Developments in Working Life in Europe: EurWORK Annual Review 2016

Eurofound

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Developments in Working Life in Europe: EurWORK Annual Review 2016

Abstract

[Excerpt] This report is part of a long-running series of similar reviews, published by Eurofound since the late 1990s. It aims to summarise the most recent working life developments – particularly in terms of industrial relations and working conditions – at EU level and in the EU Member States and Norway. It focuses on those areas of working life that may have been shaped by EU-level policies. The report starts with three contextual chapters summarising the developments likely to have had an influence on working life debates and policies at national level.

1. economic and labour market developments

2. policy developments at EU level related to working life

3. political developments.

A core contribution of this report is its condensed summary of social dialogue developments in 2016 within the EU28 and Norway, in Chapter 4. Two further thematic chapters: Chapter 6 – ‘Pay inequalities: Evidence, debate and policies’ and Chapter 7 – ‘Promoting work–life balance of working parents and caregivers’ provide more in-depth updates on recent debates at national level and on new policies within the EU.

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Keywords
Europe, working life, industrial relations, working conditions, labor market

Comments

Suggested Citation

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Developments in working life in Europe: EurWORK annual review 2016
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Introduction

This report is part of a long-running series of similar reviews, published by Eurofound since the late 1990s. It aims to summarise the most recent working life developments – particularly in terms of industrial relations and working conditions – at EU level and in the EU Member States and Norway. It focuses on those areas of working life that may have been shaped by EU-level policies. The report starts with three contextual chapters summarising the developments likely to have had an influence on working life debates and policies at national level.

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<td>Christine Aumayr-Pintar, Eurofound</td>
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<td>Andrea Broughton, IES and Yolanda Torres-Revenga, Eurofound</td>
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<td>Political context affecting working life</td>
<td>Catherine Cerf, Eurofound</td>
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<td>Bernadette Allinger, Ingrid Mairhuber, Bettina Stadler (FORBA – Working Life Research Centre)</td>
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## Contributors from Eurofound’s Network of European Correspondents

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<tr>
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<td>Bernadette Allinger, FORBA (Working Life Research Centre)</td>
</tr>
<tr>
<td>Belgium</td>
<td>Dries Van Herreweghe, Maarten Hermans, Guy Van Gyes – HIVA KU Leuven</td>
</tr>
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<td>Bulgaria</td>
<td>Ekaterina Markova, Bulgarian Academy of Sciences (ISSK-BAS), IR Share</td>
</tr>
<tr>
<td>Croatia</td>
<td>Predrag Bejakovic and Irena Klemencic, Institute of Public Finance</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Pavlos Kalosinatos and Loucas Antoniou, Cyprus Labour Institute – PEO (INEK-PEO)</td>
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<td>Czech Republic</td>
<td>Renáta Kyzlinková, Soňa Veverková, Aleš Kroupa, Research Institute for Labour and Social Affairs</td>
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<td>Carsten Jørgensen, FAOS, University of Copenhagen; Tobias Bühring, Oxford Research</td>
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<td>Estonia</td>
<td>Ingel Kadarik and Märt Masso, Praxis Centre for Policy Studies</td>
</tr>
<tr>
<td>Finland</td>
<td>Anna Savolainen, Oxford Research</td>
</tr>
<tr>
<td>France</td>
<td>Frédéric Turlan, IR SHARE</td>
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<tr>
<td>Germany</td>
<td>Sandra Vogel, Institut der Deutschen Wirtschaft Köln (IW)</td>
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<td></td>
<td>Birgit Kraemer, Institut in der Hans-Böckler-Stiftung (WSI)</td>
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<td>Greece</td>
<td>Penny Georgiadou, Labour Institute of GSEE</td>
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<td>Hungary</td>
<td>Ambrus Kiss, Károly György, Annamária Kunert, Pál Belyó, Policy Agenda</td>
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<td>Anna Arca Sedda, Feliciano Iudicone, Amerigo Lombardi and Silvia Sansonetti, Fondazione Giacomo Brodolini</td>
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<td>Lithuania</td>
<td>Inga Blaziene, Sandra Krutuliene, Lithuanian Social Research Centre</td>
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<td>Latvia</td>
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<td>Saviour Rizzo, Centre for Labour Studies, University of Malta</td>
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<td>Heloísa Perista, Paula Carrilho and Maria da Paz Lima, CESIS – Centro de Estudos para a Intervenção Social</td>
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<td>Jessica Durán and Iñigo Isusi, Ikei research &amp; consultancy</td>
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<td>Claire Evans, IRRU, University of Warwick</td>
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Econmic and labour market context
The year 2016 was marked by continued economic growth across Europe. According to preliminary data from Eurostat, it seems to be the first year since the crisis in which all Member States experienced growth of GDP per capita in real terms (even though it was still modest in some). Growth rates ranged from below +0.5% in Norway, Austria and Denmark to more than +4% in Malta, Ireland, Bulgaria and Romania.

Table 1: Growth of real GDP per capita in euro (chain linked volumes per 2010) percentage change 2015–2016

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<tr>
<td>Germany</td>
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<tr>
<td>Denmark</td>
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</tr>
<tr>
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<td>Luxembourg</td>
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<tr>
<td>Slovakia</td>
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<tr>
<td>Latvia</td>
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<td>Slovenia</td>
<td>2.2</td>
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<td>Greece</td>
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<td>Sweden</td>
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Note: Data for Bulgaria, Greece, Spain, France, Cyprus, the Netherlands and Romania are preliminary; data for Poland and Portugal are estimates.
Source: Eurostat (tsdec100), authors’ calculations.

In the majority of countries, real GDP per capita in 2016 now exceeds its pre-crisis level of 2007, bringing average growth in the EU28 for the period 2007–2016 to +2.7% (see Figure 1).

In four Member States, however (Greece, Cyprus, Italy and Finland) the level of real GDP per capita is still considerably below its pre-crisis level as of 2007. It approaches the level of 2007 in Croatia, Portugal, Slovenia, Spain, Denmark, Norway and Luxembourg. It slightly exceeds it in France, the Netherlands, Austria, Belgium, Estonia and the UK. However, it considerably exceeds the 2007 level in the remaining Member States, the highest rates of growth being recorded in Slovakia, Bulgaria, Lithuania, Romania, Ireland, Malta and Poland.\(^1\)

\(^1\) However, GDP figures for Ireland for 2015–2016 were critically debated over the course of 2016, as it was claimed that they had been distorted, due to the taking into account of the activities of multinational companies.
The year 2016 was the third consecutive year in which total employment of the working age population (15–64 years old) grew in the EU. On average, 218.4 million people of working age were employed in 2016 in the EU, thereby almost reaching the peak employment level 218.9 million in 2008. Almost 7.6 million more people are now in employment than in 2013, when employment levels reached their lowest point.

A number of findings emerge from Eurostat figures (Eurostat data codes are shown in brackets).

**Longer working lives:** The average duration of working life in the EU is slowly but steadily increasing (from 34 years in 2007 up to 35.4 years in 2015) (tsdde420).

**More older workers:** The employment rate of older workers (55–64 years) rose substantially from 47.2% in 2011 to 55.3% in 2016, both among men and women (tsdde100).

**Part-time work more common:** The share of part-time work has increased in the last decade (and considerably in the years of economic crisis) but has remained fairly stable over the past four years, reaching 19.5% of total employment in 2016 among those aged 15–64 years (tps00159). However,
young people (15–24 years), have experienced much greater increases in part-time employment (from 29.7 in 2011 to 32.4% in 2016) (*tps0159*).

**Rise in non-permanent contracts:** The proportion of workers in the EU with a non-permanent contract reached its peak in 2007 – at 12.2%. It fell during the years of crisis, but since 2013 rose back to 12% in 2016 for the working age population (15–64 years). Again, such non-permanent contracts are more prevalent among younger workers, but there is also a considerable country variation with Spain, Portugal and Poland recording the highest shares, with around one-fifth of workers being on such contracts. (*tps00073*).

In the EU during 2016, unemployment rates fell in almost all countries, bringing the rate down from 9.4% in 2015 to 8.5%. (Exceptions were Denmark, Austria, Norway and Estonia)

### Table 2: Change in unemployment rates 2015–2016 (percentage points)

| Country | HR | ES | CY | SK | HU | BG | IE | PT | PL | EL | LT | CZ | SI | EU28 | NL |
|---------|----|----|----|----|----|----|----|----|----|----|----|----|-----|-----|
|         | -2.8 | -2.5 | -1.9 | -1.9 | -1.7 | -1.6 | -1.5 | -1.4 | -1.3 | -1.3 | -1.2 | -1.1 | -1   | -0.9 | -0.9 |
| RO      | -0.9 | -0.7 | -0.7 | -0.6 | -0.5 | -0.5 | -0.5 | -0.3 | -0.3 | -0.2 | -0.2 | 0   | 0.3  | 0.3  | 0.6  |

*Source: Eurostat (tsdec450), authors’ own calculations, data extracted on 14 June 2017.*

It usually takes time for economic to translate into reduced unemployment. The EU unemployment rate stood at 7.2% in 2007, reached its low point of 7.0% during 2008, gradually rose to its peak of 10.9% , but is now on its way back to pre-crisis levels.

Figure 2 below displays the level of unemployment rates in 2016, the pre-crisis level 2007 and one of the peak unemployment years – 2011. The figure illustrates different country patterns.

In a first group of Member States, unemployment rates have returned to levels below those of 2007. This comprises the Czech Republic, Germany, Malta, Hungary, Poland and Slovakia.

In a second group, rates have returned more or less to their pre-crisis levels (UK, Sweden, Bulgaria).

In a third group – similar to the EU as a whole – unemployment rates, while not having reached their pre-crisis levels, are on their way back. This includes Denmark, the Baltic States, Ireland, Portugal and Spain. (Spain still has a longer way to go and is perhaps still closer to the fourth group of countries, with persistent rates of unemployment).

In a fourth group are Norway, Austria, the Netherlands, Luxembourg and Finland, all with relatively low rates, but some further increase as compared with both 2007 and 2011. Belgium, Slovenia, Croatia and France also have persistently higher unemployment rates – close to or at the level of 2011.

Finally, Italy, Cyprus and Greece – despite some improvements in 2015–2016 – continue to have unemployment rates much higher than those of both 2007 and 2011.
In nominal terms, the statutory minimum wage grew in all Member States having a minimum wage between 1 January 2016 and 1 January 2017 (with the exception of Greece, where it remained frozen). However, it has to be mentioned that in the medium term and in real terms (i.e. when changes in price levels are taken into account), there are many Member States in which real statutory minimum wages were declining.

**Table 3: Change in statutory minimum wages in real terms, 1 January 2010 to 1 January 2017**

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<th>Country</th>
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</tr>
<tr>
<td>Netherlands</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Malta</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Belgium</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Greece</td>
<td>-24.3%</td>
</tr>
<tr>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>
Note: The scale ranges from the greatest increase to the greatest decrease. The nominal minimum wage rates were converted to real terms using the monthly HICP index (prc_hicp_midx) for the period January 2010 to December 2016, as updated by Eurostat on 19 January 2017.

Source: Eurofound topical update Statutory minimum wages in the EU 2017, using data from Eurofound’s Network of European Correspondents and Eurostat.

The trend from 2015 of growth in both real and nominal collectively agreed wages continued in 2016. Collectively agreed wages in real terms grew in nearly all countries where such data are available, with the exception of Belgium and Malta, where they did not surpass the pre-crisis level (see Eurofound report Developments in collectively agreed pay 2016).

Finally, working time continued to fall in 2016: the average collectively agreed weekly working time in the EU fell from 38.1 hours in 2014 and 2015 to 38 hours in 2016. Taking an annual perspective and as per the collective agreements in place, full-time workers in the EU worked, on average, 1,720 hours in 2016 (representing 1,690 hours in the EU15 and 1,816 hours in the more recently joined 13 Member States) (see Eurofound report Developments in working time 2015–2016).
2 – EU-level developments affecting working life

This chapter reviews the main EU-level developments in 2016 that relate to working life. They include the EU’s initiatives to increase social justice and fairness (for example, through a European Pillar of Social Rights) and to mainstream social and employment affairs within the European Semester process. Labour markets are changing due to factors such as migration, the ageing workforce and new ways of working; during 2016, the EU’s REFIT process continued to review the legislative framework to ensure that it keeps pace with latest broader developments. Dedicated initiatives designed to address specific development – such as the sharing economy and undeclared work – were also progressed during 2016.

European Pillar of Social Rights

The initiative to create a European Pillar of Social Rights was announced in President Juncker’s State of the Union address in September 2015 and outlined in the European Commission’s 2016 Work Programme. The Commission engaged in a debate with EU authorities, social partners, civil society and citizens and launched a broad public consultation to gather feedback, which concluded in January 2017 with a high-level conference.

The consultation was structured into three main categories: equal opportunities and access to the labour market; fair working conditions; and adequate and sustainable social protection.

Figure 3: Consultation regarding European pillar of social rights

<table>
<thead>
<tr>
<th>Equal opportunities and access to the labour market</th>
<th>Fair working conditions</th>
<th>Adequate and sustainable social protection</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Skills development</td>
<td>• Adequate and reliable balance of rights and obligations between workers and employers</td>
<td></td>
</tr>
<tr>
<td>• Life-long learning</td>
<td>• Ensure evenness between flexibility and security to facilitate job creation, job take-up and the adaptability of firms</td>
<td></td>
</tr>
<tr>
<td>• Active support for employment.</td>
<td>• Promote social dialogue</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Access to health and social protection benefits</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Access to high quality services, including childcare, healthcare and long-term care.</td>
<td></td>
</tr>
</tbody>
</table>

The Commission intends the Pillar to build on and complement the EU’s social ‘acquis’ in order to guide policies in a number of fields essential for well-functioning and fair labour markets and welfare systems. These principles would not replace existing rights, but offer a way to better judge the performance of national employment and social policies. A dedicated webpage gives an overview of the latest debates and responses to the Commission’s consultation.

Once established, it is intended that the Pillar should become the reference framework to screen the employment and social performance of participating Member States, to drive reforms at national level and, more specifically, to serve as a compass for the renewed process of convergence within the euro area.

On 26 April 2017 the Commission issued a set of documents related to the concrete setting up of the Pillar. This included a Communication establishing a European Pillar of Social Rights (COM/2017/025) and a Recommendation on the European Pillar of Social Rights (C(2017) 2600) and concrete legislative and non-legislative initiatives on such themes as the work–life balance of parents and carers, on the information of workers and on access to social protection and on working time.
Developments within REFIT initiative 2016

The REFIT process progressed during 2016 in the field of employment, social affairs and inclusion. Below, developments are reviewed in health and safety, information and consultation, working time, the Written Statement Directive, part-time work, fixed-term work and temporary agency work.

Box 1: REFIT developments 2016 affecting working life issues, 2016

Health and safety

In May 2016, the Commission submitted a proposal for amending Directive 2004/37/EC on the protection of workers from the risks related to exposure to carcinogens or mutagens at work. It reviews limit values for 13 cancer-causing chemicals, taking into account evidence from research. The year saw the ex-post evaluation of directives in the area of health and safety: the Commission issued the results of this evaluation in January 2017, in which it stated that – overall – the EU occupational safety and health (OSH) legal framework remains relevant. In terms of the individual directives, the Commission states that overall current levels of exposure to the different hazardous agents and the continued existence of previously identified risks still justify the need for these directives. The directives have been transposed and implemented throughout the EU, although compliance is better in large establishments than in small and medium-sized enterprises (SMEs) and micro-establishments; compliance also varies depending on the provisions of the directives concerned.

In terms of effectiveness, the Commission notes that the incidence and number of accidents at work have considerably decreased over the evaluation period, although the contribution of the OSH framework to this cannot be quantified. However, stakeholders consulted believed that the OSH directives are achieving their aims and contributing to improving the health and safety of workers. Nevertheless, work-related ill-health remains at a high level in the EU.

The Commission also highlighted a number of outstanding issues, such as the fact that it is not always clear what role some of the provisions of the Framework Directive play where no more specific implementing provisions have been developed. Consequently, there is a need to consider how to ensure clear, better-understood and more effective outcomes from the application of the Framework Directive. This is particularly the case in the area of psychosocial risks and musculoskeletal disorders (MSDs) in the workplace. Further, in order to improve efficiency and effectiveness of the OSH framework, the co-existence and complementarity of the Framework Directive and the individual directives could be better explained and clarified.

There is also variation in implementation in Member States, meaning that the level of protection differs for some categories of workers such as domestic servants, self-employed persons and certain categories of vulnerable workers. There is also a considerable degree of variation in the number and frequency of inspections across the Member States.

The Commission notes that there data at EU level are limited assessing the effects, costs and benefits of the EU OSH framework, showing the need for a better monitoring framework with appropriate indicators to measure performance.

The Commission issued an action plan on health and safety on 10 January 2017.

Information and consultation of workers

The fitness check of three directives in this area was concluded in 2013. It found that they were generally relevant, effective, coherent and mutually reinforcing. However, the check also pointed to some shortcomings that have an impact on their functioning, and so the Commission has been considering a possible codification/recasting of the three directives; it issued a first stage consultation of the EU social partners in 2015.

Meanwhile, the EU social partners in central government administration negotiated an agreement extending information and consultation rights by setting minimum standards adapted to the specificities of their sector; in February 2016, they formally asked the Commission to transform the
agreement into a Council Directive. The Commission is currently assessing the agreement.

Working time
The Commission’s Work Programme 2017 announced a package of actions related to the European Pillar of Social Rights, following the public consultation. The package includes an initiative ‘on the implementation of the Working Time Directive (non-legislative)’. This initiative would be one of the concrete outputs, by means of an interpretative communication. It will be accompanied by a new implementation report, analysing the state of play as regards the transposition of the directive.

The aim of the interpretative communication is to bring legal clarity and certainty to the Member States, social partners and other stakeholders when applying the Working Time Directive, including clarifying the scope for flexibility and derogations in the application of the directive, and assisting Member States in implementing the directive in a way that minimises the burden and avoids infringements.

Written statement directive
The Commission is undertaking an evaluation of Directive 91/533/EC on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship (the Written Statement Directive). According to preliminary results, the evaluation shows that the current directive increases certainty for employers and employees and contributes to the protection of workers and to transparency in labour markets. However, the directive’s effectiveness is hampered by gaps in its scope (for example, relating to some new forms of employment), gaps in the ‘information package’ to be notified, and enforcement issues. The Commission is likely to propose a review of the Directive during 2017, once the evaluation is complete.

Part-time and fixed-term work
During 2017 the Commission is carrying out an evaluation to assess to what extent the directives on part-time work and fixed-term work have met their original objectives and are fit for purpose in the light of the requirements of an evolving EU labour market: do they provide an appropriate balance between flexibility and job security and ensuring fair and effective transitions to workers?

Temporary agency work
The evaluation of the Temporary Agency Work Directive 2008/104/EC was completed in March 2014. It found that Member States seem to have correctly implemented the directive. However, the evaluation also found that the goals of the directive have not yet been fully achieved: Member States continue to apply certain derogations from the principle of equal treatment and maintain most restrictions and prohibitions on the use of agency work. Nevertheless, the Commission believes that it is not necessary to amend the directive at this stage, preferring to focus on ensuring proper implementation and issuing appropriate recommendations in the framework of the European Semester.
The European Semester

On 18 May 2016, the European Commission presented the 2016 country-specific recommendations (CSRs), which set out economic policy guidance for individual Member States for the coming 12–18 months. CSRs are published every spring as part of the European Semester and are directed at all Member States except Greece, which is currently under a stability support programme. The issues covered by the CSRs for 2016–2017 by country are summarised in a table published by the European Commission (PDF).

The 2016 CSRs include a focus on the reduction of poverty and social exclusion, recommending that Member States fill gaps in their social safety nets and integrate traditional income support programmes with activation measures. There are 11 poverty-related recommendations – an increase from six in 2015.

Thematic fiches complement the more detailed country-specific analysis that underpins the CSRs. These fiches provide a comprehensive picture of the main policy themes and enable cross-country comparisons.

The Annual Growth Survey 2017 was issued in November 2016, beginning the 2017 European Semester economic governance cycle. The 2017 survey builds on guidance from President Juncker’s State of the Union 2016 address and on economic data from the Commission’s Autumn 2016 Economic Forecast. It notes that Europe is experiencing a fragile but relatively resilient and job-intensive recovery, that unemployment is decreasing and investment is growing once more. However, the press release for the Autumn Package warns that

some of the tailwinds that have supported the recovery so far are fading [and] the legacies of the crisis, notably the social impact, high levels of public and private debt, and the share of non-performing loans, are still far-reaching.

In terms of employment specifically, the Commission notes that the 2017 European Semester: Draft Joint Employment Report released alongside the Annual Growth Survey confirms that the recovery is increasingly job-intensive, due in part to recent structural reforms in a number of Member States.

Migration policy

In April 2016, the European Commission adopted a series of initiatives with the aim of addressing the current migration crisis. Firstly, it published a Communication that launched the process of a reform of the Common European Asylum System and set out measures to ensure pathways for legal migration to Europe.

In addition, in June 2016, the Commission presented the reforms of the EU Blue Card Scheme for highly skilled workers from outside the EU. An EU Blue Card gives highly-qualified workers from outside the EU the right to live and work in an EU country, provided they have high-level professional qualifications, such as a university degree, and an employment contract or a binding job offer with a salary above the average for the EU country in which the job is located. The EU Blue Card applies in 25 of the 28 EU countries. It does not apply in Denmark, Ireland or the UK.

In the proposal for a reform of the scheme, the Commission notes that the current EU Blue Card Directive has demonstrated weaknesses – such as restrictive admission conditions and very limited facilitation for intra-EU mobility. This, combined with many different sets of parallel rules, conditions and procedures for admitting the same category of highly skilled workers that apply across EU Member States, has limited the EU Blue Card’s attractiveness and usage. The Commission notes that only 31% of highly-educated migrants to OECD countries chose the EU as a destination, meaning skilled workers are choosing other destinations that compete economically with the EU. The reform proposal therefore aims to address this by proposing the establishment of a single EU-wide scheme. This single scheme would replace the parallel national schemes for the purpose of highly skilled employment; it would provide more clarity for applicants and employers and make the scheme more visible and competitive by means of the following measures:

...
• enhancing intra-EU mobility by facilitating procedures and also allowing for shorter business trips of up to 90 days within the Member States that apply the Blue Card
• lowering the salary threshold by creating a flexible range within which Member States can adjust the threshold to their labour markets contexts, and more appropriate conditions for recent third-country national graduates and workers in areas with a labour shortage
• extending eligibility for application for a Blue Card to highly skilled beneficiaries of international protection
• strengthening the rights of both the Blue Card holders and their family members.

It is estimated that the new Blue Card Scheme would result in a positive annual economic impact of between €1.4 billion to €6.2 billion from additional highly skilled workers coming to the EU to take up jobs. Member States would remain responsible for deciding on the numbers of third-country nationals admitted to their territory to seek work, in line with the Treaty on the Functioning of the European Union (TFEU).

The Commission also launched its Action Plan on the integration of third country nationals (PDF), and its first report on progress in the fight against human trafficking (PDF) since the adoption of the Anti-trafficking Directive.

Box 2: EU social partners’ views on migration policy

The European Trade Union Confederation (ETUC) expresses its support for the Blue Card Directive, if it will be able to open legal channels and extend access to more migrants without undermining standards of protection.

BusinessEurope agrees with attempts to reform the EU’s legal migration and integration framework, because – due to the decreasing of Europe’s workforce – labour market integration of third-country nationals is crucial for the EU’s future growth and prosperity.

Posting of workers

On 8 March 2016, the European Commission issued a proposal to revise Directive 96/71/EC on the posting of workers. However, 11 Member States submitted a reasoned opinion opposing the proposal and this triggered the yellow card procedure, which requires the Commission to review these opinions, after which it can decide to maintain, amend or withdraw the proposal.

On 20 July 2016, the Commission adopted a Commission adopted Communication (COM(2016) 505 final re-examining its proposal for a revision of the Posting of Workers Directive in the context of the subsidiarity control mechanism that several national parliaments triggered in May. After careful consideration of their views, the Commission confirmed that it maintained its proposal for a revision of the Posting of Workers Directive as presented on 8 March 2016. Both Council and the European Parliament started discussing this legislative proposal with a view to start negotiations after summer 2017. (Read more in Chapter 6 on pay inequalities and in the EurWORK topical update on Pay inequalities experienced by posted workers.)

Services passport

Within the framework of its 2015 Single Market Strategy, the Commission announced an initiative to introduce a Services Passport for some sectors, including construction and business services. In the fact sheet A deeper and fairer Single Market, the Commission describes the services passport as a document issued by a national authority to help service providers going cross-border show that they comply with the requirements applicable to them in the Member State where they want to provide the service. … The services passport does not change the applicable rules or reduce labour law or social protection requirements that service providers need to comply with.
In May 2016, the European Commission issued a public consultation on the proposal to introduce a Services Passport in May 2016 and – in January 2017 – issued a proposal, terming it a European services e-card. It stated that this simplified electronic procedure will make it easier for providers of business services and construction services to complete the administrative formalities required to provide services abroad. Services providers will simply have to liaise with a single interlocutor in their home country and in their own language. The home country interlocutor would then verify the necessary data and transmit it to the host Member State. The host Member State retains the current power to apply domestic regulatory requirements and to decide whether the applicant can offer services on its territory. It stressed that the e-card would not affect existing employer obligations or workers’ rights.

