EUROPEAN INDUSTRIAL RELATIONS OBSERVATORY

eiro observer

UPDATE 6'98

In the last issue of *EIRObserver* before the launch of the euro single currency, it is appropriate that a number of articles deal with the impact of Economic and Monetary Union on industrial relations, and with the potential ''Europeanisation'' of collective bargaining. Notably, we report on a significant agreement among trade unions from Belgium, Germany, Luxembourg and the Netherlands to coordinate their bargaining policies more closely. We also examine how Euro-FIET, which brings together white-collar and private services unions from across Europe, is gearing up for EMU, and look at the anticipated effects of the single currency on various aspects of industrial relations in France.

On other matters, our comparative supplement this month looks at the still relatively small-scale but increasingly topical phenomenon of teleworking. The supplement - based on contributions from the National Centres of the European Industrial Relations Observatory (EIRO) - provides a short (and necessarily incomplete) overview of some aspects of the effect of teleworking on industrial relations. After briefly examining of the extent of teleworking and its legal status/regulation, the supplement explores: the extent to which teleworking is dealt with in collective agreements; the contents of such agreements; teleworkers and trade unions; and the views of the social partners.

EIRObserver presents a small edited selection of features and news items based on some of the reports supplied for the *EIROnline* database, in this case for September and October 1998. *EIROnline* - the core of EIRO's operations - is publicly accessible on the World-Wide Web, providing a comprehensive set of reports on key industrial relations developments in the countries of the EU (plus Norway), and at European level. On p.15, we provide a brief guide for readers on how to access and use *EIROnline*, which can be found at:

http://www.eiro.eurofound.ie/

EIRO is based on a network of leading research institutes in each of the countries covered and at EU level (listed on p. 16), coordinated by the European Foundation for the Improvement of Living and Working Conditions. Its aim is to collect, analyse and disseminate high-quality and up-to-date information on key developments in industrial relations in Europe, primarily to serve the needs of a core audience of national European-level organisations of the social partners, governmental organisations and EU institutions.

Mark Carley, Editor

EUROPEAN FOUNDATION *for the Improvement of Living and Working Conditions*

TRANSNATIONAL

Benelux and German unions agree close transnational bargaining coordination in EMU

Belgian, Dutch, German and Luxembourg trade unions have adopted a joint declaration which states a strong need for close cross-border coordination of collective bargaining under EU Economic and Monetary Union, and lays down a set of joint bargaining guidelines.

On 4-5 September 1998, trade union leaders from Belgium, Germany, Luxembourg and the Netherlands met in the Dutch town of Doorn to discuss recent trends in collective bargaining and the possible impact of EU Economic and Monetary Union (EMU). The participants represented the major national confederations - FGTB/ABVV and CSC/ACV from Belgium, CNV, FNV and MHP from the Netherlands, DGB and DAG from Germany and CGT-L and LCGB from Luxembourg - as well as major sectoral unions in metalworking, chemicals, construction and private and public services.

The initiative for closer cooperation between the Benelux and German trade unions came, originally, from the Belgian unions in 1996, when they were confronted with a new national pay restraint law which stated that collectively agreed pay increases had to be limited to a so-called ''wage standard''. Since this ''wage standard'' is calculated on the basis of the expected pay trends in Belgium's major trading partners (France, Germany and the Netherlands), the Belgian unions have a particular interest in cooperating with their counterparts in neighbouring countries. In June 1997, the Belgian, Dutch and German unions held a first meeting, where they decided to establish a transnational working group which was to organise regularly an intensive exchange of information on current developments in collective bargaining. In addition, an annual summit conference with leading representatives from all major national union organisations was planned. The Doorn summit was the second meeting of this kind.

The Doorn declaration

To summarise the main results of the Doorn summit, the participating trade unions adopted a joint policy statement in which they agree on a broad range of common aims and demands for collective bargaining (extracts are reproduced in the box opposite). According to the ''Doorn declaration'', the participating unions see a great need for close cross-border coordination of their national bargaining policy in order to prevent possible downward competition on wages and working conditions under the conditions of EMU. Considering the recent results of bargaining in Europe, the unions state that: ''The economic growth of recent years has produced too few results for workers in terms of more jobs, the reduction of unemployment and the improvement of purchasing power. In the participating countries - and in Europe as a whole - the rise in labour productivity has been to the unilateral benefit of capital. Employees' share of the national income (the wage quota) has gone down.''

The viewpoint taken in the Doorn statement has been supported by recent research from Germany's Institute for Economic and Social Research (Wirtschafts- und Sozialwissenschaftliches Institut, WSI) which finds that in the European Union the average ''wage quota'' (employees' share of national income) declined from 74.4% in the 1970s down to 69.9% in the 1990s (see table opposite). The same trend can be observed in almost all European countries - with only a few exceptions, such as Luxembourg. According to the WSI study, the significant redistribution from wage earners to profit income can be interpreted as the result of a fundamental shift from a ''productivity- to a competition-oriented bargaining'' which, since the early 1980s, has mostly led to wage increases notably below the growth of productivity (see ''Collective bargaining in metal industry under the conditions of European Monetary Union'', Thorsten Schulten, in *The impact of EMU on industrial relations in European Union*, Timo Kauppinen (ed), Helsinki (1998)). By concluding very ''moderate'' wage increases, the report states, collective bargaining has become more and more subordinated to the goal of national competitiveness and profitability. However, since all countries have been following more or less the same strategy, a downward spiral of employees' share in national income has been set in motion.

According to the Doorn declaration, ''a continuation of this trend in the macroeconomic distribution of income is unjustifiable.'' Therefore, ''the participating trade union organisations call for a change of trend, to the benefit of workers and their full participation in economic growth in the form of more jobs and improved purchasing power.'' To reach that goal, the declaration calls for a return to a productivity-oriented collective bargaining policy: ''The participating trade unions aim to achieve collective bargaining settlements that correspond to the sum total of the evolution of prices and the increase in labour productivity.''

Furthermore, the Doorn statement points out that ''the trade unions of the four countries intend to examine how they can back up their demands beyond national frontiers, when necessary. The trade unions are aware of the importance of responsible wage-setting within a European trade union strategy for more growth and employment. Their bargaining aims are economically justifiable and will promote a positive evolution of employment, particularly in the long term. In order to achieve this, the other economic actors (states, the European Central Bank, the employers) will also have to live up fully to their responsibilities.''

The document goes on to call for employment-creation agreements at the sectoral and enterprise levels, including redistribution of work and shorter working hours. Measures to create jobs for underprivileged groups are given high priority, as are steps to make it easier to combine work with family duties. Further training must be available, and the undesirable forms of work ''flexibilisation'' must be avoided. Governments must base their policies on job creation and a welfare state. In particular, ''social benefits must keep pace with wage developments.'' European tax systems should be harmonised in such a way as to reduce the burden on wage earners and promote employment. Union and employer organisations must be fully involved in socio-economic decision-making.

Comments and reactions

The trade unions in the four countries involved see the Doorn declaration as an important step towards European cooperation on collective bargaining, and hope that their initiative will set an example for other countries in the European Union. In a first comment, the general secretary of the European Trade Union Confederation (ETUC), Emilio Gabaglio, endorsed the idea of multilateral initiatives of this kind between ETUC member organisations, which could help to improve the ETUC's internal discussion and policy development. On 7-8 September 1998, the ETUC itself held a seminar, together with the European Industry Federations, on collective bargaining under EMU which came to the conclusion that ''EMU and the use of the euro make effective coordination of national collective bargaining ... more imperative than ever.'' Therefore, the European ''labour movement also needs to develop strategic alert machinery

Adjusted share of labour in national income (wage quota) in % of GDP at factor costs, 1971-97

	1971-80	1981-90	1991-7
Belgium	74.5	73.2	71.5
Netherlands	74.2	67.6	65.8
Luxembourg	70.9	72.1	72.7
Germany*	73.7	70.9	67.7
EU 15	74.4	73.1	69.9

**1971-94: West Germany.*
Source: European Commission cf Schulten 1998.

based on commonly-agreed indicators and forge alliances to promote the European social model in EMU.''

The Doorn initiative was also welcomed by the chair of the Danish union confederation, LO, Hans Jensen, who said that against the background of today's European economic integration ''it is difficult to reach a bargaining breakthrough in one country, if the neighbours at the same time practise wage restraint.'' Mr Jensen, therefore, endorsed the idea of coordinated bargaining demands and declared that LO would be ready to join the initiative, if it were invited.

At the moment, however, it is still unclear whether the Doorn initiative should be extended to include to other countries or if other regional initiatives should be established. The DGB secretary responsible for European collective bargaining, Joachim Kreimer-de Fries, for example, made the proposal that the recently established interregional trade union council for southern Baltic Sea (*EIRObserver* 5/98 p.14) - which involves trade union representatives from Denmark, Sweden and Germany - could deal with questions of collective bargaining in a similar manner.

Commentary

Since the 1980s, collective bargaining in Europe has become increasingly subordinated to the goal of economic competitiveness. Under the pressure of growing unemployment, European trade unions have been more and more ready to accept rather moderate bargaining results, notably below the increase in productivity. As a result, labour share of national income has declined almost everywhere in Europe. Since the introduction of the euro will lead to a further increase in international competition, there is a clear danger that the already existing downward competition on wages and working conditions might accelerate.

Against this background, the challenge for the European trade unions is to reconstruct their essential function of ''taking wages and working conditions out of competition'' at European level. Considering the existing national differences in economic performance as well as in bargaining structures, however, there seems to be no realistic perspective of European collective agreements in the foreseeable future. Instead, the alternative approach of close cross-border coordination of national bargaining might be much more reasonable.

In particular, the concept of a productivity-oriented bargaining policy, which is the core of the Doorn initiative by the German and Benelux trade unions, seems to be an approach which will be operational for at least two reasons. On the one hand, a productivity-oriented bargaining policy is, in macroeconomic terms, a ''distribution- and competition-neutral'' policy and, therefore, could help to prevent further downward competition on wages. On the other hand, the concept takes account of the economic and industrial relations differences in Europe and gives the national social partners freedom on how to use the productivity-oriented ''wage space'' (eg for wage increases or working time reduction).

The Doorn initiative can be seen as a genuine pioneering step towards a Europeanisation of collective bargaining. Now it seems to be the task of the ETUC to develop an even broader concept for a Europe-wide bargaining policy which is able to meet the new challenges for collective bargaining in EMU (Thorsten Schulten, Institute for Economic and Social Research (WSI))

DE9810278F (related records: BE9809242F, DE9808177N, EU9809128F)

18 September 1998

Doorn declaration (extracts)

The economic growth of recent years has produced too few results for workers in terms of more jobs, the reduction of unemployment and the improvement of purchasing power. In the participating countries - and in Europe as a whole - the rise in labour productivity has been to the unilateral benefit of capital. Employees' share of the national income (the wage quota) has gone down. A continuation of this trend in the macroeconomic distribution of income is unjustifiable. The participating trade union organisations call for a change of trend, to the benefit of workers and their full participation in economic growth in the form of more jobs and improved purchasing power:

a) The participating trade unions aim to achieve collective bargaining settlements that correspond to the sum total of the evolution of prices and the increase in labour productivity.

b) The participating trade unions aim to achieve both the strengthening of mass purchasing power and employment-creating measures (eg shorter work times).

c) The participating organisations will regularly inform and consult each other on developments in bargaining policy.

[...] The trade unions of the four countries intend to examine how they can back up their demands beyond national frontiers when necessary. The trade unions are aware of the importance of responsible wage-setting within a European trade union strategy for more growth and employment. Their bargaining aims are economically justifiable and will promote a positive evolution of employment, particularly in the long term. In order to achieve this, the other economic actors (states, the European Central Bank, the employers) will also have to live up fully to their responsibilities. By attuning their wage policies, the participating organisations aim principally to prevent a bidding down of collectively bargained incomes between the participating countries, as sought by the employers. The trade unions see this neighbourly initiative as a step towards European cooperation on collective bargaining.

[...] The participating trade union organisations have decided to keep each other intensively informed about their collective bargaining demands and results. To this end, a coordinating group of experts has been established, which is meeting regularly to exchange information and experience on collective bargaining. This working group also serves as a forum for information exchanges between the participating organisations on initiatives vis-à-vis their governments and on state measures that impact on bargaining policy.

EU

Euro-FIET gears up for EMU

Euro-FIET has launched a strategy to respond to the impact of EMU on employment and collective bargaining,.

With the deadline for EU Economic and Monetary Union (EMU) approaching rapidly, trade unions have started to prepare for collective bargaining under a single currency - see p.2 of this issue. The European Trade Union Confederation (ETUC) and its affiliated European Industry Federations have been at the forefront of calls for coordinated action in bargaining. Concrete activities have been slow to emerge, but the momentum is increasing. We focus on the steps taken by the European Regional Organisation of the International Federation of Commercial, Clerical, Professional and Technical Employees (Euro-FIET).

EMU strategy

Euro-FIET adopted a strategy paper on *Economic and Monetary Union: the impact on employment and collective bargaining* at its eighth conference, held on 29-31 March 1998. Euro-FIET is one of the largest European Industry Federations and its conference attracted over 500 participants from 126 unions in 44 countries.

Euro-FIET and ETUC have pledged conditional support for EMU, and crucial to this support is the belief that a coordinated European response to unemployment is required. The strategy paper argues that EMU's focus should not be limited to financial stability but must be oriented towards promoting economic recovery and employment creation. The European Central Bank (ECB) must be flexible, enabling it to respond to economic shocks and protect and enhance employment, rather than rigidly enforcing the EMU convergence criteria. Euro-FIET advocates an obligation on the ECB to consider the employment consequences in EMU decision-making, and seeks an ''economic coordination pact''.

