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ANNUAL REVIEW

A review of developments in
European industrial relations



EUROPEAN FOUNDATION
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Foreword	5
Introduction	7
EU-level developments and comparative overview	9
Introduction	10
Key trends in collective bargaining and industrial action	12
Industrial relations, employment creation and work organisation	18
Developments in representation and role of the social partners	21
Industrial relations and the impact of EMU	23
Conclusions and outlook	24
National reviews	27
Austria	28
Belgium	31
Denmark	35
Finland	39
France	42
Germany	46
Greece	52
Ireland	55
Italy	59
Luxembourg	64
Netherlands	66
Norway	70
Portugal	73
Spain	77
Sweden	81
United Kingdom	84
About EIRO	89
Introduction	90
Using EIROOnline, the Observatory's database on the Web	91
Steering Committee and EIRO team	95
Annual Review contributors	96
National Centres	97

Foreword

After several years of preparatory work by the Foundation, the European Industrial Relations Observatory (EIRO) commenced operations in 1997. The aim of the Observatory is to provide accurate and up-to-date information and analysis on developments in industrial relations to a target audience of social partners, national governments, the European Commission and other EU institutions. It is the belief of the Foundation that this kind of information is of increasing importance in the light of factors such as the single market, the coming of EMU and the continuing process of economic globalisation, not to mention the development of the EU-level social dialogue and of European Works Councils. We hope that EIRO will make an important contribution to meeting information needs and improving understanding in this area, both among the core target audience and more widely.

EIRO is a major project for the Foundation and has been developed with the full involvement of a Steering Committee, made up of representatives of the Foundation's Administrative Board and of the main EIRO target user groups. This involvement has helped ensure the project's quality and relevance to its primary audience. The preparations for EIRO also involved the establishment of high-calibre teams both within the Foundation and across the Member States. The project is managed and executed by a highly experienced and expert team in the Foundation — in both the technical

and content areas — while a network of leading industrial relations researchers has been put in place across the EU Member States (and Norway) and at EU level to provide the information and analysis for the project.

1997 saw the start-up phase of EIRO, with the development and piloting of products and services — such as the bi-monthly bulletin, *EIRObserver*— and the start of information collection for the *EIROOnline* database. By the end of the year, *EIROOnline* contained a wealth of facts and analysis, and was ready for its launch as a high-quality publicly available resource on the World-Wide Web in January 1998.

This first *EIRO Annual Review* aims to provide an overview and summary of western Europe's main industrial relations developments in 1997, drawing on the *EIROOnline* database records entered during the year. The *Review* also provides a guide to using *EIROOnline*, which is the heart of the Observatory's operations. It is our hope that the *Review* will both be of use and interest to those who are already familiar with EIRO, and serve to introduce new users to the potential value of *EIROOnline*.

Clive Purkiss, Director
Eric Verborgh, Deputy Director

European Foundation for the Improvement of Living and Working Conditions

Introduction

Welcome to the 1997 *Annual Review* of the European Industrial Relations Observatory (EIRO), 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 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 p.97-98), 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 *EIROObserver* 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 p.90-94.

EIRO started operations in 1997, following a lengthy period of preparation. February saw the first monthly delivery of records on the most important events and issues in industrial relations across the 16 countries involved and at the overall EU level, and their entry into the *EIROOnline* database, which was then at development stage. The flow of information from the EIRO National Centres in each country grew to full volume over the course of the year, and the amount of information and analysis contained in the database steadily increased to the extent that, when it became accessible to the general public via the World-Wide Web in January 1998, nearly 1,000 records were available on the database. The rapid build-up of information has continued in 1998, with up to 100 new records added each month.

This *Annual Review* presents a snapshot of developments in European industrial relations in 1997. It provides a brief comparative overview of developments across the EU Member States and Norway, and at the EU level, followed by a summary of the main events and issues in each of the individual countries concerned. 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 1997, 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 p.91-94, 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 1997 submitted by the EIRO National Centres. These reviews were coordinated and synthesised by the EU-level centre – ECOTEC Research and Consulting Ltd – which also provided the EU-level review. The whole was then edited and assembled by the central unit at the European Foundation for the Improvement of Living and Working Conditions. Special thanks are thus due to each of the National Centres, and especially ECOTEC Research and Consulting Ltd (notably Tina Weber).

EIROOnline was officially launched on 22 January 1998 in Brussels by Pádraig Flynn, the European Commissioner responsible for employment, social affairs and industrial relations. At the launch, Mr Flynn said that: "I am convinced that EIROOnline will be an invaluable resource for social partners, governments and EU institutions, not to mention all EU citizens with an interest in industrial relations." The Commissioner added that "in today's ever more integrated European economy, where employment is the number one priority, industrial relations are increasingly important and practitioners and policy-makers need to keep up with developments in this field in all the countries of the Union. *EIROOnline* goes a long way towards meeting these needs." We hope that this first *Annual Review* demonstrates the usefulness of EIRO and will encourage those who read it to access *EIROOnline* and its comprehensive and up-to-date set of reports on industrial relations in Europe.

Mark Carley, Chief Editor

EU-level developments and comparative overview

Introduction

Developments in European Union (EU) and national-level policy with a direct impact on industrial relations were influenced by a number of key trends and events in 1997, many of which are set to continue to be of relevance in the policy debate in 1998:

- the persistence of the phenomenon of growth in unemployment;
- the countdown towards the deadline for Economic and Monetary Union (EMU);
- the announcement, without prior workforce consultation, of the closure of the Renault plant at Vilvoorde in Belgium;
- the European Commission's review of the development of the European-level social dialogue process;
- the conclusion of the Intergovernmental Conference and the drafting of the Treaty amendments agreed at Amsterdam; and
- the special Employment Summit in Luxembourg.

In the year which was to act as the benchmark for fulfilling the criteria for EMU, governments across the EU accorded particular importance to the achievement of the convergence criteria in relation to:

- inflation – an annual rate of 2.7%. This reference value is calculated by adding 1.5 percentage points to the simple arithmetic average of the rates of the three states with the lowest inflation levels – Austria, France and Ireland – using Eurostat's *Harmonised index for consumer prices*, introduced in 1997;
- government debt – 60% of GDP or "sufficiently diminishing and approaching the reference value at a satisfactory pace";
- government deficit – 3% of GDP;
- exchange rate stability; and
- long-term interest rates.

As table 1 below shows, 14 countries effectively met the public finance criteria for EMU. Of these, Denmark and the United Kingdom are not at this stage seeking entry into the single currency in the first wave (Sweden is not seen by the Commission to fulfil the criteria for EMU because of question-marks over the stability of its currency and the current status of its central bank). In the light of the significant budgetary stringency required to achieve these convergence criteria, in 1997 increasing attention was accorded to the impact of EMU on the industrial relations sphere, and voices were increasingly raised, particularly among the trade union movement, in relation to the perceived detrimental effects of tight public budgets on employment and working conditions in the EU, and the lack of preparation for this event.

Table 1. Basic economic and monetary indicators, EU and Norway, 1997 (%)

Country	Economic growth ¹	Inflation ²	Public debt as % of GDP ²	Public deficit as % of GDP ²
Austria	1.9	1.1	66.1	2.5
Belgium	2.4	1.4	122.2	2.1
Denmark	3.5	1.9	65.1	-0.7
Finland	4.6	1.3	55.8	0.9
France	2.4	1.2	58.0	3.0
Germany	2.2	1.4	61.3	2.7
Greece	3.3	5.2	108.7	4
Ireland	6.6	1.2	66.3	-0.9
Italy	1.4	1.8	121.6	2.7
Luxembourg	3.4	1.4	6.7	-1.7
Netherlands	3.0	1.8	72.1	1.4
Norway	3.9	2.5	n/d	n/d ³
Portugal	3.5	1.8	62.0	2.5
Spain	3.4	1.8	68.8	2.6
Sweden	1.8	1.9	76.6	0.8
UK	3.5	1.8	53.4	1.9

¹ Eurostat (1998).

² European Commission Convergence Report (1998).

³ Deficit of NOK 20.2 billion (ECU 2.5 billion) if oil revenues are excluded.

Table 2. Unemployment rates, EU and Norway, 1989-97 (%)

Country	1989 ¹	1994 ¹	1996 ¹	1997 ²
Austria	n/d	n/d	5.3	4.4
Belgium	8.3	9.6	9.5	13.3
Denmark	8.1	8.0	6.8	7.4
Finland	n/d	n/d	15.6	14.5
France	9.6	12.7	12.4	n/d
Germany	5.7	8.7	8.8	11.4
Greece	7.5	8.9	9.7	10.4
Ireland	16.1	14.6	11.7	13.0
Italy	11.1	11.3	12.2	12.3
Luxembourg	1.6	3.5	3.3	3.6
Netherlands	8.8	7.2	6.4	6.4
Norway ²	4.9	5.4	4.8	4.1
Portugal	5.2	6.7	7.3	6.7
Spain	17.3	24.3	22.2	20.8
Sweden	n/d	n/d	9.5	9.1
UK	7.4	9.7	8.2	5.1

¹Eurostat data.
²National statistical data.

In most Member States, the improvement of the economic parameters, however, failed to translate into a reduction of unemployment – as indicated by table 2 above – particularly for low-skilled individuals and other disadvantaged groups.

In the face of this persistence of growth in joblessness in most EU Member States, the European policy agenda continued to be dominated by the question of how to achieve greater employment creation, particularly for disadvantaged groups in the labour market, such as younger workers, low-skilled workers, women workers, older workers or disabled workers. This focusing of the agenda was assisted by the support given to concentrating on these issues by the new Socialist and Labour Governments which came to power in France and the UK during 1997. Table 3 on pp. 12-13 gives an overview of the political situation in the various countries, outlining the parties in power and any major changes which occurred in 1997 or are expected in 1998.

Cooperation on employment policies and the achievement of job creation are among the concerns of the new "employment chapter" included in the revised EU Treaty negotiated at the Amsterdam Summit in June 1997. Support for employment creation was also at the heart of the first special European Council summit dedicated to the issue of employment, held under the Luxembourg Presidency in November 1997. The summit discussed, among other issues, employment guidelines to be translated into action plans by the Member State governments. The debate surrounding the drawing up, and the review of the implementation of these action

plans will doubtless be a centrepiece for the employment debate at the national and EU level in 1998.

Hand-in-hand with this debate went discussions among policy-makers, social partners and other interest groups on the contribution that new forms of work and working time organisation could make to the twin goals of employment creation and the achievement of greater competitiveness. This debate was stimulated by the Green Paper on new forms of work organisation issued by the European Commission in April 1997.

The impact of restructuring on employment, and in particular the role played by employee information and consultation in this process was also high on the policy agenda, in the aftermath of the decision by French car maker Renault to close its plant at Vilvoorde, Belgium without prior consultation with the workforce. 1997 saw the revival of the debate on the European Company Statute, agreement on the inclusion of the UK under the provisions of the European Works Council (EWC) Directive, as well as a renewed debate on European Union regulation in the area of national employee information and consultation rights.

The year also saw ever-increasing attention being accorded to the role of the European-level social partner organisations in decision-making. This was boosted by the intersectoral framework agreement on part-time work, key sectoral agreements and finally the inclusion of the social partners in some meetings of the Council "troika" (the current, previous and following Council presidencies) on employment.

Table 3. Political situation in the EU Member States in 1997

Country	Political situation
Austria	The Social Democratic Party (Sozialdemokratische Partei Österreichs, SPÖ) is the majority partner in a two-party coalition Government with the Christian Democratic Austrian People's Party (Österreichische Volkspartei, ÖVP). National elections are due in October 1999, but may be held early in spring of that year.
Belgium	The Federal Government is a coalition between socialist parties — the Parti Socialiste (PS) and Socialistische Partij (SP) — and Christian Democratic parties — the Christelijke Volkspartij (CVP) and Parti Social Chrétien (PSC). Elections will take place in 1999.
Denmark	Minority coalition Government led by the Social Democratic Party (Socialdemokratiet) and also involving the Social Liberal Party (Det Radikale Venstre) was in power during 1997. Elections held in March 1998 (at which the Social Democrats retained power).
Finland	A "rainbow" coalition 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) — is in power. Elections are due in 1999.
France	Following elections in May-June 1997, conservative administration replaced by new Government led by Socialist Party (Parti Socialiste, PS) with support from Communist Party (Parti Communiste Français, PCF) and others. Priorities are: measures for job creation and social and economic union at European level; promise to create 700,000 new jobs for young people; reducing the working week to 35 hours without reductions in pay; and increasing the SMIC national minimum wage (this was implemented by a 4% increase in July 1997).
Germany	The Federal Government is a coalition led by the Christian Democratic Union (Christlich Demokratische Union, CDU) and its Bavarian counterpart, the Christian Social Union (Christlich-Soziale Union, CSU), along with the Free Democratic Party (Freie Demokratische Partei, FDP). General elections are to be held in 1998.
Greece	Pan-Hellenic Socialist Movement (Panellino Socialistiko Kinima, PASOK) Government in power.
Ireland	New centre-right coalition Government, with Fianna Fail as the senior partner to the Progressive Democrats, came to power in June 1997 election, replacing former "rainbow" coalition of Fine Gael, the Labour Party and the Democratic Left. New Government is committed to implementing fully <i>Partnership 2000</i> , the current three-year national economic and social programme, with other policies including the introduction of a national minimum wage.

Key trends in collective bargaining and industrial action

The year saw a widespread continuation of the trend towards a greater decentralisation of collective bargaining to the company level in order to accommodate the perceived need for greater flexibility, particularly in working time arrangements. Wage increases remained modest, and public sector workers in particular were affected by governments' need to reduce public expenditure. The level of industrial action was

comparatively low throughout the Union, with disputes concentrated in the public sector and transport. Table 4 on pp. 14-17 presents key trends in collective bargaining and pay as well as key events and issues in the industrial relations sphere.

Despite a slow convergence through the emergence of similar responses to global trends, the application of EU social policy, the development of the European-level social dialogue (see below) and the establishment of EWCs, collective bargaining in each economy still remains distinct. Only a small number of exceptional EWC agreements make provision for any kind of negotiation at the European level, which could be perceived as a step towards a Europeanisation of collective bargaining. Nevertheless, the sympathy action generated by the announcement of the closure of Renault's Vilvoorde plant

Country	Political situation
Italy	Centre-left "Ulivo" coalition Government, including notably the Democratic Left (Partito Democratico della Sinistra, PDS), in office with support from the Communist Reconstruction Party (Partito della Rifondazione Comunista). Dispute over Government's budget proposals led in October 1997 to a compromise involving commitment to introduce 35-hour working week via legislation.
Luxembourg	Coalition Government of the Christian Social People's Party (Chrëschtlich Sozial Vollekspartei, CSV), and the Luxembourg Socialist Workers' Party (Lëtzebuergesch Sozialistesesch Arbechterpartei, LSAP) in power.
Netherlands	"Purple" coalition Government in office, composed of the Labour Party (Partij van de Arbeid, PvdA), the liberal People's Party for Freedom and Democracy (Volkspartij voor Vrijheid en Democratie, VVD) and the social democratic Democraten 66 (D-66). Elections due in May 1998.
Norway	Following the general election in September 1997, the previous minority Labour Party (Det norske Arbeiderparti) Government was replaced by a new minority coalition of the Christian Democratic Party (Kristelig Folkeparti), the Centre Party (Senterpartiet) and the Liberal Party (Venstre). The change of government brought little change in policy in relation to labour markets and industrial relations.
Portugal	The Socialist Party (Partido Socialista) is currently in government, supported by the Portuguese Communist Party (Partido Comunista Português).
Spain	Conservative People's Party (Partido Popular, PP) Government in power with support of conservative nationalist parties from Catalonia and the Basque Country.
Sweden	The Social Democratic Party (Socialdemokratiska Arbetarepartiet, SAP) is in government. The next elections are due in September 1998.
UK	New Labour Party Government elected in May 1997, replacing the Conservative Party administration, with policy commitments including: a national minimum wage; the right to trade union recognition; ending age discrimination; improving health and safety at work; a right for employees to be accompanied at disciplinary meetings; streamlining the operation of industrial tribunals; protecting employees against use of "zero-hours" contracts and homeworking abuses; restoring right to union recognition at GCHQ secret communications base; and signing up to the EU "social chapter".

Source: EIRO

has been argued by some observers to mark the birth of the "Euro-strike". A recent seminar on EWCS (EU9803191F) has indicated increasing cooperation among employee representatives from different countries, which, albeit currently often limited to unofficial channels, could provide an example of an increasing push for the development of common goals and strategies among employees, not only at the level of the peak organisations, but also at the company level.

However, in the context of continuing high unemployment and budgetary stringency, common Europe-wide trends in collective bargaining tended to be dominated by management's desire for greater flexibility. There are clearly common denominators which ran through all systems during 1997, such as the employers' wish to increase flexibility and decentralise collective

bargaining, and also a widening of the bargaining agenda to include issues such as employment, working time, pensions and so on. A country-by-country analysis of key trends in collective bargaining also shows an emphasis on wage restraint and a comparatively peaceful bargaining round (see table 4).

In a number of countries, recent changes to collective bargaining structures are seen to be of major significance. In Germany, for example, the introduction of "opening clauses" into collective agreements, allowing lower standards to be applied at company level, may be seen as raising questions about the national system of collective bargaining, which is based on the setting of industry-level standards. Similar developments have taken place in other Member States, but are so far not held to have changed the bargaining scene substantially.

Table 4. Trends in pay and collective bargaining and other key industrial relations (IR) events/issues in the EU Member States, plus Norway, 1997

Country	Pay trends	Trends in collective bargaining	Other main IR events/issues
Austria	Minimum pay rose on average by 1.7% (between 1.5%-3.0%). In the civil service, minimum rates remained unchanged and in public transport the rise was limited to 0.7%. Actual pay in industrial manufacturing expected to rise by 2.0%. "Distribution option" introduced in some agreements, allowing pay for certain groups to be increased outside seniority considerations.	Centralised sectoral bargaining remained dominant.	Industrial relations marked by cooperation at the company level and considerable acrimony at the provincial and national level. Major national issues were: pension reform, which entails lowering entitlements and widening the contribution base to part-timers and the self-employed (the only issue that led to strike action); the enlarged gap between the number of 15-year-olds leaving school and the number of openings for apprentices; and working time flexibility, the drive for a 35-hour working week, and discussions over weekend and Sunday working.
Belgium	Maximum nominal wage increases set by the Government at 6.1% for the two-year period, 1997-8.	Failure of intersectoral negotiations to reach an agreement led to the Government laying down basic standards for sector- and firm-level agreements. In the absence of an intersectoral accord, sectoral bargaining — rather than company-level bargaining, as the unions had feared — gained in importance and agreements were concluded in all key sectors.	With no national collective agreement, the Government laid down the themes for sector- and company-level bargaining, including: reductions in employers' social contributions if initiatives are taken to redistribute work; specific measures for special needs groups; further development of community services through return-to-work schemes for unemployed people. Sectoral agreements favoured redistribution of work measures, while some company agreements implemented government job creation or maintenance schemes by reducing working hours. Employment issues dominated at all levels.
Denmark	Overall, pay increased by an average of 4.0%. Public sector agreement set wage increases at 4.25%.	Centralised, sector-level, multiannual collective bargaining remained the rule. In the private sector, much debate in the bargaining round focused on the duration of agreements, but the outcome was a series of unsynchronised one-, two- and three-year agreements. In the public sector a two-year collective agreement was reached, providing for some decentralisation of pay-setting.	Key issues included: reducing labour market marginalisation and improving employment opportunities for certain groups; reducing overtime; first steps in the state sector towards regulating teleworking in agreements; and inter-union disputes over privatisation and contracting-out.
Finland	In 1997, the earnings index rose by 2%, while real wages increased by 1% (the new central incomes policy agreement fixes average annual pay increases at around 1.6% in 1998 and 1999).	A central, intersectoral, two-year (January 1998-January 2000) incomes policy agreement was concluded in December, covering 98% of wage earners. There was some development towards more local agreements.	Central two-year agreement provides for wage increases and schemes to combine part-time work with a part-time pension. Increasing tendency towards outsourcing and contracting-out resulted in disputes, notably in public transport. Political debate centred around employment issues, with measures proposed for disadvantaged groups (especially older people). New legislation to improve conditions for "atypical" employment. Social partners agreed on "buffer funds" to help soften economic shocks within EMU.

France	SMIC minimum wage increased by 4% in July.	Following breakdown of tripartite conference on employment, bargaining was widely disrupted, with employers threatening a freeze. In some sectors, such as banking, employers decided to give notice of termination of existing agreements.	New Socialist Government focused on job creation, stimulating growth through increased purchasing power and reducing statutory working week from 39 hours to 35 without loss of pay. Tripartite conference on employment ended in failure over the Government's 35-hour week plan (which also triggered resignation of the CNPF president), and social partners have not taken up proposals to implement it through sector-level bargaining. At company level, there were agreed experiments in reducing working time to save or create jobs, prompted by legislation. Major industrial action among lorry drivers and at SNCF railways, and widely reported protests by unemployed people.
Germany	Agreed basic pay increases averaged 1.4% in the west and 2.7% in the east, compared with an inflation rate of 1.8%.	Some decentralisation and differentiation of branch-level collective agreements.	Main policy concern was to preserve and create employment. Controversial debates focused on pay policy, working time, and the future of the system of branch-level agreements. Key issues in collective bargaining included continued payment during sickness, partial retirement, working time flexibility and preventing redundancies/creating jobs. Key legislation passed — Employment Promotion Act and Act on Temporary Employment Businesses.
Greece	The 1996-7 National General Collective Agreement provided for minimum pay increases for 1997 in line with the projected rate of inflation (4.5%) plus a 2% increase awarded in two equal amounts during January and July.	No centralised collective bargaining as the year saw the application of the second part of the 1996-7 National General Collective Agreement. Social dialogue process conducted between social partners and government, leading to tripartite “confidence pact” on employment.	Strikes in public and private sectors opposing austerity programme introduced by the Government. Social dialogue addressed employment issues, with limited results including agreed proposals for EU Employment Summit and “confidence pact” (general guidelines on development, competitiveness and employment). Disagreements on how to bring about structural change in labour market. Little progress in bargaining on working time reduction/reorganisation and new forms of work, or in local employment agreements.
Ireland	Maximum wage increases set at 9.25% over three years by the 1997 P2000 central agreement, with a 2.5% rise for the first 12 months.	Highly centralised tripartite bargaining — manifested in the P2000 agreement — setting parameters for company-level bargaining. Some divergences from P2000 arose at company level — however, this did not lead to widespread wage drift.	Three-year P2000 central agreement signed. National Centre for Partnership set up under P2000 to support development of workplace relations between employers, employees and unions. Discussions on new Government's planned national minimum wage and on a union recognition initiative under P2000. Working time legislation to conform with EU Directive. Few industrial disputes.
Italy	Wage moderation continued, based on the incomes policy introduced by the July 1993 central tripartite agreement.	Two-tier (sector and company) bargaining system, based on 1993 central tripartite agreement. Industry bargaining in 1997. Lengthy and difficult negotiations in metalworking reopened debate over two-tier system. Study committee examined 1993 agreement, prior to review.	National social dialogue focused on: employment creation — notably the transposition in law of 1996's tripartite Pact for Employment; welfare reform — the Government and union confederations signed an agreement focusing on pension reform; and reduction of working time — unions and employers rejected the Government's proposed legislation on the 35-hour week (but agreed on implementation of EU Directive), considering that any working time reduction should be negotiated. Bargaining at all levels addressed employment issues. Occupational pension funds introduced by agreement in a number of sectors. New rules on worker representation in public administration. Further debate on trade union unity. Industrial action levels fell, with transport most affected by disputes. Labour market deregulation though introduction of temporary agency work and reform of placement services.

Country	Pay trends	Trends in collective bargaining	Other main IR events/issues
Luxembourg	The minimum wage was increased by 3.3% in January. All pay was increased by 2.5% in February in line with automatic statutory indexation. Agreed increases generally moderate.	Bargaining occurs at company and sector level.	Government and social partners prepared tripartite meetings (held in early 1998) to draw up action plan to create new jobs, especially for young people and long-term unemployed people, through additional training and cash incentives for employers. Debates on working time concerning a framework law guaranteeing a 40-hour week, and ways of reducing working hours via agreements. Dispute between government and unions over former's plans to reform public sector pensions, while social partners were unable to agree on sickness insurance contributions.
Netherlands	Wage moderation maintained.	Centralised sector-level bargaining, although there was some movement towards decentralisation. At intersectoral level, social partners agreed on an agenda for future bargaining.	In mid-November 1997, a new agreement on the future of collective bargaining (emphasising wage moderation and employability) was reached. Additionally an Employment Pact was concluded in three Dutch provinces. Some shift in bargaining agenda towards training and workloads (unions) and flexibility and performance-based pay (employers). Labour market flexibility was a key issue and the Government's proposals for a new law on flexibility and security — increasing labour market flexibility while enhancing the position of "atypical" workers in terms of job security and social security — were accepted by the lower house in November 1997. Some changes to Works Councils Act. Moves towards union mergers. Strikes relatively rare (and mainly in public sector).
Norway	Pay growth around 4.25% — or 1.8% in real terms.	1996 sectoral agreements were, as usual, mainly of two-year's duration — 1997 bargaining was thus "mid-term", focusing essentially on pay.	Employers seeking more flexibility on types of employment (especially temporary and leased workers) and on working hours. The 1997 LO union congress opened the possibility of discussing more flexible hours arrangements, though stressing that these must be regulated through collective agreements. LO and NHO renewed their basic agreement, providing for: new rights for workplace union representatives; and minimum membership requirements for unions to demand a wage agreement (this issue led to breakdown of talks over NHO-YS basic agreement). Review of Labour Disputes Act under debate — new Government yet to indicate whether it wants change. Further education and training reform much discussed. Split in AF professional union confederation, with new confederation — Akademikerne — formed.
Portugal	Negotiated pay increases averaged about 3.6% (for agreements concluded in first half of year). General national minimum wage increased by 3.85%.	Sectoral bargaining predominates: two-thirds of agreements concluded in 1997 were at this level, with company-level agreements making up only a quarter of the total. Some perceived tendency towards stagnation of bargaining in terms of content, but some spread of bargaining into new areas.	Employment creation regarded as crucial issue by social partners, and a tripartite declaration was (unusually) agreed and submitted to the EU Employment Summit. The Government discussed draft legislation with the social partners on part-time work, but this is yet to be approved. Legislation reducing the working week to 40 hours came into force, but social partners made little progress on introducing more flexible working time organisation to accompany the reduction. Disputes about trade union representation in national social consultation and dialogue structures.

Spain	General trend towards wage restraint in collective agreements, with average agreed increases standing at 3.02% in 1997 (3.86% in 1996 and 3.94% in 1995). Public sector covered by pay freeze in 1997, and public employees' wages lost purchasing power. Over 1995-7, taking into account inflation, collectively agreed wages have increased purchasing power by only 0.5%.	Intersectoral agreements on "collective bargaining" and "filling the gaps in regulation" sought to lay down rules for the articulation of company- and sector-level bargaining (thus addressing the current unstructured state of bargaining), and to promote universal bargaining coverage. Greater autonomy for bargaining parties (and less state intervention) resulted.	Intersectoral agreement on employment stability sought to reduce temporary employment, though this remains very common, at 33% of employment (part-time working is also on the increase). Greater bargaining autonomy brought trend towards negotiation of "special clauses" on geographical mobility, regulation of overtime, temporary jobs and social benefits (such as pensions). Other issues included union demands for a 35-hour week and greater working time flexibility in some sectors.
Sweden	Agreed pay increases averaged 2.5%-3% (lower than expected).	Bargaining conducted mainly at sector level. Most sectors were still covered by multiannual agreements concluded previously, so little new centralised bargaining took place in 1997.	Discussion of new bargaining rules to help keep pay increases at a level that is not inflationary and does not threaten employment. Trade unions and employers' organisations in industry responded with an agreement on industrial development and wage formation, aimed at promoting development, profitability and competitiveness. As well as setting up new joint structures, the deal changes the procedural rules for wage negotiations with the aim of reaching a new agreement before the old one runs out — this indirectly commits the partners to avoid industrial action, as action is illegal if an agreement is in force. Other issues on the IR agenda included lifelong training. Working time often a difficult issue in bargaining — employers wanting more flexibility and unions seeking reductions, both unsuccessfully.
UK	Average pay awards ranged from 3% to 4%. Freeze on overall paybill in public sector, with any increases funded from efficiency savings.	Persistence of decentralised bargaining, with a further decline in bargaining coverage.	Changes following the election of a new Labour Government included: a Low Pay Commission set up to advise on the implementation and rate of a national minimum wage; rights of union recognition restored at the GCHQ secret communications base; discussions began on the right to union recognition in companies with 50 or more employees, where the majority of the relevant workforce votes in a ballot for the union to represent them; and the extension to the UK of Directives on EWCs and parental leave (with inclusion in the EU "social chapter" to follow). Government prioritised unemployment, notably through "welfare to work" programme, which received social partner support. Some focus in bargaining on employment security. Fears of an upsurge in industrial disputes proved unfounded.

Source: EIRO

Industrial relations, employment creation and work organisation

Employment creation

Although many Member States experienced a fall in unemployment figures in 1997, the number of jobseekers chasing each vacancy increased in most countries. The European Commission's 1997 *Employment in Europe* report shows that a majority of jobs created in recent years have been either part-time or temporary. Tables 5 and 6 give recent figures for the extent of these forms of employment.

Despite the persistent concerns about high levels of unemployment, the Intergovernmental Conference and the Amsterdam Summit were very much dominated by negotiations over the adaptations of the internal structures of the Union in the light of the impending accession negotiations for prospective new Member States. Another preoccupation was with the finalisation of steps towards EMU. As a result, the new Amsterdam Treaty, the draft of which was agreed on 17 June 1997, brought arguably relatively limited advances for employment and social policy at EU level (EU9707135F). In the employment area, the revisions essentially place on a Treaty footing practices previously established under

the employment policy recommendations agreed at 1994's Essen European Council.

A new title on employment has been included in the Treaty establishing the European Community (TEC), which sets the objective of working towards the development of a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce and labour markets responsive to economic change. Member States are called upon to coordinate their actions in this area. The process of encouraging cooperation, drawing up employment guidelines and monitoring of progress annually (a process informally established post-Essen) is strengthened by inclusion in the Treaty. As well as the "employment chapter" itself, the objectives of the Treaties have been amended to give employment a higher priority.

Because of the perceived domination of the Amsterdam Summit by issues other than employment, and in response to increasing disenchantment among many citizens with the inability of the Union to take steps to combat the problem of high unemployment in the run-up to EMU, it was agreed that a special Employment Summit was to be held under the Luxembourg Presidency in November 1997 (EU9711168F). Prior to the Summit, the Commission drew up draft guidelines for Member States' employment policies for 1998, and set targets for job creation and the inclusion of young people and unemployed people in training and other job-creation programmes (EU9710159N).

Table 5. Part-time work (males and females) in the EU and Norway, 1987 and 1996

Country	Part-timers as % of total women's employment		Part-timers as % of total men's employment	
	1987	1996	1987	1996
Austria	n/d	29.0	n/d	5.0
Belgium	24.2	31.0	1.9	3.5
Denmark	42.2	35.0	9.3	11.0
Finland	n/d	16.0	n/d	7.5
France	23.1	29.0	3.5	6.0
Germany	29.5	34.0	2.0	4.0
Greece	10.8	9.0	2.7	3.5
Ireland	15.8	22.0	3.1	6.5
Italy	10.4	13.0	3.2	3.5
Luxembourg	17.4	18.0	1.7	1.5
Netherlands	57.5	69.0	13.8	17.5
Norway ¹	45.1	45.5	10.4	10.1
Portugal	10.4	13.0	3.5	6.0
Spain	13.9	17.0	2.4	3.5
Sweden	n/d	42.0	n/d	9.0
UK	44.7	45.0	5.3	8.0

Source: Eurostat — Labour Force Surveys 1987 and 1996.

¹National statistical data (definitions not necessarily compatible with Eurostat figures).

Table 6. Temporary work (males and females) in the EU and Norway, 1996

Country	Temporary workers as % of total women's employment	Temporary workers as % of total men's employment
Austria	8.0	8.0
Belgium	7.0	4.0
Denmark	13.0	11.0
Finland	14.0	13.0
France	12.0	12.0
Germany	12.0	12.0
Greece	13.0	11.0
Ireland	13.0	7.0
Italy	8.0	7.0
Luxembourg	3.0	2.5
Netherlands	16.5	9.0
Norway ¹	15.0	12.0
Portugal	12.0	10.5
Spain	37.0	33.0
Sweden	13.5	10.5
UK	8.0	7.0

Source: *Employment in Europe 1997*

¹National statistical data (definitions not necessarily compatible with Eurostat figures).

