



European Foundation for the Improvement of Living and Working Conditions

Industrial relations developments in Europe 2008



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Foreword

A number of key trends in industrial relations were observed over the course of 2008, in particular reflecting the impact of the economic downturn. Nominal pay increases across Europe in 2008 were generally higher than in 2007, being negotiated earlier in the year, before the full effects of the economic downturn had become apparent; later in the year, however, pressure grew for limiting increases or instituting pay freezes. Similarly, towards the end of 2008, the enforced reduction of working time and pay moved onto the agenda, with short-time working becoming increasingly prevalent. Likewise, redundancy arrangements were given greater priority than before on the bargaining agenda as unemployment increased.

This report, *Industrial relations developments in Europe in 2008*, provides a comparative overview of the most significant industrial relations developments at national level during 2008 and reviews the year's main events and trends in European social dialogue and employment legislation and policy. It examines the key issues covered by collective bargaining – pay, working time, pensions and retirement arrangements, and training – and also looks at developments in the area of social partner activity and industrial action. The final chapter looks in detail at the collective representation of self-employed workers – a complex topic, given the variety of definitions of what truly constitutes 'self-employment'.

We trust the report will provide a timely contribution to debate on these issues.

Jorma Karppinen
Director

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Deputy Director

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Introduction

The European Industrial Relations Observatory (EIRO) remains a reliable and up-to-date source of news and comparative information on industrial relations developments and trends for the key actors in the field of European social dialogue. The information that EIRO publishes is supplied by a network of correspondents in each Member State, in Norway and at EU level. This annual review examines the developments in 2008 in the 27 EU Member States and Norway, as well as EU-level industrial relations, with a particular focus on restructuring and the global economic crisis, as well as on self-employed workers.

The first chapter draws on contributions from the network to look at relevant political and legislative developments, collective bargaining levels, changes in the organisation and role of social partners, industrial action and other significant developments in the countries covered by EIRO. It highlights developments in company restructuring and the impact of the global economic crisis.

The second chapter reports on the main developments in social dialogue at European level over the course of 2008, charting trends in collective bargaining and industrial action. It focuses on certain rulings of the European Court of Justice (ECJ) that imposed serious limitations on the right to set standards in employment conditions in the context of posted workers. It also reviews the impact of restructuring and the economic crisis at EU level.

The third chapter explores the regulation, industrial relations, and employment and working conditions of self-employed workers. It draws on an EIRO comparative study entitled *Self-employed workers: industrial relations and working conditions*.*

The text contains numerous references (e.g. EU0803019I) to records on the EIROOnline website; these provide more detailed information on the issues in question. They can be accessed at <http://www.eurofound.europa.eu/eiro> by simply entering the reference into the 'Search' field.

* www.eurofound.europa.eu/comparative/tn080108s/tn080108s.htm

Comparative overview of industrial relations

This chapter reviews relevant political and legislative developments, collective bargaining levels, changes in the organisation and role of social partners, industrial action, company restructuring and the impact of the global economic crisis across the countries covered by EIRO.

Political developments

A total of seven of the 28 countries examined for this study held national general elections in 2008 – Austria, Italy, Lithuania, Malta, Romania, Slovenia and Spain (Table 1). This resulted in a significant change of government in Italy, Lithuania, Romania and Slovenia. Cyprus held a presidential election, which – under that country's political system – resulted in a change in government. Furthermore, new governments took office in Belgium (twice) and Hungary without a general election.

Some changes of government in 2008 had industrial relations implications. For example, Italy's new centre-right administration shelved the implementation of a major tripartite agreement on the labour market, social security and pensions signed by its centre-left predecessor in 2007 (IT0710029I). The new government introduced various new labour market and industrial relations initiatives and conducted social dialogue in this regard. The government's policies received broad support from the social partners, except the General Confederation of Italian Workers (Confederazione Generale Italiana del Lavoro, Cgil), the largest of the three main trade union confederations. Cgil's disagreement with the government's actions and the positions of the other social partners led to its increasing isolation and contributed to a breakdown of unity between Cgil and the other trade unions.

The newly elected centre-left administration in Slovenia expressed an increased commitment to social dialogue, while Cyprus's new communist-led government took a more 'labour-friendly' approach. In Lithuania, the new centre-right government announced a crisis management plan to address the deteriorating economic and financial crisis. The social partners claimed that consultation on the plan was inadequate. The plan included measures – such as tax increases – that were unpopular with both workers and business, and trade unions called protest actions in response (LT0901019I). In Austria, the reformed 'grand coalition' government, comprising the Social Democratic Party (Sozialdemokratische Partei Österreichs, SPÖ) and the conservative People's Party (Österreichische Volkspartei, ÖVP), announced measures to relieve the country's high burden of labour costs and to improve the reconciliation of work and family life – for example, by increasing the supply of childcare and reforming childcare benefit.

Aside from elections and new governments, industrial relations and employment issues were prominent in national politics in 2008 in countries such as the Czech Republic (where pensions and healthcare reform received much attention), France (relaxation of the statutory 35-hour working week, retirement age and purchasing power), Germany (minimum wages in certain economic sectors and relocations), Greece (pensions reform, employment conditions in state-controlled enterprises), Hungary (healthcare reform), Ireland (public sector pay and employment), Latvia (state pensions), the Netherlands (unemployment, increased labour market participation, pay moderation, purchasing power and dismissals law), Norway (social dumping), Poland (early retirement), Portugal (new labour legislation and teachers' employment conditions), Romania (teachers' pay) and Sweden (the implication for industrial relations of the Laval judgement by the European Court of Justice – ECJ).

However, in most countries, the central political issue – especially towards the end of the year – was the global financial crisis and economic downturn. Indeed, the repercussions of the financial crisis led to the resignation of the Belgian government. The role of the social partners in responding to these developments is examined below under the heading ‘Impact of financial and economic problems’.

Table 1 Political situation in EU Member States and Norway, 2008

Austria	The ‘grand coalition’ government of SPÖ and ÖVP, led by Chancellor Alfred Gusenbauer (SPÖ), resigned in July 2008, partly because of the failure of a health service reform (AT0808029I). A general election was held in September, at which both SPÖ and ÖVP lost ground to right-wing parties. However, in December, they reformed their coalition government, with Werner Faymann (SPÖ) as the new Chancellor. As well as measures to stimulate the weakening economy and tax reform, the government’s policies include cutting labour costs and improving the reconciliation of work and family life. Regional elections were held in the states (<i>Länder</i>) of Tyrol in the west of the country and Lower Austria in the northeast. In Lower Austria, the governing ÖVP regained an absolute majority while, in Tyrol, ÖVP and SPÖ lost seats but remained in coalition government.
Belgium	Following a general election in June 2007, coalition talks proved inconclusive and an interim federal government was set up, composed of the Flemish Liberals and Democrats (Vlaamse Liberalen en Democraten, VLD), the (French-speaking) Reform Party (Mouvement réformateur, MR), the (French-speaking) Socialist Party (Parti Socialiste, PS), the Christian Democratic Party of Flanders (Christen-Democratische en Vlaams, CD&V) and the (French-speaking) Humanist Democratic Centre (Centre démocrate humaniste, CDH); this interim arrangement was led by Guy Verhofstadt (VLD). The same parties formed a more permanent government in March 2008, with Yves Leterme (CD&V) as Prime Minister. However, this government resigned in December following a controversy over the sale of the Belgian bank Fortis to the French bank BNP Paribas. The same parties then formed a new administration, this time led by Herman Van Rompuy (CD&V), at the end of the year.
Bulgaria	The left-liberal coalition government of the Bulgarian Socialist Party (BSP), National Movement Simeon II (NMS) and Movement for Rights and Freedoms (MRF), led by Prime Minister Sergei Stanishev (BSP), which was elected in 2005, remained in office in 2008. A general election was to be held in June 2009.
Cyprus	A presidential election was held in February 2008; the Cypriot government is led by the elected president. Dimitris Christofias was elected, with the support of his own Progressive Party of the Working People of Cyprus (Ανορθωτικό Κόμμα Εργαζόμενου Λαού, AKEL), as well as the Cyprus Democratic Party (Δημοκρατικό Κόμμα, DIKO), the Movement for Social Democracy (Κίνημα Σοσιαδημοκρατών, EDEK), the United Democrats (Ενωμένοι Δημοκράτες, EDI) and the Ecological and Environmental Movement (Κίνημα Οικολόγων Περιβαλλοντιστών). Mr Christofias replaced Tassos Papadopoulos, who had been supported by DIKO, EDEK and the Ecological and Environmental Movement, and defeated the centre-right candidate, Ioannis Kasoulides. The change of president signalled a shift to a more ‘labour-friendly’ government policy.
Czech Republic	The centre-right coalition government of the Civic Democratic Party (Občanská demokratická strana, ODS), the Christian and Democratic Union – Czechoslovak People’s Party (Křesťanská a demokratická unie – Československá strana lidová, KDU-ČSL) and the Green Party (Strana zelených, SZ), led by Prime Minister Mirek Topolánek (ODS), continued in office in 2008. The government continued its controversial programme of major reform in areas such as pensions and healthcare, despite opposition from trade unions and more widely (CZ0803019I, CZ0807019I, CZ0805039I). In February, the parliament re-elected Václav Klaus as President. In October, elections were held to regional councils and for a third of seats in the senate. In both elections, the left-wing Czech Social Democratic Party (Česká strana sociálně demokratická, ČSSD), which is highly critical of the government’s reforms, made significant gains.
Denmark	The coalition government of the Liberal Party (Venstre) and the Conservative Party (Det Konservative Folkeparti), led by Prime Minister Anders Fogh Rasmussen (Venstre), remained in office in 2008, having been elected in 2007. It is a minority administration that relies on support from other parties.
Estonia	The coalition government of the right-wing Reform Party (Eesti Reformierakond), the conservative Pro Patria and Res Publica Union (Isamaa ja Res Publica Liit) and the Estonian Social Democrat Party (Eesti Sotsiaaldemokraatlik Erakond), elected in 2007, remained in office in 2008. Andrus Ansip (Reform Party) is the Prime Minister. The social partners have been critical of what they consider as the government’s failure to engage properly in tripartite consultations (EE0802019I, EE0811029I).

Table 1 (continued)

Finland	The coalition government of the centre-right National Coalition Party (Kokoomus), the Centre Party (Suomen Keskusta), the Green League (Vihreä Liitto) and the Swedish People's Party (Svenska Folkpartiet), which came to office in 2007, remained in power in 2008, led by Prime Minister Matti Vanhanen (Centre Party). Municipal elections were held in October 2008, with the National Coalition Party winning most votes, followed by the Social Democratic Party (Suomen Sosiaalidemokraattinen Puolue, SDP) (formerly the best supported party), the Centre Party and the Green League. The populist True Finns (Perussuomalaiset) made significant gains.
France	The conservative Union for a Popular Movement (Union pour un Mouvement Populaire, UMP) government, elected in 2007, remained in office in 2008, with Nicolas Sarkozy as President and François Fillon as Prime Minister. The opposition Socialist Party (Parti socialiste, PS) and its allies made gains in local elections in March 2008 and in partial elections to the senate in September, although without overturning the centre-right Senate majority. The government continued with its reform policies in areas such as working time, retirement and pay, often attracting opposition from trade unions.
Germany	The 'grand coalition' federal government formed in 2005 by the conservative Christian Democratic Party (Christlich Demokratische Union, CDU), its Bavarian associate the Christian Social Union (Christlich-Soziale Union, CSU) and the Social Democratic Party (Sozialdemokratische Partei Deutschlands, SPD) remained in office in 2007, led by Chancellor Angela Merkel (CDU). Three regional (Land) parliamentary elections were held in 2008, along with an election in the northern city-state of Hamburg. In the west-central state of Hesse, CDU and SPD won the same number of seats and, as no government could be formed, the parliament was dissolved in November 2008 and new elections were held in January 2009. In the north-western state of Lower Saxony, the governing coalition of CDU and the liberal Free Democratic Party (Freie Demokratische Partei, FDP) retained office. In the south-eastern state of Bavaria, the governing CSU lost support and for the first time had to form a coalition – with FDP. In Hamburg, CDU and the Greens (Bündnis 90/Die Grünen) formed a new coalition government. A federal general election is due to be held in September 2009.
Greece	The centre-right New Democracy government, re-elected in 2007, remained in office in 2008, led by Prime Minister Costas Karamanlis.
Hungary	The coalition government of the Hungarian Socialist Party (Magyar Szocialista Párt, MSZP) and the liberal Alliance of Free Democrats (Szabad Demokraták Szövetsége, SZDSZ), led by Prime Minister Ferenc Gyurcsány, elected in 2006, broke up in March 2008. SZDSZ, the junior partner, left when MSZP abandoned healthcare reform plans after their rejection in a referendum (HU0804029I). MSZP continued as a minority government. Hungary was particularly hard hit by the economic and financial crisis from October onwards and the government was forced to obtain loans from international institutions and cut public expenditure. The government sought consensus with other political parties and the social partners over a package of wide-ranging reforms to tackle the crisis (HU0901019I).
Ireland	The coalition government of the centrist Fianna Fáil party, together with the smaller Green Party and right-of-centre Progressive Democrats (PDs), elected in 2007, remained in office in 2008. Bertie Ahern resigned as Prime Minister in May 2008, to be replaced by his Fianna Fáil colleague, Brian Cowen. The PDs, which had lost all but two parliamentary seats in the 2007 election, decided in November to disband. In June 2008, a referendum on the EU Reform Treaty resulted in a 'no' vote (IE0807049I); Ireland was the only Member State to hold such a referendum.
Italy	The centre-left coalition government led by Prime Minister Romano Prodi, elected in 2006, fell in January 2008 following the departure of the Union of Democrats for Europe (Unione Democratici per l'Europa, UDEUR). In the general election held in April, the centre-right parties won a clear majority in parliament and a new government was formed by the People of Freedom (Popolo della Libertà, PDL) list – comprising the centre-right Forza Italia (FI) and the right-wing National Alliance (Alleanza Nazionale, AN) – as well as the regionalist Northern League for the Independence of Padania (Lega Nord per l'indipendenza della Padania) and the new Sicily-based Movement for Independence (Movimento per l'Autonomia, MPA). The Prime Minister is Silvio Berlusconi of FI. The new administration, like its predecessor, promoted social dialogue. However, its policies regarding labour market issues (IT0807019I) and industrial relations differed considerably in some areas from those of the previous government. These policies were broadly welcomed by the social partners, with the notable exception of Cgil, whose relations with the other trade unions became strained.
Latvia	The centre-right coalition that came to office in December 2007 – following the resignation of Prime Minister Aigars Kalvītis, who led a similar coalition – remained in power in 2008. The current coalition comprises the People's Party (Tautas partija, TP), the Latvia First Party (Latvijas Pirmā Partija, LPP)/Latvian Way (Latvijas Ceļš, LC), the Green and Farmers Union (Zaļo un Zemnieku Savienība, ZZS) and the For Fatherland and Freedom/LNNK Party (Tēvzemei un Brīvībai/LNNK); the coalition is led by Prime Minister Ivars Godmanis (LC). A referendum held in August on amending the legislation on state pensions failed because of inadequate turn-out.

Table 1 (continued)

Lithuania	A general election was held in October 2008. The minority centre-left coalition government formed in 2006 by the Social Democratic Party of Lithuania (Lietuvos socialdemokratų partija), the Lithuanian Peasants Party (Lietuvos valstiečių partija), the Liberal and Centre Union (Liberalų ir centro sąjunga) and the Civil Democracy Party (Piliietinės demokratijos partija, PDP) lost office; it had been led by Prime Minister Gediminas Kirkilas (Social Democratic Party). The government was replaced by a majority centre-right coalition of the conservative Homeland Union – Lithuanian Christian Democrats (Tėvynės sąjunga – Lietuvos krikščionys demokratai, TS-LKD), the National Resurrection Party (Tautos prisikėlimo partija), the Liberal Movement (Lietuvos Respublikos liberalų sąjūdis) and the Liberal and Centre Union. Andrius Kubilius (TS-LKD) is the Prime Minister. The new government's plan to tackle the financial and economic crisis, which included tax increases, provoked opposition from trade unions and other groups (LT0901019I).
Luxembourg	The coalition government of the Social Christian Party (Chrëschtlech Sozial Vollekspartei, CSV) and Socialist Party (Lëtzebuenger Sozialistesche Arbechterpartei, LSAP) that came to power in 2004 remained in office during 2008, led by Prime Minister Jean-Claude Juncker (CSV). A general election was due to be held in June 2009.
Malta	The centre-right Nationalist Party (NP) government, led by Prime Minister Lawrence Gonzi, was re-elected in the general election held in March 2008, but with only a narrow majority over the Malta Labour Party (MLP). Both NP and MLP made gains in local elections also held in March.
Netherlands	The coalition government of the centre-right Christian Democratic Appeal (Christian Democratisch Appel, CDA), the social democratic Labour Party (Partij van de Arbeid, PvdA) and the centre-left Christian Union (Christen Unie, CU), which came to power in 2007, remained in office in 2008, led by Prime Minister Jan Peter Balkenende (CDA). Key political issues during the year, in light of the financial and economic crisis, included unemployment, increased labour market participation, pay moderation, purchasing power and dismissals law, with agreements between the government and social partners on many issues (NL0810019I, NL0812019I, NL0901029I).
Norway	The centre-left coalition government of the Norwegian Labour Party (Det norske Arbeiderparti, DnA), the Socialist Left Party (Sosialistisk Venstreparti, SV) and the Centre Party (Senterpartiet, SP) that took office in 2005 remained in power in 2008, led by Prime Minister Jens Stoltenberg (DnA). Important political issues during the year included measures to combat 'social dumping' – that is, the employment in Norway of lower-paid foreign workers – and the related issue of the government's decision to support the application to Norway of Directive 2006/123/EC on services in the internal market (NO0901029I). A general election is due in the autumn of 2009.
Poland	The majority coalition government of the liberal Civic Platform (Platforma Obywatelska, PO) and the smaller Polish Peasants' Party (Polskie Stronnictwo Ludowe, PSL), elected in 2007, remained in office in 2008, led by Prime Minister Donald Tusk (PO). Tensions arose between the government and the President, Lech Kaczyński, and the latter vetoed legislation including a law on early retirement pensions; however, this veto was overturned in the parliament.
Portugal	The Socialist Party (Partido Socialista, PS) government led by Prime Minister José Sócrates that was elected in 2005 remained in office in 2008. It continued its strategy of consolidating the public finances and restructuring the public administration, with the support of the conservative President, Anibal Cavaco Silva. This led to conflicts in the education sector (PT0804029I), while new labour legislation proved controversial (PT0807019I). A general election is due in 2009.
Romania	A general election was held in November 2008. The minority coalition government of the National Liberal Party (Partidul Național Liberal, PNL) and the Democratic Union of Hungarians in Romania (Uniunea Democrată a Maghiarilor din România, UDMR), led by Prime Minister Călin Popescu Țăriceanu (PNL) and formed in 2007, lost office. The new government is a majority centre-right/centre-left coalition of the Democratic Liberal Party (Partidul Democrat Liberal, PDL) and an alliance of the Social Democratic Party (Partidul Social Democrat, PSD) and the Conservative Party (Partidul Conservator, PC), led by Prime Minister Emil Boc (PDL). Only the PSD-PC alliance – which won most seats – as well as PDL, PNL and UDMR won parliamentary seats in the election. In local elections held in June 2008, PSD and PDL received the most support. Major political issues during the year included controversy over teachers' pay (RO0811019I).
Slovakia	The coalition government formed in 2006 of the left-leaning Smer-Social Democracy (Smer-sociálna demokracia, Smer-SD), the conservative Movement for a Democratic Slovakia (Hnutie za demokratické Slovensko, HZDS) and the right-wing Slovak National Party (Slovenská národná strana, SNS) remained in office in 2008, led by Prime Minister Robert Fico (Smer-SD). Slovakia introduced the euro on 1 January 2009 and in 2008 the government and social partners agreed a joint declaration aiming to facilitate the currency's smooth and successful adoption (SK0805029I).
Slovenia	A general election was held in September 2008. The centre-right coalition government of the Slovenian Democratic Party (Slovenska demokratska stranka, SDS), New Slovenia (Nova Slovenija, NSi), the People's Party (Slovenska ljudska stranka, SLS) and the Democratic Pensioners' Party (Demokratska stranka upokojenecv Slovenije, DeSUS), led by Prime Minister Janez Jansa (SDS), lost office. It was replaced by a centre-left coalition of the Social Democrats (Socialni demokrati, SD), which won the greatest number of seats, together with Zares-New Politics (Zares-nova politika, ZARES), Liberal Democracy of Slovenia (Liberalna demokracija Slovenije, LDS) and DeSUS, with Borut Pahor (SD) as Prime Minister. The new government is committed to social dialogue and seeking agreement with the social partners.

Table 1 (continued)

Spain	The Spanish Socialist Workers Party (Partido Socialista Obrero Español, PSOE) remained in government after a general election in March 2008, led by Prime Minister Jose Luis Rodríguez Zapatero. It again failed to win a parliamentary majority and relies on support from other parties – for example, adoption of its 2009 state budget required the support of the Basque Nationalist Party (Partido Nacionalista Vasco, PBV). In regional elections in March, PSOE retained control of the southern region of Andalusia, despite gains for the conservative People's Party (Partido Popular).
Sweden	The government of the Alliance for Sweden (Allians för Sverige), a grouping of four centre-right parties – the Moderate Party (Moderaterna), the Centre Party (Centerpartiet), the Liberal People's Party (Folkpartiet liberalerna) and the Christian Democrats (Kristdemokraterna) – elected in 2006 and led by Prime Minister Fredrik Reinfeldt (Moderate Party), remained in office in 2008.
UK	The Labour Party government that was re-elected in 2005 continued in office throughout 2008, led by Prime Minister Gordon Brown. In local government elections held across the UK in May 2008, the Conservative Party made gains at Labour's expense. The Labour Party also lost a series of by-elections during the year. In May, the Conservative candidate, Boris Johnson, beat the incumbent Labour candidate, Ken Livingstone, to become Mayor of London.

Source: EIRO

Collective bargaining developments

At national intersectoral level, the main events of 2008 included the negotiation of new central agreements on pay and conditions of employment in Belgium (covering 2009–2010), Greece (2008–2009) and Ireland (24–35 months, depending on economic sector). However, in the case of Ireland, the agreement was coming under severe pressure by the end of the year, with employers calling for its pay increases to be deferred, in light of deteriorating economic conditions. With regard to the other countries where this level of bargaining plays a significant role in setting overall pay and conditions, the Spanish social partners renewed their intersectoral agreement laying down guidelines for lower-level bargaining for the seventh successive year, Romania was still covered by a four-year agreement signed in 2007, and the usual central agreement setting out pay recommendations for lower-level bargaining was reached in Hungary. An intersectoral pay agreement for private sector workers not covered by a sectoral agreement was signed in Slovenia. Finally, in Norway, while the major collective bargaining round for 2008 was formally conducted at the level of individual sectors, the sectoral agreements were negotiated jointly in the main bargaining areas – for instance, for blue-collar workers in much of the private sector.