The paper stresses the role of the social dialogue at all levels in the fight against unemployment. Euro-FIET envisages a reduction and reorganisation of working time as a key component in a successful European employment strategy. a 35-hour week and other forms of reducing annual working time are a vital ingredient in safeguarding and creating jobs and improving living and working conditions.

Euro-FIET foresees that EMU will have important implications across many sectors and proposes that its various trade sections should establish action plans to address the consequences for their sectors. Sections should adopt a coordinated approach and share information through joint workshops. It is also recognised that EMU will have a particular impact on the finance sector. In June 1997, Euro-FIET's banking and insurance sections adopted a 10-point plan seeking greater consultation and dialogue with European and national institutions on employment issues relating to the euro, guarantees of job protection and retraining for workers made redundant by EMU.

Impact of EMU on bargaining

Some foresee that a single European currency may mean greater pay transparency across Europe and subsequently greater competition, implying a downward pressure on pay and working conditions. To counter the perceived pressure on bargaining structures and equitable labour standards, Euro-FIET believes that the first steps need to be taken towards a ''European system of collective working relations''. If not, economic adjustments might create higher unemployment and increased pressure on core labour standards, running counter to employment creation and social cohesion.

To prevent problems associated with economic adjustments resulting from EMU, such as ''wage dumping'', Euro-FIET states that it has a role to play in promoting greater solidarity between unions. It must work more closely with unions to foster cooperation based on coordinated bargaining strategies between unions affiliated to FIET, Euro-FIET and ETUC. Euro-FIET believes that the only way to counter the pressures inevitably brought by the euro is to develop a bargaining strategy that ensures the creation of ''European social norms''. The three main areas where Euro-FIET plans to coordinate bargaining strategies are wages, (average) working time, and education/training. Coordination should occur mainly at the levels of trade sections and multinational companies.

Follow-up to the strategy

Since the launch of Euro-FIET's EMU strategy, some first steps have been taken towards achieving its goals. Firstly, finance sector social partners held a joint seminar on 29-30 June to discuss a survey on employee training about EMU-related changes. The survey revealed a general lack of preparedness, particularly in insurance. The seminar was seen as useful in highlighting gaps and in identifying the steps employers should take to prepare their employees for change.

Euro-FIET has also been concentrating on the development of social dialogue with employers in both banking and insurance - to date, the exchange of information is seen as more successful in the latter. Also, Euro-FIET has since 1997 sought a formal dialogue with the ECB. Initially, the ECB was reluctant, as this dialogue had no legal basis. However, with a change in its structure in June 1998, the institution has reportedly committed itself - morally, rather than legally - to an active dialogue on EMU.

Developing bargaining transnationally on a sectoral basis is still in its infancy. At annual Euro-FIET trade section meetings, information on company, sectoral and national agreements is disseminated in the form of a report. Examples of good practice are thus available, and it is hoped that such information will be used to stimulate greater coordination between unions on bargaining issues.

Lastly, Euro-FIET reports initial steps in developing cross-continental networks of union representatives and bilateral discussions with some global banking corporations (such as National Australia Bank and the HSBC Group). This has been prompted by the EWC Directive, which in some cases provided the framework for the inclusion of non-EU or non-European issues in EWC meetings. Closer connections have consequently developed between unions within and beyond the EU and exchanges of information on working conditions are occurring. This process is relatively informal, but the development of formalised structures is a future goal for Euro-FIET.

Commentary

Euro-FIET has developed an extensive strategy in preparation for the advent of EMU on 1 January 1999, making many demands for greater dialogue and consultation at both national and European levels. At the same time, Euro-FIET is adopting a forward-thinking and constructive approach, recognising that a passive position on EMU may lead to dire consequences for existing levels of social protection and future employment levels. This progressive approach is essential given the disproportionate impact EMU will have on the sectors and workers that Euro-FIET represents, particularly in finance. The strategy paper emphasises strongly the role of the social partners in preparing, responding to and managing the changes that EMU will bring. In particular, it is realised that EMU will create the need for greater coordination of bargaining strategies at sectoral level on key issues such as remuneration, working time, and education/training. (Peter Foster, ECOTEC Research and Consulting)

EU9809128F (Related records: EU9807116F, EU9807116F)
18 September 1998

Levi Strauss closures hit crisis-ridden textile industry

Mounting fears about the crisis in the Belgian textile industry came to a head when Levi Strauss announced the closure of three factories.

On 1 October 1998, the US-based jeans manufacturer Levi Strauss announced the closure of its Belgian factories in Wervik, Gistel and Deurne, plus one in France. In the Belgian plants, 1,034 mainly low-skilled employees will probably lose their jobs.

Background to the closure

The three threatened plants made a combined profit of BEF 430 million (ECU 10.7 million) last year, while Levi Strauss Belgium's turnover was BEF 1.6 billion (ECU 40 million) and its profit BEF 236 million (ECU 5.9 million), suggesting that direct financial problems are not the underlying reason for the closure.

Levi Strauss has substantial overcapacity because of dwindling demand for jeans, while competition has increased and is increasingly subject to the whims of fashion that require new designs and readjustments every year. This has led to ''critical auditing of all European Levi production plants and to the conclusion that those with the highest production costs must close'', according to company management. All but one of the European Levi plants with high production costs are in Belgium. Production costs per unit are 49%-75% higher in Belgium and France than the group's European average. Production costs in Turkey and Hungary are 56% of the average, Poland 64% and Spain 90%-98%. The UK plant's costs are 17%-23% above average. These figures mean that if plants must close, those in Belgium are fairly obvious choices, from the company's perspective.

The proposed closures came rather unexpectedly, according to management. In April 1998, the company had stated that the plants' future was not in danger, and hoped to resolve their problems through better marketing and streamlining of products and production. Unfortunately, subsequent sales were 25% lower than projected. The closure plan was particularly poorly received because employees had accepted increased flexibility and wage cuts in 1997, to help reduce production costs and save employment. The Flemish government will cancel financial support to Levi Strauss for environmental investments and property taxes.

Textile industry in crisis

The Belgian clothing industry employed over 90,000 workers during the 1970s, but only 22,000 today. According to the Belgian Clothing Federation, this is primarily due to relocation of production abroad. The conclusion of a recent study by the Federal Planning Bureau that relocation is not a significant problem for Belgian industry is contested in a Federation survey which strongly suggests that it does not apply to textiles. Some 70% of companies now have foreign production capacity, compared with 47% in 1992, and one-fifth have moved their entire production abroad. The main reason is labour costs, which are 10 times higher in Belgium than in Tunisia. Another reason is difficulty in finding employees, despite high unemployment. The Federation claims that many unemployed people do not want to work because the differential between unemployment benefits and net income is too small. The Federation calls on the government to address these problems.

Relocation has created 50,000 jobs abroad, formerly distributed fairly evenly between North Africa and Eastern Europe, though the current trend is towards the latter. Foreign production occurs mostly through subcontracting, rather than autonomous production units or joint ventures. Cutting, sewing and packaging are most affected, usually leaving design and development in Belgium. However, companies do not resolve all their problems when production moves abroad: according to the survey, they still encounter problems of quality control, timing and administration.

Unions draw up alternative plans

On the announcement of the closures, strikes were called at all three Belgian plants. On 3 October, when Levi Strauss informed its European Works Council, a demonstration was held in Brussels.

Levi Strauss is adhering closely to the closure procedure which was changed after Renault shut its Vilvoorde plant in 1997 (*EIRObserver* 2/97 p.2). Under strict information and consultation requirements, the company invites union representatives to propose alternatives to the closure before the final axe falls. On 9 October, union representatives proposed to management: cutting back external contracting; increasing non-denim production; spreading production capacity over all units; and drastically reducing non-production costs. Additional measures could be taken within a company restructuring plan, involving: early retirement; a premium for voluntary departure; working time reductions; and part-time work. On 14 October, management rejected the proposals. The official conciliator proposed an external advisor on the closure and on the union proposals.

The closure also prompted reaction from unions in France, where 530 jobs may be lost at La Bassée. The response initially focused on seeking support from MPS and the government, rather than industrial action.

At European level, protest actions were organised by a union coordinating committee. Levi's plans have been condemned by European-level union organisations, which have raised again the problems of industrial restructuring and of information and consultation in such cases - issues under consideration by the Commission's ''Gylllenhammar'' group.

Commentary

Two years after Renault, a new ''mega-closure'' is hitting Belgium. Are comparisons possible between the two cases? Yes and no. Both companies operate in sectors where labour costs are an important element in cost structure, prompting both textiles and the car-assembly industry to restructure drastically. Both Renault and Levi claim overcapacity and high labour costs as the basis for their decisions.

Yet there are also obvious differences between the cases. Textiles is a sector of contrasts. One segment is in crisis because of extreme differences in production costs between Western Europe and other countries, while another segment (haute couture) is doing very well. The threat of unemployment coexists with hundreds of jobs which seem to remain vacant despite the availability of qualified workers.

Another difference concerns the approach. Levi Strauss is seen as being much less aggressive than Renault in its dealings with unions. It has clearly learned from the Renault case. All rules are being followed, and unions are involved. Also, a unit for ''crisis public relations'' has guided the company through this episode. Ultimately though, regardless of differences in style, the net result remains another major factory closure and another blow for employment. (Peter van der Hallen, WAV)

BE9810250N (Related records: BE9703202F, FR9810138N)

16 October 1998

FRANCE

Industrial relations implications of the transition from franc to euro

A new report examines the impact of the introduction of the euro single currency on various aspects of industrial relations in France.

A working group asked by the Ministry of the Economy and Finance to examine the practical industrial relations implications of the introduction of the euro single currency published its report on 16 September 1998. *Le passage à l'euro de la sphère sociale* had been adopted in July by the National Committee on the Euro, a body set up by the government to examine all aspects of the move to the single currency. The report's conclusions were approved by employers and trade unions alike, which formed part of the working group along with representatives from social security organisations and the government. The impact of the euro's introduction was reviewed in six areas, considered below.

Itemised pay statements

From 1 January 1999, employers may provide pay statements in either francs or euros. The introduction of the euro should not be considered as an alteration to employment contracts. During the euro transition period, from 1 January 1999 until 31 December 2001, documents may be issued in either currency. However, companies retaining pay statements in francs should be required to indicate the euro equivalent of net remuneration. Companies moving entirely to the euro system during the transition period should be required to indicate in both francs and euros not only net remuneration, but also gross pay, individual pay components and total annual gross and net pay. If the pay statement is calculated in euros, the francs equivalent of net remuneration should be calculated by directly converting the total euro amount and vice versa if the statement is calculated in francs.

Social security contributions

Social security contributions may be indicated in euros from 1 January 1999, as of when social security organisations will accept premium summary statements and contribution payment slips in euros. The ''yearly workforce data statements'' for 1998-9 could be drawn up in euros as early as January 2000, provided that they are produced by a computerised system and the company has made a complete and definitive transition to euro-based pay statements for all employees. For the data statements to be drawn up in euros during the transition period, the ceiling for social security payments must be expressed in rounded euros.

Collective agreements

Trade unions sought a number of guarantees on the cumulative effect on the minimum pay rates included in sectoral collective agreements of rounding figures in franc-euro conversions. Some sectors, such as textiles and clothing, would be particularly affected. Unions wanted a sector-by-sector review, within the National Collective Bargaining Commission, in order to prevent discrepancies between sectors and to uncover potential common problems so that one solution could be applied across the board. Other members of the working group considered that a systematic review of agreements would be cumbersome and pointless, as any sums in a collective agreement indicated in francs would have to be converted into euros according to strict European conversion and rounding rules. This issue will now be raised in autumn 1998 in the Commission, and attempts will be made to draw up recommendations for each sector.

Functioning of works councils

On keeping works councils informed of the practical terms of the transition to the euro from 1 January 1999, and on promoting consultation and dialogue, the group's conclusions are as follows.

- No matter when a company adopts the euro system, the works council should receive notification as early as possible. It should especially be made aware of the precise time-frame adopted by the company for the transition to the euro, the conditions of the transition, the impact on the company and its workers and specific difficulties encountered.

- The notification and dialogue process should be decentralised. Certain issues should be dealt with by establishment-level works councils, whereas others should be discussed at all levels of works council. Employers and unions differ on one point. Although both agree that the conditions governing the transition must be discussed with workers' representatives, companies believe that this should be informal consultation. Unions believe that these discussions should come under the formal jurisdiction of the works council.

On the effects of the transition to the euro on the internal functioning of works councils and the services and benefits that they provide, the group reached the following conclusions:

- Works councils should examine upgrading their computer systems to deal with euros.

- Works councils and companies could set their own, separate dates for moving over to the euro. The council could decide its own time-frame, irrespective of the company's decision.

- No specific problems regarding services and benefits were foreseen at this stage. Organisations issuing vouchers - eg restaurant or holiday vouchers - should be contacted to find out what provisions they have made for the transition (indication of values on vouchers in francs, euros or both).

- The total value of benefits and services provided to workers by works councils should be displayed in both francs and euros.

- The unions hoped that, if necessary, companies would contribute financially to updating existing systems.

Information and training

The working group recommended that companies regard familiarising and training workers about the euro as particularly important. It is seen as vital that in companies with no worker representation bodies, the euro training process be undertaken directly by the company with, if necessary, support from sectoral organisations. A list should be drawn up and an assessment made of company training needs, whether these are of a general nature (this type of training should not be the sole responsibility of the company) or company-specific (the impact of the euro on the company and workers' jobs).