The EU-level social partners have issued a range of reactions to the Commission’s plans and the actual proposal.

Box 3: EU social partners’ reaction to Services Passport

In April 2016, on behalf of employers, BusinessEurope published its position paper on the services passport (PDF), in which it expressed its support for the plans, which would allow companies to operate more easily across borders. In a subsequent position paper issued in July 2016, BusinessEurope reiterated its support for the proposal, although noted some concerns, relating to areas such as burdens on business and enforcement of the Services Directive and other relevant EU legislation.

However, in a press release issued in December 2016, the European Trade Union Confederation (ETUC) criticised the Services Passport, arguing that it would boost undeclared work and the avoidance of labour standards in that it will remove the duty on employers to prove that posted workers’ wages and contributions are being paid properly. It argued further that the Services Passport would limit labour inspections and run counter to trade union efforts to improve working conditions.

On a sectoral basis, the European Construction Industry Federation (FIEC) and the European Federation of Building and Woodworkers (EFBWW) also believe that the proposal is likely to generate additional problems, facilitate cross-border abuse and disrupt the efficiency of the daily work of labour inspectorates.

Following the issuing of the European Commission proposal in January 2017, ETUC stated that this addressed some of its concerns, although it stated in a press release issued in January 2017 that the proposal still does not address some of the fundamental concerns raised in December 2016.

On 10 May 2017, the European social partners of the cleaning, insurance and construction sectors jointly expressed (PDF) their fundamental concerns about the legislative proposals regarding the European services e-card. They strongly question their real added-value to strengthen the European Single Market.
Coordination of social security systems

In December 2016, the European Commission issued a proposal on the revision of the regulation on the coordination of social security system (PDF), as the final part of its Labour Mobility Package. The proposal modernises the current rules to ensure that they are fair, clear and easier to enforce. It is characterised by the Commission as a balanced proposal that facilitates free movement of workers and protects their rights, while reinforcing tools for national authorities to fight risks of abuse or fraud. It makes a closer link between the place where contributions are paid and where benefits are claimed, ensuring a fair financial distribution of burden between Member States.

The proposal updates EU rules in the following areas (Figure 4):

- access to social benefits claimed by economically inactive intra-EU migrants (mobile EU citizens)
- long-term care benefits
- unemployment benefits in cross-border cases
- family benefits intended to replace income
- social security coordination for posted workers.

Figure 4: Proposal to update EU rules on the coordination of social security systems

Undeclared work

The European Platform to enhance cooperation in tackling undeclared work was set up on 27 May 2016. Participants (members and observers) at the launch event identified thematic priorities and approaches to undeclared work that should be included in the first work programme of the Platform. The participants were drawn from representatives of labour inspectorates, tax and customs authorities, social security authorities, trade unions, employers’ organisations, ministries and other relevant European and international organisations, such as Eurofound, EU-OSHA and the ILO. The European Commission has published operational conclusions from the launch event.

New Skills Agenda

On 10 June 2016, the European Commission presented its New Skills Agenda for Europe, which includes 10 key initiatives as part of a long-term strategy to ensure that people acquire the skills they need to thrive both in the labour market and in wider society. These initiatives include:

- Skills Guarantee

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2 Eurofound, EU-OSHA, the ILO, sectoral social partners representing sectors with high incidence of undeclared work as well as a representative of each country in the EEA have observer status, as per Article 2(2) of Decision (EU) 2016/344.
Developments in working life in Europe: EurWORK annual review 2016

- a review of the European Qualifications Framework
- Digital Skills and Jobs Coalition
- Blueprint for Sectoral Cooperation on Skills
- Skills Profile Tool for third-country nationals.

Launching the agenda, the Commission called on Member States and stakeholders to improve the quality of skills and their relevance for the labour market, noting that 70 million Europeans lack adequate reading and writing skills, and even more have poor numeracy and digital skills, placing them at risk of unemployment, poverty and social exclusion. The Commission believes that increasing skills levels, promoting transversal skills and finding ways to better anticipate the labour market’s needs, including ways based on dialogue with the industry, are essential to improve people's chances in life, and support fair, inclusive and sustainable growth as well as cohesive societies.

Sharing economy

The sharing, or collaborative, economy (also known as the ‘gig’ economy) is a rapidly increasing part of the labour market in many EU Member States. In this context, the European Commission issued a communication on a European agenda for the collaborative economy in June 2016, which defines the collaborative economy as: ‘business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals’. The agenda is to serve as legal guidance and policy orientation to Member States. This guidance is complementary to the Commission’s broader approach to online platforms presented in May 2016 as part of the Digital Single Market strategy.

The Commission differentiates between three types of actors:

- service providers who share assets, resources, time and/or skills – these can be private individuals offering services on an occasional basis or service providers acting in their professional capacity
- users of these services
- intermediaries who – through an online platform – connect providers with users and who facilitate transactions between them.

The collaborative economy has, the Commission believes, the potential to generate income beyond traditional linear employment relationships and to enable individuals to work more flexibly. However, it also notes that more flexible working arrangements ‘may not be as regular or stable as traditional employment relations’ and that this may ‘create uncertainty as to applicable rights and the level of social protection’. This is because working arrangements in the context of the collaborative economy are often based on individual tasks performed on an ad hoc basis rather than in a pre-defined environment and time frame.

The Commission’s Communication contains some guidelines for Member States to help them when deciding on the employment status of individuals providing services through collaborative platforms. It calls on Member States to:

- assess the adequacy of their national employment legislation
- consider the different needs of workers and self-employed people in the digital world as well as the innovative nature of collaborative business models
- provide guidance on the applicability of their national employment rules in light of labour patterns in the collaborative economy.

Work–life balance

In July 2016, the Commission issued a second-stage consultation on work–life balance (following the first consultation in July 2015), identifying possible avenues for EU legislative action in this area and inviting the social partners to negotiate an agreement on maternity leave, paternity leave, parental leave, carers’ leave and flexible working arrangements. However, the social partners decided that they were not in a position to negotiate on this matter.
In September 2016, the European Parliament adopted a report on creating labour market conditions favourable for work–life balance, in which it proposed a range of initiatives to modernise existing EU legislation in the area of work–life balance in the areas of maternity leave, parental leave, paternity leave and social security.

In April 2017, the Commission presented a work–life balance package (legislative and non-legislative proposals) within its European Pillar of Social Rights. Read more in Chapter 7 on promoting work–life balance.

Social dialogue developments at EU level

In 2016 there were a number of developments in the area of European social dialogue. In June 2016, the Vice-President for the Euro and Social Dialogue, Valdis Dombrovskis, together with the Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne Thyssen, signed a statement, A New Start for Social Dialogue, together with the Dutch Presidency of the Council and the European cross-industry social partners – ETUC, BusinessEurope, the European Association of Craft, Small and Medium-sized Enterprises (UEAPME) and the European Centre of Enterprises with Public Participation (CEEP). The statement highlights the fundamental role of social dialogue as a significant component of EU employment and social policymaking and identifies actions to be taken by the signatories with the aim of further strengthening social dialogue at EU and national levels. It follows a high-level conference held in March 2015, at which the Commission and the social partners agreed that the social partners should be more involved in the European Semester process, that there should be more emphasis on the capacity building of national social partners, a strengthened involvement of EU social partners in EU policy and law-making and a clearer relation between social partner agreements and the EU’s Better Regulation Agenda.

Following this, the IndustriAll Europe Trade Union and the Council of European Employers of the Metal, Engineering and Technology-based industries (CEEMET) published a joint declaration on 19 September 2016 entitled How to promote a fit for purpose European sectoral social dialogue (PDF). In it, the two bodies called for social partner autonomy to be fully respected, and for a renewed focus to be placed on the representativeness, mandate and capacity of the stakeholders involved, in order to ensure the legitimacy of their actions.

Some selected outcomes of the EU sectoral social dialogue of 2016 are reported in Box 4.

**Box 4: Selected developments in European sectoral social dialogue**

**Skills development in the ‘blue economy’**

On 5 April 2016, the European Commission set aside €3.45 million from the European Maritime and Fisheries Fund for projects in the field of skills development in the ‘blue economy’. Funds from Blue Careers in Europe will be made available for the following purposes:

- equip job-seekers with useful skills necessary for the marine and maritime economy
- retrain people who are willing to join the sector
- help people already working in the blue economy to progress in their career
- make maritime professions more visible and attract young talent (particularly women).

The initiative is a follow-up to the European Commission Communication Innovation in the Blue Economy, which addressed innovation in sectors such as aquaculture, biotechnology and ocean energy. It also assessed the obstacles – such as the lack of highly skilled professionals – that may hold back the drive for innovation.

**Improving working conditions in the fishing sector**

On 29 April 2016, the European Commission presented a proposal for a directive designed to improve working conditions for workers in the fishing sector (PDF). This is based on a text agreed in 2013 by the EU social partners in the fishing sector, which proposed to align EU law with the ILO work in...
Fishing Convention 2007. The proposed directive includes minimum requirements for work on board, conditions of service (including working time limits and definition of night work), and occupational safety and health protection. The directive would apply to all fishing workers employed on board a vessel and to self-employed people working on the same vessel. The text was adopted by the Council in December 2016.

Social partners in hairdressing adopt health and safety declaration

On 17 May 2016, the European social partners in the hairdressing sector, UniEuropa and CoiffureEU, adopted a health and safety declaration (PDF), including recommendations on risk assessment, training, maternity protection, musculoskeletal disorders, mental health and well-being at work. It was drawn up in parallel to the European Framework Agreement on Protection of Occupational Health and Safety in the hairdressing sector, which is currently under discussion. This agreement would increase protection for workers, minimise social security costs for employers and promote better working conditions. It is due to be submitted to the European Commission for assessment and forwarding to the Council so that it can be implemented at a national level through a Council decision. This agreement was originally adopted by the social partners in the hairdressing sector in 2012, but the Commission decided the following year to delay giving legal basis to the agreement until a broader review of EU occupational health and safety legislation had been carried out. This decision angered the social partners at the time.

In a press release, the signatory parties note that hairdressers are 10 times more likely to develop skin conditions and five times more likely to develop musculoskeletal diseases such as arthritis and tendinitis than the average worker. Around 20% of hairdressers develop work-related asthma and they are regularly exposed to chemicals that research suggests potentially cause cancer.
3 –Political context affecting working life

The year 2016 was overshadowed by developments in the political sphere of several Member States with subsequent impacts on policy directions for working life policies. The UK Brexit referendum of 23 June 2016 – in which 51.9% of people voted in favour of leaving the EU – was certainly the event with the most severe impact on the EU in general; it is also the political event most also likely to affect Europeans’ working life in the years to come. The second half of 2016 was marked by uncertainty about what would happen next in the process. Elections in several Member States (such as the presidential elections in Austria, parliamentary elections in the Czech Republic and the Netherlands, presidential elections in France) were scrutinised by media commentators with a view to assess how much support the European project would get in the future. As populist and sometimes Eurosceptic parties have increasingly gained support across Europe, elections were particularly viewed from the point of view of maintaining European integration. And in Norway, a raised temperature in the ongoing debate on whether Norway should continue to be a part of the EU single market has been noted.

In March 2017, the UK government triggered Article 50 of the TFEU, setting in motion the process of the UK leaving the EU.

Box 5: Social partners’ reactions to Brexit

Social partners throughout the EU have unanimously expressed regret regarding the ‘Leave’ win in the Brexit referendum (while stating that the will of the voters should be respected). Reactions by trade unions focused on the anticipated deterioration of working conditions in the UK and the implications for migrant workers and students. To combat this, they called for a more ‘social union’, with a stronger focus on rights, democracy, justice and solidarity. Employers’ concerns lie more on the implications for business and trade; they stress that Europe should prioritise growth and employment and being more discerning – having greater European involvement where it is needed and less where ‘Europe’ does not add value. Overall, the first reactions from social partners show a continued strong commitment to the European project and the willingness to make it work. (The EurWORK site has further details on social partners’ first reactions).

In the unique circumstances of the Brexit referendum, the major employer and trade union confederations in the UK presented an unusually united front. Immediately prior to the referendum, the Trades Union Congress (TUC) had issued a joint statement with the Engineering Employers Federation (EEF), the manufacturing employers’ association. The two organisations had publicly joined forces in order to set out the potential losses in manufacturing trade and concomitant effects on businesses, jobs and employees, should the UK leave the EU. In the wake of the referendum, the social partners in the United Kingdom were jointly calling for the government to negotiate the maximum possible access to the EU single market.

The TUC is considering how employment rights conferred by membership of the EU will be retained when the country will leave the Union. While Prime Minister Theresa May has pledged to enshrine these rights in domestic law post-Brexit, the TUC is seeking concrete guarantees. Concerns were amplified when the government appeared to be moving from this position, in response to parliamentary questions submitted by the Shadow Brexit Minister. Herein, the Government promised to replicate employment protections only ‘wherever practical’.

In general, employer organisations have not made explicit statements as to the future of employment rights following the UK’s departure of the EU. The EEF had published a position immediately after the referendum result, stating that it believed that Brexit would not lead to a great deal of change in the employment rights domain. Although the EEF speculates that Brexit offers an opportunity to mitigate the impact of some EU-derived aspects of employment law that are particularly unpopular
with employers (e.g. the Working Time Regulations, the 12-week equal treatment entitlement for agency workers and restrictions on post-TUPE harmonisation), it argues that many EU-derived entitlements are now the expected ‘norm’ and that any hasty dismantling of employment protections would be both politically and commercially risky for any post-Brexit government. On this point, the peak level employer organisation the Confederation of British Industry (CBI) has identified a ‘clear plan for regulation that gives certainty’ as a principal negotiating principle; however, there is no specific mention of employment rights in its position statement. The CBI has also called for a migration system that allows business to access skills and labour – including workers from the EU – post-Brexit, as have the EEF and the Federation of Small Businesses (FSB).

Beside the UK, referenda were held in 2016 in other countries that had the potential to affect working life. In Hungary, a referendum was held concerning the EU resettlement quota of non-Hungarian citizens into Hungary; a majority voted ‘No’, disagreeing that the EU should be able to mandate such resettlement without the approval of the National Assembly. However, the vote lacked sufficient turnout to be deemed valid. Another referendum in Italy in 2016 was held concerning constitutional reform on changing the structure of institutions, such as the elimination of equal bicameralism. The constitutional reform was rejected and, as a consequence, Prime Minister Matteo Renzi decided to resign.

Social partners’ reactions to working life policies of new government

Changes in government, in particular when they reflect shifts of power between different parties, can have an impact on working life policies and social dialogue. In several countries – Poland, Sweden and Greece (with attempted changes by the Syriza government), changes in political power resulted in a change of labour market reforms or policies (see Developments in working life in Europe: EurWORK annual review 2015, p. 33).

For this report, national correspondents from those Member States that recently had new governments coming into office were asked to report about social partner reactions as regards envisaged changes to policy on employment and industrial relations. These are listed in Box 6.

Box 6: National social partner reactions to new governments’ policy agendas

Estonia: Trade unions welcome proposals, employers are more critical

The Estonian Trade Union Confederation (EAKL) welcomed the formation of the new government (formed in November 2016) and the agreement that was reached concerning such issues as the increase in the general basic income tax exemption, the development of a system for occupational disease and accident insurance, the support for the promotion of employees’ health, more flexibility for the parental leave and benefit system, and the tackling of the gender wage gap.

The Estonian Employers’ Confederation (ETKL) and other employer organisations disagreed on the lowering of social taxes and condemned the hurry shown by new government to move into the amendment of legislation, breaching the delay for consultation and violating the principle of letting at least six months elapse between passing any amendment on tax changes and its entry into force.

Bulgaria: Social partners hopeful of improved social dialogue

The Confederation of Independent Trade Unions of Bulgaria (CITUB) urged the caretaker
government in January 2017 to review the three-year budget forecast and the phased increase of the minimum wage over 2018–2020. The expectations of both employers and trade unions were that it would improve and restore the social dialogue; however, the caretaker government had been in office only for two months, so no change to the current legislation was made.

**Lithuania: Employers sceptical of new left-wing government**

The Lithuanian Peasants and Green Union (LVZS) won the parliamentary elections in October 2016. LVZS declared a number of socially-oriented initiatives, including a review of the much-debated new Labour Code; trade unions supported the new government. Moreover, several trade unionists were elected members of parliament as members of LVZS; the board of the Lithuanian Trade Union Confederation (LPSK) is even considering a possibility of signing an agreement on a closer cooperation with the LVZS. Business representatives, on the contrary, are rather sceptical about what they consider as ambitious targets and initiatives foreseen by the new government. They publicly express their concerns about many challenging initiatives declared by the LVZS, such as a proposal to introduce a drug and alcohol monopoly. Business representatives stated that, the authorities should refrain from intervening in business.

**Spain: Social partners remain divided over labour market reform**

Social partners were happy that a government was finally designated in October 2016: new measures and reforms could finally be discussed (the acting government having had limited competences). Trade unions believed that the non-majority share of the People’s Party (PP) in the Spanish parliament would oblige the new government to negotiate with other parties (likely the Spanish Socialist Workers’ Party – PSOE), resulting in the development of policies that were more left-wing and more oriented towards a trade union perspective. At the same time, Spanish trade unions were willing to call for demonstrations to defend their proposals and reactivate social dialogue. Employers considered the recovery of political and social stability as a good prospect. The major dissention lies in the previously approved Labour Reform of 2012, criticised by trade unions for giving companies internal flexibility and changes in working conditions such as the reduction of compensation in case of unjustified dismissal. Finally, social partners have agreed to meet in working groups to try to reach an agreement for the amendment of the reform.

**Slovakia: Both sides of industry have expectations of new government**

The changes implemented by the former government, such as amendments to the Labour Code and the development of collective bargaining, responded to the demands of trade unions and seemed to be more favourable for employees. The trade unions expect similar outcomes with the new government led by the social democratic Direction – Social Democracy (SMER-SD).

Employers, however, were not satisfied with policies implemented during the mandate of the former government. The current government has reassured them that a more employer-friendly policy will be implemented.

**Ireland: Social partner debates on proposals of incoming government**

Trade unions – specifically, the Irish Congress of Trade Unions (ICTU) – are concerned with the ‘living wage’, pay scales in the public sector and in childcare, the right to collective bargaining in all sectors and a review of regulation in the pension system.

Employers’ representative body IBEC highlighted the opportunity afforded by economic growth and low interest rates to improve national infrastructure, reform public services and foster a dynamic enterprise economy.
4 – Developments in national industrial relations 2016

This chapter focuses on developments in national-level industrial relations in 2016. It draws extensively on information supplied by Eurofound’s national correspondents. The first section of the chapter reports on changes affecting the main actors and institutions of national social dialogue (both bipartite and tripartite). The second section reviews the main changes made in processes. The third provides an overview of negotiations between the peak-level social partners and the resulting central agreements or pacts that were made.

Box 7: Involvement of national social partners in the European Semester

The involvement of national social partners in the European Semester has evolved gradually over the past six years. Overall, some improvements can be identified in terms of both the number of Member States in which improvement has taken place and the procedures applied for involving the social partners. However, significant differences and outcomes remain in terms of practices, quality and effectiveness of the involvement. Read more in Involvement of the social partners in the European Semester: 2016 update.

Changes in actors and institutions

This section reports on developments affecting trade unions and employers’ organisations, including mergers or other changes in membership structure, and important changes in internal rules or procedures. It also describes initiatives and debates concerning the ways in which the representativeness of these actors is assessed or regulated. And it reports on developments affecting tripartite institutions, in which social partner organisations are joined by government, and which in some countries are the key forum for social dialogue.

Organisational changes among social partners

Looking at trade unions, in Spain the trade union confederation General Union of Workers (UGT) reduced the number of federations within its structure, from six to three. In Finland, the planned trade union merger between the Finnish Confederation of Professionals (STTK) and the Central Organisation of Finnish Trade Unions (SAK) will not go ahead. And in both Lithuania and Ireland, potential trade union mergers (at peak level in Lithuania and in the Irish public sector) are being considered.

Box 8: Overview of organisational changes among unions

Spain: Fewer trade union federations within UGT

In Spain, the trade union confederation UGT reduced the number of federations within its structure, from six to three. The new federations created within the UGT structure are

- the Federation of public services employees, formed by merging the Federation of Public Services Employees (FeSP) and the Education federation (FEYE);
- the Industry, Construction, and Agriculture Workers Federation (UGT-FICA), formed by merging the Federation of Metal, Construction and Related Industries of the General Workers’ Confederation (MCA- UGT) and the Federation of Industry and Agriculture (Fitag);
- and the Federation of services, mobility and consumption (FeSMC-UGT), which was constituted by the fusion of the Services Federation of the General Workers' Confederation (FES-UGT) and the Federation of Mobility and Consumption (SMC).

Finland: Planned trade union merger will not go ahead

In Finland, the difficult negotiations on the Tripartite Competitiveness Pact brought to an end the
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**merger project** of the Central Organisation of Finnish Trade Unions (SAK) and the Finnish Confederation of Professionals (STTK) initiated in November 2014. After the merger investigations were finalised in March 2016, several STTK member unions and later some SAK member unions announced their withdrawal, and the merger was finally abandoned in early June 2016. Many STTK members reportedly found SAK too openly leftist and were worried that SAK – the bigger organisation – would have ended up dominating the new body. These problems were accentuated during the negotiations on the pact. Peak-level trade union relations were further affected by the decision of the Confederation of Unions for Professional and Managerial Staff in Finland (Akava) in September to limit its cooperation with STTK and SAK. Relations between Akava and STTK have long been strained due to Akava’s perceived vying for STTK’s members.

**Finland, Lithuania and Ireland: Potential trade union mergers under consideration**

In Finland, during 2016, a **merger of four industrial trade unions was was debated**. It went ahead in May 2017 – however, without the Paper Workers’ Union. The new Finnish Industrial Union, will cover 226,000 members.

In 2016, peak-level trade union organisations in **Lithuania** discussed the possibility of unification. In June, during the annual congress of the second largest peak trade union – LPS Solidarumas – a **resolution ‘On the unification of trade unions’ was adopted**, arguing that it would be wise to have a single, strong peak-level national trade union.

In **Ireland**, members of three public service unions agreed at annual Conferences in 2016 to continue engagement in a process towards a ‘New Union Project’ – a proposal to combine the strength of almost 85,000 members in the three public service unions IMPACT, Public Services Executive Union (PSEU) and the Civil Public and Services Union (CPSU).

**Hungary: Trade union merger successfully completed**

The Hungarian Trade Union Confederation (MaSzSz) has, following its court registration, been acknowledged as the legal successor to the National Confederation of Hungarian Trade Unions (MSzOSz) and the Autonomous Trade Union Confederation (ASZSZ). Accordingly, it becomes a member of the National Economic and Social Council.

On the employer side, in **Slovakia** in 2016, employer organisations from industry affiliated to the Federation of Employer Associations (AZZZ SR), and the National Union of Employers (RUZ SR) left these organisations and established a new peak employer organisation – the Association of Industrial Unions (APZ). However, the new organisation did not represent the employers in tripartite social dialogue at the Economic and Social Council (HSR) in 2016. In **Bulgaria**, the Union for Private Economic Enterprise (UPEE), a non-governmental employers’ organization of micro, small and medium-sized businesses founded in 1989, has been considered as nationally representative since 2016. In **Finland**, the Finnish Forest Industries Federation (Metsäteollisuus) quit EK in January 2017 on the grounds that it wants more efficient and better targeted interest promotion. In **Cyprus**, the Cyprus Bankers Employers’ Association (KEST) was dissolved after major banks, such as the Bank of Cyprus and the Cooperative Central Bank, left the association. Now, the Union of Cyprus Banking Employees (ETYK) will have to negotiate collective agreements with each bank separately.

**Changes concerning representativeness of social partners**

Although formal changes to the way in which the representativeness of social partner organisations is regulated or assessed were comparatively rare in 2016, there were examples both of legislative initiatives and of agreements between social partners to address the issue, as well as examples of debate. This reflects the continuing interest and concern in the legitimacy of the actors in social dialogue, as discussed in Eurofound’s report on the concept of representativeness. Among the cases reported by correspondents in 2016, there was only one country – **Bulgaria** – where changes in
regulations made it easier for smaller organisations to attain representative status, the requirements concerning representativeness set out in the Labour Code being revised in 2016. Trade unions must now demonstrate membership of at least 50,000 (formerly 75,000) and employer organisations should demonstrate at least 1,500 member companies with at least 50,000 employees or a threshold of employees only of 100,000.

In Romania, the rules on representativeness had previously been tightened. The 2011 reform raised the threshold from 30% membership to 50%; hence, many company-level unions lost bargaining rights. In January 2016, legislation introduced new rules on affiliation and representativeness and reconsidered some of the most controversial points of the 2011 reform. Thus, a trade union or an employer may not be affiliated to more than one national-level federation, and a federation to not more than one national confederation. The law also provides that in units where there is a trade union, which, however, is not representative, the employees can be represented in collective bargaining by the representative federation to which the company union is affiliated.

In others countries, the rules have been tightened. This can be seen as an effort to promote consolidation of the actors and thus promote a more cohesive industrial relations system, and follows examples reported last year in Germany, Malta and Luxembourg in the EurWORK annual review for 2015 (p. 31). Of course, this is a controversial issue, and in some cases it might be considered that the system is being weakened by a process in which existing actors see their role downgraded.