The Luxembourg Presidency placed the emphasis of the summit on the formulation of achievable targets, and the measures agreed by heads of state consequently remained more limited than was initially foreseen by the Commission. For example, the Commission had envisaged setting a target for the reduction of unemployment from nearly 11% to 5% and creating 12 million jobs in five years. The *Guidelines for Member States' employment policies for 1998* finally adopted do not mention these targets, but merely speak of increasing the proportion of unemployed people who are offered training from the current average of 10% towards at least 20% (taking into account the starting position in each country). The employment guidelines focus on measures to achieve greater employability, entrepreneurship, adaptability and equal opportunities (EU9712174N). These guidelines are to be translated into Member State action plans by April 1998 and will therefore continue to occupy the employment policy debate for the foreseeable future. The plans will be discussed at the Cardiff European Council in June 1998. Early indications show that measures focus on training, retraining and the provision of work experience and job-seeking assistance for disadvantaged groups in the labour market. The focus differs from country to country as to the groups targeted for specific assistance, but there is an overall emphasis on measures for long-term unemployed people, young workers, older workers, women, people with disabilities and migrants. Few countries have so far indicated the introduction of clear targets as outlined in the employment guidelines.

Employment has not only been the preoccupation of the EU and national governments. Collective bargaining at the national level has, in recent years, increasingly begun to take on the issue of preserving and creating employment – an issue examined in an EIRO comparative study in 1997 (EU9710201S). On the whole, employer and trade union organisations have rather different views on how collective bargaining could help to improve the employment situation, with employers focusing on supply-side policies and increasing labour market flexibility. Trade unions, on the other hand, generally seek to stimulate the economy through macroeconomic demand management and the redistribution of the available supply of work, particularly through the reduction of working time. Nevertheless, a significant number of accords on employment have been reached in national or regional bipartite or tripartite “employment alliances/pacts” and in company-level agreements.

The EIRO analysis of such agreements argued that so far the positive impact of agreements on employment concluded at national, sectoral or regional level is rather limited, because there is little opportunity for binding individual employers to the terms of such agreements. At company level, on the other hand, agreements on employment have included concrete, and in some cases even legally binding, provisions on job guarantees for a certain period of time, or even on the creation of a specific number of new jobs. In most cases, the aims of company-level agreements have been achieved. However, a number of problematic issues are associated with company agreements on employment:

- 1) most of these agreements are mainly defensive, guaranteeing existing jobs rather than creating new ones;
- 2) employers usually accept binding employment measures only in exchange for certain employee concessions – on wages or working time, for example;
- 3) in cases where agreements on employment are concluded by works councils, the relationship and balance of power between the works councils and the trade union(s) may be affected;
- 4) employment agreements at company and establishment levels lead to a further decentralisation of collective bargaining and a greater differentiation in working standards; and
- 5) even if employment agreements have positive effects regarding the level of employment at micro level, this need not necessarily imply positive employment effects at macro level.

The EIRO comparative study therefore argued that collective bargaining on employment can only be seen as one part of a strategy to safeguard or create employment.

Other Treaty changes

Alongside the “employment chapter”, the Amsterdam Treaty contains a number of other new significant provisions with an industrial relations impact.

The Treaty enshrines the Union's attachment to fundamental social rights, through the inclusion of this commitment in a new paragraph added to the Preamble of the Treaty on European Union (TEU). A new Article 13 of the TEC gives the Council of Ministers the power to take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, while the objective of achieving equality between men and women is added to Article 2 of the TEC, which outlines the general principles to be promoted by the Community.

In light of the new UK Government's commitment to “sign up” to the social policy Protocol and Agreement annexed to the TEU, this is to be repealed and integrated (with a number of alterations) into the Treaty in the form of a new chapter on social policy.

New forms of work organisation and working time

As another element of the employment debate, the European Commission released a Green Paper on *Partnership for a new organisation of work* in April 1997, with the purpose of stimulating European debate on how competitiveness and employment opportunities can be improved through new forms of work organisation based on the model of a high-skill, high-trust and high-quality economy (EU9707134F). The consultation process on the Green Paper ran throughout 1997.

At Member State level, the debate on work organisation and working time focused on greater flexibility and working time reduction in order to support employment growth. Eurostat data on the usual average weekly working time of full-time employees (see table 7) show a European Union average of 40.4 hours.

The EU-level debate on employment and the European social dimension has changed significantly in its form and content over the past 15 years. During the late 1980s and early 1990s, the Commission, under the leadership of President Jacques Delors, favoured a more legislative, interventionist approach, which culminated in the adoption of the (albeit not legally binding) 1989 Community Charter of the Fundamental Social Rights of Workers (by 11 out of 12 of the then Member States) and its accompanying Action Programme. The emphasis was on the creation of a high-skill, high employment-security economy, with minimum rights set at the European level. While the achievement of this aim remains an ideal in European Commission pronouncements, the approach has changed significantly

Table 7. Average hours usually worked by full-timers per week in the EU, 1996

Country	Average weekly hours
Austria	40.4
Belgium	38.3
Denmark	38.7
Finland	38.7
France	39.8
Germany	40.0
Greece	40.4
Ireland	40.4
Italy	38.6
Luxembourg	39.5
Netherlands	39.4
Portugal	41.2
Spain	40.6
Sweden	40.0
UK	43.9

Source: Eurostat; Labour Force Survey 1996.

since the implementation of the Maastricht Treaty and the December 1994 Essen Summit.

Emphasis has shifted from legislative attempts initiated by the Commission, to the new arrangements for consultation and possible negotiation between the social partners as set out in the Maastricht social policy Agreement, and has shifted away from an emphasis on the regulation of minimum standards to one of “negotiated flexibility”. The perceived need to deregulate certain elements of labour market regulation in order to increase competitiveness is increasingly becoming accepted, and new forms of employment and work organisation are seen more and more as a means not only to increase competitiveness, but also to meet the demand among employees for a greater flexibility in working time arrangements. At the same time, there is ever-increasing emphasis on cooperation between management and employees at all levels of decision-making.

While the Commission's emphasis on a integrated approach – including education, training, social security, taxation, macroeconomic and structural policies, as well as policies on the “information society” and worker involvement – has been widely welcomed, many issues have so far remain unexplored, including the uneasy balance between security and flexibility. In national, local and company-level collective bargaining, the issues of flexibility and employment security have been of key importance, with a trade-off often taking place between the acceptance of new form of work organisation or wage moderation in exchange for employment security. In several Member States, legislation has been introduced to provide greater protection for employees on so-called “atypical” contracts. The reduction of overtime working and the limitation of weekly working hours has also been

a key issue for debate in a number of countries. At the same time, there have been moves to extend shop opening hours and plant operating hours, often requiring weekend working and greater working time flexibility. The controversial nature of these measures is set to ensure that the arguments surrounding new forms of work organisation will continue to shape the policy debate in 1998.

Developments in representation and role of the social partners

Employee representation at the European level

The announcement in February 1997 by the French car maker Renault of the closure of its plant in the Belgian Prime Minister's constituency of Vilvoorde, generated an unprecedented storm of protest from the labour movement and the political establishment of the European Union (EU9703108F). It raised questions over the ability of European legislation to prevent multinational companies from enforcing economically motivated decisions on production locations without prior workforce consultation. In the light of the approaching deadline for EMU, the Commission was keen that European integration should not become associated with job losses and quickly condemned the decision by Renault as being in breach of the spirit of EU legislation on employee information and consultation and on collective redundancies. It gave unprecedented vocal support to a legal challenge to the actions of the company. French and Belgian courts subsequently condemned Renault's actions (EU9704118F).

When called upon to strengthen existing legislation and to impose heavier fines on those breaching EU law, Pádraig Flynn, the commissioner responsible for social affairs and employment, argued that existing legislation was sufficient. However, he stated that consultations were to be speeded up with the social partners on possible EU measures to complement existing legislation governing information and consultation at the national level. Such consultations started formally in June (EU9710157N), with the second round launched in November (EU9711160N). However, a mooted joint code of conduct from the social partners on the social aspects of industrial restructuring did not materialise (EU9706132F).

Another area of worker involvement which has long been on the agenda of the EU is that of involvement in the proposed "European Company". Proposals for a

European Company Statute have been on the policy-making agenda of the European Commission for 25 years and it has repeatedly stressed the importance of legislation enabling the incorporation of companies at EU level in order to improve the competitiveness of European companies. The proposed Statute has always been accompanied by proposals for employee involvement, and these have been largely responsible for the deadlock that has developed in the Council, particularly because of concerns from countries with advanced information, consultation and especially board-level participation systems. These countries fear that the Statute could be used to circumvent national legislation in this area. Similarly, objections were voiced from countries which currently have no provision for the appointment of worker representatives on company boards, or a lower level of information and consultation provision.

In 1996, a high-level expert group on worker involvement was set up by the Commission with the aim of breaking the deadlock in this debate. The so-called "Davignon group" issued its report on 14 May 1997 (EU9705128N) and recommended that priority should be given to free negotiation between the parties directly concerned as to the system of employee involvement to be applied. Only if the parties should fail to reach agreement, would a set of minimum reference rules come into operation. This proposed procedure was therefore similar to that contained in the EWC Directive, but it was suggested that reference rules should contain stronger information and consultation provisions than those applied in the EWC Directive's subsidiary requirements, along with board-level participation provisions. The Davignon report resulted in the development of a compromise text of the Statute's involvement provisions by the Luxembourg Presidency of the second half of the year, which stuck relatively closely to the report's recommendations, and some progress was made in Council (EU9710158N) (the UK Presidency of the first half of 1998 went on to produce further proposals – EU9703193N).

The cultural and legal differences in national worker involvement systems will continue to make European regulation in this area difficult. However, the approach taken by the EWC Directive, with the accent on voluntary agreements backed up by minimum statutory provisions implemented at Member State level, is now becoming established as a solution. The experience of the existing EWCs is particularly instructive in assessing the impact of such legislation.

In advance of the Amsterdam Treaty coming into force, thus bringing the UK under the same EU "social chapter" as the other Member States, December 1997 saw the adoption of a special "extension" Directive to apply the EWCs Directive (as well as the parental leave Directive) to the UK (EU9712175N). As a result, all EU (and other EEA) countries are now covered by the Directive. The UK is to

bring in implementing legislation within two years, while all the other EU countries had transposed the Directive by the end of 1997, with the exception of Luxembourg and Portugal. Since the Directive came into force in September 1996, it is not known how many EWCs have been set up based on Article 6 of the Directive under the “special negotiating body” procedure, though by the end of 1997 it is unlikely that more than 30 or so agreements had been signed. However, comprehensive information on the “Article 13” agreements signed before the Directive came into force is now available. According to a recent study carried out for the European Foundation for the Improvement of Living and Working Conditions, over 400 companies headquartered in 25 countries concluded such agreements, and 386 of the agreements are analysed in the study – see table 8 below.

The study found that, despite a strong tendency to opt for information and consultation arrangements similar to those prevailing in the country in which the undertaking is headquartered, this is by no means true of all agreements. A significant number of agreements concluded in companies where employee-only representative bodies are the norm, have opted for joint structures (ie including management representatives) in their EWC (EU9803191F). It remains unclear whether this implies a trend towards a “watering down” of national provisions, or whether this constitutes a deliberate move to safeguard stronger national arrangements which already exist in these companies. The impact of European legislation on national information and consultation systems thus remains unclear.

The role of the social partners

Another feature of policy-making at the European Union level has been the increasing importance accorded to the dialogue and autonomous consultation and negotiations between the social partner organisations at sectoral and intersectoral level. This role was boosted by Articles 3 and 4 of the Maastricht Agreement on social policy which extended the social dialogue provisions of Article 118b of the TEC considerably by imposing an obligation to consult management and labour before presenting a proposal in the social field. The social partners may decide, after a two-stage consultation process, to open autonomous negotiations with the aim of concluding a European framework agreement on the issue in question, which can then either be implemented through a Council decision or in accordance with national structures.

This process led to the December 1995 parental leave agreement between the Union of Industrial and Employers’ Confederations of Europe (UNICE), the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP) and the European Trade Union Confederation (ETUC), which was subsequently implemented by a Council Directive (96/34/EC). In May 1997, the same parties concluded a framework agreement on part-time work, after many months of difficult negotiations (EU9706131F). The conclusion of this agreement, which was implemented by a Directive in December (EU9712175N) and is to be transposed by the Member States within two years, represented a considerable success, bearing in mind that previous legislative

Table 8. Country of origin of companies with “Article 13” EWC agreements

Country	% of all agreements	Number of agreements	Country	% of all agreements	Number of agreements
Austria	2	7	Netherlands	5	18
Belgium	4	17	Norway	1	7
Denmark	2	6	Portugal	—	—
Finland	4	14	Spain	1	3
France	11	42	Sweden	6	22
Germany	23	89	<i>Total of EEA 17</i>	<i>63</i>	<i>244</i>
Greece	—	—	Switzerland	5	19
Iceland	—	—	UK	15	58
Ireland	1	3	Japan	4	14
Italy	4	14	USA	15	59
Liechtenstein	—	—	Rest of the World	1	5
Luxembourg	1	2			

Base: All agreements, N = 386. Note: percentages total more than 100% and numbers add up to 395 because in nine cases, organisations are headquartered in more than one country.

Source: European Foundation for the Improvement of Living and Working Conditions, 1998.

initiatives in this area – which had been under discussion for some 15 years – had failed. The deal should be viewed in the light of the fact that the conclusion of the Intergovernmental Conference and the Amsterdam Summit were then imminent. A further important factor was arguably the somewhat dented estimation of the European social partner organisations after they had failed, following the Renault Vilvoorde affair, to reach an agreement on a code of conduct for companies faced with the need to restructure (see above).

ETUC, UNICE and CEEP also issued joint contributions in relation to the Commission's *Confidence pact for employment* initiative (EU9702101F) and the Luxembourg Employment Summit. Having thus demonstrated their willingness to cooperate on such issues, it was decided at the summit that they should be involved in twice-yearly meetings with the Council troika in order to discuss employment issues (EU9711168F). In December 1997, the decision was taken by the social partners to move on to intersectoral negotiations on the employment conditions of workers on fixed-term contracts (EU9802183F), a subject previously excluded, at the request of UNICE, from the negotiations on "atypical" work that led to the part-time work agreement. Nevertheless, the two rounds of consultation on the issue of national arrangements for information and consultation of employees – see above – failed to produce consensus over the establishment of autonomous intersectoral negotiations and the formulation of a draft Directive in this area now appears the most likely course of action (EU9803192N).

At the sectoral level, the social dialogue process has also seen the conclusion of an unprecedented number of joint statements and opinions in recent years. 1997 saw several milestones in the sectoral dialogue – the conclusion of a first sectoral "recommendation framework agreement" on the improvement of paid employment in agriculture (EU9709145F), as well as a first agreement on working time in the maritime transport sector (EU9802182F) which, it is hoped, will now be implemented via a Council Directive. There was also significant progress in the dialogue in other sectors, particularly on the issues of employment, equal opportunities and training. Examples include: the follow-up to a 1996 joint memorandum on new sources of employment in the cleaning industry (EU9710153F); a joint statement on employment in local and regional government (EU9803190F); and a code of conduct on basic labour standards in textiles and clothing (EU9709150N). The year also saw the Commission's first annual review of the social dialogue process (EU9705126N).

Nevertheless, the social dialogue continues to be fraught with difficulty because of the perceived inadequate representativeness of certain social partner organisations and the desire among a number of bodies currently excluded from consultations (particularly under the

Table 9. Union density rates, 1995

Country	Union density ¹
Austria	41.2%
Denmark	80.1%
Finland	79.3%
France	9.1%
Germany	28.9%
Greece	24.3%
Italy	44.1%
Netherlands	25.6%
Norway ²	57.2%
Portugal	25.6%
Spain	18.6%
Sweden	91.1%
UK	32.9%

¹ Calculated as union membership as % of wage and salary earners.
² National statistical data (definitions not necessarily compatible with ILO figures).
Source: ILO

Maastricht social policy Agreement) to attain a greater voice and involvement in these processes. In order to ascertain the desired paths for the future development of the European social dialogue, the European Commission issued a consultation document in September 1996 (EU9702102F), to which all relevant organisations responded over 1997. A second consultation document is now imminent and is set to have an important impact on the nature and focus of the social dialogue process and the involvement of different actors.

While the role of the social partners at the European level was significantly boosted, at the Member State level many trade union organisations have been faced with continuing membership loss. Table 9 above gives figures for union density in Europe in 1995, as calculated in the International Labour Organisation's 1997-8 *World Labour Report*. Many unions have responded with mergers in order to retain their bargaining strength – examples include major mergers occurring or in prospect in Austria, Germany, the Netherlands and the UK. Nevertheless, tripartite arrangements of various kinds have largely remained intact, or were indeed revived to some extent in the case of the UK. In Ireland and the UK, the issue of trade union recognition is set to occupy the policy agenda in 1998.

Industrial relations and the impact of EMU

It is almost certain that 11 countries will join the EU single currency in the first wave. Denmark, and the UK will not join the first wave and Sweden and Greece are

the only countries which may not qualify (see above). The countries which do not qualify at this stage or have chosen not to join are being encouraged to join sooner rather than later.

There has been little research or thought into the actual industrial relations consequences of EMU – instead most countries have concentrated on issues such as inflation, budget deficits, employment effects and wage policy. Some countries, however have begun to realise this fact and to attempt to prepare the way for some issues. In countries such as Belgium, Italy, the Netherlands and Spain, the changes required to prepare for EMU, particularly in terms of public spending, have played a large role in shaping collective bargaining and social dialogue, while the Greek Government's industrial relations policies are seen to have been influenced by this issue. In Finland, the social partners have agreed at national level on "EMU buffer funds" aimed at protecting Finnish workers against economic fluctuations within EMU by creating reserves in the occupational pension scheme and the unemployment insurance system. The German trade unions, fearing pressure on their system of collective bargaining through intensifying international competition, have called for a "Europeanisation" of collective bargaining through the

extension of European minimum social standards and a stronger coordination of collective bargaining policy at European level. In 1997, for example, IG Metall started to establish transnational bargaining networks and invited foreign trade union colleagues to participate to some extent in German collective bargaining.

Conclusions and outlook

As the introduction made clear, the big issues of 1997 are likely to remain dominant throughout 1998. In many of the countries characterised by national, regional and sectoral collective bargaining, negotiations over new agreements are due in 1998 and are likely to include clauses on flexibility of work and working time, employment security and job creation. As the deadline for EMU comes ever closer, most economies are likely to be under the dual pressure of creating more flexible labour markets whilst holding down wage demands in order to keep a grip on inflation. Another preoccupation in 1998 is likely to be the preparation for enlargement of the Union to the east and south (EU9708143F).

EU Level: 1997 Records

February	<i>Features</i>	European social partners issue joint declaration on Confidence Pact for Employment	EU9702101F
		The future of the social dialogue at Community level	EU9702102F
	<i>News</i>	European Commission publishes progress report on equitable wages	EU9702103N
		Social partner negotiations on part-time work near deadlock?	EU9702104N
		Employment and Labour Market Committee holds first meeting	EU9702105N
		Commission report links employee financial participation and productivity	EU9702106N
		European Parliament debates employee consultation measures	EU9702107N
March	<i>Features</i>	The Renault case and the future of Social Europe	EU9703108F
		Commission issues Memorandum on Transfer of Undertakings	EU9703109F
	<i>News</i>	UNICE outlines its vision for the future of the European social dialogue	EU9703110N
		Commission rejects French textile plan	EU9703111N
		Commission launches second stage of consultations on sexual harassment	EU9703112N
		Commission issues Communication on the modernisation of social protection systems	EU9703113N
		First annual report on equal opportunities published	EU9703114N
		Commission publishes amended proposal on transfer of undertakings	EU9703115N
		Commission underlines the role of the social partners in fighting racism	EU9703116N
April	<i>Features</i>	Progress of the Intergovernmental Conference	EU9704117F
		EU continues to feel impact of Renault crisis	EU9704118F
	<i>Studies</i>	Equal opportunities and collective bargaining in the EU	EU9704201S
		Commission to bring infringement proceedings against three member states	EU9704119N
	<i>News</i>	ETUC organises European Day of Action for Employment	EU9704120N
		Commission reports on progress of social action programme	EU9704121N
		Commissioner Flynn outlines priorities and current status of IGC	EU9704122N
May	<i>Features</i>	Social affairs Council takes stock of information and consultation initiatives	EU9705123F
		The future of social protection in Europe: anatomy of a debate	EU9705124F
	<i>News</i>	New Commission report and initiatives on continuing training	EU9705125N
		Commission publishes first annual review of the EU-level social dialogue	EU9705126N
		Commissioner Flynn responds to income distribution and poverty figures	EU9705127N
		Davignon group on worker involvement publishes recommendations	EU9705128N
		UNICE urges IGC to prioritise competitiveness	EU9705129N
		Social partners reach draft agreement on part-time work	EU9705130N
Commission publishes Green Paper on new forms of work organisation	EU9705131N		
June	<i>Features</i>	Social partners reach framework agreement on part-time work	EU9706131F
		European social partners discuss the social impact of restructuring	EU9706132F
	<i>Studies</i>	Social partners and racism: the impact of the European joint declaration	EU9706201S
		Amsterdam summit agrees new draft Treaty	EU9706133N
July	<i>Features</i>	Commission seeks to encourage debate on new forms of work organisation	EU9707134F
		Amsterdam Treaty brings small advances for employment and social policy	EU9707135F
	<i>News</i>	Commission examines measures to encourage the use of apprenticeships	EU9707136N
		Council reaches common position on burden of proof in sex discrimination cases	EU9707137N
		Commission publishes White Paper on sectors and activities excluded from the working time Directive	EU9707138N
		Commission adopts draft Directive on part-time work	EU9707139N
		Commission adopts a Communication on the social and labour market dimension of the information society	EU9707140N
		European agriculture social partners sign first sectoral framework agreement	EU9707141N

August	<i>Features</i>	European Works Councils update: One year after the transposition deadline	EU9708142F
		Agenda 2000 and the European social dimension – countdown to enlargement: The case of the Czech Republic	EU9708143F
	<i>News</i>	Part-time work Directive and employee representation are priorities of the Luxembourg Presidency	EU9708144N
September	<i>Features</i>	Framework agreement in agriculture: a milestone in the European sectoral social dialogue	EU9709145F
		Trends in the development of labour markets and labour relations in Central and Eastern Europe	EU9709146F
	<i>News</i>	Eurocadres urges Luxembourg Presidency to push for new employment initiatives	EU9709147N
		Scandinavia and UK leaders on training for adult workers, says Eurostat	EU9709148N
		UNICE outlines demands for British Presidency	EU9709149N
		Social partners in the textiles industry sign first European Code of Conduct	EU9709150N
Luxembourg Presidency outlines objectives of Employment Summit	EU9709151N		
October	<i>Features</i>	The transition of the Hungarian industrial relations system	EU9710152F
		Conference highlights contribution of sectoral social dialogue to the European employment strategy	EU9710153F
	<i>Studies</i>	Collective bargaining on employment in Europe	EU9710201S
	<i>News</i>	OECD Labour and Social Affairs Ministers discuss measures to combat unemployment	EU9710154N
		Eurostat registers fall in EU unemployment	EU9710155N
		Commission adopts draft Directive on Supplementary Pensions	EU9710156N
		European social partners do not agree on EU regulation of national information and consultation	EU9710157N
		Labour and Social Affairs Council dominated by preparations for Jobs Summit	EU9710158N
Commission adopts guidelines for Member State employment policies		EU9710159N	
November	<i>Features</i>	Employment Summit agrees limited package of measures to combat unemployment	EU9711168F
		New European survey focuses on workplace innovation and employment	EU9711202F
	<i>News</i>	Commission launches second phase of consultations on national information and consultation	EU9711160N
		Commission suggests boosting job-creation potential through VAT cuts	EU9711161N
		Commission proposes extension of social security Regulation to third-country nationals	EU9711162N
		Commission proposes to increase competitiveness of textiles/clothing and construction	EU9711163N
		European Parliament gives qualified support to part-time agreement	EU9711164N
		Commission adopts Action Plan to further the free movement of workers	EU9711165N
		Conference highlights controversy over abolition of duty free	EU9711166N
		European Health and Safety at Work Week launched	EU9711167N
December	<i>Features</i>	Conference highlights differences in national implementation of health and safety Directives	EU9712169F
		Lightening the load of long working hours among Europe's managerial staff	EU9712170F
	<i>Studies</i>	The EU parental leave agreement and Directive: implications for national law and practice	EU9712201S
	<i>News</i>	Public sector employers stress importance of negotiated modernisation to tackle unemployment	EU9712171N
		Towards a Europe of knowledge – Commission outlines action on education and training	EU9712172N
		Report assesses role of SMEs in employment creation	EU9712173N
		1998 employment policy guidelines adopted	EU9712174N
		Social Affairs Council adopts Directive to implement part-time work agreement	EU9712175N

National reviews

AUSTRIA

Introduction

The economic situation in Austria proved stable in 1997, with growth rates reaching 2% in real terms. These are expected to rise further to 2.7% in 1998. Economic growth was largely export-driven as the increase in domestic incomes was limited. Inflation was reduced to 1.4% and is expected to remain at this level in 1998. The level of unemployment was steady at 4.4% and is expected to decrease only slightly in 1998. The budget deficit amounted to 2.5% of GDP, which is half of the 1995 level, and it is expected that this decrease will continue.

The political situation remained unchanged in 1997, with the Social Democratic Party (Sozialdemokratische Partei Österreichs, SPÖ) as the majority partner in a two-party coalition Government with the Christian Democrat Austrian People's Party (Österreichische Volkspartei, ÖVP). National elections are due in October 1999, but there are some indications they may be held in spring of that year. Industrial relations were marked by cooperation at the company level and considerable acrimony at the provincial and national level. Labour organisations experienced a sense of social policy "rollback", while employers' organisations were impatient with the costs of employment and the "density" of regulations.

Key trends in collective bargaining and industrial action

Minimum wages and salaries rose, on average, by 1.7% in 1997, with awards in agreements concluded in 1997 ranging between 1.5% and 3.0%. While sectors such as manufacturing averaged increases of 2.0% (AT9709130F), minimum salaries in the civil service remained unchanged and public transport workers achieved a rise of only 0.7%. Manufacturing and the public sector saw the continuation of a trend (AT9705112F) towards reforming salary grades, with the aim of reducing the impact of length of service on incomes, while maintaining lifetime incomes and keeping total salary costs stable. A new element was the

introduction of a "distribution option" in a number of sectoral collective agreements (AT9801155F). This allows for individual companies, by agreement with their works council, to award a smaller general pay increase than agreed at sector level, but to make an extra payment to designated groups of workers, outside seniority considerations. This was particularly intended to benefit younger and female workers as well as key personnel.

Pension reform (AT9711144F and AT9712152N) was the only issue in several years to lead to strike action in Austria (AT9706117F, AT9707124N and AT9709132N). The civil service experienced the highest level of conflict, triggered by the pensions reform issue and by the Government's intention to reduce drastically the number of tenured positions. Industrial action, in the form of public protests, information campaigns and staff meetings, also took place in the tourism industry (AT9706120N).

The increase in the gap between the number of 15-year-olds leaving school and the number of openings for apprentices (AT9712153N and AT9801159F) provided cause for concern in 1997 and will continue to be an issue in 1998, before changes in the demographic situation begins to iron out such discrepancies.

Another prominent issue in collective bargaining was working time flexibility (AT9801156F and AT9702102F). Since progress was restricted to a few, albeit large industries, such as construction and metalworking, working time will remain a key issue for debate in 1998. This will be complemented by a reinvigorated trade union drive towards a 35-hour working week. Weekend and especially Sunday work was also an issue of some controversial public debate in 1997 and is set to remain on the agenda in 1998.

Industrial relations, employment creation and work organisation

After two years of reduction, employment grew by 0.4% between the annual averages of 1996 and 1997. However, one in six of the newly created employment relationships was part-time, and the queue for jobs effectively grew longer. In 1997, there were on average 12.3 registered unemployed people for every registered job opening, nearly 50% more than in 1995.

Key figures for the Austrian labour market, 1995-7

	1995	1996	1997
Labour force participation rate	75.4%	74.8%	74.9%
Change in employment level	-0.1%	-0.6%	+0.4%
Part-timers as % of total employment — men	4.0%	3.7%	4.0%
Part-timers as % of total employment — women	27.1%	27.2%	28.4%
Unemployed people per vacancy	8.6	11.9	12.3

Sources: Central Statistical Office, Public Employment Service.

Considerable employment growth and a reduction in unemployment is expected in 1998 with a particular focus on women.

The number of employees earning less than ATS 3,880 (ECU 281) per month (ie those in "limited part-time employment") increased from around 100,000 in 1995 to around 170,000 in 1997 (AT9705115N) but is expected to decline in response to new social security regulations in force since 1 January 1998 (AT9711144F), which require such employment relationships to be covered by social insurance contributions at the request of the employee. Approximately 117,000 employees held a fixed-term employment contract at the end of 1997, and 270,000 individuals worked from home. The share of the labour force with at least one day of registered unemployment rose to over 23% in 1997. Efforts to reinsert long-term unemployed people into the labour market continued in 1997 but will be stepped up in 1998 in the context of the implementation of Austria's action plan for employment (in response to the EU employment guidelines).

Developments in representation and role of the social partners

In 1997, the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB) strengthened its drive to reduce the number of its member unions from 14 to only three – covering manufacturing, services, and public service (AT9801161N) – hand-in-hand with a sustained membership drive. For the first time in its history, the ÖGB will probably have to face a competing trade union (AT9802166N) from 1998.

A new president was appointed to the Federal Chamber of Labour (Bundesarbeitskammer, BAK) in 1997, after his

predecessor became Minister of Labour. The Austrian Chamber of the Economy (Wirtschaftskammer Österreich, WKÖ) had to face a challenge to its funding, but was vindicated by the European Court of Justice (ECJ). Membership in chambers is compulsory, and all chambers had to conduct a referendum among their members in 1996 to prove continued acceptance among the membership.

Industrial relations and the impact of EMU

Austria met the criteria for EMU and is set to join the single currency in the first wave. Because of the relatively recent entry of the country into the European Union, the question of the impact of EMU on the economy was more widely debated at the time of entry (1995) and is less topical at the present moment, apart from discussions over the consequences of budgetary stringency on employment opportunities, particularly in the public sector.

Conclusions and outlook

Industrial relations were marked by a great deal of activity, a number of highly controversial issues, and also by novel departures. Wage rises were moderate, unemployment remained stable, and the Maastricht convergence criteria were met. The contribution of the social partners to these achievements were of key importance. Issues which are set to continue to occupy policy-makers in 1998 are the implementation of employment programmes for disadvantaged groups, the lack of apprenticeship positions for young workers and the flexibilisation of working hours.

