Quality of work and employment in Europe

Introduction
Policy context
Defining quality of work
Job satisfaction and pay
Main findings
Conclusions
Annex 1: Relevant findings from 2005 EWCS
Annex 2: Country codes
The concept of quality of work forms an integral part of the European social model, although the emphasis often leans more towards indicators of quantity than quality in employment. This report examines the EU policy context and assesses quality of work across the Member States in relation to four key aspects: employment security, health and well-being, skills development and work–life balance.

Introduction

Quality of work and employment is back at the top of the European employment and social policy agenda. At the first Informal Meeting of Ministers for Employment and Social Affairs held under the German EU Presidency on 18–20 January 2007 in Berlin (EU0702029I), agreement was reached on a set of policy principles covering what the Presidency termed ‘good work’. This phrase denotes a new EU terminology following on from the International Labour Organisation (ILO) use of ‘decent work’ and the more established EU concern for ‘more and better jobs’.

The objectives and principles behind ‘good work’ (see Box 1 below) are wide-ranging, covering employee rights and participation, wages, health and safety, as well as a ‘family-friendly work organisation’. The meeting’s conclusions included the following points:

- linking working conditions and regular employment relationships to competitiveness;
- recognising the importance of fair wages in a way that is reminiscent of an earlier social agenda (see the European Commission opinion on an equitable wage (COM(93) 388 final (869Kb PDF));
- highlighting the position of young people, including in relation to the ‘foundation of a family’;
- emphasising the need for an appropriate balance between flexibility and security – with a particular concern to ensure that the latter keeps pace with the former.

All this could be seen as the ministers displaying their ‘softer’ side and appealing to their national audiences, safe in the knowledge that nothing they say in an informal meeting has any binding impact in terms of legislation or policy. On the other hand, these conclusions reflect developments in German policy thinking following the New Quality of Work Initiative (Initiative Neue Qualität der Arbeit, INQA) launched in 2001; this initiative was taken jointly by the federal government, the federal states, the social partners and other groups.

Moreover, the conclusions of the informal meeting were drafted in cooperation with the two forthcoming presidencies of the Council – Portugal and Slovenia – and are being publicised and promoted during the German Presidency. This should ensure that issues surrounding the quality of employment remain active on the EU agenda until at least the middle of 2008, providing plenty of time and opportunity for them to be further developed and applied to ongoing policies such as the European Employment Guidelines, which are due for review in 2008.

Box 1 – Conclusions of Informal Meeting of Ministers for Employment and Social Affairs, Berlin, 18–20 January 2007

Chair’s conclusions drafted in cooperation with the two subsequent presidencies of Portugal and Slovenia

1. Europe needs more and joint efforts to promote ‘good work’. Good work means employee rights and participation, fair wages, protection of safety and health at work as well as a family-friendly work organisation. Good and fair working conditions as well as an
appropriate social protection are indispensable for the acceptance of the European Union by its citizens.

2. The Ministers are of the opinion that greater flexibility in the labour market has to be reflected in adequate employee rights. This includes ensuring that employees can defend their participation rights with the help of collective bodies representing their interests. The Member States and the social partners bear great responsibility for preventing more labour market flexibility from leading to a reduction of social protection for employees.

3. Fair wages are an important characteristic of good work. The Member States and the social partners are called upon to ensure that wages are set in a fair and adequate manner while safeguarding the national wage setting systems’ characteristic features.

4. Working conditions that promote lifelong learning and the chance for further occupational education, modern and staff-oriented leadership and work organisation, as well as promoting and maintaining health and occupational qualifications, are the key to corporate competitiveness and to the employability of older employees in particular. Corporate prevention and rehabilitation programmes must become standard practice.

5. Regular employment relationships are indispensable. They provide security and strengthen competitiveness in a sustainable manner. The Member States are called upon to strengthen standard working relationships in accordance with their national practice and to limit their circumvention by atypical employment relationships.

6. New forms of employment types can facilitate reintegration into the labour market. They must not, however, be abused for the purpose of excluding employees from their rights. They must not lead to discrimination and exclusion.

7. Family-friendly work organisation is an opportunity to improve equal rights, competitiveness, health protection, income security and coping with demographic development. A family-friendly work organisation must be developed consistently.

8. Young people need security in their occupational development and perspectives for their own future and the foundation of a family. They need clearly defined framework conditions for a good start in working life.

9. Wage replacement benefits and minimum security for job seekers are elements of a social Europe that has made the fight against poverty and social exclusion one of its central priorities. The persons concerned must receive help from a well-balanced system of support programmes within the meaning of an activating labour market policy, particularly in view of threatening or actual unemployment. This approach combines support and demands.

Policy context

EU policy agenda

The quality dimension of work and employment can be traced back through the 50-year history of the EU although, by the time of the Delors White Paper in December 1993, the main objective was tackling unemployment and promoting employment growth. This White Paper under the European Commission Presidency of Jacques Delors was entitled Growth, competitiveness, employment: The challenges and ways forward into the 21st century, and was presented to the Copenhagen European Council in June 1994.

The Extraordinary European Council meeting on employment in November 1997, known as the Luxembourg Jobs Summit, adopted the European employment strategy and strengthened the...
operational dimension, with a focus on guidelines and national action plans, but retained the same quantitative emphasis – namely, raising the employment rate.

This focus on employment growth was further strengthened at the Lisbon European Council in March 2000 with the introduction of the objective of an overall 70% employment rate. However, the Lisbon Council also adopted the phrase ‘more and better jobs and greater cohesion’ with the specific reference to the ‘need for an improved level and quality of employment’.

The Stockholm European Council in March 2001 during the Swedish Presidency took up the challenge of creating ‘full employment in a competitive Union’ and, in its conclusions on ‘Modernising the European social model’, addressed the issue of ‘Improving quality in work’ as follows (Paras 26–27):

Regaining full employment not only involves focusing on more jobs, but also on better jobs. Increased efforts should be made to promote a good working environment for all including equal opportunities for the disabled, gender equality, good and flexible work organisation permitting better reconciliation of working and personal life, lifelong learning, health and safety at work, employee involvement and diversity in working life.

To that end:

Member States and the Council, each within their respective competence, will define common approaches to maintaining and improving the quality of work which should be included as a general objective in the 2002 employment guidelines;

The Council together with the Commission will develop indicators on quality in work and will make quantitative indicators more accurate, to be presented in time for the Laeken European Council in 2001;

The Council, in co-decision with the European Parliament, will complete work by the end of the year on updating existing legislation on implementing the principle of equal treatment of men and women as regards access to employment, vocational training and promotion and working conditions;

The Council together with the Commission will develop indicators to ensure that there are no discriminatory pay differentials between men and women.

The subsequent Belgian Presidency took up the debate on the quality of employment, which resulted in the following measures:

- a European Commission Communication (Employment and social policies: a framework for investing in quality, COM(2001) 313 final (138Kb PDF)) that addressed the policy issues and proposed a series of indicators;
- a Belgian Presidency conference that discussed these matters in depth;
• the European Council at Laeken in December 2001, which endorsed a first set of key indicators and contextual indicators; these were included in the 2002 Employment Guidelines and used for preparing the national action plans.

The European Commission Communication of 2001 identified ‘quality’ as being ‘at the heart of the European social model’ and, in line with the Social Policy Agenda, argued strongly that economic and social policies were complementary: ‘social policies are not simply an outcome of good economic performance and policies but are at the same time an input and a framework’. In this light:

many social policies are in the form of social investments – notably education and health – which directly impact on and input into the economic system and employment. At the same time, social transfers are important, not only in reducing the incidence and cost of social exclusion, but in facilitating adaptability and responsiveness to change.

In the same spirit, the communication noted that literacy surveys indicate substantial differences between member countries of the Organisation for Economic Cooperation and Development (OECD), not only in overall levels of achievement but also in the degree of literacy inequality within the countries. Such inequalities in levels of literacy are highly correlated with inequalities in the distribution of income, providing further evidence of the close relationship between skill levels and levels of remuneration (and confirming the pioneering analysis of income distribution by the first Nobel prize winner in economics, Jan Tinbergen).

In building on this analysis, the European Commission communication acknowledged that there was ‘no standard or agreed definition of quality in work in the academic and expert literature’, and established a new 10-point policy framework. This framework was organised under the following two dimensions:

- Dimension I – Characteristics of the job itself
  - intrinsic job quality
  - skills, lifelong learning and career development;
- Dimension II – Work and the wider labour market context
  - gender equality
  - health and safety at work
  - flexibility and security
  - inclusion and access to the labour market
  - work organisation and work-life balance
  - social dialogue and worker involvement
  - diversity and non-discrimination
  - overall economic performance and productivity.