Monetary values

The group examined standardising the monetary unit used to express the various components of pay and pensions, so as to avoid any disruption. It believes that standardisation could be achieved by indicating both francs and euros in parallel, and this could be recommended by the Ministry for Employment and Solidarity to social security organisations. However, there are still questions surrounding benefits overseen by certain complementary, top-up organisations (in the health sector).

Commentary

This highly technical study is interesting in several ways. It demonstrates the many real issues brought about by the introduction of the single currency and the work that has to be done to explain this transition to workers. It also shows that on this particular issue a consensus can be reached between workers' and employers' representatives. This study was merely an initial stocktaking of the issues: further questions will be raised in the day-to-day running of companies. (Alexandre Bilous, IRES)

FR9810200F
16 October 1998

National survey finds positive attitude to trade unions

The public has a very positive attitude towards trade unions, according to a new national survey, which will be used as part of the Irish Congress of Trade Unions' strategy in talks on a possible new national agreement.

Since 1987, the Irish Congress of Trade Unions (ICTU) has represented its affiliated unions as a ''social partner'', negotiating four successive national agreements which have gradually incorporated an increasing range of issues. Having developed this role, ICTU has significantly enhanced its influence on national socio-economic policies. ICTU believes that benefits have emanated from the partnership process: real income growth through modest pay increases in conjunction with tax reductions, lower inflation and lower interest rates; a political voice for organised labour; institutional support and legitimisation for the union movement; and a ''concertative'' approach to collective bargaining necessary to secure members' interests.

The context in which national agreements have been negotiated has changed from one of ''managing crisis'' to ''managing growth''. The strong economy has generated pressures or tensions ''in terms of maintaining a coherent and consistent strategy at a time of rising expectations'' (according to ICTU's new report). These points of tension have led to a certain degree of pressure being exerted on the current national wage agreement, *Partnership 2000*, or P2000 (*EIRObserver* 1/97 p.6). In 1998, debate has intensified within the labour movement as to the appropriateness of future national agreements for unions and their members. The unions have faced a number of challenges:

- disenchantment amongst low-paid workers. The unions, especially Ireland's largest union, SIPTU, which mainly represents low- and middle-income earners, are concerned that tax changes introduced in the 1998 Budget did not meet the commitments in P2000. They have demanded more concessions in the 1999 Budget for those on low incomes. A primary objective is a substantial increase in personal tax allowances;
- workplace social partnership. Many trade unionists feel that their role is being marginalised at local level. There is a belief that without the wider diffusion and acceptance by employers of workplace partnership arrangements, support for centralised bargaining amongst employees and their representatives might dissipate; and
- the absence of a statutory trade union recognition mechanism (*EIRObserver* 2/98 p.11). Unions find it increasingly difficult to recruit and retain members, and face two problems. Multinational companies, particularly of US origin, have been unwilling to recognise unions and make it clear that statutory recognition measures would be unacceptable. Unions have also had to face increased resistance to recognition from indigenous employers - a recent example was the bitter Ryanair dispute, involving baggage handlers, over the company's refusal to recognise SIPTU.

What people think of unions

It was against this background that ICTU sponsored a national survey - *What people think of unions* - whose results were released in September 1998. The survey drew from a random sample of 1,000 people from the electoral register. Of those working full-time, 40% were union members, while 22% of part-time workers were members. The survey found that 59% of non-members would join a union ''if they had the opportunity''. The figure was even higher for those aged 18-24 (65%) - a surprising finding, as it is sometimes assumed that younger people have a less positive attitude to unions than older people. As to the reasons for not joining a union, the survey found ''little evidence of actual resistance'' - 49% said they were ''not sure what a union could do for them'', while 29% said they had never been approached and 43% had ''never considered'' joining.

A key finding of the survey is the strong backing among both trade unionists and non-members for the current consensual approach embodied by P2000. ICTU's role as a social partner is viewed very positively, with 94% of all respondents saying that Congress had adopted a successful strategy as a social partner. However, among union members, support for the partnership process is less clear-cut, with 24% opining that there are better ways of representing members. This is, in part, a reflection of the large vote for a far left-wing candidate in various SIPTU leadership elections in the past year or so. This disenchantment amongst SIPTU members is underpinned by a feeling that they are not benefiting as much as they should at a time of economic ''boom''.

Another major finding is that the degree of union activism is low. Among union members, 7% were described as being ''actively involved'' in union affairs, 24% said they were ''occasionally involved'' and 69% were ''rarely involved''. Accordingly, there is a perception that unions need to encourage greater involvement and participation amongst lay members, especially young people.

There are differences in people's views towards unions across different social strata. While 66% of those in the C2DE social classification (skilled manual, partly-skilled and unskilled occupations) state that they would join a union if they had the opportunity, the figure for those in the ABC1 social classification (professional, managerial, technical and skilled non-manual) is 53%.

The survey examines what respondents deemed to be the most noticeable past and recent successes of unions. Ten years ago, the three most successful areas for unions were equal opportunities, health and safety and shorter working hours. The three least successful were profit sharing, fairer taxation and better pensions. In recent years, the most successful areas are perceived to have been more training, health and safety and equal opportunities, while the least successful - profit sharing, fairer taxation and adequate social welfare - also show improved ratings.

When asked about the most important current issues for unions, respondents ranked fears about job security alongside more traditional concerns such as pay. Issues such as fairer taxation, profit sharing, pensions and flexibility are also given greater importance than before.

On workplace issues for the future, 56% of non-members cited ''more involvement in decisions concerning my job'' as important, compared with 65% among union members. This suggests that new demands and expectations have emerged in the area of employee involvement among both union members and non-members.

Commentary

The survey is important because it highlights a number of problems and opportunities facing trade unions in Ireland. ICTU intends to use the survey to help formulate a strategy for entering discussions on a possible new agreement to succeed P2000. The survey reflects the fact that the vast majority of the public have a very positive attitude towards unions and the social partnership process. Nevertheless, the unions will have to address the fact that a quarter of union members have a preference for other forms of representation over centralised bargaining. Added to this, if the concerns of low-paid workers are not addressed one can foresee a difficult road ahead for the partnership process in Ireland. (Tony Dobbins and John Geary, UCD, Brian Sheehan, IRN)

IE9809123F (Related records: IE9702103F, IE9710104F, IE9807120F, IE9803114F, IE9804247N, IE9707223F)

18 September 1998

SPAIN

Employment features increasingly in company-level agreements

There has been a trend over 1997-8 for the conversion of temporary into secure employment in large companies with a trade union presence. However, the access of new employees to improvements in terms and conditions laid down in collective agreements is reportedly being restricted.

In recent years, clauses on employment have become increasingly important in collective bargaining in large companies in Spain, such as La Caixa, Repsol (see below), Mercedes Benz, Stockauto, Roca Radiadores, Airtel, Iveco-Pegaso and Insalud. The distinctive feature of these agreements is that they convert temporary contracts into permanent contracts, in line with the intersectoral agreement on employment security signed by trade unions and employers in April 1997 (*EIRObserver* 3/97 p.10). According to recently published figures, clauses on employment feature in only 7% of company-level collective agreements but affect 18% of the workers subject to such agreements (''Memoria sobre la situación socioeconómica y laboral'', Consejo Económico y Social, Madrid (1998)). There are also clauses on the conversion of temporary contracts into ''permanent-discontinuous'' contracts to fill vacancies in the workforce or when temporary contracts expire.

There has been a parallel process consisting of the negotiation of early or phased retirement and voluntary redundancy - for example, in the case of Telefónica and Fecsa, where early retirement at 52 has been negotiated - in exchange for recruiting young people on permanent contracts. This is sometimes justified in terms of ''rejuvenating the workforce''.

This process seems to stimulate the proliferation of ''special clauses'' (*EIRObserver* 1/98 p.10) on employment, which now cover 71% of the workers subject to company agreements. Nevertheless, these clauses are very diverse. There are few clauses on net employment creation: they affect only 4.1% of workers concerned. Clauses on conversion of contracts, however, affect 11% of workers and those on maintaining employment 17%. Other special clauses linked to employment, eg on functional and geographical mobility, are even more widespread, affecting 26% and 25% of relevant workers respectively.

Repsol agreement

An agreement that reflects these trends is the first framework agreement signed by the Repsol group - a major public oil and gas concern - and the sectoral trade unions FITECA-CC.OO and FIA-UGT in summer 1997. Under the deal, mandatory early retirement for 390 workers aged 58 to 60 was offered in exchange for 250 new permanent contracts. Also, 100 casual work contracts were converted into permanent contracts, although on condition of geographical mobility to relocate them throughout the group. Furthermore, the company agreed to limit the use of subcontracting through temporary employment agencies and to use less overtime.

Although the unions and the government are in favour of promoting job creation and employment security, the Repsol strategy is aimed more at reducing and rejuvenating its workforce. This is to be achieved by including items such as incentives for early retirement in the company agreement. Clauses of this type are found in 64% of agreements at company level. For the employers, the policy of early retirement is aimed at reducing the bonuses and benefits that are paid to longer-serving workers - ie as a way of reducing labour costs.

Pay policy: a dual scale

The ''dual pay scale'', whereby new entrants are paid less than existing workers, is associated with the policy of replacing longer-serving workers with younger ones. No precise data are available, but it is believed that under such schemes the wages of the young people recruited as replacements, or those whose contracts are converted into permanent ones, may be 20%-25% lower than those of longer-serving workers. In some cases, there may be a wage freeze of two to five years, depending on the company's situation. However, it does not seem that this tendency to introduce dual pay scales will be consolidated in the longer term, as it is a significant source of labour conflict.

Other forms of pay discrimination against new workers or permanent part-time workers are found in the conditions for eligibility to certain social benefits. For example, the Repsol agreement restricts access to the company pension fund for new recruits. Another case is that of Pryca, which has taken out private life insurance and permanent disability policies of a lesser amount for permanent part-time employees. However, this discrimination is another source of conflict. A recent Supreme Court ruling found that Pryca discriminated against part-time workers, thus establishing the principle of equality in the application of collective agreements for all workers.

Reinforcement of collective rights?

There is a trend towards reinforcing the institutionalised presence of trade unions in companies. Thus, clauses on collective rights are included in 64% of company agreements, though in many cases these clauses do no more than repeat the existing legal regulations.

Trade unions or workers' representatives are also becoming more involved in areas such as vocational training and employee health. For example, in the Repsol agreement the unions ensured their own control and monitoring of risk prevention for workers in subcontracted companies, thus reducing pressures to eliminate or decentralise permanent employment. This union strategy is found across the whole chemicals sector and in agreements at other large companies, such as Solvay.

Another type of clause that reinforces the role of the unions or workers' representatives concerns the control, reduction and elimination of overtime. Clauses of this type are found in 40% of company agreements.

This spread of ''special clauses'' is associated with the process of decentralisation of bargaining and the tendency to reinforce the bargaining freedom of the social partners that began to take root after the labour market reforms of 1994 and 1997. However, this could also be seen as a move to decentralise labour relations and union activity towards the company level, which is the aim of employers' human resource policies.

Commentary

More permanent contracts are now being offered, the quality of employment is improving and longer-serving, low-skilled workers are being replaced by better qualified younger workers. This is especially noticeable in large companies. However, at the same time it is becoming more difficult to earn certain bonuses, labour rights are arguably slowly being eroded and the social benefits laid down in collective agreements are often being lost.

Meanwhile there is an increasing trend to include clauses on collective rights, consultation, control of overtime, trade union guarantees and the involvement of unions in continuing training and health and safety. Unions or workers' representatives are achieving a greater degree of involvement in large companies, which is supported by labour legislation and by the tendency to reinforce the bargaining freedom of the social partners. In short, labour relations seem to be moving towards the company level and traditional trade union activity is at the crossroads. (Antonio Martín Artiles, QUIT-UAB)

ES9809280F (Related records: ES9706211F, ES9711231F, ES9712138N, ES9711232N, ES9703107N, ES9806266N, ES9710229N, ES9809181F, ES9705209F)

18 September 1998

EU/NEWS

UNICE decides against negotiations on national information and consultation

Meeting on 16 October 1998, the council of presidents of the Union of Industrial and Employers' Confederations of Europe (UNICE) again rejected the European Commission's invitation to enter into negotiations on information and consultation of workers at national level. Emilio Gabaglio, general secretary of the European Trade Union Confederation (ETUC) called the decision ''regrettable but not unexpected''.

The idea of an EU-level framework for employee information and consultation was mooted in the 1995 medium-term Social Action Programme, and in June 1997 - in the aftermath of the Renault Vilvoorde affair (*EIRObserver* 2/97 p.2) - the Commission initiated a first round of consultations of the European-level social partners on the advisability of legislation in this area, on an initiative by Pádraig Flynn, the Commissioner responsible for social affairs and employment. In November 1997, the Commission opened a second round of consultations on the content of possible EU legislation on this issue, on the basis of the social policy Agreement and Protocol annexed to the Maastricht Treaty. The social partners had an opportunity at this stage to seek a framework agreement, thus forestalling a Directive.

While ETUC and the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP) indicated their willingness to negotiate on this basis, in March 1998 UNICE rejected joining such talks, reportedly as a result of objections raised by its member organisations in Germany, Greece, Portugal and the UK (*EIRObserver* 3/98 p.9). However, in July 1998, UNICE's new president, Georges Jacobs indicated an increasing willingness on the part of European employers to reconsider this decision. At the same time a leaked Commission draft Directive on the issue was circulating in Brussels.

It was widely assumed that the emergence of this leaked draft and the victory of the Social Democrats in Germany's October general election would make a rethink on the employer side more likely. A few days prior to the UNICE council vote, the *Financial Times* reported an increasing willingness to compromise among British and German employers, who had been among the most vocal opponents of social partner negotiations on the issue.