Austria: 1997 Records

February	<i>Features</i>	Moves towards greater working time flexibility	AT9702102F
	<i>News</i>	Average minimum wage rates rise by 2.4% in 1996	AT9702103N
		Reform of the apprenticeship system agreed	AT9702104N
March	<i>Features</i>	The legal position of foreign nationals	AT9703104F
	<i>News</i>	New rules on part-time work in the civil service	AT9703106N
		More flexibility in Sunday working	AT9703107N
April	<i>Features</i>	Labour Inspectorate report indicates increased compliance with law	AT9704108F
	<i>News</i>	Intransigence in tourism	AT9704109N
		Impasse in metalworking	AT9704110N
May	<i>Features</i>	Troubled relations in key tourism industry	AT9705111F
		Salary grades in industry	AT9705112F
	<i>News</i>	Non-ÖGB union to be created?	AT9705113N
		Civil service strike threats	AT9705114N
		Minor employment to gain social security coverage	AT9705115N

June	<i>Features</i>	Tackling the apprenticeships crisis	AT9706116F
		Civil service strikes	AT9706117F
	<i>News</i>	Short-term pension measures planned	AT9706119N
		Provincial agreements in tourism	AT9706120N
		Action taken on nationality-based discrimination	AT9706121N
July	<i>Features</i>	Pension reform plans under debate	AT9707118F
		First collective agreement signed on teleworking	AT9707123F
	<i>News</i>	Another year without strikes	AT9707124N
		Railway employees found liable for unemployment insurance contributions	AT9707125N
		Work accidents down in 1996	AT9707126N
		Sabbatical leave planned in Vienna	AT9707127N
August	<i>Features</i>	Measures to promote youth employment debated	AT9708128F
	<i>News</i>	New forms of apprenticeship contracts – an example from the Federal Railways	AT9708129N
September	<i>Features</i>	New round of metalworking pay bargaining opens	AT9709130F
	<i>News</i>	Measures agreed to create teaching positions	AT9709131N
		Industrial action threatened on the railways	AT9709132N
		Pensions reform remains a divisive issue	AT9709134N
October	<i>Features</i>	Plans for a collective agreement in computing	AT9710135F
	<i>News</i>	Male-female wage gap widens	AT9710136N
		Shorter weekly rest periods possible for young workers	AT9710137N
		Pay round off to a good start	AT9710138N
		Educational leave scheme introduced	AT9710139N
		Retail salaries under negotiation	AT9710140N
		Workplace Directive rejected	AT9710141N
November	<i>Features</i>	Payment by results examined	AT9711143F
		Pension reform nears completion	AT9711144F
	<i>News</i>	Part-time work for older workers	AT9711145N
		The solidarity premium model	AT9711146N
		Early retirement in former state agencies	AT9711147N
		Women's night work ban to be relaxed	AT9711148N
		Older unemployed people to be entitled to a job	AT9711149N
December	<i>Features</i>	New collective agreements signed in commerce	AT9712150F
		Sunday work – recent debates and developments	AT9712151F
	<i>News</i>	Railway pensions reform agreed	AT9712152N
		Combating youth unemployment	AT9712153N
		Campaign against illegal employment	AT9712154N

BELGIUM

Introduction

The economic situation in Belgium was favourable in 1997, with growth rates reaching 2.1%. This was largely achieved through export growth, as domestic consumption remained weak. Inflation stood at 1.9%. According to the Institute for the National Accounts (Institut des Comptes Nationaux/Instituut voor de Nationale Rekeningen, ICN/INR), the 1997 budget deficit was 2.1 % of GDP. The improved economic prospects, and the 1998 budget measures seem set to reduce the deficit even further. The National Employment Office (Office nationale de l'Emploi/Rijksdienst voor Arbeidsvoorziening, ONEm/RVA) reported the unemployment rate for 1997 at 13.3% for the total labour force (10.3% for men and 17.2% for women).

The Federal Government coalition between socialist parties – the Parti Socialiste (PS) and Socialistische Partij (SP) – and christian democratic parties – the Christelijke Volkspartij (CVP) and Parti Social Chrétien (PSC) – remained stable. Elections (federal, regional and community-level) will take place in 1999.

Key trends in collective bargaining and industrial action

In the absence of agreement between the central social partners over a two-year intersectoral accord for 1997-8 (BE9702101F), the Government laid down the basis for collective bargaining at sector and company level, including: a ceiling on wage increases; measures to reduce employers' social security contributions in firms which redistribute work; specific measures for target groups; and development of community services through return-to-work schemes for unemployed people.

At sector level, most agreements favoured the redistribution of work through measures such as part-time work, part-time early retirement, flexible work schedules or career breaks (BE9706205F). The insurance sector was the only one to have chosen the route of reducing working time in exchange for more flexibility (BE9707111N).

At company level, agreements to reduce working time were concluded in some firms, implementing government measures to maintain or create jobs through a reduction of working time linked to the reduction of social security contributions. These measures are limited to firms which apply for them – an example was Interbrew (BE9705106N).

At regional level, the scope of negotiations between regional social partner organisations is theoretically

limited to matters covered by employment and training policies. However, in practice they have their own economic policies and their collective negotiation practices are different:

- in the "Leuven declaration" signed in July 1997, the social partners in Flanders stated that their common objective was to reduce unemployment by half by the year 2000 (BE9710220N). The Flemish region's employment policy is aimed at stimulating demand by means of economic aids and support for in-company training. Job creation is promoted in the voluntary and public-works sector and workers are encouraged to reduce their working time voluntarily by the granting of subsidies to make up for the loss of income (BE9707214N);
- the social partners in Wallonia signed a joint declaration within the tripartite Economic and Social Council of the Walloon Region (Conseil Economique et Social de la Région Wallonne, CESRW), committing themselves to collaborating actively in the economic development of the region (BE9803135F). The region promotes training and development projects in small and medium-sized enterprises (SMEs), the reintegration of low-qualified unemployed persons in jobs in the voluntary and public sector and training schemes through subsidies. It also supports projects in firms aimed at reducing working time to increase employment (BE9711123F); and
- in the Brussels-Capital region there is a continuous dialogue between regional social partners on employment and vocational training. The region is preparing a series of projects to support firms that reduce working time to increase job opportunities (BE9803136N).

Industrial relations, employment creation and work organisation

Other than the measures mentioned in the section on collective bargaining, federal employment policies had three aims in 1997:

- 1) to reduce labour costs by aligning them with those of Belgium's three main trading partners – France, Germany and the Netherlands – through pay restraint and a reduction in social security contributions;
- 2) to achieve a redistribution of available work through a better integration of job seekers into the labour market, an improved response to workers' aspirations – allowing them to choose their working time – and a more flexible organisation of work. Such measures include career breaks on request, part-time work and partial retirement, and are negotiated individually or collectively at sector or company level. The annualisation of working time is another measure introduced to render working time more flexible; and
- 3) to integrate target groups into the labour market.

The main government schemes include the "first work-experience contract" (Première Expérience Professionnelle, PEP) for young people who have been unemployed for at least nine months, which offers six months of work experience (renewable for a further six months). Employers benefit from a reduction in their social security contributions and the young person's pay is made up partly of unemployment benefits and partly of a supplement paid by the employer.

Furthermore, employers hiring long-term unemployed people (or people in comparable categories, such as unemployed people receiving the minimum subsistence-level benefits) are eligible for a reduction in social security contributions for two years. The reduction is higher if the period of unemployment or the period of receipt of benefits is longer, or if the unemployed person is more than 50 years old. Very long-term unemployed individuals (five years, or on minimum-subsistence benefits for three years) can be employed under a standard employment contract for a half-time post (a scheme known as "Smet jobs") in tasks which are no longer commonly performed (petrol pump attendant, parking attendant, supermarket reception, etc) (BE9707213F).

Other government measures are aimed at creating employment in the "social economy", by means of a reduction in social security contributions (BE9801131N). The development of the activities of "local employment agencies" (local associations run by the social partners and local authorities) is also supported. These agencies provide services to private individuals by employing long-term unemployed workers and granting them a supplement to their unemployment benefits (BE9708213F). Most of these measures are matters for the regions and the communities. Regions have also concluded cooperation agreements with the federal authorities to develop retraining programmes for long-term unemployed people based on a return to work while still receiving unemployment benefit.

As part of the preparation of the national action plan to implement the EU employment guidelines, which Belgium and the other Member States are to present at the Cardiff European Summit in June 1998, the Government has started negotiations with the social partners and the regional authorities on: the provision and promotion of training; the development of initial vocational training; work experience and training for unemployed people and the provision of retraining; the provision of in-house training and tax relief for training measures; the reduction of social security contributions and taxes for lower-qualified labour; the reduction of SMEs' administrative charges; the creation of jobs in social and community services; the encouragement of after-school care for children by means of a contribution of 0.05% of the total paybill; and the encouragement of more flexible organisation of work and more flexible contracts.

Developments in representation and role of the social partners

Debate surrounding the issue of employee representation in Belgium focused in 1997 on the Renault Vilvoorde case (EU9703202F) – when the French motor manufacturer announced the closure of its Belgian plant without prior workforce consultation (EU9703108F). The issues raised included the operation and effectiveness of European Works Councils (EWCs) and the influence of national legislation on transnational companies. It was made clear that EWCs are primarily installed for the purposes of exchanging information and for consultation, but not for collective bargaining. In addition, it was argued by many trade unions that the Renault case demonstrated the relatively light weight of the EWC process. Indeed, the sanctions for not following the information and consultation mechanisms were perceived to be non-existent or symbolic.

The strong reactions to what was seen as a lack of an energetic response by the Belgian system towards a Renault management which ignored the basic rules of providing information and consultation, have resulted in a promised future change in the legislation governing this area of industrial relations. Union representatives were keen to see redressed the balance at European and Belgian level between unions and employees on the one hand and transnational corporations on the other. It was thus argued that a "social Europe" should include a forum for collective bargaining at this level.

Industrial relations and the impact of EMU

Given the fact that meeting the demands for EMU membership has been a long process and has included several major changes in traditional public spending patterns and budget planning, preparations for EMU have had a strong influence on social dialogue and collective bargaining. This process established the boundaries for social dialogue by laying down a framework for economic and social developments. The Government was particularly keen on keeping inflation down by means of limiting wage increases. The framework for collective bargaining was outlined in the so-called "future plan" of the Government, which, as mentioned above, took the initiative because the social partners could not reach a global accord on these issues for 1997-8. The most important and visible elements of the plan (see above) included: a maximum 6.1% nominal wage increase for the 1997-8 period; priority accorded to the creation of new employment by using the means usually expended on additional wage increases; and linking reductions in social contributions to employment agreements between the social partners.

Conclusions and outlook

In 1997, the industrial relations sphere in Belgium was very much dominated by preparations for EMU and the impact of budgetary stringency on wages. The desire to create new employment opportunities was at the top of the policy agenda and many targeted measures have been instituted or are being developed in order to achieve this goal. There were also a number of other, more "national" issues which affected industrial relations, including: regional differences; the increasing importance of sectoral bargaining; and the establishment of a new agency to advise on employment policies.

The Flemish social partners have taken the initiative to negotiate a Flemish social agreement for the 1998-2000 period. After several years of failure to reach a federal global social agreement, resulting from clear differences in opinion between the Flemish and the Walloon social partners and government parties, this initiative is rather significant. This represents a new departure for Belgium: social agreements traditionally belong to the federal policy domain and are negotiated between the representatives of national social partners and recognised by the federal government. With this latest initiative, the Flemish social partners have been keen to send a strong signal in the direction of Brussels that firm and timely action is expected in view of the long-standing debate on employment creation, employment costs, wages, and so on. The Flemish social partners continue to express the hope that a general agreement at the national level can move further in this area.

Given the lack of a general intersectoral agreement, sectoral bargaining gained in importance. It was predicted by some that this would be a difficult exercise, as the social partners had little tradition of working under constraints such as the Government's wage increase limitations and the explicit link with job creation. The fear was that the company level would become the most prevalent domain for bargaining, a development which would – from a union perspective – be to the disadvantage of employees. This has not been the case, however. In fact, according to the unions, the number of employers covered by sectoral agreements has never been higher. In all important sectors, agreements were signed in 1997 (BE9705205F).

The Belgian Government has created a new institution, the Higher Council for Employment (BE9708114N), whose role is to advise the government on issues related to employment developments – including the effects of collective agreements on job creation – and on its decision-making in this domain (BE9801129F). The new Council is in principle a technical body independent of the government and the social partners, and is chaired by the Minister for Employment and Labour. The council plays what can best be described as a watchdog role, paying particular attention to the impact of collective agreements on job creation. The social partners have therefore not been invited to participate because, in their capacity as negotiators of collective agreements, they would be both judges and judged.

Belgium: 1997 Records

February	<i>Features</i>	Apparent breakdown of Belgian central bargaining	BE9702101F
	<i>News</i>	A "multicoloured" march for jobs: the human element first	BE9702102N
		Renault closes assembly plant in Vilvoorde without prior notice	BE9702201N
March	<i>Features</i>	The closure of Renault-Vilvoorde	BE9703202F
	<i>News</i>	Reforms agreed to "Maribel" system of social security subsidies	BE9703103N
		Higher Council for Employment: a new body to support employment policies	BE9703104N
April	<i>Features</i>	First collective agreement against racial discrimination at work	BE9704105F
	<i>News</i>	Belgian armed forces announce changes in personnel management	BE9704206N
		Belgacom restructuring avoids conflict	BE9704207N
		Tribunal decision annuls Renault closure	BE9704208N
May	<i>Features</i>	OECD study provokes controversy in Belgium	BE9705209F
	<i>News</i>	Experimental reduction of working time at Interbrew	BE9705106N
		Towards union representation in local retail outlets ?	BE9705107N
		Unions fight the far Right's hijack of May Day	BE9705108N
June	<i>Features</i>	New sectoral collective agreements cover 1.4 million workers	BE9706205F
	<i>News</i>	New statute for federal civil servants	BE9706210N
		Disputes hit newspaper sector	BE9706211N

July	<i>Features</i>	Forges de Clabecq: struggle against decline in steel production Belgian Government launches new plan for jobs	BE9707109F BE9707213F
	<i>News</i>	Hours reductions and flexibility in insurance Focus on employment creation	BE9707111N BE9707214N
	August	<i>Features</i>	Employers and unions differ over pre-employment genetic testing Long-term unemployed jobs programme highlights problems of employment creation
	<i>News</i>	Pitfalls in reading Belgian unemployment figures A new agency to advise on employment policies: the Higher Council for Employment	BE9708113N BE9708114N
September	<i>Features</i>	Continuity and change in Belgian occupational classification Women in the Belgian labour market: discrimination persists	BE9709115F BE9709216F
	<i>News</i>	Agreement to reduce working time at Volkswagen Belgium	BE9709116N
October	<i>Features</i>	Setback for new national social pact Breakthrough in union representation in Belgian retail sector	BE9710117F BE9710219F
	<i>News</i>	Belgian unions' alarm at bill on criminal organisations	BE9710119N
		The art of being unemployed: soft focus guaranteed	BE9710120N
		Controversial petition at the Domo textiles factory	BE9710121N
		Parental leave enters Belgian law thanks to Europe	BE9710217N
		Jobs should be top priority, say Flemish employers	BE9710220N
		A 32-hour working week – the key to employment in Belgium?	BE9710221N
		Opel Belgium: new round of restructuring threatens jobs	BE9710222N
November	<i>Features</i>	Joint committee for the Belgian social and cultural sector	BE9711118F
		Debate on overall reduction of working time in Belgium	BE9711123F
		Employment Summit: Belgium demands quantifiable employment objectives	BE9711223F
	<i>News</i>	Building public opinion behind the 35-hour week campaign	BE9711124N
		Long-term union action at Electrabel to reduce working week Job creation focus for Flemish social partners	BE9711125N BE9711224N
December	<i>Features</i>	Legal battle in Belgium over company relocation	BE9712126F
	<i>News</i>	Unrest hits voluntary and social services sector	BE9712127N
		Pilot workplace training project launched in engineering Militancy increases in Belgian non-profit sector	BE9712129N BE9712225N

DENMARK

Introduction

Denmark has experienced five years of uninterrupted economic recovery, and in 1997 economic growth was estimated at approximately 3%. This has led to sizeable reductions in unemployment rates which have few parallels in Europe during this decade. Unemployment has been reduced from a record-high rate of 12.4% in 1993 to 7.4% in December 1997 – a reduction equal to 205,800 unemployed persons. The reduction has been beneficial for all groups, and especially for women. These positive tendencies are mirrored by an improvement in general government finances. Denmark will be one of the first countries in Europe to be able to show a surplus on the general government account in 1997. The current surplus of 0.7% is expected to increase to DKK 14 billion (ECU 1.9 billion) or 1.2% of GDP in 1998. Inflation stood at 1.9% in 1997.

A minority coalition Government led by the Social Democratic Party (Socialdemokratiet) and also involving the Social Liberal Party (Det Radikale Venstre) was in power during 1997. Elections were due to be held in March 1998 (at which the Social Democrats retained power).

Key trends in collective bargaining and industrial action

Two key results came out of the 1997 collective bargaining round in Denmark; the introduction of a new salary-scale system in the public sector; and, more widely, the introduction of unsynchronised one-, two- and three-year collective agreements.

In February, a two-year collective agreement offering a 4.25% pay increase, wage adjustment schemes, and improved pension and maternity leave provisions was approved by employees in the public sector (DK9702103N). The settlement also brought what has been described as a “peaceful wage revolution”, introducing a more flexible and decentralised salary-scale system (DK9707121N).

The 1997 collective bargaining round in the private sector concentrated on the issue of the duration of agreements, with a return to a common expiry date being the major issue (DK9705110F). The Danish Employers' Confederation (Dansk Arbejdsgiverforening, DA) proposed that the various agreements in the private sector should be arranged so that they all expire in 2000 (DK9702102N). This would enable DA's largest affiliate, the Confederation of Danish Industries (Dansk Industri, DI), to conclude a two-year collective agreement in the 1998 bargaining round. This strategy was based on the

assumption that bargaining sectors outside the domain of DI would have to accept a change in the length of the agreements if the pattern of synchronised bargaining were to be re-established in 2000.

The Confederation of Danish Trade Unions (Landsorganisationen i Danmark, LO) opposed any change in the duration of agreements, arguing that DI had upset the previous pattern of synchronisation so it was therefore its responsibility to revert to this pattern by entering into a one-year or three-year settlement for 1998, so that a common expiry date could be agreed for all sectoral collective agreements in either 1999 or 2001. The result of this impasse was that unsynchronised one-, two- and three-year collective agreements ensued, resulting in a failure of DA's strategy.

Data show that 1997 was a relatively peaceful year in terms of industrial disputes, with a reduced number of conflicts on the Danish labour market (DK9801151N). According to statistics from DA, the number of working days lost due to industrial action in 1997 was significantly lower than in 1995 and 1993, but this was mainly due to the fact that only half of the private sector conducted collective bargaining in 1997. More than half of the lost working days (44,000) in 1997 were due to secondary industrial action and other conflicts that had a background other than disputes over wage-related conditions.

Industrial relations, employment creation and work organisation

Throughout 1997, government and the social partners discussed the issue of how to reduce the marginalisation of certain groups in the labour market, and to improve employment opportunities for individuals with a reduced ability to work (DK9704108N). The objective of the Government is the creation of some 40,000 “flexi-jobs” by the year 2005, aimed at offering jobs on special terms to people with a disability, illness or reduced ability to work. Employers would receive a wage contribution of between one-third and two-thirds of the minimum wage, depending upon the employee's ability to work. While the social partners support the idea, they do not agree on replacing the tradition of voluntary agreements in this area – the so-called “social chapters” – with legislative provision, as proposed by the Government.

On working time and work organisation, 1997 was a relatively quiet year. A general 37-hour week was introduced in 1991, and a series of changes agreed in negotiations up to and including 1995 increased the scope for greater flexibility in determining working time, which can be agreed on by the bargaining parties in individual companies. In the 1990s, the question of more flexible working time arrangements has therefore played an important role in Danish collective bargaining. Nevertheless, in the 1996-7 negotiations, changes in the length of working hours or flexibility were not a

significant issue. The social partners did not seem to consider it important to introduce a further reduction in working time and new flexibility provisions were agreed in 1997 only in the banking sector, where the parties agreed to introduce the possibility of Saturday opening. Having agreed on more flexible provisions on variable weekly working time in the 1995 bargaining round, the National Union of Metalworkers (Dansk Metal) indicated that it might agree to more flexible working time in 1998's collective bargaining in industry (DK9709131N).

In the 1997 budget, a 40% penalty tax on overtime payments was introduced in the civil service, aimed at reducing the level of overtime work. As a result, overtime payments declined by 40% over the first three quarters of 1997. Some see this as an indication that institutions have reorganised work and improved planning in order to avoid the penalty tax on overtime payment, while others argue that overtime work and compensation for it may merely have taken another form – such as time off in lieu, unpaid overtime work and permanent pay supplements (DK9711141N).

In 1997, an analysis of the prevalence of home-based teleworking carried out for the Ministry of Research and Information Technology showed that within the next decade the number of people performing home-based telework is expected to increase substantially from the present level of 9,000 – potentially to as high as 250,000 (DK9703106N). In the 1997 collective bargaining round, the social partners in the central state sector took the first steps in Denmark toward regulating home-based telework in collective agreements (DK9711142N).

Developments in representation and role of the social partners

In October 1997, the LO trade union confederation decided on the future division of tasks and competences between the three elements of its structure – the central confederation, the 23 affiliated trade unions and the six sectoral union cartels – as well as on the methods and scope of cooperation between them and the financial arrangements (DK9801148F)

With the intention of ensuring and safeguarding employees' influence, and speaking with only one voice on a number of issues, LO and the Danish Confederation of Professional Associations (Akademikernes Centralorganisation, AC) signed an agreement to delineate organisational boundaries between the two confederations, and to minimise competition for members (DK9707120N). The political leaders of the two confederations will meet regularly to discuss issues of common interest, such as the need to meet the increasing demand for qualified labour in Denmark.

Privatisation and contracting-out caused inter-union conflict in 1997. The restructuring of the public sector in Denmark has affected the terms and conditions of

employment for many employees, as they switch from being covered by one collective agreement to another. This has caused much conflict between LO-affiliated trade unions over organisational boundaries (DK9709129F). From the LO standpoint, the conflicts are tarnishing the image of the Danish trade union movement, and as the president of LO, Hans Jensen, put it: "the public and the members may begin to believe that the trade union movement is putting the interest of the union organisations before that of the affiliated membership as a whole".

With regard to the European Commission's current proposed initiative on "information and consultation of workers within the national framework" (EU9711160N), the Danish trade union movement is in principle against Community action. It is argued that the subject matter should remain a national issue regulated via the national traditions and practice which have evolved in a particular political, social, cultural and economic setting.

Still on the participation front, the 275 Danish municipalities and 14 counties took the first steps in 1997 towards implementing a new framework agreement for cooperation covering 625,000 employees (DK9706113F). The agreement makes it mandatory for local agreements to provide for more cooperation between workers and employers, to improve conditions of employment and to enhance the role of shop stewards.

Industrial relations and the impact of EMU

While Denmark meets the entry criteria for EMU, it appears unlikely that the country will join the single currency in the first wave. There will be a referendum on the Amsterdam Treaty in 1998, and with a view to ensuring a "Yes" vote, LO launched a campaign in September 1997 (DK9709128F). Because the debate leading up to the 1993 referenda on the Maastricht Treaty was seen to be influenced by a negative campaign, which focused mainly on the undesirable consequences of a "No" vote, this time LO has decided to concentrate on ensuring that as much information as possible on the Treaty is available to its members. By spending DKK 3 million (ECU 400,000) on the campaign, which is 50% more than was spent on the 1993 EU campaign, LO is demonstrating its awareness of the importance of this new poll. LO has a major task, since a large proportion of its members voted "No" in 1993.

Conclusions and outlook

The involvement of the social partners in the policy-making process is a key feature of the consensus-oriented "Danish model" of industrial relations. However, on two accounts the Social Democrat-led Government showed its discontent with the efficiency of the Danish model in 1997 (DK9708122F):

- in its amendment of the Work Environment Act (DK9706116N), the Government was accused by unions and employers of hastiness and lacking the will to involve the social partners; while
- the Government's plan to create 40,000 "flexi-jobs" questioned the effectiveness and willingness of the social partners to play their part by way of agreement-based initiatives.

Although the two cases illustrate a tendency to downplay the use of the traditional interplay and

involvement of the social partners, tripartite talks between government and the social partners were convened at the end of 1997 (DK9712145N). The Danish model of collective bargaining and involvement of the social partners is expected to remain stable, despite the turbulence of recent years.

Another important issue for the coming year will be the progress of the new pay reform in the public sector and the question of whether this means a real breakthrough for the decentralisation of pay setting in the state and county/municipal sector.

Denmark: 1997 Records

February	<i>Features</i>	Forthcoming mass redundancies at Tele Danmark: the Danish telecom sector in transformation	DK9702101F
	<i>News</i>	Employers and unions disagree on the duration of new collective agreements	DK9702102N
		Two-year collective agreement for government employees	DK9702103N
March	<i>Features</i>	Ministry of Labour launches vocational training campaign	DK9703104F
	<i>News</i>	1996 saw the lowest number of unofficial strikes in the 1990s	DK9703105N
		Home-based telework on the increase	DK9703106N
April	<i>Features</i>	Danish building and construction sites are hazardous workplaces	DK9704107F
	<i>News</i>	Social responsibility of companies tops the political agenda	DK9704108N
		Trade union launches image and recruitment campaign	DK9704109N
May	<i>Features</i>	The 1997 Danish collective bargaining round completed	DK9705110F
	<i>News</i>	Disagreement on proposed new Danish Work Environment Act	DK9705111N
June	<i>Features</i>	Revised framework agreement on participation in regional and local authorities	DK9706113F
		Employers call on the Danish Government to alter the early retirement scheme	DK9706114F
	<i>News</i>	Company-level bargaining in industry increases pay by 1.7%	DK9706115N
		Employers opt out of the Danish health and safety system	DK9706116N
		Danish Prime Minister addresses Global Labour Summit in Copenhagen	DK9706117N
July	<i>News</i>	Food and agriculture employers' confederation celebrates 50th anniversary	DK9707119N
		Two union confederations sign historic agreement on organisational boundaries and cooperation	DK9707120N
		Public sector faces prospect of implementing pay bargaining reform	DK9707121N
August	<i>Features</i>	The Danish model under threat?	DK9708122F
	<i>News</i>	The EU Amsterdam Treaty well received by the Danish social partners	DK9708123N
		Problems of implementing the newly amended Work Environment Act	DK9708124N
		Danish employees feel a higher level of job security	DK9708125N
		Danish women are losing out in achieving top executive positions	DK9708126N
September	<i>Features</i>	LO launches an intensive campaign on the Amsterdam Treaty	DK9709128F
		Privatisation and contracting-out causes inter-union conflict	DK9709129F
	<i>News</i>	Pay restraints abroad harm Danish competitiveness	DK9709127N
		Privatisation of TeleDanmark creates fear of mass redundancies	DK9709130N
		Dansk Metal favours more flexible working time	DK9709131N
October	<i>Features</i>	Do collective agreements ensure full coverage and compliance with EU Directives?	DK9710133F
		Women's trade union fights for its independent status	DK9710134F
	<i>News</i>	Danish Government convenes major international conference on social cohesion	DK9710135N
		Early retirement is popular among trade union members	DK9710136N
		Contract clauses are modern versions of conscription	DK9710137N

November	<i>News</i>	Supreme Court rules on bargaining rights in the public sector	DK9711140N
		Penalising overtime in the Danish civil service: does it work?	DK9711141N
		LO members ready to take up home-based telework	DK9711142N
December	<i>Features</i>	HK/Industri proposes a European collective industrial relations system	DK9712143F
	<i>News</i>	Senior civil servants excluded from new salary system	DK9712144N
		Tripartite talks on the 1998 bargaining round	DK9712145N
		Trade union penalised for undercutting collective agreement	DK9712146N

FINLAND

Industrial relations, employment creation and work organisation

Introduction

Following the severe economic recession of the early 1990s, the Finnish economy has more recently been characterised by a period of economic growth and relative stability. In 1997, economic growth rates amounted to 5.9%. This improved economic position also led to a reduction in unemployment, from a rate of 15.6% in 1996 to 14.5% in 1997. However, employment opportunities were primarily generated for young and highly-skilled people, while older workers and the low-skilled continued to suffer from long-term unemployment. Inflation decreased to 1.3% and the public deficit was reduced to 0.9% of GDP.

The Government is made up of a "rainbow coalition" 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). Elections are due in 1999.

The main event in the industrial relations sphere in 1997 was the conclusion of the central incomes policy agreement for 1998-2000. A number of disputes, especially in the paper industry, focused on the impact of "outsourcing" and contracting-out. The political debate centred around the issues of employment creation, the balancing of public finances and preparations for EMU.

Key trends in collective bargaining and industrial action

In December 1997, the Finnish social partners signed a central, two-year incomes policy agreement (FI9801145F) covering the period from January 1998 to January 2000. The agreement covers 98% of wage earners and provides for wage increases which will raise average labour costs by about 2.6% in 1998 and 1.7% in 1999. The accord also includes measures to enable older employees to combine part-time work with a partial pension, designed not only to ease the transition from work to retirement, but also to create employment opportunities.

Despite the relatively smooth conclusion of the central agreement, many local disputes arose during the year, particularly in relation to the increasing tendency towards contracting-out and "outsourcing" (FI9709132F and FI9802149F). Strikes on this issue were concentrated in the paper industry.

As mentioned above, the employment situation continued to improve significantly throughout 1997. This particularly benefited younger and highly-skilled workers, while older workers and the low-skilled continued to be most affected by long-term unemployment. Regional and local differences in unemployment rates also became more accentuated. New legislation covering "atypical" employment relationships provided for improved job security and the possibility to accumulate pension benefits, thus boosting the attractiveness of fixed-term employment (FI9703107N).

The employment debate in the rainbow coalition Government centred around national employment policy plans, oriented towards EU policy in this area. Measures proposed with the aim of boosting employability and job creation focus on young and long-term unemployed people, women, people with disabilities, immigrants and refugees and older workers. The current incomes policy agreement will feed into this process, providing for the social partners to continue their existing cooperation in the development of occupational knowledge and skills, while training measures will be carried out on a tripartite basis.

Particular attention has been paid to the position of older workers and the problems associated with an ageing workforce, and the action plan includes the implementation of the "national programme for older workers" (FI9708125F) initiated in 1997. The Government's goal is to raise the average retirement age (to 60 by the end of 2002) by encouraging the retention and reintegration of older workers. The new incomes policy agreement provides for a special fixed-term law, to run until 2000, to be drawn up on a tripartite basis, obliging employers to provide part-time jobs when requested. At the same time, the age limit for receiving a partial pension will be lowered to 56 years.

In the field of new work organisation and working time reorganisation, the Government's plan provides for a number of initiatives, to be implemented in close cooperation with the social partners in order to implement the guidelines of the incomes policy agreement. These include the following:

- working time policy will be developed jointly, involving the Ministry of Labour and the social partners, following developments in competitor countries. Furthermore, it is envisaged that regulations concerning annualised working hours will be made more flexible to allow for time off to be saved in working hours "banks";
- a tripartite committee is working on the reform of the Employment Contracts Act (FI9706116F);

- the number of projects covered by the “national workplace development programme” (FI9707122F) is to be increased to cover around 400 workplaces and 30,000-35,000 persons by the year 2000;
- the social partners are to carry out a survey of workplace stress which is to feed into improving personnel practice; and
- national “buffer funds” will be established (see below), which should soften the effects of economic shocks within EMU and, at the same time, function as support for training. “Personnel funds” (a form of profit-sharing), which currently exist in the private sector, will be developed for the public sector.

Developments in representation and role of the social partners

As part of the plan referred to in the previous point, the social partners have agreed that management and employees are to be given general training on the issue of local collective agreements. In addition, the social partners will conduct a study before 2000 concerning local agreements, the tasks and status of workplace union representatives, and changes in the nature of these tasks and agreements over time. Furthermore, the social partners aim to ascertain, by 31 December 1998, the extent to which representatives should be able to obtain expert assistance where special knowledge is needed.

In order to implement the provisions of the European Works Councils Directive, the Act on Cooperation in Undertakings was amended in 1996 to include provisions on employee information and consultation at group level and at the transnational level within the EEA, with the exception of the UK. The provisions on information and consultation in transnational groups apply to undertakings and establishments of a group based outside the EEA, if the group has appointed a Finnish

undertaking as its representative or in the case that no representative is appointed, if it employs most of its employees within the EEA. The arrangements concerning information and consultation at group level will be implemented on the basis of company-level agreements, and only when an agreement cannot be made are the minimum requirements applied.

Industrial relations and the impact of EMU

In preparations for EMU, negotiations between the social partners led in 1997 to an agreement on “buffer funds” aimed at protecting Finnish workers against economic fluctuations within EMU by creating reserves in the occupational pension scheme and the unemployment insurance system (FI9711138F). The Government and the social partners in Finland fully endorse the EMU process (FI9706120N), and the country is set to join in the first wave of EMU.

Conclusions and outlook

The new climate in the labour market has had a strong impact on Finnish industrial relations. The difficult recession in the early 1990s resulting in mass unemployment, together with a vigorous internationalisation process, have put bargaining mechanisms under heavy pressure. It is likely that the centralised negotiation process will remain in place, but that more issues will be the subject of local bargaining.

The employment policy debate in Finland is very much influenced by the EU policy debate and reflects similar concerns. The Government was quick to develop measures in response to the 1998 employment guidelines, which will be the focus for discussions at EU level in 1998.