Within this framework, the Commission proposed ‘the establishment of a coherent and broad set of indicators on quality in work which can be used to strengthen the coherence between quality of work objectives and policy instruments within the context of the European employment strategy’ as well as advancing the notion of ‘quality reviews’ of social policies generally.
The European Commission issued a follow-up report in 2003 (COM(2003) 728 final (242Kb PDF)) covering the 15 EU Member States at the time (EU15). This report reiterated the argument that ‘quality in work goes hand in hand with progress towards full employment, higher productivity growth and better social cohesion’ and provided a detailed review of progress across the Member States under each of the 10 quality dimensions. The report was encouraging regarding progress in a number of respects – notably rising educational attainment levels, increasing employment rates, reduced gender gaps in terms of employment and unemployment, and the continuing reduction in rates of work-related accidents.

However, the Commission considered that ‘overall, there is scope for considerable improvement under each of the 10 dimensions of quality’. The report highlighted concerns about low employment rates of older workers, high youth unemployment rates, the problems affecting non-EU nationals and those with disabilities, as well as the lack of adequate childcare facilities and persistent gender pay gaps.

The report speaks of uneven progress across Member States and in relation to particular issues, and indicates that ‘while a few [Member States] perform well under most indicators of quality (Denmark, the Netherlands, Sweden, Austria), others display consistently much less favourable performances (Italy, Greece, Spain, Portugal). The picture is more mixed for the remaining Member States.’ Overall, the Commission emphasised that the ‘strong involvement and commitment of the social partners is a necessary condition and key factor of success for improving quality in work’.

Reference is also made in the report to innovative empirical research on job quality carried out by the European Commission services, based on European Community Household Panel (ECHP) data, and reported in the Commission’s Employment in Europe reports in 2001 and 2002. The report defines ‘poor quality’ jobs mainly in relatively objective terms, derived from the survey data, such as the use of non-permanent employment contracts or lack of access to training. This analysis reveals both the high risk of those with poor quality jobs becoming unemployed, and the limited opportunity (although not impossibility) of progressing to better quality jobs, thus providing counter-evidence to the argument that ‘any job is better than no job’.

The quality guidelines proposed by the European Commission and adopted by the Council were integrated into the European employment strategy guidelines and the work of the Council Employment Committee (EMCO), but policy interest in the ‘quality’ issue more generally appeared to be on the decline. A recent research report (349Kb PDF) noted that ‘the European Commission’s Employment in Europe report in 2004 did not include any specific chapter devoted to employment quality, contrary to the three previous years, and this has continued to be the case in 2005 and 2006’. Likewise, the 2004 Employment Taskforce report, under the Chair of Wim Kok – which examined employment and labour market policies in the EU – focused on quantitative aspects of employment, with limited consideration of quality.

Indeed, until the latest Germany Presidency initiative, the European policy debate on quality seemed to have moved in other directions altogether, notably into the complex although potentially significant issues surrounding health and quality in work. That research agenda involves investigating the extent to which the quality of a person’s job and work environment, or the fact of not having a job at all, impacts on their state of health and eventual mortality. The analysis sheds new light on old concerns and raises further hypotheses, for example, that self-employment may be better for one’s health than working for somebody else.

One factor that may have contributed to a loss of focus with respect to job quality was the fact that the Laeken summit agreement resulted in a wide range of different indicators, making it difficult to derive a simple, operational assessment of quality of work from the indicators selected. In the process, one of the original aspirations, if not a specific objective, disappeared...
somewhat from view. This was the aim of developing a very limited number of synthesised qualitative indicators that could complement key quantitative indicators, such as the employment rate or the unemployment rate.

**European Working Conditions Surveys**

The use and development of indicators has been a significant factor in advancing the policy debate, and has brought focus and pressure on the Member States to improve their performance and keep pace with others. It has also served to strengthen the work of the national and European statistical offices. In this respect, the work of the European Foundation for the Improvement of Living and Working Conditions (in this report referred to as the Foundation) had paved the way for some time, and had included many relevant indicators on quality of work issues in its European Working Conditions Surveys. These surveys, which present the views of workers, began in 1990 and have been conducted at five-year intervals ever since.

As a result, the Foundation has published a number of relevant reports, such as the following:

- **Quality of work and employment in Europe: Issues and challenges** – a report which reviewed the Foundation’s work over the previous decade and produced the analytical framework now in use for its work on quality in employment, namely the following four key dimensions:
  - career and employment security
  - health and well-being
  - skills development
  - reconciliation of working and non-working life;
- **Quality in work and employment** – a report that provides an overview of the rather disparate data available at EU level from various sources in relation to the four key policy dimensions set out above.

Moreover, the results of the Foundation’s 2005 European Working Conditions Survey (EWCS) are now available.

**Task Force on the Measurement of Quality of Work**

A further development to be noted is the role of the Task Force on the Measurement of Quality of Work of the Conference of European Statisticians, bringing together the United Nations (UN) Statistical Commission and the UN Economic Commission for Europe (UNECE), the European Commission and the ILO. This group meets periodically to develop synergies between the EU, the Foundation and the ILO quality of work and decent work paradigms; it aims to establish international guidelines, or at least recommendations, concerning the measurement of qualitative dimensions of work that can embrace both developing and developed economies.

**Defining quality of work**

**Different concepts**

It was once said that ‘there’s no such thing as a good job, it’s just that some are worse than others’. This may not seem to fit well with the so-called Protestant work ethic, which is supposed to permeate European society (protestant or otherwise), but it has longstanding legitimacy in economic theory and analysis.
In neo-classical economics – which still unconsciously dominates much everyday debate about choices and decisions concerning money and jobs – utility (the ultimate ‘happiness’ goal) increases with consumption and decreases with productive work. In other words, work is a negative activity (a disutility) and workers are supposed to spend their time deciding how to ‘trade off’ work for leisure, with the level of pay determining whether to work less or more.

Sociologists (and some economists, for example, 2006 Nobel Prize winner Edmund Phelps) believe, on the other hand, that work brings personal satisfaction and social benefits, notably social integration, as well as economic returns, and that the absence of work likewise brings high psychological and social costs, as well as financial penalties.

The dilemma over the relevance of these polarised models persists in the analysis of workforce behaviour, in the development of labour market policies, and in the debates about the impact of minimum standards, incentives and similar interventions. It also raises the question as to whether quality in employment is a luxury concern – only relevant when the economy reaches the point where there are enough jobs in quantitative terms.

The alternative perspective sees more positive inter-play at work, with quality employment and rising productivity forming part of a mutually reinforcing process of economic improvement; this is the view routinely argued in EU social policy statements and communications, as noted earlier. Indeed, this latter perspective had tended to dominate the EU political debate prior to the further enlargement of the Union in 2004 and again in 2007. However, the more sceptical view finds some support in some, although not all, of the newer and economically poorer EU Member States.

One difficulty that both sides face is finding answers to the question: If better quality jobs yield social and psychological satisfaction, why is it that most ‘good’ jobs are more highly paid than ‘bad’ jobs? Shouldn’t the reverse be the case? These concerns have been around since the days of Adam Smith, the founder of modern economics, who was born in 1723. Nevertheless, one of the latest contributions (489Kb PDF) to the economics literature on this issue – known as ‘compensating differentials’ – concludes that ‘so far, the theory of compensating differentials in the labour market has not met with unambiguous empirical (in)validation’.

Thus, the search for the elusive truth must continue. The answer may be that ‘good’ jobs tend to demand more investment in education and training (involving loss of income during that period) or other sacrifices. On the other hand, it may simply be a demonstration of unequal market power and opportunities in society – as a result of which winners tend to benefit on all criteria, while losers lose on all criteria.

**Measuring job quality**

Despite the positive actions of Member State governments in adopting quality objectives and agreeing on specific indicators, there is still plenty of scope for debate concerning the measurement of the quality of work. A fundamental issue is whether such quality is a purely subjective phenomenon, which means that personal preferences cannot, by definition, be compared. Alternatively, the question is whether it is possible to identify objective and measurable indicators or proxies for different concerns and, in particular, how to combine and assign relative weights to the various indicators.

In this respect, one aspect that is difficult to address, and barely noted by researchers, is the extent to which individual workers are able to pursue an optimal career or job path from their own perspective, or whether they are constrained by family or other responsibilities to compromise their personal job choices. This issue might well be addressed in more depth in the future in the context of examining work–life balance.
Nonetheless, positivism regarding job quality has opened the door to the systematic analysis of issues that appear to matter to workers in general. These issues are reflected in the Foundation’s broad categorisation of quality of work under the following terms:

- career and employment security;
- health and well-being;
- skills development;
- reconciliation of working and non-working life.

Such a grouping is, like any system of classification or categorisation, inevitably somewhat arbitrary. However, the real test is robustness in use, and these categories group appropriate elements in ways that seem both sensible and useful.

**Job satisfaction and pay**

Despite the rapid and reasonably comprehensive development of quality indicators at EU level, two elements that are likely to be important in the minds of workers themselves – the extent to which the work is interesting and whether it is sufficiently well remunerated – have become somewhat lost over the course of time.

