of stronger than expected resistance from unions, which are enjoying a more powerful negotiating position due to the economic recovery.

The representative status of trade unions became a topic of interest in 2000 (FR0006170F). The signing of important collective agreements by unions with relatively little presence in the industries concerned in the course of negotiations on the reduction of working time (as in metalworking — FR9808129F) raised consciousness among employees and the authorities about this issue. The industrial relations reform debate launched by MEDEF contains implicit consequences for the number and size of French trade unions.

Industrial action

Data relating to the number of working days lost in 1999 were published by the Ministry of Employment and Solidarity in November 2000 (FR0012113F). It stated that there was a marked rise in the number of working days lost due to strikes in 1999, compared with 1998. Almost half of all disputes in 1999 were mainly related to either pay or employment. However, the reduction and reorganisation of working time formed the basis for a quarter of the disputes.

Overall, there were very low levels of open conflict in France during 2000. However, there was some resurgence in disputes resulting from the negotiation of the reduction of working time, and sometimes from pay bargaining (FR0009191F). The public sector remained a sensitive site for industrial action, as underlined by a dispute in the Ministry of Finance in the spring, over the modernisation of public services (FR0004157F). A strike was staged in the state education sector in March 2000 (FR0004153N). In May, security guards won a number of safety-related concessions following a two-week strike (FR0006169N). Over the summer, several isolated strikes took place in companies slated for closure, in which employees threatened the use of destructive methods of protest (such as explosions or poisoning rivers) against their employer's plans (FR0008186F). Lorry drivers again demonstrated their capacity for conflict in the autumn during the rapid oil price rises (FR0010197F).

National Action Plan (NAP) for employment

France's NAP for 2000, in response to the EU Employment Guidelines for 2000, was the subject of numerous discussions between the social partners and the government before being submitted in May (FR0005164F). Preparations for the 2000 NAP were launched in autumn 1999 by discussions, under the auspices of the Committee for Social Dialogue on European and International Issues (Comité du dialogue social pour les questions européennes et internationales, CDSEI). In 2000, for the first time, a review of the contribution made by the social partners to the NAP is included in the Plan itself.

The reduction of working time is one of the central planks of the government's employment policy. Another, the youth employment scheme instituted in 1997, is set to end in 2002 and the question of transforming the jobs involved in this scheme into permanent posts began to be raised in 2000. Over 280,000 young people have been employed in these state-sponsored jobs. The effects of a range of new labour market conditions on the future of the people in these schemes are still uncertain, even though it appears as if young people are one of the groups most advantaged by the recovery of employment levels. However, youth unemployment is still very high in France.

Equal opportunities and diversity issues

The two main legislative developments in the equal opportunities and diversity area were the adoption of a law against discrimination on a wide range of counts, in October 2000, and the repeal, in November 2000 of the ban on women's night work (see above under 'Legislative developments'). The first piece of legislation will significantly widen French anti-discrimination law. It expands Article L.122-45 of the Labour Code — which currently protects job applicants and employees from discrimination based on origin, gender, political views, trade union activities and religious beliefs — to include sexual orientation, as gay and lesbian rights organisations have been demanding. Additionally, new grounds include physical appearance (height and weight) and surname.

The ban on women's night work was finally lifted in November 2000. Although numerous exemptions to the statutory ban operated in practice, France was required to erase it from its legal framework by the European Court of Justice.

In March, the latest report by the National Consultative Committee on Human Rights (Commission nationale consultative des droits de l'homme, CNCDH) revealed a rise in racist attitudes and anti-immigrant feeling in France. The Prime Minister responded by announcing legislative changes to toughen up the fight against racial discrimination, some of which relate to employment (FR0004155N).

Information and consultation of employees

Plans for legislation enhancing the information and participation rights of employees and their representatives when redundancies are planned were postponed several times during 2000. They are to be reviewed during the next parliamentary session in 2001, in debates surrounding what is referred to as the 'social modernisation' bill (FR0101121F). This legislation has been delayed several times and some of its provisions have been partially introduced into other legislation. Amongst its provisions is a proposed obligation that, in order to make redundancies, a company would have to have reduced the working week to 35 hours and not have staff working overtime.

New forms of work

The number of low-paid precarious jobs grew in 2000. It is currently difficult to separate the effects of any deliberate policy of favouring insecure forms of employment from those of a recruitment policy involving prolonged trial periods during a phase of rising employment. The social modernisation bill (see above under 'Information and consultation of employees')

provides for stronger sanctions for companies abusing temporary employment agency arrangements.

In terms of sectoral developments, in late June 2000, a protocol agreement was reached by the Minister for the Civil Service and State Reform and trade unions on 'the progressive elimination of insecure employment in the three branches of the civil service, and improved management of employment within the public services' (FR0007175N). The deal gives official civil servant status to many workers currently on fixed-term contracts.

Other relevant developments

Unemployment insurance

In the context of their industrial relations overhaul initiative (see above under 'The organisation and role of the social partners'), employers' associations announced in late 1999 that issues relating to the joint management of social protection funds should be the subject of detailed negotiations during 2000. Several topics were opened up for negotiation.

One set of talks, on the reform of the UNEDIC unemployment insurance scheme, was concluded in October following lengthy and difficult negotiations (FR0101114F). The agreement stipulates that from July 2001, unemployed people will have to comply with stricter regulations on seeking work. They must sign a 'back-to-work assistance plan' (Plan d'aide au retour à l'emploi) aimed at galvanising their attempts to find work. In exchange for this, the progressive reduction in benefit levels as unemployment continues has been abolished, and the employment qualification period necessary for eligibility for benefit has been shortened. Further, turning down jobs offered can be sanctioned more severely than before.

The government intervened directly in the negotiations on this topic, rejecting the terms of the original agreement reached in July 2000 (FR0006171F), and obliged the two sides to renegotiate both its content and its financial element (FR0010195F). The new terms of the agreement were vehemently criticised by the two union confederations which did not sign it, CGT and CGT-FO. They objected to the provisions which oblige unemployed people to accept jobs that are well outside their experience and previous pay range on the grounds of an active back to work policy. In the meantime, due to the rise in the number of people in the workforce and the reduction in that of unemployed people receiving benefit, the unemployment insurance fund has moved into surplus.

Occupational health

Within the framework of the industrial relations overhaul talks, an agreement on occupational health was signed on 13 December by employers' associations and CFTD,

CFE-CGC and CFTC (FR0101116N). The agreement provides for negotiations at sector level on the frequency of medical check-ups with industrial doctors, depending on the level of danger in the profession concerned. It also provides for the creation of regional occupational health observatories, especially dedicated to SMEs. A committee was also set up to examine the possibility of general practitioners being involved in providing occupational healthcare. CGT and CGT-FO expressed opposition to this agreement, which they fear will lead to a worsening of the conditions of access to industrial doctors.

Supplementary pensions

Negotiations also opened, again within the context of the industrial relations overhaul talks, on the subject of supplementary pensions for private-sector employees (FR0102132F). Employers want the contribution period required for entitlement to a supplementary pension to be extended to 45 years. The unions have opposed this idea, which directly challenges the right to retire at 60. The motivations of the unions vary, but in 2000 they were mutually compatible, and no consensus on this important topic was reached. This is a difficult and potentially strife-ridden subject. The unions argue that

civil servants enjoy a more advantageous scheme, yet in 1995, civil servants took serious strike action in protest against proposed changes to their pension schemes. Employers can expect strong resistance on this issue, with the unions confident of strong support from their membership and other employees, who are very attached to the current pensions scheme.

Outlook

2000 was rich in significant developments in the field of industrial relations, which have brought about substantial changes in employees' employment conditions and in the conditions in which bargaining occurs. In 2001, the recovery of employment levels should alter the overall conditions under which industrial relations are played out, over and above the procedural decisions taken by unions and employers' associations regarding the rules for negotiation in the industrial relations overhaul talks. Wages ought to rise more rapidly than in previous years. Young employees should soon become less restricted by unemployment than they have been over the past 20 years. The main unknown factor may well be the management in industrial relations terms of the exit from recession which is becoming tangible, despite the high rate of unemployment.

France: 2000 Records

January	<i>Features</i>	Report launches new stage in pensions debate	FR0001132F
		New agreement signed in banking	FR0001133F
		Debate continues over a 'new social constitution' and the future of the 'parity principle'	FR0001134F
		Universal Healthcare Insurance introduced	FR0001135F
		Strikes hit the hospital sector	FR0001136F
	<i>In briefs</i>	Law on the 35-hour week is in force	FR0001137F
		Talks on 35-hour week in civil service	FR0001126N
		Slight increase in minimum benefits for uninsured unemployed	FR0001127N
		Elections of employee representatives in education sector	FR0001128N
February	<i>Features</i>	Staff unhappy about Ministry of Finance reform plan	FR0002142F
		Towards a comprehensive overhaul of French industrial relations?	FR0002143F
	<i>In briefs</i>	Debate over trade union funding	FR0002138N
		Industrial unrest at the Post Office	FR0002139N
		Controversy over 35-hour week in road haulage	FR0002140N
		Renegotiation of 35-hour week agreement in metalworking	FR0002141N
March	<i>Features</i>	No framework agreement on 35-hour week in civil service	FR0003151F
	<i>In briefs</i>	Validation of vocational experience proposed	FR0003144N
		CGPME elects new chair	FR0003145N
		Action programme for seasonal workers in tourism	FR0003146N
		De Carbon locks out workers	FR0003147N
		Further restructuring at Moulinex	FR0003148N
		CGT-FO holds congress	FR0003150N
April	<i>Features</i>	Six out of eight unions sign agreement for state-owned hospitals	FR0004156F
		Ministry of Finance reform shelved	FR0004157F
		Prime Minister announces blueprint for pensions reform	FR0004159F
	<i>In briefs</i>	Successful national strike held in state education	FR0004153N
		Negotiations open on unemployment insurance	FR0004154N
		New measures to deal with increasing racism	FR0004155N
May	<i>Features</i>	France submits NAP for 2000	FR0005164F
		Report examines competition and regulation in 'network-based' public services	FR0005165F
	<i>In briefs</i>	Local strikes still under way at Post Office	FR0005160N
		Industrial action by junior doctors in state hospitals	FR0005161N
		MEDEF proposes new types of employment contract	FR0005162N

June	<i>Features</i>	Calls for review of trade union representativeness rules	FR0006170F
		Social partners discuss draft agreement on unemployment insurance reform	FR0006171F
	<i>In briefs</i>	Social security accounts balanced	FR0006166N
		French EU Presidency sets out social policy agenda	FR0006167N
		Court annuls 35-hour week agreement in banking	FR0006168N
July	<i>Features</i>	Victory for striking security guards	FR0006169N
		Working time dominated bargaining in 1999	FR0007178F
		New job creation pushes unemployment below 10%	FR0007179F
	<i>In briefs</i>	Doctors' organisations opposing current health insurance policy make election gains	FR0007180F
		Controversial bill on employee savings programmes	FR0007173N
August	<i>Features</i>	Report examines precarious employment and poverty	FR0007174N
		Negotiations on precarious employment in the civil service	FR0007175N
	<i>In briefs</i>	Government considers endorsement of UNEDIC agreement	FR0007176N
		The SMIC in the age of the 35-hour week	FR0007177N
		Social terrorism breaks out in closure disputes	FR0008186F
September	<i>Features</i>	Debate and negotiations over trade union funding	FR0008187F
		35-hour week agreement signed at BNP-Paribas	FR0008181N
	<i>In briefs</i>	Report on France's economic and social prospects presented to Prime Minister	FR0008182N
		Court sets limits on subcontracting	FR0008183N
		Government refuses to approve new UNEDIC agreement	FR0008184N
October	<i>Features</i>	Settlement to unemployment insurance dispute now more likely	FR0009190F
		Wage demands re-emerge	FR0009191F
	<i>In briefs</i>	Occupational illnesses and industrial solvents in the spotlight	FR0009189N
November	<i>Features</i>	Government refuses to endorse new version of unemployment insurance agreement	FR0010195F
		Moves to lift ban on women's night work	FR0010196F
		Protests over fuel price rises	FR0010197F
	<i>In briefs</i>	Civil service employment observatory created	FR0010192N
		Industrial action breaks out in public transport	FR0010193N
December	<i>Features</i>	1998 works council election results published	FR0011102F
		Employee savings schemes reformed	FR0011103F
		2001 social security funding bill passed	FR0011104F
	<i>In briefs</i>	Workforce elections held at La Poste and France Télécom	FR0011106F
		Bill on new anti-discrimination measures	FR0011198N
December	<i>Features</i>	Officers bring prisons to two-week standstill	FR0011199N
		Shift in employment policy proposed	FR0012111F
		Negotiations over 35-hour week in banking	FR0012112F
	<i>In briefs</i>	Industrial disputes rose in 1999	FR0012113F
		Civil service pay talks open	FR0012108N
		MEDEF announces pull-out from National Association of Social Security Funds	FR0012109N
		Workplace elections at EDF and GDF	FR0012110N

GERMANY

Political developments

Since the most recent general election in September 1998, the German federal government has been composed of a 'red-green' coalition comprising the Social Democratic Party (Sozialdemokratische Partei Deutschlands, SPD) and Alliance 90/The Greens (Bündnis 90/Die Grünen). The coalition parties were confronted with considerable political difficulties in 1999 — including losses in almost all important regional elections — but regained a much stronger political position in 2000. This was partly the result of far-reaching financial scandals within the main opposition party, the Christian Democratic Party (Christlich Demokratische Union, CDU), which thereby underwent a deep political crisis. Against this background, the red-green parties won the two major regional elections in 2000, in the federal states of Schleswig-Holstein and North-Rhine Westphalia.

Another reason for the comparatively strong political position of the government has been the relatively robust economy, which led to a 3.1% increase in GDP in 2000 and a reduction in unemployment of 210,000 to an average level of 3.9 million. The government's major political project in 2000 was a comprehensive tax reform which led to major tax cuts, in particular for companies but also (to a lesser extent) for employees. A further important political problem was the growing number of violent attacks against foreigners in Germany, which led to various initiatives against xenophobia and right-wing extremism, including joint action by trade unions and employers' associations (DE0008277F).

Collective bargaining

The 2000 collective bargaining round was very much influenced by the national tripartite 'Alliance for Jobs' (Bündnis für Arbeit) forum, which adopted a joint statement on an 'employment-oriented bargaining policy' in January 2000 (DE0001232F). This was the first time in German history that a national tripartite institution had issued recommendations for a forthcoming bargaining round. The Alliance's joint statement called for a 'longer-term collective bargaining policy', whereby the available 'distributive margin' should be based on productivity and should be primarily used for job-creating agreements. The joint statement also called for job-creating early retirement on acceptable terms for the persons concerned. Although, in legal terms, the Alliance's recommendations were of a non-binding nature only, because German bargaining is based on the principle of collective bargaining autonomy, de facto they had a strong political influence on the 2000 bargaining round, which mainly resulted in very moderate pay increases and improved provisions for partial retirement.

Altogether, 54,940 valid collective agreements were officially registered by the Ministry of Labour at the end of 2000, of which 33,357 were 'association agreements'

concluded between trade unions and employers' associations and 21,583 were company agreements concluded between trade unions and individual employers. Although the number of company agreements has shown a steady increase since the beginning of the 1990s, more than two-thirds of German employees are still covered by a sectoral agreement.

In 2000, the controversial debate concerning the German collective bargaining system continued. In February, the main employers' and business associations demanded changes in the Collective Agreement Act in order to redefine the so-called 'favourability principle' (Günstigkeitsprinzip), whereby departures from regulations laid down in collective agreements are possible only when they are in favour of the employee (DE0002238F). According to the employers, it should be legally possible for companies to diverge from collective agreements in order to safeguard or promote employment. Both trade unions and the government, however, have clearly rejected this demand.

Pay

In 2000, trade unions affiliated to the German Federation of Trade Unions (Deutscher Gewerkschaftsbund, DGB) concluded new collective pay agreements for some 18.4 million employees. Initially, the unions demanded total increases of between 4% and 5.5%, including both pay rises and financial contributions to new arrangements for partial and early retirement (DE0003243N). Most employers' associations sharply rejected these demands, and the majority of pay agreements subsequently provided for pay rises of between 2% and 3% in 2000 — for details see table 1 on facing page. Moreover, many of the sectoral pay agreements run for two years and also determined pay rises for 2001, which are between 2% and 2.5% under a majority of the agreements.

According to the WSI Collective Agreement Archive, in 2000 the average increase in collectively-agreed pay was 2.4%. For the first time, increases in east German pay levels (2.3%) were slightly below the increase in west German levels (2.4%), which was mainly a result of an extensive pay freeze in the east German construction industry. In 2000, the average collectively-agreed pay of an east German employee was 91.9% of the west German level. Sectoral increases in collectively-agreed pay varied between 1.6% and 3.0% — see table 2 on p. 75. In most sectors, collectively-agreed pay increases were significantly lower in 2000 than in 1999, when the average increase was 3.0% but slightly higher than in 1998 when the average increase was only 1.8%. With an inflation rate of 2.0% and an increase in labour productivity of 3.0% in 2000, pay increases were very moderate and far below the 'cost-neutral margin of distribution' (kostenneutraler Verteilungsspielraum) (ie the sum of the increases in prices and productivity) of 5%. As a result, there will be a further redistribution from labour to capital income and a further decline of the 'wage share' — ie the share of labour income in national income.

Table 1. Selected collective agreements, 2000 bargaining round

Date	Branch (region)	Pay increases	Duration of pay agreement	Other issues
25 January	Banking (DE0002236N and DE0003244N)	Flat-rate payment of DEM 4000; 1.5% from April 2000; 1.5% from August 2000	12 months	Partial retirement; hiring of vocational trainees at end of training
22 March	Chemicals industry (west) (DE0004255F)	2.2% from June 2000; 2.0% from June 2001	21 months	Partial retirement; capital-forming payments and supplementary pensions scheme; hiring of vocational trainees at end of training
27 March	Hotels and restaurants (Bavaria)	2.5% from April 2000	12 months	–
28 March	Metalworking (North-Rhine Westphalia) (DE0004255F)	Flat-rate payment of DEM 330 for March/April 2000; 3.0% from May 2000; 2.1% from May 2001	24 months	Partial retirement; capital-forming payments; hiring of vocational trainees at end of training
30 March	Construction industry (west) (DE0005259N)	2.0% from April 2000; 1.6% from April 2001	24 months	Partial retirement; introduction of supplementary pensions scheme
1 April	Chemicals industry (east)	2.8% from July 2000; 2.8% from July 2001	21 months	Partial retirement; capital-forming payments and supplementary pensions scheme; hiring of vocational trainees at end of training
11 April	Metalworking (east)	Flat-rate payment of DEM 330 for March/April 2000; 3.0% from May 2000; 2.1% from May 2001	24 months	Partial retirement; introduction of capital-forming payments; hiring of vocational trainees at end of training
4 May	Insurance (DE0005258N)	Flat-rate payment of DEM 200; 2.5% from May 2000	13 months	Partial retirement; hiring of vocational trainees at end of training
11 May	Printing industry (west) (DE0006266N)	3.0% from April 2000; 2.5% from June 2001	24 months	Partial retirement; hiring of vocational trainees at end of training
16 May	Printing industry (east)	'Zero months' without pay increase from April to June 2000; 3.0% from July 2000; 2.5% from June 2001	24 months	Partial retirement; hiring of vocational trainees at end of training
18/19 May	Construction industry (east)	'Zero months' without pay increase from April 2000 to March 2001; 2% increase in minimum wage from September 2000; 1.4% from April 2001; 1.6% increase in minimum wage from September 2001	24 months	Partial retirement; introduction of supplementary pensions scheme; increased holiday bonuses
19 May	Confectionery (North Rhine-Westphalia)	Flat-rate payment of DEM 40; 2.8% from May 2000	12 months	Hiring of vocational trainees at end of training
25 May	Wholesale trade (North Rhine-Westphalia)	2.5% from April 2000; 2.8% from April 2001	24 months	Increased employers' contribution to supplementary pension scheme
1 June	Deutsche Post AG	2.3% from April 2000; 2.3% from May 2001	25 months	New employee stock options; hiring of vocational trainees at end of training; working time reduction

Table 1 continued.

Date	Branch (region)	Pay increases	Duration of pay agreement	Other issues
13 June	Public services (DE0006268F)	Flat-rate payment of DEM 400 for April to July 2000; 2.0% from August 2001; 2.4% from September 2001; adjustment of east German pay to west German levels — from 86.5% to 87% from August 2000, 88.5% from January 2001 and 90% from January 2002	31 months (pay agreement), 33 months (adjustment agreement)	Partial retirement; hiring of vocational trainees at end of training
20 June	Iron and steel industry	Flat-rate payment of DEM 1,000 for June/July 2000; 3.3% from August 2001; 2.2% from October 2001	24 months	Partial retirement
28 June	Mining	'Zero month' without pay increase in June 2000; flat-rate payment of DEM 50 for July 2000; 2.0% from August 2000	14 months	Hiring of vocational trainees at end of training
27 June	Retail trade (North Rhine-Westphalia) (DE0008275N)	'Zero month' without pay increase in April 2000; 2.5% from May 2000	12 months	Partial retirement
23 September	Textiles and clothing industry (DE0010284N)	2.4% from September 2000; 2.4% from September 2001	24 months	Partial retirement

Source: WSI Collective Agreement Archive 2000

Working time

There were almost no changes in weekly or annual working time as a result of the 2000 collective bargaining round. In 2000, collectively-agreed average working time was 37.4 hours per week in west Germany and 39.1 hours in east Germany. About 34% of west German employees but only 6% of their eastern colleagues worked 37 hours per week or less — for details see table 3 on p. 76. Average annual working time was 1,642 hours in west Germany and 1,727 in the east.

Apart from pay rises, the issue of the reduction of life-long working time through improved partial retirement was the most prominent topic in the 2000 bargaining round. In many sectors, new collective agreements were concluded on partial retirement which contain various improvements to existing regulations, such as:

- the introduction of an individual right for employees to take partial retirement;
- the extension of the possible partial retirement period;
- the introduction of partial retirement for part-time employees; or
- the introduction of some financial compensation for employees' losses in statutory pension rights as a result of partial retirement.

In October 2000, Germany's first sectoral agreement on 'working-life time accounts' was signed in the steel industry (DE0011290N). The agreement essentially offers employees the possibility of saving overtime pay over a long period by paying it into an account. This money can be used to finance either a period of time off, early retirement or an additional pension.

Job security

Although trade unions and employers' associations agreed a joint recommendation for an 'employment-oriented bargaining policy' within the framework of the Alliance for Jobs (see above), the two sides continue to have rather differing views on the effects of collective bargaining on employment. Employers see the issue of wage restraint as most important for safeguarding and promoting employment. By contrast, the unions hope to secure and create jobs, especially for younger workers, through the conclusion of attractive early retirement schemes for older workers.

More explicit agreements on job security have been concluded at company-level. In June 2000, for example, the rail workers' trade union TRANSNET and the board of Deutsche Bahn AG agreed to an extension of the company's 'pact for jobs' until the end of 2004 and to a new social fund to finance extra payments for staff, linked to the railway company's privatisation and reorganisation (DE0006269F).

Training and skills development

Many sectoral agreements included new provisions on the promotion of vocational training and determined a certain period of time during which vocational trainees must be taken on at the end of their training (see table 1). In many agreements, this period was extended from six to 12 months.

Legislative developments

New regulations on partial retirement came into force on 1 January 2000. The most important change is that part-time employees are also entitled to take partial retirement if their working time remains above a certain threshold. Furthermore, the financial subsidy from the Federal Labour Office (Bundesanstalt für Arbeit) for filling the job partially vacated with a new employee has been improved. The new provisions set the basis for new collective agreements on partial retirement (see above under 'Working time')

In April 2000, the cabinet passed new provisions related to the Severely Disabled Persons Act (Schwerbehindertengesetz, SchwGbG), which came into force on 1 January 2001. The new 'Act to fight unemployment among persons with disabilities' (Gesetz zur Bekämpfung der Arbeitslosigkeit Schwerbehinderter, SchwGbBAG) aims to ensure the employment of about 50,000 unemployed people with disabilities by October 2002.

In July 2000, the German parliament (Bundestag) adopted a revision of the Federal Childcare Payment and Parental Leave Act (Bundesarziehungsgeldgesetz, BErzGG) which contains new provisions on parental leave and childcare payments (DE0007271F). The new act came into force on 1 January 2001. The most important changes on parental leave are that:

- from the beginning of 2001, both parents are allowed to take parental leave at the same time;
- the permitted level of part-time work during parental leave is extended from 19 to 30 hours per week;
- parents have the right to work part time for between 15 and 30 hours per week, with employers permitted to reject such requests only if this creates considerable problems for the company. After the period of parental leave, the employees concerned have the right to return to full-time work; and
- parents have the opportunity to postpone the third year of parental leave until the eighth birthday of the child.

Concerning childcare payments, the upper limits of net annual income, below which parents are entitled to a full childcare benefit payment, have been increased by 9.5% for parents with one child and 11.4% for lone parents with one child for the period from the seventh month after the child's birth.

Table 2: Annual increases in collectively agreed pay, by sector, 1998–2000*

Sector	2000	1999	1998
Commerce	3.0%	3.2%	2.3%
Food industry	2.8%	2.7%	2.0%
Investment goods industry	2.6%	3.6%	1.8%
Consumption goods industry	2.5%	2.6%	1.6%
Raw material and production industries	2.5%	2.4%	2.1%
Private services	2.3%	2.1%	1.5%
Trade and transport	2.3%	3.0%	2.0%
Horticulture, agriculture, forestry	2.3%	2.3%	2.0%
Banking, insurance	2.0%	3.1%	1.5%
Public services	1.9%	3.2%	1.9%
Energy, water, mining	1.9%	1.9%	1.5%
Construction	1.6%	2.0%	1.3%
All sectors	2.4%	3.0%	1.8%

* Increases against the previous year.

Source: WSI Collective Agreement Archive 2000.

In November 2000, parliament passed a new Act on part-time work and fixed-term employment relationships (Gesetz über Teilzeitarbeit und befristete Arbeitsverträge) which came into force on 1 January 2001 (DE0011293F). Among other provisions, the new law introduces a right for workers in companies with more than 15 employees to reduce their working time, as long as no internal company reasons prevent such a reduction, and restricts the possibilities for concluding fixed-term employment contracts.

The organisation and role of the social partners

The official role of social partners in Germany gained new importance through the Alliance for Jobs, which was established as a new permanent tripartite arrangement at national level in December 1998 (DE9812286N). In 2000, the Alliance continued its work and produced joint statements or reports on: collective bargaining policy (DE0001232F); working time policy (DE0005261F); and vocational training and lifelong qualification (DE0007272F). Further, in May 2000, the Alliance agreed on the introduction of pilot projects on wage subsidies for long-term unemployed people and those with a low level of skills in four federal states (DE0005260F).

However, there has been continuing criticism of the Alliance among both the employers' associations and the trade unions. Within the employers' camp, more positive evaluations seem to dominate, mainly because of the Alliance's disciplining effects on pay developments. Within the unions, there has been considerable controversy over the usefulness of the Alliance following

the decision of two DGB-affiliated trade unions, the Media Union (IG Medien) (DE0010285N) and the Commerce, Banking and Insurance Union (Gewerkschaft Handel Banken und Versicherungen, HBV) (DE0012296N) to opt out of the Alliance.

In terms of organisational changes, the most important development was the preparation of a trade union merger to create a new Unified Service Sector Union (Vereinigte Dienstleistungsgewerkschaft, Ver.di), which is officially planned for March 2001 (DE9911225F). There are five unions involved in this merger: the Public Services, Transport and Traffic Union (Gewerkschaft Öffentliche Dienste, Transport und Verkehr, ÖTV); the German White-Collar Workers' Union (Deutsche Angestellten-Gewerkschaft, DAG); the Post Workers' Union (Deutsche Postgewerkschaft, DPG); the Commerce, Banking and Insurance Union (Gewerkschaft Handel, Banken und Versicherungen, HBV); and the Media Union (IG Medien). While IG Medien, DAG, DPG and HBV approved the foundation of Ver.di in 2000 (DE0012295N), there was still a strong minority within ÖTV which tried to block the merger (DE0011292F). ÖTV was due to take its final decision on the issue at an extraordinary congress in March 2001, with the support of at least 80% of delegates required to approve the merger.

In November 2000, the unions concluded an agreement on guidelines for cooperation between DGB-affiliated unions after the establishment of Ver.di and the consequent integration of DAG into DGB. (DE0012297F). The deal seeks to clarify the responsibility for organising particular sectors and companies between DGB affiliates, in particular in new sectors such as telecommunications and information technology.

Table 3. Collectively agreed working time, 2000

	Germany (total)	West Germany	East Germany
Average weekly working hours	37.7	37.4	39.1
% of employees working:			
35 hours	18.0	21.9	0.3
36–37 hours	11.2	12.4	5.5
37.5–38.5 hours	44.8	48.1	29.8
39–40 hours and over	25.4	17.4	64.3
Average annual leave (days)	29.0	29.2	28.3
Average annual working hours	1,657.8	1,642.5	1,727.7

Source: WSI Collective Agreement Archive 2000.