Despite these indications, opposition in the UNICE council of presidents remained strong enough to lead to a renewed refusal to enter into negotiations on 16 October. Speaking on the day the decision was announced, Georges Jacobs said that his organisation's decision on the issue of information and consultation at the national level in no way cast doubt on UNICE's willingness to occupy the ''contractual area'' created by the social policy Agreement.

Commission President Jacques Santer and Commissioner Flynn immediately expressed their disappointment at UNICE's decision. Mr Flynn stated ''that we have shown our willingness to defer action on this very important subject, in order to allow UNICE to review its position. As there is now no hope of negotiations under the social dialogue, the Commission will now bring forward a draft Directive on information and consultation.'' The draft Directive was adopted by the Commission on 11 November, as *EIRObserver* went to press.

EU9810133N (Related records: EU9703108F, EU9706132F, EU9711160N, EU9803192N, EU9807120N)
11 November 1998

AUSTRIA/NEWS

Pay round completed in manufacturing sectors

On 19 October 1998, negotiations concluded setting pay increases for 153,000 blue-collar workers in the industrial metalworking sector and 142,000 white-collar workers in industrial metalworking and five other sectors, totalling roughly 10% of Austria's entire workforce. Minimum blue-collar wages were raised by 3.7% to between ATS 89.20 (ECU 6.5) and ATS 150 (ECU 10.9) gross per hour, depending on skill level. Actual wages are being raised by 2.9%. In addition, there is a lump-sum payment of ATS 2,500 (ECU 182) due on 1 February 1999, equal to an increase of another 0.7%. As in 1997, companies will have the choice of concluding a works agreement on a ''distribution option''. This limits the wage increase to 2.7% but the company has to distribute a further 0.5% of the total wages bill to designated groups - preferably young, female or key personnel. Minimum and actual salaries for white-collar workers in metalworking were raised by the same percentage as wages.

Minimum white-collar salaries in the five other industries - chemicals, glass, paper processing, stone and ceramics, and food - were raised by between 2.1% and 3.2%. Actual salaries were raised by: 1.8% in paper processing and in stone and ceramics; 1.9% or 1.7% plus a distribution option of 0.5% in glass; 2.5% or 2.3% plus a distribution option of 0.5% in chemicals; and 2.0% for gross monthly salaries below ATS 40,000 (ECU 2,910) and 1.9% above ATS 40,000 respectively, in food. The lump-sum payment will be made only in metalworking. Apprentices' remuneration is generally being raised by 2.9%. Various supplements and reimbursements are being raised by 2.7%. No agreement was concluded on salaries in the paper-making industry, due to disagreement over working time issues.

The overall wage and salary increases in metalworking are estimated at around 3.6%, which is in excess of expectations. Workers in companies with a distribution option settled by works agreement will see effective rises of between 3.4% and 3.9%. Other measures also agreed add another 0.1% or 0.2% to the wages bill, though not to salaries. The Federation of Austrian Industry (VÖI) has been very critical of the agreed increases in the light of the current slowdown of the business cycle.

The agreements were concluded between the Metals, Mining and Energy Trade Union (GMBE), the industry section of the Union of Salaried Employees (GPA), and the industry section of the Austrian Chamber of the Economy (WKÖ). They will take effect from 1 November 1998 and run for 12 months.

Elsewhere, negotiations for the 110,000 wage earners employed by the 16,000 crafts and trades companies in the metalworking sector were concluded on 22 October. They resulted in an increase of minimum wages by 3.7% and of actual wages by 2.5%. Apprentices' remuneration was raised by 2.4%. Coverage of the agreement for the time being is only 70% or 75% but is, as in previous years, expected to rise to 100% over the next few months. The agreement takes effect from 1 January 1999 for 12 months. Negotiations for salary earners in crafts and trades enterprises began on 23 October and are likely to be concluded on the same terms.

AT9810108N (Related records: AT9810107F, AT9801155F, AT9809103F)
23 October 1998

DENMARK/NEWS

Tripartite agreement on content of new labour market reform

On 29 September 1998, the Danish government and social partners reached an agreement on adjustments to present labour market policy, the third reform in this area during the 1990s, following initiatives in 1994 and 1996. The tripartite agreement, which will serve as the guideline for legislative proposals, has 10 points.

1) Activation offers brought forward. The right and obligation for unemployed people to undergo ''activating'' measures is brought forward to an earlier point in their period of unemployment. For those over the age of 25, activation will take place within 12 months, and for those under 25, activation will be

offered within the first six months of unemployment.
2) Shorter period of benefits. The period during which unemployment benefit can be claimed will be reduced from five to four years.
3) Improved activation. Offers of activating measures will not only be made at an earlier point, but will also be of higher quality, while there will be more frequent dialogue between unemployed people and the public unemployment service.
4) More efforts directed at the most vulnerable group of unemployed people (the long-term unemployed).
5) Improved efforts to integrate people from ethnic minorities into the labour market.
6) Special rules changed for unemployed people in the 50-59 age group. Whereas the ''special rules'' for people aged 55-59 years remain in place, the special rules for the 50-54 age group are eliminated. Under present rules, a 45-year-old can remain unemployed for five years until the age of 50 and then, due to the special rules for those aged 50-59, remain in the unemployment system until the early retirement age of 60.
7) Training of unemployed people to be improved and made more demand-oriented.
8) Increased availability for work of unemployed people and improved control of this availability.
9) Improved relationship between the public employment service and companies, with a larger role for the latter.
10) Greater clarity in the respective roles of the different actors in the regionalised structure of the public employment service.

The Danish Employers' Confederation (DA), the Danish Confederation of Trade Unions (LO) and nearly all political parties are pleased with the result. The deal is regarded as a success for LO and DA in that, in spite of differing opinions on several points, they were able to compromise and take the initiative, thus limiting the role of the government and parliament. However, the Confederation of Salaried Employees and Civil Servants in Denmark (FTF) and the Danish Confederation of Professional Associations (AC), while being party to the new agreement, are not fully pleased with the final text - especially the reduction in the period of receipt of unemployment benefits.

On 6 October, Prime Minister Poul Nyrup Rasmussen called for a simplification and modernisation of the way that unemployment benefits are calculated. A number of trade unions strongly oppose any changes in the method of calculation, and Denmark's second largest union, the LO-affiliated General Workers' Union in Denmark (SiD), took the radical step of announcing that it could no longer be a party to the tripartite agreement on labour market reform. The reason for this move - which followed an internal dispute - is that SiD views the Prime Minister's proposal as constituting a breach of the agreement. It signed the deal on the conditions that the text contained all the issues on which the government could legislate, and that no further proposals or additional cut-backs were to be made.

The Minister of Labour has stated that he does not understand the reasons for the opt-out, as the social partners will be invited to talks on how to modernise the method of calculating the unemployment benefit without lowering the level of compensation for unemployed people. LO deplores the decision made by SiD, and says that it will not affect the reform.

DK9810187F (Related record: DK9809177F)
16 October 1998

FINLAND/NEWS

Bill extends flexibility provisions to unorganised employers

Sectoral collective agreements in Finland may contain provisions which are more flexible - ie less advantageous to the employee - than the strict rules stipulated in labour law. However, where an agreement is declared ''generally valid'' - ie has its legal effect extended to cover all employers in a sector, irrespective of whether or not they are members of the signatory employers' organisations - these flexible provisions may not be applied by the companies which are not members of employers' organisations. This issue has proved controversial, and a tripartite committee examining a reform of the Employment Contracts Act has been unable to agree on the subject. The main protagonists in the dispute have been the Federation of Finnish Enterprises (SY) - an organisation representing small and medium-sized firms which do not belong to those employers' organisations which have the right to negotiate collective agreements - and the trade unions.

On 22 October 1998, with no agreement reached in the tripartite committee, the Government decided to issue a bill on the subject, which will provide that all employers covered by generally valid collective agreements can utilise any provisions in the agreements which deviate from labour law provisions concerning sick pay, redundancies, annual leave and study leave. The disagreement over this issue had threatened the stability of the coalition government. The conservative National Coalition Party supported SY's demand that flexibility provisions in generally valid collective agreements should be widened to cover unorganised employers, while trade unions rejected this and sought support from the Social Democratic Party. Unions now fear that their interests have been disregarded.

The Central Organisation of Finnish Trade Unions (SAK) sees the decision on the proposed bill as one-sided and a serious attack on the prevailing policy of consensus and tripartite cooperation. SAK alleges that the decision reflects the fact that in spring 1998, the previous managing director of SY entered the government as the new Minister of Justice, representing the conservatives. SAK sees the decision as threatening both the future work of the Employment Contracts Act committee and the balanced development of collective agreements, and is appealing to Members of Parliament to reject the new bill.

According to the vice-chair of the SAK board, Pekka Ahmavaara, the bill will cause a far larger problem than that which the government thinks it will solve: ''SAK cannot accept people getting a free ride on contractual rights, with no responsibilities. The agreement that has now been developed spurs employers on to become unorganised. It puts an end to local-level agreements and threatens the labour market stability that Finland so desperately needs in order to achieve success.''

The general secretary of the Finnish Confederation of Salaried Employees (STTK), Seppo Junttila, warns that in the worst scenario the decision ''may hamper the functionality of the smoothly working incomes policy system. Furthermore, the willingness to sign company level agreements diminishes considerably.'' For the Confederation of Unions for Academic Professionals (AKAVA), its chair Mikko Viitasalo believes that ''this bill will widen the rights of unorganised employers, but will not require any of the responsibilities that apply to organised employers.''

FI9810180N (Related records: FI9810179F)
23 October 1998

GERMANY/NEWS

Collective agreement on telework signed at Deutsche Telekom

On 8 October 1998, the DPG postal workers' union signed a comprehensive collective agreement on telework with Deutsche Telekom AG and its subsidiary, T-Mobil, which will run from 1 January 1999 to 31 December 2000. The new deal follows an experimental first collective agreement on telework at Deutsche Telekom, signed in October 1995, which aimed to combine increasing employee self-determination regarding working time and working location with the necessary protection (see p. ii of the supplement to this issue).

The most important provisions of the new agreement are as follows:

- mechanical monitoring of performance and behaviour of work is permitted only if explicitly agreed between employer and works council;
- collectively agreed regulations may not be amended by lower-level agreements - eg at establishment level;
- during the lifetime of the agreement, the signatories will continue talks on the experiences and problems associated with telework; and
- as compensation for the limited opportunities for teleworkers to use trade union services within the establishment, DPG is given the possibility to provide information autonomously and independently on the Deutsche Telekom/T-Mobil Intranet. DPG may also contact teleworkers by e-mail. In the event of industrial conflict, these provisions are suspended.

The agreement also contains two appendices, listing specific provisions for alternating telework, where employees still have access to the company office as well as working at home, and mobile telework, which covers field staff, consultants or managerial staff who have access to mobile telecommunications and may work at construction sites, hotels or on the client's premises.

The most important provisions regarding alternating telework are that:

- the teleworker retains employee status;
- participation in telework is voluntary;
- the telework workplace may be checked by the project manager, who may be accompanied by representatives of the works council. Project manager and works council are to be granted access to the telework workplace;
- teleworkers are subject to the working time provisions of the collective agreement or of their individual employment contract. The division between telework at home and work in the office is to be agreed in writing. Any overtime must be planned by the employer in advance. Teleworkers have to record their own working time. Alternatively, working time may be recorded electronically, if such a system is agreed by social partners at establishment level;
- the employer will provide for a workstation in the company, where the teleworking employee may perform his or her duties. The employee is not entitled to a personal workstation;
- the employer provides and maintains the necessary equipment for teleworking, which may not be used for private purposes. In special cases, the employee may provide the equipment; and
- travel expenses between home and office are not borne by the employer.

DPG estimates that at Deutsche Telekom/T-Mobil there will be approximately 3,000 teleworkers by the year 2000. In the longer run, 70,000 jobs at the two companies could be transformed into teleworking jobs.

DE9810181N
23 October 1998

GREECE/NEWS

First agreement on the 35-hour week

On 3 September 1998, Greece's first enterprise-level agreement implementing a 35-hour week without a reduction in pay was signed by Hochtief Aktiengesellschaft vorm Gebr Helfman, a company headquartered in Essen, Germany (hereafter referred to as Hochtief), and the New Athens Airport branch of the Union of Building, Construction and Construction Materials Workers.

The agreement concerns only those building workers (numbering about 1,000) who have been hired by Hochtief itself, and not its subsidiaries or associated companies. Apart from reducing the building workers' working day from eight to seven hours, backdated to 1 May 1998, it also introduces a five-day (Monday-Friday) week. The parties to the agreement also agreed that there will be no pay cuts for the period from 1 April to 30 April 1998, when workers had already begun working fewer hours unilaterally. Amounts withheld will be paid retroactively. However, it was agreed that wages for other work stoppages already carried out would be withheld

In an statement, the building workers' union said that the agreement is the outcome of a hard struggle by workers, which forced Hochtief to recognise the worksite union branch as the representative of the workers employed there and to accept their basic demands after discussions with the union. The ''hard struggle by workers'' the union is referring to dates from June 1997 and has included a series of strikes supported by all Hochtief building workers.

GR9810197N
23 October 1998

ITALY/NEWS

New industrial relations system introduced at Ferrero

On 2 October 1998, an agreement was signed at Ferrero, Italy's largest food sector multinational, which is seen as an important breakthrough in industrial relations in the group - according to the unions, Ferrero has long based its relationship with its workers on a ''paternalistic logic'' which has left little space for trade union initiatives. The deal was signed by management, the national, regional and territorial bodies of the sectoral trade unions - Fat-Cisl, Flai-Cgil, Uila-Uil - and the company's ''unitary trade union representative bodies'' (Rsus).