The European’s Commission’s draft annex to its 2001 policy communication had initially intended to address the issue of pay levels directly, but this was finally removed from the agenda and replaced by indicators of progress rather than achievement – such as reductions in levels of low pay over time. Moreover, the issue of pay and personal job satisfaction gradually became even further lost from sight as the indicators on job quality and work satisfaction became absorbed into the process of monitoring employment guidelines. These guidelines focus much more on the overall development of EU and national labour markets than on the content of the jobs themselves and the degree of employee satisfaction.

As part of this process, attention has also tended to shift towards those factors that are more easily measurable, such as the contractual relationship between the employer and employee – regardless of whether these reflect the primary preoccupations of the workers concerned.

This rather dismissive treatment of the income element contrasts with the situation in North America, especially the US, where job quality is at times treated as almost synonymous with pay. For example, in June 2005, one leading US Institute – the Economic Policy Institute – reported, under the headline ‘Job quality begins to recover’, that ‘for the first time since the summer of 2001, the industries that traditionally offer higher-paying jobs (for example, professional and technical services) are starting to grow faster than lower-wage industries (for example, retail trade) as a share of all jobs in the labour market. This recently reversed trend suggests that the labour market is finally starting to add better quality jobs than it has in the past few years’.

The report goes on to indicate that ‘one way of measuring job quality [is] the percent difference in wages between the industries that are expanding and those that are contracting in terms of the share of total jobs. In good times, the comparative wage differential is positive, as can be seen between 1996 and 2001 when the industries that were expanding paid better wages. …During the recession of 2001, this measure of job quality fell precipitously and remained in the negative zone until the first quarter of 2005, at which point the trend finally reversed. By 2005, the economy’s expanding industries were paying about 3% more than contracting ones.’

This view is further reflected in Canadian research where pay is also considered as important, if not always in as dominant a way as in the US. In a presentation to a conference (Measuring and monitoring the quality of jobs and the work environment in Canada (188Kb PDF) by Andrew
Jackson and Pradeep Kumar) in 1998, the authors stated that ‘most of us would agree that a “good job” is defined in large part by levels of pay and, as noted, the level of pay is the major systematically monitored dimension of job quality.’

However, Jackson and Jumar also noted that ‘from the perspective of workers, other dimensions of the job may be more important’, citing the possible examples of prospects for promotion and learning, security, acceptable hours and working conditions. In doing so, they refer to earlier US research that established that ‘non-monetary characteristics of jobs were, in combination, found to be twice as important as earnings’. Moreover, analysis (91Kb PDF) by Andrew Clark put such factors as job security, having an interesting job, opportunities for advancement and being allowed to work independently well ahead of high pay.

Another significant contribution of the Canadian research is the attention given to benefits such as employer-sponsored pension and health benefits, which account for up to 20% of total wage costs. The relevance of pensions and healthcare arrangements differ between North America and much of the EU but this could be seen as a potentially significant gap in EU coverage, except insofar as the quality of social protection is specifically measured under the heading of ‘Flexibility and security’ in the 10-point policy framework earlier outlined.

Of course, some researchers still question whether it is possible to address the issue in any scientifically objective way, given that quality depends on subjective rankings of all the different characteristics outlined above. On the other hand, Richard Laux and Catherine Barham – in their jointly authored UK contribution (53Kb PDF) to a UNECE-Eurostat-ILO seminar on the measurement of quality of employment in 2002 – consider that some overall measure of job satisfaction or well-being can overcome this research objection to a degree. They argue that job satisfaction appears to correlate with measurable characteristics such as absenteeism; hence, it is not a purely subjective measure. Moreover, it should be possible to identify and measure specific job characteristics that have a disproportionate impact on job satisfaction or job quality for workers.

**Main findings**

In light of the revival of interest in the issue of job quality at EU level, and given the range of relevant issues addressed in the 2005 EWCS, the European Working Conditions Observatory (EWCO) asked its network of national correspondents to respond to five broad sets of questions concerning the following dimensions:

- importance of quality in work and employment;
- career and employment security;
- health and well-being;
- skills development;
- reconciliation of working and non-working life.

Under each broad heading, a number of questions were posed, from which the correspondents could choose to respond. General views and information were sought, exploiting qualitative material and the opinions and positions of interested parties, notably policymakers and the social partners.
Importance of quality of work and employment

- Is the overall issue of quality in work and employment (or any analogous concept) seen to be important by politicians, trade unions, employers, press, and other interest groups? Is the issue growing in importance?
- Is there concern about a possible conflict between job creation and the pursuit of quality in work, or are the two aspects seen to be complementary?
- Is the national debate being influenced by policy discussions and developments at EU level?
- Are any particular aspects of job quality seen as especially important?
- Have any major initiatives been taken by any of the interested parties, either separately or together, with respect to quality in work and employment?

Overall, the national correspondents’ replies suggest that, whatever the objective realities in the different countries, quality of work attracts much more concern and attention in countries with high levels of employment and living standards, and is accorded lower priority in countries where unemployment is high and living standards are low. The latter situation applies in a number of the new Member States (NMS). In countries with high levels of unemployment, the primary focus is rather on the quantity or volume of employment. In effect, various groups of countries emerge, which may be described under the following headings.

Countries with experience of quality of work issues

In the case of Denmark, quality of work has been seen as an integral part of the assessment of employment, around the concept of ‘well-being’ (trivsel) as well as the Swedish concept of ‘the good job’ (det gode arbejde). The latter aspiration has developed in recent years towards the notion of a sustainable workplace, supported by the Swedish Working Environment Authority (Arbetsmiljöverket, AV) initiative in 2005 on ‘better work’ (bedre arbejde).

Specific issues – namely, job control, meaningfulness of the work, predictability, social support, rewards and demands – are now centre stage, many of which seem to relate to modern concerns about stress. In Belgium, where policymakers tend to look with some pride on their achievements in promoting the debate at EU level, the emphasis is reported to be on the qualities of a job, rather than more general concerns about the labour market. In the Belgian correspondent’s words, the focus is on ‘the intrinsic and extrinsic qualities of somebody’s job, and is not related to the performance of the labour market’.

In fact, Denmark and Belgium provide contrasting models in terms of their approach to labour market flexibility, with higher levels of job protection in Belgium compared with the Danish ‘flexicurity’ approach, which combines job flexibility with security. Interestingly though, the outcomes in terms of income per head of population – which is the best single indicator of the quality of living conditions – are not very different, with Belgium’s higher hourly productivity rates largely, if not totally, offsetting the Danish advantage in terms of higher employment rates.

Meanwhile, the debate in Sweden and Finland goes back to the quality of work movement in the 1970s. The relative sophistication of the workplace environment in these countries means that the debate currently addresses concerns such as meaningful work and modern health problems, as much as it does issues of job security, pay or working hours.

In Germany, the national correspondent reports that the quality of work concept is broad, particularly following the 2001 New Quality of Work Initiative (INQA). However, there seems to be a greater emphasis on labour market issues – such as lifelong learning, quality of clerical jobs,
or healthy work in old age – than on psychosocial concerns, although these are taken into account in specific actions, for example, to address ‘traumatic events at work’.

Quality – especially in terms of skills in the face of ongoing efforts towards competitiveness – remains a strong German concern. Nevertheless, the difficulties of achieving high enough rates of employment since re-unification of the country, especially in east Germany, have served to maintain a balance between concerns about the quality and the quantity of employment.

Countries where the issue is still new

The clearest cases are the UK and Ireland, and the richer, Mediterranean NMS of Cyprus and Malta, but also including France, Latvia and Slovakia.

The UK and Ireland have a somewhat different past, with the UK having experienced high living standards for some time, but with incomes at or below the average coming under pressure as a result of labour market deregulation and the decline of the once powerful sector-level trade unions. This contrasts with Ireland, which historically had a significantly lower living standard than the UK and a very limited industrial base until much, although not all, of the economy finally prospered in the 1990s.

Both cases have, however, brought concerns to the surface, as politicians, social partners and the general public have struggled to establish a balance between the US model and the more sympathetic, if often seen as overly soft, European approaches to work and life. In the UK, the correspondent reports considerable analysis and debate about job quality issues. Nevertheless, while legal actions have been taken to address social issues related to the labour market – such as harassment, racial discrimination, gender equality and minimum wages – the research suggests that this has done little to tackle the problem of relatively poorly paid, poor quality jobs.

The fact that concern about quality of work appears to be higher in Latvia and Slovakia than in other Baltic or eastern European Member States may be a question of perception rather than reality. Nonetheless, it should be recognised that these countries can have very different views, even when their objective economic situations might suggest that they would be more likely to emphasise more jobs rather than better jobs.

France is in an ambiguous position in relation to quality of employment. Its caring traditions and concerns are enshrined and protected through legislation, and its vocal, if formally weak, trade unions are always ready to speak out. At the same time, under pressure of liberalisation and deregulation in the face of a stubbornly high unemployment rate, increased importance has been accorded to job creation. In this respect, the French correspondent argues that ‘the issues of quality in work and employment are in fact, if not always in the debates, closely related to the issues of unemployment’. The national contribution points to the many policy initiatives taken in order to create additional job opportunities at the lower end of the labour market without reducing job quality, but which have been judged to have delivered ‘poor results’.