Industrial action

There were no major strikes or industrial action at branch level in 2000. However, some branch-level collective bargaining was accompanied by warning strikes, strike ballots or other forms of industrial action, which came to a head in two cases:

- in the public sector, trade unions organised a strike ballot, in which more than three-quarters of union members voted for a strike. Just before the unions were ready to call a strike, the bargaining parties reached a 'last-minute compromise' over new collective agreements in June (DE0006268F); and
- in the textiles and clothing industry, the IG Metall metalworkers' union initiated warning strikes following the employers' refusal to support an agreement guaranteeing an entitlement to partial retirement. In September, some 13,000 employees participated in protest actions. In some areas, these protests escalated after a number of enterprises responded with lock-outs. However, just before IG Metall initiated strike ballots and prepared for industrial action, an agreement was reached (DE0010284N).

Collective bargaining was accompanied by warning strikes and nationwide protests in: east German metalworking (March); Deutsche Bahn AG (March) (DE0004253N); printing and paper processing (May) (DE0006266N); the retail trade in North-Rhine Westphalia, Bavaria, Rhineland-Palatine and Baden-Württemberg (June/July) (DE0008275N); and the Ufa and CinemaxX cinema companies (September to December).

National Action Plan (NAP) for employment

There is no special institution through which the German government involves social partners when drawing up its NAP in response to the EU Employment Guidelines. Instead, the government sees the national tripartite Alliance for Jobs as the central framework for involving the social partners in employment-creating policies, which also includes the issues raised in the NAP. The 2000 NAP as such, however, did not play a prominent role in public debate.

Equal opportunities and diversity issues

In June 1999, the government adopted a programme entitled 'Women and occupation' (Frau und Beruf), under which equal opportunities policies should be promoted and integrated in all political fields (a gender mainstreaming approach). Concrete measures within the programme include:

- a statutory basis for equal opportunities for men and women;
- a governmental report on pay discrimination against women;
- promotion of women's employment;
- political support for mothers and fathers through better opportunities for reconciliation of work and family;
- equal opportunities in the sciences;
- improving the prospects of women setting up a business; and
- promotion of good practice in equal opportunities

Through the revision of the federal childcare payment and parental leave act and the new act on part-time work (see above under 'Legislative developments'), the government aims to improve the framework for women's careers and thereby promote equal opportunities.

In September 2000, the outline of a forthcoming draft bill on equal opportunities between men and women in the private sector was presented by the Federal Minister for Families, Senior Citizens, Women and Youth (DE0009282F). It is proposed that private enterprises would be obliged to take measures to achieve equal opportunities for women and men. The law would consist of two stages:

1. within enterprises, company management and employee representatives and/or the social partners, would have the opportunity to reach agreements meeting at least minimum standards set by the law. This should allow enterprises to introduce measures which are tailored to their own requirements; and
2. companies which are not able, or willing, to reach their own agreements within a time limit of about three years would be obliged to adopt the rules laid down by the law. These rules would be more restrictive than the minimum standards for independent agreements.

A draft bill is expected to be presented in 2001.

In early 2000, the Hans Böckler Foundation launched a new women's forum, the 'Equality Group', with the aim of promoting the inclusion of women's interests in the tripartite Alliance for Jobs (DE0012298F). The background is that the vast majority of participants in Alliance meetings are men and that women's interests or gender aspects are seen as having been ignored in the documents published to date. With more than 200 women working in eight working groups on different topics by December 2000, the Equality Group may be able to raise awareness of women's interests.

Concerning the integration of people with disabilities, the Federal Labour Office decided in April on a new

programme to reduce unemployment among this group. This programme, called 'Occupational integration of severely disabled persons' (Berufliche Integration Schwerbehinderter), aims at strengthening public solidarity with people with disabilities and is directly linked to changes in the law (see above under 'Legislative developments'). Employers are to receive technical and financial support if they provide jobs for this group of people. It is hoped that this will serve to create some 50,000 new jobs. The programme is supported by the social partners.

Information and consultation of employees

In December 2000, the Ministry of Labour presented a first draft of a revision of the Works Constitution Act, which governs the establishment and operation of works councils, unleashing a considerable degree of controversy amongst the social partners (DE0102219F). While the trade unions strongly supported the initiative as a necessary modernisation to bring the legislation into line with the modern organisation of work, the employers' associations sharply rejected any attempts to extend works councillors' participation rights. Under the draft of the new act, participation rights for works councillors would be extended to the fields of training and job security, environmental protection, promoting equal opportunities for women and fighting xenophobia at the workplace. Furthermore, the setting up of works councils should be made easier, particularly in smaller companies. It is expected that a new act will be adopted in 2001.

As far as European or international aspects are concerned, several German-based multinationals concluded framework agreements on the worldwide observance of fundamental social standards in 2000 — notably Faber-Castell (writing, drawing and painting products) and Hochtief (construction) (DE0004249N) and Freudenberg (component manufacturing) (EU0008267F). Furthermore, in January 2000 the management and European Works Council (EWC) at Ford — with strong involvement of the German metalworkers' union IG Metall — signed an agreement regulating the conditions to apply to employees of Visteon, Ford's components operation, in the event of it becoming independent (DE0004254N). This was thought to be the first time that an EWC had been accepted by the management of a multinational company as a bargaining partner in this way. Finally, while the German trade unions welcomed the agreement on the worker involvement aspects of the European Company Statute at the Nice European Council in December 2000 (EU0012288F), the German employers' associations took a more critical view, since they fear that the high level of German co-determination could become a disadvantage for German companies

which want to create a European Company with foreign partners.

New forms of work

The German government aims to promote both the advantages of, and opportunities to, telework, in addition to seeking a broader acceptance of this kind of work in order to create new jobs. To this end, it has set up a special programme for the promotion of teleworking in small and medium-sized companies. In 1999, the proportion of teleworkers in the workforce was between 2% and 6%, and 41% of teleworkers were women. Currently, teleworking is mostly carried out by managers and experts. Most teleworkers are highly educated.

A further development of relevance to the analysis of new forms of work is that new legislation on 'marginal part-time employment', passed in 1999, means that it is now possible to evaluate the number of marginal (ie small-scale) part-time workers. According to the Federal Ministry of Labour, there were about 4 million marginal part-time workers in 2000.

Other relevant developments

On 10 March, the federal government decided to issue 10,000 limited work permits, with a duration of one to five years, for non-EU foreign experts in the information technology sector (DE0003252F). The number of permits can be extended up to 30,000 in subsequent years, in the light of experience with the initial scheme. Employers will have to prove that they have not been able to employ a German expert before applying for a non-EU worker.

Outlook

In 2001, two major legal reforms are planned which will have a great impact on the development of German industrial relations. The first is the pensions reform, which has been heavily disputed between the government, trade unions and employers' associations (DE0008276F). Since this reform will improve the conditions for company pension schemes, the latter will become a major topic in the forthcoming bargaining rounds at sector and company level.

The second major legal project is the revision of the Works Constitution Act. Since employers and trade unions seem to have unbridgeable differences on the topic, this is likely to result in considerable political conflict, with the possibility of further far-reaching implications for the climate of German industrial relations.

Germany: 2000 Records

January	<i>Features</i>	'Company rehabilitation agreement' signed at Philipp Holzmann AG	DE0001226F
		Alliance for Jobs adopts joint statement on employment-oriented bargaining policy	DE0001232F
		New restructuring plans highlight problems of railway reform	DE0001234F
	<i>In briefs</i>	Court rules against linking award of public sector contracts to observance of collectively agreed wages	DE0001235F
		New company agreement signed at Jenoptik AG	DE0001231N
February	<i>Features</i>	Unions oppose OECD collective bargaining proposals	DE0001233N
		Main employers' and business associations demand changes in Collective Agreement Act	DE0002238F
		Employers demand new labour market policy	DE0002240F
	<i>In briefs</i>	Majority of managers doubt usefulness of Alliance for Jobs	DE0002241F
		Dispute between DAG and HBV unions over banking agreement	DE0002236N
March	<i>Features</i>	DGB suspends participation in talks on Baden-Württemberg regional alliance on employment	DE0002237N
		Pay increases lag behind overall economic development	DE0002239N
		German and Japanese unions agree joint statement on international economic policy coordination	DE0003247F
	<i>In briefs</i>	Volkswagen presents plan for 5,000 new jobs	DE0003251F
		Work permits for computer experts cause controversy	DE0003252F
April	<i>Features</i>	Overview of trade union demands for 2000 bargaining round	DE0003243N
		HBV accepts banking agreement	DE0003244N
		Rubber industry deal includes early retirement scheme	DE0003245N
	<i>In briefs</i>	Mannesmann agrees on 'friendly takeover' by Vodafone	DE0003248N
		Agreements in chemicals and metalworking shape 2000 bargaining round	DE0004255F
May	<i>Features</i>	DGB greets Lisbon summit targets	DE0004256F
		Working times in service sector differ considerably	DE0004257F
		Innovative industrial action succeeds at Foxboro Eckardt	DE0004242N
	<i>In briefs</i>	German multinationals agree codes of conduct with unions	DE0004249N
		Strike over job losses at Deutsche Bahn averted — for now	DE0004253N
June	<i>Features</i>	Ford EWC and management sign pioneering agreement on Visteon employees	DE0004254N
		Federal government gives financial support for pilot projects on subsidising low wages	DE0005260F
		Working time report presented to Alliance for Jobs	DE0005261F
	<i>In briefs</i>	Moderate wage deal agreed for insurance sector	DE0005258N
		New collective agreements signed in west German construction	DE0005259N
July	<i>Features</i>	Last-minute compromise over new agreements averts strike in public sector	DE0006268F
		Social fund and extension of jobs pact agreed at Deutsche Bahn	DE0006269F
		Rail workers' union to be renamed TRANSNET	DE0006263N
	<i>In briefs</i>	Unions and churches oppose extension of stock exchange trading hours	DE0006264N
		New collective agreements signed in printing and paper processing	DE0006266N
August	<i>Features</i>	Interim report on 2000 collective bargaining round	DE0007270F
		New provisions on parental leave and childcare payments	DE0007271F
		Alliance for Jobs agrees to support vocational training and lifelong qualification	DE0007272F
	<i>In briefs</i>	Pension reform plans strongly opposed	DE0008276F
		Employers and trade unions oppose xenophobia and right-wing extremism	DE0008277F
September	<i>Features</i>	IG Metall signs collective agreements for Autostadt theme park	DE0008274N
		Pay dispute resolved in retail sector	DE0008275N
		'Doorn group' holds fourth annual meeting	DE0009281F
	<i>In briefs</i>	Draft bill discussed on equal opportunities in the private sector	DE0009282F
		DGB and BDA demand study of 'the economy' in schools	DE0009278N
October	<i>Features</i>	German and Austrian food sector unions sign cooperation deal	DE0009280N
		IG Metall launches 'fair share' campaign for fairer wealth distribution	DE0010287F
		Joint statement by German, Irish, Spanish and UK unions on EU consultation Directive	DE0010288F
	<i>In briefs</i>	New agreement signed for west German textiles industry	DE0010284N
		IG Medien to opt out of national Alliance for Jobs	DE0010285N
November	<i>Features</i>	New company agreements signed at Volkswagen AG	DE0010286N
		Creation of unified service sector union suffers setback at ÖTV congress	DE0011292F
		New law passed on part-time work and fixed-term employment contracts	DE0011293F
	<i>In briefs</i>	New agreements signed for journalists	DE0011289N
		'Working-life time accounts' agreed in steel industry	DE0011290N
December	<i>Features</i>	Protestant Church awards prize to companies for good employment policies	DE0011291N
		New agreement clarifies organisational responsibilities between DGB affiliates	DE0012297F
		'Equality group' seeks to include women's interests in national Alliance for Jobs	DE0012298F
	<i>In briefs</i>	DAG, DPG and HBV delegates support foundation of unified service sector union	DE0012295N
		HBV opt-out prompts trade union debate on national Alliance for Jobs	DE0012296N

GREECE

Political developments

In the parliamentary elections of 9 April 2000, the ruling Panhellenic Socialist Movement (Panhellenic Socialist Kinima, PASOK) won a majority and again formed a government with Konstantinos Simitis as Prime Minister. The other most important political event of 2000 was preparation for Greece's entry into the third stage of EU Economic and Monetary Union as the 12th member of the single currency zone, which occurred on 1 January 2001.

Collective bargaining

As in 1999, collective bargaining in 2000 remained largely centralised (GR9912160F). Table 1 below shows the number of collective agreements (SSEs) concluded in 1999 and 2000 at the various levels, based on official data from the pay division of the Ministry of Labour and Social Security, and the number of arbitration agreements (DAs) issued by the Mediation and Arbitration Service (OMED).

Pay

As is traditionally the case in Greece (GR9712159F), economic issues, and in particular pay, were predominant in collective bargaining during 2000. According to estimates by the Institute of Labour (INE) of the Greek General Confederation of Labour (GSEE), and in the absence of other official data (GR9912160F), the average increase in the basic wage was 4.1% in 1999 at current prices, and 1.6% at constant prices. The relevant data for 2000 have not yet been calculated.

In terms of national-level bargaining, the new National General Collective Agreement was signed at the end of May 2000, after four months of bargaining. The new accord is in force for two years — 2000 and 2001

(GR0006175N). The content of the agreement, which covers economic as well as other matters, was judged to be satisfactory by the trade unions, mainly in terms of the rate of increase of minimum wages and salaries, despite the fact that it was substantially at variance with GSEE's initial demands (GR0002163N). On minimum pay, the agreement provides for: a 2% increase for the first half of 2000; 1.5% for the second half of 2000; 1.8% for the first half of 2001; and 1.5% for the second half of 2001. However, as inflation increased to an average of 3% in 2000, a few days before the end of 2000, GSEE demanded payment of a corrective sum.

Further, in April, the government announced indirect financial assistance for 270,000 low-paid workers receiving minimum wages and salaries. This assistance will take the form of payment of their social insurance contributions out of the state budget. The announcement sparked contradictory reactions from the GSEE (GR0005171N).

Working time

According to official data from the National Statistical Service of Greece (ESYE) the average contractual working week is 40 hours. The average actual working week for full-time employees working more than 25 hours per week was 42.2 hours in 1999, and INE-GSEE estimates place this figure at 42.3 for 2000.

The reduction of the working week to 35 hours without loss of pay was again in 2000 one of the trade union movement's basic demands. However, the work of the GSEE's expert bargaining committee and the corresponding employer organisations on reducing working time reached an impasse without even managing to draw up basic principles as the basis for continuing any dialogue at the expert level (GR0001159N).

The 2000–1 National General Collective Agreement provides for a reduction in the length-of-service requirement, with the same or different employers, for entitlement to a fifth week of annual paid leave — from

Table 1. Number of collective agreements (SSEs) concluded and arbitration agreements (DAs) issued, 1999 and 2000

	1999		2000	
	SSEs	DAs	SSEs	DAs
National general	–	–	1	–
National occupational-level	23	20	54	15
Local occupational-level	18	9	22	4
Enterprise-level	115	3	122	6

Source: Ministry of Labour and Social Security and OMED.

12 and 14 years, depending on circumstances, to 10 and 12 years. The total length of maternity leave was increased to 17 weeks, through granting one additional week of leave after confinement. In addition, the current entitlement of mothers or fathers to interrupt the working day, arrive late or leave early was extended to adoptive parents of children up to six years of age. However many of the provisions in the agreement, mainly those regarding leave issues, had not yet been implemented by the end of 2000. GSEE thus sent a memorandum to the Minister of Labour and Social Security in July, requesting legislative intervention by the Ministry for immediate, unobstructed implementation of these measures (GR0008181N).

In terms of working time flexibility issues, the government is seeking to encourage the annualisation of working time by means of collective agreements and offering unions the incentive of reducing annual working time by 90 hours. Legislation (law 2874/2000) on this issue (and many others — see below under 'Legislative developments') was adopted in December 2000.

Job security/training and skills development

Job security and training provisions in Greek collective agreements have not yet been the subject of any study by the competent authorities. As a result, there are no data available regarding this issue.

Legislative developments

Only one major change was made to the legislative framework for industrial relations during 2000 — the adoption in December of law 2874/2000 concerning 'employment regulations and other provisions' (GR0012192F). In addition to clauses referring exclusively to employment issues, this law also makes changes to the existing legislative framework for labour relations. In particular, these changes concern overtime, working time arrangements, reduction of social insurance contributions, part-time workers' pay and collective redundancies. Although the new law differed considerably from the government's initial proposals (GR0007178F), it is nevertheless aimed at further increasing labour market flexibility, mainly through flexible working time arrangements and relaxed rules governing redundancies. The objections and criticism voiced both by the employers' organisations (GR0012194F) and by the trade unions (GR0012193F), have created significant doubts about the possibility of implementing the law in practice, as many of its provisions are dependent on application through collective agreements. It should be noted that law 2874/2000 was not the product of social dialogue — despite the government's initial invitation to the social partners to embark on social dialogue on employment and unemployment issues (GR0008179N), the discussion on labour issues foundered due to the diverging positions of the social partners (GR0008180N and GR0009183N).

The organisation and role of the social partners

The most important change in terms of the organisation of the social partners in 2000 was the unification of two oil industry trade union federations, the Panhellenic Federation of Refinery and Chemical Industry Workers (POEDXV) and the Panhellenic Federation of Petroleum Products and Refineries, Mineral Oils-Petroleum-Liquid Gas Company Staff (POEEDOPY) to form the Panhellenic Federation of Employees in Petroleum Products-Refineries and Chemical Industry (POEPDHV) (GR0003166F). At a time when enterprises in the oil industry are merging so as better to serve their interests, on both the national and the international level, the creation of the new unified federation is seen as the trade unions' best response. It opens the way for the creation of a stronger and more widely-based industry-wide federation to deal with the increased demands and problems of the industry's workers. This merger is of particular importance at the present time in Greece, where fragmentation of the trade union movement is common.

Industrial action

No statistical data are available on the incidence of industrial action during 2000. Similarly, there is a lack of data for 1999, and data for the two previous years, 1997 and 1998, are not sufficient to allow any conclusions to be drawn on the situation regarding industrial action in Greece (GR9912160F). The main reason for the lack of data for 1997 and 1998 is that the Ministry of Labour, the only body with competence to record such data, failed to collect any analytical data either on the content of strikes or on the sectors affected. For 1999 and 2000, the problem is even more marked, since there are no data at all for these years. According to the Ministry of Labour, this is because since 1998 the Corps of Labour Inspectors (SEPE), which was set up by law 2639/1998 concerning 'regulation of labour relations and other provisions' (GR9808187N), is the competent authority for recording such data. Two years after its establishment, the SEPE had still not assumed all its responsibilities by the end of 2000.

However, as a whole it would appear that, in contrast to 1999, there was a significant increase in social tensions during 2000. Two one-day national general strikes were held in October and December 2000 (GR0012190N) in protest at the government's proposed new employment legislation (see above under 'Legislative developments'). These strikes were characteristic of the tension that prevailed, and there was also no lack of other industrial action in specific sectors of economic activity.

National Action Plan (NAP) for employment

Contrary to expectations, the Greek NAP for 2000 was in many respects no different from its predecessors in 1999 (GR9906134F) and 1998 (GR9804165F). Not least, it still

did not constitute a product of meaningful dialogue between the government and the social partners: as in the two previous years, the scant participation of the social partners, at both the planning and implementation stages, remained one of its drawbacks. As a result, the 2000 NAP is considered by many commentators to be a one-sided expression of government policy on employment and unemployment, which ignores the views of both the employers' organisations and the trade unions, even though they oppose each other on many points. Employers and unions alike refer to a perceived inability to monitor implementation of policies and an inadequate evaluation of results to date.

For their part, the trade unions questioned the need for the third NAP, viewing it as largely a repetition and rewriting of the two previous controversial NAPs (GR0006177F). In general, the question of the rapid increase in unemployment was one of the basic issues for discussion between the social partners, although there was no convergence of opinion on how to address this between employers (GR0004169F) and unions (GR0009185F and GR0001162F). However, for the first time in many years, the Minister of Labour and Social Security referred in the new government's programme to full employment, and acknowledged the importance of economic growth for increasing employment (GR0005174F).

Equal opportunities and diversity issues

The question of equal opportunities does not appear to have been a topic for discussion amongst the social partners during 2000. No developments regarding equal opportunities were noted during the year, either on the legislative level or on the collective bargaining level, and the same lack of developments was also noted in the area of studies and research.

Information and consultation of employees

There were no legislative or any other significant developments in the area of the information and consultation of employees in Greece in 2000. Regarding European Works Councils (EWCs), even though Greece has implemented the relevant EU Directive (94/45/EC), the institution itself remains rather underused in practice in Greece. As a result, the impact of EWCs on the Greek system of industrial relations is essentially limited or even non-existent. Four years after Greece transposed the Directive, and despite the proposed scope of the EWCs, in practice Greek enterprises which have set up or have begun the process of setting up EWCs continue to be very few in number (GR9704111N). It should also be noted that the lack of an integrated system for recording the establishment and operation of EWCs in Greece makes any effort to evaluate them extremely difficult.

New forms of work

There is no institutional framework regulating the operation of temporary employment agencies in Greece. In addition, the incidence of teleworking is still at a very low level, due to the limited use of new technologies in Greece compared with the rest of Europe.

In general, non-traditional forms of work whose content conceals a relationship of subordination — so-called economically dependent employees — are growing considerably, and usually operate by side-stepping what is seen by some as the inadequate legislative framework of law 2639/1998 concerning 'regulation of labour relations and other provisions' (GR9808187N) (Article 1). This is exacerbated by the inadequacy of mechanisms to monitor the implementation of labour legislation.

Other relevant developments

Other issues that concerned the social partners, and especially the unions and government, during 2000 included:

- dismissals at the FAGE dairy factory (GR0003165N), and the temporary lay-off of all employees at the Athenian Paper Mills (Softex) (GR0005170N); and
- the crisis in the Greek shipbuilding industry and the impending transfer of all the shares in the Skaramangas Shipyards to private shareholders (GR0002164F).

Outlook

In contrast to 1999, 2000 saw an intensification of conflicts between the social partners. As a result, the prevailing climate was one of greater social tension. The government's intervention to increase labour market flexibility through new legislation on labour issues played a decisive role.

In 2001, it is expected that pay developments will continue to be kept within the framework of the 2000–1 National General Collective Agreement. In terms of particular issues, INE-GSEE expects more pressure for a further increase in labour flexibility particularly in the area of temporary employment agencies, which is also a demand of employers (GR0010187F). The reactions of employers and unions to the adoption of law 2874/2000, and the issue of flexible working time arrangements in particular, appears likely to result in non-implementation of the law, since this is conditional upon collective agreements. This is expected to be one of the main industrial relations themes of 2001.

Greece: 2000 Records

January	<i>Features</i>	EMU entry at a higher exchange rate will place greater pressure on the labour market	GR0001162F
	<i>In briefs</i>	Work of expert committee on working time reduction reaches impasse	GR0001159N
February	<i>Features</i>	Greek shipbuilding industry in crisis	GR0002164F
	<i>In briefs</i>	Trade union confederation sets out demands for 2000	GR0002163N
March	<i>Features</i>	Two oil workers' federations merge	GR0003166F
	<i>In briefs</i>	Tensions at FAGE	GR0003165N
April	<i>Features</i>	SEV makes economic policy proposals	GR0004169F
	<i>In briefs</i>	Court abolishes ceiling on lump-sum payments for retiring bank employees	GR0004168N
May	<i>Features</i>	Government proposals for reducing unemployment	GR0005174F
	<i>In briefs</i>	Softex workers laid off	GR0005170N
		Indirect increase in minimum wage	GR0005171N
		GSEE responds to Bank of Greece report	GR0005172N
June	<i>Features</i>	Trade unions criticise NAP	GR0006177F
	<i>In briefs</i>	National General Collective Agreement signed for 2000–2001	GR0006175N
July	<i>Features</i>	Government proposes changes to industrial relations	GR0007178F
August	<i>In briefs</i>	Government issues invitation to begin social dialogue	GR0008179N
		GSEE meets employers' organisations to discuss government employment proposals	GR0008180N
		GSEE seeks legislative intervention to implement national agreement	GR0008181N
September	<i>Features</i>	INE issues annual economic and employment outlook	GR0009185F
	<i>In briefs</i>	GSEE withdraws temporarily from social dialogue	GR0009183N
October	<i>Features</i>	Flexibility in Greek labour market widespread but inadequate, report claims	GR0010187F
	<i>In briefs</i>	GSEE calls for measures to respond to oil price increases	GR0010186N
December	<i>Features</i>	New draft bill proposes industrial relations reforms	GR0012192F
		GSEE gives opinion on new draft bill on employment	GR0012193F
		SEV criticises new draft bill on employment	GR0012194F
	<i>In briefs</i>	Awards given for good practices in workplace health and safety	GR0012189N
		Unions hold 24-hour general strike	GR0012190N

IRELAND

Political developments

The current government comprises a coalition between the majority centrist Fianna Fail party and the small right-of-centre Progressive Democrats (PDs). This coalition government has been in power since June 1997. The next general election is not due until 2002, although there has been some speculation that there could be an election some time in 2001.

Collective bargaining

Pay

There were a number of significant pay developments during 2000. In March 2000, the social partners formally endorsed a new tripartite national agreement, the *Programme for Prosperity and Fairness* (PPF) (IE0003149F), which was the fifth successive national agreement to be concluded since 1987. The Irish Congress of Trade Unions (ICTU) endorsed the PPF by a majority of two-thirds, with 251 delegates voting in favour and 112 against at a special meeting. On the employers' side, a comfortable majority of the Irish Business and Employers Confederation (IBEC) general council endorsed the deal. As well as IBEC, employers were represented in the negotiations by organisations such as the Construction Industry Federation (CIF), the Irish Farmers' Association (IFA) and the Small Firms' Association (SFA). The voluntary and community sector was represented by the Irish National Organisation of the Unemployed (INO), Congress Centres for the Unemployed, the Community Platform, the Conference of Religious of Ireland (CORI), the National Women's Council of Ireland (NWCI), the National Youth Council of Ireland (NYCI), the Society of Saint Vincent de Paul and Protestant Aid. The PPF embraces a broader range of social and economic issues than any of the four previous national agreements.

The central component of the PPF is a 33-month pay agreement providing a minimum 15% pay increase, or 15.8% on a cumulative basis. This contains the following elements:

- a 5.5% rise (with a minimum increase of IEP 12 per week) in the first year;
- 5.5% (with a minimum increase of IEP 11 per week) in the following year; and
- 4.0% (with a minimum increase of IEP 9 per week) for the final nine months.

In addition, the agreement provided for a separate one-off 'catch-up' pay award of 3% for civil servants and

teachers, payable from October 2000, because, as so-called 'early-settlers' under previous agreements, their pay fell behind other public sector groups which settled later (IE0002206N). Furthermore, in an effort to escape the 'stranglehold' of pay relativity claims within the public sector, the government and the social partners agreed to set up a new 'benchmarking body' with a remit to establish fair comparisons between the pay of public service workers and similar groups in the private sector. Finally, there was a commitment to introduce a national minimum wage of IEP 4.40 per hour in April 2000, which is due to rise to IEP 4.70 from July 2001 and IEP 5.00 from October 2002.

The PPF also contains three key income tax commitments. First, there will be overall increases in net take-home pay of some 25% or more over the lifetime of the PPF — as a result of combined pay and tax provisions. A second commitment is to remove all earnings below the minimum wage threshold from the tax net. A third commitment is to ensure that 80% of taxpayers do not pay tax at the higher rate.

There was increased evidence of wage drift in the private sector during the course of 2000, with numerous employers awarding pay increases above the basic terms of the PPF. This was influenced by the fact that many employers were experiencing labour and skill shortages (IE0006152F) in a tight labour market, and were finding it difficult to recruit and retain staff. The mounting pressure on pay was exacerbated when inflation started to rise rapidly and the PPF was soon subject to considerable pressure as workers and unions pushed for compensation for increases in the cost of living (IE0010159F). This pressure was accompanied by widespread industrial conflict in the public and semi-state sectors (IE0004149F). By November 2000, the rate of inflation stood at 6.8%, and the pressure from workers and unions for compensation built up to such an extent that IBEC eventually agreed to a review of the pay terms of the PPF. The pay review was finalised on 4 December 2000, just two days before the contents of the 2001 state budget were unveiled (IE0012161F). The unions were seeking a combined pay review and budgetary compensation package that would restore the value of improvements in living standards provided for in the PPF.

The pay increases in the pay review amount to an additional 3% over the remaining lifetime of the PPF. First, workers will receive an additional 2% from April 2001, which means that the second-phase pay award of the PPF will increase from 5.5% to 7.5%. Second, workers will receive a further 1% pay award from April 2002. An important concession to public service workers was the 'fast-tracking' of the public service benchmarking process, which was set up to compare public service pay rates with those in the private sector pay. The benchmarking body is now due to report by June 2002, rather than the original deadline of June 2003.