Finland: 1997 Records

February	<i>News</i>	Bank service fees dispute averted	FI9702103N
		Training or work experience for unskilled young people	FI9702104N
March	<i>News</i>	Legislative changes affect atypical work	FI9703107N
		Working time experiments introduced in 20 municipalities	FI9703108N
April	<i>Features</i>	Sabbatical leave scheme gains in popularity	FI9704110F
	<i>News</i>	Government agrees on principles of training guarantee for long-term unemployed people	FI9704110N
		Negotiations on retirement age equality postponed	FI9704111N
May	<i>News</i>	STTK proposes a 35-hour week	FI9705114N
		Two reports published on the industrial relations implications of EMU in Finland	FI9705115N

June	<i>Features</i>	Committee considers the reform of the Employment Contracts Act	FI9706116F
	<i>News</i>	SAK and TT renew their basic agreement	FI9706118N
		Paperworkers' Union disassociates itself from national-level incomes policy	FI9706119N
		Wide consensus in Finland in favour of EMU	FI9706120N
July	<i>Features</i>	The Finnish National Workplace Development Programme	FI9707122F
	<i>News</i>	New centralised agreement on incomes policy unlikely	FI9707123N
		Paperworkers' Union seeks a separate agreement for the forestry sector	FI9707124N
August	<i>Features</i>	Finland launches a five-year national programme for older workers	FI9708125F
	<i>News</i>	Further discussions to resolve problems in forestry and papermaking	FI9708126N
		Moves towards local bargaining	FI9708127N
September	<i>Features</i>	Government moves towards a more active employment policy	FI9709128F
		Skill shortages and long-term unemployment in Finland	FI9709129F
		Outside labour dispute leads to strikes in paper mills	FI9709132F
	<i>News</i>	Paper industry dispute leads to debate on labour market peace	FI9709130N
		Sabbatical leave scheme to be continued	FI9709131N
October	<i>Features</i>	Preparations for upcoming incomes policy negotiations have started	FI9710132F
	<i>News</i>	No quick solution in negotiations on EMU buffers	FI9710135N
		Service employers are not ready to agree on outside labour rules	FI9710136N
November	<i>Features</i>	Social partners reach agreement on EMU buffer funds	FI9711138F
	<i>News</i>	Paperworkers find buffer funds agreement insufficient	FI9711139N
		Paperworkers' Union prepared for group-level bargaining	FI9711140N
		Lay-offs ahead in municipalities	FI9711141N
December	<i>Features</i>	Firefighters take strike action	FI9712142F
	<i>News</i>	Negotiations succeed in the paper sector	FI9712143N
		Doctors reject incomes policy agreement	FI9712144N

FRANCE

Introduction

According to the latest figures, over the first three quarters of 1997, GDP grew by 2.2%, while the National Institute of Statistics and Economic Studies (Institut National de la Statistique et des Etudes Economiques, INSEE), puts overall economic growth for the year at 2.5%. The public sector deficit stood at 3% of GDP. Inflation was brought under control – 1.1% in 1997, down from 1.7% in 1996. The employment situation was varied. At the end of December 1997, unemployment stood at 3,027,800, representing a slight 1.7% improvement on figures for the same period in 1996. These overall figures conceal quite different rates of unemployment among men and women and various age groups: unemployment among the young has decreased by 9% over the year; the percentage of women in employment continues to increase but at a slower pace; whereas the percentage of men in employment is continuing to fall, reflecting the decline in sectors dominated by male employment. However, the majority of women are employed on “non-traditional” contracts such as fixed-term or part-time ones – almost 40% of women are recruited on fixed-term contracts. There has also been a 1.2% increase in the number of long-term unemployed people. At the end of December 1997, they accounted for 36.8% of overall unemployment.

The GDP growth in 1997 led to an increase in job creation. In the early 1990s, a 2.5% GDP growth rate was considered to be the minimum necessary threshold for job creation. Last year, this very same rate created a total of 130,000 new jobs. These new job figures take into account 183,000 new positions created in the service sector despite continued job losses totalling 33,200 and 20,800 in industry and construction respectively.

Elections held in May-June 1997 led to the replacement of the incumbent conservative administration by a new Government led by the Socialist Party (Parti Socialiste, PS) with support from the Communist Party (Parti Communiste Français, PCF) and others.

Key trends in collective bargaining and industrial action

The major national tripartite conference on employment, pay and working time held on 10 October 1997 ended in a breakdown of negotiations, the main stumbling block having been the new Government's plans for the introduction of a 35-hour working week (FR9710169F). This led to major problems in collective bargaining for the remainder of the year – see below.

Trade unionism in France is generally fragmented, with very little joint action among the main confederations – see below. However, it should be noted that low membership and fragmentation does not mean social apathy. This was demonstrated in 1997 by industrial action mounted first at the SNCF railway system and then by lorry drivers (FR9711177F). During industrial action in these sectors, the unions demonstrated an ability to increase public awareness (which is becoming a very important factor), and to bring the conflict to a successful conclusion.

Industrial relations, employment creation and work organisation

Undoubtedly the most significant event in 1997, in political and social terms, was the unexpected change of government in France and the return of the Left to power, led by Prime Minister Lionel Jospin. The Socialists and their allies based their entire election campaign on an employment platform (FR9706149F). They committed themselves to creating 700,000 new jobs for young people (350,000 in the public sector and a further 350,000 in private companies) and promised to reduce progressively the statutory working week from 39 to 35 hours without reducing pay. They also promised to stimulate growth through increased consumer spending, in particular, by increasing the national minimum wage (SMIC). The new Government believed that increased growth alone, however great, would not be sufficient to reduce unemployment, and thus wished to implement strong incentives to be matched by similar initiatives from the social partners. Many measures such as a 4% increase in the SMIC, effective from 1 July 1997 (FR9706153N), were implemented during 1997, while a law creating 350,000 new jobs in the public and associated sectors was passed (FR9709163F). Legislation for the introduction of the 35-hour week (FR9712186N) was put to Parliament before the end of the year (this legislation was later approved by the National Assembly at its first reading in mid-February 1998). However, the Government's biggest gamble – to involve the social partners in the implementation of the 35-hour week – did not get off the ground.

As mentioned above, the October tripartite national conference on employment, pay and working time ended in the breakdown of negotiations between trade unions, employer organisations and the Government. The main stumbling block was the introduction of the 35-hour week. The unions were all in favour of incentives – to be incorporated into labour legislation – designed to encourage the working time reductions, whereas the National Council of French Employers (Conseil nationale du patronat français, CNPF), the main employers' confederation, stated that it was opposed to any attempt to reduce the statutory working week. During the conference, the Prime Minister suggested that the statutory 35-hour working week should come into force in January 2000 for those companies employing more

than 20 people, and in 2002 for smaller firms. The Prime Minister hoped that the social partners would initiate negotiations, at both company and sector level, to find ways of implementing the new limit before it became mandatory. The subsequent bill provided for financial incentives for companies which succeed in introducing the 35-hour week while at the same time taking on more staff.

The employers' organisations stated publicly that they considered the proposals to be an "economic aberration" and pulled out of the negotiations (FR9711176F). The president of the CNPF stepped down from his position and was replaced in December 1997 by Ernest-Antoine Sellières (FR9712188N). The consultation process seemed in total deadlock and in certain sectors, such as banking (FR9802194F), employers decided to terminate their collective agreements because of difficulties over the working time issue. It would seem that 1997 was marked by a breakdown in negotiations between unions and employers' organisations.

The Government is concentrating on certain sectors and on individual companies in an effort to get negotiations restarted. Indeed, many companies, inspired by the 1996 "Robien law" – which seeks, through financial incentives, to encourage working time reductions and reorganisation to create or save jobs (FR9705146F) – have initiated full-scale experiments in reducing the working week. In January 1998, the Ministry of Employment published an assessment of the first year of this law. This study found that 1,030 new collective agreements, affecting 166,066 workers, had been signed implementing the law (the figure has since risen over 1,500). When these agreements were signed, the companies involved stated that the deals would create new jobs or save positions totalling 11% of existing employment levels. In the Government's opinion, this shows that companies can benefit from the reduction in the working week and that stable jobs can be created or redundancies prevented only if employers are willing to enter into negotiations and if government incentives lead them to do so. It is difficult to draw conclusions from the assessment of the Robien law as to how the law on the 35-hour week will be received. This issue, which dominated the final quarter of 1997, will remain at the forefront of social debate in 1998.

Developments in representation and role of the social partners

The International Labour Organisation's 1997-8 *World Labour Report (Industrial relations, democracy and social stability)* showed that France, with 9.1%, had the lowest trade union density in Europe in 1995.

This trend towards reduced membership and declining electoral success that has befallen the unions was also demonstrated in the 1997 *Conseils de prud'hommes* or industrial tribunal elections, in which all employees (and

employers) have the opportunity to elect their representatives in these unique joint structures that adjudicate employment disputes (FR9710171F). Turn-out in the 1997 elections among employees (FR9712185F) was only 34.4% (down on previous polls) and there was very little change in voting patterns. The General Confederation of Labour (Confédération générale du travail, CGT) remained the largest bloc with 33.1% of the votes, ahead of the French Democratic Confederation of Labour (Confédération démocratique française du travail, CFDT), which increased its support by 1.5%.

This situation of declining membership and support is coupled with another French peculiarity – the fragmentation of the union movement. There are five union confederations – CFDT, CGT, the French Christian Workers' Confederation (Confédération française des travailleurs chrétiens, CFTC), 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 General Confederation of Labour-Force ouvrière (Confédération générale du travail-Force ouvrière, CGT-FO) – which are considered as nationally representative. In addition, there are – especially in the public sector or in the civil service – many independent or autonomous unions. A few years ago, the Unitary Trade Union Federation (Fédération syndicale unitaire, FSU) split from the Federation of National Education (Fédération de l'Éducation Nationale, FEN) and today it is the largest union among teachers, and also – considering the high number of teachers – in the civil service. Many new unions such as *Solidaires unitaires et démocratiques* (SUD) – the majority of whose leaders are ex-CFDT members – have been created over the past few years.

It is possible that there will be some restructuring of the trade union movement in the months and years to come, which could primarily concern the smaller unions, which are in a process of regroupment. However, the prevailing tendency is a deep differentiation of unions with very little joint action among the larger confederations. It is, though, important to recognise – as pointed out above – that low membership and union fragmentation does not mean social apathy, and that 1997 saw several major industrial disputes.

The action mounted by unemployed people at the end of 1997 (FR9801189F) greatly influenced both public opinion and the position of trade unions, employer organisations and the Government. Formerly unheard-of types of action initiated by a minority have led to the emergence of a new player in the social arena – unemployed workers. Until recently, they had been denied either direct or collective means of expression. The media were largely responsible for publicising demands in this dispute. Far beyond the sporadic action undertaken, this event has raised questions for the entire trade union movement, as to ways of representing or supporting unemployed workers.

Industrial relations and the impact of EMU

France is set to meet the criteria for EMU. Debate on the impact of monetary union on industrial relations has concentrated on the impact of enforced budgetary stringency.

Conclusions and outlook

The new Government formed after the legislative elections attempted to alter France's economic and social agenda by prioritising measures for job creation and for the creation of a social as well as economic European Union. Since the election, industrial relations have, as is

often the case in France, depended largely on the Government's political decisions.

The main questions raised by the political and social actors in 1997 give an insight into the dominant issues in 1998 – these relate to the conditions for growth and, of course, job creation initiatives. In the industrial relations field, whether or not the negotiation and consultation process is restarted will be a major issue, as will the extent to which the social partners take into account new issues and challenges. However, it should be pointed out that, as is often the case in France, consideration of these issues could be interrupted by new industrial action, the breaking off of relations between parties or by reappraisal of the issues.

France: 1997 Records

February	<i>Features</i>	Industrial dispute at Crédit Foncier de France	FR9702103F
		Agreement on working time at EDF and GDF	FR9702105F
		Strikes focus on earlier retirement	FR9702106F
		National conference on youth employment	FR9702107F
	<i>News</i>	Railways' operating functions and network responsibilities to be split	FR9702113N
		Civil servants' pay negotiations break down.	FR9702114N
		Government ends pay guidelines to nationalised companies	FR9702115N
		Battle against "clandestine" employment intensifies	FR9702116N
		3,300 supply teachers reinstated in French secondary schools	FR9702117N
March	<i>Features</i>	Courts play an increasing role in supervising mass redundancies	FR9703121F
		The Renault-Vilvorde affair: "Euro-strike" against the closure of its Belgian plant	FR9703122F
		Law establishes retirement savings funds	FR9703123F
	<i>News</i>	Civil service strike	FR9703129N
		Workers in performing arts take action over unemployment benefit plans	FR9703130N
		Bill on combating exclusion under discussion.	FR9703131N
		Hospitals faced with strikes.	FR9703132N
		Can members of the far Right be elected to industrial tribunals ?	FR9703133N
April	<i>Features</i>	Banking sector in conflict over statutory working week	FR9704137F
		Strikes in the air transport industry	FR9704138F
		Strikes in the hospital sector	FR9704139F
	<i>News</i>	Ban on women's night work to be reviewed	FR9704140N
		Agreement on retirement at 55 for lorry drivers	FR9704141N
		Nanterre Magistrate's Court suspends the closure of Renault Vilvorde	FR9704142N
		Performing arts unemployment benefit system temporarily safeguarded prior to a fundamental review	FR9704143N
		Unions united on Labour Day?	FR9704144N
		Early elections – no respite for the unions	FR9704145N
May	<i>Features</i>	Reorganisation and reduction of statutory working time: early assessment of the Robien law	FR9705146F
		Unions set the social agenda in the context of parliamentary elections	FR9705147F
	<i>News</i>	Pilots on strike at Air France	FR9705148N
June	<i>Features</i>	New Government faced with differing priorities from unions and employers	FR9706149F
	<i>News</i>	Privatisation for state-owned companies?	FR9706150N
		New mass redundancy programme announced at Peugeot : 2,816 jobs to be axed	FR9706151N
		Expert appointed to resolve Renault-Vilvorde dispute	FR9706152N
		Minimum wage increased by 4%	FR9706153N
		ETUC-organised demonstration calls for job creation	FR9706154N

July	<i>Features</i>	Means-testing for family allowances	FR9707156F		
		Collective bargaining in 1996	FR9707157F		
	<i>News</i>	UNEDIC reforms management of contingency fund	FR9707158N		
		Employment creation in the national education system	FR9707159N		
		Closure of Superphoenix	FR9707160N		
		Jobs created at SNCF	FR9707161N		
August	<i>Features</i>	Representing the unemployed: trade unions versus associations of jobless people?	FR9708157F		
September	<i>Features</i>	Unions respond to partial privatisation of France Telecom	FR9709162F		
		Jospin Government launches job creation programme for young people	FR9709163F		
	<i>News</i>	Sweeping changes in social insurance contributions	FR9709164N		
		The run-up to the October 1997 social summit	FR9709165N		
		Large companies to face heavier taxation	FR9709166N		
		Privatisation of the GAN-CIC group	FR9709167N		
		Decision against privatisation of Air France leads to chair's resignation	FR9709168N		
October	<i>Features</i>	Conference on employment, pay and working time	FR9710169F		
		The CSG: tax reform or social insurance reform?	FR9710170F		
		Industrial tribunals election campaign slow to take off	FR9710171F		
	<i>News</i>	France Telecom shares hit the stock exchange	FR9710173N		
		The 35-hour week: post-conference reactions	FR9710174N		
		November	<i>Features</i>	Prud'hommes election campaign enters the final straight	FR9711175F
				The consequences of the October national conference	FR9711176F
Lorry drivers' strike raises European issues	FR9711177F				
<i>News</i>	Potential reform of secondary education job transfers stirs union reaction		FR9711178N		
	Election of employers' representatives to the Chambers of Commerce and Industry		FR9711179N		
		Unexpected unemployment insurance deficit announced	FR9711180N		
		Bill to ban far-right candidates from Prud'hommes elections	FR9711181N		
		Four candidates stand for CNPF presidency	FR9711182N		
December	<i>Features</i>	Law on the financing of the social security system	FR9712184F		
		Prud'hommes industrial tribunal elections: no upsets, just a confirmation of trends	FR9712185F		
	<i>News</i>	Bill on the 35-hour week adopted by the Council of Ministers	FR9712186N		
		Toyota announces plans for the construction of assembly plant in France	FR9712187N		
		New CNPF president elected	FR9712188N		

GERMANY

Introduction

According to the Federal Statistical Office (Statistisches Bundesamt), German real GDP grew at a rate of 2.2% in 1997. As regards the Maastricht convergence criteria, the budget deficit reached 2.7% of GDP, whereas public debt amounted to 61.3% of GDP. On average, unemployment stood at 11.4% of the civilian labour force – 9.8% in the west and 18.1% in the east. Inflation, as measured by the consumer price index, amounted to 1.8%.

The Federal Government is currently a coalition led by the Christian Democratic Union (Christlich Demokratische Union, CDU) and its Bavarian counterpart, the Christian Social Union (Christlich-Soziale Union, CSU), along with the Free Democratic Party (Freie Demokratische Partei, FDP). General elections are to be held in 1998.

Key trends in collective bargaining and industrial action

Since the number of unemployed people increased by around 420,000 to an average of 4.4 million in 1997 (DE9801246F), collective bargaining was overshadowed by the question of how to preserve or create employment. Against this background, the social partners displayed significant differences in their economic and political strategies, leading to a broad and at times controversial debate on pay policy, working time policy and the future of the German system of branch-level collective agreements. In addition, two very important individual collective bargaining issues were continued payment of remuneration in the event of sickness and partial retirement.

According to figures from the collective agreements archive of the Institute for Economics and Social Science (Wirtschafts- und Sozialwissenschaftliches Institut, WSI), collectively agreed basic wages and salaries in western Germany rose on average by about 1.4% in 1997 (DE9802250N). Since the inflation rate was 1.8% over the year, employees in reality experienced an average decrease in real wages of about 0.4%. In comparison with 1995 and 1996, there was a continuing decline in wage increases from an average 3.6% increase in 1995 down to 2.3% in 1996 and 1.4% in 1997. In eastern Germany, collectively agreed basic wages and salaries rose on average by about 2.7% in 1997, compared with 5.0% in 1996 (WSI figures). In the meantime, eastern average basic wages and salaries have reached about 89.2% of the western levels. However, since eastern Germany has lower annual bonus payments and longer working hours, the actual income gap between east and west Germany is still wider. According to the German

Federal Reserve (Deutsche Bundesbank), on an hourly basis, in 1997 collectively agreed wages increased at a rate of 1.2% in the west and 2.7% in the east.

In all, about 47,300 collective agreements were officially registered by the Ministry of Labour in 1997 (compared with 45,000 in 1996). Against the background of persistent mass unemployment there were some rather controversial debates on pay policy among the social partners (DE9711236F). Trade union leaders declared that the very moderate pay increases of recent years had not led to new employment, and thus called for an “end of modesty” (Ende der Bescheidenheit) in pay, which should increase purchasing power and help to improve domestic demand. By contrast, the employers' associations strongly demanded a continuation of moderate pay policy in order to achieve a further reduction of labour costs. In addition, the employers called for a more differentiated wage structure and an extension of the low-wage employment sector.

In autumn 1996, the Government passed a new law which reduced the statutory level of continued payment of remuneration in the event of sickness from 100% to 80% of previous income. Therefore, continued payment of remuneration became a major issue in the 1997 collective bargaining round. Eventually, the trade unions were able to enforce 100% continued payment in most collective bargaining units. However, in exchange the unions made various concessions to the employers and accepted, for example, further cuts in annual bonuses (DE9709131F).

Partial retirement became a major new issue for collective agreements in the 1997 collective bargaining round (DE9708224F). Against the background of increasing mass unemployment, partial retirement is seen as an instrument to avoid redundancies or even create new jobs for young job-seekers. Under the 1996 Partial Retirement Law (Altersteilzeitgesetz), the state provides financial support if employees aged 55 and over voluntarily reduce their working time to 50% of normal hours and the resulting vacancy is filled by an unemployed person or a trainee. If the employer pays the employees concerned 70% of former full-time remuneration and pays pension contributions on the basis of 90% of former full-time remuneration, the additional expenses are borne by the state. Implementation of the scheme requires either a collective agreement, a works agreement or an individual contract between employer and employee. At the end of 1997, agreements on partial retirement had been concluded in about 15 sectors and in various companies, all in all covering about 5 million employees (DE9710133F). Most collective agreements on partial retirement provide for topping up the statutory payments to 85% of former net full-time income.

Since the beginning of the 1990s, the German system of branch-level collective bargaining has been under increasing pressure from employers demanding more

company-specific regulations on working conditions. As a reaction, in recent years the collective bargaining parties have concluded more and more “opening clauses” in branch-level agreements, which allow companies, to a certain extent, to diverge from collectively agreed standards (DE9709229F).

In 1997, the bargaining parties continued with a further differentiation and decentralisation of branch-level collective agreements. Perhaps the most important example was the introduction of a new opening clause in the national framework pay agreement for the west German chemicals industry in June 1997 (DE9706216F). The new opening clause means that companies are able to reduce the collectively agreed wage by up to 10% for a limited period of time, in order to safeguard jobs or to improve competitiveness. While the employers welcomed the chemicals agreement as an innovative step for more flexibility, the agreement led to a controversial debate among other trade unions. However, 1997 saw similar agreements concluded only in the east German construction industry (DE9707126N).

At the end of 1997, the bargaining parties in the metalworking industry published their proposals for further reforms of branch-level collective agreements and, in the meantime, started joint negotiations on the issue (DE9712240F). Since the metalworking industry is still the most important collective bargaining sector and still represents the notion of the “German model”, the outcome of these negotiations will have a major impact on the future of German collective bargaining.

Industrial relations, employment creation and work organisation

Against the background of rising unemployment, the debate on part-time work, working time, labour market flexibility and deregulation continued in 1997. The most important initiatives by the Government to reform the labour market, which had an impact on German industrial relations in 1997, were the following.

- The Partial Retirement Law (Altersteilzeitgesetz) which came into effect on 1 August 1996 and supports the gradual transition of older employees to retirement under certain conditions (see above). In 1997, there were a number of collective and works agreements concluded on the basis of the new law (DE9710133F).
- The Labour Law Act on the Promotion of Employment (Arbeitsrechtliches Beschäftigungsförderungsgesetz) which came into effect on 1 October 1996 and includes the easing of redundancy provisions, the reduction of the statutory level of continued payment of remuneration in the event of sickness, and improved possibilities for fixed-term employment contracts. In 1997, there were many collective agreements concluded on the basis of the new law, especially regarding the continued payment of remuneration (DE9710131F) – see above.

- The Employment Promotion Act (Arbeitsförderungsgesetz) which came into effect on 1 April 1997 and includes measures for the promotion of employment among disadvantaged groups, support for the foundation of new firms, and restrictions on job-creation schemes.
- The Act on Temporary Employment Businesses (Arbeitnehmerüberlassungsgesetz, AÜG) which came to effect on 1 April 1997 and includes the relaxation of the legal regulation of work through temporary work agencies (DE9710138F).

As in previous years, the social partners and the Federal as well as the regional state (Land) Governments discussed the issue of preserving and creating employment. Employment alliances and pacts have been concluded at all levels (except the national level) to avoid redundancies, and sometimes even to create new jobs. These have ranged from regional or sectoral tripartite or bipartite employment alliances or pacts, to company-level agreements between management and works councils or trade unions. Some agreements take the form of declarations of intent, others of legally-binding collective or works agreements. Exact figures on employee coverage and on the number of agreements are not available. The whole of eastern Germany (DE9706117F) and Bavaria are covered by regional employment alliances. Furthermore, there are many industry- and company-level alliances in the private and the public sector. At regional level, the intention was to stop the increase in unemployment, to reduce unemployment and/or to create new jobs. The sectoral agreements aim at avoiding redundancies, and in some cases at creating jobs. Company-level alliances, be they collective or works agreements, mostly intend to avoid redundancies. Such agreements were, for example, concluded in 1997 at Bayer AG (DE9706220N), Deutz AG (DE9705112N), Mohn (DE9705214N), Ford Germany (DE9704209N) and Mercedes Benz (DE9703105N).

As regards working time organisation, the Ministry of Labour and Social Affairs reports a further flexibilisation by the increased use of “working time accounts” and annual working hours. A study on working time organisation recently published by the Institut für Arbeit und Technik (“Beschäftigungssicherung und Neueinstellungen durch neue Arbeitszeitmodelle?”, Christiane Lindecke and Steffen Lehndorff (eds), Graue Reihe des Instituts für Arbeit und Technik 1997/92) showed that a large majority of employees were still working under traditional working time systems (including regular shift work, flexitime with daily presence at work and long core hours). However, many systems were complemented with elements of flexibility through collective or works agreements. These included the permanent extension of working time, working time reductions by the use of free shifts or days off, and the introduction of working time accounts. Many agreements make Saturday a regular working day without any additional payments. Furthermore, working time

“corridors” exist, as in the chemicals industry. The study also reports the phenomenon of working time increases which violate collective agreements in force. Lastly, many businesses were adjusting their working and production time to fluctuations in product demand and customer frequency.

In 1997, there were numerous collective and works agreements concluded on the issue of working time flexibility – an example being Siemens (DE9710136N). As in other European countries, the debate on working time flexibility as a means of increasing employment is gaining ground (DE9709127F).

After Klaus Zwickel, the leader of the IG Metall trade union, proposed a 32-hour week in April 1997 (DE9704208F), Germany experienced a broad debate on working time. Trade unions sought a further working time reduction as a tool for the better redistribution of work and the creation of new employment. Employers rejected the demand for a general working time reduction and, instead, demanded more working time flexibility. Some employers even tried to achieve an extension of working time. In 1997, a growing number of so-called “company pacts” between works councils and management included an (mostly unpaid) extension of working time – see, for example, the examples of Ravensburger (DE9708228N) or Continental (DE9707222N). Furthermore, a new collective agreement for journalists on daily newspapers cancelled the previously agreed introduction of the 35-hour week (DE9712242N).

Developments in representation and role of the social partners

European integration has a growing influence on developments in German industrial relations, since it redefines more and more the economic, political and sometimes even social constraints. One prominent example of this is the introduction of European Works Councils (EWC). EWCs have always been strongly supported by the German trade unions, and after the adoption of the EU Directive in 1994, most of those German employers which had formerly opposed this development gave up their resistance. Approximately 330 German-based companies are directly affected by the Directive, of which about 100 had already established a EWC by the end of 1997.

In comparison with German works councils, the rights and opportunities of EWCs are rather limited. Therefore, German trade unions have already demanded various improvements when the EU Directive is reviewed in 1999. German employers’ associations, on the other hand, do not want to expand the tasks of EWCs.

Recently, there have been some controversial discussions on the new proposals for a European Company Statute and its European system of worker involvement, revived

by the 1997 Davignon report (EU9705128N). In particular, the German trade unions are afraid that the introduction of a European Company Statute could lead to an undermining of German co-determination rights on the supervisory boards of companies.

Since the early 1990s, both trade union and employers’ organisations have had growing problems in keeping their membership. This is true, particularly, for the affiliated unions of the German Confederation of Trade Unions (Deutscher Gewerkschaftsbund, DGB) which lost about 2.8 million members, or 24% of total membership, between 1991 and 1996 (DE9710233F). Although equivalent data are not available for the Confederation of German Employers’ Associations (Bundesvereinigung der deutschen Arbeitgeberverbände, BDA), recent studies have found that membership in BDA-affiliated employers’ associations is declining, in particular in eastern Germany. For example, the number of organised companies in east German manufacturing had decreased from 36% in 1993/4 to 25% in 1996 (DE9708128F). The reasons for this membership decline are manifold. On the trade union side, the main reasons might be growing unemployment and structural changes in the economy and at the workplace, while on the employers’ side one main reason might be that more and more companies feel dissatisfied with branch-level collective bargaining policy. The organisational changes among the social partners’ organisations must also be seen against the background of their growing membership problem.

In autumn 1997, Germany saw a wave of trade union mergers, reducing the number of DGB affiliates from 15 to 11 unions (DE9710233F). The miners’ union (IG Bergbau und Energie), the chemical workers’ union (IG Chemie-Papier-Keramik), and the leather workers’ union (Gewerkschaft Leder) founded a new joint union – the Mining, Chemicals and Energy Union (Industriegewerkschaft Bergbau, Chemie, Energie, IG BCE). Furthermore, the textiles and clothing industry workers’ union (Gewerkschaft Textil-Bekleidung) and the union for workers in the wood and plastics industries (Gewerkschaft Holz und Kunststoff) have decided to integrate themselves into the metalworkers’ union, IG Metall. Finally, six unions in the service sector signed a joint declaration in 1997 which stated the need for further restructuring between trade union organisations, and may finally lead to further union mergers.

Some employers’ associations reacted to growing membership problems by founding new associations which will neither conclude nor be bound by branch-level collective agreements (DE9712142N). The companies which become members of the new employers’ associations are free to develop their own collective bargaining policy.

Industrial relations and the impact of EMU

It is accepted that the introduction of EMU from 1999 will have a significant impact on German industrial relations. All main social partner organisations are supporting EMU because they believe that the country's export-oriented economy will gain from a stable exchange rate mechanism.

However, the introduction of EMU will also intensify international competition, which might put pressure on German collective bargaining. Therefore, German trade unions have called for a "Europeanisation" of collective bargaining through the extension of European social minimum standards and a stronger coordination of bargaining policy at European level. In 1997, for example, IG Metall started to establish transnational bargaining networks and invited foreign trade union colleagues to participate to some extent in German collective bargaining (DE9707223N).

For their part, German employers' associations are still rejecting the need for a collective bargaining system at European level. In a statement on wage policy under the conditions of the EMU, the BDA stated that, since developments in productivity and economic performance will continue to be different among the European countries, collective bargaining should also remain at national level.

Conclusions and outlook

Developments in German industrial relations in 1998 may be overshadowed by the general elections in September 1998, which might polarise the political and economic debates among the social partners. On the one hand, the

employers are demanding further reductions of labour costs, more flexibility in working time and conditions and a further decentralisation of collective bargaining. On the other hand, the trade unions seek a U-turn in pay policy, with higher wage increases, further steps in reducing working time and a stabilisation of branch-level collective agreements.

Against this background, major joint activities or initiatives by the social partners are very unlikely at least until election day. Afterwards there might be a chance for a renewal of 1996's failed national Employment Alliance (Bündnis für Arbeit). This could be the case, in particular, if the SPD comes to power after 16 years of opposition. The SPD candidate for chancellor, Gerhard Schröder, has already announced that he sees the renewal of an Employment Alliance as one of his priority tasks.

Regarding collective bargaining, it can be expected that the unions will go for a – perhaps rather slight – "end of modesty" in wage policy. So far, trade union demands for the 1998 bargaining round lie between 4% and 5%. The most important bargaining areas will be public services and the chemicals industry, which both might become trend-setters for wage settlements in 1998.

Finally, the current debates on the future of German branch-level collective agreements will continue. The recent negotiations in metalworking on a reform of the bargaining system will have a major impact also for other sectors. If the negotiations fail, the current process of creeping erosion of branch-level collective agreements is likely to continue. Therefore, it is now the responsibility of the social partners to find new compromises in order to modernise the current bargaining system, as well as to defend branch-level collective agreements against breaches at company level.