For many years, Spain had low employment rates. Recently, however, its economic performance has developed strongly, increasing its employment levels substantially. Much of this initial economic growth was achieved alongside a partial deregulation of the labour market – creating a two-tier structure with two thirds of the workforce holding permanent jobs and one third holding temporary jobs, thereby raising social concerns and criticisms.

As a result, the Spanish correspondent reports a significant shift in emphasis, noting that ‘public authorities and social agents are nowadays paying increasing attention to the issue of the “quality” of the existing employment’. In this context, the focus is on reducing non-desired temporary work, to which end the main social partners and the government signed an agreement in May 2006 (ES0605019I). This agreement has a strong and explicit ‘quality of work’
orientation, and is intended to ‘support the permanent hiring of people’ and ‘encourage the conversion of existing fixed-term contracts into permanent contracts’.

**Countries where there is very limited debate on the issue**

Elsewhere in the EU, the debate on quality can find it difficult to attract an audience – including in Portugal, Italy, Greece and, perhaps surprisingly, Austria.

Portugal had long relied on a high level of low productivity employment to provide its modest levels of income, and still does to some extent, thereby limiting the development of the debate on issues of quality. However, the National Action Plan for Employment 2005–2008 associates ‘the creation of more and better jobs and higher social cohesion simultaneously with the productivity and competitiveness dynamisation of the economy’.

The Italian situation is more complex, not least because economic and income performance is very different in the northern and southern regions of the country. Nevertheless, according to the national correspondent, quality has never been a major issue, although attempts to reform the more rigid labour market arrangements – whether put in place through legislation or collective agreements – have been a source of conflict since 2001. In that year, the government economic advisor Marco Biagi was involved in drafting a White Paper which proposed much greater flexibility in the Italian labour market ([IT0110104F](#)). The subsequent and controversial Biagi Law of 2003 was named after the professor of labour law, who had been assassinated in 2002 ([IT0203108N](#)).

The Austrian situation seems puzzling, particularly for those who would tend to group it with the German model, despite extensive differences between them. The fact that quality rarely appears on the public agenda is seen to be the result of the rather tough political fights over the past decade concerning competitiveness and regulation, which have eroded the country’s reputation for maintaining particularly high standards.

As regards many of the NMS, it is perhaps not surprising that quality has not been at the top of the agenda given the long decline in employment levels until very recently, as the economies and societies adjusted from controlled to market-based systems. In these circumstances, quality was clearly not an issue that could compete with, for example, restructuring or privatisation. However, employment levels have now started to increase in the NMS. Moreover, when employment is measured in terms of full-time equivalents (FTEs), that is, adjusted to take account of the volume of part-time work, the gap between the EU15 and NMS is much smaller than when measured without this adjustment – see Box 2 and Figure 1.

**Box 2 – Meeting the Lisbon quantitative employment targets**

In terms of achieving the original Lisbon target of a 70% overall employment rate by 2010 for the EU as a whole, the enlargement from the EU15 to EU25 and the further enlargement to the EU27 is sometimes presented as reducing further the EU’s slim chances of success. However, the notion that enlargement has made this goal more difficult to achieve is misleading. The Lisbon targets are set in terms of numbers of people in employment, and take no account of the proportion of those jobs that involve part-time or full-time work.

This counts against the NMS since a much lower proportion of workers, notably women, in those countries work part time. Such work accounts for only 8% of total employment, compared with more than twice that amount in the EU25 as a whole. In fact, it can be argued that full-time equivalent (FTE) employment rates, which take account of the proportion of part-time workers, provide a more accurate comparison of the employment achievements or performance of the different Member States, since it is a better measure of the volume of employment created.
On this basis, the difference between the employment rates in the NMS and EU25 is much smaller. In 2005, the FTE employment rate in the NMS was only lower by 2.1 percentage points than the EU25 rate – at 55.3%, compared with 57.4% – whereas the gap in unadjusted employment rates was much larger, at 6.9 percentage points (56.9% compared with 63.8%).

In fact, six of the NMS – Cyprus, the Czech Republic, Estonia, Latvia, Lithuania and Slovenia – have total FTE employment rates (including men and women) above the EU25 average, and the unadjusted employment rate figures for women show that Estonia and Slovenia already meet the specific Lisbon target of 60% for women.

Figure 1: Employment rates of population aged 15–64 years, 2005 (%)

Employment rates of population aged 15–64 years, 2005 (%)

Source: Eurostat, LFS 2005, 2nd quarter

At the same time, some elements from past regimes have persisted – notably greater gender equality in relation to labour market access; thus, the employment rates of women in the NMS are higher than the EU25 average, with the exception of Malta and Poland. Furthermore, as will be seen later in relation to specific quality concerns, a tradition of efficient data collection serves to provide relatively objective information to facilitate the planning of policy initiatives in relation to quality.

Moreover, the impact of new EU guidelines in the context of the open method of coordination (OMC) policy convergence systems is having an impact, not least in those countries which started with a mainly clean sheet in terms of policy. Regardless of whether they are well adapted to specific national circumstances, it is certainly a rapid way of moving towards EU standards. Between the NMS, however, significant differences persist, reflecting prior legal and other arrangements or concerns and, in particular, the presence or absence of appropriate institutional
structures – for example, in relation to health and safety, vocational training or the resolution of labour disputes.

Overall though, it is difficult to get away from the simple generalisation that the primary concern regarding employment – for individuals as much as policymakers – tends to be firstly on the volume or quantity of jobs, and only secondly on their quality, as income levels and aspirations increase, and as employment levels rise and unemployment levels fall. Whether there is a transition within quality concerns themselves – from basic issues like pay, security and safety to more esoteric concerns about job satisfaction and well-being – is a question that will be addressed later.

There seems to be more pressure from a general political level, and more interest from an academic perspective, than real action on the ground. Nevertheless, it is clear that the issues surrounding job quality are moving up the agenda, and that the preparation of national employment action plans and the associated work surrounding the European employment strategy is bringing increased attention to these issues.

The place of the social partners in these discussions and actions is less certain across the Member States, partly because not all governments treat them as partners in addressing these concerns. Another reason for this uncertainty in the position of the social partners is that employers and trade unions can at times be more focused on quantitative battles – over pay and jobs – than on issues of job quality, even when it is clearly closely related to productivity, as many of the national correspondents have noted.

**Career and employment security**

The pursuit of increased labour market flexibility, while maintaining security for workers affected by change, has led to the promotion of the concept of ‘flexicurity’ at EU level. Such interest reflects the apparent success of these mutually reinforcing labour market and social policies, notably in some Nordic countries. The national correspondents were asked to consider the following questions.

- Has the concept of ‘flexicurity’ entered the national debate on employment and social policies between politicians, trade unions, employers, media and other interest groups?
- In your national context, is it likely to be helpful in promoting a new consensus regarding positive labour market and social policy reforms, or is there a risk of it becoming more of a verbal compromise between different interests?
- In such discussions, is the nature of the employment contract – notably between permanent full-time job contracts and those that are not – a central issue?
- Are there other concerns in such debates – such as appropriate levels of unemployment compensation, or the need to link flexibility and security with increased investment in human resources in order to cope with structural change?

Flexicurity summarises the basic notion that guarantees of employment in a specific job are replaced by guarantees of ideally continuing employment, albeit in another job and possibly another place, with some continuing levels of social income support. This policy is seen as a way of addressing positively what employers often regard to be costly inflexibility in a period of rapid economic change. It encourages workers to not only adapt, but also to improve their position in life through a move to higher quality jobs.

The concept seems to work well in the right institutional circumstances – where governments have efficient and well-directed training and education facilities, where social support systems are
both generous and carefully monitored, and where high levels of social trust prevail. The issue is really whether all these conditions are met in all Member States, and the consequences where governments introduce such measures but fail to ensure the practical administrative support or the kind of financial ‘tough love’ that seems necessary to ensure that work rather than welfare becomes the more attractive option.

Member States fall into four main groups in these respects:

- countries where these notions, and the institutional framework, are already well established – basically the Nordic countries, notably Denmark, and also the Netherlands;
- countries where inflexibility remains in both the labour market and social security systems. In some of these countries, such as Italy and Greece, the government and social partners are engaged in heated discussion on the issue, and it is not yet clear how and where a breakthrough will come;
- countries like Germany, where there is pressure for greater flexibility and where the concept of flexicurity provides some resistance to that push, encouraging governments to provide or maintain existing levels of support, and not just to promote deregulation;
- countries, such as the UK, which support the approach in principle but hold back from embracing arrangements that tend to draw the government into tripartite negotiations on issues that they would prefer to see dealt with by the social partners alone.

Overall, flexicurity involves a lot of partnership and social cohesion, as well as effective administrative resources. Countries without those characteristics will probably struggle to deliver to anything like the standards that Denmark displays – demonstrating the difficulty in transferring ideas across different national traditions. However, elements are being put in place in many Member States, including in the NMS under the strong influence of national reform programmes. It seems likely though that these will develop rather slowly and perhaps in a relatively haphazard way (although mainly in the same direction) rather than as part of any super-plan to transform economic and social systems in one big leap.