Employers secured some compensation in exchange for the additional pay award. First, they obtained a reinforced industrial peace clause that will be monitored by a new National Implementation Body (NIB). Second, they secured the reinforcement of the 'inability to pay clause' contained in the PPF for firms in 'vulnerable' sectors such as clothing and textiles, which are exposed to difficult competitive conditions. Such firms will not automatically be expected to make additional pay awards. At the other end of the competitive spectrum, employers which have already paid over and above the terms of the PPF will not be expected to award another increase. All employers are entitled to secure various productivity concessions from workers in exchange for any additional pay award. Disputes over the application of the pay review will be referred to the existing dispute resolution bodies, the Labour Relations Commission (LRC) and the Labour Court (LC).

Turning to the main contents of the 2001 budget, the standard rate of income tax was cut by two points, from 22% to 20%. The top tax rate was also cut by two points, from 44% to 42%. The standard rate tax band for individual earners was widened, from IEP 17,000 to IEP 20,000 per year. Personal tax-free allowances were also increased, by IEP 800 for single earners, bringing the total to IEP 5,500 from IEP 4,700. For married couples, personal allowances were increased by IEP 1,600, bringing the total to IEP 11,000 from IEP 9,400.

The Pay As You Earn (PAYE) tax allowance was also increased to IEP 1,000. Significantly, earnings below IEP 144 per week are now exempt from income tax. Employees also benefited from a reduction in their PRSI social security contribution from 4.5% to 4%. The ceiling for employer PRSI contributions, which was previously IEP 36,000 per year, was abolished. Finally, employers benefited from a four-point reduction in corporation tax from 24% to 20%.

Working time

There were no major changes in the duration of working time in 2000, with average collectively agreed normal weekly working hours remaining at 39.

Job security

Employment-related collective bargaining in Ireland primarily takes place through national agreements. Successive national agreements have facilitated significant employment creation, and as a consequence, unemployment has declined substantially. As at December 2000, unemployment stood at 3.7%.

Since 1991, the social partners have participated in area-based partnership schemes, which are concerned with combating long-term unemployment and social exclusion. There are 38 of these partnerships operating in various regions. More recently, four Territorial

Employment Pacts (TEPs) sponsored by the European Commission have been introduced. The TEPs complement and coordinate the area-based schemes.

Whilst national agreements have afforded particular prominence to employment and employment creation, and job security is a topic for discussion under a 'workplace partnership clause' in the PPF, employment has yet to emerge as a significant issue within collective agreements at either the sector or company level. Sectoral bargaining is virtually non-existent in Ireland, and collective bargaining at company level is rarely concerned with employment creation. Consequently, there are few explicit employment security agreements.

Training and skills development

There are a number of initiatives contained in the PPF relating to training, adaptability and employability. The PPF incorporates a commitment to evaluating Active Labour Market Programmes (ALMPs). A particular emphasis is placed on increasing training provision and resourcing. There is also a commitment to developing a raft of measures to promote 'life-long learning'. This includes 'all forms of learning, whether formal or informal, with the aim of improving knowledge, skills and promoting personal fulfilment'. An important emphasis is placed on strengthening the link between the education system and the world of work. An important recent training innovation is the development of a government-funded enterprise-based training network called 'Skillnets'. Skillnets is an independent company whose board is comprised of government, employer and trade union representatives. The project involves collaboration amongst companies to develop training networks in different sectors. It also incorporates trade union involvement.

Although training is a topic for discussion under the 'workplace partnership clause' in the PPF, few collective agreements at company level place an emphasis on training and development. The majority of agreements tend to focus on traditional issues such as pay and terms and conditions.

Legislative developments

The most significant legislative development in 2000 was the introduction of a statutory national minimum wage (NMW) on 1 April (IE9907140F). The NMW was set at a rate of IEP 4.40 per hour. It was enacted through the PPF and the National Minimum Wage Act 2000. There was a recommendation that the rate should be increased to IEP 4.70 from July 2001 and IEP 5.00 from October 2002.

Further, the Parental Leave Act 1998 was extended in July 2000 (IE0008217N) after the Irish government moved in July 2000 to comply with a finding by the European Commission that the act was too restrictive. Parents of children who were born between December

1993 and June 1996 are now entitled to 14 weeks' unpaid parental leave, thus removing the cut-off date of 3 June 1996 contained in the original legislation.

The organisation and role of the social partners

There were few substantial changes to the organisation and role of the social partners in 2000. The main issue during the year was the negotiation and introduction of the PPF, and in the following months, the role of the social partners in rescuing it by negotiating a pay review (see above under 'Pay').

However, a significant development on the trade union side was the decision by the Association of Secondary Teachers Ireland (ASTI) in January to leave ICTU, freeing it to pursue claims outside the PPF (IE0005212N) (see below under 'Industrial action')

Industrial action

There was significant industrial conflict during 2000, particularly in the public sector (IE0004149F). Indeed, industrial conflict in the public sector has been perhaps the most intractable issue in Irish industrial relations in recent times, and brought the PPF close to breaking point in 2000. This is inextricably linked to the fact that the ongoing economic boom is fuelling rising expectations amongst workers, who expect a fair share of the rewards while the boom lasts. Alongside these expectations, conflict has also been provoked by the increased 'commercialisation' of some areas of the public sector, and a related concern by workers to protect or improve their pay and terms and conditions of employment.

The most high-profile examples of industrial action in 2000 were a 10-week train drivers' dispute (IE0008154F) and a teachers' dispute which was still underway at the end of the year (IE0011224N). The train drivers' dispute involved about 100 members of the independent Irish Locomotive Drivers' Union (ILDA), who refused to work to the terms of a new pay and hours deal.

The teachers' dispute involved 18,000 members of ASTI, who were seeking a 30% pay increase, on the basis of a perception that the terms of the PPF are inadequate. More generally, there is a feeling amongst teachers that their living standards have slipped relative to other occupations. The government has rejected the teachers' claim, however, because it is determined to keep the lid on public sector pay, and save the PPF. The situation at the end of the year was one of deadlock.

Other examples of industrial action included a dispute over low pay at the state-owned airline, Aer Lingus, involving cabin crew, catering staff, and baggage handlers (IE0011223N).

National Action Plan (NAP) on employment

Regular engagement has taken place amongst the social partners and the government in relation to the preparation and monitoring of NAPs. It is stated in the PPF that employment plans will be the main channel for consultation on overall labour market policies: 'The Employment Action Plans (EAPs) and the operational programmes under the National Development Plan (NDP) will be the principal means for progress [on labour market policies] and, in terms of both preparation and monitoring, substantive and timely engagement with the social partners will take place.'

The involvement of the social partners in the NAP overlaps considerably with their role in developing employment-related policy under the PPF. The PPF comprises five operational frameworks, which closely correspond with the four EU Employment Guideline pillars of employability, entrepreneurship, adaptability, and equality. The five PPF frameworks are: living standards and workplace environment; prosperity and economic inclusion; social inclusion and equality; successful adaptation to continuing change; and renewing partnership.

The social partners have actively contributed to all of these areas. For example, with regard to framework four, the social partners have worked closely with the government in exploring and developing the various aspects of a knowledge-based economy. Furthermore, in relation to framework five, the social partners and the government have been seeking to diffuse partnership more widely at enterprise level.

Equal opportunities and diversity issues

The PPF contains a wide range of equality measures, describing equality of opportunity and the elimination of discrimination as 'key aspects of a modern, open, inclusive society'. The programme supports practical policies and measures to promote equality through:

- a progressive legislative framework which eliminates discrimination in employment;
- institutions to combat discrimination and to provide redress and support to people experiencing problems;
- further measures to tackle equality issues; and
- a system of 'equality proofing' and ongoing monitoring mechanisms.

A specific measure contained in the PPF is that, in response to the challenges arising from the implementation of the Employment Equality Act 1998 (IE9909144F), and in order to promote equal opportunities in the workplace, a 'framework' will be

established, comprising representatives from IBEC, ICTU, public service employers and the Department of Justice, Equality and Law Reform. This structure, which will have a specific budget, will assist in the development and implementation on a voluntary basis of equal opportunity policies at enterprise level and provide encouragement, training, information and support to employers and employees and their representatives. It is recommended that equal opportunities policies/practices be developed and implemented, on a voluntary basis, at enterprise level by agreement between employers and unions.

Issues identified as appropriate for discussion at enterprise level include:

- policy statements/equality programmes;
- positive action programmes;
- policies on sexual harassment, harassment and bullying at work;
- racial equality policies; and
- guidelines to implement support mechanisms at work for victims of domestic violence.

The PPF contains a number of measures to support childcare and family life and to improve the 'work-life balance' (IE0009155F). In particular, it is stressed that 'policies to support childcare and family life are a cornerstone of future social and economic progress'. Objectives in the PPF include:

- increasing childcare places in both the private and community sectors;
- increasing out-of-school hours childcare services provided by community groups and school management; and
- further national fiscal and social policy measures to reconcile work and family life. This involves the promotion of 'family-friendly' policies at enterprise level, such as job-sharing, parental leave, flexitime, homeworking, and term-time working.

The management of the 'work-life balance' has become an increasingly important topic of debate in Ireland as a result of significant changes in the social and economic context. The pressures associated with dealing with the conflicting demands of work and personal responsibilities has generated increased worker interest in 'employee-friendly' working arrangements. Employers, meanwhile, have begun to pay increased attention to the management of the 'work-life balance' in response to recruitment and retention problems in a tight labour market that is moving towards full employment.

It remains to be seen, however, to what extent measures to improve the 'work-life balance' will be diffused across the economy.

Information and consultation of employees

There were no major developments in Ireland during 2000 in the area of employee information and consultation. However, preparations were made to amend the national legislation implementing the EU Directives on transfers of undertakings (77/187/EEC, amended by 98/59/EC) and collective redundancies (consolidated in 98/59/EC). This followed the issuing in 1999 of a reasoned opinion by the European Commission, arguing that European Court of Justice case law during the 1990s meant that the Irish legislation, introduced in 1977 and 1980, needed to be adjusted. The government thus prepared amendments (subsequently enacted in January 2001 — IE0102230N) introducing new mechanisms for the consultation of workers in firms which do not recognise trade unions, as well as access to the Rights Commissioner's appeal mechanism.

New forms of work

New forms of work, such as teleworking, have been the focus of increased attention and debate in Ireland, and are promoted in the PPF (see above under 'Equal opportunities and diversity issues').

The commitment contained in the PPF to introduce legislation on part-time workers by June 2000, in order to comply with EU Directive 97/81/EC on part-time work, was not met. Nevertheless, the government stated its intention to have the legislation in place by the end of January 2001. Significantly, a code of practice may be drawn up by the Labour Relations Commission on the improvement of opportunities for part-time workers.

Other relevant developments

In view of the pressures and tensions generated by economic growth and membership of the 'euro-zone', the Irish government and the social partners have begun to pay increased attention to the promotion of new forms of financial participation, such as profit-sharing and gainsharing (IE0007153F). The PPF contains a number of provisions relating to the diffusion of financial participation at enterprise level. There is a 'partnership clause' that builds on the previous national agreement, *Partnership 2000* (P2000), and provides for the voluntary establishment and deepening of financial participation: 'The government and the social partners acknowledge the role of Employee Share-Option Trusts (ESOTs), gainsharing, profit-sharing and other financial employee incentives in developing and deepening partnership and in increasing performance and competitiveness.' Furthermore, a consultative committee involving ICTU, IBEC and appropriate government departments and agencies, was established under the PPF to prepare proposals on financial participation initiatives, particularly in relation to taxation issues.

By the end of the year, however, financial participation schemes were not very widely diffused across the economy, and were mainly confined to large companies in the information technology and pharmaceuticals sectors. It remains to be seen whether the 'workplace partnership clause' in the PPF can facilitate a wider diffusion of financial participation. As was the case under the rather loosely worded partnership clause in P2000, there is a renewed emphasis on the voluntary nature of partnership initiatives. That is, employers are obliged only to engage in discussions on partnership topics, and nothing more.

Outlook

At the beginning of 2001, the issue that is most preoccupying the social partners is whether the 'adjusted PPF', and indeed, the Irish model of social partnership, will be able to contain burgeoning wage demands and pressure for a more equitable distribution of wealth. At present, it is possible only to surmise what the implications might be, but there seems little doubt that there will be further wage pressure as the economy moves closer to full employment. Much will depend on future trends in inflation, wealth redistribution and industrial conflict.

In terms of the outlook for inflation, while the reductions in indirect taxes in the 2001 budget may help to reduce inflation slightly in the short term, some of the other budgetary measures look set further to fuel domestic inflationary pressures by adding to consumer spending in an economy that is already overheating. In particular, a further decrease in the top rate of tax looks set to contribute to additional house-price inflation. Significantly, in a tight labour market, tax cuts — particularly for high earners — no longer serve to moderate wage pressures or encourage more people to enter the labour market. Rather, they serve to increase the demand for labour at a time when there has been a significant slowdown in the supply of labour. Whether this fuelling of domestic inflationary pressures will jeopardise the stability of the economy to any marked extent depends — to a significant degree — on the nature of external events. The government appears to have taken something of a gamble that is dependent upon a favourable external deflationary scenario consisting of a gradual appreciation of the value of the euro and a decrease in oil prices. If these two factors

'come good', and there are signs that this may now be starting to occur, then inflation could fall in 2001. The government's own estimate for average inflation in 2001 is 4.4%. It is important to qualify this, however, because even if a favourable external climate materialises, there is still the question of the extent to which inflationary pressures from domestic sources will increase in an economy that is overheating.

In relation to the distribution of wealth and resources, although the 'adjusted PPF' and the budget will undoubtedly contribute to an improvement in the living standards of low-income groups, it is still the case that the distribution of income disproportionately favours high-income groups. The government has shown little inclination to close the gap between rich and poor. In particular, the two-point cut in the top tax rate has served to exacerbate existing inequalities. In this context, it seems likely that there will be some pressure for a more equitable distribution of wealth.

In relation to industrial conflict and the future of the 'social partnership' model, it is difficult to assess at this juncture whether the 'adjusted PPF' and the budget package will help to dampen the burgeoning wage militancy that has recently been occurring, particularly in the public sector. There is a possibility that the raft of measures contained within the overall package — such as the pay increases, tax cuts/reforms, the reinforced 'peace clause', and the fast-tracking of the public service benchmarking process — may help to dampen wage demands somewhat and prevent further outbreaks of industrial conflict, at least in the short term. The 'peace clause' is still voluntary, however, and it remains to be seen whether the compensation package can prevent industrial unrest amongst workers and unions — such as the ASTI teachers' union — which decide to press for pay increases outside the confines of the PPF. There may also be tensions in the future over the application and interpretation of the 'inability to pay' clause contained in the pay review. Thus, in the current industrial relations climate, the most optimistic scenario would appear to be 'relative industrial peace'. Whatever happens in the short term, there are still a number of obstacles and tensions that have not gone away, particularly those issues which have an impact on the quality of people's lives, such as income inequality and a lack of affordable childcare provision.

Ireland: 2000 Records

January	<i>Features</i>	'Partnership' agreements may point way forward	IE0001204F
	<i>In briefs</i>	16% pay rise at Dunnes Stores seen as bid to retain staff	IE0001202N
		Survey finds strong support for pay moderation and social partnership	IE0001203N
February	<i>In briefs</i>	Social partners expected to endorse 'Programme for Prosperity and Fairness'	IE0002205N
		Special 'catch-up' pay award for civil servants	IE0002206N
		Earnings increase by 5% in services sector	IE0002207N
March	<i>Features</i>	Irish social partners endorse new national agreement	IE0003149F
	<i>In briefs</i>	Rights Commissioners set ground-rules for 'force majeure' family leave	IE0003208N
April	<i>Features</i>	Conflict increases in the public sector	IE0004149F
	<i>In briefs</i>	Labour Court chair calls for review of industrial relations	IE0004209N
		Electricity company faces major pay claim and job cuts	IE0004210N
May	<i>Features</i>	Social partners concerned about rising inflation	IE0005151F
	<i>In briefs</i>	Voluntary redundancy agreements examined	IE0005211N
		Teachers and government on collision course over pay	IE0005212N
June	<i>Features</i>	Labour and skill shortages intensify	IE0006152F
	<i>In briefs</i>	Health and Safety Authority in need of 'short sharp shock'	IE0006213N
		Doctor awarded IEP 50,000 by Labour Court for discrimination	IE0006214N
July	<i>Features</i>	New forms of employee financial participation	IE0007153F
	<i>In briefs</i>	Prime Minister targets key posts for women	IE0007215N
		Postal workers agree share scheme and working time changes	IE0007216N
August	<i>Features</i>	Dispute hits Irish Rail	IE0008154F
	<i>In briefs</i>	Parental leave provisions extended after Commission moves	IE0008217N
		Discrimination claims up 40%, says new equality agency	IE0008218N
September	<i>Features</i>	Managing the 'work-life balance'	IE0009155F
	<i>In briefs</i>	Breakaway train drivers return to work after 10 weeks	IE0009219N
		Budget is key to survival of national deal as inflation rises	IE0009220N
October	<i>Features</i>	Workers and trade unions seek compensation package for rising inflation	IE0010159F
	<i>In briefs</i>	Guinness unions seek to define EWC 'consultation' after job cuts announced	IE0010212N
		Unions raise stakes over compensation for inflation in national pay deal	IE0010222N
November	<i>Features</i>	Gender wage gap examined	IE0011160F
	<i>In briefs</i>	Aer Lingus workers strike over pay issues	IE0011223N
		Teachers plan strikes as rest of public sector watches	IE0011224N
December	<i>Features</i>	Rescuing Ireland's social pact	IE0012161F
	<i>In briefs</i>	Increase in minimum annual leave should not affect service-related leave, says Labour Court	IE0012225N
		Widespread industrial action as national pay deal is reviewed	IE0012226N
		'Giveaway' budget and extra pay increase save national partnership	IE0012227N

ITALY

Political developments

Local elections were held in 15 regions on 16 April 2000. The coalition of centre-right parties claimed a success, winning a majority in eight regions, including all those regions in the north of Italy which were involved in the elections. The centre-left coalition which forms the national government won in the remaining seven regions. The success of the centre-right coalition was significant in terms of the number of votes won. The local elections had important implications at national level — Prime Minister Massimo D'Alema resigned following the defeat of the centre-left coalition. At the beginning of May 2000, a new government came into power, still supported by a centre-left coalition — including the Democratic Left (Democratici di Sinistra, Ds), the Italian People's Party (Partito Popolare Italiano, Ppi), the Democrats (Democratici), the Democratic Union for Europe (Unione Democratici per l'Europa, Udeur) the Party of Italian Communists (Partito dei Comunisti Italiani, PdCI), the Greens (Verdi), Italian Renovation (Rinnovamento Italiano, Ri) and the Italian Democratic Socialists (Socialisti Democratici Italiani, Sdi). The new Prime Minister is Giuliano Amato.

On 21 May 2000, two referenda on labour-related issues (out of a total of seven questions put to the electorate) failed due to a low turn-out (IT0005267N). The issues concerned were the regulation of individual dismissals and the possibility of a direct check-off of trade union dues from wages. The three main trade union confederations — the General Confederation of Italian Workers (Confederazione Generale Italiana del Lavoro, Cgil), the Italian Confederation of Workers' Unions (Confederazione Italiana Sindacati Lavoratori, Cisl) and the Union of Italian Workers (Unione Italiana del Lavoro, Uil) — expressed satisfaction with the results of the referenda on labour-related issues, as they considered them to be an 'anti-union' initiative.

The most significant political event of 2001 will be the national general elections, which will be held in the spring.

Collective bargaining

At the end of November 2000, there were 49 industry-wide collective agreements in force, covering about 7.5 million workers. These data refer to the National Institute of Statistics (Istituto Nazionale di Statistica, Istat) panel on sectoral bargaining, which includes 80 agreements, covering 11.5 million employees. The 49 sectoral agreements in force represented 63.2% of Italy's total paybill, a decrease of some 20% compared with the same period in 1999. The fact that there were agreements awaiting renewal was a specific problem in the transport and communications sector and in the

public administration, where only 19.4% and 12.1% of the respective sectoral paybills were covered by agreements in force.

An interesting element of collective bargaining during 2000 was the increasing attempt to define new sectoral agreements for those industries which have been affected by liberalisation and privatisation processes. The first industry-wide agreement of this type was the telecommunications sector agreement, signed in June 2000 (IT0007158F). Telecommunications is the sector where liberalisation and privatisation are most highly developed. Developments to date include privatisation of the former monopoly telecommunications organisation (Telecom Italia) and the emergence of many new private providers. This also created a fragmentation of sectoral collective bargaining, with different employers applying distinct collective agreements (either company-level ones, as at Telecom Italia and Wind, or industry-wide ones, such as the metalworking agreement in the case of Omnitel), as well as a complex representation pattern, with both employees and employers represented by various sectoral federations. The new agreement, which was signed by the Confindustria employers' confederation and the Cgil, Cisl and Uil union confederations, defined a new common set of rules, in order to establish a 'level playing field' from a collective bargaining point of view.

Similar efforts are now under way in other public utilities, such as gas and water distribution, electric power and the railways. In these sectors, however, liberalisation (and sometimes privatisation) is in its early stages and the possible problems of fragmented collective bargaining and representation are, to a great extent, yet to arise. In the railways sector, in particular, the new sectoral agreement is in some ways part of the restructuring process of the Italian state railways (Ferrovie dello Stato, FS), which was agreed upon in November 1999 (IT9912349F). Bargaining over the new industry-wide agreement ended in a stalemate at the close of 2000 and the Minister of Transport subsequently began mediation in order to help the parties resume negotiations.

Pay

In the year to November 2000, the average increase in collectively-agreed pay was 2.0%, according to Istat data: a level which compares with an actual inflation rate of around 2.5% in 2000.

Working time

Working time remains a prominent issue in collective bargaining, particularly in terms of flexible arrangements. Companies are increasingly demanding more flexibility in the utilisation of their workforce in order to be more responsive to demand cycles. For instance, a July 2000 agreement for the road haulage, deliveries and logistics sector (IT0009360F) introduced, for new recruits who are to work in the e-commerce area, an average working

week of 38 hours, calculated over a four-week period, with actual working hours permitted to vary between 30 and 48 per week and between five and 10 per day.

A 'radical' type of working time flexibility was that envisaged by the proposal to introduce 'on-call jobs' at the Electrolux-Zanussi electrical appliances concern. The proposal was eventually rejected by a workforce referendum, but triggered a debate among labour law scholars and caused divisions among unions (IT0007159F). 'On-call jobs' would have resulted in the creation of a group of workers, hired on an open-ended contract, available to be called on under certain circumstances (particular production requirements, 'non-programmable tasks' or substitution for absent workers), but who would not have been paid at other times. Another example was the agreement on 'extremely' flexible working time agreed at Zf Marine (a German-owned car component manufacturer) in Padova in order to tackle sudden demand shifts (IT0001138N).

Job security

Employment preservation and creation continued to be important issues for collective bargaining in 2000. Agreements which envisage the creation of new jobs often introduce specific forms of work flexibility, notably fixed-term employment and working time flexibility. This takes place at both company level and at territorial level. An example of a local agreement for fostering employment is the 'Milan employment pact', which aims to support job creation for specific disadvantaged groups. There was a great deal of discussion concerning this agreement's approval (IT9908251F) and the pact was eventually signed despite the strong opposition of Cgil (IT0003264N).

In terms of restructuring processes involving job losses, 'proactive' measures, such as reskilling, outplacement and reindustrialisation, may supplement more traditional 'passive' tools, such as the use of the Wages Guarantee Fund. An example was the April agreement on the closure of the Goodyear Latina plant (tyre manufacturing), which was reached with the mediation of the Ministry of Labour (IT0005153N).

Training and skills development

The shortcomings of the Italian training system were at the centre of an extensive debate in 2000, which prominently involved the social partners (IT0002144F). The social partners consider that a wider use of vocational training, in connection with work traineeships, might help reduce the unemployment rate, especially among young people. The October 2000 agreement on immigrant workers in the Veneto region (IT0011362F) recognises the importance of training as a key factor in access to employment and represents a particular example of joint efforts of the social partners in this field.

Legislative developments

The major legislative changes in 2000 concerned part-time work, the status of unemployed people, the regulation of the right to strike in essential public services and health and safety norms.

In January 2000, the government approved a legislative decree reforming the rules on part-time work (IT0002261F) and implementing EU Directive 97/81/EC. The new regulations should serve to support the spread of part-time work in Italy, by introducing a greater degree of flexibility into framework regulation, particularly in the area of working time (through the possibility of a more flexible distribution of working hours and the repeal of a ban on extra hours and overtime). The actual definition of flexible arrangements is largely left to collective bargaining.

In April 2000, the government approved a decree-law which introduces important innovations concerning unemployment status and job placement services (IT0005355F). One novelty is the certification of the status of unemployed people. Job centres will also organise new services for unemployed people, such as counselling and schemes aimed at facilitating entry into the labour market by means of training or reskilling.

A reform of law 146/1990, which regulates the right to strike in essential public services (IT0004266F), was approved by parliament in April 2000. The main points of the reform cover the following areas:

- the terms for the notification of a strike;
- the obligatory activation of conciliation procedures before a strike is called;
- the guarantee of minimum essential services;
- the introduction of specific sanctions to prevent the so-called 'announcement effect' (when a strike announced is called off at the last minute); and
- the strengthening of the role of the Guarantee Authority (Commissione di Garanzia).

The organisation and role of the social partners

In May 2000, Confindustria named as its new president Antonio D'Amato (IT0006268F, IT0005152N and IT0003148N). He was appointed by the Confindustria executive committee on March 2000 and then elected by the assembly in May. He is the first president to come from the south of Italy. His appointment saw some divisions among employers, as some of the main Italian companies did not support his nomination. Mr D'Amato's programme stresses the need for modernisation, in order to increase the competitiveness of Italian firms. In his opinion, reforms should include a deregulation of the labour market, a substantial cut in tax rates and a thorough transformation of the welfare system.

Two trade union confederations, Uil and Cisl, appointed new general secretaries in 2000. In June, Luigi Angeletti was elected general secretary of Uil (IT0007156N), and asserted the need for union unity and the relaunch of concertation. The new general secretary of Cisl is Savino Pezzotta, who was named by the executive committee in December. He will remain in charge until Cisl's next congress, which will be held in 2001. The former general secretary, Sergio D'Antoni, resigned in order to concentrate on the creation of a new political foundation (IT0010165F).

Industrial action

In the period from January to November 2000 a total of some 615,000 working days (4.9 million hours) were lost due to industrial action, according to Istat provisional data. This represented a reduction of 20.4% compared with the same period of 1999. Strikes were concentrated particularly in the transport and communications sector (31.1% of the total days lost) and in the metalworking industry (23.2%).

National Action Plan (NAP) for employment

The three main pillars of Italy's 2000 NAP, which was approved in June 2000 (IT0006356F), are improving employability, the development of entrepreneurship and the strengthening of equal opportunities policies for women and men.

The social partners were involved in the elaboration of the NAP and in general they agreed with its provisions. However, they had some criticisms, mainly concerning the delay in the reform of job placement services and of the system of 'social shock absorbers', which ease the blow of redundancies (IT9802319F). Moreover, Confindustria stressed the need to reduce both labour costs and the level of taxation. According to Cgil, the focus should be on the quality of change: there is a risk of introducing excessive flexibility which might lead to a reduction in workers' rights. There are also some divisions between unions, mainly between Cgil and Cisl. These concern Cisl's proposals for geographically-based wage flexibility, which Cgil rejects.

Equal opportunities and diversity issues

One of the main objectives of Italy's 2000 NAP was strengthening equal opportunities for women and men. The main instruments identified in the field of equal opportunities policies by the NAP are the support of female entrepreneurship and the development of part-time work. Further, it is hoped that the reconciliation of work and family life can be promoted by the full implementation of the provisions introduced by the new Italian law on parental leave, which transposed EU Directive 96/34/EC on parental leave and was finally

passed in March 2000 (IT9910347F), and by the tax relief for families laid down by the 2000 state budget.

A reform of law 125/91 on equal opportunities was enacted in May 2000. Thus, legislative decree 196 of 23 May 2000: strengthened the role of equal opportunities advisers and increased their resources; strengthened the sanctions system, especially in the public administration; and increased the possibility of funding voluntary affirmative actions by adding new potential beneficiaries. A new deadline has been set for the presentation of compulsory equal opportunities plans by public administration bodies and specific sanctions have been introduced (a prohibition of new recruitment) should they fail to comply.

At company level, Electrolux-Zanussi confirmed its commitment to equal opportunities by supplementing existing provisions on gender discrimination with new anti-discriminatory procedures, which besides combating racial, religious and political forms of discrimination, also takes into account psychological forms of discrimination, known as 'mobbing'.

Information and consultation of employees

There were no significant initiatives in the field of the information and consultation of employees in Italy in 2000.