The difficulties experienced in the food market, brought about by growing competition with products from countries with low production costs, and Ferrero's investments in the east, have engendered job instability in the company's Italian plants. This is why trade unions sought the negotiations, which turned out to be long and difficult but led to the new agreement. The hope is that the deal will allow the workforce to view the future with more confidence. The agreement provides for:

- the establishment of a ''bipartite committee'' composed of the company's top management and representatives of the national governing bodies of the three unions. The committee will examine in advance all the issues and the strategic choices faced by the group, in order to deal with changes in the economic context and their consequences on the company's production and work organisation;
- the establishment of ''local bipartite bodies'' which will discuss employment conditions in individual plants (working time, working flexibility, part-time work etc) and of ''local bipartite technical committees'', responsible for defining productivity indicators for the purpose of calculating performance-related pay;
- the development of a joint training programme that will be gradually extended to all the company's Italian plants to improve the industrial relations system, and which will involve both union representatives and managers;
- rules on the functioning of the company's Rsus and of their national coordinating body and on the paid time off required to act as a representative on these bodies;
- the recruitment of 150 workers on open-ended contracts. Also on employment, the deal clarifies that the number of fixed-term workers must not exceed an average of 20% of the total number of the company's workforce;
- a significant increase in performance-related pay. This portion of pay depends on two parameters: return on sales, which reflects the company's profitability; and ''qualitative excellence'', a combination of different production-quality indicators which will be defined by the local bipartite technical committees for each plant. The first indicator determines 70% of the performance-related payment and the second the remaining 30%. If objectives

are achieved, the payment will amount to ITL 2.1 million (ECU 1,085) per year;

- continuing vocational training initiatives paid by the company. The programme, aimed at developing multiskilled and multifunctional occupational competence, will involve 260 workers; and

- an exemption from night work for women with children under the age of three. This is significant, given the high proportion of women workers in Ferrero's Italian plants.

The secretaries general of the unions concerned expressed their satisfaction with the outcomes of the agreement which ''confirms the industrial relations model provided for in the 1993 central tripartite agreement''.

IT9810182N
23 October 1998

LUXEMBOURG/NEWS

White-collar workers' union to lose representative status?

November 1998 sees as important set of ''social elections'' of employee representatives in Luxembourg. Workers will be asked to vote for their employee committees/works councils, and for their representatives in their professional chambers and on the tripartite bodies which run health insurance and pension funds. Luxembourg's trade union movement may not be the same after the 1998 social elections, as the number of ''representative'' unions is set to fall.

Achieving ''nationally representative'' status is of particular importance for trade unions, as it entitles them to sit on numerous tripartite bodies, such as the important Tripartite Coordinating Committee, which gives an opinion before a decision is taken on government economic and employment measures. The national representativeness criterion is also important in terms of collective bargaining. Any employer requested by a representative union to take part in negotiations aimed at concluding a collective agreement is under a statutory duty to start talks. Furthermore, only representative unions have seats in the National Conciliation Office.

Legislation grants nationally representative status to unions which can demonstrate their importance through the size of their membership, their activities and their independence. At present, two union organisations are considered nationally representative for both blue-collar and white-collar employees in the private sector - the Luxembourg Confederation of Independent Trade Unions (OGB-L) and the Luxembourg Confederation of Christian Trade Unions (LCGB).

The Federation of Private Sector White-Collar Employees (FEP) is currently considered as representative of private sector non-manual workers. However, this representativeness has come under increasing scrutiny over the last five years due to falling membership caused by the setting up of ''dissident'' movements and the absorption of some of its members by other unions. The number of collective agreements involving FEP has fallen sharply, as has the number of the union's representatives who are members of employee committees/works councils. Up until now, the Minister of Labour and Employment has not withdrawn FEP's national representative status, probably because it won five out of 33 seats in the most recent election to the Chamber of Private Sector White-Collar Staff in 1993. This Chamber is one of the ''professional chambers'' representing employers and workers by socio-professional category, whose role includes giving an opinion to government on any legislation affecting them

On 18 September 1998, the FEP list of candidates for the November elections to the Chamber of Private Sector White-Collar Staff was rejected as failing to meet legal requirements by the body authorised to collate lists of candidates. This decision was reached on the grounds of incomplete documentation. There is no appeal and as a result, FEP will no longer be represented in the Chamber.

In all probability, FEP will be stripped of its nationally representative status in the next few months, prompting questions about the future development of unions in Luxembourg. There are two rival bodies seeking to take the place of FEP: the newly formed Confederation of Private Sector White-Collar Employees (CEP); and the Union of Private Sector White-Collar Employees (UEP), which is backed by the Luxembourg Association of Bank Staffs (ALEBA) and has already recruited some former FEP members.

Alternatively, if neither of these organisations gains representative status for private sector white-collar workers, it may be that OGB-L and LCGB will be the only two representative unions in future. This would inevitably result in a complete harmonisation of the statuses of white- and blue-collar workers - a process initiated by 1989 legislation which abolished most existing differences between the two categories of staff.

LU9810172F (Related records: LU9805162N, LU9705107F, LU9805162N)
16 October 1998

NETHERLANDS/NEWS

Kodak redundancy plan agreed following threat of court case

Negotiations over a redundancy plan between trade unions and management at Kodak Polychrome in Soestduinen in the Netherlands almost reached total stalemate at the beginning of September 1998. The US-based Kodak wants to transfer the production of photographic films, paper and chemicals to the USA, as a result of which 200 workers at Soestduinen will be made redundant.

On 7 September, management broke off discussions for the second time. The most important points of disagreement were financial compensation for all workers and special provisions for workers aged 55 and over. At the end of August, the company had offered compensation of eight months' pay for a 55-year-old worker with 40 years' service, while, according to the unions involved, in similar situations 50 months' pay was usual. The demands of the unions reportedly ran into difficulties when the American parent company refused to make the necessary funds available.

In the meantime, workers at Kodak went on strike twice in order to force a better settlement. The first two-day strike started on 1 September, and involved almost all the company's employees. According to the unions, only seven out of 200 workers reported for work. The second strike started one week later. The workers also announced that they would try to enforce an acceptable redundancy plan through the courts, with the help of union lawyers. Furthermore, the works council made preparations to commission an inquiry into the possibility of continuing to operate the company in a reduced form.

This pressure resulted in a reopening of negotiations. On 24 September, Kodak and the unions reached an agreement in principle. Employees older than 57.5 years will receive 85% of their present pay until reaching their pensionable age. Employees older than 40 will be paid one-and-a-half or two months' pay for each year of service. Furthermore, Kodak will assist employees with finding a new job and will top up their pay to the present level. According to the unions, the works council supports the outcome of the negotiations.

NL9809100N (Related record: NL9808197N)
25 September 1998

NORWAY/NEWS

Union confederations join forces for first time in political strike

Norway came to a halt for two hours on Thursday 15 October 1998, when the three main trade union confederations - the Norwegian Confederation of Trade Unions (LO), the Federation of Norwegian Professional Associations (AF) and, the Confederation of Vocational Unions (YS) - took strike action in a political protest against the government's new budget proposals for 1999. The largest independent union, the Norwegian Union of Teachers (NL), joined the three

confederations in the dispute, while the new confederation for academically-qualified staff, Akademikerne, also encouraged its members to take strike action. The organisations involved have approximately 1.15 million members between them, and a large majority of these took strike action between 14.00 and 16.00 on 15 October.

The government's budget proposals for 1999, if approved by a majority in Parliament, suggest several cost-saving measures, one of which is to cut the number of holidays by one day in order to reduce the present pressure in the Norwegian labour market. There is, however, no guarantee of a majority in favour of this proposal in Parliament. Three of the opposition parties, which together form a majority in Parliament, have declared that they will vote against the proposal to reduce statutory holidays by one day. Nevertheless, the budget proposals were seen as ''a declaration of war against Norwegian employees'', according to a joint statement issued by the union confederations. The LO president, Yngve Hågensen, argued that even though the reduction in holiday entitlement might not be approved, there was every possibility that other employee rights could come under attack, such as possible cuts in sickness benefits. The Confederation of Norwegian Business and Industry (NHO) kept a low profile during the strike, but argued that although the strike was not illegal, it would nevertheless inflict great damage on Norwegian industry.

NO9810192N
23 October 1998

PORTUGAL/NEWS

Employer involvement proposed in drafting labour legislation

A draft bill that would involve employers in the process of drawing up labour legislation, in the same way as workers' organisations are already involved, has been under discussion in the Economic and Social Council for some time. In Portugal, workers' organisations and trade union associations have a right to participate in drafting labour legislation, recognised in the Constitution (Article 54, no. 5, paragraph d, and Article 56, no. 2, paragraph a). This right, subsequently regulated by Law 16/79 of 26 May 1979, covers:

- individual contracts of employment;
- legislation on collective relations, associations and union rights;
- the right to strike;
- the minimum wage;
- the length of working time;
- vocational training;
- accidents at work and occupational diseases.

The current law outlines the stages of the participation process, the means by which parties are informed of proposed legislation, and the evaluation of proposals by the workers' organisations.

The law was adopted in a period in which strong legal protection of workers rights was considered necessary. However, the consolidation of democratic institutions, the system of industrial relations and the social dialogue during the 1980s and 1990s has led to an ongoing involvement of employers' organisations in the development of labour legislation. In signing the tripartite Strategic Concertation Pact of December 1996, the social partners involved - the Confederation of Portuguese Industry (CIP), the Confederation of Portuguese Commerce (CCP), the Confederation of Portuguese Farmers (CAP) and the General Workers' Union (UGT) - pledged to develop legislation dealing with the matter. For this reason, the UGT's stance on the bill now under discussion is that it is legal recognition of a practice that has been going on for some time. It maintains that if concertation and social dialogue are to take place at all levels of society, a necessary ''synergy'' will have to be promoted.

The General Confederation of Portuguese Workers (CGTP), which did not sign the 1996 Pact, disagrees with the draft bill and is of the opinion that the legislation under discussion is unconstitutional, since it violates certain fundamental rights laid down in the Constitution. According to CGTP, an ordinary law could only legally recognise a ''semblance of equality,'' that in reality does not exist since ''the right of employer associations to participate will never have the same consistency, dignity and legal-constitutional value as that of workers' organisations.''

PT9810105N (Related record: PT9808190F)
23 October 1998

SWEDEN/NEWS

Government forced to cooperate after election setback

The general election held on 20 September 1998 resulted in a major setback for the ruling Social Democratic Party. It won 36.6% of the votes, down 8.7 percentage points compared with the 1994 election, but remained the largest of the seven parliamentary parties. The two best performers in the election were the Christian Democrats and the ex-communist Left Party. The major non-socialist opposition party, the Conservatives, secured roughly the same share of the votes as in 1994, at 22.7%. Since their former partner, the rural-based Centre Party, said that it would no longer back the Social Democrats, they had to look for support elsewhere in order to stay in power. The result is a cooperation - though not a coalition - with two anti-EU parties, the Left Party and the Green Party.

Both the Lefts and the Greens have policies for a general reduction of weekly working time from 40 to 35 hours as a means of reducing unemployment. This heavily debated question is one where the Social Democrats and the two other parties differ. The Social Democrats and the closely linked Swedish Trade Union Confederation (LO) strongly advocate that the issue of working time should be regulated in collective agreements, to suit the conditions in each sector. The non-socialist opposition is also against a general reduction of working time. ALMEGA, an important employers' organisation for industrial and service companies, claims that any political intervention in the working time issue would change the prerequisites for the collective agreements concluded in the recent bargaining round. The three-year agreements were, according to ALMEGA, concluded under certain conditions, and if these conditions alter, it will have to consider revoking the agreements. The government, the Greens and the Left have agreed to appoint a working group to analyse the consequences of changes in working hours and to present proposals for the future.

The major issue facing the government will be the question of unemployment. Unemployment is decreasing and in September 1998 stood at 6.1%, but the number of jobs has not increased in line with the decrease in unemployment, as many people are in training and other similar schemes. The government's goal is to reduce unemployment to 4% by 2000, and it believes that an economic growth rate approaching 3% is possible in the next few years.

Prime Minister Göran Persson believes that cooperation between the social partners will be of increased significance, and that voluntary agreements provide long-term and stable solutions. Pay determination methods, labour legislation, working time and other industrial relations issues should be formulated through cooperation between trade unions and employers' organisations. The aim of cooperation should be to achieve full employment, low inflation and good working conditions for both employers and workers. The government also stresses the importance of education to achieve economic growth.

Mr Persson reshuffled his government after the election and merged four ministries, among them the Ministry of Labour, into a new Ministry of Industry and Commerce, which will coordinate the government's growth policy. Reac-

tions from employers and unions are varied. Some unions fear move to the right by some of the new ministers, while some employers' organisations want the government to continue to give attention to flexibility and economic growth.

SE9810116N (Related record: SE9806190F)
23 October 1998

UNITED KINGDOM/NEWS

New working time Regulations take effect

With effect from 1 October 1998, nearly two years after the original transposition deadline, the UK Government finally implemented the requirements of the 1993 EU working time Directive in the shape of the Working Time Regulations 1998. The Regulations also cover the working time aspects of the 1994 young workers Directive.

Subject to the exclusions and ''derogations'' permitted by the working time Directive, the Regulations mean that for the first time the UK now has a generally-applicable statutory framework covering maximum weekly working hours, minimum daily rest periods, rest breaks, weekly rest periods, paid annual leave, and night and shiftwork. Many commentators regard the Regulations as the one of the UK's most complex pieces of employment legislation ever.