For example, the Czech correspondent writes that ‘the European Commissioner for Employment, Social Affairs and Equal Opportunities, Vladimír Špidla, holds up the Danish flexicurity model as an example for European countries but no one on the Czech political scene pays much attention to the issue’. Likewise, the Hungarian correspondent reports that the concept has entered the debate but that ‘its influence in practice has not yet been felt’.

In Slovenia, on the other hand, the concept first appeared in the Slovenian Development Strategy (1.6Mb PDF) in 2005, although the national correspondent reports that ‘from the government and employer sides, the emphasis is on flexibility rather than social security, while the trade unions and several experts point to the need for balance’.

Overall, it is clear that major changes are taking place across the national labour markets of the EU, as demonstrated by the work undertaken through national reform programmes in implementing the European employment strategy. These changes encompass a range of developments, not least in terms of the nature of many jobs, with an increase in part-time work, more flexible patterns of working time and the spread of temporary and fixed-term employment contracts. Less clear is the extent to which governments are really able to influence developments in the way that they would like, and how far change still depends essentially on the degree of positive cooperation that exists, or can be encouraged, between the social partners.

With regard to quality concerns, support for flexicurity provides the right kind of signal – that governments want to support change and in a positive way. However, the challenges for
governments are considerable in integrating labour market and social protection systems in order to deliver the new kind of support, and it is not yet certain how long this is likely to take.

**Health and well-being**

Manual work continues to be the major source of traditional health and safety concerns in the workplace, despite declining employment in manufacturing and agricultural sectors. At the same time, the progressive move towards increased employment in services – where work is generally less physical – has been accompanied by the emergence of new kinds of health concerns, from stress to increasing forms of musculoskeletal disorders (MSD). The national correspondents were asked to consider the following questions.

- To what extent is there public awareness of this evolving agenda? How far are employers and trade unions – together or separately – addressing these new issues?
- How far is the health of older workers seen to be an issue in relation to the debate about increasing the effective retirement age?
- How important are workplace relations for well-being? Is the main focus on violence, harassment or abuse, or are there other, more general, concerns?
- To what extent is there recognition that men and women may often suffer from somewhat different work-related health problems?

Physical working conditions, especially potentially dangerous ones, have always been seen as important in assessing the quality of jobs, and improvements in health and safety provision were an early area for EU social policy harmonisation. This focus continues to have beneficial results, with a 17% reduction in fatal accidents over the period 2000–2004. Moreover, the rate of workplace accidents leading to absences of more than three days has declined by 20%, as indicated in the European Commission’s [Community Strategy 2007–2012 on health and safety at work](https://ec.europa.eu/health/doc-library/health_and_safety_at_work/community_strategy-2007-2012_en.pdf) (71Kb PDF).

However, progress appears to have been mixed in recent years in relation to new kinds of health hazards at work, relating both to the changing nature of jobs – with the emphasis on MSD and similar concerns – and the changing context of work generally. This context now includes more complex and potentially stressful relations with others, and a general increase in work intensity. In some countries, slowness to address these emerging issues is perhaps understandable, notably in many NMS, where the priority is still to implement the Community [acquis](https://europa.eu/legislation_summaries/legislation/justice_and_home-affairs/20150101-see-en_20150101-en-toc.pdf) (body of law) and to address traditional health and safety concerns. More worrying is the situation in some of the older Member States, notably the Mediterranean countries, which appear to be the main laggards in this regard.

Germany pioneered traditional health and safety initiatives in the original [European Coal and Steel Community](https://en.wikipedia.org/wiki/European_Coal_and_Steel_Community) of six Member States, which gradually evolved into the EU, and has developed a variety of actions relating to new challenges in health and safety, notably since the launch of the INQA in 2001. These initiatives include a variety of programmes on such issues as ‘overcoming traumatic events at work’, bullying or mobbing (in German), psychological stress (in German), and ‘body, soul and work (in German)’. The latter programme evaluates the effect of the work experience on a person’s overall health and well-being.

The social partners in Germany recognise the importance of tackling these issues, for economic as well as social reasons, and works councils are seen as having an important role to play. However, the national correspondent reports that divergent views have emerged with regard to delivery, with employers resisting any extension of regulations, while trade unions argue that increasing mental stress is preventing today’s work from being ‘human and good’.

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The focus on modern health and working conditions issues is well established in Finland, where numerous programmes have been developed to manage psychosocial aspects of work, as well as other new challenges. Despite an early start, however, many problems are perceived as having deteriorated over the last 20 years as a result of increased time pressures, greater job insecurity, and the difficulties resulting from more complex work relationships with the shift to non-manual work.

In the Netherlands, while traditional health at work issues are still seen as significant, the government and social partners have succeeded in putting psychosocial risks on the agenda of many companies through a system of covenants [NL0602NU02, NL0512NU01]. This action has been backed by other initiatives to strengthen occupational safety and the adoption of a new working conditions law in January 2007, which includes concrete targets.

Belgium is likewise well advanced, having adopted a law on ‘Well-being at work’ back in 1996, which broadened the responsibilities of employers across the range of health and safety risks, including psychosocial risks. In 1999, the social partners concluded an inter-sectoral agreement on the management and prevention of work-related stress, which has been positively evaluated by the country’s National Labour Council [Conseil National du Travail/Nationale Arbeidsraad, CNT/NAR].

In Austria, the social partners are reported as being more proactive than the government in addressing the problem of increasing levels of stress in working life, as underlined by the growth of sick leave, accidents at work and retirement for psychological reasons.

In the UK, the social partners have drawn up an agreement concerning the presence of new kinds of health and safety issues, but the national correspondent reports that they are not necessarily being addressed to the same extent. MSD are now the most common occupational illness in Britain, affecting one million people a year, and particularly those aged over 55 years. Work-related stress is reported to account for almost a third of all new incidences of ill health, and a 2004 survey found that nearly 50% of employees felt that they had suffered ill health as a result of stress at work.

In France, new health and safety concerns are recognised, although the correspondent reports that traditional physical health concerns are not considered to have diminished. The nature of the new concerns is reflected in the growing number of MSD cases – up from 5,000 cases to 25,000 between 1991 and 2001.

Such levels of awareness and action are not as prevalent in the southern regions of the EU, where the Mediterranean Member States appear to have made slower progress. The Italian correspondent reports that little attention is being paid to new health concerns, despite trade union complaints and criticisms regarding the lack of risk preventive policies. In Spain, more attention is now being given to risk prevention following legislation in 1995 and 2003, but the focus remains on the persistently high rates of traditional accidents and concerns about occupational diseases, as is also found in neighbouring Portugal.

Among the NMS, the Czech Republic appears to be particularly active, with a government-initiated programme addressing a variety of new work-related health problems, including those arising from labour market ‘mismatches’. The latter constitute situations where people have difficulty coping with work unsuited to their skills, leading to a mixture of ‘overworking’ and ‘under-working’. Stress at work is such that a number of agencies offer training focused on stress reduction. However, it is reported that the social partners appear to be unaware of the 2004 European social partner framework agreement on work-related stress [78Kb PDF] (EU0410206F).
In Slovenia, the application of legislation is reported as strict, but with most attention still being directed towards manual work and the manufacturing sector, and much less attention to new challenges in the services sector. Indeed, the lack of adequate social insurance cover, as well as weaknesses in the recording of accidents and occupational illnesses, are still a priority concern in several of the NMS, including the Baltic states. This tends to limit the attention paid to newer types of problems, such as fatigue, stress and MSD, although these are now beginning to be recognised.

Across the larger NMS, the situation appears to be varied, with progress seemingly dependent, in part at least, on the dynamism of the responsible public agencies. In Hungary, for example, it is reported that the public is unaware of new types of work-related risks, that risk prevention is almost equally unknown and that there is little or no research on the issues. In Poland, the public is said to be more informed, but this has not helped to put the issues on the political agenda, although this may change with the national Central Institute for Labour Protection (Centralny Instytut Ochrony Pracy-Państwowy Instytut Badawczy, CIOB-PIB) becoming involved in monitoring developments, and supporting initiatives and European programmes.

In Slovakia, public awareness of health and safety is still focused on manual work, although work intensity is seen as an issue. In Bulgaria, manual work and the poor physical factors of the work environment are the main sources of health problems, although the trade unions also raise the issue of stress. Likewise, stress at work is noted in Romania, linked in part to the fear of losing one’s job and the uncertainties generated by the economic transition.

Active ageing

Extending the effective working life is seen as a key factor in increasing EU employment levels and ensuring the long-term viability of pension schemes, but only limited attention has been given to practical issues raised by the desire to promote ‘active ageing’. Differences in national perspective could not be more marked than between the two Mediterranean island Member States. In the case of Malta, the government has started promoting the idea of active ageing (although with some cautions about its application to manual work) while, in Cyprus, older workers are ‘not regarded as a special group in need of special treatment’.