On the issue of workplace democracy, Cisl and Cgil still hold different positions (IT9909345F, IT0007270F). Cisl, at a conference held in November 2000, supported the spread of a participatory model based on worker shareholding and the presence of workers' representatives on company boards.

At European level, in 2000, following the alliance between the Fiat and General Motors (GM) motor manufacturers (IT0004151F), there were joint meetings and contacts between the European Works Councils (EWCs) of the two groups, organised by the European Metalworkers' Federation. The EWCs agreed a common strategy in order to cooperate and avoid employment reductions and the worsening of working conditions, and at the same time safeguard existing collective agreements. According to the Italian union confederations, market globalisation and economic integration at European level will require new forms of workers' representation. EWCs are an important element of such future arrangements. However, their actual tasks and entitlements remain an open question, notably whether their activity in the field of information and consultation will extend to formal collective bargaining (interestingly, the GM EWC reached an innovative agreement with management on the implications of the Fiat-GM alliance for employees and industrial relations in July).

New forms of work

'Atypical' work is an increasingly important component of employment in Italy, accounting for around two-thirds of all new jobs created. In July 2000, fixed-term employment amounted to 10.3% of the total (8.9% for men and 12.4% for women), while part-time work represented 8.9% of overall employment (3.6% for men and 16.9% for women). Another form of atypical employment which is of particular importance in Italy is what is known as consultancy and freelance work 'coordinated' by an employer (*collaborazione coordinata e continuativa*), which probably involves around one million people. An increasing number of people entering this work arrangement are young people and women, especially in the south of Italy. There is a legislative initiative under way which aims to extend union rights and basic protections to the workers involved. In addition, collective bargaining has led to significant agreements which aim at combining work flexibility with a series of rights and guarantees for the workers concerned (IT0011273F).

During 2000, significant steps were made towards the extension of temporary agency work in the public administration. In May, a framework agreement was concluded by the unions and the public sector bargaining agency (Aran) and supplementary agreements in the various subsectors of the public administration were reached in the following months (IT0008161N). The framework agreement specified that it is possible to use temporary agency workers only to meet periodical, non-continuous or exceptional personnel shortages and that the proportion of temporary agency workers cannot exceed 7% of the workers employed on open-ended contracts in each administrative body.

Other relevant developments

An important issue confronting the government and social partners is health and safety at work, given the high and increasing level of industrial accidents (IT0011168F). During the first nine months of 2000, accidents at work increased by 1.6% (to 812,105 cases) compared with the same period in 1999. The increase was even higher, at 19.2%, for fatal accidents: during the first eight months of 2000, 857 people died at work, compared with 719 during the same period in 1999.

In May 2000, the Ministry of Labour launched a 'plan for occupational health and safety' to prevent accidents, support investments in health and safety and monitor the situation. In September 2000, Cgil, Cisl and Uil organised the first national assembly of workplace health and safety representatives. The representatives asked for: increased employee participation in health and safety issues; more attention to working conditions in collective bargaining; and stronger efforts to implement prevention measures on the part of the public authorities.

Outlook

An important focus of industrial relations in 2001 is likely to be industry-wide bargaining. First, negotiations over agreements for the sectors undergoing liberalisation processes (gas and water, and electric power) should define a common framework for both the present operators and prospective new entrants. Possible difficulties may arise from the fact that the liberalisation process is not particularly advanced in these sectors and therefore it is likely that the new entrants will have a limited voice in the bargaining process.

In the negotiations which led to the telecommunications sector agreement in 2000 (see above under 'Collective bargaining'), both the employers' associations and the unions knew the situation regarding the different collective agreements applying in the diverse companies, and the features of the distinct industrial relations systems at company level. The task, though a difficult one, was to strike a balance which was acceptable to everyone. In the sectors where negotiations should occur in 2001, it is probably much less clear which regulatory framework will be suitable for the entire sectors.

The rail sector faces a similar situation, since the new industry-wide agreement for railway activities is also an important component of the restructuring process of FS. The objective is to find a set of rules which allow the reorganisation of FS and provide an acceptable reference framework for new operators (or existing local railways which currently apply the local transport sectoral agreement). A further difficulty, in this case, may arise from the high conflict rate which is a characteristic of the transport sector, and the rail sector in particular.

Second, the renewal of the pay provisions of the metalworking agreement, a traditional 'pace-setter' in Italian collective bargaining, may signal important trends affecting the overall bargaining structure. On one side, the increase in the inflation rate which was fuelled by the increase in oil prices in 2000 may push unions to ask for significant pay rises. This would be an important test for the incomes policy system introduced by the 1993 national tripartite agreement. On the other, Federmeccanica, the sectoral employers' association and particularly its president, Andrea Pininfarina, has been voicing for some time a demand for a greater decentralisation of the bargaining structure, while the confederal metalworking unions, notably Fiom-Cgil, are opposed to such an option.

Another important factor which may influence industrial relations in 2001 is the result of the spring national elections. Whichever coalition wins the elections — centre-left or centre-right — it will have to handle the revision of the pension reform of 1997 and to take some actions with respect to the reforms of 'social shock absorbers' (see above under 'National Action Plan (NAP) for employment') and employee representation (IT9804226F), which are still to be discussed in parliament.

Italy: 2000 Records

January	<i>Features</i>	Pilot project on continuing training presented in the chemicals and pharmaceuticals sector	IT0001259F
		Employment-related provisions of budget law for 2000	IT0001350F
	<i>In briefs</i>	Flexible working time introduced at Zf Marine in Padova	IT0001138N
		Confindustria supports referenda on labour market liberalisation	IT0001139N
		Goodyear to close Latina plant	IT0001140N
		New tax rules aim to foster supplementary pensions	IT0001141N
February	<i>Features</i>	Inefficiency of the Italian training system highlighted	IT0002144F
		Government approves legislative decree transposing EU Directive on part-time work	IT0002261F
		Workplace accidents increase	IT0002351F
	<i>In briefs</i>	Op Computer reopens	IT0002142N
		Agreement signed in building sector	IT0002143N
		Constitutional Court allows referenda on individual dismissals and trade union dues	IT0002260N
March	<i>Features</i>	'Pacts for Employment and Competitiveness' analysed	IT0003265F
	<i>In briefs</i>	Confindustria appoints new president	IT0003148N
		School teachers strike against assessment and wage differentiation	IT0003145N
		Cisl organises 'virtual demonstration'	IT0003146N
		Dispute and talks over sectoral agreement for telecommunications	IT0003147N
		Milan 'employment pact' signed despite Cgil opposition	IT0003264N
April	<i>Features</i>	General Motors and Fiat SpA form alliance	IT0004151F
		Parliament approves reform of law on strikes in essential public services	IT0004266F
		Collective agreement signed in textiles sector	IT0004353F
	<i>In briefs</i>	Italy's first ESOP agreement signed at Gucci	IT0004149N
		Cgil, Cisl and Uil decide to participate in the 'workers' jubilee'	IT0004150N
May	<i>Features</i>	New active labour market policies introduced	IT0005355F
	<i>In briefs</i>	Confindustria approves new programme and management team	IT0005152N
		Agreement signed at Goodyear	IT0005153N
		New national collective agreement signed for doctors	IT0005154N
		Labour-related referenda fail due to low turn-out	IT0005267N
June	<i>Features</i>	Draft agreement reached on conciliation and arbitration	IT0006155F
		New president for Confindustria: a new phase in relationships between the social partners?	IT0006268F
		2000 NAP for employment approved	IT0006356F
July	<i>Features</i>	Sectoral agreement signed in telecommunications	IT0007158F
		'On-call jobs' rejected by Electrolux-Zanussi workers	IT0007159F
		Employee share-ownership: agreement at Dalmine while debate resumes	IT0007270F
		Recent developments in collective bargaining in the artisanal sector	IT0007357F
	<i>In briefs</i>	Uil general secretary becomes president of Cnel	IT0007156N
		Unions draw up demands for new company agreement at Fiat	IT0007157N
August	<i>Features</i>	Reform of the education system reaches universities	IT0008359F
	<i>In briefs</i>	'Atypical' workers elect representatives on social insurance fund board	IT0008160N
		Temporary agency work extended to public administration	IT0008161N
September	<i>Features</i>	Social partners debate new budget law	IT0009162F
		Pensioners' trade union organisations examined	IT0009272F
		Agreement for road haulage, deliveries and logistic sector deals with e-commerce	IT0009360F
October	<i>Features</i>	Cisl general secretary resigns	IT0010165F
	<i>In briefs</i>	Strike in the schools sector	IT0010163N
		Northern League trade union wins election at Michelin plant	IT0010164N
November	<i>Features</i>	New initiatives on health and safety at work	IT0011168F
		Moves to regulate freelance 'coordinated' work through law and bargaining	IT0011273F
		Demand for immigrant workers increases	IT0011362F
	<i>In briefs</i>	Transport workers hold new form of 'solidarity strike'	IT0011166N
		First strike by McDonald's workers	IT0011167N
December	<i>Features</i>	Social partners formally consulted at G-8 labour ministers meeting	IT0012170F
	<i>In briefs</i>	Child labour in Italy analysed	IT0012363F
		Agreement signed for ministry employees	IT0012169N

LUXEMBOURG

Political developments

No elections were held in Luxembourg in 2000. The country has been governed since August 1999 by a coalition made up of the Social Christian Party (Chrëschtlech Sozial Vollekspartei, CSV) and the Democratic Party (Demokratesch Partei, DP).

On 7 October 2000, Grand-Duke Jean abdicated in favour of his eldest son Henri, after being on the throne for 36 years. Prince Guillaume was subsequently made Crown Prince on 19 December 2000, thus confirming the continuity of the ruling dynasty in the long term.

Collective bargaining

Collective bargaining during 2000 generally focused on traditional issues such as pay. There were few notable changes to employment terms and conditions. A total of approximately 250–300 collective agreements, mainly at company level, are currently in force in Luxembourg, with some 100 agreements renewed each year.

Pay

Collective bargaining up to May 2000 resulted in average annual increases of 1%.

On 29 May, after seven months' negotiations, a new pay agreement was reached between the government and the General Public Sector Confederation (Confédération Générale de la Fonction Publique, CGFP). The new accord applies to 16,000 civil servants directly, and indirectly affects another 24,000 'assimilated' staff (LU0007141F). It provides for pay increases of almost 6% over two years, and introduces part-time working on the basis of 25%, 50% and 75% of full-time hours. The nationally representative trade organisations, the Luxembourg Confederation of Independent Trade Unions (Onofhängege Gewerkschafts-Bond Lëtzebuerg, OGB-L) and the Luxembourg Confederation of Christian Trade Unions (Lëtzebuenger Chrëschtleche Gewerkschafts-Bond, LCGB), described this deal as significant, maintaining that it might signal an end to the pay restraint policy consistently advocated by the government. They also maintained that future negotiations in other sectors should be based on this agreement, which could form the basis of higher pay and pension provision in the private sector.

The first reaction to the public sector pay deal took place in the construction industry, where a new collective agreement was concluded on 19 June at the National Conciliation Office (Office National de Conciliation, ONC), narrowly averting strike action (LU0007140N). The

accord increases hourly rates of pay by 5.1% over three years and stipulates that actual hourly rates should be increased by 3.5% during the same period.

In the key iron and steel industry, discussion in 2000 focused on the introduction of new pay scales into the sector's collective agreement for white-collar workers (LU0003130N). Trade unions and employers have differing positions and it was decided in February 2000 to invite an outside management consultant to produce a report based on a set of criteria to be drawn up by the social partners.

Working time

The issue of working time featured in a number of sectoral negotiations during 2000. In the construction industry, the main stumbling block in bargaining was working time flexibility. The employers had sought a one-year reference period for averaging out working hours, in order to compensate for hours lost due to bad weather, mainly through Saturday working. However, trade unions were opposed, and the final accord did not contain any provisions relating to flexible working hours (LU0007140N).

In the cleaning sector, a new three-year collective agreement was signed on 15 December 1999 and came into force on 1 January 2000. The agreement introduced a three-month reference period for averaging working time, guaranteed that workers may not be obliged to work more than five days a week and set out regulations related to part-time working (LU0001123N).

Job security

There was scant reference to job security provisions in collective bargaining during 2000, largely due to the fact that Luxembourg has, for the past 15 years, experienced a steady growth in employment. Thus, very few collective agreements even make reference to the need for job security. However, under the terms of the law of 12 February 1999, relating to Luxembourg's National Action Plan (NAP) for employment (LU9903195F), the social partners are enjoined to safeguard levels of employment.

Training and skills development

Although there is a statutory framework for supporting and developing continuing vocational training in Luxembourg, in the form of the law of 22 June 1999, collective agreements rarely include provisions relating to training and skills development. Despite the fact that the February 1999 law which relates to Luxembourg's NAP states that collective agreements should include provisions relating to training policy at company level, most agreements merely include a generally-worded provision in this area.

Legislative developments

The main legislative event of 2000 was the adoption of new legislation designed to combat sexual harassment in the workplace. The new law was adopted on 26 May (LU0005137F) and includes a shift in the burden of proof but contains no legal sanctions. The content of this new law largely takes its inspiration from proposals contained in the European Commission's Recommendation on the protection of the dignity of women and men at work and the code of practice on protecting the dignity of women and men at work, both adopted on 27 November 1991.

The legislation states that sexual harassment at the workplace is sexually suggestive behaviour or any other kind of sexual behaviour that the perpetrator knows, or should know, affects the dignity of a person at work. The behaviour may be physical, verbal or non-verbal. The person who claims to be the victim of sexual harassment must initially furnish proof of harassment and must then prove the existence of conduct that meets one of the criteria for sexual harassment set out in the law. If this fact is proved by the victim, there is a presumption of the perpetrator's intention. Employers are responsible for any act of sexual harassment carried out by their employees, clients or suppliers at the workplace or at work if they have not taken reasonable measures to prevent such harassment taking place. Trade unions are urged to play a key role in preventing sexual harassment at work. In collective bargaining, the question of introducing appropriate clauses designed to create a working environment with no sexual harassment will now be compulsory, and must provide for a declaration of principle and a scale of disciplinary measures.

In addition, legislation providing for the transposition of EU Directive 94/45/EC on European Works Councils (EWCs) was finally adopted on 28 July 2000 (LU0101157F) (see below under 'Information and consultation of employees').

The organisation and role of the social partners

On 29 April 1999, a new collective agreement for the banking sector was signed by the Association of Luxembourg Banks and Bankers (Association des banques et banquiers du Luxembourg, ABBL) and, on the trade union side, by the Luxembourg Association of Bank Staff (Association luxembourgeoise des employés de banque, ALEBA), acting on its own behalf and also representing the ALEBA-Union of Private Sector White-Collar Employees (Union des employés privés, UEP) Federation (Fédération syndicale ALEBA-UEP) (LU9905104F). The agreement was not signed by OGB-L or LCGB.

By a ministerial decree of 1 December 1999, the Minister of Labour blocked registration of the collective

agreement, on the grounds that the signatory unions did not have 'nationally representative' status, thereby denying ALEBA and UEP such status (LU9912117N). For a collective agreement to be valid, it must be registered and have the support of one or more of the 'most representative trade union organisations at national level'. On 2 December, ALEBA and ABBL filed an emergency appeal and a basic appeal against the Minister's decision before the Luxembourg Administrative Tribunal (Tribunal Administratif). In January 2000, the president of the Tribunal ordered that the measures contained in the collective agreement should be made provisionally applicable on the grounds that failure to do so would cause employees serious and lasting detriment (LU0002128F).

On 24 October 2000, the Administrative Tribunal delivered its verdict on the substance of the case as to whether ALEBA met the statutory criteria to be considered a nationally representative union (LU0011152F).

The Administrative Tribunal disregarded previous case law and a criterion that has always been used to establish whether a union could be deemed to be nationally representative: the criterion of 'multi-sectoral representative status'. Instead it deemed the most nationally representative trade unions to be those that represent a large number of white-collar staff in the private sector or blue-collar workers, by comparison with the total number of white- or blue-collar workers in the country as a whole. Thus, ALEBA was awarded national representative status.

The Minister of Labour appealed against this ruling, and the matter will be finally determined by the Administrative Court (Cour administrative), Luxembourg's supreme administrative court.

Luxembourg's rules on nationally representative status were further called into question when ALEBA complained about its treatment by the Luxembourg government to the International Labour Office (ILO) in Geneva. In March, the ILO Committee on Freedom of Association called on the Luxembourg government to review the criteria for nationally representative status on the grounds that they run counter to the principles of freedom of association (LU0004135N).

At international level, an interesting development in 2000 was a meeting between trade unions representing road haulage workers in Denmark and Luxembourg, in response to increasing relocation of Danish transport firms to Luxembourg (LU0002127N). The unions demanded concrete political measures against outsourcing and 'social dumping', and also EU legislation on drivers' working hours.

On the employers' side, a new organisation, the Union of Luxembourg Enterprises (Union des Entreprises Luxembourgeoises, UEL), was set up in June

(LU0011151F). UEL brings together 34,000 enterprises representing 85% of the country's GDP. Its aim is to establish itself as a new influential partner in the economic and social fields. It succeeds the Employers' Liaison Committee (Comité de Liaison Patronal, CLP), a body that embraced a number of federations and professional chambers, but whose impact had been seen as somewhat sporadic (LU9711138N). The new organisation hopes to play a new role which is not defensive, but rather 'in the interests of developing the national economy, by promoting the spirit of enterprise and the courage to take risks'.

Industrial action

There were two strikes in 2000. The first involved doctors and dentists. Unhappy with a government plan under which doctors and dentists would contribute more to the financial stability of the sickness insurance schemes, they walked out of a quadripartite meeting and on 2–3 November took industrial action. The government subsequently withdrew its proposals (LU0011150N).

The second strike took place following an incident which occurred on 25 November. A vehicle belonging to the Brink's Ziegler security firm was the object of an armed attack, as a result of which a cash-in-transit operative subsequently died. Two days later, a spontaneous protest by security staff developed into a fully-fledged illegal strike that lasted seven days (LU0012153F). A sectoral tripartite meeting on 2 December subsequently managed to identify solutions that focused on strengthening safety measures, and provided for the payment of a 13th-month bonus and an end-of-year bonus of LUF 15,000.

Despite a budgetary surplus in the sickness insurance funds, a general meeting of the Union of Sickness Funds (Union des Caisses de Maladies, UCM) on 15 November resolved to retain the reduced benefits and increased contribution rates that had been decided upon in 1999. This caused the OGB-L union confederation, at a meeting on 21 November, to initiate a procedure for calling a general strike (LU0012154F). This decision was also prompted by the government's attitude, which the unions viewed as unnecessarily 'authoritarian'.

Overall, six disputes were referred to the National Conciliation Office in 2000, compared with 15 in 1999.

National Action Plan (NAP) for employment

In February 1998, in the context of transposing the new EU Employment Guidelines, the Luxembourg government decided to draw up an NAP aimed at combating unemployment, through consultation with the social partners within the framework of the Tripartite Coordination Committee (Comité de Coordination Tripartite). During the legislative procedure, the NAP was hotly debated by the various professional chambers representing employers, employees and other interests

(LU9811174F). The final text underwent 56 amendments drawn up at various levels of the legislative procedure before it was finally adopted by the Chamber of Deputies on 3 February 1999 (LU9902194N). Since the law implementing the NAP was adopted (LU9903197F), the social partners have been unable to reach agreement on how to interpret the terms of the law, which incorporated new legislation on the organisation of working time, and have criticised one another for being unwilling to abide by previous commitments.

The government that came to power in August 1999 (LU9909111N) arranged a number of meetings under the auspices of the Tripartite Coordination Committee from 27 March 2000 onwards: their main aim was to draw up a new NAP to present to the European Commission by 1 May 2000. However, the process of drawing up a new NAP was suspended in May due to differences between the social partners, and a small working party was set up to deal with outstanding problems (LU0006138F). However, it was not until November that negotiations between the social partners — which focused on working time organisation — resulted in an agreement that allowed the content of the NAP to be drawn up in detail. The relevant legislation was to be drawn up in the near future.

Matters relating to part-time working and the European Commission's recommendations to Luxembourg on employment policy were being dealt with by working parties, which were due to submit their proposals in early 2001.

Equal opportunities and diversity issues

The main legislative event of 2000 in terms of equality was the adoption of a new law on 6 April 2000 on sexual harassment at the workplace (see above under 'Legislative developments').

General anti-discrimination legislation already exists in Luxembourg, in the form of legislation dating from 19 July 1997. This law is aimed mainly at combating discrimination based on health, age, sexual orientation and religion, as these areas are not covered by collective agreements.

Information and consultation of employees

On 28 July 2000, Luxembourg adopted a law transposing EU Directive 94/45/EC on European Works Councils (LU0101157F). Luxembourg was the last EU Member State to transpose the EWCs Directive — some four years after the deadline for implementation and after a European Court of Justice ruling for non-transposition (EU9911209N). It is estimated that some 15 multinational companies based in Luxembourg fall within the scope of the legislation.

At national level, Luxembourg's highly developed system of tripartism and employee representation is well established, with its operation normally eliciting little comment. However, 2000 saw an unusual dispute in this area, with the OGB-L trade union confederation accusing the Luxembourg-based Clearstream finance group of undermining the operation of staff representative bodies, and particularly by refusing to set up a statutory company joint committee (comité mixte d'entreprise) (LU0011149N). The Labour and Mines Inspectorate (Inspection du Travail et des Mines, ITM), which is responsible for overseeing the law in this area, conducted an enquiry and concluded that Clearstream was obliged to set up a committee. When it refused to do so, the ITM threatened to appoint the committee itself and refer the matter to the State Prosecutor with a view to seeking criminal sanctions. OGB-L subsequently accused the company of further interference with the operation of its employee committee/works council (délégation du personnel).

New forms of work

The policy statement made by the government when it came to power in August 1999 (LU9909111N) reaffirmed broad principles governing employment policy and law and emphasised that the acquired social and employment rights should be maintained. It was also agreed that new forms of employment such as teleworking and homeworking would be encouraged so as to achieve better reconciliation between family and working life. Before commencing work on regulation, the government undertook to study the use made of these new forms of working and their practical application, so as to identify current shortcomings and difficulties as well as any requirements that flow from them. OGB-L believes that this work needs to be started jointly by the government, the employers and the nationally representative trade unions, and has asked the Minister of Labour to call a meeting to this effect (LU0003129N).

Other relevant developments

The November general meeting of the Union of Sickness Funds (UCM) which acts as an umbrella group for Luxembourg's various sickness funds — involving the government, the social partners and healthcare providers — proved controversial (LU0012154F). The main purpose of the meeting was to determine a balanced budget, but despite a budgetary surplus, it retained the reduced

benefits and increased contributions that were decided in 1999, thereby provoking a fierce response from the trade unions, and even persuading the OGB-L to initiate a procedure leading to a general strike (see above under 'Industrial action').

The new public sector pay agreement signed by the government and the CGFP in May (see above under 'Pay') was seen as highly significant for the development of public sector industrial relations. According to the Minister of Public Sector and Administrative Reform, the agreement was negotiated 'in the spirit of tripartism,' that is to say in a context of 'respect for the other parties'. CGFP stressed the favourable climate in which the negotiations had taken place, 'thanks to open and constructive dialogue in which one felt that confidence was reasserting itself'. This was the first agreement of this type since 1992 — according to CGFP: 'after a period of incomprehension, tension and confrontation (LU9808173F), [CGFP] was able to renew a tradition — that of collective bargaining, with the finishing touches supplied by a proper collective agreement.'

Outlook

There are a number of issues which are likely to be of concern in Luxembourg during 2001. Flexible working time provisions and the definition of reference periods in collective agreements are likely to feature in discussions, as the social partners were able to reach agreement on work organisation issues in 2000. A new law on the issue should thus be finalised in 2001.

The drafting of a new NAP dealing with matters related to part-time working and the European Commission's recommendations on employment policy is likely to continue during 2001.

Further, following the ALEBA case, efforts must be made to find a new definition of the criteria for the nationally representative status of trade unions (allowing them to conclude collective agreements), thus preventing the administrative courts usurping the political sphere in this area.

Finally, questions raised by the joint action of seven trade unions around a common platform for improvements to the general pension insurance scheme (LU9812183N) will need to be addressed in 2001.

Luxembourg: 2000 Records

January	<i>Features</i>	Statutory holiday pay dispute resolved	LU0001122F
	<i>In briefs</i>	Collective agreement signed for cleaning sector	LU0001123N
		Legislation will regulate working time in hotels and catering	LU0001124N
		CGFP and new government wish to re-establish real social dialogue	LU0001125N
		Disagreement over early retirement in iron and steel	LU0001126N
February	<i>Features</i>	Banking sector agreement will apply provisionally	LU0002128F
	<i>In briefs</i>	Transport unions react to relocation from Denmark to Luxembourg	LU0002127N
March	<i>In briefs</i>	OGB-L demands talks on teleworking	LU0003129N
		Proposed new pay scales cause controversy in iron and steel	LU0003130N
April	<i>In briefs</i>	Court awards union nominal damages of one franc	LU0004131N
		Luxembourg trade unions respond to Deutsche Bank/Dresdner Bank merger	LU0004133N
		Upturn in the labour market	LU0004134N
		ILO committee calls on government to review criteria for nationally representative status	LU0004135N
May	<i>Features</i>	New sexual harassment law adopted	LU0005137F
June	<i>Features</i>	Tripartite Committee suspends drafting of new NAP and sets up working party	LU0006138F
July	<i>Features</i>	New pay agreement signed in civil service	LU0007141F
	<i>In briefs</i>	Strike in building sector avoided at 11th hour	LU0007140N
October	<i>Features</i>	Tax cuts announced	LU0010147F
	<i>In briefs</i>	Social plan agreed at Thomas & Betts	LU0010144N
		Vehicle-maintenance workers turn down employers' offer	LU0010145N
November	<i>Features</i>	Overwhelming majority of employers represented by new organisation	LU0011151F
		Administrative Tribunal awards ALEBA trade union nationally representative status	LU0011152F
	<i>In briefs</i>	OGB-L criticises Clearstream over employee representation	LU0011149N
		Doctors take industrial action	LU0011150N
December	<i>Features</i>	Illegal strike by cash-in-transit operatives	LU0012153F
		No cut in sickness insurance contributions despite budget surplus	LU0012154F

NETHERLANDS

Political developments

The present government consists of the social democratic Labour Party (Partij van de Arbeid, PvdA), the liberal Party for Freedom and Democracy (Vereniging voor Vrijheid en Democratie, VVD) and the social liberal Democraten 66 (D66). This government, usually referred to as the purple coalition (Paars), has been in power since the May 1998 general elections.

Collective bargaining

For a number of years, decentralisation pressure has been increasing on several sectoral collective agreements. For example, the collective agreement for the banking sector lapsed at the end of 1999, to be replaced by company agreements (NL0007197N). More generally, decentralisation was an important subject in 2000, not only in banking and insurance, but also in building, construction and the public utilities (NL0003184F). Overall, however, there has been no significant change in the relative importance of sectoral and company agreements. In 1996, sector-wide agreements covered 87% of employees and by 2000 this figure dropped only slightly to 86%.

Pay

Average collectively-agreed pay rose by 3.7% in 2000. Given this rather modest increase, especially if inflation growth is taken into account, trade unions strongly opposed the much higher pay increases awarded to senior management during the year (NL0009106F). These increases caused the government to oblige managers in companies listed on the stock exchange to reveal their individual salaries, with effect from 2002 at the latest (NL0007196N). For 2001, the largest trade union organisation, the Dutch Trade Union Federation (Federatie Nederlandse Vakbeweging, FNV) announced demands for share-option schemes for all personnel. In the public sector, where such schemes are not possible, the unions demand an expansion and increase of the end-of-year bonus (NL0008101N).

At the beginning of the 2000 collective bargaining round, flexible pay was a major issue (NL0003184F). Large multinational groups such as Philips and Akzo Nobel pressed for more pay flexibility, which led to some tension at the beginning of bargaining (NL0003183N). The Federation of Small and Medium-Sized Businesses (Midden en Klein Bedrijf, MKB) endorses some types of flexible pay, but rejects performance-based pay, citing the inherent overload of paperwork and arbitrariness. The stance of the unions is gradually shifting towards acceptance, albeit under strict conditions.

Working time

Overall working time remained largely unchanged in the Netherlands in 2000.

The largest union for public service employees, AbvaKabo, announced that it was withdrawing its opposition to employees working for longer than 36 hours a week in some circumstances, though it continues to consider the current 36-hour week as the norm. Albeit cautiously, AbvaKabo has accepted the idea of greater choice for individual employees over their conditions of employment. Research indicated that some 45% of AbvaKabo members wanted to work fewer hours, while 40% favoured longer hours (NL0009104N).

Job security

Job security tends to be linked to the issue of employability. Research published in 2000 showed that 32 Dutch collective agreements had established a direct link between performance and assessment interviews on the one hand and employability on the other (NL0007199F).