**Box 9: Reported cases of tightening of rules on representativeness of social partners**

**Italy: Social partners agree on stricter representativeness rules**

Following a joint proposal by CGIL, CISL, and UIL on a new set of rules governing industrial relations, the employers’ organisations representing SMEs signed a new framework agreement jointly with the three trade union confederations. This framework agreement contains guidelines for the reform of bargaining structures, as well as new rules on representativeness, which will be assessed in relation to three criteria:

- the number of members of workers’ unions
- the presence and size of works councils (rappresentanze sindacali unitarie, RSUs) in businesses with more than 15 employees
- benefits provided through paritarian funds

The new rules – which are as yet not in effect – will de facto reduce the bargaining power of smaller organisations, as only agreements signed by them would barely reach the required majority, especially at sector level. The context for this change was the lack of a clear-cut notion of representativeness in Italy, and problems of uncertainty on the applicable agreements. This was due to two key factors:

- cases of ‘separate’ agreements – two or more agreements having the same sectoral coverage but being signed separately by unions generally considered as most representative, often dividing the Italian General Confederation of Labour (CGIL) from the Italian Confederation of Workers’ Unions (CISL) and the Union of Italian Workers (UIL)
- so-called ‘pirate contracts’ – collective agreements signed by less representative social partners so as to reduce labour rights and wages stipulated in the agreements signed by the most representative social partners.

**Slovenia: Stricter criteria for assessing representativeness of trade unions**

The government proposed legislation that would introduce stricter criteria for assessing trade unions’ representativeness. For trade unions that are not members of confederations or associations, a threshold of 30% for membership of the workers in the relevant industry or occupation is proposed, rather than the current 15%. The present law is seen as permitting fragmentation of the trade unions,
and has led to a situation where 40 different organisations are considered as representative in the public sector. The largest trade union confederations (ZSSS, Pergam, KNSS, Alternativa, Solidarnost, KS-90, KSJS) opposed the proposal and responded by proposing the introduction of criteria for representativeness for the employer organisations.

**Belgium: Tightened rules for unions in railways sector bans smaller unions from strike action**

In November, the Federal Public Service Mobility and Transport released a policy note that **redefines the criteria for trade unions in the national railways** to be considered representative and licensed. A minimum number of members, and representation on a national level, are introduced as new requirements. This has repercussions for two smaller trade unions consisting of train drivers – the Independent Union of Rail Workers (OVS-SIC) and the Autonomous Union of Train Drivers (ASTB-SACT), which will be able to remain active in the future, but will be barred from strike action.

**France: Stricter rules for employers organisations**

A 2015 decree amended the rules on the representativeness of employers’ organisations; in 2016, two further decrees followed. To be considered representative at sectoral level, an employers’ organisation will have to include at least 8% of organised companies in the relevant branch of industry. Employers’ organisations will also be able to reject a collective agreement if their affiliated companies employ more than 50% of the workers in the sector. It is expected that the requirement to demonstrate representativeness according to these quantitative criteria will **intensify rivalry between employers’ organisations**.

**Netherlands: Calls to tighten representativeness criteria by largest trade union federation**

In the Netherlands, the absence of formal criteria for representativeness has led to a situation where some collective bargaining agreements are negotiated and signed only by unions with hardly any members. This has been flagged as a problem, particularly by the largest trade union federation Netherlands Trade Union confederation (FNV) – the country’s largest – since it is legal, no action has yet been taken to remedy this situation.

Other cases concerning employees’ rights to representation were reported by correspondents in Bulgaria, Romania and Luxembourg. In 2016, a change in the Labour Code in Bulgaria, where there is no specialised labour court, has allowed trade unions to represent employees in court at the request of the employees. In Romania, a controversy over the protection against dismissal of trade union representatives continued in 2016; by the end of the year, a law adopted by parliament with the intention of strengthening the protection of union representatives had been ruled unconstitutional by the Constitutional Court and referred back to parliament for re-examination. The National Trade Union Bloc (BNS) expressed dissatisfaction with the government’s initiative to challenge the law in the Constitutional Court and are looking for solutions to legislate for the protection of trade union leaders in the workplace.

In January 2016, implementation began of legislation reforming employee representation in Luxembourg. By 2018, this law will have abolished joint committees, which are currently mandatory for all companies employing 150 employees or more. The powers of these committees will transfer to staff delegations, present in all companies with more than 15 employees. The new law makes the delegation the only body that will represent employee interests and it will take on the roles relating to information, consultation and, where relevant, co-decision.
Changes in tripartite institutions

Tripartite institutions have come to play a significant role in the industrial relations systems of many Member States in central and eastern Europe following the fall of the former socialist regimes. This is generally considered to reflect a comparative weakness of the bipartite structures and organisations rather than a vibrant and dynamic tripartite engagement. Furthermore, in the period after the financial and economic crisis, reforms affecting the tripartite institutions and the way they function were introduced in a number of these countries (among many other changes affecting industrial relations systems – see for instance the Eurofound report Impact of the crisis on industrial relations. The changes following the crisis in Hungary and Romania, for example, tended to weaken the role of the traditional industrial relations actors, including in the setting of tripartite institutions. Some of the more recent changes can be seen as a tentative reversal of this trend, aiming to get these institutions functioning again.

Box 10: Changes in tripartite institutions dealing with working life issues

Redefining membership for national bodies

In Hungary, following an amendment of the legal basis for membership of the National Economic and Social Council (NGTT), affiliation to the relevant European social partners is no longer a necessary criterion for membership, and thus indirectly, for representativeness.

In Lithuania and in Poland, the membership and role of tripartite bodies has also been under discussion. The representativeness criteria for social partners to be present in the Tripartite Council of the Republic of Lithuania (LRTT) are addressed in the new Labour Code adopted in Lithuania in September 2016. However, in December 2016, the parliament decided to postpone implementation until 1 July 2017. In Poland, the main social body tripartite forum – the Social Dialogue Council (RDS) was established in October 2015. However, in November 2016, the Ministry of Development proposed a draft regulation concerning the joint committee of government and entrepreneurs. The proposal was given a cool reception by the RDS, which considers the proposal as undermining of the concept of representativeness on the employers’ side.

New rules on functioning of tripartite bodies

In Romania, the government passed an emergency ordinance on 28 June 2016 regulating the functioning of the Economic and Social Council (ESC). The ESC is a tripartite consultative body, created in 1997, which gives approval to all important legislative drafts in the area of taxation, labour relations, economic and social policies. The measure provided for new procedures regarding the distribution of the seats within the ESC and for the formation of a new plenary in the eventuality that the representative organisations cannot reach a consensus. The aim was to re-launch the ESC’s activity, which was de facto blocked since 2013. A new plenary was formed in August 2016. In November 2016, the government again amended the law regarding the organisation and the functioning of the ESC. According to the new law, each representative of a confederation-level trade union or employer’s organisation at national level has a seat in the plenary. The allocation of other seats available (up to 15) is made by consensus or, if a consensus is not achieved, by vote.

In Slovenia, the government and social partners signed new rules regarding the functioning of the main national body for social dialogue, the Economic and Social Council of Slovenia (ESSS). The rules introduce a collegium of the ESSS, responsible for organising its work, and composed of the current president and two representatives of both social partner organisations.

New tripartite institution founded

In Ireland, a new Labour Employer Economic Forum (LEEF) was established in 2016 and met for the first time in October. The Prime Minister (Taoiseach) chaired the inaugural meeting, which brought together representatives of employers’ organisations and trade unions with government
Changes in processes
A range of influences on national social dialogue are reported by correspondents, including initiatives by social partners to reform industrial relations, legislative changes and changes in practice. In some cases, efforts were made to streamline bargaining structures; in others, the decentralisation of negotiations was the objective; and in yet others, restoring the role of sectoral collective bargaining was proposed. In one case – Lithuania – there was a more general initiative, aiming to strengthen and renew social dialogue.

In Italy and in France, there were initiatives to streamline and consolidate the structure of sectoral negotiations. In Italy, the Agency for Bargaining Representation of Public Administrations (ARAN) and trade unions signed a draft agreement in April 2016, to streamline public sector bargaining. The most interesting issue concerns the grouping of branches, whose number decreases from 12 to four: central government, local government, healthcare, and education. In France, two decrees, published on 19 October and 15 November 2016, launched the restructuring of sectoral social dialogue. Branches covering fewer than 5,000 employees, or which have not negotiated any agreement in the framework of annual compulsory negotiations during the previous three years, or which exist only in a local or regional geographical area, will be subject to merger with the aim of reducing the number of branch-level bargaining units from around 700 to about 200. In France, the labour law reform of 2016 also took the decentralisation of collective bargaining a step further. The law on employment, modernising social dialogue and safeguarding career paths gives, in the framework of the revision of the labour code expected for 2018, company-level agreements precedence over those at sectoral level or the law itself if the latter so provides. However, this reversal of precedence would come into effect from January 2017, on an experimental basis, in connection with the legislation on working time. The legislation will give more weight to social dialogue within the company and promote a decentralisation of collective bargaining. This change echoes earlier reforms in a number of countries (in Greece and Italy in 2011 and in Spain and Portugal since 2012) where reforms had given greater weight to enterprise agreements in relation to higher-order agreements (see the Eurofound report on changes to wage-setting mechanisms and also the EurWORK database of wages, working time and collective disputes).

Pressure to validate local (company)-level negotiation as the main basis for bargaining has also been exerted by employers’ organisations in some countries. In Finland, internal rule changes in EK, the Confederation of Finnish Industries which entered into force in May 2016 mean that the body will no longer be able to conclude central-level wage agreements on behalf of its members, but will only support and coordinate its members in their sectoral-level bargaining. The decision is a step towards EK’s overall aim of increasing local-level bargaining. In a similar debate in Luxembourg about centralised or decentralised negotiations, national-level social dialogue has been challenged, with no national tripartite bargaining on the agenda in 2016. The employers’ umbrella organisation Union of Luxembourg Enterprises (UEL) argues that the national social dialogue is too politicised and believes that the most efficient level of collective bargaining is the company-level, stating that the use of the tripartite method should be limited to extreme crisis situations.

In Greece, in contrast, while the future of collective bargaining and the system of wage-setting remained at the core of debate among social partners, given that the government and financial institutions are responsible for the ‘bail-out’ and economic adjustment programme, the focus of attention was on rolling back the changes of recent years. In July, the social partners issued a joint declaration asking that social dialogue be strengthened and that the minimum wage be set through collective bargaining rather than decided by the state (and be applied generally). The declaration also sought the restoration of sector-level bargaining and opposed amending the legislation on lockouts.
and on collective redundancies. From October on, the government was engaged in negotiations with the Troika, and labour issues have been central. Reports suggest tension over the government’s support for the restoration of collective bargaining and for the minimum wage to be set by negotiation between the social partners.

In Germany, too, recent changes have been questioned. A number of unions have filed complaints with the Constitutional Court concerning the 2015 Act on Collective Bargaining Unity (Tarifeinheitsgesetz). The act stipulates that where more than one trade union covers the same group of workers in a company, where these trade unions do not cooperate in collective bargaining and where the employer concludes conflicting collective agreements with these trade unions, only the collective agreement reached by the trade union with the largest membership in the company shall be applied. While some unions back the legislation, others fear that it affects their bargaining rights.

In Italy, a joint proposal was presented on a new set of rules governing industrial relations by the three trade union confederations – CGIL, CISL, and UIL – and consultations began with employers’ organisations. The unions’ proposal addresses workers’ participation in corporate decision-making, the consolidation of rules determining representativeness of unions, and the extension of collective bargaining coverage to self-employed workers. The proposal was welcomed by employers’ organisations representing professional services, craft businesses, and small companies, eventually reaching agreements with some of them. However, some divergences emerged concerning the role of decentralised bargaining. In this regard, it is to be noted that the Confederation of Italian Industry (Confindustria), the main employers’ organisation in industry, refused to discuss the unions’ proposal, deeming it not in line with its own aim of linking wages with productivity performance at company level.

In Lithuania, the Minister for Social Security and Labour issued an order approving the ‘Action Plan for the Strengthening of Social Dialogue in Lithuania 2016–2020’. The purpose of the plan is ‘to develop and strengthen social dialogue by developing social partnership skills in the social partners … contributing to the development of a sustainable society.’

In Slovakia, the main change relating to collective bargaining practice concerned the extension of sectoral multi-employer collective agreements. In March 2016, the Constitutional Court decided that the existing form of extensions was not in compliance with the constitutionally acceptable mode of law-making. The government prepared amendments to the legislation but they were not adopted until the end of 2016. Accordingly, there were no extensions implemented in Slovakia in 2016.

Finally, in France, three employers’ organisations – the National Union of Liberal Professions (UNAPL), Union of Employers of the Social Solidarity Economy (UDES) and the National Federation of Farm Operators’ Unions (FNSEA) – which cover 30% of the French workforce, have requested greater involvement in national social dialogue. Their letter of January 2016 to the prime minister sought a change in the law (PDF) to allow them to be consulted on the same basis as the three interprofessional employers’ organisations – the Movement of French Business (MEDEF), the Confederation of Small and Medium-sized Entreprises (CGPME) and the Craftwork Employers’ Association (UPA). Since the law of 5 March 2014 came into effect, the interprofessional employers’ organisations must discuss with UNAPL, UDES and FNSEA before starting a national collective bargaining and before the signing of an interprofessional collective agreement.

Central-level agreements and pacts

In 2016 central negotiations between peak-level social partner organisations took place both on a bipartite basis and in tripartite settings. The issues addressed often included wages (sometimes minimum wages), competitiveness and labour costs; but a range of other topics were also dealt with. Among the major negotiations, agreements or pacts that dealt with wages were the Finnish Competitiveness Pact, the Portuguese Tripartite Commitment for a Mid-term Concertation Agreement and the regular bargaining rounds of Belgium and Sweden, which are listed in Box 11.
Box 11: Reported cases of major central wage agreements or pacts in 2016

Finland: Competitiveness pact signed and implemented

In Finland, the early part of 2016 was dominated by efforts to arrive at a ‘Competitiveness Pact’, which aimed to boost competitiveness by lowering unit labour costs. This agreement would sit alongside significant austerity measures and labour-market reforms. Despite very tense tripartite relations, a preliminary peak-level agreement was finally reached in February–March 2016. Some 300 sectoral-level collective agreements were then negotiated according to the terms and conditions of this ‘Competitiveness Pact’. Only a handful of trade unions opted out of the Pact, and in the end over 90% of the country’s employees were covered by collective agreements complying with the Pact. The Pact’s main items are the following:

- a wage freeze for 2017
- a 24-hour extension of annual working time without additional compensation
- reduced pay for public sector employees
- a transfer of part of the liability for social security contributions from employers to employees

To balance these measures, the Pact included a measure to alleviate income tax by €515 million in 2017. Social partners on both sides were dissatisfied with the result, but viewed the alternatives as even worse.

Alongside the Pact (though not part of it) was a preliminary agreement between the social partners to give up central-level collective bargaining for the benefit of a Finnish wage model (based on the Swedish example), in which export industries and other sectors sensitive to international competition would set the benchmark for wage rises. However, the negotiations for the wage model failed in February 2017 as the Finnish Forest Industries Federation, and subsequently also the Finnish Metalworkers’ Union and the Industrial Union TEAM, withdrew from the process. Prime Minister Juha Sipilä nevertheless remained hopeful that a relevant wage solution heeding the needs of the export industry would be found in the sectoral collective agreement negotiations in late 2017.

Portugal: Tripartite Commitment for a Mid-Term Concertation Agreement

On 22 December 2016, the government succeeded in securing commitment from the social partners on a minimum wage increase of 5%, and a reduction of employer contributions for social security of 1.25 %, as well as on other issues including collective bargaining and labour market policies. The Tripartite Commitment for a Mid-Term Concertation Agreement would be signed formally in January 2017. However, controversy continued, both among social partners and in parliament. The largest trade union confederation – the General Confederation of Portuguese Workers (CGTP) – opposed the agreement, considering it unacceptable to compensate the employers for paying the mandatory minimum wage. The increase in the minimum wage was eventually put into effect, without the cuts in social security contributions, but with a new fiscal measure reducing the level of the special advance tax payment (Pagamento especial por conta, PEC) for small and medium-sized companies. This measure was accepted by the social partners as an amendment, signed on 3 February 2017, to the Tripartite Commitment Agreement. Despite the fact that CGTP supported this new measure, they did not sign the tripartite commitment as they did not agree with other measures included.

Belgium: Cross-sectoral negotiations with changed rules on wage determination

In Belgium, the bi-annual negotiations on wages and conditions of workers in the private sector began in November 2016, in order to decide on the increases due in 2017–2018. The context had changed with the revision of the 1996 wage law, requiring account now to be taken not only of developments in wages in neighbouring countries, but also of past wage developments. In mid-January 2017, a rise of a maximum of 1.1% over the next two years (above the automatic wage indexation) was agreed. The norm has now to be applied and implemented by sector bargaining and agreements.
Sweden: Heated bargaining round and a new one in the pipeline

2016’s bargaining round was a heated one, something that led to workers in several sectors going on strike. The social partners’ inability to reach agreements was partially a result of the breakdown of the Swedish Trade Union Confederation (LO’s) coordination in October 2015, which occurred in light of the disagreements on how to resolve the issue of lagging wages in female-dominated sectors. In March 2016, a new industrial agreement was signed, only within hours before the last one was set to expire and with most agreements signed only for a one-year period. Because of the many one-year agreements, around 500 collective agreements – covering around 2,700,000 workers – are to be re-negotiated in the beginning of 2017. The preparatory process – for instance, in the form of the partners exchanging demands – started at the end of 2016 with employers proposing significantly lower wage increases than the unions. Employers emphasises the need to improve Swedish competitiveness and relate this to the debate on wages, arguing that high wages do not protect the national competitiveness; this is something that is hardly a new line of conflict in these negotiations.

A number of other negotiations at central level mainly dealt with non-wage issues, as Box 12 illustrates.

Box 12: Reported cases of major central non-wage agreements in 2016

In Denmark, social partners and government opted for a staged-approach in tripartite negotiations, after the failure of tripartite negotiations in 2012, in which now only one topic is agreed each time. In 2016, the social partners in Denmark were, as is customary, invited to ad hoc tripartite negotiations by the Prime Minister. The first subject to be discussed was better and faster integration of the growing number of refugees in the labour market. The tripartite agreement concluded in the first round in spring 2016 introduced a so-called ‘phase-in wage’ at the level of apprentices for refugees in order to facilitate their entrance to the labour market. A second round of bargaining focused on anticipating the challenges of recruitment, internships and adult and continuing training. The compromise settlement, reached in August 2016, rewards companies that take on apprentices and makes employer-funded education fees more expensive for those who do not.

Combating undeclared work was high on the Greek social partner’s agenda, as a tripartite agreement on undeclared work was reached following tripartite dialogue under the auspices of the ILO, funded by the European Commission. In addition, the Greek National General Collective Labour Agreement 2016 provides for targeted action by the social partners to address unemployment and the safeguarding of jobs. For example, the issues of access, reintegration, maintenance and development of workers should be examined to allow a full integration of people into the labour market. Social partners also agreed that after exploring the possibility of cooperating with the ILO, they will take the necessary steps for the implementation of actions to help address the refugee-immigration issue.

In France, the national interprofessional agreement of 17 November 2016 (PDF) (contrat de sécurisation professionnelle), dealing with securing employability, was revised and the measure extended until 30 June 2018.

In Italy a bipartite agreement on violence and harassment at work was signed by the Italian social partners (CGIL, CISL, UIL, and Confindustria) on 25 January 2016, implementing at national level the Framework Agreement on Harassment and Violence at Work signed in 2007 by European social partners.

In the Czech Republic a tripartite agreement was reached on National Initiative Industry 4.0 (Národní iniciativa PRÚMYSL 4.0).

In Germany social partners were also consulted on future forms of working time and their replies fed into the Labour Ministry’s White Book on digital work (Arbeiten 4.0).
5 – National social dialogue in 2016: Scope and contribution

Next to the changes in national industrial relations, Eurofound’s correspondents were also asked to report the contents of national social dialogue. This section provides a summary of the main developments reported, as regards both thematic scope of the dialogue and the contribution it made to policy, with a tentative comparative overview of the breadth and depth of social dialogue in the EU 28 and Norway. Attention is also drawn to examples of social dialogue under pressure – where social partners failed to agree, or where their conclusions were ignored or overruled.

As might be anticipated, core issues of job creation and reduction in unemployment, changes in taxation and non-wage related labour costs, reform of the pension systems, wage-setting and pay formation were of importance in the social dialogue in many countries. Of particular importance were debates concerning the setting of minimum wages, and the reform of pension systems, reflecting in part the influence of the Country-Specific Recommendations (CSRs) issued in the context of the European Semester.

More detailed and comprehensive comparative overviews of developments in relation to minimum wages can be found in the following Eurofound reports: Statutory minimum wages in the EU 2017, Developments in collectively agreed pay 2016, and Developments in working time 2015–2016.

Accordingly, these topics are not addressed further in this chapter, which instead provides an overview of the topics addressed by social dialogue under these headings: employment policies in a broad sense; pension reform; the terms and conditions of employment; and health, safety and well-being at work.

The contribution of social dialogue to improving work–life balance is part of the last chapter of this review.

Social dialogue – breadth, depth and policy contribution

Correspondents were requested to provide brief information on whether and how a range of 12 topical areas were addressed in national-level social dialogue, and what was the main result. Results could range across the following options, in increasing tangibility of outcome:

1. no discussion
2. social partner involvement in debate on a bi- or trilateral basis
3. a bipartite or tripartite agreement or other joint action
4. legislative or other public policy initiative influenced by the social dialogue

The information provided, amounting to around 150 individual cases (some of which are covering more than one thematic area), indicates a significant input to policy-formation was provided through social dialogue in 2016. Table A1 in the Annex provides an overview of the coded cases, and more information on the cases is available in the national contributions.

The most frequently addressed topic of national social dialogue in 2016 was the labour market participation of different groups, often closely connected to issues around job creation and the reduction of unemployment and the pension reforms. Social dialogue also contributed to changes in wage-setting, and to changes in regulation on taxation and non-wage related labour costs or benefits.

In a smaller number of countries, still around one-third in each case, national-level social dialogue addressed health, safety and well-being at work, working time regulation and policies on terms and conditions of employment.

The most tangible outcomes in terms of legislation or public policy action following social dialogue were relatively more often recorded in relation to changes in taxation and non-wage related labour costs, benefits, active labour market policies and health, safety and well-being at work. This reflects the importance of legislation – as opposed to social partner action alone – in regulating these fields.

On the other hand, ongoing trilateral debates were most prominent in the field of pension reforms, the labour market participation of different groups, working time regulations, and skills training and
employability. The debate on these topics could be deemed ‘work in progress’ for 2016 and beyond, where the dialogue often has not resulted in concrete measures to date.

Joint social partner actions or bi- or tripartite agreements were fairly evenly spread across all of the topical areas in which such action was recorded: there was at least one country in each area other than pension reforms and work–life-balance related themes. It comes as no surprise that wage-setting, being a core domain of social partners, was the thematic area in which most ‘agreements’ were recorded.

**Figure 5: Number of countries in which a specific topical area was addressed in national-level social dialogue in 2016**

*Note: Excluded from this figure are the following: sector-specific cases of social dialogue, even if addressed at national level or within national social dialogue bodies; and changes in the level of minimum wages, if they did not involve a change of the system how they were set. As some cases cover more areas they are counted twice.*

*Source: Authors’ assessment, based on data from Network of European Correspondents*
The mapping exercise also showed how countries differed in their breadth and depth of social dialogue. We have tried to group them according to the number of thematic areas to which national-level social dialogue contributed (‘Breadth’) as well as the impact in terms of the type and stage of debate and whether or not concrete outcomes were reached in form of agreements or legislation (‘Depth’). The result of this exercise is presented in Table 4 below.

Table 4: Classification of countries by breadth and depth of national social dialogue, 2016

<table>
<thead>
<tr>
<th>Breadth</th>
<th>Depth</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Low</td>
<td>Germany, Croatia, Ireland, Malta</td>
</tr>
<tr>
<td>Medium</td>
<td>Spain, Hungary, Poland</td>
</tr>
<tr>
<td>High</td>
<td>Slovenia</td>
</tr>
</tbody>
</table>

Notes: Further information on existence of a standard (institutionalised) tripartite council concerning social and economic policy (private sector) – based on ICTWSS 5.1 (2013–2014) / Bold: Tripartite council exists / Italics: Council with various societal interest representatives exists, including unions and employers, but also other groups / Normal font: No permanent council – based on ICTWSS 5.1.

Source: Classification of countries is authors’ assessment, based on Eurofound’s Network of European Correspondents

National-level social dialogue contributed both to a high number of thematic areas and resulted in a relatively high number of concrete policy actions or outcomes in Finland and Austria in 2016. Such tangible outcomes following social dialogue were also found to be high in Italy and Slovakia, but focused on fewer thematic areas.