As part of the debate on the reform of social protection schemes, several Member States include the notion of differentiating between workers’ rights to receive a pension at a certain age on the basis of the quality of their previous employment. In France, following the 2003 pension reform, it is possible to seek derogations regarding the official retirement age for workers in onerous occupations, although social partner negotiations on this issue are reported as ‘proceeding only slowly’.

This approach takes an even more precise form in Greece where workers in ‘arduous and unhealthy’ occupations have access to improved or earlier pensions. A committee of experts is currently reviewing the designation of occupations in these respects, partly in the light of new health concerns. In Portugal, the issues are starting to be addressed, with some general references to the health of older workers in the current national reform programme, including provisions for promoting the employability of older workers, and even for developing specific employment programmes for unemployed workers aged 55 years and over.

Likewise, in Italy an amendment to the 2007 budget includes the possibility of introducing part-time retirement for workers aged over 55 years, linked to the recruitment of younger workers. This follows a similar practice in Spain, where Law 32/2002 established systems of gradual and flexible retirement and relief contracts, a type of contract in which young people gradually replace workers who are retiring.
In Austria, the health of older workers does not seem to be an important element in the debate on the effective retirement age, and no government programmes exist in this respect. On the other hand, the social partners have started an initiative called ‘Age and work’ although it is judged to be too early to assess its real effects. Government action in this area is stronger in Germany where, for the past six years, the Ministry of Labour and Social Affairs (Bundesministerium für Arbeit und Soziales, BMAS) has been funding projects designed to maintain the health and employability of employees aged 55 years and over, including substantial grants of up to 70% of the costs. In Belgium, the federal government has also set up an experimental fund designed to give advice and financial support to projects that seek to improve the working conditions of older workers.

In Finland, the health of older workers has been a focus of measures since the beginning of the 1990s; it was among the first countries to have special programmes aimed at postponing the effective retirement age through new ways of organising work – called ‘age management’ – together with different rehabilitation methods, alongside the development of new pension legislation. Likewise, in Denmark, the retirement age has been increased from 65 to 67 years in line with the increase in life expectancy, but with a ‘prevention fund’ in place to avoid negative work-related health outcomes.

In the UK, health problems relating to an ageing workforce are specifically addressed in a recent Health and Safety Executive (HSE) document, which argues for more flexible work patterns and for jobs to be redesigned in order to adapt them to the needs of older workers. The government has also sought to tackle a range of employer prejudices against older workers with a report commissioned by the Department for Work and Pensions, but the national correspondent finds little evidence that employers are acting upon it. This is despite the fact that the Employment Equality (Age) Regulations 2006 came into force on 1 October 2006 (UK06120391).

Employment rates of older workers – measured as those aged 55–64 years – have increased significantly across the EU in recent years, from an average of 36.8% in 2000 to 42.2% in 2005 (Figure 2). Although the rates are lower in the NMS, currently at a 34% average, they too have risen over the same period. This is a positive sign, but it is difficult to avoid the conclusion that most Member States have much more to do in facilitating this process and in ensuring that older workers are given the support they need in order to contribute as fully as expected.

**Figure 2:** Employment rates of population aged 55–64 years, 2000 and 2005 (%)
In general, attitudes to new health problems are changing, but relatively slowly. Back pain, eye strain from excessive time spent facing a screen, or even sickness as a consequence of over-work or bullying can sound like excuses in comparison to the life-threatening risks of working down a mine or in construction. Nonetheless, these new problems are extremely debilitating and affect far more people, especially in the richer, more developed economies.

‘Active ageing’ seems unlikely to develop as fully as it might in terms of the quality of those jobs to be performed, and in terms of the work environment more generally, unless more serious efforts are made to adapt work patterns and workplace conditions to the circumstances, capacities and needs of workers as they age. In this regard, the US may not be a good social model in that many older workers are effectively obliged to work well beyond normal European retirement ages through lack of pensions or health cover. On the other hand, employers in the US seem more willing and able to employ older workers, and to adapt working time and other arrangements to suit.

Skills development

With global economic integration, the EU’s comparative economic advantage is shifting towards sectors and activities that use more non-manual skills, not only in performing intellectual or creative tasks, but also in handling inter-personal relations and contacts. The national correspondents were asked to consider the following questions.

- Has the need for lifelong learning in order to cope with continuous structural change been accepted by the government, social partners and the public at large?
• Has the fact that demand for manual skills is falling, and demand for non-manual skills rising, been reflected in the type of support provided by the educational and training systems in your country?

• To what extent have specific actions been developed to help those most at risk of being left behind, notably workers in areas dominated by traditional industries and agriculture?

• To what extent are employers, trade unions and government working together – at policy or company level – to address these or related concerns, such as the better integration of young workers or the retention of older workers?

Lifelong learning has become a policy concern for rich and poor Member States alike, reflecting EU-wide recognition – by governments, social partners and the public at large – of the fundamental importance of education and training. Ongoing learning and skills development among the workforce enables countries to cope with changing demands, globalisation of production and international competitiveness, as well as to develop quality employment.

In this respect, virtually all governments have undertaken major reforms in relation to education and vocational training in recent years; indeed, some seem to have been in a state of permanent transition for a considerable time. Nevertheless, the impression remains that most are uneasy about the effectiveness of their national systems, and that their doubts and concerns are shared by the social partners and by those who undergo education and training courses.

It is generally accepted that individual Member States should aim to meet their national skill needs primarily, if not entirely, through their own education and training systems. However, this model is beginning to break down, with the UK and the Netherlands seemingly prepared, or perhaps obliged, to draw on non-national labour to fill skills shortages rather than relying on meeting their needs only through national provisions. This may be welcomed by those who would like to see labour becoming as mobile across the EU as other factors of production, but it is the exception to the rule, and national education and training practices remain highly differentiated. This is despite the fact that the needs of the Member State economies would seem to have converged considerably in line with EU economic integration.

If national education systems still reflect national traditions and institutional arrangements, training arrangements might be expected to be more influenced by the realities of everyday economic life. Unfortunately, this is not always the case, in part because of a conventional wisdom put in place more than 30 years ago by economist and Nobel Prize winner Gary Becker. Dr Becker distinguished between specific training, which employers could be expected to pay for since its usefulness was limited to them, and general training, which employees should be expected to pay for, since it gave them knowledge and skills that could be transferred to jobs with other employers.

This conceptual distinction has appealed to free market enthusiasts ever since, who see it as a way of reducing the role of government in economic life. However, it has also served to limit the scale of training investment in many Member States, and the ideas have even begun to undermine support for traditional vocational training arrangements in Germany, where training had always been seen as being in the common interest of employers, employees and the economy as a whole, and therefore worthy of their collective support.

The questions of who pays the costs and who draws the benefits from training tend to diverge from the conceptions of Dr Becker, as shown convincingly for example in work by University of Oxford economics lecturer Margaret Stevens (‘Transferable training and poaching externalities’, in Booth, A. and Snower, D. (eds), Acquiring skills: Market failures, their symptoms and policy responses, Cambridge University Press, 1996). In reality, most training appears to be a mixture of specific and general elements. Hence, employers or employees will both hold back if left to their
own devices because they risk paying for something from which the other party will benefit. This represents a classic ‘market failure’ situation, resulting in widespread under-investment in training.

The solution has to be a cooperative one, with training costs broadly funded, rather than drawn from a narrow basis. Unfortunately, the increasing tendency to judge public expenditure programmes in terms of narrow and easily measurable benefits tends to undervalue investments with a broad pay-off, compared with those with a more focused one. To their advantage in this regard, the Nordic countries take a more holistic, culturally bounded view of education, in which training is designed to help support the quality of working and living conditions of their populations as a whole. The mechanics of this policy may not be easily transferable, but the spirit and concept should be.

Ireland is one of the countries which seem to have grasped this concept intuitively or explicitly; here, the benefits of education are both apparent and appreciated. This may also be true in some if not all of the NMS, although the tendency to adopt standard EU practices in order to ensure untroubled access to EU funding may push policies in directions that are not necessarily optimal, given the specific needs and circumstances of the countries concerned.

Partnership and adequate finance, while key ingredients, are not always enough, as seen in Spain and Portugal where lifelong learning is slow to develop, despite being built on the basis of social partner cooperation. In Spain, the correspondent highlights that the participation rates of those aged 25–64 years in any kind of training is significantly below the EU25 average, at 25% compared with 42%, according to relevant Eurostat data. This poor result is despite a longstanding tradition of cooperation between the social partners on the subject, dating back to the early 1990s; in fact, the proportion is now much better than a decade earlier. Partly in response to the slow progress, the government plans to double adult participation in education and training by 2010.

In Italy, the responsibility for training is delegated to the regional level, but supported by a 0.3% levy on the gross wage bill, following agreements dating back to a social pact in 1993 and strengthened in 2004. However the national training agency (Istituto per la Formazione dei Lavoratori, Isfol) reports disappointing results, with the assessment that ‘there is no effective lifelong learning system able to respond to workers demands’, with a big gap between the formal training provided by the system and the practical needs of employers.