Training and skills development

According to research published in 2000, some 20 collective agreements, covering 21% of employees covered by collective bargaining, included a right to training, with the same number (covering 26% of employees covered by collective bargaining) including an obligation to undergo training. Provisions relating to personal development plans had been included in 42 agreements, covering almost a third of employees covered by collective bargaining (NL0007199F).

Legislative developments

The year's most important legislative development in the field of industrial relations was the coming into force of the Adaptation of Working Hours Act (Wet aanpassing arbeidsduur) on 1 July. This law gives employees the right to request the shortening or lengthening of their working hours. As a rule, the employer is obliged to grant such a request, unless there are sufficient grounds for refusal (NL0002182F). One of the aims of this law is to promote the combination of work and care duties for both men and women.

On the whole, 2000 can be characterised as a year of bills and announcement of bills, as follows.

- There is ongoing debate on the composition and rights of the supervisory board. In the Netherlands, large companies are obliged to have a separate supervisory board. This board has the power to appoint and dismiss the executive directors, and appoints its own members. Works councils and the general meeting of shareholders can nominate

candidates and can also oppose proposed appointments of supervisory board members. However, this system is due to change. Although there is no bill as yet, a majority in the Lower House of parliament supports the reform proposals made by the tripartite Social and Economic Council (Sociaal-Economische Raad, SER). The proposed system will have more in common with the German system, although important differences remain (NLO011112F). The position of the shareholders will be strengthened in the new system.

- Another longstanding debate — on dismissals law — resulted in a recommendation put forward by a committee named after and headed by Max Rood. The committee proposes to abolish the so-called 'double system' of dismissal law. At present, there are two ways open to employers to dismiss employees. First, since 1945 the 'normal' route has been to obtain a permit from the Regional Labour Office (Regionaal Bestuur voor de Arbeidsvoorziening) authorising the dismissals. The second and increasingly popular method is to go to court. The Rood committee wants to retain the second option only, with some extra safeguards for employees (NLO012116F).
- On 4 July, several members of the Lower House introduced a bill to increase individual employees' right to determine their working hours. The bill includes the right — in principle — to refuse to work on Sundays. The bill is supported by the trade unions and a majority of the Lower House. However, employers' associations oppose the bill (NLO008100N).
- On 5 September, several members of the Lower House introduced a bill on the right for an individual employee to register a complaint on matters relating to the individual employment situation.
- On 26 October, a bill was introduced to implement the amended EU Directive on the transfer of undertakings (98/59/EC). The bill also contains some changes that are not a direct consequence of the Directive. Perhaps the most important change relates to Dutch insolvency law, signifying an end to the potential misuse of the fact that the transfer of undertakings provisions did not apply to insolvency situations. Further, the information and consultation rights of employees in undertakings employing fewer than 10 employees would be strengthened. Another important change concerns the transfer of pension rights.
- Several bills on combining work and care duties are still under debate. The government's announcement in May that it intends to hold employers liable for a third of childcare costs met with fierce opposition from employers (NLO006193N).

The organisation and role of the social partners

There were no fundamental changes in the organisation and role of the social partners during 2000. The

tendency for trade unions to merge into larger bodies persisted and the country's two largest union federations — FNV and the Christian Trade Union Federation (Christelijk Nationaal Vakverbond, CNV) — announced pending reorganisations, both to cope with financial problems and to change their internal structure (NLO006192N).

One of the ruling coalition parties, the VVD, requested an investigation of the representativeness of trade unions in late 2000. Although union density is well below 30% in the Netherlands, unions play an important role in the administration of social security, training and education funds, public employment organisations and advisory committees to the government. It should be noted that union density in works councils is much higher than the density among all employees: 65% of works council members are union members, compared with 28% of all employees.

Industrial action

Traditionally, the incidence of industrial action in the Netherlands has been low. 2000 was no exception to this rule, largely because the collective bargaining round progressed relatively smoothly (NLO007199F).

In February, there was limited industrial action in the education sector (NLO003183N). Other incidences of industrial action, usually in the form of one-day strikes, mainly focused on the closure of plants or other reorganisations. One example was the labour unrest at the port of Rotterdam in November (NLO012114N). A relatively large number of small-scale strikes took place at Dutch Railways (Nederlandse Spoorwegen, NS), many of which were not initiated by the official unions (NLO001177N and NLO010110N).

The Supreme Court (Hoge Raad) stirred some controversy in early 2000 by ruling that the right to strike can only be exercised as a last resort (NLO004189F).

National Action Plan (NAP) for employment

The social partners are largely, if not exclusively, involved in the formulation of the Dutch NAP through the bipartite Labour Foundation (Stichting van de Arbeid, STAR), which issues recommendations and advisory papers. In the context of the 2000 Dutch NAP, a recommendation was issued on the labour market participation of older employees.

Equal opportunities and diversity issues

The tight labour market in the Netherlands sparked off a debate on the labour market participation of people from ethnic minorities and asylum seekers in early 2000

(NL0004187N). According to a Ministry of Social Affairs study, employer compliance with the 1998 act on the stimulation of labour market participation among ethnic minorities remains low.

A survey by the Labour Inspectorate showed that 82 collective agreements (out of a sample of 132, including all the major agreements) contained provisions on job opportunities for particular groups, including ethnic minorities and people with disabilities (NL0007199F).

There is no real debate in the Netherlands as yet concerning the new EU anti-discrimination Directive on grounds of race (2000/43/EC), or the framework Directive outlawing discrimination on a variety of grounds, including disability, age, sexual orientation and religious belief (2000/78/EC). It is thought that the impact on Dutch legislation will be minor.

Information and consultation of employees

Information and consultation procedures are well established in the Netherlands, mainly through the Works Councils Act (Wet op de ondernemingsraden, WOR), which affords works councils a relatively strong position compared with that in most other European countries (NL0010109F). The WOR celebrated the 50th anniversary of its operation in 2000.

It is thought that the adoption of the proposed EU legislation on national-level information and consultation of employees is therefore likely to have little impact on the Dutch situation. However, the proposed EU European Company Statute (which should be adopted by the EU Council of Ministers during the course of 2001) is expected to have an impact in the Netherlands. Opinions are divided on the question whether Dutch companies will 'flee' towards this legal form, once introduced.

The position of trade unions and works councils in mergers and takeovers, traditionally quite strong, is under increasing pressure, caused not only by the process of economic globalisation (NL0001178F), but also by forthcoming legislation on public offers and measures against hostile takeovers (NL0004188F).

At a legislative level, there have been no significant developments since the WOR was amended in 1998. However, the Supreme Court has restricted the scope of the WOR somewhat. In the public sector, the Supreme Court ruled in 2000 that political decisions are governed by the WOR only to the extent that government personnel are affected by these decisions. In another ruling, the Supreme Court stated that primary terms of employment are not covered by the WOR (NL0004189F).

There were no significant developments connected with European Works Councils in 2000.

New forms of work

The subject of temporary agency work featured prominently in 1998 and the beginning of 1999 because of the new Flexibility and Security Act, which strengthened the position of temporary agency workers. In 2000, the subject almost vanished from the agenda, although there was some discussion on the rights of temporary agency employees to hold seats in works councils at temporary agencies.

There were no important developments or discussions on teleworking in 2000.

'Self-employed' workers are a rapidly-growing group in the Netherlands. The tight labour market has prompted many employees to work independently. Unions increasingly recognise the importance of such workers, and have opened up their organisation to self-employed people not employing personnel (zelfstandigen zonder personeel, ZZP). By mid-2000, there were some 100,000 self-employed workers in the Netherlands.

Other relevant developments

In addition to pay, important issues in the 2000 collective bargaining round included work pressure, working conditions leading to problems such as repetitive strain injuries (RSI) (NL0004186N), and combining work and private life (NL0007199F).

As in previous years, the persistently high number of disabled employees was a major industrial relations topic. In the summer of 2000, it became clear that increasing numbers of young people, especially women, are now claiming disability benefits (NL0008103F). During the summer months, these rising numbers led to calls for a more stringent policy in this area (NL0006195F). In October, the Secretary of State for Social Affairs announced a new plan to restrict the number of claimants. The employers' organisations were divided in their opinions on the plan, while the unions opposed the introduction of new eligibility thresholds (NL0011111F).

The issue of disabled employees — and to a certain extent also unemployed people — is directly linked to the structure of the Dutch social security system, in which social partners traditionally play an important role. This role came under heavy criticism in the mid-1990s, when the increase in disabled employees was largely blamed on the social partners. Since this time, they have been looked upon with suspicion whenever social security issues are under discussion. The controversial position of the social partners leads to conflicts whenever changes in the social security system are announced (NL00002179N).

The issue of disabled employees also featured prominently in collective agreements during 2000. Research conducted by the Labour Inspectorate showed

that in 92 of the 132 agreements studied, provisions had been included on one or more of the following topics: integration policy, reintegration policy and adaptation policy. Some agreements explicitly reserved jobs for (partially) disabled people (NL0007199F).

Outlook

In 2001, social security, and especially the large number of disabled employees, will remain a key issue, both for the government and the social partners. The results of the investigations by a state committee will spark a new debate and proposals for remedies. Furthermore, the first results of the privatisation of the services responsible for the occupational reintegration of disabled employees will become clear.

The debate on the legal structure of large companies will continue, in particular on the composition of the supervisory board and the relative influence of

shareholders and works councils. The Social and Economic Council reached a compromise on this subject in 2000, which will in all probability be followed by parliament and the cabinet.

The currently tight labour market continues to exert upward pressure on wage developments. Just before the end of 2000, a compromise was reached in the Labour Foundation to increase the level of education and training as a partial substitute for wage increases. The rank and file of the trade unions, however, might not be satisfied with moderate wage increases, and so pay is expected to be a major topic.

Finally, the issue of combining work and private life will remain high on the agenda. The different bills that cover this issue have in many cases generated trade union support and employer opposition, and will therefore feature quite prominently in Dutch industrial relations.

Netherlands: 2000 Records

January	<i>Features</i>	Multinational reorganisation decisions increasingly removed from union and works council influence	NL0001178F
	<i>In briefs</i>	Violence against staff under debate on railways	NL0001177N
February	<i>Features</i>	Part-time Employment Act seeks to promote combining work and care	NL0002182F
	<i>In briefs</i>	Cabinet and social partners reach compromise on new social security structure	NL0002179N
March	<i>Features</i>	Flexible pay disputes and decentralisation are key trends in bargaining	NL0003184F
	<i>In briefs</i>	Bargaining round opens	NL0003183N
April	<i>Features</i>	Mergers, takeovers and employee participation	NL0004188F
		Supreme Court imposes limits on employee participation and right to strike	NL0004189F
	<i>In briefs</i>	RSI threatens to become leading work-related illness	NL0004186N
		Employment for asylum-seekers and people from ethnic minorities under debate	NL0004187N
May	<i>In briefs</i>	'Whistleblowing' under debate	NL0005191N
June	<i>Features</i>	Rising number of disability benefit claimants sparks more stringent policy	NL0006195F
	<i>In briefs</i>	Trade union finances in the spotlight	NL0006192N
		Government proposes to make employers meet one-third of childcare costs	NL0006193N
July	<i>Features</i>	2000 collective bargaining round progresses relatively quietly	NL0007199F
	<i>In briefs</i>	Managers at listed companies obliged to reveal salaries	NL0007196N
		Separate collective agreements signed for most large banks	NL0007197N
August	<i>Features</i>	Rising number of female WAO recipients raises issue of prevention	NL0008103F
	<i>In briefs</i>	Proposal to give individual employees a say over working hours	NL0008100N
		FNV union confederation champions share-option schemes for employees	NL0008101N
September	<i>Features</i>	13% pay increase for top managers criticised by unions	NL0009106F
	<i>In briefs</i>	Public servants' union withdraws opposition to longer working week	NL0009104N
		Workplace abuse affects one in three employees	NL0009105N
October	<i>Features</i>	Position of works councils examined	NL0010109F
	<i>In briefs</i>	Social partners dissatisfied with distribution of financial windfalls in 2001 budget	NL0010108N
		Wildcat strikes against railway organisation plan	NL0010110N
November	<i>Features</i>	New proposal to reduce influx of disability and unemployment benefit claimants	NL0011111F
		Supervisory control in large companies due to change	NL0011112F
December	<i>Features</i>	Proposals to change dismissals law	NL0012116F
	<i>In briefs</i>	Labour unrest in Rotterdam docks	NL0012114N
		FNV seeks 4% wage increase in 2001	NL0012115N

NORWAY

Political developments

The political climate in 2000 was very much marked by the change in government in March. This took place after the minority coalition government consisting of the three centre parties — the Christian Democratic Party (Kristelig Folkeparti, KRF), the Liberal Party (Venstre) and the Centre Party (Senterpartiet, SP) — resigned after losing a vote in parliament over the building of new gas-fired power plants. The centre coalition was replaced by a new minority Labour Party (Det Norske Arbeiderparti, DnA) government led by Prime Minister Jens Stoltenberg. Despite the controversies surrounding the shift in government, the incoming Labour government and the three centre parties managed to compromise on a budget for 2001. The 2001 state budget proposal did not involve any significant alteration to existing rights and arrangements in the industrial relations and employment area. For example, the sick pay scheme will be continued in its present form.

More generally, the political landscape in Norway was characterised by poor opinion poll results for the Labour Party, and growing support for the far-right Progress Party (Fremskrittspartiet, Frp).

Collective bargaining

The wage settlement in the spring of 2000 involved most collective bargaining areas and was a so-called main settlement — an opportunity to completely renegotiate the two-year collective agreements. The round was carried out in the context of an agreement reached by the social partners in advance of the 1999 round. This deal committed the parties to reduce wage growth in the Norwegian economy to the level of the country's main trading partners (NO9903120F).

It was expected that issues such as working time reductions and a continuation of the education and skills reform would be included in the negotiations. Furthermore, demands for substantial wage increases were also expected from groups in the public sector, especially those with higher education, such as teachers and nurses. There has in recent years been significant discontent concerning wage conditions in the public sector among these groups, and they have received broad political support for their claim that present wage levels hamper recruitment and as such affect the quality of public services (NO0002178F).

Pay

In keeping with tradition, bargaining in 2000 began in the private sector. The general council of the Norwegian

Confederation of Trade Unions (Landsorganisasjonene i Norge, LO) decided that bargaining was to be carried out as an 'industry-wide settlement' — ie all collective agreements between the member organisations of LO and the Confederation of Norwegian Business and Industry (Næringslivets Hovedorganisasjon, NHO) were to be negotiated together and subjected to a collective ballot. The implication of such a procedure is that the main confederations play a dominant role in the negotiations.

On 1 April, LO and NHO succeeded in agreeing on a proposal for new collective agreements (NO0004184N). The proposal involved a general wage increase of NOK 0.75 per hour, as well as additional increases for employees in bargaining areas with a low average wage. The deal also reflected the wish of some employers, for the first time since the late 1950s, to abolish the practice of two-year agreements, and instead introduce three-year agreements without central wage negotiations in 2001. The parties agreed that the proposal fell within the scope of the incomes policy compromise reached in 1999 (see above).

The proposal for the new agreements met with significant opposition from LO members and local trade union representatives, and was subsequently rejected in the ensuing ballot. This led to a comprehensive strike that more or less paralysed the manufacturing and building/construction industries (NO0004188F and NO0005191N). More than 80,000 LO members in the private sector went out on strike on 3 May. However, after six days of conflict the parties succeeded in concluding a new agreement (NO0005192F). The general wage increase was raised to NOK 1.50, and the special increases for low-wage groups were raised, while the proposal for three-year agreements was abandoned. The parties upheld the decision that central negotiations should not take place in 2001. However, a general wage increase for 2001 is part of the 2000 agreement.

The wage negotiations in the public sector were concluded after the private sector strike had ended. This meant that the economic framework for the new private sector agreement, as amended, formed the basis for the public sector negotiations. This helped to smooth the bargaining process, and agreements were thus concluded relatively swiftly for most employees in the public sector (NO0006194F). A general annual increase of NOK 5,000 was awarded, and funds were set aside for local negotiations and wage adjustments at the central level. It was decided that groups with higher education were to be given priority in local negotiations, and there will be no central negotiations in the public sector in the spring of 2001. Public sector employees will also be given a general rise in 2001 and funds are set aside for local bargaining. It was later pointed out that both the distribution of wages and the emphasis on local negotiations may indicate a change of direction in terms of wage formation in the public sector.

Teachers were given special attention during the 2000 wage settlement. For the first time, local negotiations for teachers will be carried out at the municipal level. Further, a 'school package' was introduced, in which a general rise was linked to the introduction of different types of pilot schemes regarding work organisation.

Although all the main union confederations gave their approval to the new public sector agreement, some individual unions in the municipal sector rejected it and took strike action (NO0007197N and NO0009102N).

Working time

In the private sector, the initial proposal for an agreement included a gradual four-day extension of annual leave entitlement (to a total of five weeks), to take place over 2001 and 2002. The final agreement included some adjustments to the timing of the implementation of the extended leave entitlement. The public sector agreement subsequently followed suit.

Job security

There were no significant developments in the area of bargaining on job security in Norway during 2000.

Training and skills development

In the private sector, the trade unions ultimately had to drop their demand for an agreement on the establishment of a tripartite funding scheme to finance subsistence payments for employees taking leave to participate in continuing and vocational training. However, in the final agreement which followed the strike, the employers agreed to a stronger commitment on the establishment of a financing scheme for skills and competence reform.

Legislative developments

New regulations concerning private employment agencies and the 'leasing' of labour came into force on 1 July 2000 (NO9912168F). The new provisions constituted a liberalisation of existing rules on the leasing of labour, while the general ban on private employment agencies was abolished. Apart from this, there were no major legislative developments in Norway in 2000.

Several EU Directives on social policy issues (which generally apply to Norway through the operation of the European Economic Area (EEA) agreement) were considered in 2000, including the Directives on part-time work (97/81/EC) and transfers of undertakings (98/59/EC), both of which are to be implemented during the first half of 2001. However, the government does not expect substantial alterations to the Norwegian legal framework. The implementation of EU Directives in the social field has only to a limited extent generated debate in Norway.

New regulations concerning occupational pensions schemes were approved in 2000, which will allow for tax rebates on so-called 'defined-contribution' plans. These pension plans entail the company paying a fixed amount of money into a pension account on behalf of the employee, such as a percentage share of an employee's income. The payments to employees from such schemes depend totally on the amounts going into the account and the yield from the account — in other words, they work very much like ordinary savings schemes. The legal changes will make it easier to introduce occupational pension schemes in the private sector, where only one-third of employees are covered by them. The new rules came into effect on 1 January 2001 (NO0101119F).

The organisation and role of the social partners

The organisational structure of trade unions was turbulent in 2000, especially at the confederation level. An attempted merger of the Confederation of Norwegian Professional Association (Akademikernes Fellesorganisasjon, AF) and the Norwegian Confederation of Vocational Unions (Yrkesorganisasjonenes Sentralforbund, YS) failed in the summer of 2000 (NO0006195N). Following the merger's failure, AF decided to dissolve itself in 2001 (NO0007199F).

Shortly after this development, four public sector trade unions announced their plan to set up a new confederation before the 2002 wage settlements (NO0009106F). The four unions involved are the Norwegian Police Federation (Politiets Fellesforbund, PF), the Norwegian Union of Teachers (Norsk Lærerslag, NL), Teachers' Union Norway (Lærerforbundet), and the Norwegian Nurses' Association (Norsk Sykepleierforbund, NSF).

A number of trade unions merged or were deliberating mergers during 2000. Three YS-affiliated unions in the state sector merged, and in LO the two postal workers' unions merged (NO0011110N). There were also indications to suggest that plans for a new merged teachers' organisation may soon materialise. Efforts to merge the LO-affiliated Norwegian Union of Municipal Employees (Norsk Kommuneforbund, NKF) and the YS-affiliated Norwegian Association of Health and Social Care Personnel (Norsk Helse- og Sosialforbundet, NHS) will also be continued in 2001.

There were no significant changes to the structure of employers' organisations in 2000. NHO witnessed a growth in its membership base both because several large transport sector employers joined and because the confederation seems to have won the battle to organise most electric power companies. However, there is still tension between the employers' associations with regard to the recruitment of new member groups. Finally, Jens Ulltvedt-Moe was elected as the new president of NHO in the autumn of 2000 (NO0012115N).

Union density among Norwegian employees has remained relatively stable for several years, with only minor variations from year to year. Recent figures, however, seem to suggest that union density is now decreasing. LO is witnessing a continued weakening of its relative position in relation to the other main union confederations in terms of the number of organised employees (NO0008101F).

During 2000, the government established a tripartite public committee with a view to encouraging closer cooperation between the Norwegian social partners and national authorities on EU social and employment policy (NO0009104F).

Industrial action

The most significant industrial action of 2000 was the six-day strike in the private sector, following the rejection of the wage settlement (see above under 'Pay'). This involved approximately 80,000 LO members. In addition, there were several smaller strikes in the municipal sector. Most of these were long, but involved relatively few employees. Strike action was also taken at some Norwegian oil production sites. Like several of the other small strikes, this action was brought to a close by compulsory arbitration, but only after 14 days of strike action and the threat of a lock-out from the employers (NO0007197N). The general impression is that the government has in recent years been more careful in using compulsory arbitration than was previously the case. Figures concerning the number of working days lost in 2000 are not published until the spring of 2001, but preliminary estimates indicate that between 400,000 and 450,000 working days were lost due to industrial conflicts. This figure is high in the Norwegian context.

National Action Plan (NAP) for employment

As Norway is not a member of the EU, it is not under any obligation to formulate an NAP in response to the annual EU Employment Guidelines. However, labour market policy in Norway is very much coloured by the general wish to encourage wage developments which are not harmful to the economy, safeguard employment in the private sector, and provide for the highest possible employment rate.

Norwegian employment policy will increasingly be oriented towards ensuring a sufficient supply of skilled labour. One central concern is the potential inability of the labour market to meet the employment needs of the public sector in the years to come. These developments have intensified the debate surrounding the issue of labour immigration, and the extent to which changes to the legal framework are needed in order to make it easier for employees from outside the EEA to obtain work permits in Norway (NO0012113N). Furthermore, 2000 also saw the abolition of the ban on private

employment agencies, while regulations concerning temporary working were relaxed (see above under 'Legislative developments'). Government plans for the creation of a public temporary work agency have not yet been implemented.

2000 was also the first year in which the Norwegian authorities produced a comprehensive review of the national labour market, the main aim of which was to make information on Norwegian employment and labour market policies more accessible to an international audience.

Equal opportunities and diversity issues

There were no significant legislative or collectively bargained developments in relation to equal opportunities and diversity in 2000.

The government did, however, put forward a proposal to change the provisions of the Working Environment Act (AML) in order to widen the ban on discrimination relating to recruitment. This would mean that the AML banned discrimination on grounds of disability, as well as on the existing grounds of gender, race, national and ethnic origin and sexuality. Furthermore, the government also proposed the introduction of the principle of sharing the burden of proof in discrimination cases (on all grounds, including disability). This proposal was controversial, and it was not yet clear at the end of the year whether it would receive a majority in parliament.

The government also signalled a wish to change the Equal Status Act in order to tighten up requirements with regard to balanced gender representation on boards of semi-public and private companies. The proposal received mixed responses (NO0003183F). The government is to devise concrete proposals for amending the act in 2001.

Information and consultation of employees

There were no major changes to the legal framework nor to collective agreements with regard to information and consultation in 2000. So far, the proposed European Company Statute and the draft EU Directive on national-level information and consultation of employees have not generated much debate in Norway nor has there been significant discussion on the topic of European Works Councils.

New forms of work

New forms of work are discussed regularly at a general level in Norway. New regulations concerning the hiring in and out of labour came into force in June 2000 (see above under 'Legislative developments'). There are now no rules concerning the hiring out of labour, but there

are regulatory restrictions on when companies may use hired labour. The general impression is that these changes constitute a significant liberalisation of the legal framework.

Although there is as yet no legal regulation of home-based teleworking, this form of work has gradually become an issue for negotiations among the social partners, and there are now several agreements covering the subject.

The proportion of temporary employees in the workforce has decreased in recent years. Labour force surveys also show that there has not been a measurable increase in the share of employees stating that they work during evenings or weekends, nor in the amount of overtime work carried out.

Other relevant developments

Two public committees delivered reports in 2000 with relevance for labour market policy and wage formation. They are expected to have a significant bearing on industrial relations in 2001 and beyond.

The report of the Holden committee, issued in June 2000 (NO0007198F), examined 'a strategy for employment and value creation'. It raised a number of issues, but the main focus of attention was on those proposals dealing with incomes policy. The committee called for a stronger coordination of wage formation based on the so-called 'trend-setting industries model', whereby those industries subject to most international competition establish the economic framework for national wage growth developments. The implication of this is a continued emphasis on centralised incomes policy cooperation. The model has, in theory, received support from all the major actors in Norwegian industrial relations, although it is evident that the parties have divergent expectations about the actual content of such a model (NO0012117F).

The Sandmann committee, which issued its report in September 2000, deliberated the issue of sick leave and the exit of employees from the labour market (NO0010109F). It called for the reduction of sick pay. The committee's report also expressed a wish to reduce the number of employees exiting working life prematurely, among other measures, by placing increased responsibility on public authorities and companies for following up employees in rehabilitation or on sick leave. Although changes to the present sick pay scheme would

generate significant controversies among the social partners, there is a general consensus about the need to pursue a policy that encourages employees to remain in the labour market as long as possible.

Outlook

In 2001, for the first time in several decades, no central wage negotiations will be carried out in the second year of the two-year collective agreements in force. However, this does not mean that the issue of bargaining structure will not be on the agenda. The rejection of the original agreement reached between LO and NHO in 2000 has led many people to question the social partners' ability to continue a coordinated and centralised wage policy. Furthermore, the report of a public committee deliberating issues related to the national bargaining system is expected some time in the spring of 2001. The bargaining system has also been put on the agenda by the report of the Holden committee in 2000. This means that both incomes policy and the national bargaining system will be on the agenda in 2001. LO will also focus attention on the bargaining system in 2001: at its national congress to be held in the spring, the bargaining system and collective agreement structure will be on the agenda.

In terms of legislative developments, regulation of the working environment, flexibility and work/life topics are expected to be debated in 2001. The present Working Environment Act was introduced in 1977, and many believe that it is now time for a comprehensive revision of the legislation. LO has signalled that it wants to see the creation of a completely new act. It is also expected that the public authorities will deliberate the extent to which a large-scale revision of the legal framework in this area is needed. Although many see a need to overhaul completely the present legal framework, it is as yet unclear what the content of any new act will be. While debate on possible changes will start in 2001, no concrete proposals are expected during the year.

2001 will also be marked by the parliamentary election in September. It is highly likely that a wide range of issues relevant to industrial relations will be touched upon during the election campaign, including the sick pay scheme, questions relating to regulations and flexibility in working life, modernisation and reorganisation in the public sector, and revision of the present labour dispute mechanisms.

Norway: 2000 Records

January	<i>Features</i>	Moderate wage growth achieved in 1999 Crisis in Norwegian shipbuilding	NO0001174F NO0001175F
	<i>In briefs</i>	EU Directive on posted workers implemented Labour market stagnated in 1999	NO0001170N NO0001171N
February	<i>Features</i>	Increased holidays a central demand in spring 2000 bargaining round Disagreement over shape of proposed new trade union confederation	NO0002178F NO0002179F
	<i>In briefs</i>	Temperature rising prior to wage settlement IIRA Congress to be held in Norway in June 2001	NO0002176N NO0002177N
March	<i>Features</i>	Proposal for balanced gender representation on company boards proves controversial	NO0003183F
	<i>In briefs</i>	Minister proposes national-level social dialogue	NO0003180N
April	<i>Features</i>	Co-determination at Nordic level in finance examined Strike hits private sector	NO0004185F NO0004188F
	<i>In briefs</i>	Proposed new three-year private sector agreement will increase annual leave	NO0004184N
May	<i>Features</i>	LO and NHO agree revised proposal for private sector collective agreement	NO0005192F
	<i>In briefs</i>	Strike in private sector ends	NO0005191N
June	<i>Features</i>	New collective agreements concluded in public sector	NO0006194F
	<i>In briefs</i>	Large-scale strike averted in public sector AF scraps plans to create new union confederation	NO0006193N NO0006195N
July	<i>Features</i>	Public committee proposes continued cooperation on incomes policy AF union confederation to be dissolved in 2001	NO0007198F NO0007199F
	<i>In briefs</i>	Compulsory arbitration ends strikes	NO0007197N
August	<i>Features</i>	Developments in membership of unions and employers' organisations	NO0008101F
September	<i>Features</i>	Minister wants closer cooperation on EU social policy Latest attempt to create new trade union confederation	NO0009104F NO0009106F
	<i>In briefs</i>	Long-running pre-school teachers' strike ends Sickness absence continues to rise	NO0009102N NO0009103N
October	<i>Features</i>	Public committee proposes controversial changes to sick pay scheme	NO0010109F
November	<i>Features</i>	Future of Statoil provokes controversy in labour movement Director of Labour resigns over falsification of employment data	NO0011111F NO0011112F
	<i>In briefs</i>	Green light for new union confederation	NO0011110N
December	<i>Features</i>	Trade unions face financial difficulties Social partners reluctantly approve further cooperation on incomes policy	NO0012116F NO0012117F
	<i>In briefs</i>	Budget compromise opens door to increased labour immigration New NHO president cause controversy	NO0012113N NO0012115N

PORTUGAL

Political developments

There were no elections of any kind in Portugal in 2000, following the parliamentary elections in 1999. However, intense debate took place in the National Assembly on the issue of government policy. The fact that the ruling Socialist Party (Partido Socialista, PS) has the same number of seats in the Assembly as all the other parties together, lent momentum to the debate. This was especially the case in the debate over the national budget, which almost sparked a serious political crisis. Much discussion was also generated on the need for changes to the way in which the courts function and citizens' access to the justice system. During the course of the year, a number of cabinet ministers were replaced. At the end of the year, the campaign began for the presidential elections in January 2001 (won by the PS candidate, Jorge Fernando Branco de Sampaio, with 55.8% of the vote). Portugal held the European Union Presidency in the first half of the year.