In a number of countries – including some with general agreements at this level and some where bargaining usually occurs at lower levels – intersectoral bargaining deals with specific issues. For example, 2008 saw agreements on topics such as: equal treatment and works councils in Belgium; 'labour market modernisation', unemployment benefit and work-related stress in France; and minimum wages in Romania. Unusually in the national context, the central UK social partners signed a joint declaration on fair treatment for temporary agency workers, in the context of the impending EU directive on the subject (UK0806039I). In Sweden, the central social partner organisations negotiated over a new version of the 'basic agreement' that regulates many aspects of relations between them (SE0811029I), but without consensus by the end of the year. The Estonian social partners were unable to reach an agreement by the end of 2008 on the minimum wage increase for 2009 (EE0902039I).

Sectoral bargaining is the main bargaining level in most western European countries and several central and eastern European countries (CEECs). Moreover, in some countries with general intersectoral agreements – for example, Belgium, Greece and Spain – subsequent sectoral bargaining

plays a significant role in implementing and/or expanding on the national accords. Countries such as Austria, France, Germany, Italy, the Netherlands, Portugal, Slovakia and Slovenia have an essentially annual or uncoordinated sectoral bargaining cycle, and this proceeded as normal in 2008. In the Nordic countries, a clearer multi-year bargaining cycle is found, and 2008 was a relatively quiet bargaining year in most cases, as agreements signed in previous years were still in force in many sectors. The main exception was Norway, where a two-year cycle meant that the 2008 bargaining round was a 'main' settlement, involving the full renegotiation of all agreements; pay terms will be adjusted in an 'intermediate' settlement in 2009. Agreements were also signed in the Danish public sector and two areas of the private sector, and in Finnish sectors such as the paper industry.

The individual company – or establishment in some cases – remained the most important bargaining level in Cyprus, Estonia, Latvia, Lithuania, Luxembourg, Malta, Poland and the UK. However, sectoral bargaining also exists in some of these countries, and 2008 saw important agreements in, for example, the banking industry in Cyprus (CY0807049I). In the Czech Republic, company-level and higher-level bargaining are still almost equally important, as they appear to be in Bulgaria, while the importance of company-level bargaining is approaching that of sectoral bargaining in Slovakia.

With regard to the relative significance of bargaining levels, there were some continued signs of decentralisation in 2008. In Finland, after a long period of central incomes policy agreements, no accord was reached at this level in 2007, with the focus of bargaining switching to the sectoral level. In 2008, employers confirmed that, in their view, the era of centralised bargaining is definitively over, and they will be pursuing sectoral, company and even individual-level bargaining in future (FI0806029I). Negotiations to reform the Italian bargaining systems were nearing completion at the end of 2008. Probable changes include: more flexibility for 'second-level' company or local bargaining to deviate from the terms of sectoral agreements in certain circumstances; a greater emphasis on second-level productivity-related pay bargaining; and extending the coverage of second-level bargaining. In the Danish insurance sector, a new company-level bargaining structure was agreed within the sectoral framework.

As in 2007, the number of sectoral agreements signed in Slovakia in 2008 was again at a lower level than in previous years, with some employers seeking greater decentralisation to the company level; several employers even left employer organisations to avoid sectoral bargaining. Major employers leaving the industry-level agreement was also a feature in the Greek banking industry. Slight increases in the coverage of company-level bargaining and slight decreases in the coverage of sectoral agreements were recorded in the Czech Republic and Portugal. As noted, the Irish national pay agreement was coming under pressure at the end of 2008, due to the economic crisis, and it appeared that an increasing number of companies were preparing 'inability to pay' claims under the agreement's provisions in this area; indeed, some enterprises were breaking from the central deal.

However, in a few cases in CEECs with predominantly decentralised bargaining, sectoral agreements were concluded for the first time in 2008, as in education and the performing arts in Estonia.

In terms of overall collective bargaining coverage, 2008 saw little change. Coverage – already at very high levels – continued to rise slightly in Austria and in Portugal, while the UK registered a small increase in coverage from 33.5% of employees in the fourth quarter of 2006 to 34.6% in the fourth

quarter of 2007. In Hungary, bargaining coverage continued to fall slightly at all levels, and the overall coverage rate declined from 36.8% of the workforce in 2007 to 35.9% in 2008.

Table 2 below provides a summary of the main collective bargaining developments that took place in individual countries during 2008.

Table 2 Trends in collective bargaining in EU Member States and Norway, 2008

Austria	Bargaining is primarily at sectoral level. In 2007, about 500 collective agreements were signed, compared with 450 in 2000, according to data from the Austrian Trade Union Confederation (Österreichischer Gewerkschaftsbund, ÖGB); the figures exclude some agreements signed in previous years with a duration of more than 12 months. Overall bargaining coverage, already at 98%–99% in the private sector – formal bargaining does not occur in the public sector – has continued to rise slightly because formerly state-regulated sectors, such as railways and forestry, have introduced collective bargaining. Furthermore, bargaining has been extended to new areas in health, social services and adult education. Trade unions have sought to centralise sectoral bargaining at national level instead of conducting separate negotiations for each province, but this process is hampered by the organisational structure on the employers’ side. In 2008, bargaining focused mainly on pay, with relatively high nominal wage increases agreed in the autumn negotiating round, led by the pattern-setting metalworking industry.
Belgium	In the normal bargaining cycle, a two-year national intersectoral agreement is concluded at the end of even-numbered years, with sectoral bargaining following, mainly in the subsequent year. 2008 was the second year of the 2007–2008 intersectoral agreement (BE0701019I), which set an indicative pay norm of 5% to guide lower-level bargaining over the two years and increased the national minimum wage; the agreement also addressed ‘active ageing’, outplacement, tax cuts, reductions in overtime costs, and training. Following a high level of sectoral bargaining activity within this framework in 2007, the number of agreements signed decreased to 490 in 2008 – from 1,300 in 2007. However, the number of company agreements signed within the sectoral frameworks increased to some 5,400 from 4,300 in 2007. In 2008, two specific national intersectoral agreements were reached, on equal treatment and cross-border company mergers, while an existing agreement on works councils was amended. In December, the social partners agreed a new national intersectoral agreement for 2009–2010. Given the global economic crisis, the accord seeks to balance companies’ competitiveness, workers’ purchasing power and employment levels. Among other measures, increases in net annual pay in addition to indexation are limited to a low flat-rate annual amount.
Bulgaria	In 2008, 10 whole-sector collective agreements and 58 branch-level agreements were in force, the same as in 2007. Seven whole-sector agreements and 20 branch-level agreements were renewed during the year. About 1,800 company-level collective agreements and annexes to existing agreements were registered in 2008, which is slightly lower than the 2007 level. Agreements generally run for two years. The central social partners recommended a pay increase of 12.7% for the year. However, pay increased by an average of 22% in the private sector in 2008, due to such factors as: large increases in the negotiated sectoral minimum social security thresholds, which act as sectoral minimum wages in most cases (BG0712019I); labour shortages; and compensation negotiated at company level for the effects of a new flat-rate income tax introduced by the government (BG0712029I). Other important bargaining issues included night work, annual leave, part-time work, training, occupational social security and severance payments, indicating a broadening of the bargaining agenda.
Cyprus	Most collective agreements are at company level, although sectoral agreements exist in important industries and probably cover more workers than do company agreements. At the end of 2008, according to the Ministry of Labour and Social Insurance (Υπουργείου Εργασίας και Κοινωνικών Ασφαλίσεων, MLSI), about 400 enterprise agreements and 17 sectoral accords were in place. No official figures are available on agreements signed in 2008; however, provisional data from the Pancyprian Federation of Labour (Παγκύπρια Εργατική Ομοσπονδία, PEO) indicate that almost all of the 250 collective agreements that expired in late 2007 and early 2008 – covering a total of 77,000 employees – were renegotiated in 2008, including three sectoral accords. Agreements generally have two- or three-year terms. Pay bargaining in 2008 provided for higher wage increases than in 2007 and 2006 – for example, in banking (CY0807049I) and the semi-state sector (CY0804019I) – as trade unions relaxed their policy of moderation (CY0712019I). The regulation of outsourcing emerged as a bargaining issue, notably in construction (CY0807039I) and banking. In June 2008, the national social partners signed a framework agreement on work-related stress (CY0807019I) to implement the 2004 EU-level framework agreement on the subject.

Table 2 (continued)

Czech Republic	Bargaining occurs at both enterprise and multi-employer level. According to the main trade union organisation, the Czech-Moravian Confederation of Trade Unions (Českomoravská konfederace odborových svazů, ČMKOS), its affiliates signed 3,119 company-level agreements in 2008 (compared with 3,238 in 2007), covering 1.1 million employees (1.08 million in 2007) or 26.5% of the workforce (26.3% in 2007). ČMKOS affiliates signed 18 multi-employer, 'higher-level' agreements for 2008 (19 in 2007). Including the effect of the extension of some of these agreements, a total of 9,400 employers (9,300 in 2007) with 970,000 employees (one million in 2007), or 23.2% of the workforce (24% in 2007), were covered by these agreements. Furthermore, trade unions not affiliated to ČMKOS signed seven multi-employer agreements in 2007. Pay and working time are the central issues in all bargaining, and pay increases agreed in 2008 were generally higher than in 2007.
Denmark	Most of the private sector was covered in 2008 by three-year sectoral collective agreements signed in 2007 (DK0703019I). Bargaining in 2008 took place in the public sector, financial services and agriculture/horticulture/forestry. New three-year deals were signed for the public sector, where separate bargaining was held for the first time for regional authorities, alongside central government and municipal government (DK0803019I). The agreements provided for total increases in labour costs of about 12.8% over three years, comprising: general wage increases (for example, 8.17% in central government and 7.53% in municipal government); sums for distribution through local bargaining (for instance, 1.5% in central government and 4.5% in municipal government); and various additional measures, such as increased paternity and maternity leave in central government. In the financial sector, three-year agreements were signed for banking and for insurance, providing for a total pay increase of around 11.7%, as well as additional training, increased parental leave and working time flexibility (DK0803029I). In insurance, the agreement also provided for the first time for significant company-level bargaining in the sector. Agreements in agriculture/horticulture/forestry provided for pay rises, increased occupational pension contributions and extra annual leave.
Estonia	Most bargaining occurs at company level, although new sectoral agreements were concluded in 2008 in education and the performing arts, adding to existing agreements in road transport and healthcare. No comprehensive data are available on company bargaining. The incomplete official register records that 81 new company agreements were signed in 2008, compared with 91 in 2007. At intersectoral level, the Confederation of Estonian Trade Unions (Eesti Ametiühigute Keskliit, EAKL) and the Estonian Employers' Confederation (Eesti Töandjate Keskliit, ETK) signed a bipartite agreement on the minimum wage increase for 2008 – amounting to nearly 21% – in November 2007 (EE0712019I). Bargaining at all levels focuses mainly on pay, and negotiations proved difficult in 2008, given the deteriorating economic situation, with lower agreed increases and a failure to reach agreement in some cases; for example, no intersectoral agreement on the minimum wage increase for 2009 had been reached by the end of 2008. Beyond pay, issues such as training, management–union relations, working conditions and additional benefits also feature in bargaining; in 2008, redundancy procedures and conditions, and health-related expenses became prominent in some cases.
Finland	A national incomes policy agreement signed in 2004 (FI0501203F) expired at the end of September 2007. With employers' bodies and the government taking the view that conditions were not in place for a new centralised agreement, bargaining was conducted at the level of individual sectors (FI0705019I). This occurred mainly in late 2007 and the sectoral bargaining round was completed in 2008, when important agreements included that in the paper industry. Member organisations of the Confederation of Finnish Industries (Elinkeinoelämän keskusliitto, EK) signed almost 200 sectoral agreements covering 950,000 employees during 2007–2008. Most private sector agreements will expire in March–April 2010, while public sector agreements will generally expire in January 2010. Agreed pay increases were considerably higher than in preceding years, offset by significant changes to wage formation, including a wider use of company or workplace-specific wage rises and an emphasis on percentage rather than cash increases. Working time rules were made more flexible in many sectors. In 2008, EK indicated that the long period of centralised incomes policy agreements is definitively over, and that it will be pursuing sectoral, company and even individual-level bargaining in future (FI0806029I).
France	Official data on bargaining in 2008 were not yet available at the time of writing. In 2007, a slight decline was recorded in the number of sectoral agreements and company-level agreements signed. There was a high level of bargaining activity at national intersectoral level in 2008, partly because of legislation adopted in 2007, which obliged the government to consult the social partners on employment-related plans and – in many cases – to give them an opportunity to negotiate an agreement on the issue in question (FR0704039I). Intersectoral agreements were signed (not always unanimously, especially on the trade union side) on 'labour market modernisation' (FR0802049I), unemployment benefit and work-related stress (implementing the 2004 EU-level framework on the subject – FR0807029I), while a 'common position' was agreed on trade union representativeness and collective bargaining (FR0806039I). A draft intersectoral agreement was reached on jobs and skills planning, but had not been signed by the end of 2008, as trade unions were awaiting the outcome of a separate set of ongoing negotiations on vocational training. At sectoral level, the year's highlights included a major agreement on combating age discrimination and promoting the employment of older workers in banking, which gave a fresh boost to the faltering application of a 2005 intersectoral agreement on older workers (FR0811039I). Legislation adopted in 2008, on the basis of the social partners' 'common position', reformed the rules on trade union representativeness for bargaining purposes and on the validity of collective agreements.

Table 2 (continued)

Germany	At the end of 2008, 70,632 valid collective agreements were officially registered at the Federal Ministry of Labour and Social Affairs (Bundesministerium für Arbeit und Soziales, BMAS); the 2007 figure was 69,592. Among the 2008 accords, 36,111 were 'association agreements' between trade unions and employer organisations, and 34,521 were company agreements between trade unions and individual employers. Of all registered agreements, 9,249 related to pay. The average increase in collectively agreed wages and salaries rose somewhat in 2008. Major sectors concluding new agreements in 2008 included steel (DE0803029I), retail (DE0808019I), chemicals (DE0805029I), public services (DE0804029I) and metalworking (DE0812049I). Aside from pay, important bargaining themes in 2008 included partial retirement in metalworking (DE0810039I) and demographic change in the chemicals sector.
Greece	A National General Collective Agreement (Εθνική Γενική Συλλογική Σύμβαση Εργασίας, EGSSE) for 2008–2009 was signed in March 2008 (GR0805039I), raising minimum pay rates by slightly more than the 2006–2007 EGSSE. Other issues addressed in the new EGSSE included leave rights for foster parents, increased annual leave for workers with long service, work-related stress, undeclared work and social dialogue. At sectoral, occupational and company levels, 2008 saw the conclusion of 252 collective agreements, compared with 235 in 2007, according to the Organisation for Mediation and Arbitration (Οργανισμός Μεσολάβησης και Διαιτησίας, OMED); it is normal for more agreements to be signed during the first year of an EGSSE. Of the 252 agreements, 66 were reached following recourse to OMED's arbitration services. In the banking industry, sectoral bargaining ran into difficulties when several major banks refused to participate and announced unilateral pay awards (GR0807039I). The sectoral trade union organised a protest strike and sought an OMED award to resolve the dispute.
Hungary	Private sector agreements are predominantly concluded at enterprise level. In 2008, 1,040 company-level agreements were in effect, covering 28.5% of the private sector workforce – almost the same as in 2007 – but the number of agreements signed fell from 264 to 216. In the private sector, some 'multi-company' bargaining also takes place: 61 such agreements were in effect in 2008, covering 4% of the workforce, with 12 agreements signed. In addition, 19 sectoral agreements existed, covering 6.2% of the workforce, four of which have been extended to non-signatory employers. In the public sector, single-institution bargaining dominates, with 1,786 agreements in force in 2008, and 139 signed, down slightly from 2007. Overall bargaining coverage stood at 35.9% of the workforce in 2008, down from 36.8% in 2007. A central agreement recommended pay increases in the private sector of 5%–7.5% for 2008, and this guideline appears to have been followed in wage bargaining, which was less extensive than in 2007. A public-sector agreement provided for a 5% increase in basic pay, on top of the adjustment for inflation.
Ireland	Since 1987, pay bargaining has predominantly occurred at national level through successive social partnership agreements, with company-level bargaining operating within this framework. The current national agreement, <i>Towards 2016</i> , was signed in September 2006 (IE0606019I) and its first pay module, which provided for a 10% wage increase over 27 months, expired in late 2008. A 'transitional' agreement was negotiated in September 2008 (IE0810019I) to succeed the first module, providing for a phased pay increase of 6% (6.5% for lower-paid workers) over 21 months, with an initial pay pause of three months in the private sector and 11 months in the public sector. The transitional agreement, like its predecessors, contains an 'inability to pay' clause, whereby employers may argue that they cannot pay the increases, with disputes referred to state dispute-resolution bodies for adjudication. The agreement also covered matters such as executive pay moderation, temporary agency work, employee representation, trade union rights, occupational pensions and public sector modernisation. With a deteriorating economic and employment situation at the end of the year, pressure was mounting to revise the pay terms of the 'transitional' agreement, especially for the public sector, possibly through longer pay pauses; national talks on the issue were due in early 2009. Occupational pensions were an important theme in local bargaining in 2008, as in the previous year.
Italy	Considerably fewer national sectoral agreements were signed in 2008 than in 2007 (24 agreements as against 72). However, agreements were concluded in 2008 in important sectors such as metalworking (IT0802039I), banking (IT0802029I), textiles (IT0809039I), commerce (IT0809029I) and hairdressing and other beauty treatment (IT0807029I), as well as in the field of temporary agency work. Besides pay – with higher average increases than in 2007 – major bargaining themes in 2008 included working time, atypical work and the revision of job classification systems. No official data are available on the number of company-level agreements signed, but research published in 2008 (IT0801029I) found that the proportion of the workforce covered by 'second-level' – that is, company and territorial – bargaining is declining and now stands at 40% in the private sector. Territorial bargaining covers a number of companies in the same locality. The bargaining system, established in 1993, has two tiers, with company and territorial agreements being concluded within the framework of national sectoral agreements; each level deals with specific issues. Negotiations on a reform of this system (IT0806049I) were nearing agreement by the end of 2008. During the year, moves were made to merge collective agreements in some adjoining sectors, such as clothing, textiles, footwear and fashion.

Table 2 (continued)

Latvia	Collective bargaining has limited coverage; it focuses principally on pay (although training, job security and supplementary benefits are also relatively common themes), and it occurs mainly at the enterprise level – especially in larger companies and the public and ex-public sector. Little information is available on the content of bargaining, and figures on the number of agreements signed in 2008 were not yet available at the time of writing. About 2,400 company-level agreements were signed in previous years, and 20 or so general sectoral agreements on social partnership. Rapid wage growth continued in 2008, especially in the public sector – albeit slowing as the year progressed; in some cases it exceeded the pay rises determined by collective bargaining.
Lithuania	Bargaining occurs almost exclusively at company level. Such agreements are not registered and their number is unknown, but bargaining coverage is limited. Of enterprises inspected by the State Labour Inspectorate (Valstybinė darbo inspekcija, VDI) in 2008, just 6% had a collective agreement. However, collective bargaining began in several large-scale retail companies during the year (LT08080191). Only one sectoral agreement was in force in 2008, covering newspaper journalists (LT07020291).
Luxembourg	Bargaining occurs primarily at company level. In 2008, 60 new or revised company agreements were registered, compared with 96 in 2007, and 11 new or revised sectoral agreements were registered, compared with three in 2007. Overall, about 280 companies have enterprise-level agreements. As well as pay, the main themes covered are work organisation, training, continuity of employment and equal treatment. Novel themes covered by company agreements in 2008 included psychological harassment at the electromechanical components manufacturer ELTH in the metalworking industry, and additional leave for employees who have not been absent due to sickness or unauthorised leave at the hard material products manufacturer Ceratizit Luxembourg, also in the metalworking industry.
Malta	Bargaining occurs almost solely at company level, although no data are available on the number of agreements signed in 2008. Agreed pay rises decreased during the year. Notable agreements signed in 2008 included those at Air Malta (MT08040391) and the Malta College of Arts, Science and Technology (MT08090191).
Netherlands	Bargaining is conducted mainly at sectoral level, although some company-level bargaining also occurs. Average collectively-agreed pay increases rose substantially in 2008, with trade unions pursuing higher claims than in recent times. Important agreements signed in 2008 (often for two- or three-year periods) included those for hospitals, light engineering, education (NL08040591), the police and public transport, with settlements preceded by industrial action in cases such as postal services, bus transport and schools (NL08070291). In addition to pay, key bargaining issues in 2008 included training and employability, and keeping older workers in employment.
Norway	The 2008 collective bargaining round was a ‘main’ settlement, involving the two-yearly full renegotiation of sectoral collective agreements. In the private sector, the various individual agreements in the main bargaining areas were jointly renegotiated: the largest such bargaining area is that covered by the Confederation of Norwegian Enterprise (Næringslivets Hovedorganisasjon, NHO) and the Norwegian Confederation of Trade Unions (Landsorganisasjonen i Norge, LO), which encompasses blue-collar workers in manufacturing, construction, transport, and hotels and restaurants. LO and NHO agreed a general increase of NOK 2.00 per hour (€0.25 as at 26 May 2008) for 2008, with an extra NOK 3 (€0.38) for employees in low-pay sectors (NO08040391), and similar deals were reached elsewhere in the private sector. Most private sector employees are covered by company-level bargaining in addition to the central settlement. In the public sector at central government level (NO08060191), annual wage increases of NOK 16,000 (€2,030) to NOK 32,000 (€4,060) were agreed for 2008, while 1.3% of the pay bill was set aside for local bargaining and a further 1% for central ‘adjustments’ prioritising equal pay. In the public sector at municipal level, a general increase of 2.5% was agreed, and 1.6% of the pay bill was set aside for local bargaining. In the private sector, the agreement-based early retirement scheme (<i>Avtalefestet pensjon</i> , AFP) was renegotiated as part of the 2008 bargaining round, and agreement was also reached on the main principles of a revised early retirement scheme in the public sector.
Poland	Bargaining covers about a third of the workforce, mainly those in larger companies, with single-employer collective agreements predominating and sectoral agreements being relatively rare. Pay and benefits are the main themes. Data from the National Labour Inspectorate (Państwowa Inspekcja Pracy, PIP) on agreements concluded in 2008 were not yet available at the time of writing; however, in 2007, 168 single-establishment agreements were signed, covering 121,500 employees mostly in industrial processing and social insurance. Some 54 of these agreements were the first such accords ever signed by the employer concerned. Also in 2007, 170 additional protocols to existing single-establishment agreements were signed, mainly dealing with pay increases and benefits. In 2008, according to the Ministry of Labour and Social Policy (Ministerstwo Pracy i Polityki Społecznej, MPiPS), there were 169 multi-establishment agreements (virtually the same as in 2007, when they covered 500,000 employees in 3,000 companies), 37 of which were in the course of being terminated. It is increasingly rare for collective agreements to include provisions (on leave, for example) that are more favourable to employees than the minimum conditions stipulated in labour legislation.