UK companies are widely reported to be unprepared for the new legislation. Moreover, notwithstanding the recognition by employers' organisations that the Government has generally sought to allow the maximum possible flexibility in the application of the working time Directive's provisions, many employers are worried that the new Regulations will prove to be complex, bureaucratic and costly. Concerns have been expressed that the Regulations will involve employers in time-consuming negotiations and recording of employees' working hours and that flexible working time patterns geared to meeting demand will become more difficult.

The flexible application of a range of the Regulations' provisions is possible by means of collective agreements between employers and trade unions or, in the case of groups of workers who are not represented by recognised unions, by means of ''workforce'' agreements - a new mechanism introduced into UK law specifically to enable comparable flexibility in non-union areas.

A number of ''traditional'' collective agreements on applying the new law on working time have already been reported. The first such agreement was reached between the Heating and Ventilating Contractors' Association and the MSF trade union as long ago as November 1996 and made provision for an extended reference period of 12 months for calculating average weekly working hours to ensure compliance with the 48-hour limit. Another example of a sector-wide agreement is that between the Engineering Construction Industry Association and four unions - AEEU, GMB, TGWU and MSF - reached in 1997, to use the maximum collectively-agreed reference periods allowable under UK legislation when applying the statutory working time limits. One of the first reported company-level agreements on the application of the Regulations is between security company Group 4 and GMB.

No ''workforce agreements'' in respect of groups of workers whose terms and conditions are not set by collective bargaining have yet come to light but, unsurprisingly given its novelty, the concept has prompted considerable debate and criticism amongst both employers and trade unions. Under the Regulations, such agreements may be negotiated by elected employee representatives or, in small firms with 20 or fewer employees, signed individually by a majority of the workers concerned.

Another controversial aspect of the Regulations is that individual employees can voluntarily agree with their employer in writing that the 48-hour limit on average weekly working time should not apply in their case. The UK is the only EU country to have taken up the ''individual opt-out'' option allowed by the Directive (though longer working hours are also possible in Ireland with the written consent of employees, subject to higher statutory limits and for a transitional period only). According to the Employers' Forum on EU Social Policy, 74% of member organisations intend to ask at least some of their employees to opt out of the 48-hour maximum working week. Trade unions have argued that this will serve to legitimise working practices involving excessive working hours, and have already criticised the widely reported move by Forte Hotels, part of the Granada group, to ask its UK staff to sign individual opt-out agreements.

UK9810154F (Related records: UK9805123F, UK9702103F, UK9810155N)
16 October 1998

TRANSNATIONAL/NEWS

Child labour agreement signed in Turkey following Benetton case

On 16 October 1998, an important first agreement against the use of child labour was signed in Turkey. The agreement arose from alleged exploitation of child labour at Bermuda, a company which produces products bearing the Benetton trademark on behalf of Bogazici Hazir Giylim, a large textile company which is a licensee of the Benetton trademark in Turkey. The agreement was negotiated by a delegation composed of representatives of the Italian textiles sector trade unions - Filta-Cisl, Filtea-Cgil and Uilta-Uil - and of the Turkish trade unions, Turk-Is and Disk-Tekstil, along with the Benetton group and the Turkish company Bogazici.

The agreement, which covers all 100 or so supplier companies of the Turkish group, is a code of conduct on ''principles for clean production''. In an attempt to eradicate the violation of basic workers' rights, the code of conduct forbids: the use of child labour; the use of undeclared employment; and discrimination based on race, religion, ideology, language, sex or nationality.

All the signatory parties to the code of conduct believe that it sets an example for all other international situations of this kind. They hope for the establishment of an international independent authority able to monitor the situation efficiently, because in many countries regulations against child labour are almost non-existent. Adriano Linari, the national secretary of Filta-Cisl responsible for the Benetton group, stated that the adoption of this code of conduct is extremely important because it represents ''a concrete effort to eradicate the sad phenomenon of child labour in the textile sector in Turkey ... I hope that an independent body will be soon charged with monitoring child labour in Turkey.'' Turkish unions claim that almost all indigenous companies in the textile sector exploit child labour, as do important multinationals.

The agreement marked the end of an international case which received considerable media attention worldwide, after the Italian newspaper, *Corriere della Sera*, published detailed reports of child labour at the Bermuda group. The case was seen as particularly noteworthy because Benetton has always made a priority of social commitment, especially in favour of minors. After the article published by *Corriere della Sera*, the Benetton group immediately suspended its contract with the Bogazici group. The Italian company said that it was unaware of the specific situation in the Turkish company. It also declared that all suppliers and licensee companies located in countries which cannot import textile products from Italy are obliged to sign an agreement that force them to respect national laws on employment.

IT9810185N
23 October 1998

EIROnline - the Observatory's database on the Web

EIROnline, the European Industrial Relations Observatory's database is accessible to the public on the World-Wide Web. Here we provide information for EIRObserver readers on how to use EIROnline

EIRObserver contains a small edited selection of the records supplied to the European Industrial Relations Observatory (EIRO) by its network of national centres in the EU Member States (plus Norway) and its European-level centre. Each month, a comprehensive set of reports on key developments in industrial relations across Europe is submitted by the network, edited technically and for style and content, and loaded onto the *EIROnline* database. *EIROnline* is available via a site on the World-Wide Web.

Getting started

To make use of EIROnline, you require Internet access and browser software - EIROnline is best viewed with Netscape Navigator or Microsoft Internet Explorer versions 3 and above. Simply go to the URL address of our home page:

http://www.eiro.eurofound.ie/

This will bring you to the EIRO home page. EIRO's central operation is based on a monthly cycle, with national centres submitting news and features on the main issues and events in a calendar month towards the end of that month. These records are processed, edited and then uploaded from the middle of the next month. Thus, records relating to events in November, for example, will appear on the website from mid-December.

The home page indicates the last time that *EIROnline* was updated and provides direct links to the most recently added records. These are designated as either features, news or studies, with the titles in blue lettering, underlined. Whenever you see such blue (or green) underlined text in *EIROnline*, this indicates that clicking on the text will link you to further information. In the top left-hand corner of the home page, and of every page of *EIROnline*, there is a blue and black **EIROnline** logo. Clicking on this will always return you to the home page.

To the left of the home page is a list of links to additional facilities - **about EIRO**, **register**, **help**, **feedback**, **EIRObserver**, **contacts**, **related sites** and **EMIRE** (the online version of the European Employment and Industrial Relations Glossaries).

Along the top of the home page there is the **EIROnline navigation bar** containing four links: **news** connects to a list of the news items for the current month, and **features** to a list of that month's feature items; **site map** connects to a variety of ways of browsing *EIROnline* records; and **search** connects to an *EIROnline* search engine.

News and features

The basic content of EIRO consists of news and feature records. News items are short factual article about a significant event or issue in industrial relations in the country concerned. Features also set out the facts, but they are longer, allowing more detail and a commentary (''signed'' by the author(s)) to be included. Features cover the most significant developments, activities and issues, and those which can benefit most from a greater degree of analysis and background. From the home page, clicking on **news** or **features** on the **EIROnline navigation bar** connects to lists of the news and features for the most recent month - an ideal form of browsing for users who want quick access to the most up-to-date records.

Site map

The **site map** - accessible from the **EIROnline navigation bar** on every *EIROnline* page - is the most useful starting point for browsing the contents of the database.

The site map provides a list of all countries covered by EIRO, plus the EU level. Clicking on any of the **country** names connects to a full list of all the records submitted for that country. It is also simple to navigate by **date**: each month since EIRO started collecting data in February 1997 is listed, and clicking on a particular month connects to an editorial page highlighting key events and issues, and from there provides access to all the month's records.

To follow up a story in *EIRObserver*, and read the full text of the original record(s) on which it is based, the easiest way is to input the record's unique **record ID** (eg SE9704111F), which is provided at the end of each item in *EIRObserver* (along with the IDs of related records). Type the ID into the field alongside Record ID in the site map, and click the **search** button to connect directly with the record.

Those interested in information on particular organisations will find the **organisations** facility useful. Clicking on **index** connects you to a list of all the EIRO countries, plus the EU level, and an alphabetical list of letters. Clicking on any country will connect to a list of all the significant organisations mentioned in records referring to that country, and clicking on the name of any organisation provides a list (with links) of all the records in which it is mentioned. The alphabetical list sets out all the organisations mentioned in *EIROnline*, and again provides links to relevant records.

The site map also provides a chronological list (with links) of all the **comparative studies** produced by EIRO. These focus on one particular topical issue in industrial relations and its treatment across the countries covered by EIRO.

Searching

The most sophisticated way of finding information in *EIROnline* is to use the **search** option - accessible from the **EIROnline navigation bar** on every *EIROnline* page. EIRO uses the powerful Muscat search engine and offers users three types of search - **free text**, **advanced** and **thesaurus**. Before starting to search, it is strongly recommended that you click on **help**, which connects to useful tips on how to conduct all three types of search.

Feedback

A fuller users' guide was published in *EIRObserver* 1/98 p.2 and is available on *EIROnline* under the **help** facility. However, a written guide to a website/database is only ever of limited use, and *EIRObserver* readers are urged to gain access to *EIROnline* itself, in order to experience how it works and what it offers. *EIROnline* is still being developed and improved continuously (some features are not yet fully operational), and we welcome the views, comments and queries of users in order to feed into this process. As well as the **feedback** form available on the website itself, please send any input about *EIROnline*, by e-mail to eiroinfo@eiro.eurofound.ie.

EIROnline wins award

The UK-based Institute of Information Scientists has awarded its 1998 Jason Farradane Award to the European Industrial Relations Observatory. The award, presented in London in September, is made for ''an outstanding piece of work in the information field''.

The citation in support of the award states that: ''The award is made to Norman Wood and the EIRO team of the European Foundation for the Improvement of Living and Working Conditions, Dublin, for their outstanding and original work on the European Industrial Relations Observatory - a strategic paradigm for future developments in the European Union and internationally.''

EIRObserver

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Editor: Mark Carley

Consultant editors: Colin Gill, Michael Gold

Production: Shivaun Brett, Eoin Campbell

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Director: Clive Purkiss

Deputy Director: Eric Verborgh

EIRO steering committee: Clive Purkiss, Eric Verborgh, Willy Buschak (ETUC), Jean-Claude Vandermeeren (ETUC), Fritz-Jürgen Kador (BDA), Olivier Richard (UNICE), Nunzia Gava (CEEP), Fernando Cabral (IDICT, Portugal), Cees J Vos (Ministerie van Soziale Zaken, the Netherlands), Gaetano Zingone (DG V, European Commission)

Initial enquiries about other Foundation work should be made to the Information Centre.

European Foundation for the Improvement of Living and Working Conditions, Wyattville Road, Loughlinstown, Co. Dublin, Ireland, tel: +353 1 204 3100, fax: +353 1 282 6456, e-mail: postmaster@eurofound.ie.

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THE NATIONAL CENTRES OF EIRO

European Union Level
ECOTEC Research and Consulting, Avenue de Tervuren 13B, B-1040 Bruxelles and Priestley House, 28-34 Albert Street, Birmingham B4 7UD.
Contact: Tina Weber, tel: +44 121 616 3658, fax: +44 121 616 3699, e-mail: Tina_Weber@ECOTEC.co.uk

Austria
Institut für Höhere Studien, Stumpergasse 56, A-1060 Vienna.
Contact: August Gächter, tel: +43 1 599 91-189, fax: +43 1 59991-171, e-mail: gachter@wsr.ac.at

Belgium
Steunpunt WAV, KU Leuven, E van Evenstraat 2B, 3000 Leuven.
Contact: Hans Bruyninckx, tel: +32 16 323239, fax: +32 16 323240, e-mail: hans.bruyninckx@hiva.kuleuven.ac.be

Point d'Appui Travail Emploi Formation (TEF-ULB), Rue de Bruxelles 39, B-1400 Nivelles.
Contact: Philippe Dryon, tel: +32 2 650 9117, fax: +32 2 650 9118, e-mail: appuitef@ulb.ac.be or Estelle Krzeslo, tel: +32 2 650 3433, fax: +32 2 650 3335, e-mail: appuitef@ulb.ac.be

Denmark
FAOS, Dept of Sociology, University of Copenhagen, Linnesgarde 22, 1361 K Copenhagen.
Contact: Jørgen Steen Madsen, tel: +45 35 32 32 99, fax: +45 35 32 39 40, e-mail: kare.f.v.petersen@sociology.ku.dk

Finland
Ministry of Labour, PO. Box 524, Etelaesplanadi 4, FIN 00130 Helsinki.
Contact: Juha Hietanen, tel: +358 9 1856 8951, fax: +358 9 1856 8961, e-mail: juha.hietanen@pt2.tempo.mol.fi

France
IRES, 16 boulevard du Mont-d'Est, 93192 Noisy le Grand Cedex.
Contact: Alexandre Bilous, tel: +33 1 48 15 19 02, fax: +33 1 48 15 19 18, e-mail: alexandre.bilous@ires.enpc.fr

Germany
Institut der deutschen Wirtschaft, Gustav-Heinemann-Ufer 84-88, 50968 Köln.
Contact: Stefan Zagelmeyer, tel: +49 221 4981 785, fax: +49 221 4981 594, e-mail: Zagelmeyer@iwkoeln.de

WSI in der HBS, Bertha-von-Suttner-Platz 1, D-40227 Düsseldorf.
Contact: Thorsten Schulten, tel: +49 211 77 78 239, fax: +49 211 77 78 250, e-mail: Thorsten-Schulten@boeckler.de