Collective bargaining

With regard to national intersectoral social dialogue and 'concertation', the Standing Commission for Social Concertation (Comissão de Concertação Social, CPCS), a committee of the Economic and Social Council (Conselho Económico e Social, CES) relaunched meetings during January 2000 after a year-long hiatus (PT0001179F). These meetings involved the government and the social partner organisations with seats on the CES: the Portuguese Confederation of Industry (Confederação da Indústria Portuguesa, CIP), the Confederation of Portuguese Farmers (Confederação dos Agricultores Portugueses CAP), the Confederation of Portuguese Commerce and Services (Confederação do Comércio e Serviços de Portugal, CCP), the General Confederation of Portuguese Workers (Confederação Geral dos Trabalhadores Portugueses CGTP) and the General Workers' Union (União Geral de Trabalhadores, UGT). After the first meeting, it was announced that, rather than seeking another multi-year strategic pact — like the 1996–9 Strategic Concertation Pact (Pacto de Concertação Estratégica, ACE) (PT9808190F) — concertation would be accomplished by means of agreements on specific topics, with the exception of incomes policy. Within this process (PT0008103N), towards the end of the year, progress was made towards agreement in four areas: employment and training; health and safety; social security; and productivity.

As for collective bargaining proper, a total of 331 collective agreements were concluded during the first three quarters of 2000 — see table 1 below. This compares with a total of 398 agreements in 1999. There was an increase in the proportion of multi-employer

agreements (ie covering more than one company, but not signed by an employers' association) and company-level agreements in 2000 — these agreements made up 34.4% of accords in 2000, compared with 30.9% in 1999.

Table 1. Collective agreements published in first three quarters, 2000

Sectoral agreements	217
Multi-employer agreements	20
Company-level agreements	94
<i>Total</i>	<i>331</i>
<i>Source: General Directorate for Working Conditions (DGCT) bargaining report.</i>	

Collective bargaining in Portugal is widely perceived to be overly formal, subjective to excessive state intervention through legal regulation, lacking in coherence, poor in content and lacking in innovation. The debate on these problems continued in 2000, but without any firm conclusions being reached on the way forward (PT0002183F and PT0011122F).

Pay

Basic collectively agreed pay increased by an average of 3.9% in the year to November 2000 in nominal terms and 1.8% in real terms. This compared with an increase of 3.7% in nominal terms and 1.1% in real terms in the year to December 1999. According to the trade unions, the fact that inflation in 2000 was higher than predicted by the government undermined the pay increases agreed. The Bank of Portugal, in its end-of-year report for 2000, advised pay moderation in 2001. This sparked adverse reactions from trade unions, primarily CGTP, which argues that Portuguese pay needs to be brought more into line with the European Union average and that low pay persists in many areas.

The Ministry of Labour and Solidarity's General Directorate for Working Conditions (Direcção Geral das Condições de Trabalho, DGCT) recorded 1,430 pay-related changes to collective agreements in the first three quarters of 2000. Changes to wage scales accounted for a high percentage of these changes (23%). After wage scales, meal allowances continued to be the type of payment that is most often reviewed in collective agreements, representing 20.2% of the changes made. Cash-handling and travel allowances also figured strongly, accounting for 13% and 10.2% of the total respectively.

Working time

According to DGCT, there were 93 recorded changes to collective agreements related to the length of working

time during the first three quarters of 2000. Of the total, issues related to holidays accounted for 34.4%, normal working time for 24.7% and adaptability/flexibility of working time for 22.5%.

The issue of working time was largely debated in 2000 in the context of skills development. In terms of the length of the working week, there has not been significant public debate since the publication in 1996 of legislation providing for a 40-hour week. However, a number of sectors are now negotiating gradual reductions in working time, such as a 39-hour week in 2001 in ceramics production and a 38-hour week for administrative employees. A number of agreements increase annual leave entitlement to 25 days and allow a certain flexibility, taking into consideration issues such as the worker's age and the time of year at which holiday is taken. Annualised hours systems are still relatively rare — working time is usually calculated on a weekly basis.

Job security

The issue of job security was not a particular theme for bargaining in Portugal during 2000. In general, this topic is usually only discussed in times of crisis and negotiations do not usually stray beyond legislative provisions.

A study carried out with the backing of the Employment and Vocational Training Observatory (Observatório do Emprego e Formação Profissional, OEFP) and published in 2000 examined the extent to which formal collective agreements in essential sectors of the Portuguese economy — metalworking, textiles, the graphical and printing industry and telecommunications — contained provisions on employment, qualifications and vocational training (PT0011122F). The study concluded that although the 1996–9 tripartite Strategic Concertation Pact led to the concerted negotiation of a large number of matters, sectoral collective bargaining (which continues to be the predominant level) has scarcely addressed issues such as employment, qualifications, work organisation and vocational training, though the social partners do recognise that these are important topics for negotiation.

Training and skills development

DGCT figures indicate that there were 55 changes to collective agreements related to training, job classifications and career development in 2000. The definition of job classifications and functions accounted for 58.5% of these changes, career development for 32.9%, and vocational training and retraining for 8.5%. Generally, the issue of improving the qualification levels of workers was the main topic of discussion in this area in 2000. The debate focused primarily on how to raise awareness of this issue.

Legislative developments

The main legislative developments in the employment and industrial relations field in Portugal during 2000 were as follows:

- a Council of Ministers Resolution (1/2000) concerning a plan to eradicate child labour;
- Decree-Law 70/2000 amending law 4/84 on the protection of parental rights;
- Decree-Law 109/2000 amending Decree-Law 26/94 on health and safety in the workplace; and
- Ministerial Order 11/2000 concerning the technical basis for calculating work-related accident pensions.

In addition, two laws which are not directly related to industrial relations may have an impact in this area. The first concerns the situation of immigrant workers: Decree-Law no. 4/2001 amending Decree-Law no. 244/98 of 8 August 1998 was adopted on 10 January 2001 (PT0101131F), following the issuing of proposals in June 2000 (PT0006199F). The second item of legislation was a new basic law regarding social security, which was adopted on 6 July 2000 (PT0007100F).

More generally, during 2000, an official commission, made up of legal experts, examined possible revisions to Portuguese labour law. The government wants to make labour law more efficient and coherent, and to open up more space for collective bargaining rather than legal regulation (PT0008104N). Employers' organisations continue to assert that labour legislation has to be made more flexible in order to assure greater competitiveness.

According to the public authorities, 1999 legislation on enhanced sanctions for breaches of labour legislation (PT9909162N) was implemented with a high degree of efficacy in 2000.

The organisation and role of the social partners

In 2000 the number of trade union organisations remained the same as in 1999, at 395. Of these, 326 were individual unions, 25 were federations, 39 were regional federations and five were confederations. The following mergers occurred:

- three metalworking unions from three districts (Lisbon, Santarém and Castelo Branco) merged into a single union; and
- three unions in construction, timber/lumber and the marble industry merged and now cover the whole south and central area of the country (Faro, Santarém and southern districts).

Three new unions and professional associations were set up in 2000, notably for civil service employees working in

public notarys' offices, municipal registries and building and property registries. Two independent unions were also established in three former state-owned companies (the postal service and railways).

The number of employers' organisations continued to grow (PT0003185N) with 506 recorded at the end of 2000 — 468 individual employers' associations, 22 federations, nine regional federations and seven confederations. Most associations are based on either the interests of small regional areas or specific activities, and few mergers have taken place. However, 2000 saw the establishment of a confederation for the artisanal fishing sector and a federation for the textiles and ready-to-wear industries.

Industrial action

Overall, there were fewer strikes in 2000 than in 1999, according to figures from the Institute for Development and Inspection of Working Conditions (Instituto para o Desenvolvimento e Inspeção das Condições de Trabalho, IDICT). In the first three quarters of 2000, a total of 821 strike notices were issued, resulting in 271 strikes (33% of the calls issued) — compared with 300 strikes in the same period in 1999. Of particular note were: the continuing strikes in various Lisbon public transport bodies in the early part of the year (PT0004188N); strike action by Portuguese Railways (Caminhos de Ferro Portugueses, CP) train drivers, which were ended by the government through a civil injunction; and strikes in the public services, involving teachers, nurses and central civil service employees. The first half of the year saw two protest strikes of more general scope — one in the civil service and another 'for a Europe of full employment', which was held during the June Feira European Council summit (PT0006198F).

National Action Plan (NAP) on employment

The Portuguese 2000 NAP was presented at the end of May 2000 (PT0006194N). In a context of low unemployment, the 2000 NAP continued to give priority to active policies to promote employment and employability. Continuing along the lines of the previous NAP, the new Plan sought to improve the quality of employment by providing incentives to companies for the conversion of temporary jobs into permanent ones.

The social partners are involved in drawing up and putting into action the NAP. The tripartite Economic and Social Council accompanies the process, presenting proposals and demands. However, this collaborative effort arguably does not seem to be taking root, especially when it comes to issues of qualifications, life-long training, organisation of work and reconversion of the economic fabric (see above under 'Job security'). Since 1999, the NAP has included an addendum aimed at involving the social partners in two areas:

- guideline five — promoting partnership by encouraging the social partners to conclude agreements in the areas of training, work experience and other initiatives aimed at helping unemployed people and young people gain access to the labour market; and
- guideline 15 — helping companies to adapt by removing obstacles to investment in human resources. These are mainly tax obstacles.

At the end of the year, the social partners represented on the Standing Commission for Social Concertation were discussing four specific agreements on employment and vocational training, health and safety, social security and productivity, which were due to be signed in early 2001.

Equal opportunities and diversity issues

Equality of opportunities for women and men has been an increasingly prominent issue in Portugal in recent years. Recent initiatives include a number of developments arising from the NAP (see above) such as the creation of an observatory on equal opportunities in collective bargaining and an equality award for companies. Other initiatives are funded through EU programmes, such as projects on the integration of equal opportunities in the social dialogue and on the female labour market (PT0004190F).

The general view is that some progress has been made with regard to gender equality; but the progress made is still insufficient. There remains an appreciable gap with regard to job opportunities for women and the greatest concern is discrimination against women in certain jobs and in certain sectors.

Part of the rationale of the new measures on clandestine work by immigrant workers issued in 2000 (see above under 'Legislative developments') was to improve working conditions for immigrant workers and help combat racism and xenophobia. Immigration to Portugal is a comparatively recent phenomenon, but is increasing, accompanied by rising levels of illegal, clandestine employment, notably in the construction, hotel and metalworking industries. Trade unions have demanded equality for immigrants under labour law and collective agreements.

Information and consultation of employees

There were no significant developments in the area of the information and consultation of employees in Portugal in 2000. The Portuguese social partners have expressed their satisfaction with the recent progress of EU-level proposals for the creation of a European Company Statute. With regard to European Works Councils (EWCs), there are no EWCs in any companies which are headquartered in Portugal.

A total of 12 new statutory company-level employee representative bodies, workers' commissions, were registered by the Ministry of Labour and Solidarity in 2000, although the actual number of new commissions, which may not have formally registered, might be higher.

With regard to direct participation, of note is the interest shown by public entities such as the Institute for Innovation in Training (Instituto para a Inovação na Formação, INOFOR) which recently launched an action programme on organisational innovation in which employee participation was considered an obligatory component of the methodology. The project ended in 2000 and is now undergoing evaluation.

New forms of work

According to statistics from the Ministry of Labour and Solidarity, there were 12,400 temporary agency workers in Portugal in October 2000, of whom 7,000 were women and 5,400 men. This represented a 2.3% increase on the previous year. Temporary work companies also state that the number of people on their payrolls has increased, and that there has been a growing specialisation in the temporary agency work sector and a move toward niche marketing. Foreign workers have increasingly been recruited in the sector, primarily in the areas of health and education. Because of a high level of company non-compliance with regulations governing temporary agency work, the General Labour Inspectorate (Inspeção Geral do Trabalho, IGT) has undertaken a number of investigations since 1999 that have resulted in financial penalties.

Teleworking in Portugal still represents a tiny part of the labour market. However, even though the number of teleworkers is still small, the social partners have become

more aware of the need to create a legislative framework and conditions that will favour teleworking (PT0011121F). Some trade unions seek bargaining on the issue, while others take a more negative view.

No data are available on the number of economically dependent workers (those who, although technically independent, in practice have an employment relationship with a single employer). However, statistics from the National Statistics Institute (Instituto Nacional de Estatística, INE) show that the number of self-employed workers without employees fell from 872,000 in the fourth quarter of 1999 to 850,500 in the second quarter of 2000 (while the number of self-employed workers with employees rose from 287,100 to 298,500).

Outlook

The industrial relations debate currently seems to be centred around a number of key areas, and is likely to remain so in 2001. First, the issue of qualifications has become a pivotal point in the debate among social partners and promises to remain so, serving as the basis for negotiations on vocational training, recruitment, immigration, and changes that will enable the country to break free from an economy based on low wages. Second, there is much debate about the future of some sectors in the public administration, such as healthcare and certain municipal services such as basic sanitation. The discussion has centred on privatising municipal services and regulating working conditions, particularly working time and acquired rights. Finally, there is discussion on the issue of improving health and safety in the workplace and increasing efforts to combat child labour and illegal working by improving the efficiency of the public authorities in the area of employment.

Portugal: 2000 Records

January	<i>Features</i>	Economic and Social Council resumes tripartite dialogue Industrial relations in the Portuguese shipbuilding industry	PT0001179F PT0001180F
	<i>In briefs</i>		
February	<i>Features</i>	Conciliation report highlights need for innovation in bargaining	PT0002183F
	<i>In briefs</i>	Bargaining in textiles faces difficulties Civil service unions debate working conditions and European social dialogue	PT0002181N PT0002182N
March	<i>Features</i>	Ruling on business transfers and the application of collective agreements	PT0003187F
	<i>In briefs</i>	Restructuring continues at Portugal Telecom Employers' associations undergo restructuring	PT0003184N PT0003185N
April	<i>Features</i>	New equal opportunities initiatives emerge from social dialogue Difficult negotiations over civil service pay	PT0004190F PT0004192F
	<i>In briefs</i>	Negotiations and strikes in Lisbon public transport Workers' commissions step up activity in restructured companies	PT0004188N PT0004189N
May	<i>Features</i>	UGT holds congress	PT0005193F
June	<i>Features</i>	Portuguese social partners express views on Lisbon and Vila de Feira summits New measures seek to ensure decent working conditions for immigrant workers	PT0006198F PT0006199F
	<i>In briefs</i>	New NAP promotes creation of permanent jobs New agreement signed in textiles TAP plans workforce cuts	PT0006194N PT0006195N PT0006196N

July	<i>Features</i>	New Basic Law on Social Security adopted	PT0007100F
		Industrial relations in the fishing industry	PT0007101F
		Collective bargaining and strikes in the first half of 2000	PT0007102F
August	<i>In briefs</i>	Social partners renew dialogue	PT0008103N
		New commission prepares revision of labour law	PT0008104N
September	<i>Features</i>	Unions present agendas for 2000–1	PT0009113F
		Building a bridge between school and work	PT0009114F
	<i>In briefs</i>	Unemployment falls but labour market problems persist	PT0009108N
		Agreement signed for train drivers	PT0009109N
		Unions consider wage policy for 2001	PT0009110N
October	<i>In briefs</i>	Lack of jobs for teachers causes controversy	PT0010116N
		Civil service pay negotiations expected to be difficult	PT0010117N
		Controversy resurfaces over police officers' union rights	PT0010119N
		Professional footballers' union calls for new pension regime	PT0010120N
November	<i>Features</i>	Teleworking under debate	PT0011121F
		New ways forward for collective bargaining?	PT0011122F
	<i>In briefs</i>	Health and safety in construction under the spotlight	PT0011118N
December	<i>In briefs</i>	Home-based child labour increases	PT0012124N
		Portuguese view on EU Charter of fundamental rights	PT0012126N

SPAIN

Political developments

2000 was marked by the overwhelming victory of the centre-right People's Party (Partido Popular, PP) in the general elections held in March. After having governed previously as a minority government with the support of the conservative nationalist parties from Catalonia and the Basque Country, PP obtained a large absolute majority that will allow it to govern until 2004 without having to rely on other parties.

Collective bargaining

There were no major changes in the structure and content of collective bargaining in 2000, but previous tendencies were consolidated and some new developments may gain increasing importance in future.

Just over 4,000 agreements, covering some 8 million employees were negotiated or revised in 2000, compared with over 5,000 agreements, covering almost 9 million employees in 1999. The decrease in the number of agreements could simply be seen as an indication of less fragmentation in collective bargaining if it were not for the fall in the number of workers covered by agreements: according to provisional data from the Ministry of Labour and Social Affairs, between 1999 and 2000 the percentage of employees covered by collective agreements fell from 82% to 70%, while the proportion of employees covered by sectoral agreements fell by nine percentage points and the number of workers covered by company agreements by 16 points.

It remains to be seen whether the decrease in the level of bargaining coverage in 2000 marks the beginning of a new trend (it may be due to provisional or irregular gathering and processing of the statistics — the low reliability of these data is a generally recognised problem). However, it seems clear that although collective bargaining is becoming more centralised at sector level, non-formalised bargaining (company agreements that do not have the status of collective agreements) is also expanding and the focus of industrial relations is shifting to the company level. There was also an increase in 2000 in the number of companies and workers that were not represented in collective bargaining because they do not fit into the sectoral and occupational structure of traditional bargaining, or because the level of worker organisation is weak or non-existent (ES0006193F and ES0009208N). Nevertheless, in 2000 agreements were also signed that governed new activities and occupations, such as an agreement for audio-visual technicians (ES0010115N).

In mid-2000, the social dialogue between the government, trade unions and employers' associations

was renewed (ES0006194F) with the dual goal of negotiating a new labour reform (ES0004180N) and a reform of the social security system (pensions and other benefits). The government asked the trade unions and employers' associations to follow the pattern of the April 1997 intersectoral agreements (ES9706211F), whereby the social partners reached pacts that were later supported by government legislation. In the reform of the social security system, the government sought to obtain the widest possible consensus of the social partners before initiating parliamentary debate (ES0007100F). However, the overall negotiations continued with an increasing distance between the social partners, and no agreement was reached by the end of the year (ES0011219N and ES0012226F).

Pay

Bargaining on pay was less conflictual in 2000 than was initially foreseen: wage moderation continued to prevail, but the number of clauses negotiated on wage revisions due to the increase in inflation (ES0001170N) continued to grow (ES0006193F). The provisional figures that are available show that in 2000 there was a further loss of purchasing power: in 1999 the average agreed wage increase was 2.4% (2.7% including wage revision clauses) and real inflation was 2.9% (the accumulated inflation rate); in 2000, the agreed wage increase was 3% (3.6% with wage revision clauses) and real inflation was 4%. Furthermore, in 2000 the purchasing power of the national minimum wage (salario mínimo interprofesional, SMI) continued to fall sharply, thus increasing the distance between workers in precarious employment and the rest of the workforce. The SMI was increased by 2% in 2000, which was equivalent to the inflation forecasts (ES0009107N). The SMI is less than 45% of the average net wage and is therefore thought to be the lowest minimum wage in the EU.

Changes in the structure of pay which had emerged in previous years were more prevalent during 2000: variable wage supplements linked to individual or group performance were extended and diversified, and other wage supplements, especially seniority bonuses, were discontinued (ES0001170N).

Although conclusive data are not available, it seems that tensions and disputes with regard to pay are increasingly related to these structural changes rather than the annual increase in the fixed wage. One reason for this is that the changes involve an increase in the power of employers and give greater importance to individual agreements between companies and workers. An extreme and somewhat paradoxical example is the programme of stock options for executives at the Telefónica telecommunications group, which led to significant political and social controversy in 2000 (ES0004185F). The stock options were widely seen as over-generous, particularly in a recently privatised company which has suffered major redundancies and

which has a high proportion of temporary employees and outsourced activities. There was also a perceived lack of transparency in the offer of stock options, and their effectiveness in terms of managerial performance was seen as doubtful. However, the problem was resolved internally through an agreement between management and trade unions on a far more modest programme of stock options for all permanent employees.

Working time

Collective bargaining on working time in 2000 was characterised by a very moderate reduction in working hours and a significant increase in flexibility. The average number of agreed working hours fell from 1,765.3 hours per year in 1999 to 1,764.3 in 2000: this was a small but quite widespread reduction (30% of the agreements reached during the first half of the year reduced working hours — ES0009208N). This reduction was in general not linked to job creation and did not involve a significant reduction in overtime. The 35-hour week was introduced in a minority of organisations, mainly in the public administration and public services (ES0007198N), although the first sectoral collective agreement establishing the 35-hour week was signed in 2000 for automobile repair shops in the region of Asturias (ES0008102F).

Greater flexibility in the organisation of working time was introduced in various ways. In some cases, collective agreements established reasons for varying working hours and limits on the availability of workers and more trade union participation. In the majority of cases, however, the discretionary powers of employers were increased with or without compensation in other areas. There are no reliable quantitative data on flexible working hours because this subject is mostly channelled through company agreements. However, it is widely accepted that in certain types of companies and sectors there is an increasing distance between agreed working hours and actual working hours.

Job security

The main development in the area of job security in 2000 was the negotiation, mainly in company agreements, of clauses on maintaining employment, converting temporary jobs into open-ended posts, limiting temporary recruitment and regulating the operation of temporary employment agencies (ES0005189F). This phenomenon does not affect the more problematic sectors and companies and does not have a very significant impact on Spain's high temporary employment rate. According to the EPA labour force survey (second quarter of each year), temporary employment has fallen only slightly: at the time of the 1997 labour reform (which sought to promote employment stability), the rate of temporary employment was 33.6% of the active population; in 1999 it was 32.7%, and in 2000 it was 32.1%. In 2000, there were promising agreements on

employment at both sectoral and regional level. An agreement in the textiles sector introduced significant improvements to the quality of employment and the participation of workers' representatives (ES0005190F), while the Balearic Islands pact for employment introduced measures that favour shorter working hours, social cohesion and productivity (ES0003279F).

Training and skills development

There were no significant changes in the area of training and skills development during 2000 in collective bargaining at sectoral or company level. However, the year saw the negotiation by employers' associations and trade unions of the third National Agreement on Continuing Training, which was signed in December and introduced changes in the administration and funding of continuing training (ES0101130F). This agreement abolishes the Foundation for Continuing Training (Fundación para la Formación Continua, FORCEM), the bipartite foundation that had previously administered continuing training, replacing it with a tripartite foundation in which the public administration will participate.

Legislative developments

The reform and 'counter-reform' of the Law on Foreign Persons (Ley de Extranjería) was a legislative event with a great political and social impact in 2000. In February, a new version of this law came into force (ES0004183F). Its aim was to put an end to 15 years of restrictive immigration policy and to introduce a more integrating policy that gives non-EU immigrants rights — and not only obligations — and provide a solution to illegal immigration. Under the previous regulations there were no options: illegal immigrants were either expelled or simply ignored. The new law prevented the automatic expulsion of illegal immigrants, gave them certain political and social rights and began a special process to legalise the position of many immigrant workers.

The law was passed with less political and social consensus than had been expected, and there were serious doubts about its development through subsequent regulations and its administrative application. Before winning the elections in March 2000, the People's Party (PP) announced its intention to reform the law because it was excessively permissive to illegal immigrants. It was thus unsurprising that the special process of legalisation was less generous than had been expected (according to provisional data from the Ministry of Interior, the number of applications was lower than expected — about 250,000 — and 40% were refused). Meanwhile, PP fulfilled its electoral promise and at the end of the year introduced its 'counter-reform' of the law, reintroducing expulsion for illegal immigrants, extending the minimum period of illegal stay in Spain that entitles immigrants to apply for legalisation, and eliminating some of the rights established by the short-lived law of February 2000 (ES0012224F).

Amid the heated political debate over immigration and legislative changes, other events of importance were race riots in some towns with a large number of legal immigrants, such as El Ejido (ES0004184F) and major public protests in which organisations of immigrants, and in particular those 'without documents' (sin papeles) and 'without a voice' (sin voz), played a leading role.

On other issues, 2000 saw the adoption of a set of measures intended by the government to foster competition in order to stimulate economic growth without increasing inflation. This included a liberalisation of shop opening hours (ES0007201F) and a reform of sick leave (ES0007100F), both of which caused controversy.

The organisation and role of the social partners

2000 brought some change to the organisation and the role of the social partners in Spain. The most important institutional event was the seventh congress of the Trade Union Confederation of Workers' Commissions (Comisiones Obreras, CC.OO) in April, which in general confirmed the strategy that this union confederation has followed since 1996, albeit with the dissent of a minority of about 30% (ES0005286F). It remains to be seen whether after this congress CC.OO will be able to define a strategy that enjoys greater internal support and to resolve the differences among its different sections.

On the employers' side, there were some organisational changes in 2000, such as a reorganisation of employers' representation in Catalonia.

However, the most significant changes were in other areas, notably the issue of the unionisation of self-employed workers, which CC.OO and the General Workers' Confederation (Unión General de Trabajadores, UGT) supported in 2000. This is still an incipient tendency, but it is a first step towards the organisation of an expanding group of workers, who are highly diversified and suffering from a loss of influence in terms of professional status and individual bargaining capacity (ES0002277N). Another important development in 2000 was the establishment of new forms of worker representation to monitor the correct administration and application of agreements at the workplace. Such new structures were included in the agreements in the textiles sector (ES0005190F) and the temporary employment agency work sector (ES0009111F) and other smaller agreements. The aim is to overcome the weakness or non-existence of traditional workers' representatives in many companies.

Industrial action

2000 was characterised by a considerable increase in industrial disputes. After a number of years of relatively peaceful industrial relations, the slight increase in

industrial disputes in 1999 (ES0009209F) was followed by a more significant increase in 2000. There were 666 strikes in January-November 1999, involving 1,053,400 workers and the loss of 1,379,300 working hours. During the same period of 2000, there were 580 strikes, involving 1,475,800 workers and the loss of 2,677,100 working hours. The 2000 figures do not include the 24-hour general strike held by civil servants in December 2000 (ES0101228N).

Arguably the most significant strikes were: in the construction sector in protest against industrial accidents, precarious employment and subcontracting (ES0004282F); in retail against the liberalisation of opening hours (ES0007201F); and in the civil service in protest at the continuous loss of purchasing power (ES0010214N). However, as in previous years, although there were fewer disputes at company level than in the 1980s, strikes tended to last longer and were more difficult to solve: examples were the strikes at the MSP coal mines (ES0001269N), the RENFE national railways (ES0007199N), the Tudor motor components company (ES0002278F), the Moulinex electrical appliances firm (ES0009210F) and the Sintel telephone installation concern (ES0011120N).

National Action Plan (NAP) on employment

The process of social partner consultation in the drawing up of the Spanish 2000 NAP followed the same format as in previous years. The government places great value on the participation of the social partners. The employers' associations were relatively satisfied with the content of the NAP, while the trade unions were critical both of the Plan and of the formal nature of the consultation. Nevertheless, 2000 was the first year in which the assessments of the social partners were included in the Plan.

Equal opportunities and diversity issues

After the approval in 1999 of the new Law on Combining Family Life and Work (ES9911165F), there were no major developments in the area of equal opportunities in 2000, although the social inequalities between men and women are still thought to be significant. In late 2000, a small business group, the Circle of Employers (Circulo de Empresarios), was forced to make a public apology for suggesting that employed women pay the employers' maternity leave costs (ES0101129F). It had proposed that a proportion of women's monthly pay should be paid into an insurance policy that would cover the wages and contributions that companies pay to women on maternity leave. If the woman has had no children by the age of approximately 56, these contributions would be returned to them with the corresponding interest. Though the proposal was

widely condemned as being unconstitutional and inapplicable, as well as socially and economically irrational, it showed how the debate on gender discrimination in the Spanish labour market still focuses on maternity leave.