In most countries, the depth in terms of concrete outcomes such as legislation or joint policy action and agreements was more limited, and clustered around a ‘medium’ level: in all of these cases, social

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4 The depth was calculated by assigning a ranking score to each type of social dialogue debate/outcome, reflecting the order of categories as presented above in Figure 5. This means that ‘imposed’ legislation or public policy action was assigned the lowest score, followed by closed debates without result, etc. Legislation, and public policy action, following social dialogue was assigned the highest score. The scores were summed and then divided by the number of thematic areas covered (i.e. the ‘breadth’ of the debate), so the indicator for one country can be interpreted as ‘average’ depth per thematic area. Following this, countries were assigned to three groups alongside each of the two dimensions.

5 The intention behind this clustering of countries was to help both readers and authors to ‘reduce’ the vast amount of information as a point of entry into the material provided, rather than being the result of a full-fledged analysis. Readers are encouraged to look at the results of the clustering in conjunction with the national reports.
dialogue contributed to some kind of concrete policy outcome or some form of agreement. In these countries it is possible to further distinguish between the ‘breadth’ in terms of areas covered by such dialogue. Breadth was assessed as high in France, Denmark, Belgium, Greece, Portugal, Estonia and Sweden (based on the correspondents’ reporting). In contrast, it was deemed to be lower in Cyprus, Romania, the Netherlands, Norway and Lithuania, and low (focused on very few thematic areas) in the Czech Republic, Latvia, Bulgaria and Luxembourg. In the UK it was focused on a single issue – Brexit.

A low depth of national level social dialogue in 2016 was found in the remaining Member States: Germany, Ireland, Malta, Croatia, Spain, Hungary, Poland and Slovenia. In some of these (notably Croatia, Spain, Poland and Slovenia), the result reflects the fact that legislation was reported to be ‘imposed’ following unsuccessful social dialogue, i.e. against the will of at least one of the social partners. More on these cases can be found in the next section Social dialogue under pressure.

In other cases, the low depth (and breadth) could be explained by the absence of national-level social dialogue institutions or in them not being used to their full extent: In Germany social dialogue has traditionally been strong at sectoral level, which was by definition not part of the exercise. In Ireland, national-level social partnership has been dormant since its breakdown in 2009, and whether it will be revived with the new introduction of a tripartite institution (see section Changes in tripartite institutions) – and if so with what precise function – remains to be seen. In Hungary, the National Economic and Social Council (NGTT) may be seen as a multipartite dialogue committee, rather than an institution for consulting social partners; most of the reported cases of social dialogue have been flagged as ‘exchanges of views’ without concrete outcome. Similarly in Malta, Spain and Croatia, there have been a limited number of ‘debates’ reported, without any concrete policy outcomes.

**Social dialogue under pressure**

The examples that follow indicate different weaknesses in the processes of social dialogue and in the relations between social partners and governments. In assessing their significance, account should be taken both of the nature of the episode (in what way did social dialogue fail to function?) and of the importance of the issue at stake (in some cases the topics are at the core of industrial relations, while in others they are less central).

<table>
<thead>
<tr>
<th>Table 5: Social dialogue under pressure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher importance</td>
</tr>
<tr>
<td>Government acted after social dialogue failure</td>
</tr>
<tr>
<td>Poland – pension reforms</td>
</tr>
<tr>
<td>Luxembourg – working-time</td>
</tr>
<tr>
<td>Belgium – working-time</td>
</tr>
<tr>
<td>Bulgaria – Minimum-wage adjustment</td>
</tr>
<tr>
<td>Government ignored social partner views</td>
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<tr>
<td>Bulgaria – terms and conditions of employment</td>
</tr>
<tr>
<td>Poland – benefits</td>
</tr>
<tr>
<td>One side dislikes process</td>
</tr>
<tr>
<td>Spain – Minimum wage-setting</td>
</tr>
<tr>
<td>Slovenia – Minimum wage-setting</td>
</tr>
<tr>
<td>One side dislikes outcome</td>
</tr>
<tr>
<td>Croatia – tax and non-wage labour costs</td>
</tr>
<tr>
<td>Romania – skills, training, employability</td>
</tr>
</tbody>
</table>

*Source: Eurofound’s Network of European Correspondents, national contributions*
The cases on topics of more central importance were as follows. In Belgium, the government proceeded to legislate on working-time flexibility without an agreement between social partners. Implementation depends on agreements at sectoral and company level. Similarly in Luxembourg, the government has started the legislative process on introducing more flexibility in working-time regulation. Social partners were consulted but did not reach agreement. In Bulgaria, Spain and Slovenia, the government adjusted minimum wages and overruled social partner concerns – from one side – in doing so. In Spain, the trade unions criticised the fact that social partners were not involved in the determination of the minimum wage for 2017 (the decision was unilaterally taken by the government in December 2016). In Slovenia, employers withdrew from the Social Agreement 2015–2016 after trade union-supported legislation was introduced to redefine the minimum wage (excluding supplements for Sunday work, night work and work on holidays, which must be paid in addition from 2016). In Bulgaria, consensus was impossible in relation to the minimum wage, and employers objected to the fact that the decision was taken without discussion in the National Council for Tripartite Cooperation. Trade unions made a similar argument in relation to changes introduced to the Labour Code, including extending the use of one-day labour contracts beyond agriculture. In Poland, the parliament passed a law decreasing the retirement age after a stormy discussion in which trade unions and employers’ organisations presented completely divergent views.

In other examples, on topics where social dialogue might not be expected to play so vital a role, the government in Croatia adjusted income tax rates and thresholds, despite union arguments that the tax reform benefited more well-off citizens and will increase income inequality. In Romania, the government implemented decisions to forbid professional training for persons with tertiary education. The measures were adopted without consultation, and met with criticism from the Professional Training Associations Employers’ Organisation (APFFPR). Finally, in Poland, the government decided use money from the Labour Fund to finance internships for doctors despite the opposition of social partners, who argued that this was not the direct purpose of the Fund.

**Dialogue on employment policies**

This section summarises the role played by national-level social dialogue in relation to employment policy in a broad sense during 2016. Specific topics covered in different countries include job creation, active labour-market policies, skills training and employability, and the integration into the labour market of particular groups – refugees, migrants, and younger and older workers.

A broad, general approach to employment-related topics was taken in social dialogue in some countries. In Portugal, the Green Paper on Labour Market and Industrial Relations (PDF), which was presented to the social partners, presented an evaluation of trends and issues of concern in relation to labour market participation, and also included an evaluation of active labour market policies (ALMPs). Consultation is ongoing on the Green Paper. A broad approach was also set out in the National General Collective Agreement agreed between the social partners in Greece. Among the measures concluded was the incorporation into law of the European Framework agreement on inclusive labour markets and a commitment to develop an action plan for implementation. However, the scope of the agreement extended across the full range of employment-related issues, as well as benefits, wage-setting arrangements and terms and conditions of employment. In other countries – Austria, Italy and Slovakia – a wide-range of employment topics were addressed in social dialogue, but the outcome was legislative or other public action rather than a formal agreement of the social partners.

In relation to ALMPs, social dialogue in some countries was a factor in making increased funding available to meet needs identified (Austria, Estonia, Norway). In Italy, legislation followed debate, and led to the creation of a new institution – the National Agency for Active Labour Policy (ANPAL) to implement specific ALMPs. In other countries, there was tightening of the conditionality for receiving benefits of various types. Activation of this form was seen in Denmark, where an overall maximum ceiling of cash assistance (cash benefits, housing benefits, child benefits etc.) was introduced with the aim that it should be ‘worth it to work’. Social partners were consulted on this measure. In Finland it was announced that in order to raise the employment rate, terms and
conditions of accepting work will be tightened, monitoring of the unemployed increased, welfare traps countered, and new activating measures introduced.

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**Box 13: Employment policies in national social dialogue debates in 2016**

**Education and training**

In other cases, the focus of attention was on education and training arrangements, with the general objective of developing skills and competencies. In **Austria**, legislation was passed in parliament in July 2016 to give effect to the obligation to provide education or training up to the age of 18 (as part of the Youth Guarantee). It followed the approach proposed by social partners in recent years. In **Belgium**, training is being revised in the Workable and Flexible Work Act as well. The amount of training is no longer prescribed as a proportion of total wages; instead, a guideline has been introduced of five days per employee per year. If there is no agreement at either company or sectoral level, the employee is entitled by law to a minimum of two days. In **Denmark**, the second stage of the tripartite negotiation in 2016 resulted in agreement on increasing the number of vocational internships. In **France**, the peak-level social partners reached a common position in February on the functioning of the personal occupational account (PDF) (compte personnel d’activité) that will merge in one single tool the training rights which figure in the individual training accounts and the individual accounts for employees performing arduous tasks; the position of the social partners was taken into account in legislation. In **Finland**, a reform of vocational education and training, including a new type of on-the-job learning model, is underway; it is intended to speed up school-to-work transitions. The scheme will be piloted in 2017, with the aim of implementing it in 2018. And in the **Netherlands**, consultation is ongoing with actors in the vocational education field on increasing the number of students in a dual vocational education programme:

**Mobility**

In some countries issues of mobility featured in social dialogue. In the **Czech Republic**, new allowances were introduced in 2016 to support regional mobility, one of them aimed at supporting the regional mobility of the long-term unemployed (more than 12 months) who find employment outside the area in which they reside. The allowances were discussed at tripartite meetings; however, employers do not consider these measures sufficient and would prefer other measures to be taken. In **Slovakia** there was also tripartite consultation on measures to promote labour market mobility, and on benefit provision in the case of material need.

**Older and younger workers**

In terms of measures targeting specific groups, both younger and older workers were the focus in different countries. In **Estonia**, changes to the Employment Contract Act are under discussion to promote the labour market participation of minors. Social partners both discussed their opinions publicly and sent their proposals to the government as part of a formal consultation process. Older people were also the target group of a report by a tripartite commission in **Norway**. The commission discussed several amendments to existing legislation, relating to retirement age, removing the right to extended vacation, the right to reduced working time, the employer’s duty to accommodate etc. The report is now undergoing consultation among the social partners and other stakeholders. In **Romania**, following consultation, a number of groups were targeted in legislation aiming to provide incentives for hiring. The groups were people older than 45 years, single parent families, the long-term unemployed and young people not in employment, education or training (NEET).

**Refugees, asylum seekers and migrants**

The refugee crisis faced by the EU was reflected in social dialogue in a number of countries. In particular in relation to the labour market integration of refugees, asylum seekers and migrants, more generally see these Eurofound reports: Approaches to the labour market integration of refugees and...
asylum seekers, and the article with the similar title Approaches towards the labour market integration of refugees in the EU; and also see Low wage jobs: An efficient tool to combat unemployment.

In Austria, the social partners have jointly proposed a package of changes to legislation which would facilitate earlier labour market integration of asylum seekers. This joint approach has not been followed by government. Separately, in order to increase the labour market participation of refugees, employer organisations have suggested bonus payments for companies employing refugees and for refugees themselves. Employee representatives have reacted with scepticism towards these suggestions, stating that recognised refugees already have the same entitlements to allowances as other residents of the country.

In Belgium, the social partners drafted an anti-discrimination clause to be included in employment contracts supported by the service cheque scheme; they urged the minister to make it compulsory.

In Denmark the first subject discussed in the tripartite ad hoc negotiations was better and faster integration of the growing number of refugees in the labour market. The agreement concluded introduced a so-called ‘phase-in wage’ at the level of apprentices in order to facilitate the entrance of refugees into to the labour market. The phase-in wage was a part of a larger Integration Basic Education Programme that also contains Danish lessons and training at the workplace. The employer organisations were satisfied while the unions expressed some fear that the phase-in wage would result in social dumping. In Greece, in the context of the general national-level collective agreement reached by the social partners, there was a commitment to implement steps to address the refugee and migration issue, in cooperation with the ILO. In the Netherlands, social partners contributed to an advisory report to the government on how to achieve effective integration of refugees in the labour market. In Poland a joint position of social partners was developed in the Social Dialogue Council (RDS) on facilitating labour market access for workers from former Soviet countries outside of the EU; the issue, however, remains highly controversial.

Addressing labour shortages through migration

In the Czech Republic, a key focus of debate has been addressing labour shortages, and the role of migrant labour. The government introduced a pilot project, primarily aimed at highly-skilled Ukrainian technicians with a university education, but take-up fell short of expectations as the target group was too narrowly defined. Thus, in mid-2016, an additional specific programme to recruit skilled workers from Ukraine was introduced, which employers (notably SP ČR) did not deem to be extensive enough to respond to the needs of Czech industry: it offered the prospect of recruiting a few thousand skilled technicians when Czech companies were actually facing a shortfall of around 20,000 such workers. Another measure discussed at tripartite level included the employer demand that the educational and retraining system supported by labour offices become more responsive to labour market needs. The trade unions, conversely, do not support the employment of workers from foreign countries, but applaud the government’s efforts to integrate long-term unemployed and disadvantaged persons into the labour market.

Similar debates took place in Croatia, where companies are experiencing difficulties finding employees, even though there are officially about 250,000 people unemployed. It is argued that:

- the education system does not take sufficient account of the demands of the labour market
- labour mobility is inadequate
- there is a lack of lifelong learning, leaving many middle-aged people with problems of employability

In this context, intensive discussions have taken place between social partners and the government on importing labour from abroad. The employers state that they have serious problems with labour shortages, which can be solved only by employing foreigners. The trade unions fear that bringing in foreign workers will be mainly used to reduce wages. They believe that the problem of labour shortages is exaggerated and can be solved by an increase of wages and salaries in Croatia. The government has responded by increasing significantly the quota of work permits for 2017 compared
to 2016, though still by significantly less than demanded by employers.

Creating low wage jobs to combat unemployment?
In Austria, amid continuing high unemployment, the creation of a low-wage sector – ‘one euro’ jobs, mainly for those currently unemployed, but also for asylum seekers – was suggested by the former director of an influential research institution. The suggestion was immediately met with fierce criticism by the public employment services (PES) and organised labour.
In Finland, the influx of asylum-seekers in 2015 had intensified the discussion on migrant labour market participation. Among the schemes discussed was the new construction sector collective agreement of 2016, which includes an exceptional provision allowing ‘sub-minimum’ wages of €6 per hour for unskilled, untrained and inexperienced workers (as compared to nearly €10 per hour for inexperienced workers in the sector). Such sub-minimum contracts can be signed for fixed periods of no more than six months. The measure is intended to facilitate the labour market integration of – for instance – migrants and young people. The ruling is not wholly unprecedented, as students and trainees already have their own pay tables in many other sectoral collective agreements.
A broader debate about entry-level wages took place in Sweden, where as a response to the relatively high numbers of newly-arrived immigrants, the creation of low-skilled jobs and lower entry-level wages were high on the political agenda in 2016. The government has sought to investigate how new low-skilled jobs – also called ‘simple jobs’ – can be created in Swedish industry. This has been met by mixed reactions. The Swedish Trade Union Confederation argues that while there is a need for more simple ways to enter the labour market, there is no need for more simple jobs, as these could contribute to lowered wages as well as poorer conditions in the affected sectors. The Confederation of Swedish Enterprise welcomed the news that the government is looking into how to create more low-skilled jobs, but argue that wage levels are too high and thereby not sustainable considering the number of jobs now required. The social partners, who have been encouraged to discuss the issue, abandoned negotiations without agreement.
Similar debates have been recorded in a number of other Member States as well. The EurWORK topical update Low wage jobs – an efficient tool to combat unemployment? summarises some of these debates in more detail. See also Chapter 6 – Pay inequalities in this report.

Dialogue on pension reform
Pension reform has been a key topic of debate between social partners and government: more than half the Member States reported some form of national social dialogue having taken place, reflecting the continuing pressures of demographic change and its effect on the world of work. The debates are at different stages, with most Member States in 2016 having been in the middle of the debate and consultation stage.
In Belgium, the Minister of Pensions has asked social partners to determine which jobs can be qualified as hazardous. In Denmark, social partners were consulted on proposals for a new pension reform as part of the government’s 2025 plan, which aims to get more people to save for their pension. In Estonia, the government presented proposals to reform the pension system and to increase retirement age substantially. In Croatia there was a discussion on the possible cancellation of the second (funded) pillar, with some trade unions expressing their support. In Sweden, discussions on how to make people stay longer in work triggered varied reactions from social partners and consultation is ongoing. White collar unions demanded more flexible retirement schemes and agreements were made in some areas.
In other countries some (partial) results were achieved following social dialogue. In Austria, after long bi- and tripartite negotiations and talks, the coalition government held a long-awaited pension summit in late February 2016. Several measures were agreed upon, including an increase in retirement age, but a large-scale reform did not take place. In Italy following negotiations, a memorandum of understanding was signed by the government and unions paving the way to
legislation. The main proposals were income support measures in the case of lower and middle pension payments through the provision of a 14th monthly payment, and facilitating early retirement without penalty for workers who had started their career at a very young age (before their 19th birthday) or who performed arduous tasks. In Bulgaria and Portugal, legislation was passed that included an increased pension age. In Slovakia social partners were consulted before the approval of proposed amendments to Act 461/2003, which changed the indexation of pensions. The most controversial case of social dialogue in this area was reported in Poland, where the government introduced – in opposition to the views of both sides of industry – legislation to reduce the retirement age. Further cases of major debate on pension reforms with some progress made through social dialogue are included in Box 14.

Box 14: Pension reform in national social dialogue debates in 2016

Spain: Reactivation of the ambitious pension reform of 1995
In Spain, in recent years, employers’ representatives and trade unions, as well as many political parties and other stakeholders, have shown their concern for the sustainability of the public pension system. With the constitution of the new government in October 2016, the Commission of the Toledo Pact was reactivated in November 2016. The Toledo Pact was an ambitious reform approved by the Spanish parliament in April 1995, based on a broad social arrangement, aimed at streamlining and guaranteeing the future of the Spanish social security system. This is the context in which the debate of the pension reform is currently ongoing, with the active involvement of social partners.

Netherlands: Continued tripartite debate about the sustainability of the pension system
In the Netherlands, pension reforms are an ongoing topic of debate. The most consistently and urgently debated issues are the appropriateness and sustainability of the current pension system which consists of a flat-rate public pension, supplemented to an important extent by earnings-related occupational pensions. In 2015 the tripartite Social Economic Council had brought out an advisory report presenting several alternative models, addressing the issues of whether the current collective basis of the pension system ought to be replaced by more individualised plans, whether the employee contributions ought to be equal regardless of age (as is the case now), and how to deal with low interest rates putting pressure on pension fund performance. The model of individualised pension rights accumulation with a collective risk-sharing element was further elaborated in a report from the Social Economic Council in 2016. The debate is ongoing.

Norway: Occupational pension schemes – a new topic in collective bargaining
In Norway, hardly any of the national collective agreements in the private sector cover occupational pension schemes. Following the public pension reform, the issue of occupational schemes have been on the agenda for some years, being part of the bargaining round in 2014 and in 2016. In 2014 the parties in the trend setting metal working industry, the Federation of Norwegian Industries (affiliated to NHO) and the Norwegian United Federation of Trade Unions (Fellesforbundet, affiliated to the Norwegian Confederation of Trade Unions – LO) agreed that they would try to reach an agreement before the bargaining round in 2016. They did so in February 2016, and in the bargaining round they asked the government to consider the need for amending the existing legal framework in order to have a legal base for the scheme described in the agreement. However, the content of the agreement, where employees are supposed to register their own individual pension accounts (not collective schemes), and with no consideration taking to women having a longer life expectancy, was controversial among other trade unions affiliated to LO. One of the major criticisms came from the female-dominated Norwegian Union of Employees in Commerce and Offices (Handel og Kontor), which organises in services, arguing that the agreement discriminated against women. Handel og Kontor also argued that
the schemes should be collective and not individual. At the end of 2016, the government report was published, and paved the way for a possible compromise that could be accepted by all unions as well as the employers’ side. The parties in the trend-setting industries will continue their discussions in order to try to agree on a model.

Dialogue on health, safety and well-being at work

Health, safety and well-being at work is typically a subject that is regulated by the legislator via common minimum standards, rather than being an exclusive domain of management and labour. In this sense, it is not surprising that the examples of how social dialogue at national level contributed to the health, safety and well-being at work agenda are mainly related to social dialogue debates or consultations prior to legislative action. In contrast, examples of bipartite social dialogue or actions – at national level – remain scarce.

An exception in this regard is the bipartite agreement on violence and harassment at work signed by the Italian social partners (CGIL, CISL, UIL, and Confindustria) on 25 January 2016, implementing at national level the framework agreement on harassment and violence at work signed in 2007 by European social partners.

Most other reported examples of social dialogue relate to social partners’ involvement in the introduction of legislative measures, such as changes in the financing of expenses related to health promotion (as in Estonia), or compensation for occupational accidents in Latvia and Lithuania at the LRTT. A heated debate around the law for workable flexible work is also ongoing in Belgium, whereby the monitoring of doctors’ practices of declaring employees fit for work has been a contentious issue.

The implementation of multiannual occupational safety and health (OSH) strategies or policies was addressed in national social dialogue forums in Slovakia (the Economic and Social Council, HSR) and Hungary (the Permanent Consultative Forum of the Competitive Sector and the Government, VKF) during 2016. In Hungary, this is particularly noteworthy, as no national OSH strategy or policy has been in place for over a decade. The government proposal of a seven-year comprehensive policy (2016–2022) for improving health and safety at work was positively discussed by social partners, leading to an overall consensus. Social partners also positively evaluated the modification of Act XCIII of 1993 on Occupational Safety which stipulates the election of workers’ safety representatives in workplaces with more than 20 workers and also in the public sector. Trade unions have called for reinstating their former role in OSH management.

Box 15: Health and safety at work in national social dialogue debates in 2016

Financing health-related expenses, sickness leave, incapability to work

In Estonia in the context of labour shortages and demographic change both sides of industry agree that maintaining employees’ health crucial. Following a proposal made by the Estonian Employers’ Confederation (ETKL) – which was also strongly supported by the Estonian Trade Union Confederation (EAKL) – in 2016, legislation was passed on favourable tax treatment of health promotion costs in 2016: as of 2018, the first €100 per quarter spent by employers on promoting the health of each employee will be exempt from fringe-benefit taxes. The costs must be related to sporting activities, therapy or payments of voluntary health insurance. Both employers and unions strongly approve of changes to support employees’ health promotion, but ETKL continues the debate, as their position has been that all expenses related to employees’ health should be free of fringe tax.

Another related social dialogue debate was initiated by trade unions in 2015, when EAKL proposed...
that the compensation for the first days of sickness leave should be restored (as it was before 2009): hence, employers should compensate 60% of wages during the first three days. Currently, employers are obliged to pay sickness benefit to their employees from the fourth to the eighth day of sickness leave, leading to a situation in which people are not keen to stay at home and recover because of lost wages. EAKL looked for the approval of the parliament as well as of the broader society, and initiated a campaign to collect support signatures for this purpose. In December 2016 the respective amendments to legislation were approved by the parliament, so that as of 2017 employers are entitled to social tax exemption for sickness benefit paid to the employees for the second and third day. It was not exactly what EAKL had wanted, but they see it as a step forward.

In Belgium, after wide-ranging debate between social partners and government it was decided that the National Institute for Health and Disability Insurance would start monitoring doctors if they declare employees incapable of working too soon. The measure was implemented on 1 October 2016. Trade unions remain sceptical.

**Occupational health and safety legislation**

In Cyprus, a tripartite consultation in the Labour Advisory Body on the Health and Safety at Work Law was held, concerning regulations and orders for medical inspections in port- and asbestos-related works. Legislation was adopted.

In Denmark, the self-controlling health and safety certification schemes were revised in 2016. In November 2016 a new set of rules was implemented to the certification scheme, the so-called ‘crown smiley’ scheme. The new rules were backed by eight initiatives, supported by a great majority of the parliament as well as the social partners. The initiatives includes more stringent control by the Working Environment Authority, a greater degree of transparency, stronger requirements of actual labour inspections and education vis à vis the external private labour inspection and counselling companies who are licensed to grant the certification to the businesses. The initiatives also include a better use of information from registers on accidents and health-related diseases.

In Sweden, increased attention has been paid to the importance of the organisational and social work environment. In the past five years, a significant increase has been reported in cases of work-related disorders due to stress and bullying. New work environment legislation was introduced in 2016, including an increased responsibility of employers for psychosocial health at work.

**Dialogue on terms and conditions of employment**

The terms and conditions of employment were less represented as issues for national-level social dialogue, being the focus in fewer Member States.

A major national social dialogue debate, fuelled by broad citizen support, took place around flexibility of employment in Romania, where trade unions were grappling with the changes that were introduced into the Labour Law at the peak of the crisis in 2011. All national trade unions had opposed the law at the time, criticising it for the excessive flexibility it introduced for labour relations and for the negative impact of that on working conditions and job security. Several efforts had been made by trade unions since to amend the law, most notably a draft law for the amendment of the Labour Code, initiated in 2015 by the National Trade Union Bloc (Blocul National Sindical), which gathered more than 100,000 signatures from its members and from citizens. The draft law introduces restrictions on the possibility of concluding and renewing fixed-term contracts, reduces the probationary period for unskilled workers, provides for new rules on the training clause and confidentiality clause and changes the regime of the time allocated to union activities. Employers’ organisations criticized the draft, arguing that it increases the rigidity of the labour market, freezing job creation and hampering foreign investment.