Germany: 1997 Records

February	<i>Features</i>	Only one firm in five has a works council	DE9702101F
		Low wages in a high-wage economy	DE9702201F
		Bargaining in 1996 – from the Employment Alliance to the sick pay dispute	DE9702202F
	<i>News</i>	Union opposes end of postal delivery monopoly	DE9702102N
		Basic pay up 2.3% in western Germany in 1996	DE9702202N
		New collective agreements in printing	DE9702204N
March	<i>Features</i>	Employers dissatisfied with regulations on social plans	DE9703103F
		Miners' revolt ends in "corporatist" compromise	DE9703104F
		The use of "hardship clauses" in the east German metalworking industry	DE9703205F
	<i>News</i>	Employment alliance signed at Mercedes Benz	DE9703105N
		Regional employers' association in the building industry quits peak associations	DE9703106N
		Joint union membership for German and UK workers	DE9703206N

April	<i>Features</i>	Training occupations system to be modernised	DE9704107F
		1996 solidarity pact in the chemical industry proves successful	DE9704108F
		Krupp-Hoesch/Thyssen merger intensifies debate on future of German stakeholder capitalism	DE9704207F
	<i>News</i>	IG Metall leader proposes a 32-hour week	DE9704208F
		New-style package agreed at Deutsche Telekom AG	DE9704109N
		Industrial conflict settled at Lufthansa	DE9704110N
		New works agreement to secure investment at Ford Germany	DE9704209N
		Volkswagen gives up on internal temporary employment agency	DE9704210N
May	<i>Features</i>	Non-wage labour costs in Germany reach new record high	DE9705111F
		New union for employees of international and European organisations	DE9705211F
	<i>News</i>	Rehabilitation pact renewed at Deutz	DE9705112N
		Two-tier wage system established at Volkswagen	DE9705113N
		Extension of collective agreements is on the decline	DE9705114N
		Tripartite agreement on Employment Alliance for eastern Germany	DE9705115N
		German law contravenes the EU equal treatment Directive	DE9705212N
		New collective agreements in the Saxon metalworking industry	DE9705213N
		Pact for partnership 1997 at Mohn printing shop	DE9705214N
June	<i>Features</i>	Protection against rationalisation agreed for Allied Forces' civilian employees	DE9706116F
		Tripartite agreement on Employment Alliance for eastern Germany	DE9706117F
		European campaign week against flags of convenience leads to 32 agreements in German ports	DE9706118F
	<i>News</i>	The 1997 collective bargaining round in the German construction industry	DE9706215F
		A Copernican U-turn in German collective bargaining?	DE9706216F
		Pilot collective agreement for Northrhine-Westphalia hard-coal mining	DE9706119N
		Metalworking's first agreement on partial retirement signed at PPS Salzgitter	DE9706120N
		Teachers' union delegates topple chair	DE9706121N
		Campaign for social standards among German global players	DE9706217N
		Report examines collectively agreed holidays and holiday bonuses in 1997	DE9706218N
		New collective agreements signed in west German banking	DE9706219N
		New works agreement seeks to save production sites and employment at Bayer AG	DE9706220N
July	<i>Features</i>	Civil service law reform comes into force on 1 July 1997	DE9707123F
		New company agreement signed at Volkswagen AG	DE9707221F
	<i>News</i>	Federal Labour Court issues 1996 annual report	DE9707124N
		Digital Equipment applies metalworking sectoral pay agreement	DE9707125N
		Downward wage flexibility agreed for the German construction industry	DE9707126N
		Extension of working time without wage compensation at Continental AG	DE9707222N
		New IG Metall initiative to improve trade union cooperation in Europe	DE9707223N
August	<i>Features</i>	The erosion of employers' associations and industry-level bargaining in eastern Germany	DE9708128F
		Collective agreements on partial retirement	DE9708224F
		New proposals to modernise German industrial relations	DE9708225F
	<i>News</i>	Federal Cartel Office challenges fair collective wages practices in Berlin	DE9708129N
		First company agreement on partial retirement in public services	DE9708226N
		Preussen Elektra agreement cuts hours and creates jobs	DE9708227N
		Pact for improving competitiveness and safeguarding production sites at Ravensburger AG	DE9708228N
September	<i>Features</i>	Debate on working time: What workers want	DE9709127F
		Interim review of 1996/7 bargaining on continued payment of remuneration in case of illness	DE9709131F
		Opening clauses increase in branch-level collective agreements	DE9709229F
	<i>News</i>	No increase in weekly hours in Siemens Nixdorf reorganisation	DE9709130N
		Collective agreement on the environment at Deutsche Telekom	DE9709132N
		New government initiative to improve the number of training places	DE9709231N
		Collectively agreed pay increases have not exhausted the margin of distribution	DE9709232N

October	<i>Features</i>	Pilot agreement on partial retirement in south-west German metalworking	DE9710133F
		A wave of trade union mergers	DE9710233F
	<i>News</i>	Agreement on working time flexibility at Siemens	DE9710136N
		New collective agreement in the west German steel industry	DE9710234N
		Union extends its protests against proposed new postal law	DE9710235N
November	<i>Features</i>	Employment with temporary work agencies in Germany	DE9711138F
		Recent debates on pay policy in Germany	DE9711236F
	<i>News</i>	Monitoring of works councils by data protection officer ruled inadmissible	DE9711139N
		Food industry social partners declare support for branch-level agreements	DE9711237N
		Christmas bonuses in 1997	DE9711238N
IG Medien survey on working time: what union members want	DE9711239N		
December	<i>Features</i>	Collective bargaining coverage in western Germany	DE9712140F
		New proposals for a reform of collective bargaining in metalworking	DE9712240F
	<i>News</i>	ECJ rules that law on priority for women in promotions conforms with Community law	DE9712141N
		New employers' association will not participate in industry-level bargaining	DE9712142N
		Employment Alliance for eastern Germany misses employment target	DE9712143N
		End of the 1997 bargaining round in the west German retail trade	DE9712241N
New collective agreements for journalists on daily newspapers	DE9712242N		

GREECE

Introduction

During 1997, the annual GDP growth rate reached 3.4%. Economic growth was accompanied by a fall in inflation: the annual increase in the GDP deflator (which measures changes in prices of all goods and services included in national GDP) fell from 14.4% in 1993 to 6.5% in 1997; while the consumer prices index rose by 5.2% in 1997. Particularly spectacular was the reduction of the public deficit from 13.8% of GDP in 1993 to 5% in 1997. However, increased production, reduced inflation and improved public finances were accompanied by a constant rise in unemployment, from 9.6% in 1994 to 10.4% in 1997, while long-term unemployment now accounts for 50% of all unemployed persons. The improvement in public finances was also accompanied by a significant rise in tensions in the field of industrial relations.

The present Government is formed exclusively by the Pan-Hellenic Socialist Movement (Panellino Socialistiko Kinima, PASOK). The Prime Minister, Kostas Simitis, represents the so-called modernising wing of the party, which has consistently sought to achieve Greek membership of EMU by 2002 at the latest.

Key trends in collective bargaining and industrial action

Traditionally, collective bargaining in Greece has been centralised, and based on annual negotiations. However, a trend started in the 1990s towards the conclusion of National General Collective Agreements (which cover most of the economy) for two-year periods, and 1997 was the second year of operation of a two-year deal concluded in 1996. Changes to the institutional framework (introduced by law in 1990) have in recent years broadened the agenda of negotiations to include issues in addition to purely economic ones (GR9702101F) and allowed more agreements to be reached at sector and company level.

The year began with the implementation of the second part of the 1996-7 National General Collective Agreement, and an unprecedented wave of strikes, in both the public and private sectors, in opposition to the Government's economic austerity policy (GR9702103N). Similarly, the year ended and 1998 began in a tense social climate, with procedures for negotiating the new national agreement about to start and a growing wave of fresh strike action against new legislation aimed at changing aspects of labour relations in public corporations and utilities without prior collective bargaining (GR9801150N). The year saw a marked shift in the sources of conflict from purely economic issues (wages, taxation and pensions) to more "institutional"

issues such as the length and management of working time, measures to fight unemployment or working conditions. This is reflected in the broader framework of demands set out by the Greek General Confederation of Labour (GSEE) for the new National General Collective Agreement (GR9801151N), which includes such issues. This shift, however, has not eliminated conflict over economic matters (GR9711139N and GR9710129F).

Industrial relations, employment creation and work organisation

The spectacular rise in unemployment in recent years has sparked intense dialogue between the social partners concerning the need to find immediate and effective solutions (GR9702101F). Examples of good practice in this area – such as the Fund for Employment and Vocational Training (LAEK) and joint proposals submitted to the Luxembourg Employment Summit (GR9711142N) – have been the product of negotiations between the social partners at the national level. The proposals to the Luxembourg summit focused, by joint decision, on two groups requiring special attention – young and long-term unemployed people. However, on a practical level, there have been very few coordinated actions or measures aimed at boosting employment at sector or company level. While a national "Confidence Pact" was agreed between the social partners (GR9711138F), local initiatives have proved more difficult to reach (GR9703109N).

The Confidence Pact signed by the Government and the social partners in November 1997, while containing some points of common acceptance and agreement, clearly stresses the differences which arose and were recorded during the social dialogue process which led up to it (GR9704112N). As regards employment policies, while the need to reinforce active measures is noted, the Pact is limited to general guidelines whose implementation will require more specific measures, which in many cases will constitute points of friction between the sides. "Territorial Employment Pacts" are a characteristic example: although the Confidence Pact presents them as a measure to combat unemployment, in practice they are a source of disagreement as regards the means and conditions of their implementation (GR9703109N).

In Greece it is now commonly acknowledged that to tackle unemployment, a long period of economic growth is needed, in parallel with adaptation to new forms of work (and the attendant reforms of the institutional framework of labour relations). However, views regarding the means by which structural changes in the labour market will be carried out are extremely divergent. There has been a lengthy disagreement on fundamental questions, such as duration and organisation of working time, part-time employment and in general everything connected with new forms of work organisation.

On working time, apart from special cases such as the banking sector (GR9711137F), it is quite clear that the

social partners are having difficulty agreeing how to reduce working time without a reduction in pay (GR9712145F). This is also the case with regard to new forms of work and working time organisation both at the national level (GR9708122F, GR9708123N, GR9708124N and GR9707120F), branch level (GR9712144F), and company level (GR9706116F). To a large extent, government policy is in line with the viewpoints of the employers' side, although it is differentiated on many points; overall, however, this policy is imbued with a strong tendency to impose greater labour market flexibility.

Developments in representation and role of the social partners

With regard to workers' representation at national and international levels, and more specifically in connection with the creation and operation of European Works Councils, it is worth noting that despite a delay (the deadline for transposition was in September 1996), on 20 March 1997 Greece officially adopted the EU Directive (94/45/EC) on the issue (GR9704111N). Nevertheless, as in other cases (GR9801149F, GR9712144F, GR9711143N and GR9709127N) where a delay and/or unwillingness to enforce a law has been noted, there is doubt as to the extent to which EWCs will function in practice, and serious questions are posed as to the role they will ultimately play.

Industrial relations and the impact of EMU

As far as EMU is concerned, in the Government's opinion the changes in labour relations and the policy it has been pursuing to date are preparing the Greek economy for full membership. However, in the qualification year, 1997, the country failed to meet the necessary economic criteria for entering EMU in the first wave. No studies have been carried out on the effects of EMU on industrial relations. However, there have been some isolated

initiatives, such as that of the banking sector on the effects of EMU on employment in the sector (GR9711141N). In addition the Institute of Labour (INE) of the GSEE has begun a study on the effects of EMU on the labour market (expected to be completed in June 1998).

Conclusions and outlook

Economic and monetary policy in Greece has been accompanied by rising unemployment and increased tension in the field of industrial relations. Industrial action in 1997, which was mainly concerned with economic issues, was followed by the strikes starting in early 1998, which were more concerned with structural changes in the labour market and the transformation of the institutional framework of industrial relations. Although employers' and trade union organisations agree on some of the general guidelines for dealing with unemployment, they differ radically on certain crucial issues, such as reduction and reorganisation of working time.

1998 is expected to bring a heightening of social tensions and sharpening of the differences between the social partners on labour relations issues. In response to the policies of employers and government, the unions will probably develop a more aggressive policy than they had in the past. On the government side, it seems that a specific policy has already been entered upon, aimed at greater flexibility both in the public and the private sector. Sometime before spring 1998 a draft law was due to be submitted on the "readjustment" of labour relations and "adaptation to the new work model". What is more, the Government has stated its willingness to go ahead unilaterally to regulate the organisation of working time, invoking the need to harmonise national legislation with the EU Directive on the issue (93/104/EC), and it appears to be determined to impose drastic changes in the industrial relations regime in certain public corporations, in the face of opposition from some of Greece's strongest trade unions.

Greece: 1997 Records

February	<i>Features</i>	Unemployment as the focus for collective bargaining at national level	GR9702101F
	<i>News</i>	A new wave of strikes in Greece	GR9702103N
		National General Collective Agreement 1996-7 enters second year	GR9702104N
March	<i>Features</i>	Recent trends in health and safety at work	GR9703107F
	<i>News</i>	Government seeks to regulate illegal immigration and employment	GR9703108N
		Territorial Employment Pacts underway	GR9703109N
April	<i>Features</i>	Reduction of working time is key issue	GR9704110F
	<i>News</i>	European Works Councils – transposition completed in Greece	GR9704111N
		Government invitation to social dialogue	GR9704112N
May	<i>Features</i>	Trends in part-time work in Greece	GR9705113F
	<i>News</i>	Agreement introduces new shop opening hours	GR9705114N
		Trends in temporary work in Greece	GR9705115N

June	<i>Features</i>	Crisis in Greece's largest steel concern leads to industrial dispute	GR9706116F
	<i>News</i>	Collective agreement signed for banking sector 1997/8	GR9706117N
		Family benefits raise equal opportunities issues	GR9706118N
July	<i>Features</i>	Government's proposals for regulating employment and social protection	GR9707120F
	<i>News</i>	Controversy over regulation of illegal immigration and employment	GR9707121N
August	<i>Features</i>	Trade unions present views on employment regulation and social protection	GR9708122F
	<i>News</i>	Unions contest commerce employers' positions on industrial relations	GR9708123N
		SEV indicates proposals on employment regulation and social protection	GR9708124N
September	<i>Features</i>	Unions propose relaunch of textile company	GR9709125F
	<i>News</i>	Three-year agreement signed in Greek sugar industry	GR9709126N
		Sex discrimination policy at the Bank of Labour	GR9709127N
October	<i>Features</i>	Labour market segmentation affects union density	GR9710128F
		Disagreement over pay fuels tension between Government and unions	GR9710129F
		Strike wave across Greece may herald end of social calm	GR9710132F
		Greek study urges greater flexibility in employment and working time	GR9710133F
	<i>News</i>	Controversy over employment of people with special needs	GR9710134N
		Enterprise agreement with bonus system at National Bank of Greece	GR9710135N
November	<i>Features</i>	Working time reduction to create more jobs in Greek banking	GR9711137F
		Government, unions and employers sign Confidence Pact	GR9711138F
	<i>News</i>	1998 Budget provokes strong opposition	GR9711139N
		Small and medium-sized enterprises protest at Government policies	GR9711140N
		Unions call for dialogue on impact of EMU on employment in banks	GR9711141N
		Greece targets youth and long-term unemployment at Jobs Summit	GR9711142N
Violations of labour regulations on increase in Greek businesses	GR9711143N		
December	<i>Features</i>	Greek employers' proposals cause tension in tourism sector	GR9712144F
		Clash over 35-hour week in Greece	GR9712145F
	<i>News</i>	Arbitration improves pay and conditions in security services sector	GR9712146N
		Study highlights commuting problems in Athens	GR9712147N
Legal status at last for immigrants working in Greece	GR9712148N		

IRELAND

Introduction

The Irish economy has performed exceptionally well in recent years, with annual GNP growth averaging 6%-7% between 1994 and 1996 and standing at 6.6% in 1997, according to Eurostat figures. This has resulted in increased prosperity and living standards, and these trends are forecast to continue over the short to medium term. Inflation averaged 2.2% over 1994-6, and is expected to remain at around 2% in the foreseeable future (Eurostat puts the 1997 figure at 1.2%). The General Government Deficit was reduced from 2.2 % of GDP in 1993 to around 1.5% in 1996 – Eurostat estimates a public surplus of 0.9% of GDP in 1997 – while the debt/GDP ratio fell from 94% in 1993 to 76% at the end of 1996 – 66.3% in 1997, according to Eurostat. The strong performance of the economy has resulted in significant employment growth. Indeed, total employment increased by an average of over 45,000 per year between 1993 and 1996, while the unemployment rate declined from almost 17% in 1993 to just under 13% in 1996 and (according to Eurostat) 10.2% in 1997.

The most significant employment trends have been: the substantial rise in the number of women in employment; the significant growth in manufacturing employment, in the main due to inward investment, but also in indigenous industry; a sustained increase in service sector employment; and a significant expansion in part-time working and self-employment. Part-time work accounted for all of the net increase in employment between 1983 and 1993 and the numbers in full-time employment actually declined over this period. The expansion of employment since 1993, however, has mainly involved full-time jobs.

A new centre-right coalition Government, with Fianna Fail as the senior partner to the Progressive Democrats, came to power in the June 1997 general election (IE9707223F), replacing the former “rainbow” coalition of Fine Gael, the Labour Party and the Democratic Left.

Key trends in collective bargaining and industrial action

Since 1987, nationally negotiated intersectoral wage agreements have been a significant factor underpinning the growth in output and employment that has characterised the Irish economy in recent times. The year 1997 began with agreement on the fourth national pact since 1987, *Partnership 2000* (P2000) (IE9702103F). P2000 encompasses a broader range of economic and social policies than its predecessors, and new participants, especially those representing marginalised or disadvantaged groups, have entered the consultative

process. P2000's pay provisions provide roughly the same increase of 9.25% over three years for private and public sector employees. The main difference between private and public sectors relates to the phasing of the increases and the “local bargaining element” worth 2%.

Evidence to date would suggest that most employers in the private and semi-state sectors have abided by the terms of national agreements (IE9703201F). However, a notable element of some recent workplace agreements is that some employers have secured “concessions” from employees in terms of implementing wage freezes, wage cuts and new working practices. While such agreements may be confined to a small number of companies, in relative terms they are significant in that the precedent of concession bargaining has been established in the Irish workplace. Another significant feature of recent negotiations is the presence of “pockets” of companies – most notably in the pharmaceutical and chemical sector – which have paid wage increases above the terms of the national agreement. Indeed, some recent evidence seems to point to a degree of wage drift in the Irish economy, particularly in companies operating in tight labour markets. However, it is equally likely that while the pay of specific groups of workers may be on the increase, deals on a plant-by-plant basis appear to be largely conforming to the terms of *Partnership 2000* (IE9707223F). The key issue is whether local pay settlements will have any knock-on effects, as they had in the 1980s, or whether they are related to the circumstances which pertain in a particular firm or enterprise. The evidence to date would suggest that there has been no wider pattern of wage drift in the economy.

The new Government is committed to introducing a national minimum wage (IE9707223F). The trade unions have campaigned vociferously for a minimum wage of IEP 5.00 an hour (64% of average male earnings for a 39-hour week) (IE9710232N), while employers are generally opposed to its introduction. Indeed, there was a great deal of debate amongst the social partners in 1997 over what level the wage should be set at and how it should operate in practice.

Industrial disputes remained thin on the ground during 1997 (IE9803245N). One example of industrial unrest that attracted considerable attention during the year was the Irish Life (financial services) dispute, in which sales staff resisted fundamental changes in how their work was performed. Other than this, the nurses' pay dispute in February (IE9702104N), and the Ryanair airline dispute over union recognition which broke out at the end of the year (IE9801239N), there were no other significant disputes.

Industrial relations, employment creation and work organisation

The Irish Government has sought to shift the balance of labour market policy from passive to active measures, which attempt to tackle unemployment directly – for

example through general and skills training, employment subsidies, direct employment schemes, and so-called area-based partnerships. Irish expenditure on active labour market policies (as % of GDP) is one of the highest amongst OECD countries. Active labour market programmes have continued to expand, and will need to continue to do so in order to deal with the growth of long-term unemployment, youth unemployment and the influx of women into the labour market. Evidence relating to the effectiveness of such programmes suggests that market-oriented measures, such as training in specific skills designed to meet the needs of employers, together with private sector employment subsidies, are more likely to improve the long-term employment prospects of their participants (see the Irish *Labour Market Study*, J Sexton and P O'Connell (eds), 1996 – IE9703201F)

An innovative, localised approach to tackling long-term unemployment and social exclusion was introduced in the early 1990s as part of the national agreement, the 1991-3 *Programme for Economic and Social Progress* (PESP). This involved the creation of 38 urban and rural local area-based partnerships charged with tackling issues relating to social exclusion in a decentralised and participative manner. Local area-based partnerships are tripartite bodies whose primary role is to assist unemployed workers to secure employment and generally to encourage local employment initiatives. Their boards are comprised of representatives from local community groups, representatives from employer organisations and trade unions, and local or regional representatives of the national social welfare, training, or economic development administrations. The partnerships have enjoyed an increasing influence over the activities and expenditures of Government agencies in their particular area.

These measures to tackle unemployment have involved a great deal of input from the social partners. For instance, under the current national agreement, *Partnership 2000*, the social partners have had an influence over issues such as personal taxation policy, measures to promote employment, anti-poverty measures, public service provision and equality issues. This reflects the attempts to secure a national consensus by providing the social partners with a role in the management of social and economic policy in return for wage moderation. This corporatist-type approach to macroeconomic management has been a significant factor promoting the improvement in the competitive performance of the Irish economy.

There is a general consensus that Ireland should not attempt to replicate the US/UK approach to labour market flexibility. Rather, many commentators have argued that the best way to secure a strong national competitive advantage is to try and develop a high-wage, high-skill, high-innovation economy with adequate social protection.

Reflecting these considerations, *Partnership 2000* sets out a national framework for extending partnership to the level of the workplace. The national agreement, however, does not impose any one model of partnership – a recognition of the fact that there are different competitive pressures facing individual companies. P2000 states that: “A big challenge for companies and unions will be to move in a positive way from the traditional approach to the organisation of work to more flexible and fluid work practices. Our ability to manage change, to strike a balance between flexibility and security and to develop a high-trust environment between employees and managers will be crucial.”

P2000 sets out a number of issues for discussion with regard to the development of partnership at workplace level, including: training and development; employee involvement; representation arrangements; the composition of the workforce (issues relating to the employment of “atypical” workers taking account of such factors as competitive pressures, flexibility and security of employment); cooperation with change, including new forms of work organisation; adaptability, flexibility and innovation (the means by which the organisation can be made more flexible, innovative and adapt to changing market requirements) .

Ireland has introduced new legislation on new forms of work and working time organisation in order to comply with European initiatives.

The Organisation of Working Time Act, 1997, was introduced in order to comply with the EU Directive on the issue (93/104/EC). It establishes statutory rights for employees with regard to the maximum average length of the working week (48 hours), the periods over which it may be averaged, minimum rest periods, breaks and holidays. The Act provides employer and employee representatives with the freedom to negotiate local collective agreements in order to allow alternative average hours for the working week and/or alternative rest periods. It allows for the gradual introduction of the 48-hour working week during the first two years of its operation. This permits a 60-hour maximum average working week in the first year and a 55-hour week in the second year. These agreements are subject to ratification by the Labour Court.

The Government has also introduced, or is committed to introducing, legislation supporting flexible “family-friendly” policies, in order to comply with the various European framework agreements/Directives. For instance, *Partnership 2000* contains a government commitment to give effect to the terms of the parental leave Directive (96/34/EC) by June 1998, and to consult with the social partners. The Employment Equality Agency has stressed that “family-friendly” policies such as parental leave can benefit both employers and employees and can result in a “win-win” situation.

Developments in representation and role of the social partners

The issue of workplace social partnership has become a subject of intense debate. There is a belief, particularly amongst trade unionists, that, without the wider diffusion and acceptance by employers of workplace partnership arrangements, support for centralised bargaining amongst employees and their representatives will quickly dissipate. The challenge facing the social partners is to develop models of local partnership which will reflect the diversity of the Irish industrial relations system, and the different competitive pressures facing individual companies. To this end, a National Centre for Partnership was established in July 1997 in order to promote and facilitate the development of local level partnership between employers, employees and unions (IE9706202N). Its functions include: promoting involvement and partnership; monitoring developments; providing technical assistance and support to organisations in developing involvement and partnership arrangements; and disseminating "best practice".

The European Works Council (EWC) Directive is likely to have an important impact on Irish industrial relations in the future. In 1996, the Government introduced the Transnational Information and Consultation Act to comply with the terms of the Directive. The Act affects, or will eventually affect, approximately 200 multinational subsidiaries in Ireland, as well as a small number of Irish-owned companies such as Aer Lingus, CRH, and Greencore. Distinctive features of the Act include a provision for trade union officials to act as nominees (whether appointed or elected) or advisers to the special negotiating body if requested by the workforce – trade unions have thus been bestowed an important role which is not contained in the original Directive. However, the Act does state that while union representatives may be elected or appointed as employee representatives to the initial special negotiating body, only employees of the company concerned are entitled to sit on the statutory EWC based on the Directive's subsidiary requirements.

A high-level group was established by the social partners to examine the thorny issue of trade union recognition and report by the end of 1997 (IE9802141F). This was an obligation entered into by the parties under *Partnership 2000*. (Draft proposals were presented in early 1998, advocating that union recognition should be dealt with through the existing voluntarist collective bargaining system rather than through any requirement for mandatory recognition, with an expanded role for the state's dispute resolution bodies, whose final recommendations should be non-binding – IE9803114F. However, the proposals are likely to face a great deal of criticism from trade unions, as they do not come close to

the sort of mandatory recognition rights called for by many trade unionists. Employers are generally strongly opposed to mandatory recognition. An example of employer hostility to union recognition that has attracted a considerable amount of attention from all quarters is Ryanair's refusal to grant recognition rights to its baggage handlers – IE9803224N. It is also widely held in the state's development agencies and in government departments that procedures for mandatory recognition would endanger Ireland's ability to attract inward investment. Ireland has been enormously successful in enticing US electronics companies, many of which have chosen to remain non-union.)

Industrial relations and the impact of EMU

There has been limited debate over the possible impact of EMU on Irish industrial relations. For many commentators, the critical issue relates to Irish competitiveness in relation to the UK. Within *Partnership 2000*, it is advocated that "in the context of Irish membership and possible UK non-membership of EMU and the possible occurrence of a depreciation of Sterling", a number of measures contained in the 1996 National Economic and Social Council (NESCC) report, *Strategy into the 21st Century: Conclusions and recommendations* – which laid down the framework for *Partnership 2000* (IE9801109F) – should be in place, including: "coordinated wage bargaining in the context of a negotiated social partnership programme; continuous efforts to strengthen the underlying competitiveness of the Irish economy; and a further reduction in the non-wage costs of labour, through reform of tax and PRSI [social security contributions]" .

However, it can be argued that the Government and the social partners have paid insufficient attention to devising policies to deal with the likely demands that EMU will create in terms of the requirement to become increasingly flexible. This issue was not widely addressed within *Partnership 2000*. It is possible that the lack of urgency in preparing for EMU could mean that jobs will be at risk. An obvious danger is that a large number of jobs could be lost if Sterling depreciates sharply.

Conclusions and outlook

Industrial relations and policy-making in Ireland in 1997 were very much shaped by the provisions of the P2000 agreement, with an emphasis on local and workplace partnerships and action to achieve a more highly-skilled and flexible workforce. Discussions in 1998 are set to focus on the issue of entry into EMU, trade union recognition and employee representation at the workplace.

Ireland: 1997 Records

February	<i>Features</i>	Social partners agree three-year national programme	IE9702103F
	<i>News</i>	National nurses strike averted as pay offer is accepted	IE9702104N
		Telecom offers personal contracts to managers	IE9702105N
March	<i>Features</i>	A new role model – centralised wage bargaining in Ireland	IE9703201F
	<i>News</i>	Talks open on change and share plan at Telecom	IE9703207N
		Police follow nurses' example and seek special commission	IE9703208N
April	<i>Features</i>	Tax-free payments in return for agreed pay "restructuring"	IE9704209F
	<i>News</i>	Union election result shocks leadership	IE9704211N
		New industrial relations structure planned for national airline	IE9704212N
May	<i>Features</i>	Competition and the onset of new industrial relations in the Irish retail sector?	IE9705102F
	<i>News</i>	Bank moves on performance-related pay	IE9705214N
		Labour Court plays key role in public pay dispute	IE9705215N
		Supreme Court makes landmark equality ruling	IE9705216N
June	<i>Features</i>	New Government to continue social partnership	IE9706218F
	<i>News</i>	National Centre for Partnership established	IE9706202N
		De Beers plans to restructure	IE9706222N
July	<i>Features</i>	National pay deal faces first real test in over a decade	IE9707223F
	<i>News</i>	Court backs cellular manufacturing at Krups	IE9707125N
		Aer Lingus pilots accept pay review	IE9707224N
August	<i>Features</i>	New industrial relations principles in the Irish public sector	IE9708103F
	<i>News</i>	Adherence to national pact can ensure economic success, says report	IE9708226N
		Novel EU-style partnership forum set up in finance sector	IE9708227N
September	<i>Features</i>	Wage dispersion grows due to higher educational levels	IE9709229F
	<i>News</i>	Ireland's largest union elects a "bridge-builder"	IE9709230N
		Journalists' union under pressure	IE9709231N
October	<i>Features</i>	SIPTU demands tax reforms in favour of low and middle income earners	IE9710104F
	<i>News</i>	SIPTU makes minimum wage demand	IE9710232N
		Tesco workers benefit from tax-exempt discount scheme	IE9710233N
November	<i>Features</i>	TEAM Aer Lingus employees seek deal prior to potential sell-off	IE9711235F
	<i>News</i>	Pfizer-owned concern concludes partnership deal	IE9711236N
		Merger of dairy companies involves major rationalisation	IE9711237N
December	<i>Features</i>	Irish postal service faces major industrial relations challenge	IE9712238F

ITALY

Introduction

In 1997, Italy's GDP increased by 1.7%: although low, this rate of growth was higher than in 1996. The rate of inflation continued to decrease, falling to 1.7% in 1997 (according to the National Institute of Statistics, Istat). The unemployment rate stood at an average of 12.3% (Istat), which represented a growth of 0.2 percentage points compared with 1996. However, the unemployment rate is very different depending on the area: it is particularly high in the South, where it reaches 22.2%, while it is lower in the Centre (10.2%) and in the North (7.3% in the North-West and 5.7% in the North-East). In 1997, the Government's deficit-reduction policies, which received a particular impetus after 1993, continued, and the public deficit stood at 2.7% of GDP in 1997.

The Government, led by Prime Minister Romano Prodi, consists of a centre-left coalition, the Ulivo – in which the Democratic Left (Partito Democratico della Sinistra, PDS) is the largest party – with the external support of the Communist Reconstruction Party (Partito della Rifondazione Comunista). In October 1997, a major political crisis took place, following Rifondazione Comunista's criticism of 1998 Budget law. This difficult situation was overcome thanks to an agreement between Rifondazione and the Government, in which the latter committed itself to present a bill on the reduction of the working week to 35 hours, to become law from 1 January 2001 (see below).

Key trends in collective bargaining and industrial action

February 1997 marked the renewal of the industry-wide agreement for the influential metalworking sector (IT9702202F). Negotiations were lengthy and were finally resolved through government mediation. The difficulties experienced in the negotiations reopened a debate about the current two-tier (sector and company) bargaining structure defined in the July 1993 central tripartite agreement on incomes policy and collective bargaining. Other notable events in sectoral and company bargaining in 1997 included the following:

- in banking, negotiations began on how to manage redundancies resulting from ongoing sectoral restructuring (IT9704304F and IT9706115N);
- three trade union representatives joined the board of directors following an agreement on the reorganisation of Alitalia, the national airline (IT9706306F);
- an agreement that envisages the use of early retirement as a means of avoiding redundancies was

signed in the context of the restructuring of the state railways (IT9712316F); and

- the creation of supplementary occupational pension funds (IT9705205F), through collective bargaining, notably in chemicals and metalworking.

While industrial action declined in general, the transport sector experienced the majority of the conflict that occurred in 1997 (IT9707209F).

At national level, social dialogue focused on three main subjects:

- employment creation. The most prominent development in this area in 1997 was the transposition in law (law 196/97) of the "Pact for Employment" signed by the Government and social partners in September 1996 (IT9702201F and IT9707308F).
- reform of the welfare state. In November 1997, the Government and 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) – signed an agreement dealing mainly with state pension reform (IT9711315F).
- reduction of working time. This issue was at the centre of social partners' agenda and remains so. The Government's commitment to present a draft bill on the reduction of the working week to 35 hours, starting from 1 January 2001 (IT9710133N), was widely debated and criticised both by employers' organisations and trade unions, albeit for different reasons. In particular, trade unions and employers' associations opposed the use of legislation, since they consider that any working time reduction should be negotiated (IT9711216F).

In September 1997, a study committee was appointed by the Prime Minister to prepare a report assessing the July 1993 tripartite central agreement (subsequently issued in December – IT9803223F), prior to revision by the signatories. This occasion is of great importance, given the broad transformations that the July 1993 agreement brought to the Italian industrial relations system (IT9709212F).