Greece
INE-GSEE, Emm. Benaki 71A, 10681 Athens.
Contact: Eva Soumeli, tel: +30 1 33 03 718, fax: +30 1 33 04 452, e-mail: ineobser@otenet.gr

Ireland
CEROP, Graduate School of Business, University College Dublin, Carysfort Avenue, Blackrock, Co. Dublin.
Contact: John Geary, tel: +353 1 706 8974, fax: +353 1 706 8007, e-mail: geary_j@blackrock.ucd.ie

Industrial Relations News, 121-123 Ranelagh, Dublin 6.
Contact: Brian Sheehan, tel: +353 1 497 2711, fax: +353 1 497 2779, e-mail: irn@iol.ie

Italy
IRES Lombardia, Via Filizi 33, 20124 Milano.
Contact: Marco Trentini, tel: +39 2 6671 4973 / 6698 24 41, fax: +39 2 6698 0834, e-mail: ireseiro@galactica.it

Fondazione Regionale Pietro Seveso, Viale Vittorio Veneto, 24, I-20124 Milano
Contact: Roberto Pedersini, tel: +39 2 290 13 198, fax: +39 2 290 13 262, e-mail: eirofrps@tin.it

CESOS, Via Po, 102 - 00198 Roma.
Contact: Marta Santi, tel: +39-06-84242070, fax: +39-06-85355360, e-mail: cesos@mclink.it

Luxembourg
ITM, 26 rue Zithe, L-2010, Luxembourg.
Contact: Marc Feyereisen, tel: +352 42105 7860, fax: +352 42105 7888, e-mail: marc.feyereisen@ja.smtp.etat.lu

Netherlands
HSI, Faculty of Law, University of Amsterdam, Rokin 84,1012 KX Amsterdam.
Contact: Robbert van het Kaar, tel: +31 20 525 3962 / 3560, fax: +31 20 525 3648, e-mail: kaar@jur.uva.nl

Norway
FAFO Institute for Applied Social Science, PO Box 2947 Toyen, N-0608 Oslo.
Contact: Kristine Nergaard, tel: +47 226 760 00, fax: +47 226 760 22, e-mail: kristine.nergaard@fafo.no

Portugal
UAL, Palácio dos Condes de Redondo, R De Santa Marta 47, 1150 Lisboa.
Contact: Ana Carla Casinhas, tel: +351 1 317 76 73, fax: +351 1 317 76 73, e-mail: mlc@universidade-autonoma.pt

Spain
CIREM, Travessera de les Corts 39-43, lateral 2a planta, E-08028 Barcelona.
Contact: Maria Caprile, tel: +349 3 4401000, fax: +349 3 4404560, e-mail: maria.caprile@cirem.es

QUIT (Grup d'Estudis Sociologics sobre la Vida Quotidiana i el Treball), Departament de Sociologica, Edifici B, Campus Universitat Autònoma de Barcelona, Bellaterra 08193, Barcelona.
Contact: Clara Llorens, tel: +349 3 581 2405, fax: +349 3 581 24 37, e-mail: eiro.esp@uab.es

Sweden
Arbetslivsinstitutet, S-171 84 Solna.
Contact: Kerstin Ahlberg, tel: +46 8 730 95 93, fax: +46 8 730 95 01, e-mail: kerstin.ahlberg@niwl.se

United Kingdom
IRRU, Warwick Business School, University of Warwick, Coventry CV4 7AL.
Contact: Mark Hall, tel: +44 1203 524273, fax: +44 1203 524184, e-mail: mark.hall@warwick.ac.uk

Other Relevant European Commission Observatories
Employment Observatory
Contact: IAS, Novalisstraße 10, D-10115 Berlin, Germany, tel: +49 302 82 10 47, fax: +49 302 82 6378

Community information system on social protection (MISSOC)
Contact: ISG, Barbarossaplatz 2, D-50674 Cologne, Germany, tel: +49 221 235473, fax: +49 221 215267

eiro observer

Teleworking and industrial relations in Europe

Teleworking is an issue of increasing interest among social partners, governments and European Union institutions, as well as more widely. At European level, there has been mounting activity by the European Commission in recent years in terms of promoting research and debate, especially linked with preparations for the information society. In its July 1997 *Communication on the social and labour market dimension of the information society. People first - the next steps*, the Commission stated that it would consult the EU-level social partners on ''whether and to what extent Community action on the protection of teleworkers is advisable''. The 1997 Green Paper on *Partnership for a new organisation of work* emphasises teleworking, linking it with job creation, increasing employment opportunities, environmental improvement and regional development. The Commission's plan to consult the social partners on teleworking was repeated in the 1998-2000 Social Action Programme, making the issue all the more topical.

This supplement provides a short (and, given the nature of the subject and the material available, incomplete) overview of some aspects of the effect of teleworking on industrial relations. After briefly examining the extent of teleworking and its legal status/regulation, the supplement explores: the extent to which teleworking is dealt with in collective agreements; the contents of such agreements; teleworkers and trade unions; and the views of the social partners.

The supplement draws on contributions from the national centres of the European Industrial Relations Observatory (EIRO) describing the situation in the 15 EU Member States, plus *Norway*. This supplement is a shorter version of a full comparative study available on the *EIROnline* database (see p.15), which covers a wider range of issues and provides more detail.

Definition, extent and status

Defining teleworking can be difficult: it is not a legal category, but a functional definition. Two elements are combined in defining this form of work organisation: (a) the place of work must be somewhere other than the traditional workplace of the employer; and (b) telecommunications (computer, fax, telephone, satellite, disks, CD-ROM etc) must be used.

At present, reliable data on the scope of teleworking are unavailable in almost all countries. Official statistics give no information on teleworking and non-official studies use definitions and methodologies too diverse to be compared. The exception is *Austria*, where official statistics on employment now include teleworking, using three definitions. Depending on the definition, in September 1997, Austrian teleworkers represented 0.6%-1.5% of the employed and 0.4%-1.1% of wage-earners.

Given these problems, relatively little definite can be said on the current scale of teleworking. It is clear, however, that it is still a minority phenomenon and is developing more slowly than initially expected.

The European Commission's annual *Telework 1998* report, while acknowledging problems of definition and lack of information, reports calculations from European Telework Development, which suggest that in late 1997, there were 1,125,000 ''formal'' teleworkers - ie as part of a formal company scheme - in the EU (0.8% of the workforce), rising to 4,630,000 (3.1%) if informal teleworking - working at home part of the time based on an informal employee-manager agreement - is included. Estimated levels of formal teleworking are highest in *Denmark* (3.9%) and the *Netherlands* (3%) and lowest (0.1% or below) in *Belgium*, *France*, *Greece*, *Portugal* and *Spain*.

Reliable data on the legal status of teleworkers is lacking. However, it seems that the proportion of self-employed workers among teleworkers is very large and increasing everywhere. Information on the sectoral distribution of teleworking is rather more reliable - insurance, banking, services to companies and telecommunications are cited in most cases as the industries in which teleworking has developed fastest. In occupational terms, in all countries teleworkers include ''knowledge professionals'' - highly qualified white-collar workers with great autonomy and high value-added in the processing of information. Examples are programmers, analysts, engineers, architects, travel agents, estate agents, insurance brokers, banking agents, journalists, lawyers and consultants. However, in several countries - particularly the *UK* and *Spain* - telework is reportedly spreading among white-collar workers with a medium level of occupational skills, little autonomy and low value-added in information processing. This group includes secretaries, clerks and data processors.

The regulation of teleworkers' employment conditions is directly related to their legal status. Among wage earners with indefinite contracts, telework occurs predominantly in large companies. It normally consists of ''alternating'' telework, combining work at home - or in a telecentre - with regular work within the company, and the conditions are often set by collective agreement. Full-time teleworking is more characteristic of self-employed or temporary workers, who generally have a far less stable status.

Legislation and teleworking

Teleworking is not a legal category independent from the traditional forms of providing services in any EU country, and its employment law status varies greatly. The applicable legal framework depends on the teleworkers' legal status, defined by their relationship with the companies for which they work.

A total of seven different applicable types of legal status are identified across the countries concerned. Telework can be carried out, depending on the country, by an employer, a self-employed worker, a ''quasi-self employed'' worker (one cateory used in the *Netherlands*), a ''coordinated'' freelance worker (*Italy*), an ''employee-like'' person (*Austria*) a civil servant or an employee. The special category of homeworking is sometimes also used, though its legal status may differ between countries.

These different types of employment status can be divided into two main groups: employees, where an employment relationship exists; and non-employees, where a business relationship exists. The applicable legal framework is therefore either labour law or company law. Nevertheless, in all countries considered, the application of the legal framework to telework is now, or may become, problematic. There are two basic reasons:

1) When the teleworking contract is defined as a **business relationship**, conflict arises in cases where an employment relationship may exist but is difficult to prove, because the traditional concept of an employment relationship - based on increasingly obsolete ideas such as physical proximity, uniformity and continuity in performance of tasks, and immediate hierarchy and control - may not be applicable to teleworking. Self-employed legal status may, it is suggested from a number of countries, be used by employers to circumvent employment law. This perceived propensity (not exclusive to teleworking) to avoid traditional employment contracts is being addressed in some countries, either by revising traditional case law conceptions of subordination as a test of the existence of an employment relationship (as in *Germany*, the *Netherlands* and the *UK*), or by defining new types of status for people who are formally or personally independent but economically dependent in their work (as in *Austria*, *Italy* and the *Netherlands*), though this is not always easily applicable to teleworking.

2) When the teleworking contract is defined as an **employment relation-**

Examples of collective agreements on teleworking

Austria	A model agreement drawn up by the Union of Salaried Employees (GPA) has been used as basis for works agreements in the **information technology sector**, including IBM and Hewlett-Packard. The agreements establish that telework is voluntary and that teleworkers' involvement in the company must be guaranteed. The distribution of working time between home and company is specified, though teleworkers are free to distribute their working time during the day provided that company requirements are respected. The company meets the cost of the equipment, data transmission and telephone, plus additional expenses. The home workstation must respect health and safety regulations. The agreements are aimed mainly at employees combining in-company work with telework.
Denmark	An experimental agreement in the **financial sector** (60,000 employees), expiring in 1999, establishes a general framework for the regulation of telework, distinguishing the aspects to be regulated at sector level, at company level and individually between worker and employer. The sectoral agreement defines telework and establishes that: it should be voluntary; it is reversible at four weeks' notice; the equipment and its maintenance are the employer's responsibility; the teleworker is covered by existing health and safety regulations; telework can occupy a maximum of 50% of working time over a 13-week period; and weekly working hours are those specified in the collective agreement.
France	A July 1996 agreement on the employment of disabled people at **Banques populaires** (27,000 employees), signed by all the unions, seeks to provide for voluntary telework opportunities at home.
Germany	A teleworking collective agreement concluded by **Deutsche Telekom** and the DPG union in October 1995 establishes that: teleworkers retain employee status for all purposes; telework should be voluntary and reversible, with workers guaranteed a return to their previous job; the employer is responsible for providing and maintaining equipment, and for all additional expenses; and the distribution of working time between home and company must be agreed individually and established in writing. A 1991 works agreement at **IBM** Germany is also noteworthy as one of the first in Europe.
Italy	A December 1997 agreement at **Electrolux Zanussi** introduces an experimental programme of telework prepared by the group's ''national committee for equal opportunities''. Up to 40 people will participate voluntarily in the two-year programme. Its main aim is to help pregnant women or those with small children to combine family responsibilities with work, thus avoiding the use of parental leave when not strictly necessary. The programme is aimed at women, but men can also participate, in line with Italian parental leave legislation.
Norway	A company agreement has been concluded at **Vesta**, in the framework of the National Information Networks project. The agreement, aimed at typical telework activities such as telecommunications and administration, specifies 10 clauses to be included in individual employer-worker agreements, leaving some questions open for individual negotiation. The clauses refer to: the workplace (a room at home or rented, in both cases used exclusively for work); the general loss of the worker's right to occupy their job in the company while the agreement lasts; the employer's obligation to provide equipment, ensure its maintenance, and pay insurance and domestic expenses; the worker's duty to take care of equipment and return it; the obligation to respect professional confidentiality; the right of the teleworker to an unspecified wage bonus; and the conditions for termination of the telework agreement.
Spain	A March 1998 agreement at **DHC Internacional España** establishes the possibility of job creation by means of telework, a formula that can also facilitate the integration of disabled people. The company can define the jobs that it considers appropriate for recruiting staff as teleworkers. A joint commission will study and agree economic aspects, and bear in mind the factors that define work at home, including the smaller amount of time spent on the job.
Sweden	A joint recommendation in the **trade, commerce and services sector** (80,000 employees), signed in November 1997, establishes rules for the (total or partial) move to telework of companies' existing employees, serving as a guide for agreements at company level or individual employer-worker agreements. The recommendation provides that: telework should be voluntary and reversible, with the conditions to be regulated; teleworkers' attendance at meetings should be facilitated; teleworkers should have the same rights as other employees to information, consultation and professional development; equipment must meet health and safety regulations; and the employer is responsible for safety at work and thus must have necessary access to the home work area.
UK	A teleworking agreement was signed at **British Telecom** in 1992, aimed at managers and professionals. It states that telework cannot be seen as a way of combining work with childcare, and establishes that: telework is voluntary; teleworkers are paid a salary and are therefore covered by collective bargaining for all purposes, including health and safety; there should be equal opportunities in professional development; equipment and domestic expenses are paid for by the company; the employer is responsible for health and safety; and teleworkers are guaranteed information and communication with the company, including attendance at regular meetings.

ship, the issues centre on the regulation of employment conditions. A salaried teleworker enjoying full rights cannot always exercise them due to the special characteristics of working outside the traditional workplace and using telecommunications. Gaps in regulation may affect areas as diverse as the employer's liability for industrial accidents and health and safety, the concept of working time, and access to collective representation. In some countries - *Belgium*, *Norway* and *Sweden* - legislation or proposals seek to allow employees who work physically outside the company to exercise their rights as employees.