Table 2 (continued)

Portugal	In 2008, a total of 296 collective agreements were signed, up from 251 in 2007 and returning towards the levels of the early 2000s (around 350 a year) before a 'crisis' caused by legal changes (PT0604019I) affected bargaining activity. Agreements signed in 2008 covered 1.9 million workers, 300,000 more than in 2007, and the total number of workers covered by collective agreements in force stood at 2.5 million, around 90% of the private sector workforce. Of the agreements concluded in 2008, 58% were sectoral accords (64% in 2007), 33% were single-company agreements (25% in 2007) and 9% were multi-company agreements (11% in 2007). The proportion of workers subject to bargaining covered by single-company agreements increased from 2.1% in 2007 to 3.7%, while the proportion covered by sectoral agreements declined from 94% to 93.8%. The number of ministerial decrees extending existing agreements to unorganised workers and companies rose by 85% (from 74 to 137) from 2007 to 2008. Average collectively agreed pay rises increased slightly in the private sector in 2008.
Romania	A four-year national collective agreement signed in 2007, which provides a minimum framework for pay and employment conditions, remained in force in 2008 (RO0702019I). During the year, seven sectoral agreements were signed (the same number as in 2007), as well as six addenda to existing sectoral agreements (also six in 2007). At the end of September 2008, 9,054 company agreements were in force (9,678 in September 2007), 5,767 of which were newly signed in 2008 (6,197 at the same point in 2007) while 3,287 had been amended in 2008 (3,481 at the same point in 2007). A tripartite agreement on national minimum wage increases over 2008–2014 was signed in July (RO0808019I) and sectoral collective agreements negotiated in 2008 provided for significantly higher minimum rates. While sectoral agreements normally follow the statutory working time rules (40 hours a week, eight hours a day), a number of those signed in 2008 provided for different arrangements – for example, in construction, mining, transport and the police force.
Slovakia	Bargaining occurs at both sectoral and company level, with the former being somewhat more important. About 40% of the workforce was covered by collective bargaining in 2007, according to the Confederation of Trade Unions (Konfederácia odborových zväzov Slovenskej republiky, KOZ SR). In 2008, the number of registered sectoral agreements – including supplements to existing agreements – stood at 37, the same as in 2007 but substantially lower than the 56 recorded in 2006. Some employers have become less willing to conclude sectoral collective agreements, protracting negotiations and in some cases even leaving employer organisations to avoid collective bargaining (SK0803019I, SK0809019I). Two collective agreements (in the engineering and electrical industries) were extended to non-signatory employers in 2008, compared with none in 2007. In 2008, pay was the most important issue in bargaining, which proved difficult in some cases, such as the metalworking sector, and the average agreed increase in basic wages fell slightly. Other important bargaining themes in 2008 included company social funds and job security, notably redundancy payments and procedures.
Slovenia	In 2008, 42 sectoral and occupational collective agreements were in force (as in 2007), as well as seven intersectoral agreements, 38 of which were renegotiated or amended during the year. Some 29 sectoral agreements were in force in the private sector. An intersectoral pay agreement for private sector workers not covered by a sectoral agreement was concluded in May 2008 (SI0807019I). In the public sector, a new pay system came into force in September, following the conclusion of a number of collective agreements on the issue (SI0708039I). No official data are gathered on company-level agreements. Pay was the main bargaining issue in 2008, with increases higher than in 2007 but weakening toward the end of the year as the economy slowed. The economic crisis also led to a number of company agreements reducing weekly working hours from 40 to 36 hours, with accompanying pay cuts, to deal with declining demand.
Spain	Sectoral and company bargaining in 2008 was carried out, for the seventh consecutive year, within the framework of an intersectoral agreement (E50712029I). The 2008 agreement provided, as in previous years, for pay increases negotiated at sectoral and company level to be based on the government's inflation forecast for the year. It also promoted bargaining on gender equality and health and safety. The deteriorating economic situation slowed bargaining activity during 2008, especially at company level. In the first 11 months of 2008, 3,920 collective agreements were signed (compared with 5,716 in the whole of 2007), covering 8,584,800 workers (11,272,600 in the whole of 2007). Of the 2008 agreements, 74% were single-employer agreements and 26% were multi-employer agreements. However, the single-employer agreements covered only 10% of employees covered by bargaining, while the multi-employer agreements covered 90% of employees in this regard. In the first 11 months of 2008, 2,906 company agreements were signed, affecting 821,100 workers, whereas in the same period of 2007 3,162 company agreements were reached, affecting 970,800 workers. The average agreed pay increase rose slightly from the 2007 figure. Some 70% of workers affected by collective bargaining are covered by wage guarantee clauses that provide compensation if actual inflation during the year exceeds government forecasts. The slowing economy meant that the annual inflation rate in December 2008 was 1.5%, with the result that no wage revision took place; the forecast rate was 2.4%. In this context, in talks in late 2008 over a new intersectoral agreement for 2009, employers called for a pay freeze.

Table 2 (continued)

Sweden	Following the major bargaining round in 2007, when some 500 new sectoral agreements covering over 75% of the workforce were signed, mainly for three-year terms, 2008 was a quiet year for bargaining. About 90 agreements were signed, mainly in healthcare (including nurses – SE0805039I), transport, religious institutions and parts of banking.
UK	Bargaining remains highly decentralised: most occurs at company or workplace level, with little multi-employer bargaining outside the public sector. No system for registering collective agreements exists, so no accurate assessment of the number of agreements is possible. Government figures, based on labour force survey data, indicate that 34.6% of employees were covered by collective agreements in the fourth quarter of 2007, up from 33.5% in 2006. Only 20% of private sector employees were covered by a collective agreement in 2007 (19.6% in 2006), compared with 72% of public sector employees (69% in 2006). A 2004 survey (UK0607019I) found that bargaining remains largely confined to the 'basic' issues of pay (reported by 61% of workplaces that recognised trade unions), working hours (53%) and holidays (52%), while 36% of workplaces that recognised trade unions negotiated over pensions. Average collectively agreed basic pay rises increased slightly in 2008. Several agreements concluded in 2008 reduced working hours.

Source: EIRO

Pay

The general picture across Europe in 2008 was one of collectively agreed nominal pay increases that were higher than in 2007. In many cases, the pay rises were negotiated early in the year, or in 2007, at a time when the economy was growing (notably in many CEECs), inflation was relatively high and unemployment was falling. This situation started to change in the second half of 2008, as the global financial crisis and then the economic downturn took hold, albeit at different times and to differing extents in different countries. This put a brake on pay growth towards the end of the year, although this development was often too late to affect the overall year-on-year pay increase figures significantly.

Countries where pay bargaining in 2008 resulted in higher average increases than in the previous year included the following:

- Austria – the autumn bargaining round resulted in average wage increases of about 3.6%, compared with 3.1%–3.2% in 2007;
- Bulgaria – pay rose by an average of 22% in 2008 (around 20% in 2007) and by 27.8% in the public sector;
- Cyprus – agreed pay increases rose from 2%–2.2% in 2007 to 2.5% in 2008;
- the Czech Republic – company-level agreements provided for average nominal pay increases of 5.4% in 2008, up from 4.2% in 2007, while higher-level agreements in the private sector resulted in rises of 4%–9% (2%–6.5% in 2007);
- Finland – the two- to three-year sectoral agreements signed in 2007–2008 provided for average annual pay increases of 4.4% in the private sector and 5% in the public sector, which were considerably higher increments than in preceding years;
- Germany – the average agreed increase in wages and salaries was 2.9% in 2008 (2.7% in western Germany and 4% in eastern Germany), compared with 2.2% in 2007;
- Greece – the 2008–2009 central agreement increased minimum pay rates by 3.45% from 1 January 2008 (backdated), 3% from 1 September 2008 and 5.5% from 1 May 2009. These were slightly higher rises than those agreed for 2006–2007;

- Italy – in the first 11 months of the year, the average agreed pay increase was 3.5%, compared with 2.2% in the whole of 2007;
- the Netherlands – collectively agreed wages rose by an average of 3.2% in 2008, compared with 2% in 2007;
- Norway – the main bargaining round resulted in average wage growth of about 6%, up from 5.4% in 2007, with higher increases in the public sector than the private sector;
- Poland – average monthly wages and salaries rose by 10.2% in 2008, compared with 8.7% in 2007, but the rate of increase was decelerating sharply at the end of the year;
- Portugal – collectively agreed nominal pay increments in the private sector averaged 3.1% in 2008, compared with 2.9% in 2007, while public sector rates increased by 2.1% (1.5% in 2007);
- Slovenia – the basic pay rates set by sectoral collective agreements in the private sector increased by 3.9% in August 2008, compared with 2.5% in August 2007, while average gross pay rose by 9.9% in the year to the third quarter of 2008 (5.8% in 2007), although growth was expected to fall back in the last quarter;
- Spain – the average pay increase in agreements concluded up until November 2008 was 3.5%, compared with 3.1% for the whole of 2007;
- the UK – average collectively agreed pay increases rose to 3.9% in 2008 from 3.7% in 2007.

Belgium was still covered in 2008 by an earlier central agreement providing for a pay increase norm of 5% over 2007–2008. Ireland, too, was covered for most of the year by an existing national agreement, signed in 2006, which stipulated a 10% pay rise in four stages over 27 months. Some three quarters of the Swedish workforce were covered by multi-year agreements signed in 2007. These provided for an average wage increase of 3.9% in 2008, compared with 3.4% in 2007. New private-sector agreements signed in 2008 provided for average pay increases of 4.6% for the year.

Relatively few countries deviated from the upward trend in pay rises in 2008. In Lithuania, as in the other Baltic states of Estonia and Latvia, collective bargaining plays only a limited role in pay setting. Nevertheless, pay increases continued in Lithuania at around the 20% mark in 2008 and reached even higher in the public sector. The rate of increase in collectively agreed minimum rates declined in Romania from 22.2% in 2007 to 15.9% in 2008, but average net wages continued to escalate at over 20%. Countries with clearly reduced pay rises included the following.

- Estonia – the average wage increase decelerated, from 20% in 2007 to 15% in the year to the third quarter of 2008, with lower rises in the public sector, and pay bargaining became more difficult as economic problems mounted.
- Hungary – the average agreed pay increase declined from 6.9% in 2007 to 6.2% in 2008.
- Latvia – following average gross wage growth of 31.5% in 2007, rises slowed as 2008 proceeded, to 20.3% in the year to the third quarter. However, increases were higher in the public sector.
- Malta – collectively agreed weekly pay increases fell to 1.8% in the year to September 2008 from 2% in the year to September 2007.
- Slovakia – wage increases in collective agreements concluded for 2008 averaged 5.5% in 2008, compared with 6.2% in 2007.

The picture is likely to be very different in 2009, as the economic downturn deepens. By late 2008, a number of indications pointed to the shape of things to come. The Belgian social partners signed an intersectoral agreement for 2009–2010 that specifically seeks to address the economic crisis – for example, limiting increases in net annual pay (in addition to indexation) to €375 over two years, as well as measures to protect workers' purchasing power such as public transport subsidies and luncheon vouchers. Spanish employers started calling for a wage freeze in 2009, along with greater flexibility for companies in difficulties to opt out of pay agreements; disagreements over pay meant that no intersectoral framework agreement for 2009 had been reached by the end of the year. Pay rates have been frozen in the Estonian public sector for 2009. In Ireland, the social partners negotiated a national pay agreement in September 2008, providing for a phased pay increase of 6% (6.5% for lower-paid workers) over 21 months, with an initial pay pause of three months in the private sector and 11 months in the public sector. However, with the economic and employment situation deteriorating towards the end of the year, pressure mounted to revise the deal, especially for the public sector – for example, through longer pay pauses, and a number of companies sought to impose pay freezes.

Collective bargaining in some countries dealt with other aspects of pay in 2008. In Finland, in exchange for high wage increases in new sectoral agreements, employers obtained significant changes to pay formation, including a wider use of enterprise or workplace-specific pay rises and an emphasis on percentage rather than cash increases. Similarly, in Austrian metalworking, a significant pay increment was awarded in return for an innovative, flexible profit-sharing scheme. In the Estonian public sector, trade unions proposed reducing the importance of performance-related pay, which accounts for 7%–29% of public servants' salaries, and increasing that of basic pay.

Working time

Continuing the trend of recent years, general reductions in the duration of working time without loss of pay scarcely featured in the 2008 bargaining round. Only a few exceptions arose, such as a number of company agreements providing for cuts in working hours in the UK. However, towards the end of the year, the enforced reduction of working time and pay was on the agenda as the economy slowed and company order books shrank. Short-time working – with or without pay compensation from state support schemes for the workers affected (see below under 'Impact of financial and economic problems') – became increasingly prevalent in many countries, including the Czech Republic, France, Germany, Italy, Malta, the Netherlands, Romania, Slovenia, Spain and the UK. This practice was sometimes based on company collective agreements. Such cuts in working hours mainly affected the manufacturing sector, and were especially common among automotive companies and their suppliers.

With the following exceptions, flexibility of working time was not a prominent bargaining theme.

- Many of the sectoral agreements signed in Finland in 2007–2008 introduced more flexible working time models, extended the reference periods used for variable hours schemes, enabled the extension of working time in certain circumstances and/or created new 'working time banks'.
- Many agreements in Italy increased flexibility by, for example, raising maximum working time limits under variable hours schemes or augmenting annual overtime quotas.
- The new collective agreement in the Danish banking sector introduced an 'individual flexible working time' scheme, whereby local agreements will allow individual employees to vary their

weekly hours, up to a total of 42.5 hours, as long as the standard 37-hour week is maintained on average over a 12-month reference period.

- In Romania, a number of sectoral agreements signed in 2008 – for example, in construction, mining, transport and the police force – took the relatively unusual step of introducing working time arrangements that differ from the statutory rules of 40 working hours a week and eight working hours a day.

Some bargaining activity took place regarding annual leave. Greece's new national agreement increased leave entitlement for workers with longer service, while entitlement was enhanced in some company-level agreements in the Czech Republic and in parts of the Danish agriculture/horticulture/forestry sector.

Belgium's national intersectoral agreement for 2009–2010, negotiated in late 2008, provided for reductions in tax and social security contributions levied on earnings from overtime and night-shift work.

Other issues

Beyond pay and working time, a variety of other themes featured significantly in collective bargaining in some countries in 2008.

Pensions and retirement arrangements were prominent in a number of cases. Norway's private sector AFP agreement-based early retirement scheme was renegotiated, with the government contributing substantial funds to reform the scheme, and agreement was also reached on the main principles of a revised early retirement system in the public sector. An agreement was signed on a new phased partial retirement scheme in the German metalworking industry. In Ireland, occupational pensions were a leading bargaining topic at company level, with a funding crisis affecting many defined-benefit schemes and employers seeking a move to cheaper defined-contribution schemes. Occupational pension contributions were increased in the Danish agriculture/horticulture/forestry sector. Supplementary pensions also featured in Bulgaria.

Keeping older workers in employment was an important theme in Dutch bargaining. In the German chemicals industry, an agreement was signed on 'demographic change', which introduced company-level demographic analyses and preventive health measures for older workers. An important agreement on combating age discrimination and promoting the employment of older workers was signed in the French banking sector.

Redundancy arrangements were given greater priority than before on the bargaining agenda in some countries, notably a number of CEECs, as unemployment increased. In Bulgaria, many sectoral agreements provided for the training of redundant workers, while a number dealt with enhanced redundancy compensation. Redundancy selection, payments and procedures were also on the agenda in Estonia and Slovakia.

Training was a significant issue in bargaining in countries such as Bulgaria, Italy and the Netherlands. National agreements implemented the 2004 EU-level framework agreement on work-related stress (EU0410206F) in Cyprus, France and Greece. Themes specific to particular countries included: the

regulation of outsourcing and subcontracting in the Cypriot construction and banking sectors; increased parental and paternity leave in Denmark; parental leave for foster parents in the Greek national agreement; fixed-term and part-time work in Italy; and the introduction of part-time work in Bulgaria.

Legislative developments

In 2008, a large amount of new employment and industrial relations legislation was proposed, adopted and/or amended across Europe, as summarised in Table 3.

As has often been the case in recent years, social security was probably the broad area that saw most legislative activity in 2008. Greece introduced a major reform of state pensions, while state and/or occupational pensions were the subject of laws or proposals in countries such as Bulgaria, France, Italy, Norway, Poland, Sweden and the UK. Sweden also saw an important health insurance reform, while other aspects of social security and unemployment insurance were amended in Austria, Estonia, the Netherlands and Romania.

The labour market was an important area of legislative activity, notably with a number of countries – such as the Czech Republic, Estonia, Latvia, Poland and Sweden – changing their rules on the employment of non-EU migrants, generally to relax restrictions and simplify procedures. Labour market flexibility was increased in the Czech Republic, Estonia and France, while promoting the employment of young unemployed people was the subject of legislation in Austria and Sweden.

Equality at the workplace and reconciliation of work and family life received considerable attention in some countries. EU directives in this field were implemented in Member States such as the Czech Republic, Estonia and Luxembourg, while enhanced leave and flexible working arrangements for parents were the focus of activity in, for example, Greece, Portugal and the UK. The implementation of EU directives was the driver for new legislation on employee information, consultation and participation in Belgium, Luxembourg and Slovenia, while the law affecting various aspects of this topic was also amended in Finland, Germany and Lithuania.

Working time legislation was amended in countries including France, Hungary, Luxembourg, Norway, Portugal and Romania. Other fields experiencing notable legislative activity in some countries in 2008 included: training (for example, in Estonia, Luxembourg, Spain and the UK); labour inspection and the enforcement of employment law (Bulgaria, Ireland and Latvia); aspects of public sector employment (Greece, Italy and Portugal); minimum wages (France, Germany and the UK); termination of the employment contract (France, Italy and Norway); atypical work (France, Italy and Malta); trade union affairs (France, Estonia and the UK); health and safety (Bulgaria and Italy); and dispute resolution (Denmark, Lithuania and the UK). Portugal enacted a major reform of its Labour Code.

Table 3 Main legislative developments in 2008

Atypical work	Legislation adopted in Italy in June 2008 allowed the use of on-call work, which had been abolished by the previous government, and reformed the regulation of fixed-term employment, notably relating to the maximum permitted length of such contracts (IT0807019I). In November, the Maltese government introduced a legal order regulating telework in the private sector. 'Labour market modernisation' legislation adopted in France in June created a new type of fixed-term employment contract, lasting 18–36 months, to carry out a specific project.
Collective bargaining	A law adopted in France in July 2008, partly based on a 'common position' signed by some social partner organisations, changed the rules for collective bargaining, notably in relation to validating agreements and assessing trade union representativeness (FR0808039I). A revised Labour Code adopted in Portugal in November stipulates that, in certain core areas, collective agreements may not provide conditions less favourable than the minimum legal criteria, and also contains new provisions on the expiry of agreements. Legislation was adopted in Denmark to give legal status to the system of industrial arbitration tribunals, which deal with disagreements about the interpretation of sectoral collective agreements. New Greek legislation on employment status in state-controlled enterprises included provisions – opposed by trade unions – allowing ministerial decisions to set limits on pay bargaining in enterprises in deficit and amending rules on recourse to mediation and arbitration during such bargaining (GR0809029I).
Employment, labour market and job creation	Estonia adopted a new Employment Contracts Act, due to come into force in July 2009, aiming to increase labour market flexibility by easing restructuring and supporting flexible forms of employment, while increasing workers' social protection against and during unemployment (EE0901019I). A 'labour market modernisation' law adopted in France in June 2008, based on a social partner agreement (FR0802049I), also introduced a 'flexicurity' approach – combining flexibility and security – with employment contracts being made more flexible in exchange for employees keeping some of their rights in the event of losing their jobs. The Czech Employment Act was amended several times with the aim of making the labour market more flexible, tackling illegal work and introducing 'green cards' for certain foreign workers. Amendments to Estonia's Aliens Act simplified procedures for employing migrant labour, increased the annual quota for non-EU workers and introduced minimum wage requirements for these workers (EE0803019I). Latvia reduced the cost of work permits for non-EU migrants (LV0809059I), while Polish regulations were amended in February 2008 to extend the period for which people from neighbouring non-EU countries may work in Poland without a work permit from three to six months. Sweden also amended its rules on non-EU migrant workers, with greater power for individual employers to decide on the demand for such workers (SE0804039I). As part of efforts to combat social dumping in the form of cheap foreign labour, the Norwegian government amended legislation in order to apply collective agreements covering subcontracting companies to subcontractors, with inspection rights for trade unions in the subcontracting company; in addition, all employees at building sites are now required to carry ID cards issued by their employer. In May 2008, the Austrian parliament endorsed a package of measures aiming to improve employment opportunities for young unemployed people (AT0711039I), while the Swedish government introduced new measures to promote the employment of young and unemployed people, and also reorganised public labour market services. Legislation passed in France in January 2008 reformed public employment services, creating a single body responsible for this area (FR0804079I).
Equality/work-life balance	A new Equal Treatment Act was adopted in Estonia in December 2008, effective as of January 2009, implementing various EU anti-discrimination directives and creating a single equality commissioner (EE0809029I). The Czech government also drafted a bill to implement these EU directives, but this was vetoed by the President, Mr Klaus (CZ0806029I). Luxembourg transposed Directive 2002/73/EC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions. The UK government announced plans for a new equality law, consolidating existing legislation into a single statute and introducing new measures to increase transparency and reveal workplace inequality, and allow positive action in certain cases (UK0807059I). It also proposed giving the parents of children up to the age of 16 years the right to request flexible working arrangements; this right currently applies only to parents of children aged less than six years (UK0901019I). Austrian legislation passed in June 2008 amended gender equality legislation, allowing – for example – illegally dismissed victims of gender-related discrimination to opt for financial compensation instead of reinstatement, and providing higher financial compensation for job applicants who suffer discrimination (AT0801029I). Amendments to the Labour Code adopted in Portugal in November aim to enhance gender equality and work-life balance, for example by increasing time off for family reasons and giving parents the right to work part time until their child is 12 years old; previously, this age limit was 10 years. Greece introduced an additional six-month period of maternity-related leave (GR0809019I). In Cyprus, the government proposed a series of measures to narrow the gender pay gap (CY0811029I).