Industrial relations, employment creation and work organisation

Employment creation became a central concern on the collective bargaining agenda, particularly in the regions of the South (or Mezzogiorno), which are characterised by high levels of unemployment. The social partners have pursued this objective through the use of a set of policy tools, among which the most relevant are "territorial pacts", "area contracts" and "gradual alignment agreements" (IT9704203F and IT9706207F). The trade

unions' commitment to fostering employment creation led in December to an agreement between Cgil, Cisl and Uil on the "guidelines to follow in negotiations between the social partners to support the growth of investment and job creation in the Mezzogiorno" (IT9801219F). This document identifies the means which may be used at local level to sustain employment – "work-entry" policies, training, bargaining on working time and wage levels.

As far as legislative innovations in 1997 are concerned, as already mentioned above, law 196 of 24 June implemented the Pact for Employment of 24 September 1996, in terms of its chapter on employment creation. Together with the introduction of temporary agency work (see below), law 196/97 addressed fixed-term employment and included a set of incentives for part-time work and for the redefinition of working time schedules. This item of legislation also introduced new rules to relaunch the apprenticeship system and to sustain work/training contracts, training and continuing training. Other provisions concern the creation of traineeships and new provisions on so-called "socially useful jobs".

During 1997, the tendency towards a deregulation of the labour market continued. Above all, the abovementioned law 196/97 introduced temporary agency work in Italy. The law defined both the circumstances in which it is possible to resort to temporary work, and the requirements that temporary work agencies have to meet if they intend to carry out activities in this area (IT9707308F).

As far as innovative forms of work are concerned, a number of new experiments on teleworking started in 1997 (IT9712218F). Two important company-level agreements were reached at Telecom Italia Mobile, covering maintenance technicians and sales staff, and at Zanussi, enhancing the work experience, professional development and career advancement of pregnant women and women with young children, in the framework of a broader commitment to equal opportunities. At sectoral level, the commerce collective agreement introduced a specific chapter on telework (IT9707118N).

Another important government initiative was the start of the reform of job placement services, which envisages the abolition of the state monopoly in this area (IT9710312F). Additionally, the European Court of Justice ruled in December 1997, that the Italian state monopoly of job placement services was contrary to EU law (IT9801317F).

With reference to working time – aside from the abovementioned government commitment to present a draft bill on the reduction of the working week to 35 hours starting from 1 January 2001 – in November 1997 the General Confederation of Italian Industry (Confindustria) and Cgil, Cisl and Uil signed an

agreement for the implementation of the European Union Directive (93/104/EC) on working time (IT9711140N).

A 1997 report by the Equal Opportunities Committee of the Ministry of Labour, entitled *Riprogettiamo il tempo* ("Let's redesign time"), analysed company-level bargaining during the past five years and showed a substantial increase in bargaining on working hours, as well as a continuing endeavour to reconcile working hours with the socio-familial commitments of both female and male workers (IT9710215F).

Finally, in the framework of the negotiations for the renewal of the industry-wide agreement for the chemicals sector that started in September 1997 (and continued beyond 1997), the bargaining platform prepared by Fulc, the federation that coordinates the three confederal unions in the sector, included some proposals for an innovative working time management scheme (IT9710313F). In order either to support employment creation or to preserve existing employment levels, the unions proposed: a new system to manage overtime through the creation of an "hours bank", whereby overtime hours are not paid for but credited to a personal "hours account" from which workers can later "draw" time off; and the introduction of "work-entry" hours for new recruits of 24 or 32 hours per week, with an equivalent reduction in pay.

Developments in representation and role of the social partners

On 31 October 1997, the Government passed a legislative decree which regulates employee representation in the public administration sector (EU9709311F). The decree provides for the creation of unitary trade union representation bodies (Rsus) elected by all workers (IT9711138N). Only trade unions which receive at least 5% of votes in Rsu elections may participate in collective bargaining. This rule is intended to reduce the current fragmentation of representation due to the presence of numerous autonomous trade unions. Furthermore, agreements for particular sectors of the public administration will be binding if they are signed by trade unions which together represent at least 51% of union members, or which received at least 60% of votes in Rsu elections.

In 1997, the debate on trade union unity and a possible merger of the three main confederations went on (IT9707307F). The new strength that joint action among the unions has taken on since the second half of 1980s, after a period of confrontation on anti-inflationary policy (that reached its peak in 1984), the creation of Rsus – the joint employee representative body at company level – in 1993, and the weakening of ideological differences, have all helped create a positive attitude towards union unity. However, the issue of the definition of rules for measuring the representativeness of unions is still open.

As far as employers' organisations are concerned, the fragmentation of representation in the banking sector was reduced in 1997. In June, Assicredito, the association representing the majority of banks (excluding savings-banks and rural banks) in collective bargaining, merged into the Italian Banking Association (Associazione bancaria italiana, Abi), the organisation for the general interest representation of the banking sector.

Industrial relations and the impact of EMU

Preparations for EMU have had an impact on industrial relations in two important ways. Firstly, the social partners have respected their commitment to adhering to an incomes policy in order to keep inflation under control. 1997 was a decisive year in this respect, as inflation stabilised under 2%. Secondly, the year's negotiations concerning welfare and social security reform were also aimed at keeping the state deficit in line with the criteria set in the Maastricht Treaty, in particular through the agreement on pension reform.

Conclusions and outlook

Within a general context characterised by the Government's strong commitment to meeting the criteria set for EMU, in 1997 the main themes of social dialogue were employment creation, welfare reform and working time.

The following are likely to be particularly important industrial relations events in 1998.

- 1) The revision of the July 1993 tripartite agreement. This could address: the issue of incomes policy in the light of the start of EMU; and the structure of bargaining, taking into consideration the demands for a certain regional differentiation of sectoral bargaining on wage levels, and for company-level bargaining on wages to take on a more distinct participatory and variable character. It could also be an important occasion to confirm the social partners' commitment to social dialogue and concertation which, following the success of incomes policy in fighting inflation, might be directed towards economic development and employment creation.
- 2) The negotiations on how to implement the political commitment undertaken by the Government to reduce the working week to 35 hours, starting from 1 January 2001. Trade unions and Confindustria oppose the use of law, while Rifondazione Comunista insists on a full implementation of the Government's commitment. Despite the different positions, consultations are under way to find a compromise solution.
- 3) The opening of negotiations for the renewal of the collective agreement for the metalworking sector, with its traditional pattern-setting role, will be an important occasion to test the agreements reached (or still under discussion) both on the revision of the July 1993 agreement, and on the 35-hour working week issue. With particular reference to bargaining on working time, it will be interesting to see whether metalworkers' unions will try to introduce innovations similar to those proposed in the chemicals sector, such as the "hours bank" and "work-entry hours".

Italy: 1997 Records

February	<i>Features</i>	Implementation of the tripartite Pact for Employment	IT9702201F
		Metalworking collective agreement signed after nine months of negotiations	IT9702202F
	<i>News</i>	Italian railways brought into line with European model	IT9702101N
		Social partners start discussions on reform of the July 1993 agreement	IT9702102N
		Government introduces supplementary pension schemes	IT9702103N
March	<i>Features</i>	Proposal for reform of the welfare state	IT9703303F
	<i>News</i>	Trade unions mobilise for the enforcement of the pact for employment	IT9703104N
		Civil service employment relationship privatised	IT9703105N
		Postal workers strike	IT9703106N
April	<i>Features</i>	Territorial pacts – a new form of decentralised social dialogue	IT9704203F
		Participation and collective bargaining in Italian enterprises	IT9704204F
		Labour cost reductions pose new challenges to industrial relations in banking	IT9704304F
	<i>News</i>	"Code of conduct" signed to combat illegal work	IT9704107N
		Confindustria clashes with the Government over budgetary exercise	IT9704108N

May	<i>Features</i>	Occupational pension schemes, collective bargaining and the role of social partners	IT9705205F
		Preliminary agreement for the renewal of national railworkers' contract	IT9705305F
	<i>News</i>	First regional pensions fund established	IT9705109N
Agreement to promote workers' participation signed at TIM		IT9705110N	
June	<i>Features</i>	Negotiations start at Electrolux-Zanussi to resolve participation controversies	IT9706206F
		"Gradual alignment" and "discount" agreements	IT9706207F
		Alitalia agreement provides for employee shareholding and trade union representatives on the board	IT9706306F
	<i>News</i>	Confindustria calls on the Government to speed up structural reforms	IT9706111N
		Tripartite negotiations on welfare reform are underway	IT9706112N
		Trade union unity and social dialogue on Cisl's agenda	IT9706113N
		Government blocks early retirement for school teachers	IT9706114N
		Agreement aims to adapt Italian banking to meet European competition	IT9706115N
Construction industry agreement signed	IT9706116N		
July	<i>Features</i>	Strikes in the transport sector analysed	IT9707209F
		The debate on union unity is resumed	IT9707307F
		Bill introduces temporary agency work into the Italian labour market	IT9707308F
	<i>News</i>	Galbani cuts staff but redeploys and outplaces redundant workers	IT9707117N
		Commerce sector agreement seeks to regulate telework	IT9707118N
		Intersind reaffirms the need to change the welfare state with the consensus of the social partners	IT9707120N
		Workers' participation in difficulty at Electrolux-Zanussi	IT9707121N
Tripartite talks on welfare reform continue	IT9707122N		
August	<i>Features</i>	Labour relations in cooperatives: the "working partner" issue	IT9708210F
		Training becomes an important issue in the Italian industrial relations system	IT9708309F
	<i>News</i>	Electrolux-Zanussi participation agreement renewed	IT9708123N
		Anti-union attacks by Lega Nord brings immediate response from confederations	IT9708124N
		New agreement signed for 120,000 local transport workers	IT9708125N
Textiles and clothing sectoral agreement renewed	IT9708126N		
September	<i>Features</i>	Works council elections held at Fiat's Mirafiori and Rivalta plants	IT9709211F
		Committee appointed to assess the July 1993 tripartite agreement	IT9709212F
		Proposals for a new "Jobs Statute"	IT9709310F
		New rules on representativeness and bargaining in the public sector	IT9709311F
	<i>News</i>	Trade unions made to pay for demonstration	IT9709127N
		Anti-trade union campaign ends in failure for the Lega Nord	IT9709128N
		Social partners sign first agreement for the reform of the welfare state	IT9709129N
		The three main trade unions demonstrate for national unity	IT9709130N
Shoe sector contract is renewed	IT9709131N		
October	<i>Features</i>	Labour flexibility and company-level bargaining	IT9710214F
		Working hours and equal opportunities in recent company-level bargaining	IT9710215F
		Placement services to be decentralised and state monopoly ended	IT9710312F
		Renewal of chemicals agreement centres on working time	IT9710313F
	<i>News</i>	Agreed redeployment and outplacement of 2,700 workers at Fiat-Auto	IT9710132N
		Government proposes reducing the working week to 35 hours	IT9710133N
		Agreement protects employment in Electrolux-Zanussi's Italian plants	IT9710134N
		Over one million artisanal workers go out on a general strike	IT9710135N
The government crisis and the reaction of the social partners	IT9710136N		

November	<i>Features</i>	Employers react to the Government's commitment to the 35-hour week	IT9711216F
		Reform of public sector bargaining agency approved	IT9711217F
		Welfare reform results from negotiations between government and trade unions	IT9711315F
	<i>News</i>	Italian multinational will apply ILO "social clause"	IT9711137N
		New regulations set for union representation in public sector	IT9711138N
		Metalworking supplementary pension fund is launched	IT9711139N
		Unions and employers agree on application of EU working time Directive	IT9711140N
December	<i>Features</i>	Company agreements focus attention on teleworking	IT9712218F
		Redundancy agreement signed at Italian State Railways	IT9712316F
	<i>News</i>	Agreement on productivity and employment signed at Zanussi	IT9712141N
		Scheme finds work for 100,000 young people in the South of Italy	IT9712142N
		35-hour week agreed at Wam	IT9712143N

LUXEMBOURG

Introduction

Luxembourg has continued to experience a period of economic growth. The public debt accounted for 6.7% of GDP in 1997, and projections for 1998 are in the order of 7.7%. Eurostat calculates a public spending surplus of 1.7% in 1997 and the state budget for 1998 is virtually balanced. The population is 418,300 (of whom 142,800 are foreigners), while total employment stood at 224,000 at the end of 1997, of whom 63,200 are cross-border workers. Unemployment is rising slowly and stood at 3.6% at the end of 1997. The rate of inflation was 1.4% in 1997.

A coalition Government of the Christian Social People's Party (Chrëschtlich Sozial Vollekspartei, CSV), and the Luxembourg Socialist Workers' Party (Lëtzebuergesch Sozialistesche Arbechterpartei, LSAP) is currently in office. The next elections are due in June 1999.

Key trends in collective bargaining and industrial action

The national minimum wage was increased by 3.3% in January 1997, and all pay went up by 2.5% in February 1997 in line with statutory automatic indexation. The social partners had agreed to be bound by moderate wage rises in collective bargaining, and this undertaking was generally adhered to.

The National Conciliation Office (Office National de Conciliation), which handles industrial disputes, had a quiet year in 1997. Over the year, there was a disagreement between government and trade unions over the former's plans to reform public sector pensions (LU9706111F), while the social partners were unable to agree on changes to sickness insurance contributions (LU9712135N).

Industrial relations, employment creation and work organisation

Luxembourg is one of the few countries in which the number of jobs has increased steadily over the past 10 years – by 3%-5% a year (LU9707112N). Although unemployment is low by comparison with rates in neighbouring countries, it is rising slowly. The current unemployment situation in Luxembourg is due not to an absence of job creation, but rather to a system of matching unemployed workers with vacancies that is not working as well as it might. There is also the issue of a large cross-border workforce that is highly motivated, and often better trained and strongly attracted by Luxembourg's high wages.

The issue of reducing unemployment, boosted by the European Employment Summit organised in November under the aegis of the Luxembourg Presidency, was high on the agenda in 1997. Following debates and preparations during 1997 (LU9712134F), tripartite employment discussions are planned for February-April 1998 (LU9801138N). Talks are to focus on encouraging the social partners to take more responsibility in the field of employment and vocational training, especially by focusing on young and long-term unemployed people (in line with the EU employment guidelines). As well as job creation, the talks will consider additional training for unemployed people and cash incentives for employers who recruit unemployed workers registered with the Employment Administration.

The trade unions have stressed the role of working time reductions in reducing unemployment (Luxembourg is unusual in the EU, in that even a 40-hour normal week is not yet universal). However, in the Luxembourg context, it is not at all clear to all parties that a reduction in working hours would necessarily lead to jobs being created for registered unemployed workers. One thing is quite clear: any reduction in working hours can only be achieved through a negotiated agreement within tripartite structures, and greater flexibility will necessarily have to be conceded in exchange.

Industrial relations and the impact of EMU

Following a government reshuffle in February 1998, a new minister was allocated the budget and justice portfolio together with a special mission to oversee and coordinate EMU entry and the introduction of the single currency, the euro.

As Luxembourg's membership of EMU is not in doubt, the imminent introduction of the single currency has not been a major issue. However, the social partners are now considering what effect EMU will have on employment levels – particularly in banking, a key sector in the Luxembourg economy.

Employers' associations and trade unions have begun to prepare their members for EMU through national conferences, seminars and other events.

Conclusions and outlook

The main industrial relations issues of 1997 will continue to dominate in 1998, and all of them are likely to be resolved during the coming year in line with the Government's wishes.

Employee representative elections will take place during November 1998 in all enterprises with more than 15 employees. The 2,500 or so companies concerned will have to organise elections for employee committees/works councils (délégations du personnel) and joint committees (comités mixtes) (LU9711127F).

In addition, a number of inter-linked social security issues will affect all the social partners in 1998:

- it will be necessary to resolve the problem of the future funding of state pensions and annuities. Reform of public sector pensions will be a central issue during 1998, as in 1997 (LU9706111F and LU9802146N), and the outcome will inevitably have repercussions on public finances and on draft legislation issued in 1997 aimed at modifying private sector pensions (LU9711121F);
- on complementary pensions, proposed legislation introduced by the Government will need to be amended on several points, including measures to facilitate the development of international pension funds in Luxembourg (LU9711126F); and
- the issue of "dependence insurance", to cover against becoming dependent through disability, illness or age, is becoming increasingly important, and will require a considerable effort from the social partners, particularly with regard to funding (LU9712136N).

Luxembourg: 1997 Records

February	<i>News</i>	Two-fold increase in the minimum wage	LU9702103N
March	<i>Features</i>	New collective agreement for hospitals	LU9703104F
April	<i>News</i>	Agreement concluded for white-collar employees in iron and steel	LU9704105N
		First collective agreement at Guardian Automotive Europe SA	LU9704106N
May	<i>Features</i>	Economic and Social Council gives opinion on reform of collective agreements legislation	LU9705107F
June	<i>Features</i>	Government decides to reform civil servants' pension scheme	LU9706111F
	<i>News</i>	New collective agreement for banking employees	LU9706113N
July	<i>Features</i>	Debate in the Chamber of Deputies on women and employment	LU9707115F
	<i>News</i>	New jobs created by introduction of 36-hour week	LU9707116N
August	<i>News</i>	CLT-UFA reacts positively to union action against outsourcing	LU9708117N
		Negotiations on skilled workers' agreements grind to a halt	LU9708118N
		Strike avoided at the 11th hour at Luxguard 2	LU9708119N
October	<i>News</i>	The first CIGL initiative gets off the ground	LU9710122N
		Brewery negotiations break down	LU9710123N
		Insurance unions reject employers' proposal for renegotiation of collective agreement	LU9710124N
		Tax reform to increase purchasing power and maintain employment levels	LU9710125N
November	<i>Features</i>	New bill deals with pensions in the private sector	LU9711121F
		Complementary pensions bill proves controversial	LU9711126F
		Is the "Luxembourg model" of industrial relations in danger?	LU9711127F
		"Quadripartite" sickness funds talks break down	LU9711129F
	<i>News</i>	Agreement signed for blue-collar workers in the Luxembourg steel industry	LU9711130N
		Bus drivers demonstrate outside the Chamber of Deputies	LU9711131N
		New continuing vocational training bill	LU9711132N
		Chamber of Deputies prepares debate on employment policy	LU9711133N
December	<i>Features</i>	Employment policy debate focuses on working time	LU9712134F
	<i>News</i>	Sickness fund stabilises after contributions are put up "Dependence insurance" debated	LU9712135N LU9712136N

THE NETHERLANDS

Introduction

The Dutch economy continued to develop favourably in 1997. The level of economic growth stood at 3.3%, which is higher than the EU average. Although inflation in the Netherlands, at 2.2%, was considerably higher than the EU average, it was fairly stable. The General Government Financial Balance for 1997 was -2.0% of GDP (NLG 14.2 billion – ECU 6.4 billion). Eurostat put public debt at 72.1% of GDP. Unemployment decreased significantly again in 1997, and the number of unemployed persons stood at 336,000 (6.4%) in the last quarter of 1997.

The current Government is a “purple” coalition, composed of the Labour Party (Partij van de Arbeid, PvdA), the liberal People's Party for Freedom and Democracy (Volkspartij voor Vrijheid en Democratie, VVD) and the social democratic Democraten 66 (D-66). New elections for the Second Chamber of Parliament are due in May 1998.

Key trends in collective bargaining and industrial action

In mid-November 1997, the social partners represented in the bipartite consultative Labour Foundation (Stichting van de Arbeid, STAR) reached a new agreement on the future agenda for collective bargaining (NL9711148N). This agreement reaffirms the importance of wage moderation and of enhancing the “employability” of the labour force. Although this is in line with government policy and contributes to the preservation of the so-called Dutch “consultation economy” (NL9710137F), the first rounds of collective bargaining since the agreement have been progressing with difficulty (NL9801157N). Training and wage demands (NL9801155N) appear to be the main stumbling block (NL9802160F).

Strikes remained rare in 1997. With the exception of disputes in the docks (NL9711146N), industrial action appeared to occur mainly in the public sector – workers in both the national railways and regional transport companies took action in protest against deregulation and privatisation plans. The year also saw industrial action taken by public employees in public transport and refuse collection in some cities in support of claims for higher wages by workers recruited on several job-creation schemes (NL9712153N)

Industrial relations, employment creation and work organisation

Employment in the Netherlands is growing rapidly, and exceeds the rate of job creation in other European countries (about 1.4% a year in recent years, as opposed

to a European average of 0.4%). It is expected that high job-growth will continue in the years to come. Women, young people and long-term unemployed people have also benefited from these developments. Subsequently, the inactivity/activity rate has changed significantly: from 81.3% in 1992, to 76% expected for 1998.

In accordance with agreements reached at the Luxembourg special Employment Summit in November 1997, the Dutch Government has drafted a national action plan to implement the EU employment guidelines for 1998. This plan emphasises the concept of employability. (A recent example of EU-inspired (and partly EU-financed) policy in this area is the “Employment Pact” concluded by three Dutch provinces (Noord-Brabant, Limburg and Flevoland) on 20 February 1998.)

Dutch job-creation policy operates on two fronts. The first concerns direct job creation for target groups. The most prominent measures in this area are: (1) the Guaranteed Youth Employment Act (Jeugdwerkgarantieplan); (2) the National Labour Pool (Rijksbijdrageregeling Banenpool); (3) the Additional Employment Measure for Long-term Unemployed People (Additionele werkgelegenheidsmaatregel voor langdurig werklozen) commonly known as the “Melkert 1” measure; and finally (4) the “Melkert 3” measure which aims for the social reintegration of disadvantaged long-term unemployed people through volunteer work. Wage subsidies comprise the second front of Dutch employment creation policy. As of 1998, the job-creation schemes are now incorporated in the Job-seekers Deployment Act (Wet Inschakeling Werkzoekenden).

As in other countries, flexibilisation of the labour market is a key issue in the Netherlands. In 1996, the Government launched proposals for a new law on flexibility and security. These proposals were then elaborated on by the STAR, which provided the basis for proposals for legislative reform which were submitted to parliament in 1997 (NL9706116F). The Second Chamber (or Lower House) of Parliament accepted the proposals (after discussion and amendments) on 18 November 1997. In early 1998, the proposed legislation was being discussed by the First Chamber.

The flexibility and security initiative concerns amendments to dismissal law and the repeal of the permit system for temporary employment agencies, in order to enhance labour market flexibility. At the same time – and this is where the “security” element comes in – atypical employees (particularly temporary agency workers) are given a stronger position in terms of job security and social security (NL9711144F).

In practice, trade unions and employers are already involved in discussing new forms of work, which are thought to follow a trend from job security towards “employment security”. A prominent example is the so-called “job pool”. This is an organisation that allocates workers within a pool to a company or a

cooperative structure of several companies (within a certain region or sector), depending on the actual demand for labour. Job pools aim at enhancing the employability of workers, while at the same time promoting organisational flexibility and protecting employment. The number of job pools is increasing rapidly in the industry and service sectors. This development notwithstanding, existing job pools for the Amsterdam and Rotterdam docks faced serious difficulties in 1997, partly as a result of technological advances. This led to industrial action and protests by the dockworkers (NL9711146N).

Temporary agency work has continued to grow in the Netherlands (NL9711144F). The same is true for part-time work, even though Dutch levels of part-time working were already unparalleled in Europe. A proposal for a legal right to work part time (ie a right to reduce one's working hours), which clearly exceeds the new EU Directive on part-time work adopted in December 1997, was (rather surprisingly) rejected by the First Chamber of Parliament in 1997 (NL9712152N). However, new initiatives were announced subsequently (NL9803164F).

Developments in representation and role of the social partners

A bill revising the Works Councils Act (*Wet op de ondernemingsraden*) was debated by Parliament in 1997 (NL9709130F) (and adopted by parliament on 10 February 1998 – NL9802162N). The new legislation contains no fundamental changes. Under the new system, employees who are employed for less than a third of normal working time are no longer excluded from consideration for the purposes of the establishment (and certain rights) of work councils. As a consequence, more companies will be bound by this law. On the other hand, only employers with at least 50 employees (instead of 35) must establish a works council. Companies with fewer than 50 employees are, depending on their size and the view of the majority of employees, either required to establish a new type of standing forum for employee representation, or free to do so.

The new Act also reinforces the participation rights of temporary workers. A further example of administrative modernisation is the explicit option in the law to allow agreements to be struck between the works council and the employer. This fits in with the trend towards the decentralisation of labour relations. Nevertheless, trade unions will continue to play the most important role with respect to the determination of the terms of employment (NL9703106F).

On 5 February 1997, the European Works Councils Act (*Wet op de Europese ondernemingsraden*) took effect, transposing the 1994 EU Directive into Dutch law (NL9706117F). The Dutch legislation has extended the provisions of the Directive slightly – for example, EWC members are granted the right to training. About 100

multinational companies which have their headquarters in the Netherlands are now subject to the EWC legislation. Prior to the Directive coming into force in September 1996, 20 "Article 13" (ie pre-exemptive) agreements were concluded in Dutch-based multinationals, while about five Article 6 agreements have been reached since the Directive came into force (ie agreements covered by Dutch law).

1997 saw preparations for the merger of four trade unions (representing workers in industry, services, transport and food) affiliated to the Dutch Trade Union Federation (*Federatie Nederlandse Vakbeweging, FNV*), which were already cooperating in a federal association (NL9711145F). The decision was finalised in early 1998. The new union, *FNV Bondgenoten* (Allied Unions) has almost half a million members. For the first time, people drawing benefits and older people are incorporated into the organisation as a distinct category. The decision to combine forces is aimed at promoting the interests of the members. The new union is expected to be better equipped to formulate a response to changing labour relations, including the decentralisation of negotiations on terms and conditions of employment. For that purpose, the new union intends to strengthen its position within companies and work in close cooperation with works councils.

Industrial relations and the impact of EMU

Wage moderation is a key issue in the preparations for EMU. As indicated above, this issue pervades collective bargaining and central policy-making.

Conclusions and outlook

In general, one can perceive a shift in the collective bargaining agenda. In the past, wage moderation was usually traded off for shorter working hours, but now unions have put training issues and workloads squarely on the agenda, while the employers wish to increase flexibility and performance-based pay (NL9712149F). Collective bargaining remained difficult in early 1998 over employers' wishes for separate contracts for specific categories of employee – which unions believe will increase working hours – and for flexible pay schemes (NL9803166N).

Without a doubt, working time matters, including various types of leave, will again become major issues in 1998 for the Government, the social partners at the central level, the collective bargaining parties and individual companies. An example is the proposal for a new Career Break Leave Financing Act (*Wet financiering loopbaanonderbreking*) (NL9705115N).

The merger decision by the four unions making up *FNV Bondgenoten* is expected to stimulate more intensive cooperation between the other Dutch trade unions.

Netherlands: 1997 Records

February	<i>Features</i>	Proposal to exempt long-term unemployed people from legal minimum wage	NL9702103F
	<i>News</i>	Legal barriers to European-level collective bargaining	NL9702104N
		Positive experience with working time flexibility at Akzo Nobel	NL9702105N
March	<i>Features</i>	Determining terms of employment: works council or union?	NL9703106F
	<i>News</i>	Building industry agreement increases pay and flexibility	NL9703107N
		Akzo Nobel abandons a standard 36-hour week	NL9703108N
April	<i>Features</i>	Controversy surrounds social security financing	NL9704109F
	<i>News</i>	Controversial agreement in information technology sector	NL9704110N
		Agreement between AKZO-Nobel and the unions	NL9704111N
May	<i>Features</i>	The Port of Rotterdam: a long tradition of industrial conflict continues	NL9705112F
	<i>News</i>	Exemptions from the statutory national minimum wage dropped	NL9705113N
		Share option scheme considered at KLM	NL9705114N
		New Career Breaks Bill promotes care and study leave	NL9705115N
June	<i>Features</i>	"Flexicurity" : new bills on flexibility and security at work	NL9706116F
		European and national works councils in the Netherlands	NL9706117F
	<i>News</i>	Union demands halt to demolition work until working conditions improve	NL9706118N
		Complaints about discrimination and inappropriate treatment during job applications	NL9706119N
July	<i>Features</i>	Recommendations on workplace-level union structure	NL9707120F
		Investment contracts: job security and education	NL9707121F
	<i>News</i>	Mobility centre at Stork aims to improve flexibility	NL9707122N
		Complaints about holiday jobs	NL9707123N
		Chinese company may continue demolition work	NL9707124N
August	<i>Features</i>	Debate centres on new policies for older employees	NL9708125F
		Changes to employers' responsibility for sickness compensation	NL9708126F
	<i>News</i>	Working time disputes in Dutch banking	NL9708127N
		Dutch unions to end policy of wage restraint?	NL9708128N
		Inadequate compliance with collective agreements	NL9708129N
September	<i>Features</i>	Amendment of the Dutch Works Councils Act: a few surprises	NL9709130F
		Disproportionate number of older employees made redundant by Dutch companies	NL9709131F
	<i>News</i>	Regional transport reshuffle may cost 2,500 jobs	NL9709132N
		Reorganisation at KBB: 3,000 jobs hang in the balance	NL9709133N
		Controversy over right to tap employees' conversations in Dutch companies	NL9709134N
		Holiday job working conditions largely "unsafe"	NL9709135N
		Amsterdam's dock workers organise protest actions	NL9709136N
October	<i>Features</i>	Latest pay claims: a threat to the Dutch "concertation economy" ?	NL9710137F
		Does privatisation improve sickness absence policy within companies?	NL9710138F
	<i>News</i>	Impending dispute on Dutch Railways	NL9710139N
		Strikes at the Port of Amsterdam following job pool bankruptcy	NL9710140N
		Chinese company fined for its dangerous working conditions	NL9710141N
		Philips' future scenario: the end of job security	NL9710142N
		Union seeks investment contracts to promote job security	NL9710143N
November	<i>Features</i>	Temporary work in the Netherlands: from flexible to permanent employment?	NL9711144F
		Large-scale merger leads to formation of Dutch "super union"	NL9711145F
	<i>News</i>	Mixed fortunes in Dutch dock labour scheme disputes	NL9711146N
		Closure of plants in the Netherlands: job losses on the horizon	NL9711147N
		Dutch social partners agree agenda for collective bargaining	NL9711148N

December	<i>Features</i>	Flexible remuneration and financial participation by employees: state of play in the Netherlands	NL9712149F
		Labour relations in public transport under pressure from market forces	NL9712150F
	<i>News</i>	Trade unions demand standards for manual lifting	NL9712151N
		Legal right to work part-time rejected in Dutch Parliament	NL9712152N
		Workers on long-term unemployed projects in Amsterdam protest at low pay	NL9712153N

NORWAY

Introduction

In 1997, GDP growth stood at 3.9%, or 3.5% for mainland Norway (offshore sector excluded). The consumer prices index rose by 2.5%, compared with 1.3% in 1996. The 1997 unemployment rate was 4.2%, against 4.9% for 1996. In 1997, Norway had a central government surplus of NOK 65.8 billion (ECU 8.2 billion). However, if revenues from the petroleum sector are excluded, Norway had a public budget deficit of NOK 20.2 billion (ECU 2.5 billion). The surplus will be transferred to the Government Petroleum Fund.

Norway has seen a rapid growth in employment over the past few years, and the number of employed persons increased by 200,000 from 1993 to 1997 (according to Labour Market Survey figures). During the fourth quarter of 1997, 72.7% of the population between 16-74 years of age were employed, against 71.5% during the same quarter in the previous year. During the last quarter of 1997, the unemployment rate stood at 3.3%, compared with 4.2% during the last quarter of 1996. The number of persons participating in employment schemes has been significantly reduced, and at the end of 1997, "ordinary" employment schemes involved 25,000 persons (1.1% of the labour force).

During 1997, unemployment also fell for those groups with the most significant labour market entry problems (immigrants and young people). However, the unemployment levels for these groups are still significantly higher than the average. People below the age of 20 years have a right to either schooling or a placement in an employment scheme, while those below the age of 25 years are given priority in the employment schemes. In total, 18,000 persons, or 0.8% of the labour force, were registered as long-term unemployed (ie unemployed for six months or more) at the end of 1997. The unemployment rate amongst men is somewhat higher than amongst women.

Approximately one quarter of all employees, and almost half of all female employees, work part-time. The fact that many "typically female" occupations such as nursing and pre-school teaching is pervaded with part-time working is seen as a problem, since there is shortage of labour within these occupations.

Up until the parliamentary elections in September 1997, Norway had a minority Labour Party (Det norske Arbeiderparti) Government. After the elections, a new minority Government, representing the Christian Democratic Party (Kristelig Folkeparti), Centre Party (Senterpartiet) and Liberal Party (Venstre), took office. The new Government has not significantly altered labour market policies and has signalled that it wishes to

continue to cooperate with the labour market parties (NO9710129N).