The draft bill was passed by the Senate in September 2015 and approved by the relevant committees of the Chamber of Deputies in 2016, involving tense tripartite consultations; due to parliamentary elections, the report was postponed to 2017.
Combatting undeclared work was high on the Greek social partners’ agenda, as a Tripartite agreement on undeclared work was reached following tripartite dialogue under the auspices of the ILO, funded by the European Commission. Within the dialogue, it is one of the few cases in Greece where the social partners together and the government have been able to adopt a common policy strategy on an issue. The results so far include the establishment of a roadmap for combating undeclared work. This cooperation will be key to the programme’s success and the adoption of practical policy measures.

Box 16: Social dialogue on digitalisation

The impact of digitalisation on the world of work has become a hot topic in many countries in Europe, and increasingly addressed in social dialogue. Eurofound chose the challenges of digitalisation as the topic for its Foundation Seminar Series in 2016; social partners and governments from 15 Member States took part. A EurWORK topical update on digitalisation in five Member States showed that social partners are closely involved in setting up national strategies to manage digital change in the world of work. Up to now, however, this has been a high-level affair and there are only a few collective agreements or company agreements on the issue in these five countries. Two important outcomes were achieved by national-level social dialogue in 2016: the Czech social partners arrived at a tripartite agreement on the Národní iniciativa PRŮMYSL 4.0 (National Initiative Industry 4.0) and in Germany social partners were consulted on future forms of working time, their replies feeding into the Labour Ministry’s White Book on digital work (Arbeiten 4.0).

Legislation concerning temporary work was also the subject of social dialogue in the public sector in Cyprus and in Poland. In Bulgaria, the extension of one-day labour contracts for seasonal workers from agricultural worker to other sectors was hotly debated, while in the Netherlands, legislative changes eased the possibility for consecutive fixed-term contracts among the same group. Another form of atypical contracts, so called ‘zero hour contracts’ were debated in Ireland and Finland. In these contracts, no regular minimum amount of working time is prescribed. In Finland, a citizens’ initiative to forbid zero-hour contracts was submitted to parliament in early 2016.

In Ireland, the government consulted with social partners during 2016 on the findings of a report from the Univerity of Limerick around ‘zero and low hour’ contracts. No legislative amendments were made in 2016, but proposal(s) were expected by mid-2017.

The flexibilisation of the labour market and particularly the position of self-employed persons was on the social dialogue agenda in the Netherlands, whereby some proposed and adopted changes to the Work and Security Act are underway. Also in Finland, improving the situation of self-employed workers was on the government’s agenda; the debate on self-employment continues in 2017, with a report having been submitted to the government in December 2016.

Box 17: Social dialogue on labour legislation around temporary or very short-term contracts

In Poland within the RDS (Task Team for Labour Law) a discussion was held on the improvement of the level of protection for temporary agency workers on the basis of a governmental draft amendment to the current law. Social partners failed to agree on a common position. The governmental project, supported only by the unions, was directed to further work in the parliament. In Cyprus, the Ministry of Labour, Welfare and Social Insurance initiated in April 2016 a dialogue with the public sector trade unions on a draft law for the regulation of the employment of fixed-term employees and employees with indefinite contracts in the public service; subsequently, legislation was passed.

In Bulgaria, the introduction of one-day labour contracts for seasonal workers in agriculture in 2015 was intended to be an instrument to combat undeclared work. During 2016, however, an intensive social dialogue debate evolved as to whether these contracts should be extended to other sectors as
Proposed by government via a draft Labour Code amendment (12 May 2016). Trade unions questioned whether these contracts are indeed an instrument against the grey economy or effectively curtail employees’ rights, notably as regards social protection. They also voiced concerns that the draft amendment had not been discussed at the National Council for Tripartite Cooperation. Employers, on the other hand, while in principle being in favour of the extension, have confirmed that the control and registration of day-labour contracts should be optimised. The legislation was finally passed, despite trade union concerns. Seasonal work was also the focus of social dialogue in the Netherlands, where subsequently legislative changes were made allowing seasonal workers to work for the same employer on consecutive temporary contracts with a break of only three months rather than the previous six.
Developments in working life in Europe: EurWORK annual review 2016

6 – Pay inequalities: Evidence, debate and policies
While the absolute level of pay and the standard of living a person can afford with their earnings is central to living and working conditions, the relative dimension is also very important. Perceived fairness, often in respect to what others earn, is a crucial factor for motivation at work and for building cohesion at the workplace and in society.

Differences in pay levels for workers doing the same kind of jobs, sometimes even at the same workplace, can arise for many reasons. Between companies, sectors or countries, gaps can be due to differences in capital productivity, technology usage and the firm or sector’s competitiveness and ability to pay certain wages. But also within companies, the use of different contract types (fixed-term duration, temporary agency workers, posting of workers or work carried out by subcontractors) or the possibility to allow for sub-minima wages for certain groups of workers may, on the one hand, allow for more employment, but can at the same time result in growing concerns about fairness and/or unfair competition among workers and businesses.

An important function of wage-setting mechanisms (be it via collective bargaining or via legislation that clarifies basic rules) is to create a level playing field for companies, sectors or Member States, within which pay – and working conditions – cannot be reduced.

Ultimately, pay gaps between different workers can be considered as discrimination. There is much research, mainly on the gender pay gap, which seeks to explain parts of the observed or ‘unadjusted’ pay gap between different groups of workers in terms of observable characteristics: for instance, tenure, educational level or sector. The remaining wage gap after adjusting for these factors could be interpreted as discrimination. However, such an approach does oversimplify the issue. The part of the wage gap that can be ‘explained’ by observable factors may itself be the result of discriminatory social practices, such the gender segregation of the labour market by sector. Moreover, there are several factors that the analysis is often not able to control for, such as ability to carry out the job or the company’s productivity and ability to pay higher wages.

This chapter has been devised in the context of several policy debates or agendas at EU level that are resonating in the Member States:
- the envisaged renewal of the Posted Workers Directive, which includes new provisions regarding remuneration
- the EU’s ongoing commitment to reduce the gender pay gap
- the labour market integration of younger workers and refugees
- the working conditions and remuneration of temporary agency workers or workers with fixed-term contracts

While these agendas and debates are all much broader than just pay, differences in pay between workers – whether part of a deliberate policy to promote employment, or a contentious practice to be circumvented – are a common feature linking these agendas.

The chapter looks into pay gaps at workplace level, along with workers’ characteristics and the employment status. It aims to cover the following material:
- to provide some data-based evidence on the extent of some ‘unadjusted’ and adjusted pay gaps
- to map the recent national public debates and policy debates among social partners and governments
- to review concrete policy actions aimed at narrowing (at workplace level) pay inequalities, mainly implemented between 2014 and 2016

While the main point of departure was pay gaps at workplace level (cases where workers do the same kind of job in the same workplace but get paid differently), both debates and policies are usually broader and go beyond the workplace level.
EU-level background

One key objective of the EU is, and has always been, to allow for workers to be treated fairly and equally in all European countries. Some critical aspects are to avoid discrimination at the workplace and ensure application of the equal treatment principle to all workers in the EU.

Approaches to addressing pay inequalities in EU-level legislation

The Treaty of the Functioning of the European Union (TFEU), while not including pay and remuneration as such in the fields of activities in which the Union supports its Member States (Article 153), and while respecting the autonomy of social partners (Article 152), addresses several kinds of inequalities in general and two specific pay inequalities in particular.

Article 11 provides that ‘the Union shall aim to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation’ and prohibits (Article 18), ‘any discrimination on grounds of nationality’. Within the context of gender pay equality, Article 157 obliges Member States to ensure that equal pay for male and female workers for equal work or work of equal value is applied. Equal pay without discrimination based on sex means that pay for the same work at piece rates shall be calculated on the basis of the same unit of measurement and that pay for work at time rates shall be the same for the same job. The second pay inequality regulated within the TFEU is in the context of the free movement of workers. Article 45/2 states that ‘Such freedom of movement shall entail the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of work and employment.’

The Charter of Fundamental Rights of the European Union (2000/C 364/01) includes in Article 21 the principle of non-discrimination; in addition, the Employment Equality Directive (Council Directive 2000/78/EC) established a general framework for equal treatment in employment and occupations. It reiterated that ‘any direct or indirect discrimination based on religion or belief, disability, age or sexual orientation as regards the areas covered by this Directive should be prohibited throughout the Community.’ It includes in its scope ‘employment and working conditions, including dismissals and pay.’

However, the Employment Equality Directive does foresee (in Article 6) justified different treatment on grounds of age within national law, when they are ‘objectively and reasonably justified by a legitimate aim, including legitimate employment policy, labour market and vocational training objectives, and if the means of achieving that aim are appropriate and necessary’. As regards pay, Article 6a in particular allows national legislators to set ‘special conditions on access to employment and vocational training, employment and occupation, including dismissal and remuneration conditions, for young people, older workers and persons with caring responsibilities in order to promote their vocational integration or ensure their protection’.

Employment status

Further EU directives follow these general provisions, but make exceptions at times: this includes the principle of non-discrimination of fixed-term workers (Council Directive 1999/70/EC) and of part-time workers (Council Directive 97/81/EC) ‘unless different treatment is justified on objective grounds’ (Clause 4/1 in both cases).

More room for exceptions from the general equality principal are contained in the Directive on Temporary Agency Work (2008/104/EC): while the equality principle (Article 5/1) holds that ‘the basic working and employment conditions (including pay) of temporary agency workers shall be, for the duration of their assignment at least those that would apply if they had been recruited directly by that company to occupy the same job’. Member States can derogate from the principle within certain limits, on the basis of an agreement between social partners at national level. This includes derogations when temporary agency workers continue to be paid in time between assignments (Article 5/2) or for countries which do not have systems that make collective agreements generally binding (for a sector or region), where national-level social partners can agree on qualifying periods for equal treatment.
Finally, posted workers – who ‘for a limited period of time, carries out his or her work in the territory of an EU Member State other than the state in which he or she normally works’ – had already been granted minimum rates of pay that apply in the host country via Council Directive 96/71/EC. In 2016, the European Commission announced a ‘targeted revision’ of the directive which includes an equal treatment principle and provides that the same work at the same place should be remunerated in the same manner. This evoked resistance from parliaments in several Member States and the triggering of the ‘yellow card procedure’.

**Pay inequalities discussed in 2015–2016**

As part of this report, Eurofound’s correspondents were asked to report on what kind of pay gaps (mainly at the workplace level) were publicly debated – by the wider public, in the media and/or by social partners and governments within their usual forums. They also had to provide evidence on how they had been addressed by policymakers recently – that is, in the period 2015–2016.

An overview of this mapping can be seen in Table 6. More detailed information on the individual cases can be found in the national contributions.

**Table 6: Overview of debates and policy actions on pay gaps and inequalities, EU28 and Norway, 2015–2016**

<table>
<thead>
<tr>
<th>Pay gaps between individuals having different characteristics</th>
<th>Debated</th>
<th>New policy measures</th>
<th>Debated and new policy measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>France, Croatia, Hungary, Ireland, Norway, Netherlands, Slovakia</td>
<td></td>
<td>Lithuania, Portugal</td>
<td>Austria, Belgium, Bulgaria, Czech Republic, Germany, Estonia, Finland, Greece, Luxembourg, Sweden, UK</td>
</tr>
<tr>
<td><strong>Younger workers</strong></td>
<td>Greece, Spain, Portugal</td>
<td></td>
<td>Poland</td>
</tr>
<tr>
<td><strong>Older workers</strong></td>
<td>Belgium</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Refugees</strong></td>
<td>Denmark, Finland, Norway</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Pay gaps between workers with different employment status</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Temporary agency workers</strong></td>
<td>Norway, Spain, Poland</td>
<td></td>
<td>Czech Republic, Germany</td>
</tr>
<tr>
<td><strong>Fixed-term</strong></td>
<td>Croatia, Portugal, Spain</td>
<td></td>
<td>Cyprus</td>
</tr>
<tr>
<td><strong>Other non-standard contract types, including sub-contracting (excluding posted workers)</strong></td>
<td>Czech Republic, Germany, Italy</td>
<td></td>
<td>Malta</td>
</tr>
<tr>
<td><strong>Posted workers</strong></td>
<td>All countries reported that at least one side of industry and/or</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Debated and new policy measures

government had made official statements on the targeted revision, except for Malta, Cyprus and Ireland

Pay gaps arising from different/new pay settlements

<table>
<thead>
<tr>
<th></th>
<th>New policy measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>Lithuania, Norway</td>
</tr>
<tr>
<td>Cyprus, Ireland, Romania</td>
<td></td>
</tr>
</tbody>
</table>

Pay inequalities at the workplace, but for different jobs

<table>
<thead>
<tr>
<th>Within-company gaps – top executive pay</th>
<th>New policy measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netherlands, UK</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Regional pay gaps</th>
<th>New policy measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic, Latvia</td>
<td></td>
</tr>
</tbody>
</table>

Gender pay gap in the EU

The persistence of the gender gap across the EU is noteworthy, considering the policy effort it has received over the past decades in many countries. Without taking into account differences in working time or in individual characteristics, in 2015 women on average earned 16.3% less than men on a monthly basis, which meant that the gap has not changed considerably since 2010 (see Figure 6). The following country-level observations were identified.

- Some progress in terms of narrowing this ‘unadjusted’ gap since 2010 was recorded in Luxembourg, Belgium, Romania, Hungary, Cyprus, Sweden, Spain, Norway, Denmark, the Netherlands, Finland and Austria.
- On the other hand, the gap grew in Poland, Slovenia, Croatia, Malta, Bulgaria, Latvia, Portugal and the United Kingdom.
- In the remaining Member States (Italy, Ireland, Lithuania, France, Slovakia, Germany, Czech Republic, Estonia), the unadjusted gap remained by and large the same.
Europe-wide studies which ‘adjust’ for observable characteristics are rare, yet the most recent ones available do suggest that substantial parts of the gap remain ‘unexplained’ after controlling for observable issues. Using 2007 EU-SILC data for 26 European countries, Christofides et al (2013) show that most of the hourly wage gap cannot be explained by the observed characteristics. Boll et al (2016) analyse data from the 2010 Structure of Earnings Survey for 21 EU Member States and Norway and find that more than 70% of the unadjusted gap remains unexplained (albeit there is considerable country variation) and lower gaps tend to coincide with lower female employment rates. Most of the explainable part of the gap can be attributed to sectoral segregation and the over-representation of women in low-paid sectors. This is also the only factor which works in the same direction in all countries, while the remaining characteristics effects are country specific.

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This includes age, education, marital and immigration status, firm size, employment status, industry and occupation, dependent children, childcare provisions and income from other sources.

Controlling for education, occupation, hours of work, firm size, industry, age, public sector, tenure, temporary contracts.
Box 18: Pay gap between lesbians/gays and heterosexuals

In several country studies, gay men were found to earn less than heterosexual men – between 4% (Netherlands) and 13% (Sweden) less, when these figures are adjusted for education, skills and experience. On the other hand, the findings are more split for lesbians: -8% in Greece, no differences in Sweden and France and more than their heterosexual counterparts in the Netherlands (+3%), the UK (+8%) up to +11% in Germany, again adjusted for observable characteristics. The latter might be explained by the fact that lesbians are often shown to make career choices more similar to heterosexual men, self-selecting into higher paid male-dominated occupations and could be less likely to adopt traditional gender-based household roles. Equally, the ‘gay pay gap’ is found to be closely related to occupational choice and self-selection into female dominated, lower-paid occupations.

Public debates about the gender pay gap

The gender pay gap between men and women was certainly the most widely debated form of pay gap across Europe, both in the wider public and among policymakers, including social partners. Often such debates occurred in connection with the publication of gender pay gap reports or other major research on the topic.

It is notable that such debates took place not only in countries where the (unadjusted) gap is very high (such as Austria, the Czech Republic, Estonia, Germany, and the UK, all above 20%), but across the full spectrum of countries. This included debates in countries where the gap is quite high (such as Greece and Hungary), in countries where it increased over the period – and, on the other side of the spectrum, in countries where the unadjusted pay gap between men and women stands at 10% or lower, such as in Croatia, Luxembourg or Belgium. It should be noted also that debates took place in countries independently of the trends in the gender pay gap over the period. Indeed, discussions have been seen in countries where it has not changed – such as France and Slovakia – and in countries where it has been slowly narrowing, such as the Netherlands, Norway and Sweden.

Most of the time, such debates were on the gender pay gap in general, i.e. touching upon the full set of causes that lead to the observation of a certain ‘unadjusted’ gap (horizontal and vertical segregation with glass ceilings, part-time work, family care duties, the valuation of work etc.), rather being confined to direct workplace-level pay discrimination.

Among the kind of issues that featured in such debates, correspondents reported the following.

- ‘General’ debates about the causes of the gaps, often in connection with the publication of new (annual) statistics or other national or international reports, as in Austria, Belgium, Croatia, France, Hungary, the Netherlands (but to a lesser extent than previously), Slovakia and Sweden.
- Horizontal segregation and the fact that women tend to work in lower-paid sectors or that work in feminised sectors or occupations is often valued less, were part of such public debates, but were specifically highlighted by the Belgian and Bulgarian correspondents.
- Gender pay gaps increasing with seniority in employment or increasing with level of education were highlighted by studies from France, Ireland and Portugal.
- The impact of care responsibilities on the gender pay gap was highlighted in the Czech Republic, Malta and Norway.
- The impact of austerity measures, changes in wage-setting and the union’s role on the gender pay gap featured particularly in Cyprus, Greece and Portugal.
- Debates related to the introduction of policy measures aimed at tackling gender pay inequalities, such as in Estonia in connection with the introduction of the plan to step up labour inspections on this issue; Finland, where according to a trade union survey the majority (58%) of the Finnish people would be prepared to abandon pay secrecy for the benefit of pay equality, while employers have taken a different view; Germany, in the context of the introduction of the legal requirement for companies to carry out pay audits; Luxembourg regarding the introduction of the Gender
Equality bill in the Labour Code and the UK in the context of the introduction of the gender reporting regulations. (For more on these cases, see Box 19).

- Symbolic actions have been carried out across Europe to create awareness of the date on which women start to work for free or from which onwards they will start to be paid.

**Box 19: Examples of policy-related debates around the gender pay gap**

**Finland: Debate around principle of pay secrecy**
A pay debate was sparked in October 2016 by a survey by the Finnish Confederation of Professionals (STTK) among 776 respondents, concerning the pay secrecy principle. The results of the survey suggest that the majority (58%) of Finnish people would be prepared to abandon pay secrecy for the benefit of pay equality. According to the secrecy principle, the pay of an individual employee is a private matter and cannot be made public – a tenet the employers’ organisations wish to hold on to. Meanwhile, the peak-level trade unions believe that employee representatives should have access to the pay information of the employees they represent. Accordingly, this would arguably not only promote pay equality, but also facilitate local wage bargaining demanded by employers. The matter does not seem to have progressed.

**Germany: Social partners views on new pay transparency law**
To reduce the gender pay gap, the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (BMFSFJ) in 2016 drafted a new law aimed at promoting the pay equality of men and women. The draft stirred heated debates and strong objections by employer organisations which criticised the law as being too bureaucratic. Following changes to the draft version, parliament in March 2017 passed the new act on the transparency of the wage structure (Entgelttransparenzgesetz EntgTranspG). The new act came into force on 6 July 2017. It stipulates that employees in companies with more than 200 employees have the right to ask for information on the wage structure; companies with more than 500 employees shall voluntarily apply an instrument for checking the wage structure within the company with regard to gender equality; corporations with reporting obligations under the Commercial Code shall report on whatever measures they have taken with regard to gender pay equality.

The Confederation of German Trade Unions (DGB) which in 2016 still welcomed the minister’s proposal, has been highly critical of the act stressing that it is not far-reaching enough – focusing on transparency of information only instead of providing for measures actually promoting wage equality. The DGB demands that gender-related disadvantages be reviewed and systematically removed, at least in companies with more than 500 employees.

The Confederation of German Employers’ Associations (BDA) appreciates the introduced changes (PDF), but still finds that the new act entails too many administrative burdens. In addition, the employers point out that the law fails to tackle the reasons for the differences. Instead of these measures, the employers demand a further expansion of day-care and kindergarten facilities to enable women to work more, or nearly full-time, and thus improve their career opportunities.

Open debates, be they in the media or within political institutions, social dialogue forums, among policymakers or NGOs show there is a high level of awareness around unequal pay for men and women. This is an important prerequisite for some kind of action to follow, but not necessarily a sufficient condition for it to happen.

**Recent policies and measures to address gender pay gaps**
No recently introduced policies or measures which could be considered as trying to address pay inequalities at the workplace were reported to be found in Croatia, Denmark, France, Hungary, Latvia and Romania.
Recent general strategies and action plans

A number of Member States have considered gender equality and related to this the issue of equal pay for men and women in their legislation in a generic way, as a legal basis for further specific measures. During the period 2014–2016, this included the following cases.

**Greece** ratified the revised European Social Charter, which includes specific articles on equal pay for work of equal value. The Greek Secretariat General for Gender Equality prepared and presented a draft law in April 2016 on Effective Gender Equality to be voted by the Greek Parliament.

**Luxembourg** "promoted" the legal basis for ensuring equal pay for men and women from Grand Ducal regulation into the Labour code at the end of 2016. A resolution of the Council of Ministers 18/2014 of 7 March in Portugal states the government’s commitment to eliminate the gender pay gap and intensify efforts to encourage a debate on this issue among the social partners.

A number of Member States have introduced (new or updated) multiannual national strategies for gender equality promotion or action plans, among which measures to address gender pay gaps are foreseen. This includes:

- **Bulgaria**: *(Law for equality between women and men, adopted 26 of April 2016)*
- **Estonia**: National Welfare Development Plan (*Heaolu arengukava*)
- **Finland**: the new *Act on Non-discrimination* together with amendments of the *Act on Equality between Women and Men* were drawn up in 2014 and entered into force in January 2015, along with the new government’s *Equality Programme (2016–2019)*
- **France**: a *new interministerial plan for equality between women and men* adopted by the government in October 2016
- **Greece**: In December 2016, the consultation on the National Action Plan on Gender Equality *(ESDIF) 2016–2020 (PDF)* was completed
- **Lithuania**: a new *Gender equal opportunity programme* (2015–2021) and *action plan* were adopted. Although reduction of the gender pay gap is one of the major goals of the programme, it provides only for a minimum reduction from 13.3% in 2013 to 13.29% in 2017 and to 13.25% in 2021. The action plan foresees the introduction of mandatory pay audits (see Box 20).

Some of these programmes or laws highlight specifically the role of social partners. The Finnish and the Portuguese programmes include a governmental commitment to include the social partners. In France, the *law of 4 August 2014* for a real equality between women and men reinforced the compulsory collective bargaining at company-level on equal pay issues. In Germany, the federal minister has started a tripartite dialogue on the pay structures in collective agreements and on the pay levels of female-dominated occupations and tasks compared to male-dominated occupations.

Pay audits or pay reports to increase pay transparency

The European Commission has recently taken stock of the *pay transparency measures implemented at national level* as a means to follow the Commission recommendation on strengthening the principle of equal pay between men and women through transparency *(C(2014)1405)*. According to the report, 10 countries (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Norway and Sweden) have introduced at least one out of the four core-transparency measures which the Commission recommended.

There has been a continuing increase in the number of countries which have introduced, or re-defined, pay audits in some shape or form as a means to ensure pay transparency in companies or have advanced plans to do so. According to information provided by Eurofound’s national correspondents, between 2014 and 2016 this included in particular the changes documented in Box 20.
Box 20: Recent changes regarding pay transparency requirements

In Belgium, royal decree of 25 April 2014 better defined the content and structure of the pay audit forms that companies with more than 50 employees have to follow. The decree builds upon the framework created by the law of 22 April 2012 to combat the pay gap between men and women. The pay audit analysis should point out if the remuneration structure or wage policy of the company is gender-neutral and its result has to be transferred to the works council.

The German government has drafted a new law (Entgelttransparenzgesetz) in 2016 aimed at increasing the transparency of corporate wage structures. The draft legislation was adopted by the federal cabinet on 11 January 2017 and by the Bundestag on 30 March 2017 and is expected to come into force in summer 2017. The main features of the new Act are: In companies with more than 200 employees there will be an individual right to information on pay structures. Companies of this size are obliged to explain their pay criteria to any employee requesting this information. Private sector employers with more than 500 employees will have to compile reports on their pay structures and wage equality in their company. These reports will be publicly accessible and will give 14 million employees a right to this information.

In Italy, a draft law was presented in 2015 at the Chamber of Deputies concerning ‘transparency of pay’. However, this is not at the core of the political debate as the document is still stuck after two years from its presentation. The provisions include:

- the obligation upon all companies to guarantee transparency and accessibility of information on the wage structure of the remuneration of their employees, omitting all the personal information except for sex;
- the right for workers and unions to access information on wage received by other employees of the same company;
- the obligation upon companies staffed with 50 employees or more to inform employees, workers’ representatives and social partners on the average wage paid per job and sex;
- the obligation upon companies staffed with 250 or more employees to carry out ‘wage audits’ and to make them accessible to workers’ representatives and social partners.

In Ireland, the government announced within their Partnership Programme of May 2016 the introduction of a set of measures addressing the gender pay gap, including a wage transparency requirement for companies with 50 or more employees.

In Lithuania, the Action Plan for the implementation of the programme in 2015-2017, the reduction of the gender pay gap is pursued through integration of special provisions in legislation whereby employers would be obligated to provide their employees with access to wage payment system of the employer and to communicate information on impersonal average wages by gender to the public at least once per year. Some aforementioned provisions are incorporated in the new Labour Code, adopted in 2016; The Code has come into effect on 1 July 2017.