Table 3 (continued)

Health and safety	An Italian decree, adopted in March 2008, amended health and safety regulations, for instance by simplifying administrative procedures for employers, reinforcing the role of worker representatives and extending provisions to cover self-employed and 'flexible' workers (IT0804039I). Bulgarian health and safety legislation was amended in areas such as the insurance of workers in hazardous jobs and the coverage of part-time workers.
Industrial relations	Legislative amendments in Lithuania defined employer organisations for the first time, extended the definition of collective labour disputes, introduced a conciliation procedure to resolve such disputes and relaxed the requirements for calling strikes (LT0807029I). Denmark amended its legislation on posted workers to ensure the right of Danish trade unions to take industrial action against foreign service providers in order to prevent social dumping, in light of the ECJ ruling in the Laval case (DK0808029I). The Austrian Constitution was amended to acknowledge and promote explicitly the central role of the social partners (AT0802019I). A controversial law that came into force in Estonia in July 2008 provides for trade union accounts, including the size of strike funds, to be made public from 2010 (EE0807029I). In France, legislation adopted in July 2008 sought to ensure greater transparency and legal certainty in the finances of trade unions and employer organisations (FR0808039I). A law passed in the UK in November introduced new rights for trade unions to expel members (UK0812019I).
Information, consultation and participation	Belgium introduced legislation, based on a social partner agreement, to complete the transposition of Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community (BE0802039I), as well as to implement Directive 2003/72/EC supplementing the Statute for a European Cooperative Society with regard to the involvement of employees. Luxembourg also (belatedly) transposed Directive 2002/14/EC. Finland's revised Cooperation Act, which came into force in 2007, was extended to companies with a minimum of 20 employees; previously, the threshold was 30 employees (FI0801029I). Legislative amendments in Lithuania strengthened information and consultation rights and eased the requirements for the establishment of works councils (LT0807029I). Legislation passed in Germany in November 2008 improved the information rights of works councils in companies not listed on the stock exchange with regard to takeover plans, while the Finnish government proposed enhanced information rights for company-level trade unions over the use of temporary agency staff. In May, Slovenia adopted legislation implementing Directive 2005/56/EC on cross-border mergers of limited liability companies, with regard to worker participation – an issue on which the Belgian social partners reached a national agreement with the force of law in April. Slovenia also passed a law on employee financial participation in company profits in February 2008.
Labour Code	In Portugal, the Labour Code was revised in November 2008, with the changes (listed in other sections of this table) due to come into effect during 2009 (PT0809019I). A simplified and more 'user-friendly' version of the French Labour Code came into force in May (FR0806019I).
Pay	The German government proposed applying binding minimum wages to new economic sectors, mainly through the extension of the Posted Workers Act, while an earlier extension to postal services (DE0712039I) was challenged in the courts. Legislation on earnings from work, adopted in France in November 2008, promoted employee financial participation, changed the way in which the national minimum wage is set and encouraged pay bargaining. Another French law, passed in January 2008, allowed employees, under certain circumstances, to trade in time-off entitlements for pay, thereby increasing their working time and earnings (FR0803029I). An Employment Act passed in the UK in November strengthened the enforcement mechanisms for the national minimum wage (UK0812019I). Changes to Latvian rules on sick pay, in force from January 2009, reduce the period of sick leave remunerated by employers (LV0806019I). French 'labour market modernisation' legislation, adopted in June 2008, reduced the length of service required to qualify for supplementary sick pay.

Table 3 (continued)

Social security/ unemployment insurance	<p>In Greece, legislation was controversially adopted to reform the state pensions system, including higher retirement ages, lower supplementary pensions and mergers of existing social insurance funds (GR0805029I). A French law imposed more stringent conditions for access to early retirement and allowed employees to continue working until the age of 70 years (FR0901029I). Bulgaria adopted legislation to make the pensions system more sustainable. A new Pensions Act in the UK contained measures to encourage individuals to engage in private pensions saving – for example, from 2012, all workers who are not already in a workplace scheme will be automatically enrolled in either their employers' pension scheme or a new savings scheme. A law adopted in Poland at the end of the year, in force from January 2009, restricts the number of people entitled to retire early because of arduous working conditions (PL0811019I). In Sweden, a new collective occupational pension scheme negotiated by the social partners in 2007 was implemented in 2008 (SE0707029I). Legislation adopted in Italy in June 2008 removed restrictions on workers receiving pensions alongside income from work (IT0807019I). A major reform of the Swedish health insurance system was adopted in July, aiming to encourage people on sick leave or early retirement to return to work through measures such as a new rehabilitation process, a limit on sick pay and stricter requirements for early retirement pensions (SE0802029I, SE0901019I, SE0805049I). Legislation in Romania severed the previous link between the national minimum wage and the level of a number of social security benefits, allowances and contributions (RO0807019I), while occupational social security schemes were reformed to improve gender equality. New rules came into force in the Netherlands, whereby people under the age of 27 years are no longer eligible for social security benefits, but must instead work and/or study (NL0802019I), while in May the government proposed ending the payment of benefits to young people with a disability who are capable of working. Legislation approved in Austria in June provides that companies that subcontract work are liable for the subcontractors' social security contribution obligations in respect of their employees. Estonia increased unemployment insurance contributions (EE0812019I).</p>
Termination of employment contract	<p>The outgoing centre-left Italian government approved a decree in March 2008 introducing a new procedure for resignation by employees (IT0806019I); however, this was repealed by the new centre-right administration in June (IT0807019I). 'Labour market modernisation' legislation adopted in France in June introduced a new form of termination of employment contract by mutual consent, and reduced the length of service required to qualify for severance payments on dismissal. A Norwegian law on enterprise reorganisation, which came into force in July, requires employers to give local authorities notice of plans to close down establishments and make at least 90% of employees redundant, with the aim of giving those affected time to explore alternative options, including an employee takeover (NO0809049I).</p>
Training	<p>The Spanish government issued draft legislation to reform and improve the vocational training system, smooth the transition from training to employment, facilitate the recognition of professional experience and improve the employability of young people (ES0812029I). A law introducing a right to individual paid training leave came into effect in Luxembourg in January 2008. In the UK, a new Education and Skills Act introduced a requirement for all 17-year-olds to participate in education or training from 2013, to be extended to all 18-year-olds from 2015. Estonia introduced a new national qualifications system (EE0806019I).</p>
Working time	<p>France introduced legislation in July 2008 that gives more scope for collective bargaining, especially at company or establishment level, to set the duration and organisation of working time – notably in relation to overtime – thereby relaxing the statutory 35-hour working week (FR0808039I). Hungary amended the Labour Code's provisions on on-call work, work breaks, reference periods for averaging working hours and the maximum amount of overtime to bring them into line with EU law (HU0802079I). Also in Hungary, a Constitutional Court ruling revoked a ministerial decree providing for a 36-hour working week in hazardous workplaces (HU0807019I). Amendments to Portugal's Labour Code adopted in November make it easier to introduce flexible working time schemes at company level or by collective agreement. Luxembourg introduced new regulations on the duration of night work in the transport sector. Legislation that came into force in July gave Norwegian employees a right to reduced working hours from the age of 62 years, with the aim of making it easier for older workers to combine work and a pension (NO0807019I). The Romanian Labour Code was amended to introduce two new public holidays.</p>

Table 3 (continued)

Miscellaneous	Luxembourg adopted legislation in May 2008 to introduce a single status for all private sector workers (both blue-collar and white-collar), affecting areas such as sick pay (LU0803019I). The legislation on which Finland's system of sabbatical leave entitlement is based was renewed for 2008 and 2009, whereupon it will become permanent, while legislation on employers' duty to inform employees of their terms and conditions of employment was amended, notably to introduce stronger penalties for employers that breach the requirement (FI0801029I). A new Labour Inspection Act was adopted in Bulgaria, which also amended its Labour Code to strengthen enforcement and compliance. Latvia too adopted new labour inspection legislation, while the Irish government published an Employment Law Compliance Bill to strengthen the enforcement of employment rights and enhance the labour inspectorate (IE0803039I). Portugal's revised Labour Code, adopted in November, redefines the concept of the employment contract in order to make it easier to identify 'false' self-employment, and also increases maximum probationary periods from three to six months. 'Labour market modernisation' legislation adopted in France in June 2008 also increased statutory maximum probationary periods. Hungary introduced new rules on the payment of costs in labour law cases, increasing the costs for which unsuccessful parties are liable (HU0806019I). In the UK, an Employment Act passed in November reformed the procedures for workplace dispute resolution (UK0812019I). New Portuguese legislation, passed in August and in force from January 2009, aims to bring employment relations in public services into line with those in the private sector (PT0806029I), while the Italian government proposed a reform of public sector employment, covering matters such as pay, career advancement and dismissal (IT0807039I).
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Source: EIRO

Organisation and role of the social partners

Trade unions

Following a high level of trade union merger activity in many countries in the early 2000s, the process has slowed considerably and 2008 saw no major mergers. Progress towards fusions continued in some countries, notably Finland, where several mergers were underway. More specifically, six unions affiliated to the blue-collar Central Organisation of Finnish Trade Unions (Suomen Ammattiliittojen Keskusjärjestö, SAK) expect to form the Union for Professionals in Technology (Teknologian ammattilaisten unioni, TEAM); seven SAK affiliates in the transport sector plan to form a new logistics trade union; and four unions affiliated to the white-collar Finnish Confederation of Salaried Employees (Toimihenkilökeskusjärjestö, STTK) aim to create a major services and media union. Austria's smallest trade union, the Arts, Media, Sports and Liberal Professions Union (Gewerkschaft Kunst, Medien, Sport, freie Berufe, KMSfB), decided to merge with an 'appropriate partner trade union' and entered talks with the Municipal Employees' Union (Gewerkschaft der Gemeindebediensteten, GdG) and the Union of Public Employees (Gewerkschaft Öffentlicher Dienst, GÖD) (AT0806029I).

In an innovative move to create a 'transoceanic' union, in July 2008 the UK general trade union Unite signed an agreement to merge with the North American United Steelworkers (USW) union (UK0807049I). The new entity will be called Workers Uniting and represent more than three million workers in the UK, Ireland, the US, Canada and the Caribbean.

Union mergers can break down at the negotiation stage, as happened in 2008 with a proposed merger of the Textiles-Leather, Chemicals and Allied Industries Federation (Federación de Industrias textiles, Químicas y Afines, FITEQA) and the Mining and Metal Federation (Federación Minerometalúrgica) affiliated to Spain's Trade Union Confederation of Workers' Commissions (Confederación Sindical de Comisiones Obreras, CCOO). More unusually, the year also saw the failure of a merger that had already taken place in Finland. In December 2006, the Union of Professional Engineers

(Insinööriliitto, IL), affiliated to the Confederation of Unions for Academic Professionals in Finland (Akateemisten Toimihenkilöiden Keskusjärjestö, AKAVA), merged with the STTK-affiliated Confederation of Municipal Employees in Technical Professions (Kuntien Tekniset, KTK) to form the 71,500-strong Union of Professional Engineers in Finland (Uusi Insinööriliitto, UIL), affiliated to AKAVA (FIO612029I). However, the merger lasted only two years and KTK decided to pull out at the end of 2008, owing to a dispute over the administration of property.

Workers in Luxembourg are represented by statutory consultative ‘chambers’ as well as by trade unions. With new legislation coming into force in January 2009 to create a single status for blue-collar and white-collar workers (see above under ‘Legislative developments’), the separate chambers for these workers merged in 2008 to create a single Employees’ Chamber (Chambre des salariés) (LU0809019I).

In December, the Malta Union of Teachers (MUT) left the Confederation of Malta Trade Unions (CMTU), following a difference of opinion about government policy on utility tariffs and a dispute over MUT’s call for the establishment of a joint trade union council (MT0901019I).

Newly published data confirmed a continuing decline in trade union membership in a number of countries; some examples include the following.

- The total membership of the Czech Republic’s main union centre, ČMKOS, decreased by over 3% from 2007 to 2008, although a few member unions deviated from the downward trend. Furthermore, the number of employers at which a ČMKOS-affiliated trade union organisation operates fell by 4.5%, to about half the level recorded in 1994.
- According to labour force survey data, trade union density among Estonian employees declined from 11.1% in 2003 to 7.6% in 2007.
- Total membership of the Confederation of German Trade Unions (Deutscher Gewerkschaftsbund, DGB) decreased by 1.1% from 2007 to 2008, although this was a substantially smaller decline than in previous years.
- Membership of KOZ SR in Slovakia fell by around 10% from 2007 to 2008.
- Trade union density is falling sharply in Sweden, with 72% of the workforce belonging to unions in 2007, compared with 77% in 2006 (SE0806029I). Density was only 52% in 2007 among workers aged 16–24 years. The decline may be partly explained by the fact that recent legislation has abolished the tax-deductible status of union membership contributions. Another significant factor concerns changes to union-linked unemployment insurance funds, notably higher membership fees; membership of the funds has also decreased substantially.
- The UK government’s 2008 annual report on trade union membership, based on labour force survey data, found that union density among employees was 28% in the fourth quarter of 2007, down from 28.3% in the fourth quarter of 2006.

New legislation adopted in France (see above under ‘Legislative developments’) reformed the rules on assessing trade union representativeness, making it largely dependent on support for the unions in workplace elections of employee representatives (FR0808039I). From 2012, in order to take part in collective bargaining at sectoral or intersectoral level, trade union organisations must obtain 8% of the votes in workplace elections across the sector or nationally, while participation in company-

level bargaining will require 10% of the votes in elections in that enterprise. To prepare for these changes, 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 National Federation of Independent Unions (Union nationale des syndicats autonomes, UNSA), neither of which currently has the required support at national level, decided in April 2008 to start negotiations with a view to merging. However, this decision has not received unanimous support within the two organisations.

Poland's Tripartite Commission (Komisja Trójstronna) also debated the criteria for assessing trade unions' representativeness at company level during 2008. At present, trade unions need to have 10% of employees as members in order to be considered representative in a particular company, and proposals were made to increase this threshold. However, no consensus could be reached by the end of the year.

In May 2008, Belgium held four-yearly 'social elections' of members of works councils and workplace health and safety committees, which are an important gauge of the relative strength of trade unions (BE0809029I). The Confederation of Christian Trade Unions (Confédération des Syndicats Chrétiens/Algemeen Christelijk Vakverbond, CSC/ACV) was again the best-supported union, with its candidates winning 59% of seats on health and safety committees and 57% of seats on works councils. The Belgian General Federation of Labour (Fédération Générale du Travail de Belgique/Algemeen Belgisch Vakverbond, FGTB/ABVV) made slight gains, winning about a third of seats on both bodies. Turn-out was down on 2004. Women won more seats than in 2004 but they remain underrepresented (BE0807029I).

Employer organisations

At confederal level, a number of merger and cooperation moves took place among national-level employer organisations in 2008. In September, the Malta Chamber of Commerce and Enterprise (COC) and the Malta Federation of Industry (FOI) announced that they would merge to form the Malta Chamber of Commerce, Enterprise and Industry, with the aim of creating a stronger representative body for businesses, industrialists and investors at domestic and European levels. The new structure will be based on three economic groups: manufacturers; importers, distributors and retailers; and service operators in the financial sector, information and communication technology (ICT) and other services. Eight of Romania's 12 nationally representative organisations created a new Alliance of the Confederations of Industrialists, Entrepreneurs and Employers from the Public Services Sector Business Romania (Alianța Confederațiilor Industriașilor, Întreprinzătorilor și Angajatorilor din Servicii de Interes Public Business România, Business România) (RO0812029I). In May, Lithuania's largest employer organisation, the Confederation of Lithuanian Industrialists (Lietuvos Pramoninink konfederacija, LPK) signed a cooperation agreement with the Association of Lithuanian Chambers of Commerce, Industry and Crafts (Lietuvos prekybos, pramonės ir amatų rūmų asociacija, LPPARA).

In Slovakia, one of the two main employer confederations – the National Union of Employers (Republiková únia zamestnávateľ'ov Slovenskej republiky, RÚZ SR) – lost members in 2008. One of its largest affiliated employer organisations, the Association of Automotive Industry (Združenie automobilového priemyslu Slovenskej republiky, ZAP SR) decided to leave, as did the Association of Machine Industry (Zväz strojárskeho priemyslu Slovenskej republiky, ZSP SR) and the Association

of Slovak Industry (Zväz priemyslu Slovenskej republiky, ZP SR). These organisations' member companies have a total of some 50,000 employees. The Association of Transport, Post Offices and Telecommunications (Únia dopravy, pôšt a telekomunikácií Slovenskej republiky, UDPT SR), which left RÚZ SR in 2006, joined the other main employer confederation – the Federation of Employers' Associations (Asociácia zamestnávateľských zväzov a združení Slovenskej republiky, AZZZ SR) – in 2008.

At sectoral level, the year's most significant development was probably the merger of the Confederation of Danish Industries (Dansk Industri, DI) and the Confederation of Danish Commercial Transportation and Service Industries (Handel, Transport og Service, HTS) to create a new DI from May 2008 (DK0802029I). The enlarged DI is by far the largest and most influential employer organisation affiliated to the Confederation of Danish Employers (Dansk Arbejdsgiverforening, DA), with its member companies' combined payroll accounting for 62% of the DA total.

A number of Italian employer organisations in closely related industries decided to merge, and also to unify collective bargaining for these branches. This involved organisations in clothing, textiles, footwear and fashion, and in tourism and hotels. Several existing associations created a new Alliance of Employer Organisations from Industry and Energy (Alianța Patronatelor din Industrie și Energie, APIE) in Romania (RO0811029I), while a Chamber of Catering Suppliers (Zbornica ponudnikov gostinskih storitev Slovenije, ZPGSS) was established in Slovenia.

One consequence of Luxembourg's new legislation creating a single status for blue-collar and white-collar workers (see above under 'Legislative developments') is that all employees will in future be entitled to sick pay from their employer. To provide an insurance scheme to cover the costs, the main employer bodies set up a new 'mutual society for employers' in 2008, which will reimburse 80% of employers' sick pay expenses.

Social dialogue

With regard to formal social dialogue structures, Greece's National General Collective Agreement for 2008–2009 created a new standing committee, known as the 'Tribune for Dialogue', to provide a forum for organised bipartite dialogue (GR0805039I). In Hungary, new tripartite regional dialogue bodies were established to deal with training and development issues (HU0802049I). However, tripartism proved controversial in Hungary during 2008. The government set up an Economic Reconciliation Forum (Gazdasági Egyeztet Fórum, GEF), which broke with tripartite traditions as it involves mainly the government and business and gives trade unions only a consultative role, which they have rejected (HU0810029I). Furthermore, the laws underpinning the country's main national and sectoral dialogue structures were found to be unconstitutional (HU0701039I), although these bodies continued to operate.

Across Europe, as in Hungary, social dialogue experienced varying fortunes in 2008. In some countries, the mounting economic and financial difficulties led to intensified tripartite dialogue, with varying results, as examined below under 'Impact of financial and economic problems'. More generally, dialogue and partnership strengthened in several countries. For example, in Austria, the social partners' involvement in socioeconomic matters continued to deepen, following the 2000–2006 period when the partners were largely sidelined under a conservative-populist government.

Indeed, as already noted, in 2008, the Austrian Constitution was amended to acknowledge and promote explicitly the central role of the social partners (AT0802019I). Similarly, in Latvia, the social partners were increasingly involved in debates on topical social and economic issues, including legislative amendments and the 2009 state budget – on which the social partners took a united position.

However, problems emerged in a number of countries. In Bulgaria, where tripartite dialogue had been making considerable strides – with notable social partner involvement in the drafting of labour legislation and strategies in areas such as equality, health and employment – there was a major setback in 2008. In November, the main trade union confederations withdrew from the National Council for Tripartite Cooperation and a tripartite pact on economic and social development for 2007–2009 (BG0609029I), accusing the government of not fulfilling key obligations under the pact and failing to consult the Council properly. In Estonia, the social partners expressed dissatisfaction with their involvement in consultations with the government – with trade unions, for example, alleging a lack of social partnership in the development of important legislation (EE0802019I). In Romania, both employers and trade unions were critical of what they considered to be a lack of engagement by the government in the activities of the Economic and Social Council (Consiliul Economic și Social, CES), the main national tripartite body. During 2008, the Lithuanian social partners called for a reform of the country's national tripartite council, with the aim of enhancing the role of social dialogue (LT0810019I). Dissatisfaction with the current situation came to a head late in the year, when Lithuania's new government drew up an 'anti-crisis action plan' without full social partner consultation, leading to trade union protests (LT0901019I) and ultimately to government attempts to widen dialogue.

A mixed picture is found in Italy. The new centre-right government abandoned the implementation of a major tripartite agreement on the labour market, social security and pensions signed in 2007 (IT0710029I). However, it involved the social partners in its various labour market and industrial relations reforms, although the process resulted in increasing disagreements between Cgil and the other parties.

Industrial action

While full official data for 2008 are not yet available from most countries, the evidence so far indicates that it was a relatively quiet year for industrial action in most countries, albeit with a number of exceptions.

No strike activity, or a very low level, occurred during 2008 in Austria, Bulgaria, Cyprus, the Czech Republic, Estonia, Latvia, Luxembourg, Malta and Slovakia. The year was also generally peaceful in Denmark, Finland, Ireland, Norway, Slovenia, Sweden and the UK. In the case of Slovenia, little or no industrial action took place at individual company level; however, one warning strike was called across the private sector (SI0803039I). In cases such as Ireland and Sweden, more industrial action was noted than in 2007 but, overall, levels remained low in historical terms. Hungary saw a decline in action after an upsurge in 2007, although levels were still higher than in 2006. In Spain, strike activity continued at moderate levels in 2008.

However, countries such as Greece, Poland and Romania saw considerably more strike activity in 2008 than in 2007. While whole-economy data are not available for Italy, more strikes occurred than

in the previous year in essential public services, such as health, transport and energy distribution. In Lithuania, the relatively high level of industrial action in 2007 continued in 2008.

While most CEECs saw a fairly low level of strikes in 2008, following a general increase in 2007, albeit usually at relatively low absolute levels, in many of these countries protest often takes the form of demonstrations, meetings and pickets rather than full work stoppages. Many such protests occurred during 2008 in Bulgaria, the Czech Republic, Estonia, Hungary, Latvia and Slovakia.

As has often been the case in recent years, the main focus of industrial action in 2008 in many countries was the public sector and traditionally public (although in some cases now privatised) services, often in a context of reform, restructuring and budgetary restraint. Across Europe, the public or privatised services that experienced considerable industrial action in 2008 included:

- healthcare – for example, in Denmark (DK0804029I), France (FR0804049I), Ireland (IE0805049I), Latvia, Malta (MT0812039I), Poland and Sweden (SE0805039I);
- education – in cases such as Italy (IT0810059I), Lithuania (LT0803019I), Norway, Poland, Portugal (PT0804029I), Romania (RO0805039I) and the UK (UK0804029I);
- public road and rail transport – as in Belgium (BE0802019I), France, Hungary (HU0804039I, HU0802069I), Italy, Malta (MT0809029I), Poland, Romania (RO0802019I) and Sweden;
- air transport, especially ground services – for example, in Belgium (BE0809039I), Hungary, Italy and Norway;
- postal and telecommunications services – in cases such as France (FR0810019I), the Netherlands and Poland (PL0806029I); in Austria, strike threats were made;
- utilities (electricity, gas and water supply) – as in Bulgaria (BG0804029I) and Romania.

As well as pay, the issues in these disputes included cutbacks, job losses, recruitment freezes, service reforms, changes to employment status, privatisation, workload and safety.

In the private sector, which generally saw relatively few strikes in 2008, industrial action usually related to the renewal of sectoral collective agreements; for example, the bargaining rounds in the German steel industry (DE0803029I), public sector (DE0804029I) and metalworking (DE0812049I) were accompanied by warning strikes. Major disputes included those in retail in France (FR0803049I) and Germany (DE0808019I). Sectors with notable levels of industrial action included construction and metalworking/machinery in Romania, the machinery, mining and food industries in Poland and the dairy industry in Norway. Relatively few major strikes were reported at individual companies, although exceptions included the iron and steel works Mittal Steel Galați (RO0805029I) and the car manufacturer Automobile Dacia (RO0804029I) in Romania, as well as the electrical and electronics manufacturer Siemens in the Czech Republic (CZ0809039I). An interesting development in Belgium was a wave of unofficial action by blue-collar workers in industry, mainly in the Flanders region, seeking pay rises in light of escalating energy and food prices (BE0802049I). Price increases, this time the cost of fuel, were also behind Spain's most high-profile strike of 2008, in the road transport sector, which was led by self-employed workers and not supported by the main national trade unions (ES0807019I).