Key trends in collective bargaining and industrial action

Wage growth for 1997 was estimated at 4.25%, while the growth in real wages after taxes was estimated to be 1.8%. Most of the current wage agreements in Norway are of two years' duration and expire in 1998. The 1997 bargaining round was therefore a "mid-term" settlement in which the parties mainly negotiated over remuneration levels. In addition, an agreement was reached on the implementation of a 1996 accord making it possible to retire from the age of 62 years (NO9704108F).

Industrial relations, employment creation and work organisation

Issues relating to labour market flexibility are frequently discussed among Norwegian politicians and the labour market parties. Generally, Norwegian legal provisions within this area may be characterised as restrictive, though they do allow for a fair number of exemptions. Proposals to soften statutory provisions regarding the "leasing" of labour (NO9708118F), regulating overtime work, requiring employment relationships generally to be permanent, and restricting private placement services (NO9801144F) have so far not received sufficient political support in Parliament (NO9802151N).

The employers' organisations would like greater flexibility with regard to types of employment (permanent/temporary/leased) and working hours, mainly in order to utilise labour more efficiently and to reduce overtime costs. The 1997 congress of the Norwegian Confederation of Trade Unions (Landsorganisasjonen i Norge, LO) opened the possibility of the unions discussing more flexible hours arrangements, though stressing that these must be regulated through collective agreements (NO9705110F).

Developments in representation and role of the social partners

The 1994 European Union European Works Council (EWC) Directive applies to Norway by virtue of its membership of the European Economic Area. It was implemented through a 1995 collective agreement which since has been supported by legislation (adopted in 1996). The principal elements of the EWC Directive are thus included in the Basic Agreement between LO and the Confederation of Norwegian Business and Industry (Næringslivets Hovedorganisasjon, NHO) (Basic Agreements between the various confederations lay down the principles and procedures that regulate the relationship between the labour market parties). Some 20 Norwegian-based enterprises are required by the Directive to implement some sort of employee representation at the European level, and most of these

had already established EWCs before the Directive became effective.

During the renegotiation of the Basic Agreement between LO and NHO which took place in 1997, new provisions regarding the rights of trade union representatives at the overall concern level (concern representatives, who may be elected in concerns with more than 200 employees) were included in the Agreement. This means that "concern representatives" now have the same rights as other union representatives under the Basic Agreement (NO9711134F).

There was a discussion during 1997 regarding the proposed amendments to the Labour Dispute Act which were presented by the Labour Law Commission in 1996. The Commission proposed a strengthening of the confederations' role. One of the objectives would be to reduce the number of competing wage agreements. The proposal was strongly criticised by the majority of the organisations not affiliated to LO and NHO and the Government has so far not decided on how to follow up the Commission's recommendations (NO9706112F).

In the 1997 revision of the Basic Agreement between LO and NHO, the parties agreed to a provision stating that a minimum level of membership (10% of the workforce) is required before a union can demand a wage agreement. If there is already a wage agreement at the workplace concerned, the membership requirement for the new organisation is 30% of the employees (NO9711134F). The provision may entail that it will become more difficult to have competing wage agreements at the same workplace. NHO's request that similar provisions be included in the Basic Agreement between NHO and the Confederation of Vocational Unions (Yrkesorganisasjonenes Fellesorganisasjon, YS) succeeded only on the 10% threshold and not on the 30%, and the issue will probably be on the agenda in the spring 1998 wage negotiations (NO9802152N).

During autumn 1997, seven of the trade unions affiliated to the Federation of Norwegian Professional Associations (Akademikernes Fellesorganisasjon, AF) disassociated themselves from it and established a new confederation together with the independent Norwegian Medical Association (Den Norske Lægeforening) (NO9711133F). The new confederation – Akademikerne – aims to represent academics and professionals with university

degrees. The year ended with a disagreement between AF and Akademikerne as to the latter's right to participate in bargaining in the spring 1998 wage settlement (NO9803158N).

Industrial relations and the impact of EMU

Norway is not a member of the European Union and there has not been a major public debate regarding EMU. It is expected that the Government will review issues relating to EMU when presenting the revised national budget in the spring of 1998. The general impression so far is that Norway's compliance with EMU will not require significant changes in economic policies or industrial relations.

Conclusions and outlook

For Norway, 1997 was a year without substantial changes in industrial relations and labour market regulation.

There is a considerable amount of tension associated with the spring 1998 wage settlement, when the two-yearly wage agreements are to be renegotiated. The 1998 bargaining in the private sector is to be conducted as a sector-level settlement (NO9802150F). A central question is whether or not the parties are willing and/or able to continue the line of moderation which has been followed over most of the 1990s. It is feared that the favourable economic climate and a tight labour market will unleash high wage increases which, together with planned social reforms, will be inflationary and weaken the Norwegian economy in the long run.

Another central question is the role the right to further training and education will come to play during the negotiations. This issue was much discussed during 1997 (NO9710127F), and it was for a long time expected that a reform in this area would be an important element in the 1998 wage settlement. The public committee which was commissioned to look into the question proposed a relatively moderate reform which was to be implemented gradually and in close cooperation with the labour market parties. The Government was due to present its White Paper on further education and training during the spring of 1998.

Norway: 1997 Records

February	<i>Features</i>	The 1997 bargaining round previewed	NO9702104F
	<i>News</i>	LO executive committee proposes new action programme	NO9702102N
		Strikes hit 60-year high	NO9702103N
March	<i>News</i>	Wage bargaining begins in the private sector	NO9703105N
		Offshore oil workers' union affiliates to the Confederation of Vocational Unions	NO9703106N
		NHO reports increase in membership	NO9703107N
April	<i>Features</i>	Bargaining round extends voluntary early retirement scheme	NO9704108F
	<i>News</i>	Supreme Court finds Government not guilty of abusing compulsory arbitration	NO9704109N
May	<i>Features</i>	Norwegian Confederation of Trade Unions holds congress	NO9705110F
	<i>News</i>	New wage agreement for the public sector	NO9705111N
June	<i>Features</i>	Disagreement over proposed amendments to the Labour Dispute Act	NO9706112F
	<i>News</i>	Employment increases, unemployment falls	NO9706113N
		Parliament turns down legislative proposal to prohibit closed shops	NO9706114N
July	<i>Features</i>	New legislative proposal on the regulation of retail opening hours	NO9707116F
	<i>News</i>	Wage regulation negotiations in the state sector finalised	NO9707117N
August	<i>Features</i>	Temporary employment and leasing of employees	NO9708118F
	<i>News</i>	Sick pay an issue in the parliamentary election campaign	NO9708119N
		Strike hits mobile offshore oil units	NO9708120N
September	<i>Features</i>	Substantial wage increases and a new bargaining situation for the medical profession	NO9709121F
		Social partners' support for political parties in the election campaign	NO9709122F
	<i>News</i>	Strike on mobile offshore units continues	NO9709123N
		Committee looks closer at reform of further training and education	NO9709124N
		Employers' and unions' views on expected change of government	NO9709125N
October	<i>Features</i>	Public committee recommends a moderate further education and training reform	NO9710127F
	<i>News</i>	Compulsory arbitration used to resolve conflict on mobile offshore units	NO9710128N
		New Government leaves the present sick pay scheme untouched	NO9710129N
		Agreement to merge unions of information technology and electrical workers	NO9710130N
		New trade union confederation for professionals established	NO9710131N
November	<i>Features</i>	Federation of Norwegian Professional Associations is split	NO9711133F
		Agreement between LO and NHO on amendments to the Basic Agreement	NO9711134F
	<i>News</i>	Director of Employment supports lifting ban on private labour exchanges	NO9711135N
		Police unions agree to merge	NO9711136N
		Report of substantial increases in management pay worries LO	NO9711137N
December	<i>Features</i>	Membership growth and increased rivalry between employer organisations	NO9712138F
		Agreement to minimise redundancies in postal service reorganisation	NO9712139F
	<i>News</i>	High service charges lead unions to propose banks boycott	NO9712140N
		Some uneasiness in run-up to 1998 wage settlement	NO9712141N
		Breakdown of negotiations between NHO and YS over new Basic Agreement	NO9712142N

PORTUGAL

Introduction

The year 1997 saw: an increase in GDP of 3.5% (according to Eurostat figures); an inflation rate of 1.9%, which was lower than the previous year; and a low government deficit of 0.8% of GDP (according to national figures). The unemployment rate for the year was 6.7% (down from 7.3% in 1996). Low skill levels and inadequate management strategies have been identified as being among the key causes of high unemployment.

During 1997, the Socialist Party (Partido Socialista) was in government, supported by the Portuguese Communist Party (Partido Comunista Português).

Key trends in collective bargaining and industrial action

In 1997, according to figures from the Ministry of Labour and Solidarity, 409 collective agreements were negotiated, of which 68% were sector-level agreements, 26.4% company-level agreements, and 5.6% were "adoption agreements" (whereby social partners in one area adopted agreements already negotiated elsewhere). The number of agreements essentially remained at the same level as in previous years, though there was a slight drop in relation to 1996 (PT9802164F). The content of the agreements negotiated was very limited, and in 84.2% of agreements no new topics were introduced. Previous clauses were simply updated in accordance with new labour laws, while the greater part of the changes dealt with wage increases. In only 10.2% of cases were the entire contents of agreements renegotiated.

1997 saw some signs of collective bargaining expanding into areas where employment conditions have traditionally been regulated by administrative instruments. On the other hand, there has been a tendency noted in recent years toward a certain stagnation in collective bargaining, principally as it relates to matters of content, and it is hoped that 1998 will see the adoption of some measures designed to promote bargaining. These measures, under the provisions of the current 1996-9 tripartite economic and social agreement, the Strategic Concertation Pact (Acordo de Concertação Estratégica), should lead to greater uniformity in company-level bargaining, although the difficulties of governmental intervention in this area may mean that adoption of the measures will be postponed beyond 1998.

There were 313 strikes in 1997, of which 77% were strikes called in individual companies and 9.2% were strikes involving an entire sector (PT9802164F). Strike numbers have remained relatively stable, though some

reduction in other indicators of strike mobilisation – workers involved and days lost – is noticeable.

Industrial relations, employment creation and work organisation

Employment creation is regarded as a crucial issue by the social partners, and it receives high priority in the current Strategic Concertation Pact. This point was highlighted in 1997 by the approval of a joint declaration on the part of the Government, the trade unions and employers' federations – a rare occurrence in Portugal – which was presented to the European Council Employment Summit in November (PT9711152N). Also with respect to Community action in this area, it should also be noted that three regional networks have been developed aimed at promoting job creation initiatives, which are incorporated into the EU's Territorial Employment Pacts initiative.

The debate over new forms of work organisation has concentrated on part-time work, and the Government discussed draft legislation on the matter with the social partners during the year (PT9704112F). This draft legislation has yet to be approved, though it is possible that it will be in 1998. Part-time work, which affects mostly women, comprises only 7.1% of all employment, but is certain to become more widespread as a result of fiscal and financial incentives for employers. At the same time, the unions will be working to ensure that the increase in part-time work is not accompanied by deteriorating working conditions. This presupposes observing the principle of pro rata equality of part-time work with full-time work.

Working time issues were among the central themes in 1997, especially as legislation reducing the working week to 40 hours came into force (PT9712154F) – though it is important to note that the 40-hour week is seen more as a form of social progress and improvement in the quality of life and work than as a means of reducing unemployment. Although a reduction in the working week has been linked to the introduction of more flexible forms of work organisation and working time management, the social partners have so far not taken advantage of opportunities for putting new solutions into practice through collective bargaining (PT9802165F).

Still on the issue of working time, by the end of 1997, the EU Directive on the subject (93/104/EC) – which had an implementation deadline of November 1996 – had not been transposed into Portuguese law, although the Government did discuss draft legislation with the social partners (PT9712156N). Conclusion of the transposition process is expected in 1998. It should be noted, however, that a great number of the measures outlined in the Directive are already set out in Portuguese law.

Beyond changes in the organisation of working time, increased flexibility in the labour market has resulted in a growth in less stable forms of employment –

self-employment, either legal or illegal, and subcontracting (PT9702107F). The Government prepared a number of measures to combat the phenomenon of fraud camouflaging the true nature of employment relations. However, these measures generated a strong negative reaction on the part of employers and were not put into effect. Instead, attempts have been made to increase the effectiveness of labour inspection through better articulation of the inspection services (PT9710143N).

Developments in representation and role of the social partners

The issue of the representativeness of trade union organisations remains unresolved in the Portuguese system of industrial relations, and in 1997 debate centred around representation in national social concertation structures (PT9712155F).

Another item related to this issue was the publication of a Ministry study on unionisation, which, though it looks only at the 1974-95 period, confirmed that there has been a significant drop in union membership among Portuguese workers (PT9711153N). The latest statistics also reveal a decrease in the number of employers' associations – a development which may be the result of reorganisation of the boundaries of branches of economic activity.

In the area of trade union organisation, 1997 marked the opening of a debate around the question of the financing of unions and of aid granted them by the state. The debate will certainly continue on into 1998. 1997 also saw some events which point to union organisation spreading to the police forces (PT9705118F).

The debate on transposing the EU Directive on European Works Councils (EWCs) (94/45/EC) – something which should have occurred by September 1996 – has proceeded and is at an advanced stage. A number of reports have been written and the social partners have initiated formal negotiations on the subject. A draft document for transposition was drawn up in 1996 but a number of issues regarding procedure arose. The Confederation of Portuguese Industry (Confederação da Indústria Portuguesa, CIP), the Confederation of Portuguese Commerce (Confederação do Comércio e Serviços de Portugal, CCP) and the General Worker's Union (União Geral de Trabalhadores, UGT) backed transposition through direct negotiations, as part of the development of the Strategic Concertation Pact. Difficulties arose, however, because the other union confederation – the General Confederation of Portuguese Workers (Confederação Geral dos Trabalhadores Portugueses, CGTP) – was not party to the Pact.

Debates have also taken place on how to organise the EWC representation of workers at company level, with differing points of view being expressed on how to

choose representatives. Some parties, such as the CIP and CGTP, have stated that, even though the transposition of Directives does allow for a certain degree of flexibility, the EWC Directive will have to be adapted to specific conditions in Portugal.

Even without transposition, however, a growing number of employee representatives have taken part in EWCs. According to the two union confederations, there has probably been Portuguese participation in more than 50 companies. Participation is highest in the hotel sector, metalworking (notably automobiles) and the agro-food, electrical products and textiles industries.

There was also discussion in Portugal in 1997 on the EU-level initiative to revive the proposed European Company Statute (EU9705128N). A great deal of material has already been gathered, but the debate on the features of this type of company and, above all, models of employee participation, has not been concluded. The proposals developed by the Davignon group and subsequently the Luxembourg EU Presidency called for employee participation in decision-making bodies (ie, supervisory/administrative boards or boards of directors) within the European Company. It has become evident from recent experience that this type of participation – which is provided for by law – never came about in Portugal, even in the case of public enterprises during the period of nationalisation, owing to a lack of consensus. Both the CIP employers' organisation and the CGTP union confederation have rejected the model of board-level participation. CGTP has stated that the information and consultation model is an acceptable one for worker involvement.

Industrial relations and the impact of EMU

The social partners have taken some common positions in the debate on EMU in Portugal. First, the position accepted by most of the parties involved is that Portugal will benefit from being part of the first wave of membership. Second, all parties agree that there must be a close relationship between new European macroeconomic policies and strengthening economic and social cohesion throughout Europe. There is some difference of opinion regarding how much of an influence the single currency will exert on the process of industrial relations.

The CCP employers' organisation has stated that it is essential for EMU to heed the challenges of the imbalances between sectors in terms of the effects of market deregulation and the elimination of obstacles to free movement. Resources will have to be provided to regions undergoing modernisation to compensate for the smaller budget capacity of certain Member States.

For the CGTP and the UGT, the greatest impact of EMU has been on the process of constructing the European

Union itself. The process has demanded no small amount of sacrifice in order to meet convergence criteria, which were achieved through pay reductions and privatisation (according to the CGTP). Now the biggest question marks are the impact on the future of employees of the admission of Central and Eastern European countries, and the problems Portugal faces with regard to education and vocational training and job reclassification.

With regard to the changes in industrial relations brought about by EMU, the parties have differing views. The UGT supports the strengthening of bargaining structures, a development which, in less affluent countries, will have to be achieved by: greater articulation of negotiating levels, mainly in small and medium-sized companies; bargaining on the adaptability of companies; increased union representativeness and organisation; and the introduction of new demands in bargaining, including the issue of "improved working conditions in order to come closer to the European average".

In the estimation of the employers, the social situation under EMU will follow the economic situation that is created. Pay increases directly related to the single currency are not envisaged and fears of "wage dumping" are seen as groundless in Portugal since, due to a lack of flexibility, its competitive advantages will not have increased.

The Government has proposed the negotiation of a new tripartite central agreement – the "Europact" – as a joint strategy for EMU that "increases overall competitiveness and social cohesion" (PT9803171N). Some social partners have expressed reservations about participating before certain essential commitments of the existing 1996-9 Strategic Concertation Pact have been carried out. These include flexibility of working hours (cited by CIP), or a reduction in precarious work and the creation of a wage guarantee fund (UGT). The CGTP has expressed willingness to participate in the discussions on the Europact.

Conclusions and outlook

According to the CIP and CCP employers' organisations, the development of industrial relations in Portugal is closely linked to developments in the implementation of the legislation on the 40-hour working week, labour flexibility and the results of discussions on economic cohesion. For the UGT, an important factor will be the implementation of the measures set out in the 1996-9 Strategic Concertation Pact – a new wage guarantee fund, penalties for breaches of labour law (PT9802168N), and so on. As mentioned above, other issues likely to be on the agenda include possible legislation on part-time work and the transposition of the EU Directives on working time and EWCs.

Portugal: 1997 Records

February	<i>Features</i>	Legislation increases national minimum wage	PT9702102F
		Pressure mounts to protect standard employment relationship	PT9702107F
	<i>News</i>	UGT assesses collective bargaining in 1996	PT9702104N
		Civil service normalises situation of its fixed-term contract workers	PT9702105N
March	<i>Features</i>	Privatisation reforms human resource management at Lisnave shipyards	PT9703106F
		Base-line income system established	PT9703107F
	<i>News</i>	European Central Banks trade unions meet in Portugal	PT9703108N
		Dockers' unions opposed to dock work reform	PT9703109N
		Ministry of Employment clarifies controversial Law on Working Time Reduction	PT9703110N
		Bargaining, union elections and workforce reductions in banking	PT9703111N
April	<i>Features</i>	Government and social partners discuss new part-time work legislation	PT9704112F
		Collective bargaining and strikes in the first quarter of 1997	PT9704113F
	<i>News</i>	First agreement on five weeks' paid holidays	PT9704114N
		New rules for family credits	PT9704115N
		TAP-Air Portugal pilots react against loss of compensation	PT9704116N
May	<i>Features</i>	Government strategic plan to support company restructuring and upgrade human resources	PT9705117F
		Debate on recognition of police union	PT9705118F
	<i>News</i>	First agreement for social welfare institutions	PT9705119N
		State guarantee for bank loan to UGT creates controversy	PT9705120N
		Elections in the largest union affiliated to UGT	PT9705121N

June	<i>Features</i>	Divisions over protecting conditions in the fishing sector Teachers' unions protect professional autonomy	PT9706122F PT9706123F	
	<i>News</i>	Sinergia union subscribes to EDP privatisation share issue Grundig closes a company in Portugal Portuguese workers join European rallies for jobs	PT9706124N PT9706125N PT9706126N	
	July	<i>Features</i>	Union confederation alleges exclusion from national-level representative body Social security reform under debate	PT9707128F PT9707129F
		<i>News</i>	Continuous working at Somincor requires restructuring of working time TAP-Air Portugal and pilots' union try to negotiate "Lufthansa model" Banking union debates pension funds	PT9707130N PT9707131N PT9707132N
August	<i>Features</i>	Hospital administration and working conditions reform proposed	PT9708133F	
	<i>News</i>	Labour dispute continues at TAP-Air Portugal	PT9708134N	
September	<i>Features</i>	EU convergence criteria set framework for pay guidelines in Portugal Collective bargaining trends over the first half of 1997	PT9709135F PT9709136F	
	<i>News</i>	Portuguese bank submits draft company-level agreement to workers Difficult run-up to tripartite negotiations	PT9709138N PT9709139N	
October	<i>Features</i>	Portugal proceeds with privatisation of Portugal Telecom SA New legal system created for industrial injuries and occupational diseases Difficult bargaining round in hotel industry	PT9710140F PT9710141F PT9710142F	
		<i>News</i>	Official inspection task force to fight "submerged" employment Occupational categories: a sensitive negotiating issue in Portugal Government and public service unions negotiate for 1998	PT9710143N PT9710144N PT9710145N
		November	<i>Features</i>	Official report evaluates collective bargaining in Portugal Pay talks and job creation at Renault Portuguesa
	<i>News</i>		Unions intervene on tax issues in run-up to Budget Lorry drivers open collective bargaining New statute for workers attending study courses in Portugal Portuguese tripartite joint declaration for EU jobs summit Significant drop in trade union membership	PT9711149N PT9711150N PT9711151N PT9711152N PT9711153N
December	<i>Features</i>	The 40-hour working week finally in force in Portugal CGTP questions representativeness of social partners	PT9712154F PT9712155F	
	<i>News</i>	Delays in transposing working time Directive into Portuguese law Improving the transposition of the EC collective redundancies Directives in Portugal Agreement at footwear company delayed by sectoral bargaining	PT9712156N PT9712157N PT9712158N	

SPAIN

Introduction

In recent years the Spanish economy has undergone a process of recovery. After the recession of the early 1990s, a cycle of growth began, parallel to that of other countries in the European Union. In 1997, GDP rose by 3.4% – compared with 2.1% in 1994, 2.8% in 1995 and 2.1% in 1996. This was mainly due to the increase in domestic consumption, investment and industrial activity and the resurgence of construction. The prospects for growth in 1998 are also optimistic, with forecasts of around 3.6%. This has been particularly helped by the fall in inflation, which at 2.1% in 1997, was the lowest for 30 years. This low inflation rate has led to a reduction in interest rates, which were very high in the 1980s. The public deficit has also been reduced through restrictive budgets and privatisation of public companies (ES9709123N). The public deficit stood at 2.6% of GDP in 1997. According to Eurostat figures, the unemployment rate stood at 20.8% in 1997, compared with 22.2% in 1996 and 24.3% in 1995. The number of those in employment increased by about 371,000 in 1997 in comparison with 1996. Nevertheless, fewer jobs were created than in the previous year, despite greater economic growth.

The Spanish political situation has been characterised by relative stability of the Government of the conservative People's Party (Partido Popular), which has contributed to the recovery of the economy. This stability has been achieved thanks to the continuing support of the nationalist conservative parties of Catalonia and the Basque Country, which in exchange demand concessions to strengthen regional power.

Key trends in collective bargaining and industrial action

Consensus between the social partners led in April 1997 (ES9706211F) to national intersectoral agreements on "collective bargaining" and "filling the gaps in regulation" (alongside a third accord on "employment stability" – see below), signed by the central employers' associations – the Spanish Confederation of Employers' Organisations (Confederación Española de Organizaciones Empresariales, CEOE) and the Spanish Confederation of Small and Medium-Sized Enterprises (Confederación Española de la Pequeña y Mediana Empresa, CEPYME) – and trade union confederations – the Confederation of Workers' Commissions (Comisiones Obreras, CC.OO) and the General Workers' Union (Unión General de Trabajadores, UGT). These two agreements encourage universal collective bargaining and the basing of company-level bargaining on nationwide sectoral collective agreements.

For the unions, the two accords constitute an extremely important point of reference because they have cleared up some of the ambiguities of the labour reforms which occurred in 1994. These reforms gave greater autonomy to the social partners in collective bargaining but at the same time introduced a greater degree of "vulnerability", which meant that agreements on the regulation of employment conditions were often restricted to the company level (ES9712137F). As a consequence of a greater degree of autonomy over recent years, there has also been a noticeable trend toward the negotiation of "special clauses" on geographical mobility, regulation of overtime, temporary jobs and social benefits such as pensions (ES9711231F).

Industrial relations, employment creation and work organisation

Employment policy was marked by the intersectoral agreement for employment stability, signed in April 1997 by the main social partner organisations (ES9706211F). One of the fundamental objectives of this agreement was to encourage stable employment and to reduce temporary employment (ES9702203F). Nevertheless, the temporary employment rate has remained at 33%, the highest in the European Union, while job creation has had a smaller effect on unemployment than in previous years. There has, though, been limited progress on temporary employment under the employment stability agreement: in 1997, permanent contracts represented 8.5% of the total, whereas in the previous year they had represented 3.9%, while of the employment contracts signed in 1997, 91.5% were temporary, compared with 96.1% in 1996. If in the years to come this tendency is consolidated, there will be room for hope (ES9801239F).

Atypical forms of work, such as temporary employment contracts, have been consolidated for over a decade as a distinctive feature in the new forms of flexible – and also unstable – work which have emerged in Spain. However, the new phenomenon of recent years is undoubtedly the increase in part-time employment. According to EPA (survey of the working population) figures, in 1991 only 591,000 people worked part-time. The figure rose to 780,000 in 1994, and by 1997 it had reached 1 million, which represents 7.8% of the working population. Since the reform of the labour market in 1994, there have been measures designed to encourage part-time employment aimed at two groups of unemployed persons – women and those aged under 24 years (ES9703203F). To a certain extent, the development of part-time employment follows the views of the European Commission's, expressed in its 1997 Green Paper on partnership for a new organisation of work, which has also been reflected in labour legislation through measures such as the annualisation of working time, flexible working hours and encouragement of permanent part-time contracts.

However, today the profile of part-time employment in Spain is different from that of the rest of Europe, at least that of the Netherlands and the Scandinavian countries. It is basically a form of unskilled employment for a fixed period carried out by married women with children, working predominantly in the cleaning, catering and retail sectors. However, openings have recently appeared in part-time employment for skilled women in sectors such as teaching, health and the public administration.

There has been little experience of initiatives in worksharing (ie, redistributing available work and promoting employment), which have generally been limited to companies – basically cooperatives – located in the Basque Country, whose regional government is promoting such schemes (ES9707116F). At the end of the year, the trade unions were pressing for the reduction of the working week to 35 hours, a proposal that has met with criticism from employers' associations and the Government.

Another topic of growing interest is greater flexibility in working hours in the retail and banking sectors. In 1997, the afternoon opening of offices was negotiated in some banks (ES9706212N), in exchange for creating new jobs in the offices concerned.

As for the employment measures agreed at the Luxembourg Employment Summit in November, the Spanish Government has not adopted all of them. The main measure was a commitment to offer, within a five-year period, vocational training, reintegration in employment, professional retraining or a work-experience contract to all persons under the age of 25 if they have been unemployed for six months, and to all persons over the age of 45 if they have been unemployed for one year. The Spanish Government obtained an extension of the five-year period, without making a binding commitment to implement the measure (ES9712235F).

Developments in representation and role of the social partners

The employers' associations at national level did not undergo any substantial changes in 1997, though at the regional level, there were some mergers. In Catalonia, Business and Financial Services (Servicios empresariales y financieros, SEFES) and the Small and Medium-sized Enterprises of Catalonia (Petita i Mitjana Empresa de Catalunya, PIMEC) merged to create a single employers' association that will represent small companies. This new employers' association, called PIMEC-SEFES, comprises 45,000 companies and 111 guilds and associations, employing some 340,000 workers (ES9707118N).

Among the trade unions, the greatest innovation was the UGT's initiative of creating a specific organisation for unemployed people (ES9801143N). This initiative is partly in response to the fear that in the future a great number of autonomous movements representing unemployed

persons will appear, as has happened in France (FR9801189F). In fact, the first example of this had already been recorded in Zaragoza, where for unemployed people have been demanding free urban transport for some time. Furthermore, several associations of unemployed people have set up the Permanent Commission for Employment (Mesa Permanente por el Empleo) (ES9803249F). The trade unions have been critical of the mobilisation plans put forward by these associations.

As for the development of the European Works Councils in multinational companies, there is so far only limited experience in Spain, affecting mainly the automobile and chemical industries.

Industrial relations and the impact of EMU

The preparation of Spain for EMU has focused on reducing the economic imbalances of inflation, public deficit and unemployment. The first objective was relatively easy to achieve after over a decade of anti-inflationary economic policies, aided by the fall in consumption since 1994. The second, reducing the public deficit, has been achieved through restrictive budgets, reduction of public expenditure and funds obtained through the privatisation of large public companies – such as Telefónica (ES9703108N) Aceralia (ES9711134N), Endesa and Argentaria – and by calling for wage moderation in collective bargaining. The reduction in public expenditure has been shown clearly in the public sector, where the purchasing power of public employees has fallen by 14.8% since 1986 (ES9712236N).

In order to achieve convergence, the wage structure has also been made more flexible through the decentralisation of collective bargaining and the reinforcement of the autonomy of the social partners (ES9705209F). This has given new dynamism to industrial relations and to collective bargaining at a sectoral and company level (ES9801238F). The greater autonomy of the social partners and the decrease in administrative intervention have brought about changes in the Spanish pattern of industrial relations and paved the way for a series of agreements, such as the 1996 central agreement on settling labour conflicts out of court (ES9705107F).

Conclusions and outlook

Economic growth is evidently not sufficient to absorb Spain's high level of unemployment. Fundamental issues such as structural unemployment for technological reasons have led to the emergence of a new debate on the reduction in working time and on worksharing. However, only the trade unions have put forward such proposals, whereas the employers and the Government are reluctant to debate them.

Moreover, temporary employment is still high, despite the measures taken to develop stable employment. The instability and poor legal protection which affects temporary employees mean that there is a risk of heavy job losses when the economy enters a downward cycle. These issues will continue to be highly pertinent in 1998.

As for industrial relations, the novelty of 1997 was the tendency towards greater "proactivity" on the part of

the social partners, owing to modifications in the structure of collective bargaining and the reduction in the level of direct intervention by the public administration. The possible risk could be a greater vulnerability of less organised sectors and those with less structured industrial relations, such as small companies in which there is hardly any union representation.