In the Netherlands, a bill was proposed in 2014 intended to increase pay transparency by mandating that anonymised data on pay, making a distinction between men and women, should be made available to the works council. The works council should also be involved in making company policy addressing the gender pay gap. Also, information on the gender pay gap should be included in the company’s annual report. It was last discussed in Parliament in September 2016, but has not gone through to date.

In Sweden, an annual mapping of wages at the workplace is mandatory for all employers from January 2017 onwards. The mapping should include an analysis of the following:

- Policies on wage and other employment conditions used by the employer;
- Pay in-equalities between men and women performing the same tasks.
- Pay in-equalities between men and women performing equivalent tasks (in terms of demands and responsibility);
- Pay in-equalities between tasks that are female-dominated and not female-dominated (if the non-female-dominated tasks are less demanding but pay better).

The purpose of the analysis is to reveal structural discrimination at the workplace the employer needs to deal with. For workplaces with 10 or more people, the analysis has to be documented.

In the United Kingdom, the Equality Act [Gender Pay Gap Information] Regulations 2016 came into force on the 1st of October 2016. The regulations set out measures requiring large private and voluntary sector employers (those with 250 or more employees) to publish information on the difference in pay between female and male staff. Employers will have to publish, each year pay statistics disaggregated for men and women and they will have the option to provide a narrative with their calculations. This should generally explain the reasons for the results and give details about actions that are being taken to reduce or eliminate the gender pay gap. The results must be published on the employer's website and a government website. They must be confirmed in a written statement by an appropriate person, such as a chief executive.

Similar but non-mandatory support for companies to undertake such pay audits was reported from the Czech Republic where the development of a digital auditing tool for employers to objectively detect gender pay differences within their companies was part of a project. It was also reported in Portugal, where a resolution of the Council of Ministers 11-A/2015 of 6 March 2015 provides for a mechanism to support companies in the identification and analysis of the gender pay gap as a tool to promote equal pay.

Stepping up controls: Inspections and other measures
Two countries – the Czech Republic and Estonia – have reported that tighter inspections were part of a broader set of government measures. In the Czech Republic, this was part of a five-year project ('22% to Fairness') initiated in 2016. The most frequently discussed and visible part of the project consists of systematic inspections specifically focused on screening and pay discrimination. Specially trained state labour inspectorate experts will be responsible for conducting salary inspections. Other measures include the development of a digital auditing tool for employers to objectively detect gender pay differences within their companies, a manual for employees on how to negotiate wage increases, an information campaign, public opinion surveys and examples of good practice. Similarly, in Estonia, one of the measures of the above-mentioned national welfare development plan is to give the labour inspectorate the authority to monitor the remuneration and benefits paid by employers to men and women for equal work (no further steps have been taken yet). Another measure in Estonia aims to increase the availability of gender pay statistics.

Age-related pay gap
In the years of crisis and high youth unemployment, youth minimum wages with lower rates of pay for young workers were the focus of policymakers to promote the employment of young workers. However, it seems that the ‘pendulum’ has now swung in the opposite direction. There are a number of countries in which the focus of debate or ‘opinion’ is now less in favour of such lower minimum wages, but rather stresses the pay gaps or pay inequalities that have arisen from the application of such instruments or as a consequence of less favourable labour market conditions for young workers.

The main issue recently discussed across Europe in the context of young people’s difficulty to integrate labour markets, has been pay discrimination in terms of age. This has been addressed in different ways: while the Netherlands and Poland try to reduce inequality, moving towards a full minimum wage for young people, Greece opted for the juridical route, reforming the wage-setting mechanism.
In the **Netherlands**, age-related pay inequality due to the system of youth minimum wage covering persons up to 23 years of age has been the most debated topic with respect to pay inequalities. Tros and Keune (2014) find that age-related wage inequality due to the youth minimum wage is what most significantly impacts wage inequality at the Dutch workplace. The Dutch system foresees a specific percentage of the adult minimum wage for younger workers (up to the age of 23), which increases with every year of age. In 2015 this was 45.5% for those aged 18 years or younger and moved gradually up to the full minimum wage for those who are 23 years or older. After considerable pressure in the public debate and campaigning by ‘Young and United’, a youth movement falling under the Netherlands Trade Union confederation (FNV), legislation was adopted to decrease the age from which the adult minimum wage is applicable – to 22 years from 1 July 2017, and to 21 years in 2019. The youth minimum wage for persons of 18, 19 and 20 years of age will also rise.

Also in **Poland**, in 2016, amendments to the Minimum Wage Act eliminated the lower rate of 80% of the national minimum wage applicable for employees in their first year of employment.

While the Dutch youth minimum wage system had been in place for a long time, the **Greek** one had been newly introduced as part of the crisis measures in 2012, when government intervened in collective bargaining and introduced a decrease of -22% for all workers and -32% for younger workers under 25 years of age, of the existing national minimum wage for the year 2012 (€751.40). In 2015, according to the judgment of the Court of Peace of Katerini (34/2015), the provision of 2012 was judged to be unconstitutional in terms of the remuneration of young employees under 25 years of age, as it ‘violates the constitutionally protected rights of equality before the law, equal pay and collective autonomy and youth welfare’. Similarly, the Economic & Social Council of Greece (OKE) emphasized the ‘unacceptable’ discriminatory remuneration against young people (Opinion (306/2015)).

Subsequent legislation (Law No. 4172/2013) established a new mechanism for setting the national minimum wages (PDF). From 1 January 2017, the minimum wage will be set by a final Decision of the Ministry of Labour, after consultations with the national social partners. The consultation period will be starting at the beginning of each year, and the final ministerial decision is expected to be issued at the end of June 2017.

In **Portugal**, growing disparities in income inequality between younger and older people have been reported and in **Spain**, as a result of the salary devaluation after the crisis, a salary supplement for low-income workers, in particular younger workers under the age of 30, was considered in debates during 2016.

In **Belgium**, on the hand, there has been a continuation of the long-standing debate about getting older workers into work and keeping them there, focusing on the definition of arduous jobs and the seniority-related pay rises that are still a dominant feature of the wage formation in the country.
Race, ethnicity and migrant background

Race and ethnicity
Pay gaps between workers of different race or ethnicity than the ‘majority’ of workers were not reported to be subject to debate or have received any specific policy attention recently.

Box 21: Pay gaps of ethnic minorities
Estonia and the UK reported new research looking into this issue. The Estonian study (Halapuu 2015) analysed gender and linguistic wage gaps and to what extent information processing skills can shed light on hitherto unexplained components of these gaps. In Estonia, around 30% of the population have Russian as their mother tongue, while around 68% have Estonian. The unadjusted wage gap based on home language (Estonian vs Russian) fell within a range of 13.2–19.8%. The better the Estonian language skills, the higher the wage level was found to be: workers with a very high level of Estonian did not receive a different wage from those with Estonian as their mother tongue. In addition, English language skills were found to be as important as Estonian language skills.

In the UK, the Trades Union Congress (TUC) published an analysis in 2015 showing that black workers with degrees earn 23.1% less on average than white workers with degrees. The study reveals that the pay gap between white and black workers is at its widest at degree level. Black workers with A-levels earn 14.3% less on average than their white counterparts, whilst black people who leave school with general certificates of secondary education typically get paid 11.4% less than their white peers. The pay gap between all black, Asian and minority ethnic (BAME) workers with degrees and white graduates is 10.3%. The pay gap with white workers for all groups, regardless of their educational attainment, is 5.6% for BAME workers and 12.8% for black workers.

In the UK, the TUC has called on the government to recognise the scale of the problem and develop a race equality strategy as a matter of political priority, with clear targets and adequate resourcing. This should include: measures to tackle the growth of casual work, which disproportionately affects BAME workers; requirements on employers to analyse and publish pay data by ethnicity; and a requirement for public authorities to use procurement to spread good practice.

Refugees and migrants
In the context of an increased influx of refugees and migrants and the need to bring them into employment, a number of countries also debated the introduction of lower minimum wages for this group of workers. For more, see the Eurofound report Low wage jobs: An efficient tool to combat unemployment?

This concerned Denmark. In the context of the tripartite negotiations in the beginning of 2016 about integration of the increased number of refugees from the Middle East seen since 2015, the introduction was debated of a special introduction wage (indslusningsløn) for refugees in order to move them more rapidly into the labour market. The unions were against a low minimum wage because it could result in social dumping. The tripartite agreement that was finally concluded secured the refugees an introductory hourly wage at the level of apprentices (DKK 50–120 per hour or €6.72–€16.13 as at 20 September 2017) in the first two years. The hourly wage is a part of a so-called Integration Basic Training Scheme (IGU).

Also in Finland, in January 2016, the then Minister of the Interior Petteri Orpo suggested that immigrants without language skills and other qualifications could be hired at lower salaries than collective agreements dictate. The proposal was widely rejected – by peak-level trade unions, opposition parties and the government partner Finns Party.
Employment status

Different types of employment status can give rise to different terms and conditions of employment including pay and remuneration. This section compiles information on pay inequalities that can arise for temporary workers (as compared to colleagues on permanent contracts), posted workers as well as some other forms of non-standard contracts, including subcontracting.

Temporary workers

Temporary work and employment is mainly composed of fixed-term contracts, either directly concluded between employers and workers or organised through intermediaries, such as temporary employment agencies. Aggregate earning statistics of gross monthly pay in the EU28 from 2014 suggest that there is a considerable pay gap – 29% – between workers with a permanent contract and workers with a fixed-term contract. This unadjusted gap is more pronounced among men (34%) than among women (21%).

Table 7: Mean gross monthly earnings in euro, by employment contract and gender in 2014, EU28

<table>
<thead>
<tr>
<th></th>
<th>Fixed-term</th>
<th>Permanent</th>
<th>Pay gap between fixed-term and permanent workers (unadjusted)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>1,833</td>
<td>2,323</td>
<td>-21%</td>
<td>2,266</td>
</tr>
<tr>
<td>Male</td>
<td>1,967</td>
<td>2,960</td>
<td>-34%</td>
<td>2,831</td>
</tr>
<tr>
<td>Total</td>
<td>1,898</td>
<td>2,658</td>
<td>-29%</td>
<td>2,560</td>
</tr>
</tbody>
</table>

Note: Entities with more than 10 employees in industry, construction and services (except public administration, defence, compulsory social security ‘Fixed-term’ = Limited duration (except apprentice and trainee); ‘Permanent’ = Unlimited duration.

Source: Eurostat, Structure of Earnings survey, 2014, [earn_ses14_22], extracted on 25 April 2017

At country level, the gaps range from being reversed in Latvia and Estonia (to the disadvantage of permanent employees) up to 35% or more in Poland, Portugal and Luxembourg.

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8 The gap has not been adjusted for variations in tenure or other variables, which could explain some of the differences.
Figure 7: Unadjusted pay gap in mean gross monthly earnings between fixed-term and permanent workers as percentage of permanent workers’ pay in 2014, EU28

Note: Entities with more than 10 employees; no data for Croatia and Sweden.

A Eurofound study has looked into this pay gap in more detail (based on 2010 data of hourly earnings) and has found that when the figures for observed individual and job-related characteristics are adjusted, around two-thirds of the total gap (which stood at 19% at the time and within a specific sample) can be explained; one-third of the gap (6%) remains unexplained. The study also shows that a considerable pay gap remains after adjusting when looking only at those employees with very short tenures (i.e. before the effects of longer job tenures may start to open gaps in favour of permanent employees).

While pay inequalities apply to all temporary workers, countries recently focused on contracts signed via temporary agencies. A number of Member States have recently stepped up efforts to make sure that temporary (agency) workers are granted the same working conditions (including pay) as permanent (or core) employees – at least after a certain period of time.

In the Czech Republic and Poland, legislation was debated in relation to temporary agency workers over the last number of years, while in Germany a similar debate has led to new legislation to enter into force in 2017, which ensures that temporary agency workers’ wages shall be settled by collective agreements, but that they receive the same wages as core workers after nine months of employment with a client company at the latest.

On a broader spectrum, pay inequalities between fixed-term employees featured in the Cypriot public sector: Cyprus redefined rules in relation to fixed-term employment in the public sector by creating one type of fixed-term contract, thus removing unequal treatment among the previous various categories of fixed-term employees. The European court of justice (ECJ, C-596/14, 14 September 2016) ruling for Spain furthermore established that temporary substitutes also have the right to receive severance pay as their colleagues on permanent contracts (see Box 22).
Box 22: Debates and policies on pay inequalities between temporary agency workers or fixed-term employees and permanent staff

**Czech Republic: Proposal concerning stricter rules for employment agencies**

The illegal deduction of commissions from the pay of temporary agency workers and sham subcontracting practices were the background for debates over recent years around temporary agency work. In 2016, the Ministry of Labour and Social Affairs (MoLSA) introduced a proposal concerning stricter rules for employment agencies. The current versions of the proposed amendments set out stricter rules concerning the registration of employment agencies, sanctions for employers who apply unequal working conditions with respect to agency and core employees (at present sanctions concern only employment agencies), and measures to prevent the evasion of legislation on working time, rest breaks, social and health insurance.

**Poland: Draft law to limit the abuse of low-paid temporary agency workers**

The topic of the abuse of low-paid temporary agency workers who perform their work at the same workplace as permanent, better-paid employees was addressed in an intense heated debate within the national social dialogue body (RDS). As a result, the draft law has been prepared and delivered to the parliament by government with the full support of the trade unions but opposed by employers’ organisations.

**Spain: ECJ ruling gives ‘interinos’ the right to receive severance pay**

Spanish national legislation which allows for different rules regarding severance pay for people with different lengths of contracts will be affected by an European Court of Justice (ECJ) ruling. Under Spanish law, permanent employees get 20 days per year worked as severance pay, whereas temporary workers get 12 days when they are laid off, and temporary substitutes (interinos) do not get any compensation. In a sentence issued on 14 September 2016, the ECJ established that temporary substitutes also have the right to receive severance pay, and that the amount received by temporary workers and permanent workers should not be different just because of the type of their contracts. This has led to some confusion, with different Spanish courts coming to different decisions in separate cases. The situation is being reviewed in 2017.

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**Posted workers**

On 8 March 2016, the European Commission issued a proposal to revise Directive 96/71/EC on the posting of workers. A new aspect of this proposal – motivated by the observation that particularly in high wage countries posted workers might earn up to more than 50% less than their local colleagues – was that posted workers shall generally benefit from the same rules governing pay and working conditions as local workers.

Following this announcement, parliaments from 11 Member States submitted a reasoned opinion opposing the proposal and this triggered the yellow card procedure, a subsidiarity control mechanism, which requires the Commission to review these opinions. On 20 July 2016, the Commission adopted a Communication (COM(2016) 505 final) re-examining its proposal for a revision of the Posting of Workers Directive. It considers both the 2014 Enforcement Directive (PDF) and the targeted revision as being complementary and re-enforcing one another, that the objectives of the proposal can be better achieved at European than at national level.

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9 This was without the prior consultation of the social partners according to a joint letter from ETUC, Business Europe, Ceep and UEAPME to president Juncker from 2 March 2016
In most Member States and Norway, the targeted revision of the posted workers directive (and also the transposition of the Enforcement Directive were subject to debate within parliaments and among governments and the social partners during 2016.

**Box 23: Social partners divided over targeted revision of the Posted Workers Directive**

From the workers’ perspective, ETUC and the European Federation of Building and Woodworkers (EFBWW) have expressed clear support for a revision to ensure the principle of equal treatment. In this context, however, the ETUC called upon the Commission to respect the principle of autonomy of the social partners to negotiate wages and the plurality of national industrial relation systems, by establishing provisions on the constituent elements of pay having the effect of favouring company-level over sector-level collective agreements. In turn, the ETUC advised that the Commission propose measures regarding the requirement of a previous period of employment in the country of origin to be especially applied to posted temporary agency workers, new rules for combatting bogus self-employment, and better enforcement measures, in particular inspections and more reliable social security forms. (See the orientation paper (PDF) from 13 April 2016, and positions from 13 May and from 20 July 2016 against the yellow card).

Most trade unions across Europe were in principle in favour of the targeted revision and joined ETUC in their position. Some trade unions, whilst being supportive of the proposal, voiced the view that it could have gone further, in particular as regards a further lowering of the posting period of less than 24 months, or for tighter rules to avoid abuse and the bogus posting of workers.

BusinessEurope published its position on 17 May 2016, outlining its objection to the targeted revision: it sees the original Posting of Workers Directive (96/71/EC) as providing a fair and level playing field, and felt the most urgent need in terms of reform was to fight illegal practices and improve the enforcement of the existing rules by promoting the transposition and effective application of the Enforcement Directive. It views the European single market as ‘under attack’ and the proposal as interfering with national wage-setting systems. This position was echoed by many employer organisations in the Member States – however, with a different focus between receiving and sending countries (although the line is not always that clear).

Two Eurofound topical updates provide a condensed overview of the debate and of developments at national level: one on pay inequalities experienced by posted workers, and the other on the state of the transposition of the enforcement directive.

Some countries have recently experienced policy debates or changes in legislation in relation to the pay inequalities of posted or foreign workers and domestic staff. These are summarised in Box 24.

**Box 24: Debates and policies on pay inequalities of posted workers or foreign workers and domestic staff**

**Austria: New laws against wage and social dumping**

A law against social and wage dumping was implemented in 2011 and reformed several times, most recently in 2017 (in the construction sector in order to secure wage entitlements for posted employees). However, fraudulent behaviour is evident in some sectors, especially with regards to foreign companies and temporary agencies posting workers to Austria and sham companies ‘employing’ foreign workers (see the Eurofound report Approaches to the labour market integration of refugees and asylum seekers. On 13 June 2016, amendments to the law were enacted (implementing Directive 2014/67), coming into effect on 1 January 2017. The new Act (LSD-BG) includes improvements with regards to cross-border administrative prosecutions in connection with wage and social dumping, a tightening of the general liability of contractors, as well as the implementation of a customer liability and the creation of new exemption clauses.
Norway: Pay inequalities between posted workers and local staff on the radar
In Norway the debate among social partners in 2016 on pay inequality has also been related to labour migrants and posted workers, as such workers (especially within construction and manufacturing) are paid the minimum wage while Norwegian workers are paid above the minimum. Many foreign workers are employed in temporary work agencies and are not paid for periods where they do not have an assignment. In the metalworking industry the debate between the parties in manufacturing has in 2016 also been related to expenses to travel, board and lodging and whether labour migrants should be paid for traveling to Norway to work or whether they should cover these expenses themselves.

Estonia: Social partners divided over Aliens Act providing for minimum pay thresholds for labour migrants
Estonia had just recently amended the minimum pay obligation regarding foreign workers. The Aliens Act stipulated that an employer was obliged to pay a foreigner whose short-term employment in Estonia had been registered a remuneration equal to at least the annual average gross monthly salary and wages of the main area of activity of the employer, but not less than the annual average salary in Estonia multiplied by a coefficient of 1.24. The employers’ organisation ETKL proposed that this regulation should be made void as there is labour (and skills) scarcity in the market that requires inflow of labour outside the EU countries, but the wage obligation is too encouraging and burdensome for them (especially in sectors where the average wage is lower than the national average wage). In December 2016, the changes to respective legislation were approved so that the minimum amount which must be paid to the foreigner equals to the national average salary, while seasonal workers and employees of startups were excluded from the pay obligation. However, the debate continues, as ETKL suggests that the average salary obligation should be made void for all groups of workers. EAKL has disagreed with the proposal as they see the risk of inflow of low-paid workers, which could result in Estonian workers losing their jobs.

France: Fight against abuse of posting of workers
The government published a decree on 19 January 2016, applying to project owners and contractors availing themselves of the services of providers domiciled outside France if the latter do not comply with the rules on compulsory declaration prior to posting. The decree increases the responsibility of project owners and contractors for payment of the posted workers. Furthermore, a decree of 7 April 2016 concerning transport companies established outside France provides for a simplification of procedures but also reinforces the commitments of the employer who is responsible for posting the employees. The employer has to respect the legal and contractual provisions with regard to minimum wage.

Other forms of contracts, subcontracting and public procurement
In addition to fixed-term or temporary agency work contracts (used across most Member States), contracts other than the ‘standard’ employment contract are also used in many countries. Pay gaps between workers on such contracts and those on ‘standard’ ones can arise: when either the terms and conditions of the former ones are less favourable and/or when these contracts are wrongly applied.
This included, for instance civil contracts in Poland, author or student contracts in Croatia, contracts for casual work (such as the Italian vouchers, which have most recently been announced to be discontinued) or (bogus) self-employment, which has been recently on the radar of policymakers in the Netherlands.
Another form of pay gap can arise when sub-contractor are paid lower rates than workers who do the same job. This has addressed by the legislator in Malta and Poland or a debate is ongoing in relation to stricter rules for on-site service contracts in Germany.
All these issues are raised given their incidences on fairness of pay, discrimination, precariously and poverty.

Box 25: Debates and policies on pay inequalities between workers with non-standard employment contracts and for outsourced work

**Other individual contracts**

**Croatia: Contracts not regulated by the Labour Act**

Apart from open-ended contracts and fixed-term contracts, it is also possible to work on contracts outside of employment relationship i.e. contract for work, author contract for work and the student contract. These alternative forms of work are not regulated in the Labour Act. Therefore, according to the Trade Union, particularly the Union of Autonomous Trade Unions of Croatia – UATUC (in Croatian SSSH), such jobs are highly precarious with respect to wage levels and labour conditions (see [Nonstandard work in Croatia: Challenges and perspectives in selected sectors](#)).

**Italy: Vouchers for casual work to be abolished**

During 2016 the public debate focused on the use of so-called ‘voucher-based work’. As the vouchers entail a €7.50 net hourly payment, workers’ pay might be below wages applied to employees covered by collective agreements. The labour law reforms introduced in 2012, 2013 and 2015 (Act 92/2012 and Act 76/2013 and Act no. 81/2015) loosened the legal framework. The original aim of vouchers was to regulate and protect forms of occasional work provision often falling within undeclared work. Following the reforms, vouchers could be lawfully applied as an alternative to subordinated employment for the performance of the same tasks of employees – hence generating precariousness and inequalities in terms of applied wage and paid social security contributions.

During 2016 and early 2017, trade unions continue to voice their concerns: CGIL filed a referendum petition with a view to abrogating the whole set of rules on mini-jobs and CISL called for more proactive and productive meetings between social partners and emphasised the need to consider the vouchers as exceptional tools and for non-continuous work activities. After this resistance, the Italian senate adopted on 19 April 2017 a law which will abolish the system of vouchers; the referendum was cancelled, with the approval of CGIL. However, two very similar schemes were introduced in a bill a few days later, which was eventually approved. The debate has continued heatedly during 2017. Read more in the [EurWORK article on the voucher-based work scheme](#).

**Poland: New public procurement law obliges bidders to employ staff on an employment contract**

The (former cabinet) government introduced in 2015 guidelines which imposed on state administration units a requirement to include a condition for bidders of having their staff employed on the basis of employment contracts (PDF). Following the amendment to the Public Procurement Law of 2016 (PDF) the ‘lowest price’ can no longer be treated as the main award criterion, while the bidder is obliged to have their staff employed on the basis of employment contracts. In 2016, by virtue of amendments to the Minimum Wage Act (PDF), the lowest hourly rate to be paid for work performed under a civil law contract was set at PLN 12 (€2.83) (enforceable from 1 January 2017), to be further raised to PLN 13 (€3.06). The move was intended to equalise the earnings of employees and non-employees (contractors).

**Outsourced work**

**Germany: Ongoing debate about stricter rules on service contracts**

In Germany part of the debate on new temporary agency work legislation was also the usage of on-site service contracts, which are used for services that are performed on the contractor’s premises.
The first draft of the new legislation also included stricter rules on contracted work. As social partners have long had divergent opinions on this topic, the original bill was changed and many clauses on further regulating service contracts were dropped. A recent report showed that on-site contracted workers are most likely to compete with either core staff or temporary agency workers hired by the client (PDF). For more detailed information, please see Germany: New evidence on the scope of service contracts feeds into social partner debate.

Malta: New wage policy for workers engaged in outsourced tasks in the public sector

In the speech for the 2015 budget, the Finance Minister announced that workers employed with a contractor who is engaged in a government contract of work must be paid the same basic rate as the civil service employees. This means that the workers employed with a contractor who has been awarded a tender to carry out work for the government will have their pay adjusted to be equivalent to that paid to government employees performing the same type of work. This new wage policy affected workers such as cleaners, health care workers and rubbish sorters, which is generally outsourced by government. The GWU trade union expressed its satisfaction with this measure. In accordance with the collective agreement for the civil service employees covering the period 2011–2016, in January 2016 the pay of these workers was increased to €5.60 per hour.

Different forms of wage-setting and pay gaps

The impact of different forms of wage-setting on the (gender) pay gap has been widely researched. The more workers are covered by the same set of wage-setting rules, the more compressed wage distributions tend to be and the less likely specific pay gaps are to occur. The downside, however, could be employment losses because of increased wage floors or inefficient resource allocations – see for example articles addressing these themes:

- the summary from Bryson on union wage effects,
- Kahn on the effect of wage compression on the gender pay gap
- Villanueva on the impact of extension mechanisms on wage inequalities.

National research reported by Eurofound’s correspondents complements and supports these findings, as outlined in Box 26.