The application of the homeworking category to teleworkers is also problematic. Where this category exists, its regulation is generally insufficient and obsolete, often having been developed to cover more traditional situations. Furthermore, the legal status of homeworking - employee, self-employed or other - is not the same in all countries.

Collective bargaining and teleworking

The importance of bargaining

The role played by collective bargaining in the regulation of teleworking varies greatly.

In many countries - including *Belgium*, *Finland*, *Greece*, *Luxembourg*, the *Netherlands* and *Portugal* - telework is not regulated by collective agreements at any level, though in some countries - especially the Netherlands - unions have tried to raise this topic in bargaining. In some companies, a succession of individual management-employee telework agreements has led to a degree of regulation, sometimes with works council involvement, but teleworking is not strictly speaking regulated through bargaining. *Spain* can also be included in this group, although bargaining is starting to develop: in some companies, negotiations are underway over distance working, and one agreement refers explicitly to telework.

In other countries there has been some development of company-level bargaining on telework, although it is generally a relatively new phenomenon. This is the case in *France*, *Germany*, *Ireland* and the *UK*. *Austria* and *Norway* can also be included, although with some reservations. In Norway, bargaining on teleworking seems less developed; while in Austria, besides some company agreements, there is a sectoral agreement in the mineral oil industry, but it has met with strong employer resistance and no other sectoral deals are foreseen in the near future.

Finally, in a small number of countries bargaining on teleworking seems to be more developed and ''articulated'', combining company agreements with an emergent development of sectoral agreements. In *Sweden*, sectoral agreements include a 1997 joint recommendation in trade, commerce and services establishing guidelines for lower-level agreements. In *Italy*, company agreements began to deal with telework in 1994, and since 1996 sectoral agree-

ments have been signed in retail and telecommunications. In *Denmark* teleworking has received special attention since 1997, with sectoral agreements in the state sector, the regional and municipal sector and banking. In industry, retail and services, protocols on telework have been added to agreements, and committees are discussing the subject. Denmark is the country where telework bargaining is most articulated. Sectoral agreements differentiate between aspects dealt with in the sectoral agreement itself, in company agreements and in individual employer-worker agreements.

Issues regulated by bargaining

Where collective agreements regulate teleworking, their provisions are generally quite similar:

- **voluntary nature**. The worker must agree to telework voluntarily - it can never be imposed by the employer;
- **reversibility**. Both the employer and worker may terminate teleworking. The procedures for termination, such as notice periods, are regulated;
- **employee status**. Teleworkers maintain their employee status for all purposes, and their general employment conditions are therefore often governed by collective bargaining, although some aspects may be regulated specifically;
- **non-discrimination**. Teleworkers should suffer no discrimination due to their situation. Explicit reference is occasionally made to remuneration or career development. Access through telecommunications to company information and unions or workers' representatives is usually mentioned;
- **health and safety at work**. Rules adapt existing regulations to the specific situation of telework. In general, the employer's responsibility for health and safety extends to supervising the employee's work area at home and ensuring that it meets regulations;
- **working time**. Working hours are those laid down in the relevant agreement, but specific rules are usually established on flexibility and calculating overtime. A minimum of working hours within the company may also be agreed, to ensure that workers attend meetings and do not lose contact;
- **equipment and expenditure**. The employer usually provides and maintains the necessary equipment, and meets extraordinary domestic expenses caused by telework (telephone, electricity etc); and
- **specific groups**. Telework is sometimes specifically oriented towards certain groups, such as high-level technicians, disabled people or women who are pregnant or have young children. However, this tendency is not general and some agreements reject teleworking being used as a means to combine work and family life, as this may discriminate against women.

The box on p.ii provides brief details of a number of notable collective agreements on teleworking.

Teleworkers and trade unions

There is no information on union membership among teleworkers. It might be assumed that unionisation is often relatively high among teleworkers covered by bargaining on the issue, because they are employees of large companies with permanent contracts, in some cases participating in experiments supervised by unions. Unionisation may well be far lower among employees with individual teleworking agreements or self-employed workers. There are no known specific associations of teleworkers with a bargaining role (but see below).

The dispersion and isolation of the workers concerned may make it very difficult for unions to gain access to them. Traditional trade unionism has trouble dealing with these new realities and the unions are fully aware of the risk of leaving ''atypical'' groups of workers unprotected. In general, unions see a danger of the individualisation and segmentation of employment relationships and employment and working conditions, and acknowledge the need to explore new forms of communication, organisation and representation.

Some unions have undertaken specific initiatives aimed at teleworkers.

- In *Germany*, the unions DPG (posts and telecommunications), IG Medien (media) and HBV (trade, commerce and industry) in 1997 jointly established an ''employee-oriented telework consultation'', OnForTe, with support from the government and Deutsche Telekom. OnForTe analyses the opportunities and risks of teleworking, develops solutions, lobbies on behalf of teleworkers and provides legal advice, support and information on ''best practice'' and health and data protection.
- In *Ireland*, the Communication Workers' Union has targeted teleworkers' needs by compiling guidelines for equitable treatment and establishing a ''virtual branch'' to recruit teleworkers - membership is open to teleworkers (employees and self-employed), and anyone in the communications, online, distribution and computer industries.
- In *Italy*, the three main union confederations created internal structures in 1998 to organise and represent ''atypical'' workers with employment relationships lying between dependent and autonomous employment (eg ''coordinated'' freelance work and consultancy). Cgil set up New Job Identities and Cisl the Association of Atypical and Interim Workers while Uil intends to extend the range of action of its Committees for Employment to include atypical workers. Cisl may create an association specifically for non-dependent teleworkers alongside the general atypical workers' association.

The views of the social partners

Telework does not currently appear to be especially high on the social partners' agenda. In some countries, the partners' positions are clearer than in others, but in no case is it reported that teleworking is a particularly high-priority topic.

Trade union opinions

In general, trade unions regard teleworking ambivalently, reflecting both the new opportunities and the risks involved. In *Denmark*, the *Netherlands* and *Sweden*, there has reportedly been a clear evolution of unions' positions: while in the past there was resistance because telework was seen as linked to traditional homeworking - manual, low-qualified, with unstable working conditions - attitudes are now more neutral or even positive, although with reservations.

Unions accept that teleworking generates favourable expectations among many workers who want a different working environment or a new balance between working time and free time. However, unions are also aware of the risks: against the generally optimistic view of telework as a formula for job creation, unions are concerned about the increasing instability of employment and working conditions that may result from ''outsourcing''. A common union demand is to avoid any mandatory transfer of teleworkers into self-employment. For employed teleworkers, union demands are very similar to the provisions frequently laid down in collective agreements (see above): ensuring that telework is voluntary and reversible; equal rights and opportunities with other employees; and the adaptation of labour legislation to telework situation.

Generally, all unions consider that telework should be regulated more extensively, although there are differences on how to combine legislation and collective bargaining. These differences partly relate to differing national regulatory frameworks, but are sometimes also present between unions in the same country. Some unions prioritise legislation, so as to: avoid unrecognised situations of dependent employment; regulate basic aspects of telework; and allow for labour legislation to be adapted to telework. Other unions, however, consider that telework is still too undeveloped for legislation that would immediately be overtaken by events: they favour sectoral and company bargaining, without ruling out, once telework is more widespread and there is greater experience, the adoption of more general measures through multisectoral agreements or legislation.

At European level, over recent years the European Trade Union Confederation

has developed a generally constructive attitude towards teleworking, while recognising the potential problems. In a recent document setting out *25 points on industrial relations in the information society*, the ETUC states that ''teleworking should neither be condemned out of hand nor glorified. The crucial question is how it will be organised.''

Employers' associations' opinions

The position of employers' associations is less clear than that of unions, because they generally see work organisation as a question which is the exclusive concern of companies. However, employers' organisations tend to take a positive view of teleworking: they feel that it allows work to be reorganised and made more flexible, reduces costs and generates favourable expectations among workers. It is reported from several countries that this stance does not always coincide with that of company managers, who may be reluctant to change existing models of management and organisation and above all to lose direct control of work. The position of employers' associations on regulation is usually very clear: they do not consider it necessary to regulate telework specifically, and in the event of it being regulated, they prefer collective bargaining to legislation.

Common approaches

Although unions and employers' associations often differ, in some countries there is a certain level of agreement on the regulation of telework. In *Portugal*, the tripartite ''Strategic Social Pact'' (1996-9) declares that telework can lead to instability if not regulated appropriately. The government has agreed to begin consultations with the social partners to promote a new legislative framework for telework. In the *Netherlands*, the tripartite Social and Economic Council has recently stated that the protection of teleworking employees should be analogous to that of ''traditional'' employees. The Council also views positively the opportunities for self-employment offered by telework, while noting that the protective scope of labour and social security legislation should not be undermined. In *Greece*, the social partners have taken a positive view of the provisions on ''atypical forms of work'', including telework, in labour legislation adopted in 1998, although differences persist on related questions. In *Norway*, a ''joint declaration on telework'' was included in the latest revision of the ''Basic Agreement'' between the NHO employers' organisation and LO trade union confederation (1998-2001). The organisations agree that problems exist connected to teleworking, and commit themselves to monitor closely its future development through studies and dialogue. A joint committee will look at the issue, and propose changes to the existing law and collective agreements.

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Commentary

There is still no clear picture regarding the development and uptake of telework in the EU Member States and Norway. Its expansion has probably been less than predicted a decade ago. Official statistics generally do not take telework into account, and while there is much literature on teleworking, there is little research into its use as a form of work organisation, and even less into its effects on employment conditions or industrial relations.

Teleworking is a form of work organisation that has not yet been fully defined. Beyond the general two-pronged concept of work outside the traditional workplace and the use of telecommunications, a diversity of situations exists. We feel that the key diversity lies in the legal status of teleworkers and the nature of the work performed. The combination of these two factors creates a dual profile within which employment conditions vary greatly.

As mentioned above, some seven employment categories are reported as being applicable to telework - from employee to self-employed - as well as the homeworking category, whose legal status is unclear. The most ''teleworked'' occupations have two distinct profiles in terms of work content and status: administrative work and customer care, involving a medium level of qualification, low mobility, low value-added in the processing of the information and little bargaining power; or the ''knowledge professional'', highly qualified, usually with mobility and high value-added in information processing, and high bargaining power.

There is a general gap in regulation - whether by legislation, case law or agreement - regarding the specificities of telework and its effects. However, this void is not exclusive to telework, which is only a small part of a far more complex and problematic phenomenon. Prevailing regulatory frameworks in most European countries do not cover the present complexities of the labour market and industrial relations. They were developed to deal with situations that now cover only part of the workforce, leaving the remainder seemingly unprotected.

It seems that work is increasingly characterised by decentralisation and ''atomisation'', weakening the possibilities for the defence of workers' interests, especially in extreme situations where workers have a business - rather than an employment - relationship imposed by the employer in order to circumvent labour standards. Forms of work are developing that fit poorly into the employment categories laid down by law, making it difficult to attribute employee status to the workers concerned. Existing regulations are based on ideas of proximity, work performance and control that may be obsolete. Increasingly, some workers organise their own activity with more autonomy and/or outside the employer's premises. However, they do not cease to be organisationally integrated in the company (they cannot choose whether or not they do the work or over what period they do it), nor do they stop being economically dependent on it. What does change is the way in which the employer exercises managerial power, and this change is used to define the employer-worker relationship as a business, rather than employment, relationship.

In most European countries, there is an increasing tendency for relations between employees and employers to become more like business than employment relationships, with a resulting reduction in protection for the workers concerned, who in some countries are known as the ''false self-employed''. Managerial strategies may use the obsolescence of labour regulations as an excuse to not apply them, enabling employers to reduce labour costs and their obligations towards workers and to increase their freedom to ''hire and fire''.

Employment in Europe is thus arguably characterised increasingly by managerial work organisation strategies that are not fully covered by increasingly obsolete labour regulations, leading to a ''flight from labour law''. In some countries, legal categories of employment have been diversified by designating intermediate situations between employees and self-employed, which provide more employment protection than self-employment but less than employment, and are less expensive for employers than the latter. Other countries have redefined case law regarding the criterion of ''dependence'', allowing workers whose situations differ from those covered by prevailing regulations to join the category of employees. However, in other countries, legislative policy and case law tend to exclude these workers from coverage by labour legislation. These two solutions are qualitatively different in terms of whether they support or prevent discrimination against the workers involved.

The existence or otherwise of an employment relationship is not the end of the problem. If the employment relationship is recognised, discrimination may arise from the special circumstances of employees who perform distance work and/or homeworking and/or work with telecommunications, which are are not recognised by existing regulations. The problems include fundamental rights (privacy, equal treatment in training and promotion, or collective rights) or new occupational illnesses not covered by health and safety regulations or social security.

The social partners agree in some Member States on the use of collective bargaining at regional, sectoral or company level to solve these problems, by establishing the conditions under which telework is to be performed or by regulating related organisational strategies. However, not all workers have the power to negotiate or to enforce application of the prevailing regulations. The bargaining solution does not seem consistent with the fact that some of the workers concerned are characterised by weakness, segmentation and dispersion. If this question is to be dealt with successfully, it seems clear that a fuller reconsideration of the prevailing legislation is necessary, as well as a more profound change in trade union strategies (María Caprile and Clara Llorens, CIREM-QUIT).