In Germany, the government strategy for lifelong learning covers good practice as well as public programmes. At the same time, the social partners comment extensively on the quality of both education and vocational training systems, with the Confederation of German Trade Unions (Deutscher Gewerkschaftsbund, DGB) pressing for education spending to increase to 6% of gross domestic product (GDP). However, the national correspondent gives a mixed picture as regards results, reporting that ‘the participation rate of persons in such training schemes declined between 1997 and 2003’.

France also has a longstanding commitment to joint support for training, dating back over 35 years. This is backed by obligatory training expenditure that varies according to company size. Furthermore, a major social partner agreement on lifelong learning was concluded in 2003 (FR0311103F), followed by sectoral agreements, with financial conditions built into these arrangements. However, the correspondent reports that the success rate so far is less certain. Meanwhile, Belgium has – in line with overall social partner arrangements – a highly structured framework of bipartite sector-level agreements to support lifelong learning with funds, although the trade unions criticise what they see as a lack of employer support in many cases.
One particular development is clear in the NMS, namely the sharp decline in the demand for and supply of traditional mid-range vocational education. This is partly because of reduced need since many of these arrangements focused on the requirements of the manufacturing sector, which is generally in decline. However, it is also because more general higher education opens up a wider range of career opportunities for students, and may even be less challenging than some traditional apprenticeships, with their ‘difficult’ subjects such as mathematics or physics. In terms of the new content of education, there is a strong demand in the NMS for skills that enhance employability in service-dominated economies, such as languages, information technology (IT) and communication skills; this tendency is present in most other Member States too.

At the same time though, training systems in the NMS still have to address the needs of those who are unemployed and those at risk. In Slovenia, this is done in cooperation with regional development agencies. Estonia launched a lifelong learning strategy in 2005, based on work started in 2001. Meanwhile, the Hungarian correspondent reports that lifelong learning has been ‘a well-known notion in public discourse for several years’ following the tendency of global integration for the economy. In Romania, support is being given to redundant employees and farmers, among others. Bulgaria has designed special programmes for sectors and groups. In Poland, action in declining industries focuses on unemployed people, while in Cyprus the focus is on restoring a labour market balance between urban and rural areas.

Social partner involvement in this field takes a number of different forms, including the development of lifelong learning and vocational training under tripartite arrangements, or bilateral deals between the social partners, often in the context of collective agreements. Separate activities by government, employers and trade unions are also common. In many cases, examples of all of these approaches may take place within the same country.

Hungary reports that both employers and employees promote good practice. In some respects, the poorer NMS – notably Romania and Bulgaria – face the biggest challenge, with the national correspondent reporting a rapid decline in traditional apprenticeship schemes in Romania. In fact, a shortage of qualified manual labour is reported in Lithuania, leading to new initiatives involving the social partners.

Despite this panoply of programmes, projects, systems and general activity, the national contributions suggest that the incentives for the development, and especially self-development, of workforce capacity are still not ideal. Whether the current emphasis on making education more functional and labour-market compatible is entirely healthy for society, as well as the economy, is also debatable. It may be necessary in circumstances and countries where literacy is a problem and education structures are weak. However, the contribution of education to the quality of working life, as well as life outside work, may call for a broader approach.

In this respect, only the Finnish correspondent specifically mentions a desire for personal self-development as a driving factor behind higher education, as opposed to the need to acquire skills in order to improve employability and labour market opportunities. This raises the argument often made by supporters of adult education, namely, that there is a considerable demand for educational activities of all kinds, and that a rigid demarcation should not be drawn between activities that are justified in narrow vocational terms and those that are defined as leisure.

Indeed, it is not unknown for progressive companies in richer economies to send middle managers, especially sales personnel, on courses in arts, music and culture generally, so that they would have a wider range of conversation topics with their potential customers than the functional properties of their latest product or service. If education and training are to produce a better quality of employment and working life, there could well be arguments for broadening approaches to lifelong learning, including training, in these directions. It might bring more imaginative approaches to work in general.
Reconciliation of working and non-working life

Maintaining a balance between working life and life outside of work is a growing challenge for individuals and particularly for those with families. The national correspondents were asked to consider the following questions.

- How far is this being achieved successfully in practice in your Member State?
- Insofar as new working time arrangements are being developed, are the initiatives coming from employers, or from joint initiatives with their employees and/or trade unions?
- To what extent is public policy playing a role? What sorts of actions or initiatives have there been? Do gender or parenting policies play a particular part? Do these include childcare arrangements?
- Long or unsocial working hours can be a particular cause for concern, whatever the intrinsic quality of the job or the pay being received. Likewise, reasonable proximity to one’s place of work will limit the amount of time lost in travel. How do these issues rank as concerns with the public and workforce?

Most of the correspondents focus on the more specific issue of family-friendly policies in addressing the reconciliation of working and non-working life. In that respect, Member States tend to fall into three main groups:

- countries where a gender-balanced work–life balance, particularly for families with children, is a clear objective and probably has been for some time;
- countries where work–life balance has become a serious issue, but where solutions are not necessarily keeping pace with the problems;
- countries where times are hard for both men and women due to low incomes and long working hours, and where women and children tend to suffer most and traditional gender divisions persist.

Countries with clear policies on work–life balance

As expected, the Nordic countries have an established track record of policy interventions in this area. Paternity leave for men was already available in Finland 25 years ago, with day-care rights established for children aged under 10 years for more than a decade. Nevertheless, problems remain: employers still fear the potential cost to them of their female employees having children, and much of the policy debate now focuses on the issue of ‘time budgeting’.

In Denmark, the situation is also well advanced although there is concern about childcare provisions, given that this is a prerequisite for dual earner couples (DK0611019I). The fact that the social partners negotiate working time arrangements has had a significant impact on developments. Tensions and pressures still remain; hence, the government has appointed a Family and Working Life Commission (Familie- og Arbejdslivskommissionen).

Countries where policy lags behind current demands

Countries in the second group include the UK, France, Belgium and – in terms of aspirations at least – Italy. In the UK, flexible working time is now a way of life, although trade unions report that it is much easier to work longer hours than shorter ones. The major concern is childcare, which is scarce, expensive and often of poor quality. Social pressures are strongly in support of better role sharing in the home, although many women would disagree as to whether it actually happens.
In France, some of the same concerns apply, notably over childcare, but the range of issues reported by the national correspondent appears to be somewhat broader and related in part to the consequences of the introduction of the 35-hour working week (FR9806113F), which has led to greater working time flexibility but also increased work intensity. At the same time, France can claim the highest average fertility rate in Europe, at 1.9 children per woman. Much the same pressures apply in Belgium, with dual income families experiencing great difficulties in finding an appropriate work–life balance. To that end, the government has initiated a series of measures to allow career breaks, reduce working hours under various conditions, extend parental leave, promote teleworking, as well as providing service vouchers and more childcare facilities.

In Germany, work–life balance issues have been addressed for some time with almost half of companies implementing family-friendly policies based on collective agreements or on the initiative of the companies themselves; good practice guides also exist (DE0511103F). Moreover, the government has taken several initiatives in the area of reconciling work and family life under the heading ‘Alliance for Families’ (Allianz für die Familie), and the German Presidency has proposed a European Alliance for Families. Legislative changes to allow full-time workers to shift to part-time hours have, in the view of the trade unions, helped to balance work and family life, although they have been heavily criticised by the Confederation of German Employers’ Associations (Bundesvereinigung der Deutschen Arbeitgeberverbände, BDA).

Austria, by contrast, reports a more confused policy regime, with over a third of companies offering some form of family-friendly working time but with a widespread lack of adequate childcare facilities. Overall, the country’s policy provisions – however well intended – can leave mothers with careers unable to pick up where they left off when they seek to return to the labour market. Meanwhile, Italy has been slow to move on these issues, with men apparently showing little interest in domestic tasks. Nevertheless, action is now underway to improve childcare facilities and to extend part-time working and parental leave opportunities, if only as an attempt to stem the precipitous decline in Italian birth rates.

Spanish concerns about work–life balance have likewise increased with the rapid growth in employment levels, especially among women. Positive legislation is in place, but there is still a need to reconcile the approach of employers – who are reported as seeing the issues in terms of individual choice – and trade unions, which see the issues in much broader, societal terms. Some larger companies promote positive measures, and women are making their views heard and felt. Portugal has a different history, having traditionally had high employment rates for men and women alike, with long working hours. The government appears to be intent on reform, through guidelines, social dialogue, awards for good practice and the like. The ‘Equality is Quality’ Prize is awarded to businesses and employers which pursue exemplary policies regarding equality between men and women, particularly in terms of reconciling work and family life. Reform is also planned in relation to school timetables and childcare services due to concerns that children often stay at home alone or accompany mothers to their workplace – an unsatisfactory situation in a country that has been a member of the EU since 1986.