Several general strikes in 2008 concerned 'political' issues. In Greece, trade unions held national strikes in October (GR0811019I) and December (GR0901039I) over various aspects of government policy, including economic policy and social security reform. Czech trade unions organised a one-day national strike in June to express their opposition to public finance reforms (CZ0807019I). In France, trade unions called days of nationwide action in April, May and June in opposition to government reforms in areas such as retirement and working time. A further nationwide protest was called on 7 October, the 'world day for decent work' organised by the International Trade Union Confederation (ITUC), with French unions linking the day to national issues, particularly employment and pay (FR0810029I).

Regulation of industrial action

While 2008 generally saw relatively low levels of strike activity, the regulation of industrial action and the prevention and resolution of labour disputes were high on the agenda in many countries. Legislation in this area was adopted in the following countries:

- Denmark, where a new law gave legal status to the agreement-based system of industrial arbitration tribunals, which deal with disputes over the interpretation of sectoral collective agreements; legislation also dealt with industrial action over posted workers (see below);
- Greece, where the law was amended to accelerate appeal hearings in the courts on whether particular strikes are illegal, and to change the designation of the appeals court panel in such cases (GR0809059I);
- Lithuania, where the Labour Code was modified to reduce the majority required in workforce ballots to authorise a strike in a company or company unit (LT0807029I);
- the UK, where a new law banned strike action by prison officers, following widespread unofficial action by this group in 2007.

The Romanian government attempted, unsuccessfully, to amend the legislation governing labour disputes (RO0806019I). Tripartite discussions in Poland on possible changes to the rules on the organisation of strikes failed to reach agreement by the end of the year (PL0901039I). The Italian government announced plans to revise in 2009 the regulations on strikes in essential public services, covering issues such as ballots, notice periods and the representativeness criteria for trade unions allowed to call strikes. In Ireland, the government made a commitment to introduce statutory provisions prohibiting the use of temporary agency workers by employers in the event of official strikes or lock-outs. The Slovenian government is planning to propose a new law on strikes in 2009.

In Sweden, an official enquiry examined the implications of the ECJ's December 2007 ruling (EU0801019I) in the Laval case (C-341/05) for the country's industrial action and collective bargaining regulations, suggesting some restrictions on industrial action rights (SE0901029I). The issue was also considered in the ongoing negotiations between the central social partner organisations over a new version of their 'basic agreement' (SE0811029I).

The Laval judgement also had a significant impact in Denmark, which has a similar agreement-based industrial relations system to that of Sweden. The government set up a commission, with social partner involvement, to examine the consequences of the ruling. This resulted in amendments to the existing legislation on posted workers to ensure the right of Danish trade unions to take industrial

action against foreign-based service providers posting workers to Denmark, in order to prevent social dumping (DK0808029I).

In 2002, the Belgian social partners reached a deal on the handling of industrial conflict (BE0204301N), whereby employers would avoid using legal procedures until all conciliation attempts had failed, while workers would respect the required notice periods before taking strike action. Because of an increasing number of unofficial strikes, notably in public transport, and greater use of judicial procedures by employers to ban strike pickets (BE0807019I), the debate on these issues, and especially minimum services in essential sectors, resurfaced in 2008, and the social partners agreed to evaluate the 2002 accord, with a view to amending it.

Minimum service provision during strikes in essential public services was also a matter of controversy in Hungary, where the Parliamentary Commissioner for Civil Rights criticised current regulations in this area as being inadequate to protect citizens' rights. The legality of strikes by police officers was topical in the Netherlands (NL0802039I), with mixed court rulings on the issue. The main Finnish trade union confederations discussed a joint position on changes to the rules on industrial action, but failed to reach agreement in this regard (FI0804029I).

Restructuring

Company restructuring intensified in the EU during 2008. The employment effects of this restructuring became increasingly negative as the year progressed, reflecting the deepening financial crisis and economic downturn. Statistics from Eurofound's European Monitoring Centre on Change (EMCC) give an idea of the scale and nature of restructuring during the year; the data from the European Restructuring Monitor (ERM) within EMCC relate to cases of restructuring reported in the media, involving the planned creation or reduction of at least 100 jobs, or affecting at least 10% of the workforce at sites employing more than 250 people. The ERM recorded 1,525 cases of restructuring in the EU in 2008, compared with 1,401 in 2007. In 2007, the net effect of the planned restructuring was the creation of some 180,000 jobs. However, in 2008, the net effect was the loss of about 230,000 jobs, with the number and scale of workforce reductions increasing substantially in the last quarter of the year.

In 2008, according to the ERM data, the economic sectors accounting for most cases of restructuring were manufacturing (64% of the total), real estate and business activities (8%), transport and communication (7%) and retail (7%). The sectors responsible for the largest proportions of all planned restructuring-related job losses were manufacturing (44%), public administration (14%), transport and communication (13%), retail (10%) and financial services (9%). The sectors contributing most to planned restructuring-related job creation were manufacturing (41%), retail (22%), real estate and business activities (8%), transport and communication (8%) and financial services (7%).

The country in which the ERM recorded most cases of restructuring in 2008 was the UK (15% of all cases), followed by Poland (15%), France (7%), Sweden (7%), the Czech Republic (6%) and Germany (6%). The UK also accounted for the largest share of all planned restructuring-related job losses (23%), followed by France (18%), Germany (14%), Italy (6%), Sweden (5%), the Czech Republic (5%), Poland (5%) and Romania (4%); it should be noted that these figures do not indicate the scale of job losses in comparison with the size of the national labour force. The countries accounting for

the largest proportions of all planned restructuring-related job creation were Poland (27%), Germany (15%), the UK (13%), Romania (11%) and France (7%).

The most common types of restructuring in 2008 were internal restructuring (40% of all cases), business expansion (34%), bankruptcy or closure (19%) and offshoring or delocalisation (3%). The greatest shares of planned restructuring-related job losses resulted from internal restructuring (68%), bankruptcy or closure (22%), merger or acquisition (5%) and offshoring or delocalisation (3%). Almost all planned restructuring-related job creation resulted from business expansion. Compared with 2007, bankruptcy or closure was more common in 2008 and accounted for a greater proportion of planned job losses – as did internal restructuring. Meanwhile, cases of business expansion were less common; so too was offshoring or delocalisation, accounting for a smaller proportion of planned job losses.

National data emphasise the widespread negative effects of restructuring on employment in 2008. For example:

- the number of redundancies announced by Danish companies almost doubled from the third to the fourth quarter of 2008;
- in Estonia, the number of people granted collective redundancy payments doubled in 2008 compared with 2007;
- the number of employees covered by co-determination talks over redundancies increased almost threefold in Finland in 2008;
- in Italy, the number of workers receiving wages guarantee fund payments – which are made to workers laid off or on short-time working because of cutbacks in production – increased by 110% between December 2007 and December 2008;
- reported cases of collective redundancies in Lithuania increased by nearly 60% in the first 11 months of 2008, compared with the same period of 2007, and the number of employees affected rose by almost 40%;
- in the first 10 months of 2008, 20% more redundancy procedures were authorised in Spain, compared with the same period in 2007, and the number of workers affected by termination or suspension of employment as part of these procedures increased by 42%;
- in Sweden, the number of employees receiving notices of redundancy reached an all-time high in the latter part of 2008.

As the ERM data suggest, the extent and effects of restructuring differed between countries and between economic sectors. EIRO reports indicate a number of sectoral ‘hot spots’ where job losses had a particularly high profile in 2008, such as: textiles in Belgium (BE0810039I); textiles, glass (CZ0811029I) and postal services in the Czech Republic; the civil services and armed forces in France; textiles and leather in Slovenia; construction in Spain (ES0810039I); the automotive industry in Sweden (SE0810029I); and retail, the public sector and financial services in the UK.

In many countries, certain cases of company restructuring attracted considerable public and media attention in 2008, often because of the scale of the job losses and the effects on suppliers and the local labour market. In some cases, these developments were essentially national in scope; in others, they were part of a multinational company’s international restructuring process. Examples include:

- the possible closure of a Siemens plant in the Czech Republic, as part of a major worldwide restructuring exercise by the German electrical and electronics manufacturer;
- plans to cut 480 jobs at a plant of the US-owned tyre manufacturer Goodyear-Dunlop in France, as well as plans to cut 600 jobs at a site of the Luxembourg-owned steel manufacturer ArcelorMittal, also in France;
- the closure by Nokia, the Finnish-based mobile phone producer, of a plant in Germany;
- the privatisation, accompanied by a large-scale workforce reduction, of Greece's Olympic Airways;
- the relocation of battery production from a plant of the Japanese electrical goods manufacturer Sanyo in Hungary to China, with over 600 job losses in the EU Member State;
- the decision by Dell, the US-based computer manufacturer, to cease manufacturing at its plant in Ireland, with 1,900 redundancies, and transfer production to Poland, along with the end of manufacturing at Waterford Crystal, an indigenous Irish glass manufacturer;
- the sale and reorganisation, with a major workforce reduction, of Italy's Alitalia airline;
- the announcement of over 1,000 redundancies at the Alytaus tekstilė textiles company in Lithuania;
- major redundancies at Swedish companies such as the automotive group Volvo, the construction company Skanska, the engineering firm Sandvik and the steel manufacturer SSAB;
- the closure of the UK retailer Woolworths, with the loss of 27,000 jobs;
- global restructuring exercises with effects across Europe by multinationals such as the US information technology corporation Hewlett Packard, the French automotive manufacturer Renault (FR0811019I) and the US automotive manufacturer General Motors (EU0804039I).

Industrial relations aspects

Corporate restructuring is, of course, an industrial relations issue, often provoking opposition from workers and trade unions and/or being subject to information, consultation and negotiation processes. The case of Nokia in Germany illustrates clearly the issues and processes that may be involved.

In January 2008, Nokia announced the closure of its site in the city of Bochum in western Germany and the relocation of production to Hungary and Romania by mid 2008, without giving prior notice to the works council (DE0805019I). The move affected 2,300 Nokia employees, some 900 third-party employees and about 1,000 workers at local suppliers. The company's announcement provoked a wave of protests by the workforce, trade unions, and regional and local politicians, and spurred major debates on workers' rights and state subsidies to investors. The German Metalworkers' Union (Industriegewerkschaft Metall, IG Metall) called for an extension of German co-determination rights over relocation decisions, while the European Metalworkers' Federation (EMF) demanded a revision of Council Directive 94/45/EC on the establishment of a European Works Council to ensure that all stakeholders are involved in relocation processes at an early stage. The North Rhine Westphalia regional government maintained that Nokia had not fulfilled the conditions under which state subsidies were granted to it, and decided to seek reimbursement from Nokia. Eventually, management and the works council agreed a social plan, providing for redundancy payments and measures to assist the redundant workers.

Further cases arose where restructuring led to strike action and other protests by workers during 2008. Notably, in Greece, trade unions organised strikes in opposition to workforce reductions and changes in employment status planned as part of the privatisation of Olympic Airways (GR0812019I) and the restructuring of the Hellenic Telecommunications Organisation (Οργανισμός Τηλεπικοινωνιών Ελλάδος, OTE) (GR0805019I) and the Hellenic Railways Organisation (Οργανισμός Σιδηροδρόμων Ελλάδος, OSE) (GR0810039I). In France, trade unions called strikes over restructuring in the civil service, at seaports (FR0807039I) and at companies such as Renault. In Hungary, trade unions held demonstrations and staged a warning strike when the US-based General Electric announced plans to relocate production of lamps from Hungarian plants to China, with the loss of 600–700 jobs, and possibly to shift some production between Hungarian plants (HU0801039I). Estonian trade unions held protests against restructuring-related job losses in rail and bus transport (EE0808019I). Opposition to the potential closure of the Siemens plant in the Czech Republic included a warning strike. Trade union opposition led to the shelving of plans to transfer up to 2,500 employees with public servant status from Telekom Austria, the country's main telecommunications services provider, to a state 'employee pool', from which they could be hired out to other private sector companies (AT0807019I). Similarly, union opposition led to the postponement of significant restructuring and workforce reductions at the Austrian Post Company (Österreichische Post AG) (AT0812029I).

Corporate restructuring, or at least its effects on employees, was subject to negotiation or cooperation/consultation processes, leading to agreements or negotiated responses. Table 4 provides a number of examples.

Table 4 Examples of negotiated responses to company restructuring, 2008

Bulgaria	Trade unions were involved in the privatisation process of the Navigation Maritime Bulgare shipping company and agreed social measures to accompany the sale to private investors, such as a gradual workforce reduction of 17% and a 15% pay increase. Furthermore, the new sectoral collective agreement for the tobacco industry provided for enhanced severance payments for redundant workers at two tobacco plants.
Cyprus	Negotiations involving the social partners led to legislation allowing for the voluntary retirement of 125 dockworkers, with compensation funded by employers, as part of a plan to reduce operating costs and boost competitiveness in the ports of Larnaca and Limassol. In the case of the merger of two cement companies, trade unions and management signed an agreement that minimised the number of workers to be made redundant as a result and provided favourable terms for those who lose their jobs.
Czech Republic	The planned sale and potential closure of the Siemens Kolejová vozidla rail-vehicle manufacturing plant in Prague (see above) threatened 1,000 jobs. Following protests and a warning strike, trade unions reached an agreement with management on enhanced severance payments if redundancies occur, along with bonuses for employees and guarantees on information and consultation over the sale (CZ0809039I).
Estonia	Cases of 'good practice' in restructuring, involving consultations with trade unions, in 2008 included workforce reductions in the railway sector (EE0808019I), as well as at the Kreenholm textiles company, the State Forest Management Centre and bus transport in the southwestern city of Pärnu.
Germany	To accompany the closure of the Nokia plant at Bochum (see above), following major protests, management and the works council signed a social plan which is one of the most expensive ever concluded in Germany. It provides for redundancy payments and the establishment of a temporary job-creation and placement organisation, costing a total of €200 million. Moreover, Nokia agreed with the state of North Rhine Westphalia to provide €20 million and the net proceeds from the sale of the site for future economic development in the area.
Ireland	The Aer Lingus airline announced a plan to outsource more than a third of its workforce, amounting to 1,500 jobs, as part of a cost-reduction programme, which also included a 15-month pay freeze. However, after threatened strike action and tense negotiations, agreement was reached on alternative cost-cutting measures in late 2008 (IE0810039I). Instead of outsourcing, the workforce will be reduced by 7% through early retirement or voluntary redundancy, while half of the ground operations staff will have to leave the company and reapply for positions with Aer Lingus on lower terms and conditions. At AXA Insurance, management and unions reached a restructuring agreement to tackle competitiveness problems (IE0809019I). The deal includes 120 voluntary redundancies, a new remuneration process, changes to performance management and reward programmes, and new profit-sharing criteria.

Table 4 (continued)

Italy	The Alitalia airline, following long-running financial difficulties, was taken over by a consortium of investors, restructured and relaunched. Agreements reached in September 2008 after difficult negotiations with trade unions provide for a slimmed-down workforce of 12,500 persons, with 3,250 redundancies (IT0810049I). The redundant staff will receive state financial support, although numerous fixed-term workers will not have their contracts renewed and will not be eligible for any support measures. The deal also provides for changes in terms and conditions of employment, and pay reductions for some groups of staff. An agreement on restructuring at the Italian operations of the Swedish-based domestic appliances manufacturer, Electrolux, provides for a reorganisation of production, which may lead to around 700 job losses, to be achieved through rotating use of state support measures, incentives for voluntary redundancies and part-time work (IT0810039I).
Malta	The government and the General Workers' Union (GWU) reached an agreement – following trade union protests – over the privatisation of the state-owned Malta Shipyards, which had a workforce of 1,700 persons. The agreement included a budget of €58 million to fund a retirement scheme and a requirement for the new owners to retain the remaining 150 workers who did not take retirement for a number of years.
Sweden	Volvo Cars issued redundancy notices to 4,000 workers during the autumn of 2008, as part of a restructuring plan, which also had major repercussions for subcontractors (SE0810029I). The process was managed in cooperation with trade unions, the Outplacement Foundation (Trygghetsrådet, TRR) – a collective agreement-based organisation that helps redundant employees to find new careers – local authorities and the public employment service. This resulted in a range of measures aiming to minimise the effects on the redundant workers, such as training, assistance in obtaining new jobs or starting their own businesses, and pensions or other compensation.
UK	In October 2008, an agreement was reached between the GMB trade union and the vehicle manufacturer JCB in order to save 350 jobs at the company, in the face of declining orders. This agreement covered JCB plants across the UK, and cut the weekly working time of manufacturing workers from 39 hours to 34 hours, with some loss of pay (UK0811029I).

Source: EIRO

Impact of financial and economic problems

The global financial crisis and the ensuing economic slowdown cast a lengthening shadow over 2008. The timing and scale of the impact varied from country to country, with EU Member States such as Finland, Hungary, Ireland, Lithuania, Spain, Sweden and the UK being hit hard and early, while the effects were only beginning to be felt at the end of the year in countries such as Bulgaria, Cyprus and Malta.

The spreading recession had a limited impact on overall collective bargaining in most countries during most of 2008 (see above under 'Collective bargaining developments'). However, the effect is likely to be marked in 2009, as indicated by a number of developments in late 2008 – particularly with regard to pay. The Belgian social partners have agreed very low increases for 2009–2010; the fulfilment of Ireland's new national wage agreement was under severe threat, placing a question mark over the country's social partnership model; and differences between Spanish trade unions and employers over pay – with the former seeking significant increases and the latter calling for zero or minimal increases – made it unlikely that they would reach an intersectoral framework accord for 2009. The issue has been problematic in a number of other countries. In Luxembourg, the economic downturn has reignited debate on the viability of the country's system of automatic pay indexation. The Estonian social partners were unable before the end of 2008 to reach an agreement on minimum wage increases in 2009. In a number of CEECs, such as Latvia, Lithuania and Slovenia, public sector pay budgets have already been cut or frozen for 2009, as part of wider cutbacks in response to declining tax income, while a major pay increase for teachers agreed in Romania in 2008 (RO0811019I) seems under threat from budgetary difficulties.

Government measures

Governments in most European countries have responded to the crisis through general economic stimulus packages and/or through a range of specific measures aiming to tackle particular issues

such as the lack of financial credit, declining tax income or rising unemployment (lower tax income sometimes implies effects on public sector pay (see above) or social security contribution levels). Measures to address unemployment have included employment-promotion schemes, subsidised employment, training for unemployed workers and enhanced job-search assistance.

In some cases, government responses have included initiatives with clear industrial relations implications. For example, an important part of the Estonian government's approach has been to bring forward by six months, despite trade union opposition, the implementation of a new Employment Contracts Act (see 'Legislative developments' above) aiming to make the labour market more flexible. Hungarian measures to tackle the employment impacts of the country's particularly deep economic crisis (HU0812029I) controversially include a relaxation of current legislation of 'orderly labour relations', which ties government subsidies and participation in public tenders to employers' compliance with employment legislation and good labour practices (HU0801079I).

High levels of remuneration – including bonuses and severance payments – for senior executives are seen in some quarters as having contributed to the financial crisis, as well as being inappropriate in the current economic climate and damaging to wider calls for pay moderation. During 2008, a number of governments announced plans to place limits on top pay, such as in Germany. In France, in response to a government request, employer confederation the Movement of French Enterprises (Mouvement des entreprises de France, MEDEF) in October drew up a set of recommendations on top management remuneration, aiming to link pay more closely to performance. The recommendations include limiting severance packages to two years of pay and banning them in the event of voluntary redundancy or failure. The government gave the 700 companies listed on the Paris stock exchange three months to adhere to these provisions, stating that it would draft legislation if they did not comply.

The most common crisis-response measure with a direct industrial relations impact is probably the introduction or amendment of short-time working schemes, whereby employers facing declining demand or economic difficulties temporarily reduce their employees' working time, with state benefits making up some of the loss of pay. Such schemes have a number of benefits. They can help employers adapt to drops in demand and retain skilled workers during difficult times; they can provide workers with an alternative to redundancies; and they can contribute to keeping down unemployment. Examples of initiatives in this area during 2008 included the following.

- The Austrian government started discussions with the social partners on making the country's short-time working scheme more flexible and extending the duration of benefits.
- Based on the social partners' 2009–2010 intersectoral agreement, the Belgian government will increase short-time benefits.
- The French government increased the duration and level of short-time benefits, especially in certain hard-hit economic sectors such as the automotive industry, and expanded the scheme to include new groups.
- The German government announced plans to extend the duration of short-time benefits, cut the costs to employers, simplify application procedures and encourage companies to train the workers affected.

- In Hungary, the government proposed new measures to enable shorter working hours, with state compensation for employees' lost income.
- The Dutch government introduced an initiative whereby employees working short time may receive unemployment benefits for some of the hours not worked.
- In Slovenia, the government introduced legislation to subsidise wages where companies reduce working time instead of making redundancies.

Social partner involvement

The involvement of the social partners in formulating national crisis-response measures varied considerably, depending on countries' industrial relations traditions and structures, and on the nature of the measures taken. In several countries, such as Bulgaria, Estonia and Lithuania, the social partners complained of a lack of involvement and consultation over the preparation of the government's measures.

One of the clearest examples of a tripartite response was in the Netherlands. Here the government and social partners discussed the impending problems at an early stage, in March 2008, and reached consensus on the importance of increased labour market participation and especially keeping older workers in employment (NL0807039I). Cooperation intensified when the economic crisis arrived in earnest (NL0812019I) and, in October, the government and social partners reached wide-ranging agreement on measures such as moderate wage demands, reduced unemployment insurance contributions, reform of the dismissals law (NL0901029I), assistance for low-paid and vulnerable groups, job creation and training.

The Belgian social partners made a major contribution through their 2009–2010 intersectoral agreement, which – as well as including commitments from trade unions and employers (see above under 'Collective bargaining developments') – relies on government funding for some of its measures and forms part of the government's response to the deteriorating economic situation. The agreement specifically aims to achieve a balance between companies' competitiveness, workers' purchasing power and employment levels, in order to help deal with the crisis. It includes moderate increases in purchasing power, reductions in taxation of income from night and overtime work, increases in short-time work benefits, and tax reductions to encourage employers to recruit long-term unemployed people.

In October 2008, as part of an employment action plan in response to the economic crisis, the French government asked the social partners to negotiate an agreement on additional efforts to fund the training of the least well-qualified unemployed people; a draft agreement was reached in early 2009.

In Spain, measures to address the economic crisis were discussed within the national social dialogue process and, in July 2008, the government and social partners signed a 'declaration of principles for stimulating the economy, employment, competitiveness and social progress' (ES0810019I). In addition, they expressed support for the government's diagnosis of the problems and the financial measures adopted to bolster the economy.

In Denmark, the government had set up a tripartite committee in early 2008 to consider labour market reform. When the economic crisis started to bite, the government asked the committee to

accelerate its work and submit recommendations in the autumn. However, the social partners did not support the government's proposals and the labour market reform was ultimately postponed.

The Romanian government formed an advisory group, including representatives of the social partners and of financial and banking institutions, to help draft the 2009 state budget and identify measures to buffer the effects of the economic crisis on the labour market and on workers' purchasing power.

In several other countries, preliminary attempts or proposals were made to reach some form of tripartite accord on responding to the economic difficulties. In Ireland, talks were due to start in early 2009 over a possible emergency economic plan within the national social partnership framework. The Hungarian government explored the idea of a 'social pact' on its package of reform measures (HU0901019I).