A study conducted by the Fundación Argenteria and published in early 2000 confirmed that women are paid less than men for equal work, and that temporary workers are paid less than those on open-ended employment contracts (ES0004281N). It found that the average monthly wages of a male worker on an open-ended contract in 1999 were ESP 287,423 gross (including average overtime pay), compared with ESP 161,923 for all temporary workers, and ESP 211,981 for women on open-ended contracts. Comparing men's and women's pay, eliminating differentials accounted for by contract type, seniority or responsibility was found to leave a 12.5% gap that is explained solely by gender.

As stated above (see under 'Legislative developments'), immigration was a major subject of political debate, legislative initiative and social mobilisation in 2000.

Information and consultation of employees

The draft EU Directive on worker involvement in the European Company Statute was the most important topic of debate in this area in Spain in 2000: the government's refusal until the end of the year to accept some of its clauses was severely criticised by the trade unions.

Another development was the trade unions' demand for recognition of the right to representation, information and consultation at the level of groups of companies, which met with strong opposition from employers. In general, in these and other related topics — European Works Councils and information and consultation on mergers and takeovers — the Spanish social partners have participated regularly in the debate within the European-level employers' organisations and trade unions, and their points of view are reflected in the positions that these organisations have adopted.

New forms of work

The most important development in the area of new forms of work in 2000 was related to temporary work agencies. In 1999, the new law on temporary work came into effect, establishing equal wages for workers supplied by agencies and workers of the user companies. In July 2000, a new national collective agreement covering temporary work agencies was signed, resolving the ambiguity of the legislation: the agreement established full equality of wages, because it defines pay as the

wages actually received by the workers of the user company, regardless of whether they are regulated by collective agreements (as defined by law) or by company agreements (ES0009111F).

As noted above, the recruitment of self-employed workers has become a major target for trade unions (see above under 'The organisation and role of the social partners').

Other relevant developments

Yet again, the industrial accident rate was a major topic of debate in Spain. Although the accident rate is still high, the government and the social partners are very far from reaching the necessary consensus to make their actions more effective, whether through legislation, administration or collective bargaining. In 2000, there were 1,130 deaths, 11,359 serious accidents and 922,785 minor accidents at work. It is evident that industrial accidents are clearly related to precarious employment (ES0009106N), but a 'popular legislative initiative' presented by CC.OO and supported by UGT to regulate subcontracting and reduce accidents, supported by more than 500,000 signatures, was rejected by the centre-right majority in parliament without a debate (ES0012125N).

Outlook

2001 promises to be a year of reforms in areas such as the labour market, pension and social protection systems and collective bargaining. However, the likely degree of consensus on these issues is far from clear.

In the area of labour market reform, from the outset of the current dialogue on the issue the government established its preferred terms and conditions and stated that it was not willing to wait indefinitely for an agreement between the social partners. The point on which the views of the government and the employers' associations coincide is that it is necessary to reduce the cost of dismissal even further in order to reduce temporary employment (ES0012226F). This is a proposal that is in line with the process that began with the 1997 labour reform. The government approved a package of labour market reform measures in early 2001, against which trade unions are mounting a series of protests.

The government's project of reforming the social security system is based on the aim of ensuring the future viability of public pensions.

Finally, the employers' associations are firmly resolved to try to introduce greater flexibility in collective bargaining. It will certainly not be easy to achieve a consensus on these and other proposals with the trade unions, but nor will it be easy for the unions to prevent them.

Spain: 2000 Records

January	<i>Features</i>	Agreement finally reached for savings banks Lengthy conflict continues at RENFE	ES0001272F ES0001273F
	<i>In briefs</i>	Bargaining brings changes in pay structures Strike ends at MSP coal mines	ES0001170N ES0001269N
February	<i>Features</i>	Unionisation of the self-employed Dispute at Tudor over dual pay scale	ES0002277F ES0002278F
	<i>In briefs</i>	Plan to curb industrial accidents in Catalonia	ES0002176N
March	<i>Features</i>	Pact for employment signed in Balearic Islands	ES0003279F
	<i>In briefs</i>	Conflicts in public and private shipyards Minister of Labour resigns	ES0003274N ES0003275N
April	<i>Features</i>	The new Law on Foreign Persons: a difficult but necessary beginning First strike by immigrants follows racist riots in El Ejido Telefónica stock options controversy Strike over accidents and subcontracting in construction sector	ES0004183F ES0004184F ES0004185F ES0004282F
	<i>In briefs</i>	First steps towards consensus on new labour reform Wage discrimination against women and temporary workers	ES0004180N ES0004281N
May	<i>Features</i>	Employment gains importance in company-level bargaining New textiles agreement contains important clauses on employment and participation CC.OO holds seventh congress	ES0005189F ES0005190F ES0005286F
	June	<i>Features</i>	Collective bargaining in 1999 assessed Social dialogue renewed 50 years of SEAT reviewed
<i>In briefs</i>		CEOE holds annual assembly SEAT agreement seeks competitiveness within VW group	ES0006291N ES0006292N
July	<i>Features</i>	Controversy over sick leave Controversy over liberalisation of shop opening hours	ES0007100F ES0007201F
	<i>In briefs</i>	35-hour week agreed in Basque public administration New collective agreement signed at RENFE Prospects of framework regional agreement for metalworking in Catalonia	ES0007198N ES0007199N ES0007297N
August	<i>Features</i>	First sectoral agreement signed on the 35-hour week Vallès Occidental employment pact assessed	ES0008102F ES0008103F
	<i>In briefs</i>	Law on Foreign Persons to be reformed	ES0008104N
September	<i>Features</i>	Complete wage equality achieved for temporary agency workers Economic and Social Council questions regional industrial relations frameworks Industrial conflict low but rising in 1999 Agreement reached at Moulinex after six-week strike	ES0009111F ES0009112F ES0009209F ES0009210F
	<i>In briefs</i>	Temporary employment is 'main cause' of increase in industrial accidents Unions call for revision of minimum wage in light of high inflation Report examines collective bargaining in first half of 2000	ES0009106N ES0009107N ES0009208N
October	<i>Features</i>	Government intervenes in Sintel dispute Fuel dispute settled without trade union intervention	ES0010118F ES0010217F
	<i>In briefs</i>	First national agreement signed for audio-visual technicians Disagreement over civil service pay and conditions	ES0010115N ES0010214N
November	<i>Features</i>	Contractor imprisoned over fatal accident to building worker Pre-retirement under debate	ES0011122F ES0011221F
	<i>In briefs</i>	Preliminary agreement reached at Sintel Another reform of the labour market?	ES0011120N ES0011219N
December	<i>Features</i>	Cost of dismissal under debate	ES0012226F
	<i>In briefs</i>	Parliament fails to debate draft law on subcontracting in construction New reform of Law on Foreign Persons	ES0012125N ES0012224N

SWEDEN

Political developments

The government which was elected in September 1998 for a period of four years will remain in power until September 2002. It is a minority Social Democratic Party (Socialdemokratiska Arbetarepartiet, SAP) administration that mostly rules with the help of the Left Party (Vänsterpartiet) and the Green Party (Miljöpartiet de Gröna).

Collective bargaining

In March 2000, parliament approved a bill concerning a new Mediation Authority (Medlingsinstitutet), aimed at mediating in industrial conflicts and working towards a well-functioning system of pay determination (SE9912110F), which began work on 1 June 2000. The legislation lays down rules on bargaining procedures and timetables, industrial action and the intervention of mediators. By registering agreements on bargaining procedures, the bargaining parties in a sector may follow their own agreed rules instead of the statutory rules on mediation. Notable agreements of this type were signed in local and central government in 2000 (SE0006146N).

It is not possible to provide reliable data on the number of collective agreements in force in Sweden, as agreements are not formally registered.

Pay

Most of the pay bargaining issues were dealt with in the 1998 bargaining round, which resulted in the conclusion of three-year national sectoral collective agreements, most of which were due to expire in the spring of 2001. These national sectoral agreements served as a framework for negotiations at local level between employers and trade unions or trade union representatives. The pay rises provided for under the 1998 deals averaged 3% for 2000.

However, some exceptions to this general principle took place in 2000. The teaching and local government sectors, represented by the Swedish Association for Local Authorities (Svenska Kommunförbundet), started negotiations in spring 2000. In spite of mediation, the teachers refused to accept the final offer of a five-year agreement (SE0005142F) and further negotiations were postponed until the autumn. The negotiations were then restarted and finally ended on 21 December with the conclusion of a new collective agreement (SE0101179N). The new accord will run for five years and covers a majority of all school teachers in Sweden — some 200,000 members of the two main trade unions, the Swedish Teachers' Union (Läraryrket) and the

National Union of Teachers (Lärarnas riksförbund). The agreement includes a guarantee that the pay rise for teachers will be at least 6% for the first two years. The parties have set a goal of a pay rise of 20% in total over the five-year period.

In March, a pay accord was negotiated for some 90,000 nurses, midwives and biomedical analysts employed by the local and county authorities (SE0005133N). The accord provides for a guaranteed pay rise of at least 2% a year. Actual increases beyond this will be negotiated at local level and the increases will be linked to results achieved by individual workers. According to the unions' calculations, the result may well be a 25% pay rise over five years owing to, among other factors, a significant lack of skilled nurses both now and in the years to come.

A new collective agreement was concluded in November in the pharmacy sector (SE0012172N), after a minor conflict in October and November. The deal provides for a pay rise of 3.38% over 10 months, in order to permit the next bargaining round in this industry to coincide with the spring 2001 bargaining round in other sectors.

Working time

There was no particular bargaining on working time in Sweden during 2000, as this issue was generally included in the 1998 bargaining round (see above under 'Pay'), when almost all agreements, apart from those for state employees, introduced new provisions on both the length and the organisation of working time (SE9806190F). However, there was a lively discussion on this issue among the social partners and in both the government and parliament (SE0004139F) (see below under 'Legislative developments').

Job security

Job security in Sweden is regulated in special legislation dating from 1982 — the Employment Protection Act (anställningskyddslagen). Some of the provisions contained in the Act are optional and it is thus possible to negotiate on some issues. A minor change to the Act was decided in October 2000, when parliament voted down the government and reinstalled a former exception to the redundancy selection criteria system, based on the 'last in-first out' principle. Under the amendment, small companies are permitted to exempt two of their workers from this provision. The rule applies only to companies with 10 or fewer employees (SE0011165N).

Training and skills development

The issue of training and skills development seems certain to be included in the main bargaining round in 2001. More focus on training and skills development has been a union demand for some time — many of the three-year agreements concluded in 1998 mentioned the issue, though usually in the form of general declarations

stating that all workers are entitled to recurrent training, and that the employers should map out the training needs for each employee. Meanwhile, a draft reform of individual skills development was presented in December 2000 (see below under 'Legislative developments').

Legislative developments

There were a number of legislative developments in 2000 (as well as the adoption of the legislation on the new Mediation Authority — see above under 'Collective bargaining'). A working group set up by the government to look into the issue of working time presented a report in the spring of 2000 (SE0004139F), and it was generally expected that the government would present a bill on working time reduction in the autumn. However, for political reasons the government decided to postpone the issue until after the election in 2002 (SE0011173F). Meanwhile, at the end of December the government appointed another commission briefed to examine potential amendments to working time legislation. This commission is due to report in 1 June 2002.

In the area of individual skills development, a proposal from a commissioner who started work in January 2000 (SE0001118N) was presented in December 2000 (SE0101178F). The proposed reform is based on the idea that employees should have an individual skills development account which does not have to be linked to a particular place of employment. The rules surrounding such an account would be similar to those which apply to individual pensions provision, and each individual should have their own account in a bank or insurance company of their choice. The scheme is planned to begin in January 2002.

A governmental committee presented the first version of a proposed change to the health and sickness insurance system in August (SE0008160N). The change included an extension from 14 to 60 days of the period during which the employer is responsible for sick pay. The proposal met with significant opposition from the social partners. At the end of December, the committee presented its final report containing its whole proposal. The government is expected to present a bill on this issue in 2001.

In August 2000, a commissioner appointed by the government presented a final report on the rehabilitation of incapacitated employees. A new form of rehabilitation insurance was proposed, along with other measures such as the installation of a main public 'insurer' with economic and administrative responsibility for the new insurance, and a new authority, the Rehabilitation Board (Rehabiliteringsstyrelsen). The proposed rehabilitation reform should be decided in parallel with the reform of the sickness insurance system mentioned above (SE0011161F).

During the past few years, there has been considerable public discussion concerning the current work injury

insurance system. The authorities are said to be too severe in their judgment of an injury as a possible work injury. The insurance scheme is also said to be unfavourable towards women. The Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation, TCO) has reported the matter as a case of gender discrimination to the European Court of Human Rights. The government has, however, announced that it wishes to postpone establishing a commission to examine the issue until 2002.

In July 2000, the government commissioned the National Institute for Working Life (Arbetslivsinstitutet) to conduct a study to examine a possible overhaul of certain important aspects of legislation governing job security. The study should be carried out in the light of changes in the Swedish labour market and economy, such as the growth of 'atypical' work. The government wants to find out whether or not the existing rules meet employees' demands for security and influence within the framework of a flexible and effective labour market. The study is to be carried out with the support of the social partners and should be completed before December 2001 (SE0008158N).

Finally, in June the government presented a bill seeking to establish a 'fairer and more distinct' unemployment insurance system (SE0008157F). The reform will not involve a major increase in the current earnings-related ceiling on the maximum level of unemployment benefit — increasing this ceiling is a major concern for higher-paid workers. Soon after the bill was presented, the Swedish Confederation of Professional Associations (Sveriges Akademikers Centralorganisation, SACO) launched a supplementary unemployment insurance scheme for its members, which will cover their real loss of income in the event of unemployment. In December, the bill was debated by parliament.

The organisation and role of the social partners

The discussion of a number of trade union mergers - eg between the TCO-affiliated Swedish Union of Local Government Officers (Sveriges Kommunal-tjänstemannaförbundet) and the Financial Sector Union of Sweden (Finansförbundet) — continued into 2000. However, no mergers took place during 2000. At the end of December, the Social Insurance Employees' and Insurance Agents' Union (Försäkringsanställdasförbundet, FF) — which is affiliated to the mainly blue-collar Swedish Trade Union Confederation (Landsorganisationen, LO) and has 13,000 active members working in social insurance offices — announced its application for membership of the TCO white-collar workers' confederation. This was the first time in Swedish trade union history that a blue-collar worker union had expressed a desire to leave LO in order to join a white-collar confederation.

Industrial action

There were no major strikes or other industrial action in 2000, largely because the social partners were subject to the peace obligation contained in the three-year collective agreements negotiated in 1998.

There were, however, two notable minor outbreaks of industrial action — the theatre workers' three-day ban on certain work in all public theatres in Sweden in February (SE0003128N) and the pharmacy workers' conflict over pay in the autumn (SE0012172N). In the latter case, after some weeks of a ban on overtime work and on extra work at other pharmacies, a deal was reached (see above under 'Pay').

In March 2000, during the parliamentary debate on the bill establishing the new Mediation Authority (see above under 'Collective bargaining'), the opposition succeeded in reintroducing a ban, first imposed in 1994, on industrial action against sole traders and family companies with no employees other than family members (though once the company owner takes on a non-family worker, the normal rules will apply) (SE0004132N).

National Action Plan (NAP) on employment

Sweden's 2000 NAP contained declarations that the social partners would support the EU Employment Guidelines and that they would, together with the government, work for their fulfilment and ensure a major impact on Swedish employment policy (SE0005144F). In practice, this means mainly that the social partners take an active part in current discussions with the government about the Swedish economy. However, the social partners have no specific input into particular themes included in the NAP. The Swedish tradition imposes a strict separation between the affairs of the social partners and the politicians in the government and parliament. Likewise, the social partners do not generally approve of the government interfering in pay bargaining or any other bargaining issues.

Equal opportunities and diversity issues

A number of changes to the Act for Equal Opportunities between Men and Women (jämställdhetslagen) were decided by parliament in October 2000. The ban on gender-based discrimination is extended to include job applicants during the whole recruitment process and applies even if there is no decision taken on the job applied for. Employers are obliged to investigate and analyse pay and other employment conditions annually in order to discover, deal with and prevent unjustified differences between men and women who are performing work of the same or equal value. The result of the investigation and the analysis should be set out in

an action plan for equal pay. The reforms came into force on 1 January 2001 (SE0102179N).

There was no significant debate concerning the new EU Directive on race discrimination (2000/43/EC) during 2000. Sweden already has an Act on Ethnic Discrimination at Work (SE9903148F) that came into force on 1 May 1999. If changes to the current legislation are necessary in order to comply with the Directive, these will be implemented in due time either through collective agreements or legislation. Equally, any changes to Swedish legislation required by the EU framework equality Directive (2000/78/EC) will be made either by collective agreement or legislation, although any changes are thought to be minor — Sweden has legislation preventing discrimination in working life which contains bans on discrimination on the grounds of disability, sexual orientation, gender, race and religious belief, but not on age.

A project on 'diversity in working life' (mångfaldsprojektet) was initiated by the government in 1999. The aim of the project was to investigate how gender, ethnic background, age, functional disabilities, sexual orientation and social background influence people's prospects at work. The final report ('Alla lika är olika' DS 2000:69) was presented on 19 December 2000. The report proposes reinforcing protection against all kinds of discrimination in working life. It also states that the government and the governmental authorities must set a good example in recruiting job applicants with different backgrounds.

Information and consultation of employees

There were no significant developments or public debate in the area of information and consultation in Sweden during 2000.

New forms of work

In the field of temporary agency work, a number of important collective agreements were concluded during 2000. In February, a new collective agreement for 20,000 salaried employees in the temporary work agency sector was concluded. Under the agreement, workers will receive an increased minimum or guaranteed wage and they will be permitted to undergo training during working hours (SE0003127N). In September, the first sectoral collective agreement was concluded for blue-collar workers employed by temporary work agencies in Sweden (SE0011163N). The deal was signed by the relevant affiliates of the LO trade union confederation and the Swedish Service Employers' Association (Tjänsteföretagens Arbetsgivareförbund, Almega). The agreement guarantees that temporary agency workers organised in LO-affiliated unions will receive the same pay and employment conditions as the equivalent permanent employees at the user company's workplace.

More generally, a government-commissioned study is at present looking into Swedish job security legislation (see above under 'Legislative developments') and an investigation of the various new forms of work is a central part of the research (SE0008158N). The findings are due to be presented by the end of 2001.

Outlook

The Swedish economy should continue to perform relatively strongly during 2001. The bargaining round for most of the collective agreements at national sectoral level will dominate industrial relations for at least the first half of the year (the first agreement, in the chemicals industry, was signed in January 2001 — SE0101177N). Given the favourable economic environment, it is generally expected that trade unions will raise their demands and so bargaining may be rather tough. The most recent major bargaining in 1998 generated three-year agreements — in the 2001 round, the duration of the agreements is an open question. Working time and

skills development issues will be present in the negotiations, in addition to pay issues. However, some economic institutions, such as the National Institute of Economic Research (Konjunkturinstitutet) and Swedbank (Förenings Sparbanken) warned at the end of 2000 that a slowing down of the economy may be in prospect. Export demand fell in December 2000 to the lowest level of the year, which many believe heralds a slackening of the economy.

In terms of new legislation, a number of labour market and social insurance reforms (see above under 'Legislative developments') are likely to be passed by parliament during 2001 (such as unemployment insurance, sickness insurance and rehabilitation reform). The proposal on individual skill accounts will be the subject of much public debate in 2001, while working time legislation will in all probability not be discussed, although this topic is likely to be prominent after the next general election in 2002.

Sweden: 2000 Records

January	<i>In briefs</i>	Commissioner investigates new system of individual skill development	SE0001118N
February	<i>Features</i>	Do benefit cuts increase the transition rate into new employment? Ice-hockey players sign Sweden's first collective agreement in sport	SE0002124F SE0002126F
	<i>In briefs</i>	New agreement on supplementary pensions for blue-collar workers Sweden Post to sell Postgirot Bank	SE0002121N SE0002122N
	March	<i>Features</i>	Government report raises need for foreign workers Employee share option programmes are increasingly popular
	<i>In briefs</i>	New agreement concluded for temporary work agencies Working time dispute in theatre sector	SE0003127N SE0003128N
April	<i>Features</i>	Governmental group sceptical over compulsory working time cuts Can employers and employees agree to deviate from collective agreed provisions?	SE0004139F SE0004140F
	<i>In briefs</i>	Parliament approves ban on industrial action against small companies New Equal Opportunities Ombudsman appointed	SE0004132N SE0004137N
	May	<i>Features</i>	Teachers reject new agreement Sweden close to meeting employment policy targets
	<i>In briefs</i>	Five-year pay agreements concluded for nurses, midwives and biomedical analysts New agreement concluded for banking workers	SE0005133N SE0005135N
June	<i>Features</i>	Wage growth in government sector being kept in check White-collar workers' unions report increased stress and ill-health	SE0006136F SE0006151F
	<i>In briefs</i>	Local government social partners agree new bargaining procedures University graduate unions gain most new members	SE0006146N SE0006148N
	July	<i>Features</i>	Council proposes measures to improve gender equality in IT sector
August	<i>Features</i>	Government proposes unemployment insurance reform, while union launches own scheme	SE0008157F
	<i>In briefs</i>	Government commissions review of labour legislation Proposed changes in sick pay meet strong opposition	SE0008158N SE0008160N
	October	<i>Features</i>	Report examines pay setting in new service sectors State subsidies to call centres cause controversy
	<i>In briefs</i>	Metalworkers make first demands for 2001 bargaining round	SE0010170N
November	<i>Features</i>	Rehabilitation reform proposed Government backs down on expected working time reduction legislation	SE0011161F SE0011173F
	<i>In briefs</i>	New agreement for blue-collar temporary agency workers Government defeated on change in redundancy rules	SE0011163N SE0011165N
	December	<i>Features</i>	Study examines gender differences in working and living conditions Active labour market policies 'do not increase wage pressure'
	<i>In briefs</i>	Pay deal ends pharmacists conflict	SE0012172N

UNITED KINGDOM

Political developments

The Labour Party government elected in May 1997 continued in office. The next general election is due by May 2002 but is widely expected to take place in the spring of 2001. In the local council elections held in May 2000, the Conservative Party and Liberal Democrats gained seats and the control of a number of councils at the Labour Party's expense.

Collective bargaining

As there is no system for registering collective agreements in the UK, making an accurate assessment of the number of collective agreements is not possible (one estimate from the early 1990s suggested that there were some 10,000 'pay control points' across the UK economy at which negotiations between employers and trade unions took place).

Collective bargaining in the UK continues to be highly decentralised: most bargaining is at company or workplace level, with little multi-employer bargaining outside the public sector. The findings of the 1998 *Workplace Employment Relations Survey* (WERS) (UK9811159F), published in late 1999 (*Britain at work*, Mark Cully et al, Routledge 1999), indicated that pay for 28% of employees in the private sector was determined by collective bargaining, compared with 49% in 1990 when the previous survey was undertaken. In the public sector, the pay of 54% of employees was determined by collective bargaining, compared with just over 90% in 1990, reflecting moves in the intervening period to pay-setting by review bodies or indexation formulae in large parts of the public sector (see below under 'Pay').

While the WERS figures confirmed that the retreat from collective bargaining over pay had continued, the trend towards more decentralised arrangements showed signs of being reversed. The proportion of private sector employees covered by multi-employer collective bargaining in 1998 was 18%, compared with 22% in 1990. However, in terms of enterprise-based collective bargaining over pay there has been some movement away from workplace-level bargaining towards bargaining at a higher level, covering all or several sites within the enterprise (UK0001251F).

Pay

Collectively-agreed basic pay rose by an average of 3.1% during 2000 (according to *IDS Report 818*, October 2000), with the increase in average earnings being higher, at 4.1% (according to the Office for National Statistics).

In the public sector, for the second year running, the government accepted in full the recommendations of the pay review bodies for above-inflation pay awards for 1.3 million public sector workers — including teachers, nurses, doctors, judges, the armed forces and senior civil servants. Most groups were awarded rises of 3.3%-3.4%, with larger awards to improve the retention of experienced nursing staff and, under the controversial performance-related pay scheme, experienced classroom teachers (UK0003163F). The government's handling of the performance-related pay scheme for teachers was the subject of a successful legal challenge by the National Union of Teachers (UK0008184N) but, after the required consultation had been carried out, the government confirmed that it would go ahead with the scheme (UK0011100F).

In May, it was announced that junior doctors had voted overwhelmingly in favour of accepting a new pay deal providing significant pay rises and addressing long-standing grievances over excessive working hours (UK0006177N).

Working time

Average collectively-agreed normal weekly working time in 2000 was 38.2 hours for manual employees, 36.8 hours for non-manual employees and 37.5 hours where employers do not distinguish between manual and non-manual groups (according to *IDS Study 697*, October 2000). Average actual weekly working hours for full-time employees was 39.8 hours (according to the *New Earnings Survey*).

The Working Time Regulations 1998 (UK9810154F) were expected to prompt the reform of working time patterns. However, the Warwick pay and working time survey, conducted in the summer of 1999, indicated that, initially at least, most employers sought to minimise the impact of the legislation by securing the flexibilities available via collective or workforce agreements and by encouraging individual opt-outs from the 48-hour limit on average weekly working hours. The survey revealed that long working hours remain common and there have been only limited signs of innovations such as annualised hours. However, the implications of the Regulations, in particular their support for the principle of negotiation over working time issues, may prove more significant in the longer term (UK0001150F).

One notable agreement on shorter working hours was at Peugeot's Ryton plant near Coventry where the standard 39-hour working week for production workers was reduced to 36.75 hours. Union pressure for new arrangements followed the introduction of the 35-hour week at the parent group's plants in France. Initial proposals were the subject of industrial action — which commentators saw as being motivated by 'work-life balance' concerns — before agreement was finally reached in September (UK0101111F).

Job security

Although employment security agreements have attracted considerable attention, their incidence in the UK is limited. The 1998 Workplace Employment Relations Survey found that 8% of all private sector workplaces (though with significant sectoral variations) and 21% of workplaces in the public sector were covered by an employment security or 'no compulsory redundancy policy'. A number of high-profile employment security guarantees, most notably those at Rover and Vauxhall, have recently been overtaken by major restructuring programmes, highlighting questions about their ultimate viability in adverse market conditions (UK0012104F).

Training and skills development

In recent years, trade unions have increasingly attempted to incorporate training into the bargaining agenda through initiatives such as the 'Bargaining for skills' project operated by the Trades Union Congress (TUC) and Training and Enterprise Councils. The government's Union Learning Fund also supports union projects to promote vocational education. Research carried out during 2000 suggests that, although collective bargaining over training is still relatively rare, joint project work, consultation and other forms of employee involvement concerning training provision is more widespread.

The Confederation of British Industry (CBI) and the TUC continue to be closely involved in the development of national policy on skills and learning (UK0010196F).

Legislative developments

During the year there was a succession of important legislative developments, with the phased implementation of the provisions of the Employment Relations Act 1999 continuing and a number of EU-inspired regulations also being introduced (legislative developments relating to discrimination in employment are outlined below under 'Equal opportunities and diversity issues').

In January 2000, the Transnational Information and Consultation of Employees Regulations 1999 took effect (UK0001146N), transposing EU Directive 94/45/EC on European Works Councils into UK law. In April, the provisions of the Employment Relations Act 1999 concerning the unfair dismissal of strikers came into force, followed in June by the Act's most controversial measure — a new statutory procedure through which trade unions can seek recognition from employers for collective bargaining purposes (UK0007183F).

The Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000, intended to give effect to EU Directive 97/81/EC on part-time work, came into force in July (UK0005175F). September saw the commencement of two further provisions of the Employment Relations Act — the statutory right to be

accompanied by a trade union official or fellow worker at workplace disciplinary and grievance hearings (UK0010195F), and modified rules on the conduct of ballots on industrial action (UK0008184N).

In December, the government published consultative proposals for further measures to promote parental leave and 'family-friendly' employment practices (UK0101106F). Earlier in the year, the TUC mounted a legal challenge to the Maternity and Parental Leave Regulations 1999, arguing that the restriction of parental leave rights to the parents of children born on or after 15 December 1999 is in breach of EU Directive 96/34/EC on parental leave. The High Court decided to refer the issue to the European Court of Justice for determination (UK0006176N).

During the year, there were frequent employer criticisms of the growth in labour market regulation, prompting ministerial pledges to reduce the regulatory burden on businesses (UK0004165N). Statistics published in October showed that employment tribunal claims had reached record levels in 1999–2000, which the CBI saw as evidence of the emergence of a 'compensation culture' (UK0011199F). In November, the government unveiled a package of measures to limit the impact of regulation on businesses, including changes to employment tribunal procedures, which was welcomed by the CBI as 'an important shift in the right direction' (UK0012102N).

The organisation and role of the social partners

In June, the TUC's annual analysis of official Labour Force Survey statistics showed a rise in trade union membership for the first time in two decades. Between autumn 1998 and autumn 1999 there was an increase of 70,000 union members, bringing total union membership to almost 7 million (representing 30% of all employees). However, the TUC expected job losses to result in a fall in union membership over 2000. Moves continued during the year towards a merger between the Amalgamated Engineering and Electrical Union and Manufacturing Science Finance to form a 'super-union' in manufacturing which would be the TUC's second-largest affiliate (and the Labour Party's largest). A statutory ballot of both unions is expected early in 2001. A number of smaller unions transferred their engagements to larger organisations during 2000.