Box 26: New research on wage-setting and pay equality outcomes

Marx and Van Cant (2016) discuss the effect of the strong Belgian social concertation model with regards to pay gaps, whereby the extensive social concertation can be seen as a stabilising factor. The fact that almost all Belgian workers are being covered by collective agreements plays a crucial role. Because of this, Belgium performs reasonably well on both wage equality and gender equality. However, with regards to inequality linked to a different ethnic background, Belgium scores considerably less. Another Belgian study looks at the impact of the level of minimum wages on inequality in a Belgian setting. The main conclusion is that, in contrast to some previous studies, higher minimum wages reduce both lower-tail and overall wage dispersion.

In Germany, research shows that gender pay gaps are lower if collective agreements are in place. The gender pay gap is 9.5% for workers without collective agreements, but only 5.9% for worker who are covered. According to the same research both women and men whose wages are set via collective agreements earn 21.3% more than workers who are not covered. On the other hand, women tend to profit even more than men when they are covered by a collective agreement: adjusting for differences in individual and company characteristics, women earn 9.2% more when their wages are determined by a collective agreement (as compared with women who are not covered by a collective agreement), while for men the difference is 6.6%.

In Norway, Holst (2016) has analysed the public debate on equal wage and finds that people or organisations that are critical of pay equity measures, such as gender equality funds or stricter equal
pay legislation, seem to be justifying their position by arguing that the measure will weaken the Norwegian model for wage-setting. Conversely, supporters of equal pay initiatives seem to be keen to show that the measures do not go against the model, but rather involves a strengthening and modernisation of the model.

Mapping recent public debates and new policies between 2014 and 2016, the national reports show examples of pay gaps for workers doing the same kind of jobs; these pay gaps are due to differences in how wages have been set or the coverage of different workers by regulations or agreements made at different points in time – the latter includes particularly cases from the public sector: education in Ireland and Latvia, and the broader public sector in Lithuania and Romania, where pay inequalities within the public sector have given rise to debates.

Pay inequalities for workers doing the same kind of jobs can also arise when some workers are covered by collective agreements, while others are not and have their pay agreed individually with the employer, such as in the Cypriot case of the hotel sector. Cyprus has just recently addressed such pay inequalities within the hotel sector by means of legislation, since it secures for all the sector’s employees certain entitlements, independently of whether they are covered by the collective agreement or not. Another option is the extension of collective agreements to all sectoral employees. One example where such extension mechanism is not ‘virtually automatic’ as in other countries is Norway. In 2016 minimum wage clauses in several collective agreements, including the fish processing industry, cleaning, agricultural work, construction, electrical work, transportation and ship building, were extended.

Box 27: Examples of differential pay due to different pay settlements

**Ireland: New pay scales for new teachers lead to pay inequalities**
In Ireland, austerity measures (within the public sector) resulted in new recruits being paid less than their colleagues who had worked in the sector for some time. It is in this context that discussions on new pay scales for new teachers were held in September 2016, between the Department of Education and two teacher unions, INTO and TUI. The parties concluded an agreement to introduce a new incremental salary scale designed to address the current difference in pay for teachers recruited since 1 February 2012. This agreement will result in increases of up to €2,000 euros per year for new teachers at the start of their careers. It is estimated that over a teacher’s career the value of these increases will be €135,000.

**Latvia: New salary model for teachers leaves some worse off**
A related discussion took place between the government and the Latvian Trade Union of Education and Science Employees (LIZDA) regarding increased inequalities due to the teachers’ wage reform. Soon after approval of a new salary model, some teachers saw that their pay had decreased. The new model also set forth lower minimum wage levels (compared with education personnel in other education levels) for pre-school teachers in 2016; the legislation also permitted local governments to pay €580 for this category of education workers, if they are not able to pay the statutory minimum of €620. LIZDA protested, warned about strikes and insisted that inequality in education exists in terms of work organisation and pay (especially in pre-school education). The issue was also raised by Ombudsmen Juris Jansons who expressed the opinion that the new model is unequal and is a violation of the principle of good management.

**Lithuania: Uniform pay system in public sector**
Another example of a recently implemented policy is the new uniform pay system in the Lithuanian
public sector. The purpose of the law was to create a uniform system of remuneration for work to salaried employees in state and municipal institutions. A resolution by the government was adopted on 18 January 2016 to regulate salaries paid to chief executives and deputy executives of state enterprises and companies.

**Romania: Unitary pay law in the public sector to address imbalances**

Remuneration in the public sector is regulated by Law 284/2010, adopted in 2010 and which aims to reduce remuneration imbalances in the public sector. Repeated wage increases in some sectors and a constant increase of the minimum wage – by 80% between 2010 and 2016 – led to several imbalances, with a high concentration at the bottom of the remuneration pyramid. Both the former Socialist government (until end of 2015) as well as the intermediary government (November 2015 to December 2016) had sought to address the imbalances via draft legislation and emergency ordinances, yet resistance from trade unions continued. The new government as of January 2017 has now announced it will start work on a new law on a uniform payroll of staff paid from public funds, based on the draft law that was elaborated by the Social-Democrats in 2015.
7 – Promoting work–life balance of working parents and caregivers

In the context of the most recent policy developments at EU level, whereby the European Commission worked towards the proposal for a new directive on work–life balance for working parents and carers during 2016, this chapter provides related evidence and national policies from two sources.

The first is based on the Sixth European Working Conditions Survey (EWCS) and looks into the working life of families and carers. It portraits the status quo around care and housework, looks into the tensions between work and family life of workers in different household constellations and the fit between working time and responsibilities outside work.

The second part draws mainly on contributions from the national correspondents and summarises the most recent changes in national reconciliation policies between 2015 and 2016, such as family leave, working time and place of work and childcare services and other support measures; in addition, it investigates if and how collective agreements are used to address work–life balance issues.

EU-level context

The reconciliation of work with family and care obligations has been on the agenda of the European Union for many years. Several EU directives are relevant regarding the reconciliation of work and family (care). The latest coming into force was the revised Parental Leave Directive (2010/18/EU) in 2010, setting out minimum requirements on parental leave with related employment protection and time off from work on grounds of force majeure. EU countries had to incorporate it in national law by 8 March 2012 (with the possibility to extend the implementation period by one year at the maximum). The provisions of the directive include individual entitlement to parental leave after the birth or adoption of a child for male and female workers for at least four months; at least one of the four months is reserved for each parent and may not be transferred. It is not regulated whether the leave is to be paid and whether it can be taken in blocks or part-time. Furthermore, the directive stipulates that workers are protected from discrimination on the grounds of applying for or taking parental leave: upon return to work, workers must have the right to return to the same job or to an equivalent or similar job and they have the right to request changes to their working hours for a specific period with the employer needing to balance the needs of the workers and the company. The directive further provides that workers may request limited time off work for urgent family reasons (force majeure).

Relevant EU legislation is also to be found in the area of equal treatment between women and men in employment. The Gender Equality Recast Directive (2006/54/EC) guarantees the right to return to the same job or an equivalent job after maternity leave, as well as after paternity or adoption leave (where such leave is provided for under the law of Member States). Furthermore, legislation is found in regards to flexible working arrangements: the Directive on Part-Time Work (97/81/EC) has the purpose of eliminating discrimination against part-time workers, the vast majority of whom are women, and improving the quality of part-time work. The Maternity Leave Directive (92/85/EEC) provides for paid maternity leave (at least at the level of sick pay) for 14 weeks. Pregnant workers and workers on maternity leave are protected against dismissal. In 2008, the Commission issued a proposal to update the 1992 Maternity Leave Directive (extending the leave from 14 to 18 weeks, with 6 weeks on full pay), but after a political stalemate in the European Council, it was not further discussed after 2011. Thus, the issue was put on hold for some time.

In June 2014, work–life balance once again rose high on the European policy agenda, with the European Commission announcing the withdrawal of the 2008 proposal and instead presenting plans to replace it with a broader initiative. In August 2015, the Commission formally withdrew the old proposal under REFIT (Regulatory Fitness and Performance Programme) and issued its Roadmap New start to address the challenges of work–life balance faced by working families (PDF). The initiative's objective is to modernise and adapt the current EU legal and policy framework to allow for parents with children or those with dependent relatives to better balance caring and professional responsibilities, encourage a more equitable use of work–life balance policies between women and men, and to strengthen gender equality in the labour market (i.e. fighting the low labour market
A mix of legislative and non-legislative measures in a consistent policy framework was proposed. Following the publication of the European Commission’s roadmap, a two-stage consultation process took place in 2015–2016. Since the social partners could not agree on the case for further EU-level legislative action in the field – with the trade unions favourable to new measures and the employers against further action, no social partner negotiations were launched. Based on the consultations and the analysis of the accompanying impact assessment, the ‘New Start’ initiative addressing work–life balance issues faced by working parents and carers was presented by the European Commission as one of the deliverables for the European Pillar of Social Rights on 26 April 2017. The proposed Directive on Work–life Balance for Parents and Carers includes comprehensive package of legislative and non-legislative measures:

- the introduction of a paternity leave of at least 10 days, to be taken around the birth of one’s child and compensated for at least at the level of sick pay
- the strengthening of parental leave by introducing a non-transferability of the four months’ parental leave (i.e. making it an individual right for both mother and father), compensation at least at the level of sick pay, and the flexibilisation of parental leave via extending the timeframe during which the parental leave (four months) can be taken to the age of 12 years of the child (formerly eight years and non-binding); and via giving parents the right to request the leave either part-time or in a piecemeal way
- the introduction of a carers’ leave for workers caring for seriously ill or dependent relatives of five days a year, compensated at the level of sick pay;
- the extension of the right to request flexible working arrangements (reduced or flexible working hours, flexibility in the place of work) to parents of children up to 12 years and carers with dependent relatives.

The proposed directive would repeal the above mentioned Parental Leave Directive (2010/18/EU) and is targeted towards encouraging a better sharing of caring responsibilities between women and men. It is now the European Parliament and Council’s turn to review, amend and eventually adopt the proposed directive.

Working families and caregivers

The sixth wave of Eurofound’s European Working Conditions Survey (EWCS) offers rich and detailed information on the working situation and the experiences of working families and caregivers in various European countries. This analysis tackles the following question: ‘What kind of working life situation (taking into account both paid and unpaid work and the sharing of both within households) results in a decent work–life balance for men and women with care responsibilities in Europe?’ The next section looks at the topics of care and housework, working hours of couples (with and without children) and individual workers and their satisfaction with these working hours, as well as the question of the balance between working time and responsibilities outside work.

Care and housework

Overall, one third (33%) of the European working population represented in the EWCS (15 years and older) provide daily care for children, grandchildren or elderly persons. The share of women who have daily care activities is higher than that of men: 41% of all working women and 25% of working

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10 The overall employment rate is set to reach 75% by 2020, according to the Europe 2020 Strategy; in 2014, the female employment rate was at 63.5%, while the male one was at 75%.

11 Article 154 obliges the Commission to carry out, before submitting any proposal in the social policy field, a consultation of management and labour on the possible direction of Union action, followed by an in-depth consultation at a second stage.

12 See the European Commission analytical document Second-stage consultation of the social partners at European level under Article 154 TFEU on possible action addressing the challenges of work-life balance faced by working parents and caregivers (PDF).
men state that they care for other persons every day. On the other hand, 37% of all men interviewed and 27% of all women (32% overall) report that they are never involved in care activities in their daily lives. Some 14% of the working population state that they care for someone several times a week, a further 10% do this several times a month, and 11% care for someone else less often.

There are huge differences between women and men and between part-time workers and persons employed on a full-time basis. Almost half of all women (47%) working part-time provide care for other persons every day, and still 39% of those working full-time. Men working part-time provide care to a much lower extent: one in five (19%) takes care of someone else every day, and 43% of men working part time are never involved in care activities. Men working full-time indicate higher shares of daily care activities than men working part time. These results indicate that women tend to reduce their working hours to be able to provide necessary care while men work part time for other reasons, among which can be the combination with education or lack of opportunities for full-time work – more often at the beginning and at the end of the working life.

**Childcare**

The frequency with which workers provide care for children or grandchildren highly depends on the family situation. Women and men living with children are – not surprisingly – the group most involved in childcare. Among persons living with children, women provide intensive daily care at a higher rate than men, both within couples but also in the situation of a single parent,\(^{13}\) as shown in Figure 8.

**Figure 8: Frequency of care for children and grandchildren by family situation and gender**

![Figure 8: Frequency of care for children and grandchildren by family situation and gender](image)

*Source: Eurofound, Sixth European Working Conditions Survey 2015, EU28 average*

The involvement of men in care activities is a major driving force to a more equal distribution of care work between the genders. Care activities equally shared between the partners facilitates the

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\(^{13}\) The group ‘single parents’ here corresponds to respondents who live without partner or spouse, but have either children or grandchildren in the same household. In about one-third of these cases, the ‘youngest child’ in such households is above 18 years of age. This explains the considerable share of ‘single parents’ who ‘Less often or never’ take care of children or grandchildren.
reconciliation of work and family life (and other responsibilities) for both partners. Across European countries there are great differences in the involvement of men in care work (Figure 9). The highest shares of male contribution and at the same time almost equal distribution between the sexes in the frequency of providing care can be found in the Nordic countries and Luxembourg. In southern European countries and Poland one can see the lowest shares of male involvement and the greatest differences between men and women.

Figure 9: Rate of working couples with children in the household caring for children or grandchildren at least several times a week by country and gender

Source: Eurofound, Sixth European Working Conditions Survey 2015
Housework

Three out of four European workers (76%) are concerned with domestic work at least several times a week. Again, there is a huge gap between men and women: 95% of all women and 58% of all men report regular housework activities. The group most concerned with housework are single parents and women – regardless of their household constellation. In households comprising a couple and children, the biggest differences between the sexes in relation to household duties can be seen (Figure 10).

Figure 10: Frequency of housework, by household composition of household and gender

There are huge differences in male involvement in household chores between European countries (Figure 11). Some 92% of male Danish workers who live with a spouse/partner and children take care of household duties at least several times a week or daily; the equivalent figure is 84% in Sweden and 81% in Norway. The lowest rates of working men with partner and children performing household duties regularly can be found in Greece (17%) and Italy (17%).
Tension between work and family life

The reconciliation between work and private life frequently leads to tensions, either in the sense that workers feel that they do not have enough time for their family (especially their children), or that the time they can spend at work is not sufficient.

As shown in Figure 12, one in four single parents reports that after work they are always or most of the time too tired to fulfil the household tasks that need to be done. In other living situations, 21% also report this. Single parents more frequently worry about work when they are not actually working. Workers living with a partner and children also more frequently worry about work than those without children in the household. Persons living with children, either as single parents or as couple, also more frequently feel that work prevented them from giving the time they wanted to their family.

On the other hand, only a small percentage of the workforce reports that family duties prevent them from spending enough time on the job (with a small exception for single parents) or that they cannot concentrate on their job because of these responsibilities. This means that employees are more at risk more of not having sufficient time or energy for their family than being unable to fulfil their tasks at work.
Figure 12: Tensions between work and family life

Source: Eurofound, Sixth European Working Conditions Survey 2015, EU28 average

Couples and working hours
Couples with children have to organise their daily lives and working times in order to receive enough income to meet the financial needs and care for all family members and sometimes also for persons outside the family (e.g. relatives who need care). To earn their living, couples frequently decide upon the working hours of both partners in a coordinated way, adopting one of these options:

- both partners have a paid, full-time job
- one partner works full-time and the other has a part-time job
- both work part-time
- one partner is not in paid work at all.

The division finally agreed upon is also influenced by cultural norms and traditions, the local care infrastructure, school hours, available family help and other factors.

Preferences regarding one’s own working hours
According to the sixth EWCS, the average working hours of men and women in Europe is 36.1 hours per week in 2015. The rate of women working part time (defined as 34 or fewer hours per week) is 42%. Some 16% of all men also work a reduced number of hours per week. There are huge differences between countries in the share of women and men working part time. In the Netherlands, 78% of all women are working part time, followed by Greece and Denmark (both 55%) and Ireland (52%). The lowest rates of women working part time can be found in Bulgaria (11%), Slovakia (12%) and the Czech Republic (14%). The rate of men working a reduced number of weekly hours ranges between 28% in the Netherlands and 8% in Slovakia. At the same time, one-third (31%) of all male workers is working 43 hours per week or more. Among women, only 15% work this many hours per

14 Of course, there are other motives to engage with the labour market than solely financial reasons.
The EWCS explored how satisfied workers are with their own working hours or that of their partner in various household compositions. Overall, more than half of all employees are satisfied with the current situation and do not wish to change their weekly working hours. However, a slightly higher share of women (14%) than men (9%) seek to work more hours than they currently do (starting from a lower level, of course). In return, men – and especially men living in a household with children – wish to reduce their working hours a bit more often (36% of men in a couple with children, as against 26% of women in the same type of household).

### Table 8: Satisfaction with own and partner’s working hours by household composition

<table>
<thead>
<tr>
<th></th>
<th>Wish to work less</th>
<th>Wish to work equal</th>
<th>Wish to work more</th>
<th>Wish to work less</th>
<th>Wish to work the same hours</th>
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<tbody>
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<td><strong>Men – own working hours</strong></td>
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<tr>
<td><strong>Total</strong></td>
<td>33%</td>
<td>58%</td>
<td>9%</td>
<td>27%</td>
<td>59%</td>
<td>14%</td>
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<tr>
<td><strong>Couple, no children</strong></td>
<td>29%</td>
<td>62%</td>
<td>9%</td>
<td>28%</td>
<td>60%</td>
<td>12%</td>
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<tr>
<td><strong>Couple with children</strong></td>
<td>36%</td>
<td>56%</td>
<td>9%</td>
<td>26%</td>
<td>59%</td>
<td>15%</td>
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<td><strong>Women – own working hours</strong></td>
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<td><strong>Total</strong></td>
<td>31%</td>
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<td>33%</td>
<td>63%</td>
<td>4%</td>
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<tr>
<td><strong>Couple, no children</strong></td>
<td>31%</td>
<td>65%</td>
<td>5%</td>
<td>32%</td>
<td>65%</td>
<td>3%</td>
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<tr>
<td><strong>Couple with children</strong></td>
<td>31%</td>
<td>62%</td>
<td>7%</td>
<td>33%</td>
<td>63%</td>
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<td><strong>Women – partner’s working hours</strong></td>
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*Note: Sum of figures might not add up to 100% due to rounding.*

*Source: Eurofound, Sixth European Working Conditions Survey 2015, EU28 average*

**Couples with children: percentage of partners not working**

One of the reasons for not being part of the labour force might be the decision by one partner (in many cases the woman) to commit all their time to family needs. Besides that, a high rate of unemployment and a lack of jobs in a country may also be behind a lower participation rate of partners. Other reasons for partners not working for pay might be that they are still in education or already retired. On average across Europe, 32% of all employees have a partner who was not working in a paid job at the time of the survey. There are huge differences between European countries, driven by national traditions of the distribution of care and reproductive responsibilities, but also by the national labour market situation and the existence of jobs in the country. Figure 13 shows the share of partners not integrated into the labour market, by country.
The statements of respondents on the working hours of their partners clearly confirm the unequal distribution of working hours between men and women. Two thirds (65%) of men living with a female partner and children work more hours than their partner. But also in partnerships without children, more than half of the men usually work more hours. In around one-fifth (of couples with children) to one-quarter of the cases, couples have an equal amount of paid work. This situation is confirmed by women giving information about their male partner.

But what do workers in Europe wish for? Do men want their partners to work more hours and women want their partners to reduce working time? The results of the question on the number of working hours the partner should work per week do not confirm this (see Table 8). On the contrary, almost two-thirds of both men and women are satisfied with their partners’ working hours. About one-third of men and women want their partner to reduce their usual hours of work. Only 6% of male workers and 4% of female workers want their partner to work more hours than they currently do. This applies to couples with children as well as couples without children.

These results confirm that the majority of workers are currently satisfied with the frequently unequal distribution of paid working time within couple households. Many European workers still find themselves in a traditional situation of a male breadwinner and female caretaker. Overall, 82% of working men and 65% of working women report that the male member of the household is the breadwinner. The alternative scenario – a female breadwinner – is described by 11% of men and 23% of women. Only 11% of all working women and 7% of working men in Europe report that the contribution to the household income is equally spread across the two partners. There are almost no differences in this respect between couple households with and without children.

**Fit between working time and responsibilities outside work**

A very good fit between working hours and commitments outside of work is reported by 28% of European workers; another 53% report a good fit. Some 15% of workers think that their situation is not very good and 3% of workers state that their current fit of working time and private responsibilities is not good at all. The reduction of working hours enables a much better correspondence between working hours and other obligations. Only one in eight men and one in nine women working part time report a ‘not so good’ or ‘not at all good’ fit between working hours and other obligations (Figure 14). Among men working full-time, around one in five reports a not so good fit; one out of six women working full-time is also not content with their situation.

**Figure 13: Share of partners not working, by country (%)**

Source: Eurofound, Sixth European Working Conditions Survey 2015
Other individual factors possibly influencing the fit between working hours and other responsibilities (e.g. care responsibilities and household situation) were tested for the analysis but did not yield substantial differences. Most likely, workers try to adapt their working hours to be able to cope with other responsibilities. The reduction of working hours is a frequently chosen strategy to deal with responsibilities outside of work, especially for women. However it is also linked to other working time arrangements such as predictable working hours, being able to take time off, working time autonomy, telework, etc.
Recent changes in national reconciliation policies – 2015 and 2016

In this section, changes in work–life balance policies in 2015–2016 in the EU28 plus Norway are summarised based on the input by Eurofound’s national correspondents.

In a number of countries, correspondents also reported social dialogue debates or government consultations of social partners about different aspects of national reconciliation policies. This includes the following cases:

- In **Cyprus** – the social partner consultation around the review of the implementation of the Action Plan for Demographic and Family Policy 2016–2017
- In **Estonia** both the peak-level social partner organisations agree that the parental leave and benefit system should be made more flexible
- in the **Netherlands** social partners passed on an advisory report to the government on the provision and accessibility of pre-school childcare and education and on combining work, care, and education in the labour market of the future
- in **Slovenia** trade union ZSSS demanded the abolition of austerity measures in connection with parental protection and family benefits (reduced wage compensation for parental/paternity leave from 100% to 90%); however, the status quo was maintained.

**Family-related leave**

Family leave to take care of (sick) children or dependent relatives in need of care is very important to be able to (at least consecutively) reconcile paid employment and parenting or family-related care. Eurofound’s national correspondents reported a great number of countries which have recently changed or introduced some aspects of family-related leave. These concern mainly paternity and/or parental leave and to a lesser extent maternity, short-term or long-term care leave.

**Box 28: Overview of recent changes in maternity leave**

**Maternity leave**

In the **Netherlands**, a flexibilisation of family leave also concerned maternity leave. As of 2015, maternity leave can be taken as part-time leave during the final weeks before delivery.

**Greece** has increased the scope of maternity leave allowance in 2015. Thus, also self-employed mothers are entitled to the allowance, which amounts to €150 for a period of four months.

In **Slovakia**, increasing family leave benefits concerned the very low maternity leave allowance. As of 1 January 2016, the maternity allowance is calculated as 70% (instead of previously 65%) of the daily assessment base.

In **Slovenia**, wage compensation during the breastfeeding break for mothers with full-time employment who are breastfeeding a child up to the age of 9 months was introduced in 2014. From the age of 9 months up to 18 months, social security contributions during the breastfeeding break based on the minimum wage are covered by the state. (The allowance is one hour per day for a child under the age of 9 months, while for a child up to 18 months the length of breastfeeding break is not determined).

Only seven out of 28 EU Member States plus Norway did not have statutory provision for paternity leave, according to the Eurofound report Promoting uptake of parental and paternity leave among fathers in the European Union (p. 2). Over the past two years, some of these countries have stepped up their provision and have already introduced or are planning to introduce paternity leave.
**Box 29: Overview of recent changes in paternity leave**

**Paternity leave**

In **Austria**, a new so-called family time bonus (*Familienzeitbonus*) was implemented on 1 March 2017. This is a financial allowance for fathers (also adoptive or foster fathers, as well as same-sex partners) of about €700 for one month to be taken within the first three months after the birth of a child. A written agreement with the employer is needed; there is no legal right to this paternity leave.

**Introducing the right to paternity leave for first time**

In **Ireland**, two weeks of statutory paternity leave were introduced in 2016. New parents (other than the mother) are now entitled to paternity leave from employment or self-employment following birth or adoption of a child. Employers are not obliged to pay employees who are on paternity leave, but those on paternity leave may qualify for Paternity Benefit payment from the Department of Social Protection if they satisfy certain social insurance criteria and have sufficient contributions. From 13 March 2017, the Paternity Benefit amounts to €235 per week (for details see [Ireland: New paternity leave law could benefit up to 40,000 fathers](#)).

In the **Czech Republic**, the government has approved an amendment to introduce one week of paternity leave within six weeks of the birth of a child. It is expected that the new benefit will come into force in January 2018. It is assumed that fathers on paternity leave will be entitled to the same amount of benefit as women on maternity leave – that is, 70% of the daily assessment basis (for details see [Czech Republic: Paternity leave set to be introduced in early 2017](#)).

In **Cyprus**, new developments are expected since an actuarial study on the cost of the introduction of a paternity leave has been requested from the Ministry of Labour, Welfare and Social Insurance.