Government responses were often discussed in national tripartite consultative bodies, in those countries where these structures exist. This occurred in cases such as Hungary, Luxembourg, Poland and Malta, where the Malta Council for Economic and Social Development decided to hold monthly meetings to monitor developments and consider the action required. The Economic and Social Council of Slovenia (Ekonomsko socialni svet Slovenije, ESSS) played a particularly important role in developing measures to alleviate the effects of the economic crisis, reaching consensus on the government's proposed legislation on the issue, following amendments made in response to the social partners' views.

In the UK, which has no central tripartite structures, trade unions and employer groups were involved in an informal and ad hoc manner in discussions with the public authorities on the future direction of economic and social policy.

A number of governments held 'summits', involving the social partners, to discuss crisis-response measures or present their plans – examples include Germany, Hungary (HU0901019I) and the UK. In response to criticism of its unilateral approach to the situation, Lithuania organised a wide-ranging discussion forum, which was held in January 2009. The Slovenian government launched a 'broad development dialogue', beyond that in the tripartite ESSS.

Social partner initiatives and demands

With the exception of the essentially tripartite developments outlined in the previous section, few specific joint (bipartite) social partner initiatives were taken at national level to address the economic downturn. While there were signs of a convergence of the social partners' positions, or some cases of joint demands, in countries such as Bulgaria and the Netherlands, in most cases trade union and employer responses were separate and to some extent contradictory.

Employer organisations in most countries made their own proposals for crisis-response measures. These generally focused on such issues as: tax cuts; government support for specific economic sectors, such as subsidies, financial credit or measures to promote demand; initiatives to ease the availability of credit; public investment programmes; and, in some cases, labour market deregulation of various sorts. Examples of employers' demands included the following.

- The Confederation of Swedish Enterprise (Svenskt Näringsliv) called for changes to the Co-determination Act and the Employment Act in order to increase flexibility and reduce the 'risks' to companies of employing new workers.
- The Spanish Confederation of Employers' Organisations (Confederación Española de Organizaciones Empresariales, CEOE) demanded reforms such as reducing the cost to employers of dismissal, lowering social security contributions, making collective bargaining more flexible and making it easier for companies in difficulties to opt out of pay agreements.
- The Polish Confederation of Private Employers 'Lewiatan' (Polska Konfederacja Pracodawców Prywatnych 'Lewiatan', PKPP Lewiatan) proposed enabling employers to suspend bonus payments to staff and allowing job-sharing by employees to help to maintain jobs in crisis situations.
- German employers particularly emphasised cuts in non-wage labour costs.
- In Norway, NHO demanded increased support for training, a strengthening and streamlining of public employment services and expanded opportunities for company-specific on-the-job training.

On the trade union side, demands focused primarily on protecting workers from having to bear the main burden of the economic crisis, in terms of their jobs, incomes and purchasing power. Many unions called for enhanced unemployment benefits and redundancy payments. In a number of cases, including Bulgaria, Germany, the Netherlands, Norway, Sweden and the UK, trade unions presented their own detailed proposals for national stimulus and crisis-response measures, often including public investment, fiscal changes, job creation, training and improved services for unemployed people. For example, Germany's DGB confederation called for an economic and growth stimulus package worth 2.5% of gross domestic product (GDP) to generate over 700,000 new jobs in both 2009 and 2010, including additional public spending on education and infrastructure, an increase in unemployment benefit, and subsidies to buy new cars.

In some countries, trade unions opposed government crisis-response measures with perceived negative effects on workers, as in the Czech Republic, Hungary and Slovenia. In Lithuania, trade unions organised a national protest demonstration against government policy, which was held in January 2009 (LT0901019I). Similarly, in France, all the main trade union organisations called a nationwide protest strike in January 2009 against the government's response to the crisis.

Examples of specific trade union initiatives included the following.

- In Bulgaria, the two main trade union confederations – the Confederation of Independent Trade Unions in Bulgaria (Конфедерация на независимите синдикати в България, CITUB) and the Confederation of Labour Подкрепа (Страница на КТ Подкрепа, CL Подкрепа) – issued a joint declaration calling for workers' jobs and incomes to be protected, and set up a joint body to monitor and analyse economic and employment developments. CITUB adopted a 'strategy for trade union defence of jobs, incomes and social benefits', setting out demands to employers and the government.
- Germany's IG Metall issued a 'seven-point programme to stabilise employment' which included calls for an 'offensive' use of short-time work, particular protection for temporary agency workers and an extension of co-determination rights over relocation and plant closures.

- The Irish Congress of Trade Unions (ICTU) proposed a wide-ranging ‘social solidarity pact’, extending social partnership beyond wages and competitiveness issues to encompass the full range of fiscal, economic and social policies.
- Poland’s largest trade union confederations – the Independent and Self-Governing Trade Union ‘Solidarity’ (Niezależny Samorządny Związek Zawodowy ‘Solidarność’, NSZZ Solidarność) and the All-Poland Alliance of Trade Unions (Ogólnopolskie Porozumienie Związków Zawodowych, OPZZ) – suggested that, in view of the economic crisis, employees should refrain from demanding pay rises and agree to enforced leave in some cases, in order to preserve as many jobs as possible. They also called on employers not to use the crisis as an excuse to dismiss their employees in cases where they are not actually forced to do so by their situation.

Sectoral initiatives

At sectoral level, several cases of joint social partner action emerged in response to the economic crisis, such as the following.

- In November 2008, the sectoral social partners in Italian textiles and clothing signed a joint document on revitalising the industry, presented to the Italian government and the European Commission. It outlines a range of initiatives and interventions aiming to boost consumption and reinforce companies’ production capacity (IT0812049I).
- After a meeting in October 2008, trade unions and employer organisations in the banking sector and the Luxembourg government established a ‘platform for exchange and dialogue’ over measures to maintain employment in the industry.
- In late 2008, trade unions and employers in the Romanian chemicals and petrochemicals sector made a joint call to the government for action, such as subsidies, to ease the problems of the industry, which has been particularly badly affected by the economic crisis, with companies announcing major redundancies (RO0901039I).

This chapter reviews the major industrial relations developments at European level in 2008. It highlights two main issues, which have shaped the agenda over the year. The first has been the rulings of the European Court of Justice (EJC) which imposed serious limitations on the rights of the parties to set standards concerning terms and conditions of employment in the context of the posting of workers. The second was the financial and economic crisis, which began to have a major impact on all of Europe's economies, particularly in the second half of the year. This resulted in the adoption of new policies to support workers facing job losses and focused the attention of the social partners on key basic terms and conditions.

Overall, 2008 was a year of major change. It started with positive expectations of the adoption of the EU Directive on temporary agency work, following the Lisbon meeting in December 2007. This, together with major proposals for the revision of the directives on working time and fixed-term work, pointed to a full legislative agenda for the year. However, the collapse of the finance and banking sector in September 2008, following on the sub-prime crisis in the United States of America (US), meant that by the end of the year, Europe's economies were in serious difficulty, with a number of Member States declaring that they had entered into an economic recession. This inevitably had an impact on the industrial relations environment, causing the social partners to shift their focus towards the protection of jobs, as a response to major restructuring initiatives.

This chapter comprises four major sections. The first sets the year in context. It reviews the economic, political and financial context in 2008, particularly as it affected industrial relations and the social partners. It then reviews developments in relation to migration within the context of industrial relations in the 'old' and 'new' Member States, and also as a challenge to social partner engagement.

The second section focuses on legislative developments, looking at both the revised directives and at proposals for new directives, including that for the maritime sector. It then moves on to consider how legislation impacts more directly on social partner relationships, by reviewing key ECJ cases. These all imposed constraints on collective worker organisation, although some case law developments also improved individual worker rights.

The third section focuses on collective bargaining and on the role of the social partners. This section covers major developments during the year, including the social partners' policy and programme for 2008. It also examines the key examples of industrial action disputes at European level that were initiated in the course of the year.

A final section looks at the social consequences of the economic crisis, in particular at the extent to which restructuring impacted on industrial relations.

Economic and political developments

The presidency of the Council of the European Union was held by Slovenia for the first six months of 2008, followed by France for the second six months of the year. The year began with a proposal by the Council that the existing employment guidelines (COM(2007) 803 final), which had focused on full employment, improving quality and productivity at work and on strengthening economic, social and territorial cohesion, should remain the priority. However, this was in the context of concern that the renewed Lisbon Strategy (relaunched in 2005, with a programme covering the three-year period from 2005 to 2007) had not responded to the needs of all EU citizens and that, in particular,

early school-leavers, young and third-country national unemployed people were not achieving the benefits of EU citizenship. This was equally the case for the working poor who had not prospered from the Lisbon Strategy. While the Council remained committed to the principles of flexicurity, it noted that there had been a rise in involuntary fixed-term employment contracts, meaning that the fact that more jobs had been created did not necessarily mean that these were 'better' jobs (EU0803019I). Therefore, the EU Spring Summit in March 2008 determined in its conclusions that, while the Lisbon process was endorsed, there should be greater effort on increasing social inclusion, education levels and lifelong learning. This focus on the social aspects of the Lisbon Agenda was an attempt to re-direct the agenda towards policies that addressed social exclusion, rather than focusing exclusively on economic growth and job creation in the absence of a debate on which type of jobs had been created. This redirection of the EU's policy focus already reflected concern that Europe's economies were likely to be affected by the crisis that had already emerged in the US. However, the reports prepared for the Spring Summit did not reflect deeply on the potential of the American crisis for the EU (EU0804029I).

The changed environment, particularly in the second half of the year, meant that Europe needed to respond to new challenges of potential large-scale job losses due to the financial and economic crisis. For this reason, the Commission produced *A European Economic Recovery Plan* (COM(2008) 800 final) in November 2008. The recovery plan included a jobs and skills initiative, *New skills for new jobs*, which mainly sought to address the employment needs of younger workers. The plan also included a revision of the European Globalisation adjustment Fund (EGF) in order to broaden its scope. While the fund had previously aimed to assist those affected by job loss through globalisation, the changes aimed to make the fund available also in cases where job loss had arisen from the financial and economic crisis. This meant that European workers losing their jobs for reasons unconnected with the outsourcing of work would be able to obtain support from the fund for the necessary retraining or skills developments to allow them to locate new employment.

Migration and third-country nationals

The debate around the nature of jobs and employment was also relevant in the context of the EU policy debate on migration. A fundamental principle of the EU is the right to free movement of workers, and EU citizen workers have the right to move within the EU in search of work (except where limitations were imposed in relation to the new Member States). However, this principle of free movement does not extend to the rights of workers from outside the Member States and, indeed, as the EU has enlarged and thereby given rights to free movement to larger numbers of workers, the right to migrate to the EU for third-country nationals has narrowed. The proposal for the development of a Blue Card was an important step in the creation of a European migration policy, applicable in all Member States (EU0812939I). The aim of the blue card, which was part of a package on migration proposed in 2008, was to facilitate the entry of highly-skilled migrants. Meanwhile, migration policy was also directed towards deterring undocumented migration, through the imposition of severe sanctions on employers employing migrants who do not have a work authorisation. This was to be pursued through a new EU directive providing for sanctions against employers of illegally resident third-country nationals, which was initially proposed in 2007 and finalised in 2008.

In general, the analysis of the impact of enlargement on the economies of EU Member States has been positive. A Commission Communication, dated 18 November, found that migrant workers had 'not led to disturbances in their respective labour markets' although it should be noted that this

assessment was made prior to the recent economic downturn. A European Commission report on labour market restrictions for workers from the new Member States, published in December 2008, showed that, in relation to the eight central and eastern EU Member States that joined the EU in 2004, only four of the EU15 States currently imposed any restrictions on their right to work, and where these restrictions had remained in place, they had been reduced or simplified. However, for migration from outside the expanded EU, the assessment was more mixed. The Commission recognised that Europe needed to attract highly-skilled third-country nationals; however, its policies opposed low-skilled third-country migration and were aimed at eliminating undocumented migration. In the period of the French Presidency, in the second half of 2008, a new initiative for a European Pact on immigration and asylum was initiated. The pact acknowledged that global migration could be a stimulus to growth while it might also present a challenge to social cohesion. The most innovative part of the pact was that it recognised that Europe's policies on migration needed to take account of its impact on sending countries. The pact therefore argued for receiving countries to recognise that they had obligations to sending countries, to ensure that their economies and labour markets were not adversely affected by European needs for additional labour.

Legislative developments

The most significant legislative development in 2008 in relation to employment was the approval of the Temporary Agency Work Directive (2008/104/EC). The Directive has the potential to improve the working terms and conditions of some six million EU workers. However, the Directive's importance is also related to the fact that this group represents a growing number of workers, particularly in the new Member States. It is also, according to a recent report from Eurofound, *Temporary agency work and collective bargaining in the EU*, a form of labour that is subject to different levels of regulation in the EU Member States, as well as a form of labour that is gender differentiated. For more than 20 years, there had been attempts to find a way forward to give rights to equal treatment to temporary agency workers (EU0807049I). But these attempts had been blocked either by the European Parliament or by the EU social partners failing to find common agreement. Consequently, in 2007, the Commission proposed a directive on temporary agency workers, but again the proposal was not without challenges. At the end of 2007, it appeared that a compromise could not be found between those Member States that favoured legal regulation and those that did not (EU0802019I). This impasse was not broken until a UK social partner agreement was signed in May 2008, formally welcoming a directive (although with certain restrictions). With the UK social partners on board, the main barrier to an EU-level directive was removed. This was then followed by a joint declaration signed by the European social partners Eurociett and UNI-Europa in June 2008 (EU0806029I). The declaration called on the EU to establish a regulatory framework for temporary agency work on the basis of equal treatment. In October 2008, the European Parliament approved the proposed directive. The new directive would give temporary agency workers the right to equal treatment from the first day of their employment, unless a social partner agreement within the Member State provides for a period of service for eligibility (EU0811029I). The directive was due to come into law in the spring of 2009, with Member State obligation to implement its terms within a three-year period.

Much of the rest of the Commission's legislative agenda in the field of employment has consisted of proposals for the revision of existing directives. Two initiatives in this regard dominated the year: the proposals in relation to the revisions of the European Works Councils (EWC) Directive of 1994 and the Working Time Directive of 1993. In February 2008, the European Commission invited the social

partners to consult on the revision of the 1994 EWC Directive, specifically on strengthening the rights of employee representatives to transnational information and consultation (EU0803039I). Although the employers' side, BusinessEurope, had originally opposed a revision to the Directive, it did agree to start consultations with the trade unions in April 2008. In contrast, the trade union side, the European Trade Union Confederation (ETUC), which in principle had favoured proposals for recasting the Directive, was more cautious, arguing that the period for negotiation was too short (EU0807039I). However, by the end of August 2008, the social partners had jointly accepted the Commission proposals for recasting the Directive (EU0810019I). They had done this in the context of a joint advice proposing certain changes to the wording of the Directive and to a revision of Article 13 (which sets out the right to voluntary agreements). In December, the European Parliament and the Council of Ministers adopted the recast Directive.

The second major legislative development over the course of the year was the agreement to revise the Working Time Directive. This Directive was adopted in 1993 and the Commission had proposed a revision for two reasons. The first reason was that the original Directive allowed for – in specific cases and on the basis of collective bargaining – an extension from four months to one year for the reference period for calculating working hours. It also provided for the right to individual opt-out from the maximum 48-hour working week. The second reason related to the ECJ ruling in the case of the *Landeshauptstadt Kiel v Norbert Jaeger* (Case C-151/02), which stated that on-call time had to be calculated as working time. This was one of a series of ECJ rulings stipulating that time on call was to be counted as working time. The ECJ rulings had enormous repercussions on the definition of working time – not just on the calculation of maximum working hours in line with the Directive, but also in relation to the payment of on-call hours. If on-call working hours were to be classified as normal working hours, then they attracted the same pay levels as for hours spent actually carrying out the tasks connected with the job. Overall, the issue of the opt-out provisions proved to be the most controversial, as the Commission had originally proposed that the opt-out should be ended, so that all workers be covered by the Directive's principal provisions, which set out a maximum 48-hour week. In June 2008, the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) reached a compromise position. The EPSCO compromise proposed not to end the opt-out by keeping in place an individual opt-out, whereby employers can agree with individual workers not to apply maximum working hours. This would have meant that no worker would work more than 60 hours a week. Furthermore, workers in their first month of employment would not be asked to sign an opt-out agreement and a protection against victimisation would be in place for those refusing to opt out.

In relation to on-call work, the Commission proposed a new definition of on-call work, depending on whether on-call time was 'active' or 'inactive'. Hours involved in active on-call duties would be counted as regular working time, whereas those on-call hours counted as inactive would not be (EU0807049I). The EPSCO proposal for the Directive's revision in June would have allowed the opt-out to continue indefinitely, even if in a slightly more restrictive form, whereas the European Parliament wanted to move towards ending the opt-out. The proposals on active and inactive on-call time were also rejected. These changes were not seen as universally acceptable. The trade union side described the proposals as 'highly unsatisfactory', while the employers' side viewed the changes as 'a major step forward'. These contradictory positions reflected more general opposing views from the social partners with regard to their concepts of flexibility in the labour market, which for the employers required light regulation on working hours, whereas the trade union side required clear regulation in terms of the limitation of working hours and rest periods. They also mirrored differences

within the Parliament, which could not reach agreement when the revisions were debated in December 2008 (EU0812019I). The issues of the opt-out and on-call time remained the most controversial aspects in relation to a revision of the Directive on working time.

The Commission's legislative agenda had also been intended to extend to a revision of the Directive on employee involvement in European companies (2001/86/EC). However, a Commission communication in September 2008 announced that this would be postponed to 2009 (EU0811019I). This was decided due to the limited number of European companies registered at that point (just 146 by the middle of June 2008); just 13 Member States had registered any such companies and the majority fewer than 10. The discussion on revision of this Directive, however, highlighted the current wide variety of legislative provisions covering information and consultation. These include the Directive on European Works Councils, the Acquired Rights Directive and the Directive on Collective Redundancy. In each of these cases, there are requirements to inform and consult, but the legislative regime differs between them. Nonetheless, arguments exist in favour of a single method of information and consultation in relation to EU employment rights. This would have the advantage of establishing more systematic forms of information and consultation, including standardising the regulations that govern when the employer is obliged to inform and/or consult.

Freedom to provide services

The year was marked by a number of ECJ rulings, following on the *Laval* and *Viking* cases, decided at the end of 2007. These new cases further emphasised the limitations on Member States and their law-making bodies in relation to the imposition of rules that restrict the right to provide services.

Both the *Viking* and *Laval* cases raised issues of social dumping and of the contracting out of services beyond the borders of the Member State. The issue in both cases was the extent to which, firstly, services must be freely tendered for across Member States and, secondly, the rights of workers to challenge such extensions, particularly where they were accompanied by poorer terms and conditions of employment. As the year progressed, it was clear that the two cases were pointing to a direction that the court would take in future cases, in which issues of job or wage protection were in conflict with the right to provide services. The case of *Rüffert* was the next judgement that the court was to make, where the freedom to provide cross-border services trumped job protection rights. In the *Rüffert* case (C-346/06), the ECJ ruled that Member States could not adopt legislative measures that allowed contracting authorities to set terms and conditions for the award of contracts that were higher than those established by law. Here too, the rights of a company registered in another Member State, to employ its workers at a lower rate of pay, were declared to supersede the terms of the national law. The Luxembourg case (C-319/06) followed shortly after the *Rüffert* case (EU0808029I). This case also concerned the right of Member States to impose terms and conditions on undertakings tendering for work. In this case, the court held that the Luxembourg law, by imposing greater reporting and registration obligations on undertakings not based within the State, had created an unequal playing field, such as to disadvantage undertakings based outside the Member State.

The cases are also relevant in the context of European migration policy on the free movement of workers within EU borders. All of these cases emphasised that the right of undertakings to tender for work in all Member States was primary and superseded workers' rights to benefit from existing terms and conditions or to take action to protect those terms and conditions.

Following the Viking and Laval cases, the Commission called on Member States to cooperate to ensure that posted workers were adequately informed about the terms and conditions applicable in their destination country, to ensure their protection, as guaranteed under the Posted Workers Directive. In October, the European Parliament adopted a Resolution on challenges to collective agreements in the EU calling on the Commission to respond to the decisions of the ECJ, by bringing forward a Communication on transnational collective bargaining, proposing the establishment of a legal framework for transnational collective agreements.

The direction these cases had taken was also reflected in the position that the Commission adopted in relation to its proposals for a new Directive with regard to the full accomplishment of the internal market of Community postal services (2008/6/EC). This new postal services Directive was to address the issue of the liberalisation of postal services, which in most Member States had remained as public monopoly services. The draft Directive was based on principles of free movement of services and therefore required that postal services in every Member State be opened to competition. Although recognising that significant opposition existed to this move in some Member States, the Directive proposed a lengthy implementation date. The proposal had been opposed principally by the trade unions, as it was seen as leading to the promotion of social dumping, particularly in the light of the ECJ ruling in the Laval case. Thus, while the Directive aimed to improve postal services, the trade unions' concern was that it could lead to deterioration in the existing terms and conditions of employment of workers in a sector, which has traditionally been highly unionised in many Member States. This was particularly the case due to growing evidence of job cuts and declining pay and employment conditions in those Member States where some deregularisation had already taken place. Furthermore, there was concern that the current universality of services would be threatened, as commercial businesses, free to tender for specific services, might be more willing to operate in the most profitable sectors of the service, leaving those parts that were inherently 'unprofitable' without a service. This concern remained even though the Directive included measures aiming to ensure that a minimum universal service should continue to apply.

Improving individual employment rights

In addition to the high-profile developments detailed above, there have also been legislative changes that impacted on individual employment rights, which in general have been less contested proposals. In October 2008, the Commission published its proposals to amend Council Directive Council Directive 92/85/EEC to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding (EU0810049I). The Directive in force until then provided a minimum of 14 weeks' paid maternity leave while the amended Directive extends the leave period to 18 weeks and established that the right to the level of pay should be 100% of the worker's normal pay. The proposal represented recognition, on the part of the Commission, that better maternity provisions were central to the promotion of an agenda to reconcile work, private and family life. At the same time, the Commission had also acknowledged that women continued to face disadvantage at work, in particular that a 'glass ceiling' denied their access to senior posts. In a report published on International Women's Day (8 March), the Commission noted that women in Europe were still shut out of top posts in both politics and business. The report led to the establishment of an EU-level network of women in positions of power, established in June.

Individual employment rights were also the subject of an ECJ ruling in the case *Impact v Minister of Agriculture and Food* (Case C-268/06). The ECJ ruled that national authorities could not impose

contractual terms on fixed-term workers with the specific aim of circumventing rights that they would have otherwise had under EU law (specifically in terms of fixed-term work) (EU0805019I).

Disabled workers continued to face disadvantage and discrimination at work. In December 2008, the Commission launched a debate on the future shape of European disability policy focusing on the European Disability Action Plan and its impact in relation to employment.