In October, the Chancellor of the Exchequer invited the CBI and TUC to engage in a joint discussion process to address the 'productivity gap' between the UK and countries such as the US, Germany and France (UK0011197N).

Industrial action

Official statistics on the incidence of labour disputes in 1999, published in June 2000, show that 242,000 working days were lost from 205 stoppages of work due

to disputes — in each case the second-lowest totals since records began in 1891. The available figures for 2000 suggest that industrial action remains at historically low levels. Industrial action during the year included strikes by Scottish local government workers, health workers in the West Midlands and Peugeot employees, and unofficial local stoppages affecting postal services. In April, the Transport and General Workers' Union announced that the long-running dispute at Lufthansa's UK airline catering company Skychefs had been settled, with workers dismissed for taking part in a strike in November 1998 being given the opportunity to return to work or receive compensation (UK0005172N).

National Action Plan (NAP) for employment

As in the previous two years, the government consulted the CBI and TUC on the content of the UK's 2000 National Action Plan (NAP) on employment, drawn up in response to the EU Employment Guidelines. Officials of the two organisations again submitted a joint contribution, reproduced in the NAP, focusing on the issues of improving employability, modernising work organisation and strengthening equal opportunities policies.

Equal opportunities and diversity issues

In February 2000, the government launched a media campaign against age discrimination at work to back up the code of practice on age diversity in employment issued in mid-1999. This was followed by a further initiative by the Employers' Forum on Age, designed to commit leading UK employers to an active age diversity strategy (UK0003159N).

Following the EU Employment and Social Policy Council's agreement on Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation, the government minister responsible said that the Council had accepted a range of key amendments put forward by the UK. She pledged to ensure that its implementation 'strikes a fair and sensible balance'. The CBI said the UK government had achieved a 'broadly workable result' on the provisions concerning discrimination on grounds of disability, sexual orientation and religion or belief, but expressed concern that the 'fuzzy law' on age discrimination would 'create considerable confusion'. The TUC welcomed the agreement on the Directive but was critical of the extended, six-year implementation deadline for its age discrimination provisions (UK0011198N).

In December 2000, the government issued proposals for speeding up employment tribunal procedures for dealing with equal pay claims. At the same time, the government indicated how it intended to meet the requirements of EU Directive 97/80/EC on the burden of proof in cases of

discrimination based on sex, which the UK must implement by July 2001, by amending the Sex Discrimination Act.

Information and consultation of employees

As already noted, Regulations to implement the European Works Councils Directive in the UK came into effect in January 2000. The Department of Trade and Industry estimated that the introduction of the UK Regulations roughly doubled the number of UK-based companies subject to the requirements of the Directive — with about 100 UK companies being newly brought within scope as a result of the inclusion of UK employees in the application of the Directive's workforce-size thresholds (UK0001146N).

During the year, there was extensive debate over the draft EU Directive on national information and consultation rules, with UK trade unions and employers' organisations highlighting their opposing stances on its desirability. The UK government, encouraged by the CBI, maintained its opposition to the draft Directive in discussions within the EU Employment and Social Policy Council. However, it came under strong pressure from trade unions and others to drop its objections to the Directive and to improve employee information and consultation rights more generally, prompted in particular by the controversial handling of the break-up of the Rover group (UK0004164F and UK0005174F), the announcement of the closure of Vauxhall's Luton car plant (UK0012104F) and other similar high-profile cases of company restructuring.

Press reports of the Labour Party's national policy forum in July indicated that, in talks with union leaders, ministers insisted on continuing to oppose the draft EU consultation Directive but agreed to a review of domestic employee consultation rights in company restructuring which would look at which elements of the Directive might be adapted to UK circumstances (UK0008184N).

New forms of work

Official statistics show increases during the 1980s and 1990s in the number of people working part time, as self-employed, for an agency or as other types of temporary worker, and in flexible working practices such as teleworking. However, a TUC report published in June 2000 argued that the significance of such changes in the structure of employment has been overstated, noting that 'in practice the vast majority of people work within standard employment arrangements' and that the 'traditional job' is likely to continue to predominate (UK0009189F).

According to a survey of workplaces across the West Midlands, reported in February 2000, the use of non-standard forms of employment and outsourcing is more

widespread than initiatives to increase the flexibility of work organisation and working time. Yet it is the use of these latter, internal forms of flexibility which is more likely to be the subject of negotiation and consultation with employees. The researchers concluded that a significant 'participation gap' surrounds employers' use of non-standard forms of employment (UK0006178F).

Other relevant developments

With effect from October 2000, the government increased the main adult rate of the national minimum wage (NMW) by GBP 0.10 to GBP 3.70 per hour. The youth rate payable to workers aged 18–21 rose in June 2000 from GBP 3.00 to GBP 3.20 (UK0003158N). The government asked the Low Pay Commission (LPC) to continue to monitor the impact of the NMW and to make recommendations on its future uprating (UK0007182N).

In September, the TUC called for an increase in the NMW to between GBP 4.50 and GBP 5.00 per hour (UK0009187N). However, the CBI's evidence to the LPC, published in December, urged caution over increasing the NMW. In its evidence to the LPC, the Engineering Employers' Federation proposed using a pre-determined

formula for future increases (UK0101108N).

Outlook

The outcome of the forthcoming general election is likely to have important implications for industrial relations, especially in terms of the regulatory framework. The Labour Party is expected to put forward further measures in the area of parental leave and family-friendly employment and possibly to signal the reform of employees' information and consultation rights in respect of company restructuring, but at the same time party leaders will be anxious to avoid alienating business opinion — an important constituency for 'new Labour'. Although the Conservative Party indicated during the year that a future Conservative government would now retain the NMW, it has said that it would repeal the statutory union recognition procedure.

Beyond the election, the prospect of the draft EU Directive on national information and consultation rules being adopted is highly significant for UK industrial relations. It could drive the spread of works councils or consultative committees in UK companies, with major implications for the nature and extent of employee representation and for employers' employee involvement strategies.

United Kingdom: 2000 Records

January	<i>Features</i>	The impact of the 1998 Working Time Regulations	UK0001150F
		Pay determination: continued retreat from collective bargaining but how decentralised?	UK0001251F
		Evidence of further decline of the British shop steward?	UK0001252F
<i>In briefs</i>	UK implements European Works Councils Directive	UK0001146N	
	Uncertainty over anniversary uprating of national minimum wage	UK0001147N	
February	<i>Features</i>	How is the New Deal for young people working?	UK0002155F
		'High involvement work systems' and economic performance: a review of recent research	UK0002156F
		How small firms are adjusting to the national minimum wage	UK0002157F
<i>In briefs</i>	Government consults on draft part-time work Regulations	UK0002153N	
	Round-up of industrial relations developments	UK0002154N	
March	<i>Features</i>	Takeover of NatWest puts 18,000 jobs at risk	UK0003160F
		Union conference focuses on Labour's second term and the 'knowledge economy'	UK0003161F
		Review bodies focus on planned changes in pay systems for teachers and health workers	UK0003163F
<i>In briefs</i>	Increase in national minimum wage announced	UK0003158N	
	New initiatives to counter 'ageism' at work	UK0003159N	
April	<i>Features</i>	Substantial job losses predicted as BMW sells Rover and Land Rover	UK0004164F
		Industrial relations at British Airways — setting a new course?	UK0004168F
		National Minimum Wage: the story so far	UK0004170F
<i>In briefs</i>	Government's pro-business credentials under attack	UK0004165N	
	Union group formed to campaign for euro entry	UK0004166N	
	Union challenges UK redundancy consultation law	UK0004167N	
	Uncertainty over future of Rover continues	UK0004169N	
May	<i>Features</i>	Immediate future of Longbridge secured after sale of Rover to Phoenix consortium	UK0005174F
		Regulations introduce new rights for part-time workers	UK0005175F
	<i>In briefs</i>	Skychefs dispute settled	UK0005172N
Teaching union conferences vote for ballots on industrial action		UK0005173N	
June	<i>Features</i>	New forms of employment and work: survey findings from the West Midlands	UK0006178F
		Parental leave Regulations referred to ECJ	UK0006176N
		Junior doctors vote to accept new contract	UK0006177N

July	<i>Features</i>	Statutory trade union recognition procedure comes into force	UK0007183F
	<i>In briefs</i>	Workforce and management skills key to competitiveness says CBI survey	UK0007180N
		Unions launch joint campaign to cut teachers' workload	UK0007181N
		Terms of reference for review of national minimum wage announced	UK0007182N
August	<i>Features</i>	Managing employees in high-skill sectors	UK0008186F
	<i>In briefs</i>	Round-up of industrial relations developments	UK0008184N
September	<i>Features</i>	Unions refute threat from 'demise of the traditional job'	UK0009189F
	<i>In briefs</i>	TUC seeks substantial increase in national minimum wage	UK0009187N
October	<i>Features</i>	Government considers improvements in parental leave rights	UK0010194F
		New right for workers to be accompanied at disciplinary and grievance hearings	UK0010195F
		National Skills Task Force issues final report	UK0010196F
	<i>In briefs</i>	Amendments to EU Charter allay CBI fears	UK0010191N
		TUC conference overshadowed by petrol price protests	UK0010192N
November	<i>Features</i>	School Teachers' Review Body gives green light to performance-related pay	UK0011100F
		Employers and unions highlight opposing views on regulation	UK0011199F
	<i>In briefs</i>	Government seeks employer and union involvement in productivity initiative	UK0011197N
		Mixed reaction to agreement on EU anti-discrimination Directive	UK0011198N
December	<i>Features</i>	Problems mount for UK automotive manufacturers in face of increased competitive pressures	UK0012104F
		Industrial relations implications of the liberalisation of the UK electricity sector	UK0012105F
	<i>In briefs</i>	Government announces employment tribunal reforms	UK0012102N
		TUC calls for workforce consultation on e-mail rules	UK0012103N

About EIRO

European Industrial Relations Observatory

The European Industrial Relations Observatory (EIRO) is a major project of the European Foundation for the Improvement of Living and Working Conditions. EIRO initiates, collects, stores, disseminates and provides access to information and analysis on developments in industrial relations in (at present) the 15 EU Member States, plus Norway, and at European/international level. EIRO is a network, made up of 16 National Centres and an EU-level centre, from which information and analysis flows in to a central unit at the Foundation. This information is then processed and entered into a database, *EIROOnline*, which is made available through the World-Wide Web as the main means of dissemination.

EIRO aims primarily to meet a need in the European Commission and other EU institutions, and among national and European-level organisations of the social partners and governmental organisations, for information and analysis on developments in industrial relations in the Member States and at European level. It also serves the needs of the Foundation's wider research work. EIRO seeks to provide this information and analysis in a manner which is comprehensive, authoritative, accurate, up-to-date, contextual, relevant and electronically-based.

EIRO's structure

There is one EIRO National Centre (NC) for each of the 15 EU Member States and Norway, plus one Centre covering the overall EU level — see pp. 137-8 for a list of the Centres. Each NC has been selected in a tendering procedure, on the grounds of its professional standing, experience and expertise, its information and technical set-up, and the extent to which it enjoys the confidence of the social partners.

The central unit, both based at the Foundation in Dublin and involving external expert contractors, is made up of: a management team (responsible for the overall operation of EIRO, and for contractual relations with National Centres); an editing unit (responsible for editing and the front-line management of EIRO and the network of NCs); a technical unit (responsible for processing information and the creation and maintenance of the database); and an information unit (responsible for information dissemination and enquiries). See p. 135 for details of the central team.

The Directorate of the European Foundation for the Improvement of Living and Working Conditions has ultimate responsibility to the Foundation's Administrative Board for the Observatory, as for all Foundation projects.

EIRO has a Steering Committee (see p. 135) made up of: representatives from each of the four groups on the Foundation's Administrative Board (employers, trade

unions, governments and the European Commission); representatives of each of the main European-level social partner organisations (ETUC, UNICE and CEEP); and the Directorate of the Foundation. The Steering Committee has been closely involved in the establishment and operation of the Observatory, translating the project's general principles into practice, and monitors its work. The committee helps ensure that EIRO's products and services meet the needs of its main users.

EIRO's audience

EIRO exists to serve the needs of a specific target audience of high-level industrial relations practitioners and policy-makers in EU institutions, trade union and employers' organisations and government departments. The nature of the information and analysis produced by the Observatory is guided by this target group — ie the approach is essentially practical, providing factual information and pertinent analysis, which is of use to users in their work. The information and analysis collected and stored through EIRO is also of value to a wider group — notably among practitioners and in the academic and research communities — and access is provided to this group through *EIROOnline* on the World-Wide Web.

EIRO's information

The basic operation of EIRO is based on a monthly cycle, and on the reporting of events and issues through 'in brief' and 'feature' items. On top of this, EIRO also conducts comparative research on specific themes.

Each month, the EIRO National Centres submit reports — either 'in briefs' or 'features' — on the most important and topical industrial relations events and issues occurring in their country in that month. 'In brief' items are short factual articles, providing the relevant data about an event or issue which has a significant impact on industrial relations in the country concerned, or other important economic and social consequences. Features are longer articles. As with 'in brief' items, features set out the main factual elements of the events and issues in question, though the greater length means that more detail can be included. Features also include a commentary, designed to be useful and relevant to the target audience, providing an assessment of the event/issue/activity in question. Features cover the most significant industrial relations developments, activities and issues, and those which can benefit most from the greater degree of analysis and background which the longer format allows.

EIRO is an international and comparative project, and its viewpoint is not restricted to individual countries. As well as the comparative theme running through all EIRO's work, EIRO also conducts comparative studies and produces 'annual updates'. For comparative studies, National Centres submit information on a specific theme, and its treatment in their country. The information provided by the NCs — sometimes supplemented with

relevant material from other Foundation research projects and elsewhere — is used to draw up a comparative overview of the treatment of the theme in question across the EU, and a series of national reports on the subject in a uniform format. In 2000, comparative studies covered:

- industrial relations in the rail sector (TN0003402S);
- equal opportunities, collective bargaining and the European employment strategy (TN0005402S);
- wage policy and EMU (TN0007402S);
- outsourcing and industrial relations in motor manufacturing (TN0008201S); and
- industrial relations and the ageing workforce: a review of measures to combat age discrimination in employment (TN0010201S).

For annual updates, all EIRO National Centres provide, in response to short questionnaires, basic, largely quantitative data on specific key industrial relations issues. The data collected is then presented in comparative, tabular or graphical form supplemented by explanatory notes and a brief analysis. The updates for 2000 cover:

- pay (TN0103202U);
- working time (TN0103203U); and
- gender perspectives (TN0103201U).

EIRO products and services

The *EIROOnline* database contains all 'in brief', feature and comparative records (studies and updates) submitted by the National Centres, edited technically and for content into a uniform format and style. The database thus constitutes a unique information resource on industrial relations in Europe, providing comprehensive coverage of all the most significant events and issues, along with comparative overviews. *EIROOnline* is publicly available on the World-Wide Web at <http://www.eiro.eurofound.ie/>.

EIRO issues a regular publication, *EIROObserver*, both on paper and in electronic PDF format. *EIROObserver* currently contains an edited selection of records submitted for the database, plus 'comparative supplements' based on the comparative studies conducted by EIRO.

The EIRO *Annual Review* is the final main product of the Observatory, published both on *EIROOnline* and in printed format.

Most electronic and printed publications are currently available in the English language only. However, since 1999, EIRO comparative studies have been translated into French and German and published on *EIROOnline*, while the 1999 *Annual Review* was also translated into these languages (as will be the comparative overview of the 2000 *Review*). Furthermore, in many cases an original-language text is also available for *EIROOnline* database records, in the language of the country in question (these texts have not been edited or approved by the Foundation, which takes no responsibility for their content).

Using *EIROOnline*

This *Annual Review* contains a brief summary of the main trends, events and issues in European industrial relations in 2000. While the aim is that the *Review* should be useful and interesting in itself, it should ideally be read in conjunction with the *EIROOnline* database. The text of the *Review* contains numerous references to records which provide fuller information on the issues in question, and which can be found on the database. These records form part of the comprehensive set of reports submitted each month by the network of EIRO National Centres, edited technically and for style and content, and loaded onto *EIROOnline*, which is the heart of EIRO's operations. *EIROOnline* is generally available via a site on the World-Wide Web, providing access to a wealth of information and analysis. In this section, we provide some information on using *EIROOnline*, aimed at helping readers get the best out of the database and to find records referred to in the *Annual Review*.

Getting started

All that is required to make use of *EIROOnline* is Internet access and browser software. Simply go to the following URL address:

<http://www.eiro.eurofound.ie/>

This will bring you to the home page. EIRO's central operation is based on a monthly cycle, with National Centres submitting 'in briefs' and features on the main issues and events in each month. These records are processed, edited and then uploaded from early in the next month. Thus, the records relating to events in June, for example, will appear on the website from early July.

The home page indicates the last time that *EIROOnline* was updated (updating occurs frequently) and provides direct links to the most recently added records. These are designated as either features, 'in briefs', studies or updates, with the titles in blue lettering, underlined. Whenever you see such blue (or green) underlined text in *EIROOnline*, this indicates that clicking on the text in question will link you to further information.

In the top left-hand corner of the home page, and of every page of *EIROOnline*, there is a blue and black *EIROOnline* logo. Clicking on this will always return you to the home page.

To the left of the home page in the green side-bar is a list of additional facilities — *comparative studies, about EIRO, register, help, feedback, EIROObserver, contacts, related sites and EMIRE*. Clicking on these will take you to the facility in question — these facilities are detailed in the box on p. 132.

Along the top of the home page there is the *EIROOnline navigation bar*, containing four links: *in briefs* connects to a list of all the 'in brief' items for the current month, and *features* to a list of all that month's feature items; *site map* connects to a variety of useful ways of browsing *EIROOnline* records; and *search* connects to a powerful search engine for finding information on *EIROOnline*. All of these links aim to help users find the information they are looking for.

All *EIROOnline* pages contain in the left-hand side-bar the logo of the European Foundation for the Improvement of Living and Working Conditions. Clicking on the logo connects users to the Foundation's own website. The home page side-bar also contains a © 1998–2001 symbol, which links to a copyright notice and disclaimer — useful information for users who wish to make further use of EIRO material.

In briefs and features

The basic content of EIRO is made up of 'in briefs' and feature records. 'In brief' items are short factual articles, typically of up to 600 words in length, providing the relevant facts about a significant event or issue in industrial relations in the country concerned. Features are longer articles, typically of around 1,000–2,000 words.

Like 'in briefs', features set out the main factual elements of the events and issues in question, though the greater length means that more detail can be included, and a commentary ('signed' by the author(s)) is provided. Features cover the most significant industrial relations developments, activities and issues, and those which can benefit most from the greater degree of analysis and background which the longer format allows.

From the home page, clicking on *in briefs* or *features* on the *EIROOnline navigation bar* connects to lists of the 'in briefs' and features for the most recent month. This is an ideal form of browsing for users who are interested in quick access to the latest and most up-to-date records loaded onto the database. (Where the *EIROOnline navigation bar* appears in other *EIROOnline* records — ie, not on the home page or country index pages (see below) — the *news* or *features* links will connect to the lists of news and features for the month to which the record in question refers.)

Site map

The *site map* — accessible from the *EIROOnline navigation bar* on the home page or every *EIROOnline* page — is probably the most useful starting point for browsing the contents of the database.

Additional facilities

EIROOnline's various additional facilities are best accessed from the list on the left-hand side-bar of the home page. They provide a variety of assistance and further information on EIRO, and also in some cases help us better meet the needs of readers.

- *comparative studies* links directly to a list of all the comparative studies and annual updates which are available on *EIROOnline*.
- *about EIRO* provides further information about the EIRO project's operations and purposes. It also provides a *Credits* link to information on the people most closely involved in the design, maintenance and production of *EIROOnline*.
- *register* invites all users to provide us with information on themselves and the countries and sectors which interest them. You are encouraged to register, not least because it provides you with automatic e-mail notification of the availability of the *EIROObserver* bi-monthly bulletin in PDF format (see below).
- *help* provides some hints on how to make the best use of *EIROOnline* in terms of navigation and browsers. It also contains a version of this guide.
- *feedback* enables users to tell us what they think about *EIROOnline*. This feature allows you to assess the content and design of the database, and to make suggestions and comments.
- *EIROObserver* allows users to download electronic facsimile editions of each issue of *EIROObserver*, for reading or printing from their own PC. This avoids the printing and delivery delays inherent in paper publications (it can mean receiving *EIROObserver* two weeks or more earlier). *EIROObserver* is available as an

Adobe Acrobat (.PDF) file, and reading it requires the free Adobe Acrobat Reader, which users can download from the Adobe Web site via this *EIROOnline* page if they do not already have it.

- *contacts* gives the fax and telephone numbers of the members of the central *EIROOnline* team and allows e-mail to be sent directly to them. Details of fax and telephone numbers, addresses and contact persons are provided for each of the National Centres, along with direct e-mail contact in most cases, and there are links to the Centres' own websites, where available.
- *related sites* provides World-Wide Web links which may be of interest to *EIROOnline* users. The links (of which there are several thousand) are grouped by country, and within countries under the categories of employers, trade unions, government and 'other'. There are also links to: the EU institutions and related bodies, plus recent documents of relevance; other European and international organisations; and European and international trade union and employers' organisations. Users are encouraged to suggest additions to the list.
- *EMIRE* is the online version of the European Employment and Industrial Relations Glossaries, which explain the national industrial relations systems of the EU Member States through their terminology. It currently covers Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the UK; glossaries on Austria, Finland and Sweden are forthcoming. Many EIRO records contain specific links to EMIRE definitions, and users can browse the alphabetical list of terms for each country, or search for specific topics in the text of EMIRE.

Comparative studies and updates

The site map provides a chronological list (with links) of the titles of all the *Comparative studies* and *Annual updates* produced by EIRO. The comparative studies focus on one particular topical issue in industrial relations and its treatment across the countries covered by EIRO. They consist of a comparative overview, based mainly on brief national reports drawn up by each National Centre. Clicking on a study's title connects to a page providing: an abstract of the study; a link to the overview; links to Word versions of the individual national reports (these are not edited or approved by the Foundation, which takes no responsibility for their content); and a link to the questionnaire on which the national reports are based. The annual updates are single records providing basic comparative data on a key industrial relations issue, often in graphical form. Elsewhere in the database, the comparative studies and annual updates are classified as 'transnational' records.

Country

The site map provides a list of all the countries covered by EIRO, plus the EU level and *transnational* (records covering more than one country). Clicking on any of the *country* names will connect to a full list of all the records

submitted in the current year for that country, in reverse chronological order with features and 'in briefs' distinguished. Links to lists of records for previous years are provided at the top and bottom of the page. This is of considerable assistance for users interested in developments in a particular country or at EU/transnational level.

Date

It is also simple to navigate the contents of *EIROOnline* by *date*. Each month since EIRO started collecting data in February 1997 is listed on the site map, and clicking on a particular month connects to its *editorial page*, from where the *news* or *features* links on the *EIROOnline navigation bar* provide access to all the month's records. The *date* section also contains links to the *Annual Review* for each year.

Record ID

For readers of the *Annual Review* who wish to follow up a reference in the text, and read the full version of the original record referred to, the most direct way of finding the record on *EIROOnline* is to input its *Record ID*. Each record is allocated a unique ID, such as SE0004111F, made up of: a two-letter country code (such as SE for

Useful features within EIRO records

EIROOnline records contain a number of features aimed at helping users and giving them access to further relevant information. At the beginning of each record, to the left of the main text in the side-bar, can be found the name of the *country* concerned and the month — clicking on these links will connect to the full list of *EIROOnline* records for this country or to the editorial page for the month in question. All records also contain, at top and bottom, the *EIROOnline navigation bar* (see main text). On the left of the main text at the end of each record is a link back to the *top* of the record. In the side-bar at the beginning of each record, there is a link to information *about this record*, which includes: the record ID; the title/subtitle; the name of the original author and of the National Centre organisation; the date of submission; and the language in which the record was originally composed. Usefully, for most countries, the title/subtitle and abstract of the record are also provided here in the native language(s) of the country. Most EIRO records are originally written in languages other than English and, in many cases, users can obtain the full original-language text. In the records where this facility is available, a link under the title states *Download article in original language*. Clicking on this allows you to download a Word text of the original-language version onto your own computer, or you can set your browser to read the file directly. It should be noted that these versions have been neither edited nor approved by the Foundation, which is not responsible for its content and accuracy. This responsibility lies with the EIRO National Centre that originated/provided the information.

There are three types of link found within the text of EIRO records, all of which are identified as *clickable* links by appearing in blue or green underlined text:

- internal *EIROOnline* links (blue). These are the titles and IDs of other records on the *EIROOnline* database, which appear in brackets. Clicking on them connects to the relevant record. To return to the original record, click on the browser's *back* button;
- links to the *EMIRE* glossaries (green). Within records for a number of countries, there are links to *EMIRE*, the electronic version of the *European Employment and Industrial Relations Glossaries* (see box facing). These links consist of relevant words in the text (*works council* or *minimum wage*, for example), which connect to a definition of the organisation, structure, process etc concerned. To return to the original record, close the box which has appeared with the *EMIRE* definition in it; and
- external links. Some records contain links to material on websites outside *EIROOnline* which is relevant to the record. These typically connect to a document or report (such as a Communication or White/Green Paper from the European Commission, an EU Directive or an ILO Convention) or some other useful information. To return to the original record, close the page which has appeared with the external material in it.

Finally, users will notice that many names of organisations, people, places etc appear in red text (not underlined). These are not links, but indicate that the names in question have been 'tagged' for indexing purposes.

Sweden); the month to which it refers (eg 0004 for April 2000); a National Centre organisation identification number (1 in most cases, but 2 or 3 in countries where the National Centre is made up of two or three separate organisations); a sequential number (eg 11); and an N, F, S or U to denote 'in brief', feature, comparative study or annual update respectively. If the ID is typed into the empty field alongside Record ID in the site map, and the *Search* button is clicked, this will connect directly with the record in question. The IDs of records referred to are provided at the relevant points of the text of the *Annual Review*.

Organisations

Users who are interested in information on particular organisations (companies, trade unions, employers' organisations, industrial relations institutions etc) will find the site map's *Organisations* facility useful. Clicking on *Index* connects you to a list of all the countries covered by EIRO, plus the EU level, and an alphabetical list of letters. Clicking on any country will connect to a list of all the significant organisations mentioned in records referring to that country, and clicking on the name of any organisation provides a list (with links) of all the records in which it is mentioned. The alphabetical list sets out all the organisations mentioned in *EIROOnline*, and again provides links to records mentioning each.

Searching

The most sophisticated way of finding information in *EIROOnline* is to use the search option — accessible from the *EIROOnline navigation bar* on the home page or every *EIROOnline* page. EIRO uses a powerful search engine and offers users two basic types of search — *full text* and *advanced*. Before starting to search, it is strongly recommended that you click on *help*, which connects to useful tips on how to conduct all three types of search. Very briefly:

- *full text* is the simplest form of searching. Type in the word or words you are looking for (in lower case) and click the *find* button; placing a + in front gives words more emphasis, while a - (minus sign) means less emphasis. You can also decide on how narrow you

want your search to be — choosing anywhere between 100% (an exact match with all the words you are looking for) and 0%. After clicking on *find*, you will be returned a list of *hits* — the titles and abstracts (with links) of all the EIRO records that contain the words you are looking for (along with the date of publication). For features, the terms used to index the records are also provided. The screen displays 10 hits at a time, and buttons at the bottom of the page allow you to move on to the next (or previous) 10; and

- *advanced* search allows for searches to be narrowed down in terms of countries, sectors and dates, and also for the use of the logical operators *AND*, *OR*, *NOT* (the *help* screen is invaluable in advising on how to use these). Furthermore, the advanced search also enables subject areas to be selected by using the *thesaurus* search facility. This has been developed to help users find more precise results when searching *EIROOnline*. EIRO features are indexed using subject descriptors from the Foundation's EFICET thesaurus (a controlled vocabulary of terms in the area of living and working conditions), and the thesaurus searches for records indexed with these keywords (not for words in the text of the record). Clicking on *thesaurus* within advanced search leads to the full thesaurus pages, including a help facility which users are strongly recommended to consult before searching in this way.

Feedback

A written guide to a website/database is only ever of limited use. Readers are urged to gain access to *EIROOnline* itself, in order to experience how it works and what it offers. *EIROOnline* is still being developed and improved continuously (some features are not yet fully operational), and we would welcome the views, comments and queries of users in order to feed into this process. As well as using the *feedback* form available on the website itself, please send any such input about the content, design or overall ease of use of *EIROOnline*, by e-mail to eiroinfo@eiro.eufound.ie (or to the contact address, telephone and fax numbers listed on p. 135).

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