Countries with serious social and economic problems

The rest of the Member States, including most of the NMS from eastern Europe, fall somewhere in the third group. In the case of eastern Europe, the difficult and complex process of adjustment to a market economy has seen the decline of the pre-reform model of high female labour market participation supported by extensive childcare facilities. However, the national correspondents report that these social systems are now being at least partially rebuilt, as employment levels have begun to recover. Part of the difficulty is trying to encourage employers to develop more flexible family-friendly policies in a context where full-time work and rather rigid working patterns are
still the norm, and where the pressures to become more competitive fall on employers and employees alike.

In this context, most governments are seeking to promote greater flexibility and to take actions such as facilitating parental leave and supporting childcare, but often without great enthusiasm from either employers or male-dominated trade unions. Nevertheless, some steps have been taken almost everywhere and certain Member States, such as the Czech Republic, seem to be making progress with more flexible working arrangements and parental leave, supported by childcare funded from municipal budgets. However, the contrast in scale compared with the communist regime is notable.

Notwithstanding a degree of progress, it appears to be an uphill struggle for those seeking to develop a new, more balanced way of living and working. They face apathy from both sides of industry, and the political debate is more influenced by concerns about low birth rates than the wider social picture. In Poland, for example, the social partners appear unwilling for the moment to actively embrace the notion of more flexible work organisation, although they aim to address a range of proposals for equality plans, family support services, more adaptive school timetables and the like – all of which will, in time, bring changing attitudes and behaviour.

The Member States where little seems to have changed in this context are, perhaps not surprisingly, Bulgaria and Romania, although both have, of course, adopted relevant EU legislation and guidelines.

Future challenges

Some conclusions seem to be clear across these different territories, and taking account of past histories and traditions. The balanced EU socioeconomic model is gaining momentum. It has progressed furthest in those countries most able to support its costs, but is advancing everywhere, for the simple reason that it meets real needs of real people, most of whom have a vote as well as a voice.

The legal and governmental mechanisms may at times be bureaucratic, even somewhat autocratic – which is unfortunate, but possibly necessary on occasion. Ideally, employers and employees, and their families, should see the collective benefits of moving towards a cooperative model at the workplace, in which interests are shared and mutually supported. This perspective would recognise that the future lies in modern work arrangements, happy workers and families, including happy children, who will hopefully grow to become positive and productive citizens in the future.

Conclusions

Quality of work is a concern everywhere in the EU, and the latest Presidency initiatives will undoubtedly highlight this agenda. The concept encompasses a variety of factors that affect individuals, their colleagues and customers, and those with whom they live. These dimensions interact and determine whether the aims that drive the EU, as set out in the Treaty establishing the European Community, are being fulfilled.

Realistic targets should be set towards this objective, acknowledging that the extent to which quality of work can be effectively pursued, let alone achieved, is inevitably constrained by particular economic circumstances. The EU of 27 Member States encompasses a number of relatively low income countries and regions.

Moreover, the ‘science’ of objective assessment should not be overstated in comparison to the ‘art’ of subjective feelings. Considerable progress has been made in assembling data and
developing indicators that can measure, or at least give insights into, quality of work factors. As the anonymous observer remarked: ‘without data, all you are is another person with an opinion’. Nonetheless, subjective views, feelings and experiences are real enough for those who hold them, and caution is advised in advocating policies on the basis of league tables alone or in encouraging people to emulate the working lives of those in other countries.

It is difficult to summarise the characteristics of a satisfactory working life. Nevertheless, indicators – alone or comparative – can reveal many things and can at least serve to raise questions and test judgements, if not always to provide the answers. Evidence suggests that, once the basics of life are assured in terms of safety, warmth and nutrition, the quality of working life focuses more on relations with the people with whom one works and the fulfilment that the work brings. Elements contributing to quality of work include a safe and friendly working environment, having job satisfaction and career prospects – including access to the means to pursue them – as well as the real possibility of matching outside work responsibilities and interests with the job in hand.

Europe inevitably has shortcomings in all of these respects, and in some countries and regions more than others. Sometimes, these shortcomings are due to economic disadvantage, which membership of the EU helps to address; sometimes, they are due to flawed or extreme ideologies, such as perpetuating a hierarchical concept of work, justifying a ‘winner takes all’ view, failing to help people to realise their potential or ignoring the need for collective support.

Despite these shortcomings or imbalances, the EU is ahead of most other regions of the world in addressing these issues overall, striking a largely successful balance between a hard-headed respect for the realities of international economic life, and a profound understanding of the underlying needs of human beings, as individuals and as members of a wider society. Happiness may be too elusive a concept around which to base an economic and social strategy, but dignity and respect must form part of the foundations.

Quality of work means many things, of which quite a few are measurable – as the work of the EWCO national correspondents and this report has hopefully shown. However, in the end, success will probably be judged against two criteria: the extent to which people are individually empowered and the extent to which they can relate to one another in a positive way. The challenge remains to capture all of that through statistical data.

Annex 1: Relevant findings from 2005 EWCS

Satisfaction with working conditions

In terms of the proportion of workers who are satisfied with working conditions, it is notable that the countries placed above the EU average of 82.3% are all from the EU15, apart from Cyprus and Malta, which are also in or very close to this category (Figure A1). At the same time, Spain ranks below the EU average, at 78.6%, and Greece has the second lowest rating of all the countries, at 59.9% – slightly higher than Romania (58.7%), but below Bulgaria (66.6%) and the Baltic states.

Overall, Denmark and the UK score highest, at 93.3% and 92.6% respectively, followed by Austria (89.6%), Belgium (89.5%), Germany (89.2%) and the Netherlands (89.1%).

Figure 3: Figure A1: Proportion of workers who are satisfied or very satisfied with their working conditions (%)
Workers who are satisfied or very satisfied with their working conditions (%)

Source: EWCS 2005

Working hours and family or social commitments

An average of 79.4% of workers in the EU are satisfied with the fit between their working hours and family or social commitments (Figure A2). However, the EU15 countries score higher than the NMS, with Austria and Denmark at around 88%; Belgium, Finland, France, Germany, Ireland, Luxembourg, the Netherlands, Portugal and the UK are all placed at between 80% and 85%.

As in the case of satisfaction with working conditions, Greece is again way out of line, with a 57.9% satisfaction level; the next lowest country is Latvia, at 66.9%. Apart from Greece, among the EU15, Italy and Spain score worst, with around 73% and 75% respectively – below not only Cyprus and Malta, but also the Czech Republic, Estonia, Lithuania and Slovakia.

Figure 4: Figure A2: Proportion of workers for whom working hours fit family or social commitments well or very well (%)

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Workers for whom working hours fit family or social commitments well or very well (%)

Source: EWCS 2005

**Job–skills match**

The proportion of workers who consider that the jobs they do match well with the skills they have appears to be very low, at an EU average of 52.2% (Figure A3). In this case, most of the NMS score somewhat above the EU average, with the Czech Republic and Bulgaria in the lead, at 65.8% and 63.5% respectively. France and Romania rank lowest in this regard, each at just 43%.

It is difficult to draw implications from this data, and caution should be exercised in looking for specific explanations for individual Member States. Overall, however, it suggests that labour market and workplace mismatches may be much more widespread than is commonly believed. Moreover, if the fit between jobs and skills is greater in the NMS, then their further economic development will not necessarily resolve particular labour market problems that they may currently be experiencing or anticipating unless skill levels are also raised.

**Figure 5:** Figure A3: Proportion of workers with a good job–skills match (%)
Workers with a good job–skills match (%)

Source: EWCS, 2005

Satisfaction with income

The extent to which workers consider that they are well paid for the work they do varies considerably around a low EU average of 43.2% (Figure A4). A total of eight of the nine countries that report 50% or more are from among the EU15, with Germany (58.4%), Luxembourg (57.8%), the Netherlands (57.9%) and Ireland (56.4%) in front, followed by Belgium (55%), Denmark (53.9%), the UK (53.5%) and Austria (50.6%).

The only NMS that appear above the EU average are Cyprus (55%) and Malta (44%). In general, the NMS report figures of little more than 30%, with a low of 18.3% in Hungary.

Figure 6: Figure A4: Proportion of workers who believe they are well paid for the work they do (%)
Workers who believe they are well paid for the work they do (%)

Source: EWCS 2005

Good job prospects

The extent to which workers consider that their jobs offer good prospects for career advancement is low, at little more than 30% on average (Figure A5). The countries that stand out – reporting figures of around 40% or more – are Malta (43.7%), the UK (42.4%), Ireland (41.9%), Luxembourg (40.4%) and Denmark (39.1%).

It may be that these responses reflect the general state of the economy as much as the specifics of work organisation – an explanation that could certainly be offered for Ireland and the UK. Once more, though, it is problematic to seek specific explanations without a greater depth of data at national level.

Figure 7:  Figure A5: Proportion of workers who believe that their job offers good career prospects (%)
Workers who believe that their job offers good career prospects (%)
Source: EWCS, 2005

Annex 2: Country codes

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