Collective bargaining developments

Social-partner agreements

Collective bargaining developments at EU level were to a large extent overshadowed by the ECJ rulings already outlined. These undoubtedly created a new climate for collective bargaining in the EU, by setting clear limits on the extent to which the social partners and the trade unions in particular could influence terms and conditions of employment, where cross-border labour or contracts were involved. In the context of both these legal developments and in acknowledgement of the direction of EU migration policy, particularly in relation to highly-skilled workers such as those in the healthcare sector, the social partners decided to sign a code of conduct on ethical cross-border recruitment and retention in the healthcare sector (EU0805039I). This code of conduct acknowledged and aimed to ensure that third-country nationals seeking work in the sector were properly informed as to the terms and conditions they would obtain, while at the same time ensuring that their employment rights were adequately protected. The code was particularly important in that it took a step beyond just a discussion of terms and conditions into the ethics of recruitment, particularly where this was drawn upon a labour pool of third-country nationals. The potential for extension of this type of agreement into other areas connected with third-country nationals and migration is substantial. Along with the Employment Pact on Immigration and Asylum, this agreement brought the social partners into the realm of policy initiatives that go beyond the workplace and into the wider ramifications of employment policy.

The international framework agreement on health and safety signed at ArcelorMittal, the world's largest steel company, provides another example of collective bargaining developments that extend beyond the traditional areas of bargaining (EU0807029I). That agreement set minimum health and safety standards for every site where the company operated. By ensuring that minimum standards applied generally, the social partner agreement can also be seen as a response to potential social dumping issues and was an indicator of the potential of this form of bargaining beyond the Member State.

An international framework agreement was also signed at Danske Bank. This important development, covering 24,000 workers (mainly in Finland, Ireland, Norway and Sweden), guaranteed both certain fundamental labour rights, including the elimination of forced, compulsory or child labour, compliance with the principles of non-discrimination and equal opportunities, and guaranteed the right to join trade unions. It also dealt with working conditions, including the promotion of a healthy work-life balance and of social partner dialogue (EU0810029I).

Similarly, the agreement signed in May by the social partners representing the maritime industry (see Annex 1, Table A1) also aims to establish minimum terms and conditions of employment on board ships. These terms were recognised as enforceable by every seafarer. In this case, the social

partner agreement was accompanied by a new Directive, adopted by the European Parliament and the Council in December with the aim of ensuring that the terms of the agreement are transposed into national laws (EU0809029I). The fact that the agreement was accompanied by a Directive highlighted that the industry itself would not be able to self-regulate sufficiently to ensure the application of the terms and conditions contained in the agreement, due to the variety of employers operating in the sector (unlike the steel agreement, which was with a single multinational employer). In this case, the social partners were making it clear that they required the support of the national state for enforcement of the agreement.

In total, some 21 new agreements or resolutions were reached between the social partners in the course of the year; all of these are detailed in Annex 1, Table A1. They include the statements on emissions in the steel and chemicals sectors, the social partner declarations on childcare, and on harassment and violence at work (both cross-sector issues), as well as the statements from the social partners in regional and local government, and in commerce on the active involvement of those furthest away from the labour market.

An important element of collective bargaining at European level relates to the mechanisms that can be built into the process, allowing for evaluation and review. In the case of the framework agreement on telework, signed in 2002 (the first social partner agreement implemented in accordance with Article 139 of the EC Treaty), the Commission undertook a review in 2008. The review found that key provisions had been fully implemented by 19 Member States, while prior to its implementation, only two Member States had such provisions in place. Nonetheless, the Commission's review indicated that there was still scope for improvement. In the case of the agreement on work-related stress, signed in 2004, the social partners presented in December 2008 their joint report on the assessment of the impact of the directive in the EU Member States. This report was to be analysed by the Commission in 2009.

Some 25 new European works councils (EWCs) were established during 2008. Annex 1, Table A2 provides information on these EWCs, giving details of the company, the name of the EWC, the date of the agreement and the language of communication. In the case of two of them – notably at Rio Tinto and at Thomas Cook – previous EWCs had been closed and merged into the new EWC. In the course of 2008, two EWCs – at Snecma and Milacron – were declared as no longer in operation.

Bargaining priorities and actions

One impact of the Viking and Laval cases was that the trade unions focused much more on issues of low pay. EU enlargement brought to the fore the issue of social dumping and this, along with evidence of a fall in the share of wages in both the 'new' and the 'old' Member States, meant that trade unions at European level were more likely to consider pay and pay levels as a significant arena of policy debate. This resulted in ETUC launching a fair wages campaign, drawing attention to the fact that about 30 million European workers, or 14% of the European labour force, are affected by low pay levels (EU0805049I).

Strike action across two or more EU countries occurred in a number of economic sectors in the course of the year. Action by thousands of Spanish and Portuguese truck drivers in June affected food supplies, aviation and industry, in a protest against diesel costs. This had followed protests by commercial fishing workers in Spain and Portugal, who went on strike in late May over the same

issue of rising fuel costs and who had joined workers in France, Italy and the UK, where such protests had gained momentum. In November 2008, thousands of rail workers from a dozen European countries demonstrated in Paris, France, at the invitation of the European Transport Workers' Federation (ETF) against the railway policies of privatisation being pursued by both the Commission and railway companies. Strike and protest action also occurred in relation to restructuring (see next section).

Restructuring and change in Europe

As a consequence of the economic and financial crisis, more companies faced restructuring in 2008. Already, prior to the crisis impacting on Europe's economies, some 7,000 cases of large-scale restructuring in the private and public sectors in the Member States had been recorded between 2002 and 2007, affecting some 2.9 million jobs. The defence sector was seen as particularly vulnerable to change; in December, the Commission announced the creation of a partnership to help better anticipate and manage the changes facing the sector. This partnership initiative brought together the social partners in the sector to monitor developments in the industry, while the partners would exchange know-how on anticipating skills requirements and managing restructuring in a socially responsible way.

Restructuring and outsourcing also faced the giant US-based automotive manufacturer General Motors (GM) in Europe, with plans that would force large-scale redundancies throughout western European countries. In response, GM's European Employee Forum renewed its call for a European framework agreement on restructuring, to which GM had committed the previous year but which had not progressed. This led to strike action in March 2008 (EU0804039I). The German-based engineering group Siemens also announced jobs cuts that would affect production sites in various European countries, with proposals – announced in July – to cut some 10,000 jobs. Members of the group's EWC protested to the Commission over the failure of the company to inform and consult with it. A meeting was eventually held with the company management and the EWC was informed that the Prague plant would be closed, with the loss of 1,000 jobs. In August, the Czech Metalworkers' Federation (Odborový svaz KOVO, OS KOVO) organised a demonstration and strike action, with the active support of workers from France, Germany, Italy and Slovakia, as well as other plants in the Czech Republic. This led to an agreement aiming to try to preserve the plant or, if that failed, providing compensation to the workforce (EU0809048I).

A wide variety of workers are self-employed. Own-account workers are common in traditional sectors of the economy, such as agriculture, forestry and fishing, retail trade, crafts, and in the liberal or free professions. They are also present to a large extent in building and construction and often in transport, particularly in road haulage. Freelance work is an established feature of the media sector, especially among journalists and photographers. However, in recent decades, following a number of technological innovations made possible by the extensive adoption of information and communication technologies (ICT) throughout the industry, self-employed workers have also emerged in many other occupations, such as graphic design, music composition and information technology (IT), particularly in web-based environments. Actors, musicians and performers in the entertainment industry constitute other groups of workers who are often self-employed.

In this framework, forms of employment have recently emerged that do not entirely correspond to traditional self-employment or to proper dependent employment, which have been sometimes labelled as ‘economically dependent work’ – see the EIRO comparative study *‘Economically dependent workers’, employment law and industrial relations*. These forms of employment, as well as the changes in the domain of dependent employment – with both the rise and diffusion of ‘atypical’ employment contracts and the seemingly increasing importance of skills and autonomy in organisational settings – have triggered a very broad debate on the possible ongoing structural changes in the domain of work. They have also fuelled the debate on the implications of such transformations on the regulation of labour, including both legislation as well as collective representation and bargaining.

Definition of self-employed worker

The identification of a clear-cut and commonly accepted definition of ‘self-employed worker’ across all of the countries under examination certainly is a challenging task. Several difficulties in finding such a standard definition derive from the specific features of national contexts and legal frameworks. However, the main problems associated with a standard definition are linked to the significant changes that employment relationships have undergone in recent years.

In particular, such changes are – as the International Labour Organization (ILO) puts it – linked to the ‘process of rapid economic integration among countries driven by the liberalization of trade, investment and capital flows’ (ILO, *Country studies on the social impact of globalisation: Final report*, GB.276/WP/SDL/1, 276th Session, 1999). This integration is also driven by the globalisation of production networks, technological change and transformations in the organisation and functioning of companies. The latter is often combined with restructuring in highly competitive international markets. Moreover, changes in workforce composition, with the increasing participation of women, migrants, young and older people, had an impact on the distribution of the types of employment relationships. Other key factors include changes in labour market regulation, mainly linked to the introduction and development of forms of flexible and atypical work. In fact, in recent years, many enterprises have organised their activities so as ‘to utilize labour in increasingly diversified and selective ways, including various kind of contracts, the decentralisation of activities to subcontractors or self-employed workers, or the use of temporary employment agencies’ (ILO, *The scope of the employment relationship, Report V*, International Labour Conference, 91st Session, 2003).

Table 5 National definitions of self-employment

Country	Legal definition	Main domains in which self-employment has been defined
Austria	Yes	Income tax act; Labour law; General social insurance act
Belgium	Yes	Social security law; Fiscal law
Bulgaria	Yes	Employment promotion act; National statistical system
Cyprus	Yes	Social insurance law
Czech Republic	Yes	Social security insurance law; National statistical system
Germany	Yes	Act to promote self-employment; Federal Labour Court
Denmark	Yes	Employment act; National statistical system
Estonia	Yes	Tax act
Greece	Yes	Social security law; Case law
Spain	Yes	Social security law; Self-employed Workers' Statute
Finland	Yes	Civil law; Self-employed persons pensions act
France	Yes	Social security regime for self-employed workers; National statistical system
Hungary	No	-
Ireland	No	Code of practice on employment status produced by a tripartite Employment Status Group
Italy	Yes	Civil code; Tax law; Social security system; National statistical system
Lithuania	Yes	Law of state social insurance; Law on personal income tax; National statistical system
Luxembourg	Yes	Social insurance code
Latvia	Yes	Civil law; National statistical system; Labour law
Malta	Yes	Social security act
Netherlands	Yes	Tax law
Norway	No	-
Poland	Yes	Act of freedom of business activity; Act on personal income tax; Social insurance system
Portugal	Yes	Civil law; Business law; Income tax code; Social security law
Romania	Yes	National statistical system; Labour code
Sweden	Yes	Tax law
Slovenia	Yes	Civil law; Law on commercial companies; Law on pension and disability insurance; several sectoral laws concerning 'liberal' professions
Slovakia	Yes	Social insurance act; Trade licensing act; Commercial code
UK	No	Nature of employment assessed on a case-by-case basis if disputes arise

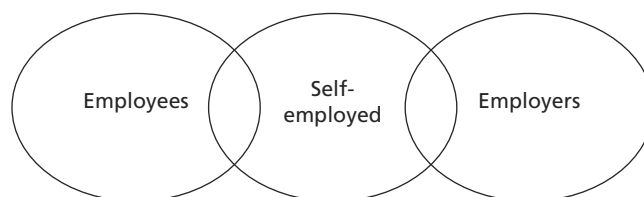
Source: National reports completed by the EIRO network of correspondents on the basis of a questionnaire

The definition of 'self-employed worker' that is most common across the countries covered here (Table 5) refers to the traditional classification of employment relationships based on legal subordination and the dependent/independent worker dichotomy. This corresponds to the classifications used by the Organisation for Economic Co-operation and Development (OECD) and the ILO. However, this approach requires an important qualification for the purposes of this analysis.

In practice, the focus of such a classification is the subordinate employment relationship, while self-employment is defined almost in a residual way, comprising all contractual relationships that do not fall within the boundaries of ‘paid employment’. For instance, the ILO Resolution concerning the International Classification of Status in Employment, adopted by the 15th International Conference of Labour Statisticians in January 1993, includes under the heading of ‘self-employment jobs’ both ‘employers’ and ‘own-account workers’. Even with this specification, such a traditional, residual way of defining self-employed workers presents some difficulties when taking into account the dynamic aspects of transforming contractual relationships. It is also difficult to clearly classify some of the formal employment contracts that have emerged recently in some national contexts in response to the abovementioned changes in the economic and organisational environments. Debates and attempts aiming to find a more effective legal definition of ‘self-employed worker’ have been reported in the case of almost all of the countries covered by this analysis. All of these countries put forward distinct definitions of self-employed workers according to various regulatory domains: ‘self-employed worker’ is defined in various ways in employment law, tax law, trade law or social security law.

In practice, the objective of operationally delimiting self-employment for the purpose of this analysis faces the double challenge of distinguishing between employee and employer. A crucial aspect is assessing how and to what degree recent economic and social changes have affected the two overlapping areas. Recent transformations of organisation and work have occurred following the segmentation of the production process, the outsourcing of certain activities, including some labour-intensive and sometimes skill-intensive jobs, the introduction of leaner organisational models with greater worker autonomy, as well as the general increase in education and skill levels. These transformations have simultaneously led to an increase in the opportunities for own-account work in the private sector – apart from personal services – and increasing possibilities overlap between employees and self-employed workers. This has potentially introduced a clearer distinction between the needs and the interests of self-employed workers compared with employers and a closer resemblance to those of employees (Figure 1). More sophisticated tools may be required to distinguish between own-account workers and employees, alongside novel forms of representation; these could be developed both in the fields of business associations and possibly in trade unions too.

Figure 1 Overlap between employees, self-employed workers and employers



The coexistence of multiple definitions is usually mitigated by the prevalence of a specific domain over the others. For instance, in Sweden, the legal basis for distinguishing self-employed and employed workers is to be found in the Swedish tax laws, while in Spain, the definition of self-employed worker established by the Spanish social security law prevails over the other definitions. In Belgium, the legal definitions of self-employed worker are based on social and fiscal criteria. According to the social criterion, a self-employed person is someone who exercises a professional activity without employee or civil servant status, whereas the fiscal criterion refers to the way taxes are paid out of professional income. In this case, the social definition has a clear dominance, since the fiscal criterion only holds ground as a presumption that can be challenged.

In other countries, different statutory definitions coexist without the prevalence of any single one. In this complex framework, an interesting trend has emerged in recent years of interventions aimed at modifying the legal definition of employee. These aim to arrive at a sufficiently precise and useful definition of the term and so reduce the possibilities of disguising dependent employment relationships as 'self-employment'. In the UK, case law is the most important way of assessing the nature of employment, when disputes arise. Ireland has tried to overcome the difficulties linked to the distinction between employees and self-employed workers by establishing a 'code of practice on employment status'. The code has been laid down by a special tripartite Employment Status Group (IE0003149F).

Incidence

The extent of self-employment varies considerably Europe. Before analysing its extent, however, it is important to address a definitional issue and try to distinguish self-employed workers from other occupational situations that similarly do not correspond to dependent employment. This brief quantitative overview uses definitions and data from Eurostat, the Statistical Office of the European communities, which allow for the identification of the group of workers targeted in this analysis: own-account workers without employees. The analysis focuses on the professional status of workers according to the Eurostat Labour Force Survey definition:

- **employers employing one or more employees** are defined as persons who work in their own business, professional practice or farm for the purpose of earning a profit, and who employ at least one other person;
- **self-employed persons not employing any employees** are defined as persons who work in their own business, professional practice or farm for the purpose of earning a profit, and who employ no other persons;
- **employees** are defined as persons who work for a public or private employer and who receive compensation in the form of wages, salaries, fees, gratuities, payment by results or payment in kind; non-conscript members of the armed forces are also included;
- **family workers** are persons who help another member of the family to run a farm or other business, provided they are not classed as employees.

Eurostat data enable an accurate analysis of the complex area that lies outside the boundaries of dependent employment and the identification of some distinctive features of the various countries under review (Table 6). First, the incidence of independent work – in which all professional situations apart from dependent employment can be grouped – is above 20% in a number of countries, especially in southern Europe and in central and eastern Europe. In 2007, in Greece, more than 35% of all workers were not standard employees. A similarly high level of independent work was found in Romania (34%). In a number of other countries the levels were markedly lower level, but still higher than the EU27 average of 17% – Italy (26%), Portugal (25%), Poland (24%) and Cyprus (20%). On the other side of the spectrum, a low incidence of independent work was present in Luxembourg (7%), Norway (8%), Estonia and Denmark (both 9%). In all cases, self-employed workers represent at least about 50% of all independent work, but this is much higher in a number of cases: for example, in the Czech Republic, Lithuania, Portugal, Slovakia and the United Kingdom (UK), these workers represent more than 70% of independent workers. Family workers are a significant component of employment in Romania (13%), Greece (6%), Slovenia (5%) and Poland (4%).

Table 6 Workers who are 'not employees' in the EU and Norway, 2007 (percentage of employment)

	Self-employed	Employers	Family workers	Total
Austria	6.8	5.2	2.4	14.3
Belgium	9.0	4.5	1.3	14.8
Bulgaria	7.2	4.1	1.2	12.4
Cyprus	12.5	6.1	1.7	20.3
Czech Republic	11.8	3.7	0.6	16.2
Germany	6.1	4.8	1.0	11.9
Denmark	4.5	4.0	0.6	9.1
Estonia	5.6	3.2	-	8.9
Greece	21.2	8.1	6.4	35.7
Spain	11.0	5.5	1.1	17.7
EU27	10.5	4.5	1.8	16.9
Finland	8.0	4.0	0.6	12.6
France	5.8	4.4	0.6	10.8
Hungary	6.7	5.2	0.5	12.4
Ireland	10.7	5.8	0.7	17.2
Italy	17.3	7.0	1.8	26.1
Lithuania	9.8	2.1	1.7	13.7
Luxembourg	4.1	3.0	-	7.2
Latvia	5.9	3.3	1.6	10.8
Malta	9.3	4.7	-	13.9
Netherlands	8.7	3.9	0.5	13.2
Norway	5.6	2.1	0.3	8.0
Poland	15.2	4.0	4.2	23.5
Portugal	17.9	5.5	1.1	24.5
Romania	19.7	1.5	12.6	33.7
Sweden	6.4	3.9	0.3	10.6
Slovenia	7.8	3.3	4.8	15.9
Slovakia	9.7	3.1	-	13.3
UK	10.2	2.9	0.3	13.6

Source: Eurostat, 'Employment by sex, age groups and professional status (1000)', October 2008

Collective representation

Self-employed workers form a very diverse group, which includes traditional liberal professionals, often organised in independent associations, sometimes with a self-regulation role alongside interest representation responsibilities. It also includes crafts-persons and small entrepreneurs (including in agriculture), who are typically represented by specific trade and employer organisations. Journalists and performing arts workers – who have in many countries a long tradition of strong unionisation – also fall into this group, as do 'new self-employed workers', who have recently been included in the representational domains of trade unions in certain countries. However, the distinctions between these various groups may rest on quite formal elements.

Trade union representation

Trade unions traditionally organise self-employed workers in specific professions characterised by high skills levels and significant autonomy in the performance of their work, such as journalists and performing artists. In these cases, usually a highly recognisable employer, such as a publisher or producer, hires self-employed workers on a temporary basis to provide a substantial input to a final product – for instance, writing articles and taking photographs for newspapers, or playing characters in a film. These self-employed workers typically work under the close supervision of the employer or of an employer's agent. They are hired on standard employment contracts, and trade unions essentially try to regulate such standard contracts.

Another sector with a high incidence of self-employed workers and in which trade unions often have an established representation is construction. In transport, especially in road haulage, the situation is more mixed, but trade associations seem to prevail, even if there are recurrent debates on whether trade unions should more clearly try to organise self-employed truck drivers alongside employees. In the other traditional sectors of the economy, such as agriculture and crafts, business organisations clearly prevail.

In a few countries, self-employed workers seem to be substantially outside the scope of trade union representation and they do not represent a significant concern, as they are organised in very limited professional areas. This is the situation for a small number of cases, particularly in central and eastern Europe.

Traditional unionised self-employed workers

Cultural and art workers are often organised in trade unions. In Austria, the Arts, Media, Sports and Liberal Professions Union (Gewerkschaft Kunst, Medien, Sport, Freie Berufe, KMSfB) also represents (permanent) freelance staff. In 1999, KMSfB and the Austrian Newspapers' Association (Verband Österreichischer Zeitungen, VÖZ) reached the first ever and so far only collective agreement covering a group of freelancers in Austria – the 'permanent freelance workers' (ständige freie Mitarbeiter). Similarly, a works agreement at the state Austrian Broadcasting Company (Österreichischer Rundfunk, ORF) granted freelance workers a set of rights, in terms of employment protection and co-determination, which comes close to that of standard employees.

In the Czech Republic, the Confederation of Art and Culture (Konfederace umění a kultury, KUK) organises workers on a professional basis. Even if no registration of the legal position of members is made, it is estimated that about half of the some 44,000 affiliated workers are self-employed. Similarly, the Actors' Association (Herecká asociace, HA) also organises self-employed workers. While proper collective bargaining is conducted only for employees, negotiations are at times also carried out on behalf of self-employed workers with single employers, although the accords are then not legally enforceable as collective agreements.

In Germany, besides the many trade associations that protect the interests of self-employed workers mainly on a professional basis, a number of trade unions organise self-employed workers as well as employees. The largest of these unions is the United Services Union (Vereinte Dienstleistungsgewerkschaft, ver.di), which is affiliated to the Confederation of German Trade Unions (Deutscher Gewerkschaftsbund, DGB). Ver.di is present in a wide range of service industries and, in

2006, some 30,000 of its 2.2 million members were self-employed. In particular, ver.di organises self-employed workers in the media and culture sectors through lower-level organisations such as the Association of German Writers (Verband deutscher Schriftsteller, VS), the association of German-speaking literature translators (Verband deutschsprachiger Übersetzer literarischer und wissenschaftlicher Werke, VdÜ), which is actually a member of VS, and the German Union of Journalists (Deutsche Journalistinnen- und Journalisten-Union, dju). The German Union of Education (Gewerkschaft Erziehung und Wissenschaft, GEW) is another trade union organisation affiliated to DGB with a number of self-employed members (some 2,000 out of a total of about 250,000 members), especially in the further education sector. The largest trade union for journalists – the German Federation of Journalists (Deutscher Journalisten-Verband, DJV) – is not affiliated to DGB. It has about 40,000 members in the whole media sector, of whom 15,000 are freelancers. Like ver.di, DJV provides a number of services especially geared towards freelance journalists. In Germany, collective bargaining on behalf of self-employed workers rarely occurs, since antitrust regulation forbids such workers – recognised as companies – to agree on common prices and fees. However, Article 12a of the German Collective Agreement Act (*Tarifvertragsgesetz*) allows for the conclusion of collective agreements for self-employed workers who are legally considered to be ‘similar to employees’ on grounds of their ‘economic dependence’, when more than 50% of their income – or 30% in the media sector – derives from contracts with a single client or employer. On this basis, a number of single-employer collective agreements exist with many broadcasting companies on compensation for self-employed workers.