Spain: 1997 Records

February	<i>Features</i>	New national agreement on continuing training	ES9702101F
		Employers and unions adopt positions on labour market reform	ES9702203F
	<i>News</i>	New agreement improves working conditions in temporary employment agencies	ES9702103N
		Industrial action in public administration	ES9702201N
		Road transport strike: consequences for industry and trade	ES9702202N
March	<i>Features</i>	Part-time employment: a new feature of the Spanish labour market	ES9703203F
		Trends in collective bargaining since 1994	ES9703204F
	<i>News</i>	Stockauto leads labour reform with new agreement	ES9703107N
		Unions oppose privatisation of Telefónica	ES9703108N
		Final hurdles for labour market reform?	ES9703205N
April	<i>Features</i>	Youth employment: an unsolved problem	ES9704105F
	<i>News</i>	Doubts about new convergence programme	ES9704106N
		Agreement at last on labour market reform	ES9704207N
		Protests in the olive-producing sector in Spain	ES9704209N
May	<i>Features</i>	Conciliation, mediation and arbitration in Spain	ES9705107F
		Controversy surrounds dual pay scales	ES9705209F
	<i>News</i>	Strike on the Barcelona Metro	ES9705108N
		Employment policy agreement in Andalucia	ES9705109N
		First agreement reached after labour reform	ES9705210N
June	<i>Features</i>	Renewal of the Spanish system of occupational classification	ES9706110F
		Regional decentralisation of labour market services	ES9706112F
		The 1997 labour reform in Spain: the April agreements	ES9706211F
	<i>News</i>	Dispute at Astander shipyard	ES9706113N
		Agreement at Caja Madrid for afternoon opening and job creation	ES9706212N
July	<i>Features</i>	Worksharing in the Basque Country	ES9707116F
		Active employment policies in Spain: an overview	ES9707214F
	<i>News</i>	Unions campaign against Government's industrial policy	ES9707117N
		Merger of the two main Catalan small and medium-sized enterprise associations	ES9707118N
		Agreement on the Plan for the future of coal mining (1998-2005)	ES9707119N
		Serious industrial accident in shipbuilding	ES9707120N
August	<i>Features</i>	Health and safety at work in Spain: an overview	ES9708216F
		Wage trends in Spain analysed	ES9708217F
	<i>News</i>	Pensions reform takes effect	ES9708216N
		Working hours and overtime: major variations between groups of workers	ES9708217N
		Restructuring at Electrolux has impact in Spain	ES9708218N
		Hunger strike at Iberia	ES9708219N

September	<i>Features</i>	Basque Foundation for Continuing Vocational Training begins operations	ES9709120F
		Five territorial employment pacts underway in Spain	ES9709121F
	<i>News</i>	Catalan trade unions and employers open negotiations on dismissal	ES9709122N
		A new step in the privatisation of the industrial public sector in Spain	ES9709123N
		Fraudulent use of apprenticeship contracts condemned	ES9709124N
		Banco Exterior agreement: final restructuring of the Spanish financial sector?	ES9709221N
Medium-term employment plan consolidates labour market measures	ES9709222N		
October	<i>Features</i>	Sharp increase in accidents in the construction sector	ES9710126F
		Agreement on employment and working conditions in Catalan Regional Government	ES9710127F
		Legislation reforms social security system	ES9710220F
		Disputes over "outsourcing" in advanced technology sectors	ES9710225F
	<i>News</i>	Unions reopen debate on "submerged" employment in Spain	ES9710226F
		Trade union strategy for the development of the labour reform	ES9710128N
		Manifesto demands social and labour integration of immigrants in Spain	ES9710129N
		Controversy surrounds Spanish temporary workers in the Netherlands	ES9710227N
		Regional development policy: the case of Castilla y León and the savings banks	ES9710228N
		Agreement at BBK savings bank focuses on work-sharing	ES9710229N
November	<i>Features</i>	Confrontation between CC.OO and UGT in the construction sector	ES9711131F
		Spanish unions bring campaign against industrial accidents into companies	ES9711132F
		Divergent attitudes towards working time and employment	ES9711133F
		Employment and social policy in the 1998 Budget	ES9711230F
		"Special clauses" and new trends in collective bargaining in Spain	ES9711231F
	<i>News</i>	A first for Aceralia: worker directors on the board	ES9711134N
		Equal opportunities on trade unions' bargaining agenda	ES9711135N
		Spanish unions criticise Government's immigration policy	ES9711136N
		Agreements at Mercedes Benz: new and old forms of worksharing	ES9711232N
		Electrolux chooses to invest in Spain	ES9711233N
Job creation scheme based on "hand-over" employment contracts	ES9711234N		
December	<i>Features</i>	Unions set agendas for collective bargaining in 1998	ES9712137F
		Spanish reactions to the Employment Summit	ES9712235F
	<i>News</i>	Creation of permanent jobs in banking	ES9712138N
		Indefinite strike at Transmediterranea shipping line	ES9712139N
		ILO supports public sector bargaining in Spain	ES9712236N
IMF asks Spain for greater flexibility in the labour market	ES9712237N		

SWEDEN

Introduction

It was with confidence that the Social Democrat Government presented its report on the Swedish economy in 1997. When it took office in 1994, Sweden had one of the biggest public sector deficits in the European Union. In 1997, it was reduced to 0.4% of GDP, measured by EU accounting principles, and the consolidated debt ratio had fallen for three consecutive years. "This is a signal to other countries that Sweden's decision to stay outside the monetary union at the start is not because of a wish to pursue a less responsible policy than other EU Member States," the Minister of Finance, Erik Åsbrink, commented.

Sweden's annual average inflation for 1997 measured by the EU *Harmonised index for consumer prices* was 1.9%, which was an increase compared with the extremely low figure for the year before (0.8 %) but still within the limits drawn up by Bank of Sweden (Riksbanken). Economic growth is estimated at 2.3% for the year, compared with 1.1% in 1996.

Unemployment continued to be a matter for concern. However, in the very last months of the year the situation began to improve, and according to statistics from Eurostat, the unemployment rate fell from 10.6% to 9.1% between December 1996 and the end of 1997. There was, however, no rise in employment corresponding to the fall in unemployment. Instead the latter was largely explained by the fact that the number of full-time students increased. As a part of a five-year government programme called the "knowledge lift" (Kunskapslyftet) the local authorities were given SEK 1.6 billion (ECU 185 million) extra as from 1 July 1997, in order to grant 104,000 adults an opportunity to study.

The Social Democratic Party (Socialdemokratiska Arbetarepartiet, SAP) is in government, and the next elections are due in September 1998.

Key trends in collective bargaining and industrial action

In most of the large sectors, collective agreements of two years' duration or more were in force during 1997, which meant that only a few sectors were engaged in bargaining. In these sectors the negotiations turned out to be difficult and notices of boycotts and strikes were more frequent than usual. There was, for example, a short strike and lockout in newspaper distribution (SE9704113N), and boycotts and a brief stoppage in cleaning (SE9705123N). The stumbling-block generally was not so much the matter of pay, as of working time. The trade unions' calls for reductions in working time

were decisively rejected by the employers. In return, the latter gained no hearing for their claims for a more flexible organisation of working time (SE9705119F).

Agreed pay increases stood at 2.5%-3%, which was less than expected (SE9706126F). This could be seen as one of the manifestations of a change in the industrial relations climate which occurred in 1997, seemingly as a result of the high unemployment figures and the Government's firmly demonstrated resolution to keep inflation down. Based on a report evaluating the outcome of the preceding bargaining round, a mutual understanding was reached between employers' organisations, trade union confederations and the Government that nominal wages should not increase as much as they had done in the past years, if unemployment were to be reduced. They also agreed that there might be a need to change the procedural rules for collective bargaining and mediation if wages were to be kept at a level where they would not increase inflation (SE9704111F).

In the middle of March, eight trade unions and 12 employers' organisations from the industrial sector (SE9703110N) presented their own solution – an agreement on industrial development and wage formation. Its object is to promote industrial development, profitability and competitiveness, whereby it will "provide the necessary conditions for reducing unemployment as well as the foundation for a healthy wage development". The agreement consists of two parts. In the first, the parties describe the conditions under which Swedish industry is working and what they see as vital interests for the industry. From these mutual starting-points, leading representatives of the parties will meet in a special "industry committee" at least twice a year and discuss matters of importance for the companies and their workers. Its first act was to appoint a council of four independent economists, which will give opinions and recommendations on economic matters when asked to do so.

The second part of the industry agreement lays down procedural rules for the actual wage negotiations which will take place at sectoral level as before, though supervised by the industry committee. The rules oblige the unions and employers' organisations to start negotiations earlier than previously, with the aim of reaching a new agreement before the old one runs out. Thereby they have indirectly committed themselves to avoid industrial action, since such action is illegal as long as an agreement is running. If they have not completed the negotiations one month before the old agreement runs out, an impartial chair intervenes to help them to do so in due time. The chair does not, however, have the powers to forbid industrial action – only to postpone it for 14 days – or to force the parties to accept a settlement. The rules are intended to work through the moral obligation to which the parties to the agreement have committed themselves.

The conclusion of this procedural agreement for industry, which regulates the bargaining procedure for around 800,000 workers, came as something of a surprise, since it expressed an understanding between employers and trade unions that had seemed unthinkable only a couple of months earlier.

Industrial relations, employment creation and work organisation

On several occasions in 1997 leading members of the cabinet urged the employers to meet the workers' demands for shorter working time. If they did not, the Government would, it was stated, be forced to legislate. In general, however, these demands are not motivated by a wish to reduce unemployment. The idea that a reduction of working time would lead to more jobs has not prevailed in Sweden. Hours cuts are seen primarily as a means of furthering workers' well-being and indirectly also a means of furthering equality between the sexes, as it makes it easier for both men and women to combine gainful employment and parenthood.

Instead, measures generally promoting the productivity, growth and competitiveness of companies are seen as the main instruments for employment creation. One example is the agreement on industrial development and wage formation referred to above. Shortly after it was concluded, the Government appointed an official committee with the task of proposing measures for "sound and stable" wage formation. Another example is the efforts of the Government and the social partner organisations to find ways of granting all employees continuing training throughout their working lives, to the

benefit of both companies and their workers (SE9708132F).

Developments in representation and role of the social partners

There were few novel departures in the area of representation in 1997.

Industrial relations and the impact of EMU

The unemployment problem was also taken into consideration when Parliament decided that Sweden should not join the EU Economic and Monetary Union from 1 January 1999. Of course opinions differ, but a majority regards the project as too hazardous and fears that it might lead to permanently high unemployment and to risks for export industry.

Conclusions and outlook

High unemployment figures and the Government's firmly demonstrated resolution to keep inflation down paved the way for a change in the Swedish industrial relations climate in 1997. The most obvious manifestation of this change was the conclusion of the agreement on industrial development and wage formation by eight trade unions and 12 employers' organisations in the industry sector (see above). It will be put to the test in the 1998 bargaining round, when a majority of the blue-collar unions affiliated to the Swedish Trade Union Confederation (Landsorganisationen, LO) will repeat their demand for a reduction of working time.

Sweden: 1997 Records

February	<i>Features</i>	Controversial changes in Employment Security Act provide for more bargaining at company level	SE9702101F
		New sick pay legislation brings severe problems in interpretation	SE9702103F
	<i>News</i>	Government proposes amendments in wage guarantee legislation	SE9702102N
		Paper industry agreement reached after conciliation	SE9702105N
		Trade unions and Social Democrats agree on unemployment insurance	SE9702106N
March	<i>Features</i>	Unions and business associations will administer new unemployment insurance	SE9703107F
	<i>News</i>	Dispute over unsocial hours bonus in "7-Eleven" shops ends up in the Labour court	SE9703108N
		Employer and union leaders in commerce urge a three year "stabilisation pact"	SE9703109N
		New agreement on cooperation and bargaining procedure in Swedish industry	SE9703110N
April	<i>Features</i>	New rules for pay determination claimed to lead to better agreements	SE9704111F
	<i>News</i>	Arbitration board decides in favour of Swedish employers on sick pay	SE9704112N
		New pay agreement for newspaper distributors	SE9704113N
		Protests against possible redundancies in the Ericsson group	SE9704114N
		Government proposes economic measures to reduce unemployment	SE9704115N
		New pay agreement for workers in the Swedish timber industry	SE9704116N
		New agreement for Swedish chemical workers	SE9704117N

May	<i>Features</i>	Swedish employers urged to negotiate on the reduction of working time	SE9705119F
		No dramatic rise in temporary employment expected	SE9705120F
	<i>News</i>	Agreement on journalists' copyright in digital media reached after years of disputes	SE9705121N
		Dismissals on grounds of alleged disloyalty were unlawful	SE9705122N
		Wage agreements in cleaning firms, power plants and the food industry concluded after industrial action	SE9705123N
June	<i>Features</i>	Two more women lose sex discrimination case on pay in Sweden	SE9706124F
		Labour market trends force Swedish trade unions to review their organisation	SE9706125F
		The 1997 bargaining round: smaller pay increases in central agreements	SE9706126F
	<i>News</i>	Employers back out of agreement on employees' security in redundancies	SE9706127N
First collective agreement for blue-collar workers in temporary agencies		SE9706128N	
July	<i>News</i>	Labour Court's ruling on sick pay may complicate future bargaining	SE9707130N
August	<i>Features</i>	Poor pay for summer jobs may lead to revision of central agreements	SE9708131F
		Personal educational accounts may complement collectively agreed measures	SE9708132F
	<i>News</i>	Non-profit associations and cooperatives ready to bargain on hours cuts	SE9708133N
		Swedish and Danish agricultural workers propose stricter rules for European-level bargaining	SE9708134N
September	<i>Features</i>	Women workers contribute to an all-time high in trade union density	SE9709135F
		Agreement on inferior pension terms challenged in court	SE9709136F
		Council for Redundancy Support and Advice under debate	SE9709137F
	<i>News</i>	Government proposals on sick pay facilitate impending bargaining round	SE9709138N
		New agreement on bargaining procedure in commerce and the service sector	SE9709139N
		Paper workers strike in protest at planned closure	SE9709140N
October	<i>Features</i>	From bargaining to cooperation with a new agreement for the state sector	SE9710142F
		Unions and ship-owners unite in the struggle for the Swedish shipping industry	SE9710143F
		Swedish law on industrial action called in question	SE9710144F
		Blue-collar unions concentrate on low-paid workers	SE9710145F
	<i>News</i>	New agreement for non-profit organisations reduces weekly hours by 30 minutes	SE9710146N
		New temporary employment legislation does not affect provisions in collective agreement or painters	SE9710147N
		Two paper workers share SEK 3.75 million reward for suggestion to improve production	SE9710148N
		Strengthening of employer's responsibility for preventing sexual harassment proposed	SE9710149N
November	<i>Features</i>	Substantial damages paid to dismissed safety steward	SE9711151F
		Personnel secondment creates new challenges to bargaining system	SE9711152F
		Compulsory medical examinations and tests at issue in the Labour Court	SE9711153F
		Do occupational pension schemes entail indirect discrimination on grounds of sex?	SE9711154F
		Collective agreements limiting temporary employment unaffected by new statutory rules	SE9711155F
	<i>News</i>	First 1998 pay agreement will run for only six months	SE9711156N
December	<i>News</i>	Stricter rules proposed against ethnic discrimination	SE9712157N
		New "adjustment agreement" reached between SAF and PTK	SE9712158N
		Committee proposes act forbidding discrimination based on sexual orientation	SE9712159N
		Proposal for a new mediation institute encounters trade union criticism	SE9712160N

UNITED KINGDOM

Introduction

Over the five years to 1997, growth and productivity levels in the UK have shown above average figures for the EU. In 1997, GDP continued to grow at between 3% and 3.5%. Average earnings growth fluctuated within the range of 4.25% to 4.75%, with average pay awards remaining at around 3% for most of 1997, but moving towards the 4% mark in the last quarter.

Inflation had risen to 3.75% by the autumn of 1997, with forecasters arguing that it would reach the 4% mark by the spring of 1998. Retail prices showed an increase in the last quarter, with most commentators arguing that these rises were fuelling larger pay awards, rather than the other way around.

Unemployment in the UK is significantly below the EU average, at 5.1% in 1997 according to Eurostat data. However, the Trades Union Congress (TUC) argues that lower unemployment in the UK owes little to “flexible” labour markets, with the recent fall being the result of faster economic growth combined with falling labour market participation: for example, more jobs are now part time.

A new Labour Party Government was elected in May 1997, replacing the Conservative Party administration. The Conservatives had held office since 1979.

Key trends in collective bargaining and industrial action

The summer of 1997 saw a number of industrial disputes (UK9708153F) which led to speculation over a possible upsurge in militancy. However, it seems that fears were unfounded as, after a rise in industrial action during 1996 (UK9707144F), figures settled down again in 1997. In the 12 months to September 1997, the number of stoppages recorded was 211, with a total of 259,800 workers involved and 414,800 working days lost. This compares with 239 strikes, 25,400 workers and 1,244,700 days for the same period in 1995-6 (according to *Labour Market Trends*).

The UK system of collective bargaining remains largely decentralised, with a continued decline in the coverage of bargaining (UK9705126F). In the public sector the Government continued the former policy of a freeze on the overall paybill, with any further pay increases having to be found from efficiency savings (UK9710170F).

After almost 20 years of Conservative Governments which deliberately set out to deregulate an industrial relations system already heavily reliant on voluntarism, perhaps the most significant event affecting industrial

relations in 1997 was the election of the Labour Government (UK9704125F). Labour's election manifesto expressed its support for basic minimum employment standards, though the party's underlying analysis of labour markets arguably did not differ significantly from that of previous Conservative Governments. At the time, despite what some commentators saw as the incoming Government's “minimalist” agenda, it was argued that its planned changes could have far-reaching implications for industrial relations in the UK.

Specific Labour policy commitments included the following.

- Introducing a national minimum wage (NMW) (UK9711177F). In the summer, the Government established a Low Pay Commission (LPC) to advise on the implementation and rate of the NMW (UK9708158N). A NMW bill was set in motion during the latter part of the year, in preparation for the recommendation the LPC was due to make in the spring of 1998.
- “Fairness at work”. Although the key elements of the Conservative labour legislation reforms of the 1980s were to remain in place, especially as they affected trade unions, Labour was committed to making certain changes, including a right to trade union recognition where the majority of the relevant workforce votes in a ballot for the union to represent them. It also proposed that, whereas at present only employees who are *selectively* dismissed when on lawful strike can claim compensation in an industrial tribunal for unfair dismissal, this should also apply to the situation where all those on lawful strike are dismissed. A fairness at work White Paper is due in the first half of 1998, with legislation to follow and, in advance of this, the TUC and Confederation of British Industry (CBI) agreed a joint statement on recognition in December 1997, identifying areas of agreement and disagreement (UK9801194F) (though the latter began to dominate the debate in early 1998 – UK9802105N).

Other key policy pledges by Labour included:

- ending age discrimination;
- working with the TUC and CBI to improve occupational health and reduce sickness absence;
- a new right for employees to be accompanied at disciplinary meetings;
- streamlining the operation of industrial tribunals;
- protecting employees against the abuse of “zero-hours” contracts and homeworking; and
- restoring trade union rights at the GCHQ secret communications centre (this occurred relatively swiftly – UK9708156N).

Although Labour signalled its intention to legislate if necessary in these areas, its preferred position has been for the social partners first to reach voluntary agreements.

The new Government was more receptive than its predecessor to the social policy Agreement annexed to the Maastricht Treaty on European Union (the "social chapter"), but was essentially pragmatic, believing that the "opt-out", denying the UK a seat at the bargaining table, was a serious mistake. The new foreign secretary, Robin Cook, confirmed within hours of Labour's election that the UK would sign the "social chapter" – this now means that, following the ratification of the new Amsterdam Treaty, the UK will be covered by the same social policy provisions as the other Member States (EU9707135F).

Industrial relations, employment creation and work organisation

The Labour Government has made solving the problem of unemployment one of its top priorities. In the UK, it committed itself to getting 250,000 young and long-term unemployed people back to work through the "Welfare to work" scheme (UK9707143F). Welfare to work is essentially three schemes aimed at tackling unemployment among young people, long-term adult unemployed people, and lone parents. The new initiatives received support from the CBI and the TUC and many companies signed up to take part in the "New Deal". (UK9709168N). Within Europe, the UK Government was also keen to make employment a priority as part of its EU Presidency of the first half of 1998, though within the tight limits of promoting labour market flexibility (UK9706136F).

Changes in work organisation have also been linked with employment issues. In particular, some firms – such as Blue Circle (UK9702102F) – have introduced employment security agreements which are usually aimed at committing permanent full-time employees to a process of change, in exchange for job security. Many of the agreements are signed on the basis that they allow the flexible use of temporary or subcontracted labour. These agreements are intrinsically linked to pay bargaining. Paradoxically, they are also highly associated with job losses.

Of all the EU Member States, the 1993 Directive on working time (93/104/EC) is likely to have the greatest impact in the UK, due to its historical legacy of "non-regulation" of working time, and to the fact that in the 1980s the Government of the time dismantled what little protective legislation there was on women's and children's working time. (UK9702103F). During 1997, the Department of Trade and Industry (DTI) sought the opinion of the business community and suggested that in the main, employers will find little difficulty in implementing the key provisions of the Directive. The DTI estimated that the Directive may directly affect around a quarter of UK employees at a cost to employers of between GBP 1.8 billion (ECU 2.6 billion) and GBP 2.3 billion (ECU 3.3 billion). This would be mainly due to further rest periods and increases in minimum holiday entitlements (UK9703116N).

Developments in representation and role of the social partners

At a meeting of the EU Council of Labour and Social Affairs Ministers on 15 December 1997, final approval was given to a Directive applying the provisions of the existing 1994 European Works Council (EWC) Directive (94/45/EC) to the UK (EU9712175N). The UK has until December 1999 to introduce the necessary national legislation to implement the Directive. It is thought that the DTI will undertake a consultation exercise, prior to implementing the Directive by means of regulations under the European Communities Act 1972.

According to the most recent figures from the TUC, 114 UK-based multinational companies are currently subject to the existing EWC Directive because of their employment levels elsewhere in the European Economic Area (about half of these are thought already to have some form of EWC arrangements in place). The TUC estimates that once the Directive is extended to cover the UK, an additional 125 UK-based parent companies will be covered, bringing the total to 239. It is also estimated that 628 foreign-based companies with operations in the UK are currently covered by the Directive and that this figure will rise by 300 once the UK's opt-out is reversed.

One of the biggest stumbling-blocks for the effective implementation in the UK of successive EU industrial relations Directives has been the so-called "representation gap" – whereby a significant and growing proportion of the UK workforce is without trade union representation at work (UK9708152F). Measures to implement the EWC Directive in the UK will also need to take account of the representation gap when determining the procedures to be used for the selection of UK members of special negotiating bodies and statutory EWCs. An EU development with potentially even more far-reaching implications for the UK is the Commission initiative targeting national employee information and consultation procedures, on which the European-level social partners were consulted during 1997 (EU9711160N). The UK and Ireland are the only EU Member States without a generally-applicable system of information and consultation through works councils or similar bodies established by law or by central collective agreement.

Industrial relations and the impact of EMU

The Labour Government agrees with the concept of EMU but feels that the UK economy has not yet sufficiently converged with the rest of the EU to enable it to join in the first wave in 1999 (UK9802102F). A second factor is that the Government does not consider that the UK is flexible enough to be able to deal with the loss of control over monetary policy and exchange rates without much of the pressure of any potential shocks falling on labour

markets. As such, the Government has put in place a number of macroeconomic policies which it hopes will help this convergence process, as well as attempting to address some of the labour market issues – in particular wage flexibility, employment flexibility and “employability” and lifelong learning.

Reaction to EMU in the UK has been very mixed. Both the TUC and the CBI support the UK's inclusion, but views in the wider business community views are mixed – it is mainly those companies which work in the export market which argue for inclusion. Companies also feel that there is a lack of information about what they should be doing to prepare, an issue which the Government and the social partners are addressing.

Conclusions and outlook

It is likely that most of 1998 will be taken up with the introduction of those measures mentioned above, with very few major new changes being put forward. The Government is set to continue to promote labour market flexibility throughout the EU, and to promote employment and low inflation at home.

The social partners are expected to continue with their social dialogue, although this might prove to be difficult in some areas where disagreements are serious, such as those over employee representation. In these cases, the Government is likely to seek an independent body to make judgments rather than be seen to take sides.

United Kingdom: 1997 Records

February	<i>Features</i>	Ford case highlights the costs of inward and outward investment	UK9702101F
		Job security agreement at Blue Circle	UK9702102F
		Working time moves to the top of the agenda	UK9702103F
		Public sector pay policies	UK9702104F
	<i>News</i>	TUC launches pre-election campaign	UK9702105N
		Future of the Post Office under debate	UK9702106N
		Union recognition still an issue	UK9702107N
		CBI sets out its plans for 1997	UK9702108N
		Social chapter takes centre stage in the election run-up	UK9702109N
March	<i>Features</i>	New men: evidence of equality in management?	UK9703110F
		Is “Investors in People” solving the UK training problem?	UK9703111F
		A National Minimum Wage: Who, what and why?	UK9703112F
	<i>News</i>	Are women the trade union members of the future?	UK9703114N
		France and UK compete for Toyota investment	UK9703115N
		Government seeks advice on working time Directive	UK9703116N
		European super unions on the horizon?	UK9703117N
		Companies “should justify directors’ remuneration packages”	UK9703118N
New single-status deal for council workers	UK9703119N		
April	<i>Features</i>	The industrial relations consequences of the “new” Labour Government.	UK9704125F
	<i>News</i>	UK now one of the least strike-prone countries in the OECD	UK9704120N
		Union wins landmark equal pay cases	UK9704121N
		Unfair dismissal and the “23-month workers”	UK9704122N
		Last wages council sets minimum wage of over GBP 4.00 per hour	UK9704123N
		April 1997 a good month for UK car plants	UK9704124N
May	<i>Features</i>	Employee involvement in Total Quality Management	UK9705113F
		Continuity and change in pay and working time	UK9705126F
		Absenteeism continues to cost the UK dear	UK9705127F
		European Court of Justice “U-turn” on transfers brings uncertainty for employees	UK9705128F
	<i>News</i>	Social partners seem to welcome Queen’s speech	UK9705129N
		Pensions deal leads the way for part timers	UK9705130N
		Are trade union mergers the way forward?	UK9705131N
		Social partnership takes centre stage	UK9705133N

June	<i>Features</i>	TUC social Europe conference marks ETUC day of action	UK9706134F
		Social partners seek solution to bullying at work	UK9706135F
		UK pushes for employment growth in Europe	UK9706136F
	<i>News</i>	British Airways faces summer strikes	UK9706137N
		Social partners react to European agreement on part-time work	UK9706138N
		Government and unions differ on EU information and consultation proposals	UK9706139N
		Unions welcome role in Government	UK9706140N
		Government relaxes compulsory competitive tendering rules	UK9706141N
July	<i>Features</i>	Details of "Welfare to work" programme announced in Government's first Budget	UK9707143F
		New Government, new industrial unrest: is this really the case?	UK9707144F
		Trade union membership falls yet again	UK9707145F
		Teamworking improves productivity and employee satisfaction?	UK9707151F
	<i>News</i>	Is Britain's labour force divided by class?	UK9707146N
		Barclays Bank may face strike action	UK9707147N
		Government to repeal "check-off" ballots	UK9707148N
		Record number of employees claim employment rights	UK9707149N
		Construction industry wage agreement	UK9707150N
August	<i>Features</i>	Employee representation: new challenges from Europe	UK9708152F
		A summer of discontent?	UK9708153F
		Health and safety worries	UK9708154F
		The TUC proposes an "Organising Academy"	UK9708155F
	<i>News</i>	Disappointment at GCHQ?	UK9708156N
		National minimum wage update	UK9708158N
		The beginnings of social dialogue	UK9708159N
		Trade unions improve their public relations expertise	UK9708160N
September	<i>Features</i>	New proposals on training for young people	UK9709161F
		Survey argues that UK employees are better off than their European neighbours	UK9709162F
		New Labour aims to sever its roots?	UK9709163F
	<i>News</i>	Women still struggle to gain equality	UK9709165N
		Proposals for employee ownership of the Post Office	UK9709166N
		CBI eager to avoid EU employment legislation	UK9709167N
		"New Deal" receives widespread support from the business community.	UK9709168N
		John Monks outlines "new unionism"	UK9709169N
October	<i>Features</i>	Public sector pay claims for 1998	UK9710170F
		"Partners in Progress" – the TUC annual conference	UK9710171F
		"Pension power" for women	UK9710172F
	<i>News</i>	Union reveals results of stress survey	UK9710173N
		Unions call for compulsory training levy	UK9710174N
		More detail and CBI support for the "New Deal"	UK9710175N
		Low Pay Commission hears evidence on National Minimum Wage	UK9710176N
November	<i>Features</i>	The National Minimum Wage: an update	UK9711177F
		Internationalisation: employment practices in domestic multinationals	UK9711178F
	<i>News</i>	Staff at Barclays Bank due to strike on Christmas Eve	UK9711179N
		Government releases preliminary results of its pensions review	UK9711181N
		Skills shortage reaching crisis point	UK9711182N
December	<i>Features</i>	The trade unionist of the 1990s?	UK9712184F
		Does Britain still have "macho" managers?	UK9712185F
		"Benchmarking" and information sources in industrial relations decision making	UK9712187F
	<i>News</i>	Toyota decision comes as a shock to the UK	UK9712188N
		Government acts to relax compulsory competitive tendering	UK9712189N
		Government publishes minimum wage bill	UK9712190N
		Government called upon to save the coal industry	UK9712191N

About EIRO

ABOUT EIRO

Introduction

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. 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 p.97 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, based at the Foundation in Dublin is made up of: a management team (responsible for the overall operation of EIRO, and for contractual relations with National Centres); an editing unit, made up of a chief editor, plus consultant editors (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 enquiry services). See p.95 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.95) made up of: one representative from each of the four groups on the

Foundation's Administrative Board (employers, trade unions, governments and the European Commission); representatives of each of 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 of the Observatory, translating the project's general principles into an operational plan, and monitors its operations. 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 "news" and "feature" items. On top of this, EIRO also conducts comparative research on specific themes.

Each month, the EIRO National Centres submit reports – either "news" or "features" – on the most important and topical industrial relations events and issues occurring in their country in that month. News 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 news 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. At regular intervals, 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 – 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 1997, comparative studies covered:

- equal opportunities and collective bargaining in the EU (EU9704201S);
- social partners and racism – the impact of the European joint declaration (EU9706201S);
- collective bargaining on employment in Europe (EU9710201S); and
- the EU parental leave agreement and Directive – implications for national law and practice (EU9712201S).

EIRO products and services

The *EIROOnline* database contains all news, feature and comparative records 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 news and feature items submitted for the database, plus “comparative supplements” based on the comparative studies conducted by EIRO.

For the initial period, all electronic and printed publications are available in the English language only. However, 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).

EIRO also provides information and enquiry services for particular registered users from among its core target audience.

Using *EIROOnline*, the Observatory's database on the Web

This *Annual Review* contains a brief summary of the main trends, events and issues in European industrial relations in 1997. 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 (directly by modem or indirectly by LAN) and browser software – *EIROOnline* is best viewed with Netscape Navigator or Microsoft Internet Explorer versions 3 and above. Simply go to the URL address of our home page:

<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 news and features on the main issues and events in a calendar month towards the end of that month. These records are processed, edited and then uploaded – this generally occurs around the middle of the next month. Thus, the records relating to events in June, for example, will appear on the website from mid-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, news or studies, 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 – **about EIRO**, **register**, **help**, **feedback**, **EIROObserver**, **contacts** and **related sites**. Clicking on these will take you to the facility in question – these facilities are detailed in the box on p.92.

Along the top of the home page there is the *EIROOnline* navigation bar, containing four links: **news** connects to a list of all the news 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 symbol, which links to a copyright notice and disclaimer – useful information for users who wish to make further use of EIRO material.

News and features

The basic content of EIRO is made up of news and feature records. News items are short factual articles, typically of up to 400 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 news, 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 **news** or **features** on the *EIROOnline* navigation bar connects to lists of the news 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 – either news or features – 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.

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 to date for that country, in reverse chronological order with features and news distinguished. This is of considerable assistance for users interested in developments in a particular country or at EU level.

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.

- **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 several benefits – automatic e-mail delivery of the *EIROObserver* bi-monthly bulletin in PDF form (see below), and (in future) automatic e-mail notification when new EIRO records, which meet your relevance criteria are added to the database (this feature is not yet available).
- **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. As mentioned above, by registering, users can have the electronic edition sent to them automatically, as soon as it is available, thus avoiding the printing and delivery delays inherent in paper publications (this 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 at the Foundation in Dublin 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 many hundreds) 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; other European and international organisations; and European and international trade union and employers' organisations. Users are encouraged to suggest additions to the list.

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”. This page provides a brief editorial highlighting some of the topical issues and trends reflected in the records for the month in question, and provides direct links to a number of the relevant records. From there, the **news** or **features** links on the *EIROOnline* navigation bar provide access to all the month's records.

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 SE9804111F, made up of: a two-letter country code (such as SE for Sweden); the month to which it refers (eg 9804 for April 1998); 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

or S to denote news, feature or comparative study 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. This feature is still under development and revision, and may in future be extended to other categories of information (people, abbreviations, places etc).

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, the name of the **country** concerned appears – clicking on this link will connect to the full list of *EIROOnline* records for this country. All records also contain, at top and bottom, the *EIROOnline* navigation bar (see main text). 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. 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. Within records for a number of countries, there are links to EMIRE, the electronic version of the European Employment and Industrial Relations Glossaries published by the European Foundation for the Improvement of Living and Working Conditions. 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. Functioning EMIRE links are currently found in records for Belgium, France, Germany, Greece, Ireland, Italy, Portugal, Spain and the UK; 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, 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 – see under Site map in the main text.

Comparative studies

The final feature of the site map is a chronological list (with links) of all the **Comparative studies** produced by EIRO. These 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. At present, the comparative overviews are present on the database, and it is planned that the individual national reports will be added and linked to the overviews in future. Elsewhere in the database, the comparative studies are classified as EU-level records.

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 the powerful Muscat search engine and offers users three types of search – **free text**, **advanced** and **thesaurus** (you can navigate between the three by using the icons for each on the left of the search page). 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:

- **free 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. 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;

- **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); and
- **thesaurus** search will allow for searching on the basis of a specially-developed controlled list of index terms. This option allow users to search the thesaurus for search terms, select from the list those terms they want to search for, and then search for EIRO records relating to the issues concerned.

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 eiroinfo@eiro.eurofound.ie (or to the contact address, telephone and fax numbers listed on p.95).

Steering Committee and EIRO team

Steering Committee

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