In Denmark, freelancers – that is self-employed workers who, according to tax legislation, receive a fee for their work – can be members of trade unions. This involves mainly art and culture workers, but also IT professionals. Trade unions for freelancers in the art and culture sectors negotiate collective agreements with employer associations or single employers, typically on minimum and standard fees as well as on standard contracts. Unions of this kind include the Danish Artists’ Union (Dansk Artist Forbund, DAF), the Danish Actors’ Association (Dansk Skuespillerforbund, DSF), the Danish Playwrights’ and Screenwriters’ Guild (Danske Dramatikere, DDF), the Film and TV-workers Association (Film- og TV-Arbejderforeningen, FAF), the Association of Danish Stage Directors (Foreningen af Danske Sceneinstruktører, FDS), the Association of Danish Scenographers (Sammenslutningen af Danske Scenografer, SDS), the Danish Composers’ Association (Dansk Komponist Forening, DKF), the Danish Society for Jazz, Rock and Folk Composers (Danske Sangskrivere og Komponister, DJBFA), the Danish Songwriters Guild (Danske Populærautorer, DPA), the Danish Musicians’ Union (Dansk Musiker Forbund, DMF), and the Danish Journalists’ Union (Dansk Journalistforbund, DJ). All of these trade unions usually organise both employees and freelancers and sign collective agreements with relevant parties, including: Radio Denmark (DR), which has agreements with DAF, DJ, DMF, FDS and SDS; the Association of Producers (Producentforeningen, PROF), which concluded agreements with DAF, DDF, DJBFA, DKF, FAF, FDS and DPA; the Association of Fiction Film Producers (Foreningen af Danske Spillefilmsproducenter), which has a collective agreement with DDF; the Association of Children’s Theatres (Børneteatersammenslutningen, BTS), which signed deals with FDS and SDS; the Association of Small Theatres (Foreningen af Små Teatre, FAST), which signed agreements with FDS and SDS; and, as mentioned previously, individual employers, such as theatres, newspapers and TV stations. Moreover, these trade unions are covered by union-managed unemployment insurance funds, according to the so-called ‘Ghent system’, whereby unemployment benefits are administered through the unions. Union density is estimated to be very high in these professional groups, in line with the

Danish tradition of strong unionisation. For instance, the density rate for freelance journalists is estimated at some 60%, while actors are thought to have a unionisation rate of at least 95%.

In Finland, the union statutes usually allow self-employed workers to become members, but they tend to exclude participation in the unemployment funds. Only recently, trade unions have started to accept self-employed workers as members of their unemployment funds to a significant, though still limited, extent. For instance, self-employed workers are members of the Confederation of Unions for Professionals (Akateemisten Toimihenkilöiden Keskusjärjestö, AKAVA), which has a total of 20,000 members who are self-employed, which corresponds to about 4% of its overall membership; the Confederation of Salaried Employees (Toimihenkilökeskusjärjestö, STTK), which has about 12,000 self-employed workers as members amounting to 2% of total membership; and the Central Organisation of Finnish Trade Unions (Suomen Ammattiliittojen Keskusjärjestö, SAK) represents around 8,000 self-employed workers comprising 0.7% of total membership. Particularly active in this field is the Service Union United (Palvelualojen Ammattiliitto, PAM), which officially encourages membership among self-employed workers, since it considers that these workers have similar problems and interests as employees. PAM has some 4,000 self-employed workers among its more than 200,000 members, most of whom work as barbers or cleaners.

In France, some trade unions organise self-employed workers or 'independent professionals' who are assimilated by the Labour Code as employees: this is the case, for instance, for freelance journalists (so-called '*pigistes*'), but also artists and fashion models. The situation of self-employed truck drivers has also been long regarded as deserving trade union attention.

In Ireland, self-employed workers are represented by trade unions especially in building and construction and in arts and media. This is the case, for instance, in Ireland's largest trade union, the Services, Industrial, Professional and Technical Union (SIPTU) and the Building and Allied Trades' Union (BATU), which organise self-employed workers in the construction sector. The National Union of Journalists (NUJ) and the Communication Workers Union (CWU) have also self-employed workers as members. The filmmaking and performing arts sectors have trade unions that organise self-employed workers, such as the Irish Actors' Equity and the Musicians' Union of Ireland, both affiliated to SIPTU. All of these trade unions negotiate collective agreements at national and workplace levels. However, it has become difficult to include self-employed workers in collective bargaining, due to competition law which considers any collective agreement on prices or tariffs as anti-competitive practice.

Italian trade unions are strongly involved in representing some groups of self-employed workers, and especially those who can be regarded as 'economically dependent workers'. However, the Independent Commerce and Service Workers' Union (Coordinamento lavoratori autonomi commercio e servizi, Clacs), affiliated to the Italian Confederation of Workers' Trade Unions (Confederazione italiana sindacati dei lavoratori, Cisl), has a more general representational domain and coordinates numerous associations which protect forms of non-dependent employment in various and more traditional sectors – for example, arts and culture, music and entertainment, insurance, financial operators, driving schools, petrol stations, commercial distributors, newsagents and tobacconists, call centres, security personnel, tourism operators and street traders.

In Norway, two kinds of trade unions include self-employed workers in their membership. On the one hand, professional trade unions – mostly affiliated to the Federation of Norwegian Professional

Associations (Akademikerne) – often organise both employees and self-employed workers, such as doctors, dentists, veterinarians and lawyers. A number of professional trade unions in the healthcare sector negotiate with the government the standard fees that the National Health System pays to self-employed professionals per patient and treatment. On the other hand, trade unions in the media and performing arts sectors also cover freelance workers, for whom they usually bargain standard contracts and fees, even if they are sometimes only recommendations rather than binding agreements.

In Romania, trade unions representing self-employed workers include the Union of Fine Arts Artists (Uniunea Artiștilor Plastici din România, UAPR), the Writers' Union (Uniunea Scriitorilor din România, USR), the Professionals Journalists' Union (Uniunea Ziaristilor Profesioniști din România, UZR) and the Composers and Musicians' Union (Uniunea Compozitorilor și Muzicologilor din România, UCMR).

In Slovenia, some trade unions, notably in the media, arts and service sectors, have self-employed members. These include the Trade Union of Culture of Slovenia (Sindikat kulture Slovenije, GLOSA), which set up a special Union Conference of Freelance Workers in Culture and Media (Sindikalna konferenca samostojnih ustvarjalcev na področju kulture in informiranja, SUKI), the Trade Union of Musicians, the Trade Union of Sports Workers (Sindikat športnikov Slovenije, SŠS), the Slovenian Union of Journalists (Sindikat novinarjev Slovenije, SNS), the Association of Scientific and Technical Translators of Slovenia (Društvo znanstvenih in tehniških prevajalcev Slovenije, DZTPS) and the Slovenian Association of Literary Translators (Društvo slovenskih književnih prevajalcev, DSKP). Trade unions, particularly GLOSA, SŠS and SNS are trying to include self-employed workers' issues in collective bargaining but are facing strong opposition from employers and receiving only limited support from the government.

In the UK, trade union representation of self-employed workers is concentrated in sectors with a high proportion of these workers in the workforce, who often share many interests and work in very similar conditions as employees. Such sectors include construction, filmmaking, broadcasting and performing arts, as well as press and media. The trade unions mostly involved in this kind of representation are therefore the Union of Construction, Allied Trades and Technicians (UCATT), the Broadcasting Entertainment Cinematograph and Theatre Union (BECTU), Equity – which represents professional performers and workers from all entertainment, creative and cultural industries – and the National Union of Journalists (NUJ).

In certain cases, the presence of self-employed workers can be important in specific organisational arrangements, often regarded as traditional and close to dependent employment, such as homeworking. For instance, in Bulgaria, the Home-based Workers' Association (HBWA) organises a small number – some 3,500 – of the estimated 500,000 home workers (half of whom are thought to operate in the informal economy). The association includes very different situations and legal positions, such as family business workers, self-employed workers and people working at home for specific employers. A few years ago, talks emerged about the possible affiliation of HBWA to the Confederation of Independent Trade Unions in Bulgaria (Конфедерация на независимите синдикати в България, CITUB), with special reference to home workers with formal contracts. However, these talks were abandoned and HBWA is now a member of one of the six nationally represented employer organisations – the Confederation of the Employers and Industrialists in Bulgaria (Конфедерация на Работодателите и Индустиалците в България, CEIBG) (BG0412102F, BG0606019I).

Employer representation

In most cases, self-employed workers are regarded as entrepreneurs and (potential) employers. Their typical collective representation is therefore to be found within the boundaries of business associations, sometimes with a general interest representation role with regard to public authorities and without specific employer representation functions. This latter situation is typical of the associations of liberal professionals, while at least in some countries proper employer associations are present in sectors where self-employment is more widespread, – for example, in agriculture, crafts and retail trade.

A feature of this kind of representation is the almost exclusive attention to the entrepreneurial aspects of the role of self-employed workers, while the issues of personal work are almost always neglected. Only limited reference to competence building and training by business organisations was made in the national reports to an EIRO comparative study entitled *Self-employed workers: industrial relations and working conditions*. This holds particularly true for Member States that have recently joined the EU and where the social partners believe a lack of entrepreneurship and managerial skills exists. Even more conspicuous by its absence was the issue of health and safety; when this did appear, it was sometimes with a view to obtaining more lax rules for self-employed workers than for employees – on working time, for instance. Moreover, it should be noted that practically no business representation exists as such for self-employed workers as own-account workers without employees. Rather, they must refer to professional associations, small and medium-sized enterprises (SMEs) or general employer associations, as well as to public representation bodies, such as the Chambers of Commerce. With this in mind, a brief overview of collective business representation of self-employed workers follows.

In Austria, all self-employed workers with a trade licence are covered by the mandatory representation of the Austrian Federal Economic Chamber (Wirtschaftskammer Österreich, WKÖ), with the exception of a few sectors, including the print and media industry and the adult education and training sector.

A similar well-established system of representation is present in Belgium, where national-level institutions play a significant role both in the political and industrial relations arenas. A key interest representation role of self-employed workers as entrepreneurs is assigned to the High Council for Self-employed Workers and SMEs (Hoge Raad voor de Zelfstandigen en de KMO/Conseil Supérieur des Indépendants et des PME, HRZKMO/CSIPME), which is a public advisory body at federal level. The High Council can formulate policy advice and represent the interests of self-employed workers and small enterprises in its relations with the government and notably with the ministries responsible for SME policies. The government can ask for the High Council's advice, but the latter can also initiate action autonomously. The High Council recognises some 140 trade associations, which either refer to specific sectors (such as construction, agriculture, street trading, hotels, catering and tourism, transport, technology and personal care) or professional groups (like legal and business professions, medical and paramedical professions and technical occupations). These trade associations are typically affiliated to intersectoral associations. The High Council is represented in the Central Council of Economic Life (Centrale raad voor het Bedrijfsleven/Conseil Central de l'Économie, CRB/CCE), which is the highest consultation body for social and economic affairs in Belgium.

In Bulgaria, since 2002, craftspeople operating as self-employed workers must be members of the regional skilled crafts chambers, which are affiliated to the National Chamber of Skilled Crafts

(Национална занаятчийска камара, NCSC). These chambers do not have collective bargaining rights but mainly act as interest representation bodies and provide services for the associated businesses. In the field of vocational training, they maintain significant relations with the trade unions.

In Denmark, self-employed workers without employees are usually members of trade associations, rather than employer organisations. The main representative organisation in this regard is the Danish Federation of Small and Medium-Sized Enterprises (Håndværksrådet, HVR), whose principal objective is to improve the business conditions for Danish SMEs. HVR organises SMEs and self-employed workers in all sectors and does not engage in collective bargaining.

In Estonia, self-employed workers are not members of the Estonian Employers' Confederation (Eesti Tööandjate Keskkliit). Rather, they can join the Estonian Association of SMEs (Eesti Väike- ja Keskmiste Ettevõtete Assotsiatsioon, EVEA), which supports the interests of SMEs, but does not carry out collective bargaining activities. EVEA has never started an initiative specifically focused on self-employed workers without employees. Some 7.5% of its 174 members are self-employed. These workers can also be members of other employer associations, as in the agriculture sector, but no specific information is available.

In Spain, besides their representation within the trade union movement, self-employed workers are also present – through the Spanish Federation of Self-Employed Workers (Federación Española de Autónomos, CEAT) – in the major employer association, the Spanish Confederation of Employers' Organisations (Confederación Española de Organizaciones Empresariales, CEOE). In particular, CEAT opposes the assimilation of self-employed workers as employees, including in the case of economically dependent workers, and argues that these workers should be considered as entrepreneurs in all respects. Independent associations of self-employed workers also exist, the main one being the Self-employed Workers' Association (Asociación de Trabajadores Autónomos, ATA). Both CEAT and ATA participated in the negotiations on the Self-Employed Workers Statute. These associations and those on the employer side basically operate as pressure groups at state and local levels in order to influence policymaking in all areas of interest for self-employed workers, including training and health and safety issues.

In Finland, self-employed workers are mostly organised as entrepreneurs in the Federation of Finnish Enterprises (Suomen Yrittäjät), the largest SME trade association with some 98,000 member companies of all sizes, organising 48,000 self-employed workers without employees. The federation and its associated sectoral or regional associations actively engage in lobbying activities to further the interests of SMEs. For instance, they have strongly supported the introduction of 'starting grants' for start-up businesses. Furthermore, Finnish Transport and Logistics (Suomen Kuljetus ja Logistiikka, SKAL), a sectoral trade association affiliated to the Federation of Finnish Enterprises, which has 7,400 self-employed drivers among its membership, has strongly criticised the application of EU working time regulations to self-employed drivers.

In Greece, self-employed workers are basically organised through either the system of Chambers of Commerce and Industry (or the Professional Chambers in Athens, Piraeus and Thessaloniki) or the specific associations of liberal professionals (such as doctors and lawyers). Both of these channels comprise public bodies that have consultation and self-organising roles and usually act as pressure groups to further the interests of the associated parties. Self-employed workers can also be members

of employer associations, such as the National Confederation of Greek Traders (Εθνική Συνομοσπονδία Ελληνικού Εμπορίου, ESEE) and the General Confederation of Greek Small Businesses and Trades (Γενική Συνομοσπονδία Επαγγελματιών Βιοτεχνών Εμπόρων Ελλάδας, GSEVEE).

In Hungary, self-employed workers are mostly represented by business organisations. Besides membership of economic chambers (no longer compulsory since 2000) and of professional associations or chambers in the case of physicians, pharmacologists, lawyers, journalists and architects (which are mandatory for certain occupations), self-employed workers can join employer associations, especially those specialising in micro-enterprises – the National Federation of Craftsmen Boards (Ipartestületek Országos Szövetsége, IPOSZ), which represents about 100,000 SMEs, and the National Federation of Traders and Caterers (Kereskedők és Vendéglátók Országos Érdekképviselői Szövetsége, KISOSZ), whose membership includes some 10% of self-employed workers in Hungary and 20% of small shopkeepers. The interests of self-employed workers are then represented at all levels of action of employer organisations, including tripartite negotiations, but they are typically subsumed within the representation of SMEs and do not receive special attention. Of course, professional associations, instead, act as pressure groups for the protection and support of their particular occupations.

In Italy, many employer organisations cater for the interests of self-employed workers, who interestingly represent one quarter of all employed people. The employer organisations include mainly those organising workers in SMEs, trades and crafts: the Italian Confederation of Small and Medium-Sized Enterprises (Confederazione italiana della piccola e media industria privata, Confapi); the General Italian Confederation of Commerce, Tourism, Services, Professions and SMEs (Confederazione generale del commercio, del turismo, dei servizi, delle professioni e delle PMI, Confcommercio); the General Confederation of Crafts and Enterprises (Confederazione Generale dell'Artigianato e delle Imprese, Confartigianato); the National Confederation of Crafts and Small and Medium-sized Enterprises (Confederazione nazionale dell'artigianato e della piccola e media impresa, Cna), which also set up a special section to represent 'professional freelancers' – Cna-in-proprio.

In Luxembourg, self-employed workers are represented by the Chamber of Trades (Chambre des Métiers), membership of which is mandatory. Moreover, they are organised by professional associations, which are for the most part affiliated to the Federation of Craft Workers (Fédération des Artisans). These associations represent the interests of member companies, notably in their relations with the public authorities.

Self-employed workers in Malta are mainly represented by the Malta Chamber of Small and Medium-sized Enterprises (GRTU). Some of its most recent demands relate to the taxation system, education programmes and training to foster entrepreneurship among young people, and the demand to reduce the bureaucratic burden on companies.

In the Netherlands, trade associations organise self-employed workers, including the Platform for Self-Employed Workers (Platform Zelfstandige Ondernemers, PZO) within the Confederation of Netherlands Industries and Employers (Vereniging van Nederlandse Ondernemingen-Nederlands Christelijk Werkgeversverbond, VNO-NCW) and VERN in the transport sector.

In Norway, business representation of self-employed workers is mostly present in the primary (agriculture) and the services sectors, where trade associations represent the interests of members in their relations with public authorities.

In Romania, several professional associations and a number of trade associations exist, especially in the agriculture sector. However, the issue of self-employment is not included in their agendas.

In Sweden, self-employed workers are represented by employer organisations and mainly by trade associations that cover specifically SMEs, such as the Federation of Private Enterprises (Företagarna) and the Swedish Association of Free Entrepreneurs (Företagarförbundet).

In Slovenia, craftworkers are represented by the Chamber of Craft and Small Businesses of Slovenia (Obrtno-podjetniška zbornica Slovenije, OZS) and farmers by the Agriculture and Forest Chamber of Slovenia (Kmetijsko-gozdarska zbornica Slovenije, KGZS). Membership of both of these organisations is mandatory. Moreover, there are also a number of trade associations, like the Farmers Trade Union of Slovenia (Sindikát Kmetov Slovenije, SKS), or professional chambers and associations (membership of which may be compulsory in certain cases, in order to work in a specific occupation), such as the Chamber of Notary (Notarska zbornica Slovenije, NZS) and the Slovene Bar Association (Odvetniška zbornica Slovenije).

In Slovakia, self-employed workers are mainly represented by the Slovak Craft Industry Federation (Slovenský živnostenský zväz, SŽZ), which organises crafts and SMEs. SŽZ is a member of the Federation of Employers' Associations of the Slovak Republic (Asociácia zamestnávateľských zväzov a združení Slovenskej republiky, AZZZ SR), which represents SŽZ in the tripartite Economic and Social Council (Hospodárska a sociálna rada, HSR). SŽZ advocates measures to foster entrepreneurship and support SMES through providing of training, reducing administrative and bureaucratic burdens on companies and improving credit accessibility.

Annex 1

Table A1 lists the outcomes of sectoral social dialogue in 2008 as documented in the European social dialogue texts database, which recorded some 21 new outcomes in 2008.

Table A1 Outcome of sectoral social dialogue

Sector	Agreements, declarations, joint opinions, work programmes	Trade unions	Employer organisations
Cross-sector	Inputs of EU national social partners on childcare	ETUC/CES	BUSINESSEUROPE, UEAPME, CEEP
Chemicals industry	Joint statement on the European Union emission trading scheme	EMCEF	ECEG
Private security sector, Contract catering, cleaning, clothing and textiles,	Joint declaration on 'Towards responsible awarding of contracts'	UNI-Europa, EFFAT, ETUF-TCL	COESS, FERCO, EFCI, EURATEX
Steel	Joint statement on the Commission proposal for the revision of the EU Emissions Trading System	EMF	EUROFER
Cross-sector	On implementation of the framework agreement on harassment and violence at work	ETUC/CES	BUSINESSEUROPE, UEAPME, CEEP
Professional football	Rules of procedure for the ESSDA in the professional football sector	FIFPro	EPFL, ECA, UEFA
Maritime	Opinion regarding the Commission communication on re-examining the social regulation in the perspective of more and better seafaring jobs in the EU	ETF	Europêche
Sea fisheries	Statement on health and safety aboard fishing vessels	ETF	EUROPECHE
Public services	Reform of public services: what role for social dialogue	EPSU,	CCRE, CEMR
Civil aviation	Joint statement on workplace health promotion for air crew	ETF	AEA, ECA, ERA
Maritime	Agreement concluded on the Maritime Labour Convention 2006	ETWF	ECSA
Hospital	Code of conduct and follow up on ethical cross border recruitment and retention in the hospital sector	EPSU	HOSPEEM
Regional and local government	Joint statement on the active involvement of those furthest from the labour market	EPSU	CEMR-EP
Woodworking	Joint agreement on paritarian funds	EFBWW	FIEC
Commerce	Second stage consultation on active inclusion in the labour market of people furthest away from the labour market	UNI-Commerce	EURO-Commerce
Sugar	Code of conduct of the European sugar industry on corporate social responsibility	EFFAT	CEFS
Civil aviation	Joint statement for the second Single European Sky Package	ETF	CANSO
Woodworking	Position paper on the European Commission's proposal for a directive on renewable energy sources	EFBW	CEI-Bois
Extractive industries	Position paper on the SSDCEI on the EU Commission's climate package	EMCEF	IMA, APEP, EUROMINES, EUROCOAL
Transport	Joint agreement to work together on the 12-day derogation on coach tourism	IRU	ETF
Temporary agency work	Joint declaration on the directive on working conditions for temporary agency workers	Uni-Europa	Eurociett

Source: European Commission, Social Dialogue texts database, 2009

Table A2 lists all of the European works councils (EWCs) established in the course of 2008; in all, 25 new councils were set up.

Table A2 European works councils established in 2008

Company name	Agreement	Date	Agreement type	Language
Augusta Westland	Augusta Westland European Forum	17/07/2008	Installation	Italian
Amadeus IT	Amadeus IT EWC	19/09/2008	Installation	English
BCD Travel	BCD Travel EWC	06/03/2008	Installation	English
Beaulieu International Group	Beaulieu International Group EWC	28/02/2008	Installation	Dutch
Buzzi Unicem SpA	Buzzi Unicem EWC	18/06/2008	Installation	Italian
CEVA Logistics	CEVA WCA	14/03/2008	Installation	English
Credit Agricole	Credit Agricole EWC	30/01/2008	Installation	French
ENEL	ENEL EWC	05/12/2008	Installation	No information
GeoPost	Geopost EWC	14/05/2008	Installation	No information
Georgia-Pacific	Georgia-Pacific EWC	04/09/2008	Installation	No information
GFK	GFK SE Works Council	16/12/2008	Installation	No information
Guttermann & Co	Guttermann SE Works Council	16/05/2008	Installation	German
Kloeckner & Co	Kloeckner & Co SE Works Council	30/06/2008	Installation	German
Knauf Interfer	Interfer SE Beirtrirat	08/04/2008	Installation	German
Monier	Monier EWC	17/06/2008	Installation	German
Nalco	Nalco EWC	13/02/2008	Installation	English
Peab	PEAB EWC	16/05/2008	Installation	Swedish
Pfalz-Flugzeugwerke (PFW)	PFW European Works Council	19/09/2008	Installation	German
Rio Tinto plc	Rio Tinto EWC	04/06/2008	Installation	French
SAB Wabco	SAB WABCO EWC	01/10/2008	Installation	No information
SAFRAN Group	Safran EWC	04/07/2008	Installation	French
Thomas Cook Group	Thomas Cook Group EWC	01/03/2008	Installation	German
Transcom	Transcom European Communication Forum	02/07/2008	Installation	English
West Pharmaceutical Services	West Pharmaceutical Services EWC	31/03/2008	Installation	English
Wilo	Wilo EWC	01/07/2008	Installation	German

Source: ETUI database on EWC agreements, 2009

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