**Extending existing paid paternity leave**

Other countries have extended existing paid paternity leave provisions. In **Bulgaria**, the scope of paid paternity leave (15 days) was extended to adoptive fathers and will come into force in June 2017. In **Italy**, one of the few countries with a mandatory paternity leave (along with Portugal), the number of days the father has to take gradually increased up to two days in 2017 and to four days in 2018. In **Slovenia**, paid paternal leave will be gradually increased from 15 to 30 days and unpaid paternity leave (75 days) will be abolished between 2015 and 2018. In **Spain**, the extension of paid paternity leave from two to four weeks came into force in January 2017.

There are provisions for parental leave in all 28 EU Member States plus Norway. Over the past two years, many countries have amended their provisions and some countries have introduced major reforms (e.g. Luxembourg, Austria, Romania, Slovenia and the UK). The reforms or changes have tackled different objectives and departed from already very different parental leave systems (for details see EurWORK’s working life country profiles). Nevertheless, changes and reforms can be summarised under the following four topics:

1. Making parental leave more flexible
2. Promoting an equal sharing of parental leave
3. Making parental leave more generous
4. Increasing the scope of beneficiaries
Box 30: Overview of recent changes in parental leave

Making parental leave more flexible

In Austria, a major childcare benefit reform entered into force on 1 March 2017. The former four flat-rate models are replaced by a childcare benefit account. The period of drawing the benefit can be chosen freely between 12 months and 28 months by one parent. If the second parent also draws benefits from the account, the total maximum period for both parents increases to between 15 and 35 months. Depending on the length of drawing period, the daily rate lies between €14.53 and €33.88. The income dependent variant of the childcare benefit remains as a separate model. A new feature is that the partner bonus is also granted for this variant (see below).

In Germany, a so-called Parental Allowance Plus (Elterngeld Plus) was introduced in 2015, which aims at promoting part-time work for both parents as an alternative to a complete break of employment by the mother. In this case, the financial support is extended from 12 months (for one parent) or 14 months (for two parents) up to 24 or 28 months depending on the working hours of the parents. The benefit ranges between €300 and €1,800, depending on the income.

In Luxembourg, a major parental leave reform entered into force on 1 December 2016, following consultation with social partners. Those entitled to parental leave can now choose from several options: full-time parental leave from 4 to 6 months or part-time parental leave from 8 to 12 months. Fragmented leave makes it possible to split parental leave into a maximum of four periods, each with a minimum duration of 1 month up to 20 months. The choice is limited for people who work part-time. Employers are obliged to agree to full-time parental leave, without exception. But they can refuse part-time or fragmented parental leave (for details see Luxembourg: New parental leave law enters into force).

Promoting an equal sharing of parental leave

In Austria, an additional partner bonus of €1,000 (€500 for each parent) came into force on 1 March 2017, in case the parents share the drawing period of the childcare benefit almost equally (at least 40:60). In Sweden, however, the gender equality bonus was abolished in December 2016, because it did not produce the results aimed at by the legislators. Social dialogue on how to produce a more equal division between parents’ utilisation of parental leave finally resulted in the assignment of a third non-transferable parental leave month, which was expected to significantly increase fathers’ days of parental leave (from January 2016). Thus, out of the total 480 days of parental leave, 90 days – instead of the former 60 days – are now reserved for each parent.

In Portugal, due to a reform in 2015, the initial parental leave (between 120 and 150 days) may now be used simultaneously by both parents. Thus, mothers and fathers are allowed to enjoy part of the parental leave together.

In Romania, a major leave reform entered into force on 1 July 2016. The former two years of maternity leave were changed into two years of parental leave for both parents. At the same time, the maximum threshold was abolished and the minimum allowance significantly increased (see below for details). Now, parental leave is financially more attractive and should thus help to promote fathers’ engagement.

In the United Kingdom, shared parental leave (up to 39 weeks) had been introduced in 2014 for babies born or adopted after 5 April 2015. Shared parental leave may be taken at any time within the period which begins on the date the child is born (or the date of placement) and ends 52 weeks after that date. The shared parental leave allowance is paid at the rate of £140.98 (€154) a week or 90% of the average weekly earnings, whichever is lower (for details see UK: New rules promote shared

15 In Austria parental leave is not directly linked to the childcare benefit.
Developments in working life in Europe: EurWORK annual review 2016

Making parental leave more generous

In Luxembourg, as of 1 December 2016, parental leave allowance,\(^{16}\) previously paid at a fixed rate of €1,778 per month, became a replacement income. The allowance cannot be less than the minimum wage, which on 1 January 2017 was €1,998.59, up to a ceiling of €3,204 euros net per month. This was also aimed at making parental leave financially more attractive to fathers.

Romania has also significantly increased the minimum allowance for parental leave (formerly maternity leave) following social dialogue debate.\(^ {17}\) As of 1 July 2016, the minimum allowance is not related to the Reference Social Indicator (RSI), but to the gross minimum wage, thus increasing the minimum allowance from RON 600 (about €150) to RON 1,062.50 (about €240). Since the parental leave allowance is 85% of the previous net income, the former maximum threshold (RON 3,400 or €750) was abolished.

Increasing the scope of beneficiaries

In Austria, women whose female partner gives birth to a child are also entitled to parental leave, as well as foster parents since 2016 (adoptive parents, including same-sex partners have already been entitled to this since 2013). Also in Bulgaria, parental leave regulations were expanded to adoptive and foster parents, coming into force in June 2017. In Greece, paid parental leave has been granted to both parents, including same-sex partners, since 2015. In the Netherlands, a partner’s leave was introduced in 2015. Three days fully paid leave may be taken up within the first four weeks after delivery. In Romania, an accommodation leave, with a maximum duration of one year was introduced in August 2016 for employees who have adopted a child. During the accommodation period, the employee enjoys special protection against dismissal.

In very few countries does parental or childcare leave apply to grandparents. It does apply in Bulgaria and Portugal (since 1998). In the UK, the extension of shared parental leave to grandparents is under discussion.

Eurofound’s national correspondents reported also some changes regarding short-term care leave, mostly to care for sick children or family members. Some correspondents reported that in recent years their countries have introduced or changed or are planning to introduce long-term care leave to better reconcile paid work and caring for dependent (elderly or disabled) relatives, friends and neighbours.

\(^{16}\) Duration of parental leave in Luxembourg is up to 6 months or 12 months in case of part-time parental leave.

\(^{17}\) Parental leave in Romania is up to two years.
Box 31: Overview of recent changes in care leave

Short-term care leave
In 2014, France introduced a regulation to support parents with sick children enabling employees to gift their days off anonymously to parents of a seriously ill child if their employers agree. The law, which became effective on 11 May 2014, provides a framework for companies which have traditionally followed this practice (for details see France: Donation of leave to employees with seriously ill children). In Belgium, a similar measure was approved by the government in February 2017 but the implementation requires sectoral collective agreements (see Belgium: A short analysis of ‘Peeters law’).

In 2015, short-term care leave for employees in the Netherlands was extended from parents, partners and children to any persons living in the same household, second-degree family members and other persons with whom the employee has a social relationship. Unless otherwise negotiated in collective agreements, short-term care leave may be taken for twice the number of working hours per week during a period of 12 months and is paid at least 70% of regular salary.

A draft bill in Luxembourg will give parents greater flexibility to use short-term care leave (2 days per year). The number of leave days (12, 18 and 5 days) will vary according the age of the child and can be used within different time frames (in the first fours year of the child, between the age of 5 and 13 and between the age of 14 and 18).

Long-term care leave
In Austria, in 2014 a paid nursing care leave (Pflegekarenz) or the possibility to reduce working hours to a minimum of 10 hours per week (Pflegeteilzeit) was introduced. The benefits for the nursing care leave amount to 55% of the previous net income and for part-time work the leave benefit is paid as an aliquot part for the reduced working hours. The maximum duration is three plus three months. For both measures, the employer’s consent is needed.

In Belgium there are several forms of time credits to care for seriously ill relatives, disabled children or to provide palliative care. Employees can interrupt the career and take care leave or reduce their working time; see the ESPN Thematic Report on work–life balance measures for persons of working age with dependent relatives – Belgium 2016 (PDF). In February 2017, the government approved the extension of the maximum duration of the time credit to care for seriously ill relatives from 48 to 51 months and for palliative care from two up to a maximum of three months, but abolished the opportunity to take a time credit leave (without a particular ‘care’ reason).

In Denmark, where the care of dependent relatives lies within the responsibility of the municipalities (ESPN Thematic Report on work–life balance measures for persons of working age with dependent relatives – Denmark 2016 (PDF)), an interesting provision exists: any gainfully employed person who wishes to take care of a closely related person suffering from a significant disability or illness can apply for care leave and be employed by the municipality for up to nine months. The carer receives DKK 21,546 (€2,897), but no more than the previous earnings and retains entitlement to unemployment benefits, holiday pay etc.

In December 2015, the former family leave was transformed into leave for sick family members (congé de proche aidant) in France. Adapted regulations came into force as of 1 January 2017. Thus, any employee with at least one year of seniority in the company has a right to this unpaid leave when a close relative has a particularly serious handicap or loss of autonomy. The duration of the leave is three months, renewable up to one year for the whole career and can be also used to reduce working hours (ESPN Thematic Report on work–life balance measures for persons of working age with dependent relatives – France 2016 (PDF)).

In 2015, in the Netherlands long-term care leave was extended to care for sick and otherwise needy persons. Long-term care leave may be taken up to six times the number of working hours per week during a period of 12 months and is unpaid, unless otherwise negotiated in collective agreements.
In the Czech Republic, a new law to introduce a paid long-term family care leave has entered the interdepartmental procedure in December 2016. The maximum duration of the leave will be 90 days and the benefit should amount to 60% of the daily assessment basis.

**Working time (flexibility) and place of work**

Working time arrangements and flexibility with regard to the place of work are fundamental when it comes to enable parents to reconcile paid employment and parenting and/or taking care of dependent relatives.

Working time flexibility can be mainly driven by the employer’s need for flexible labour at a given time, e.g. in case of order peaks or workforce deficiencies due to illness. At the same time, employees’ needs for working time flexibility might also represent the main driving force. The focus here is on one form of employee-driven flexibility. Working men and women with care responsibilities are occasionally confronted with the necessity to take some time off work at short notice. Some employers grant high flexibility; in other working situations only very limited flexibility is possible.

The results of the sixth EWCS indicate a strong link between the possibility to take some time off from work in order to fulfil urgent tasks related to private needs and the perceived fit of working hours with other duties. Nine out of ten employees who can take off time very easily state that works fits very well (48%) or well (42%) with other responsibilities. In the reverse situation where it is very difficult to take off some time, more than one-third of all employees describe the fit between work and family life as not good (25%) or not at all good (10%).

![Table 9: Possibility to take off time at short notice by the fit between working hours and family or social commitments outside work](image)

<table>
<thead>
<tr>
<th>Fit between working hours and family or social commitments</th>
<th>Very well</th>
<th>Well</th>
<th>Not very well</th>
<th>Not at all well</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taking off time on a short notice is…</td>
<td>very easy</td>
<td>fairly easy</td>
<td>fairly difficult</td>
<td>very difficult</td>
</tr>
<tr>
<td>Very well</td>
<td>48%</td>
<td>26%</td>
<td>17%</td>
<td>20%</td>
</tr>
<tr>
<td>Well</td>
<td>42%</td>
<td>62%</td>
<td>56%</td>
<td>45%</td>
</tr>
<tr>
<td>Not very well</td>
<td>8%</td>
<td>10%</td>
<td>24%</td>
<td>25%</td>
</tr>
<tr>
<td>Not at all well</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
<td>10%</td>
</tr>
</tbody>
</table>

*Source: Eurofound, Sixth European Working Conditions Survey 2015, EU28 average*

This association exists for men and women. Only women working part-time seem to be less dependent on flexibility at their workplace. They more often report that their working hours fit well with other family and social commitments outside of work, independent of the flexibility in taking time off from work. The results for various countries differ to a large extent: a good fit on average can be linked to a rather pronounced gender division of care work with a high share of women working part time as well as a more equal distribution of household and care work between men and women.

New information and communications technologies (ICT) allow for a much more flexible way of working. This may be a double-edged sword, however, as indicated by a recent Eurofound/ILO report on teleworking. While telework and ICT mobile work can reduce commuting time and result in
greater working autonomy and better overall work–life balance and productivity, it has been shown that these work forms may also lead to longer working hours, a blurring of the boundaries between work and personal life and increasing stress levels due to the intensification of work. The policy changes reported by the correspondents which took place over the last two years are summarised in Box 32.

**Box 32: Overview of recent changes regarding working time and place of work**

**Flexible working time arrangements and teleworking**

In **Belgium**, a draft law was approved by the government in February 2017, which includes the right to occasional telework in case of unforeseen events. The proposal has to be agreed upon on both company and sectoral level. Also in **France**, the labour law reform of August 2016 opens concertation of peak level social partners on the development of telework that could lead to the launch of negotiation of a nation-wide collective agreement in 2017.

In the **Netherlands**, on 1 January 2016, the new Flexible Working Act (Wet flexibel werken) entered into force, instating the right for employees to request a permanent or temporary change in working hours (either increase or decrease), a change in the scheduling of working hours, and a change in place of work, making it possible to work one or more days from home. Such a request may be made once a year (as opposed to once every two years, which was the previous arrangement). The employer needs to justify an refusal in writing within a month of the employee’s written request for an adjustment of working time. In the absence of a response, the employee may commence working according to the submitted proposal.

In 2015, **Portugal** has introduced the possibility (not the right) of flexible working time or part-time work for employees with children up to 12 years of age and also the possibility of teleworking for parents.

**Reduction of working time**

As already mentioned above, **Portugal** and the **Netherlands** have introduced or changed the possibilities for parents to work part-time in the context of larger working time reforms. Additionally, some other countries introduced or changed their part-time regulations for parents or have discussed new provisions to better reconcile paid work and parenting for women and men.

In **Austria**, in 2016, a reform of the parental part-time work came into force, reducing the flexibility of its usage: the working time reduction must correspond to at least 20% of the normal working hours (e.g. for a normal 40-hour working week, the minimum reduction lies at 8 hours a week), with a weekly minimum working time of 12 hours. The reform aims to avoid symbolic reductions of working time in order to enjoy the special protection against dismissal applicable to employees with parental part-time work – mainly used by fathers).

**Hungary** introduced the right to reduce working time as of 1 January 2015 for parents with three or more children up to the age of 5 years. After this, parents can continue working part-time based on an agreement with the employer (see below).

In **Spain**, a new provision for self-employed workers was introduced at the end of February 2015. Self-employed workers who need to reduce their daily working time to care for children (younger than 7 years old) or dependent relatives, and hire someone to help them can benefit from a 100% reduction of social security contributions for a period up to 12 months.

In **Germany**, a new measure called family working time (Familienarbeitszeit) is under discussion. The idea is to offer parents who reduce their working time to between 80% and 90% of their full-time hours (i.e. between 28 and 36 hours/week) €300 per month, €150 for each parent for up to 24 months (up to the 8th birthday of the child).
Unsocial working hours and other working time measures

In order to contain the negative effect of unsocial working hours in France, the labour law reform of August 2016 provides several measures: collective agreements for professional and managerial staff (cadres under the forfait jour scheme) have to set specific procedures to discuss the workload, the reconciliation between professional and personal life, and the ‘right to disconnect’ to switch off from electronic devices. Collective agreements need to provide measures designed to facilitate the reconciliation of professional and personal life with regard to childcare and the care of a dependent relative when newly introducing or extending evening or night work. In the framework of the compulsory annual negotiation on gender equality and quality of life, adequate rest periods and annual leave to respect the private and family life of employees have to be negotiated. Full-time working employees may ask for a reduction of working time of one or several periods of at least one week each per year, on the ground of needs related to one’s personal life, but the employer can refuse.

In Hungary, as of 1 January 2015, uneven working hours arrangements can only be applied with the consent of the employee, starting from the determination of pregnancy to the age of three years. As of 2016, one child under 16 entitles the parents to two days, two children to four days, and more than two children to a total of seven days of additional holidays. In order to promote the engagement of fathers, these additional holidays can be taken by either parent, or even by both simultaneously.

Italy extended the right not to perform night-shift work to mothers of adoptive children for a three-year period after the placement of the child, provided the child is younger than 12.

In Spain, the public sector has extended the possibility for civil servants with children up to the age of 12 to request a ‘continuous working day’ instead of a ‘working day with a lunch break’, (jornada partida) over the summer holiday period from 1 June to 30 September. This is also partially regulated in collective agreements (see below).

Childcare services and other support measures

Having access to affordable childcare services of high quality is a crucial prerequisite for parents to simultaneously reconcile paid work and parenting and to be able to return to work after parental leave. This holds also true for services for dependent (elderly or disabled) relatives (e.g. residential or semi-residential care and home care services).

Eurofound’s national correspondents have in particular reported on a number of recent examples where governments seek to extend the availability of childcare services or make them more affordable.
Box 33: Overview of reported cases concerning childcare and other support measures

**Increasing the supply of childcare services and primary schools**

In Bulgaria, 10 municipalities have applied to build additional childcare services for employees of municipal and regional governments and other public institutions.

In 2014–2015, in order to increase the massive shortage of childcare facilities for children under the age of three years, the Czech Republic introduced the basic legal framework for providing childcare services for so-called ‘groups of children’. These services provide childcare from the age of one year to the start of compulsory school attendance and must allow attendance of at least 6 hours per day.

In Cyprus, since 2015 eight childcare services have been receiving additional funding to extend their opening hours on Saturdays to support working parents in the private sector. Cyprus also extended opening hours of whole-day primary schools (on a compulsory basis) to summer, Christmas and Easter vacations. The programme was introduced in the academic year 2014–2015. In 2015, some 22 primary schools with 2,200 pupils were involved in the programme. In 2016, the number of attendees increased by nearly 30%, reaching 3,400 pupils. The positive outcome of this intervention led to a similar extension of opening hours of childcare services introduced in the academic year 2015–2016.

In Estonia, European Social Funds were made available to establish additional childcare services, including childcare in the evening, at night and over weekends and for children with special needs. With €6.5 million allocated for the measure, 1,200 new childcare places will be created in the coming years (568 new places were created in 2015). In 2015, Estonia also lowered the requirements for daycare services for children under the age of three years for municipalities (as compared to pre-school education) to make services cheaper and thus facilitate an increase in supply.

Hungary is extending the capacities of public childcare services and will subsidise the operation of workplace childcare services with HUF 1 billion (approx. €325,000) in 2017. Thus, companies running crèches can write off the operating costs from their corporate tax base.

**Making childcare and pre-school services affordable**

In Finland, in September 2016 the government cancelled a proposal to raise fees for childcare services and decided instead to lower the fees, following a policy debate which included social partners. The reductions are significant for low-income and single-parent families and are supposed to facilitate the employment of single parents.

In Italy, crèche and baby-sitting vouchers were introduced in 2017. The voucher is aimed at supporting the enrolment in public or private crèches, or alternatively the introduction of support tools at home in for children under three years of age affected by severe chronic diseases. The voucher amounts to €1,000 a year for children born on or after 1 January 2016. The provisions confirm the possibility for both employed and self-employed mothers to apply for a crèche or baby-sitting voucher instead of parental leave (wholly or partially).

Since 1 July 2015, the city of Kaunas in Lithuania has been paying parents who fail to receive a public childcare place and have to attend private pre-school establishments a compensation of €100 per month (families on lower incomes may be eligible to higher compensations). In Vilnius, a similar procedure of compensating attendance at private pre-schools has been in effect since 1 September 2015.

**Other support measures to promote reconciliation and equal sharing**

In Austria, in late 2016, an online calculator was implemented in a joint initiative by the social and women’s affairs ministries. The calculator supports an equal distribution of childcare duties via providing some orientation on the expected household income during phases of leave and/or subsequent parental part-time work. It shows how much money is available to a household and to
each partner, dependent on the hours worked and on the type of childcare benefits chosen (i.e. the amount of benefits received).

In Cyprus, Estonia and Spain certifications or labels for business, which develop and implement ‘family friendly’ measures or promote work–life balance were introduced in recent years or are planned to be introduced.

Awareness-raising campaigns on maternity legislation and on reconciliation and time use were launched in Cyprus and Portugal. The later campaign intended to draw attention to gender inequalities in time use and to raise awareness of the need to promote a balanced distribution of unpaid care work between women and men.

**Work–life balance clauses in collective agreements**

Besides legislative measures targeted towards the facilitation work–life balance, collective bargaining has also played an important role as a regulatory instrument and addressed this issue in various ways across countries over the last three years. According to the information provided by Eurofound’s Network of European Correspondents, in only very few countries are hard data available on the extent and nature of measures to support work–life balance; this lack of data is often due to a lack of studies or databases, but in some cases also due to the fact that collective agreements are not publicly available. The following section provides information on the extent and content of such clauses in collective agreements based on available studies, but mostly based on the national correspondents’ own assessments. Illustrative examples of such clauses are provided.

Collective bargaining coverage is very diverse across Europe, with a high coverage of around 80% or more of employees covered in Austria, France, Belgium, Finland, Sweden, the Netherlands, Denmark, Italy and Spain, with medium coverage levels of around 40–70% percent in Norway, Portugal, Slovenia, Malta, Luxembourg, Germany, Croatia, the Czech Republic, Cyprus and Greece, and with low coverage levels of 10–35% in Romania, Ireland, the United Kingdom, Bulgaria, Hungary, Slovakia, Estonia, Latvia, Poland and Lithuania (data are from 2013, in the EurWORK annual review for 2015, p. 26). Figure 15 provides an overview on the prevalence of work–life balance clauses in collective agreements in the EU28 and Norway (as reported by EurWORK’s national correspondents) and relates them to the respective collective bargaining coverage:
The assessment shows that clauses on work–life balance issues in collective agreements are more prevalent in countries in which collective agreements are relatively important, i.e. where collective bargaining coverage is relatively high (80% and higher) and less prevalent or non-existent in countries with lower collective bargaining coverage. At the same time the interplay between collective agreements and legislation must be considered; in some countries, such as Luxemburg or Portugal, legislation plays a much more important role or is more wide-ranging, so there is less need or room to
fill in such gaps, whereas in other countries, like Denmark, Italy, France or Sweden, collective agreements traditionally complement legislation in the area.

With regards to the type of clauses typically found in collective agreements in the EU28 and Norway, the following five types may be distinguished:

1. clauses in relation to (extended) leave and days off
2. clauses in relation to flexibility of working time and place of work
3. clauses on wage top-ups during leave
4. clauses in relation to job re-entry after periods of absence
5. clauses on the recognition of leave for career advancement

The most commonly reported types of clause provided for in collective agreements are clauses on the entitlement for different types of leave and additional paid days off (for family or other reasons). They can be found in Austria, Belgium, Bulgaria, Germany, Denmark, Estonia, Greece, Spain, France, Hungary, Italy, Malta, the Netherlands, Norway, Romania, Slovenia, Slovakia and the United Kingdom.

**Box 34: Overview of examples of clauses on entitlements to and duration of leave**

**Extension of statutory leave**
The extension of leave which are regulated by legislation is commonly provided for in collective agreements. This is in terms of entitlements granted to certain groups: such as persons having concluded a civil solidarity pact (PACS) in several industries in France; grandparents in the French fast food sector (one day per year) and in the United Kingdom; the provision of one day paid leave per quarter to single parents or two weeks unpaid leave per year in Slovakia; it may be in in terms of duration (extra days for family events or obligations in France, Romania and Slovenia. Extension of parental leave is reported to be included in (at least some) collective agreements in Denmark, the Netherlands, Malta (unpaid, up to five years, in the public sector) and the United Kingdom. An agreement setting out rules on the take-up of parental leave on an hourly basis (which had previously been introduced by legislation) came into force in the banking and metal sectors in Italy. In the Netherlands, numerous agreements include rights to extend post-delivery leave. In Hungary, collective agreements – when addressing work–life balance issues – typically top-up provisions stipulated in legislation, e.g. providing more additional days off to parents and caregivers (see above). In Estonia, two-thirds of all collective agreements include agreements on paid leave (reasons not specified) which are a top-up to legislation, according to an analysis on collective agreements in Estonia (PDF) by the Ministry of Social Affairs.

**Paid days off for fathers at time of childbirth**
Paid days off for fathers in the immediate days after childbirth are reported to be widespread in collective agreements in Austria, Norway and Slovenia. Provisions on paternity leave days on a medium to longer term basis can be found in collective agreements in Austria, Denmark, Norway and the United Kingdom. With the implementation of a paternity leave by law in March 2017 in Austria (see above), for which the employer’s consent is needed however, it can be expected that provisions will be included in further collective agreements in the next bargaining rounds so that employees will not have to negotiate it individually with their employers.

**Paid days off for specific family events or obligations**
In several countries, the provision of paid days off due to specific family events or obligations are reported, e.g. for the first day of school (France, Slovenia) or for a child’s start in kindergarten (Norway) and even for monitoring a child’s school performance (Greece). In several sectoral
collective agreements in France, days of paid leave for family events above the minimum required by the legal provisions are granted, e.g. for children’s official ceremonies or simply for personal convenience. Clauses on (unpaid) leave for caring for sick children or other family members (sometimes including visits to the doctor) are reported in France, Greece, Spain, Italy, Norway and Slovenia. Most sectoral agreements in Slovenia have regulations that give employees the right to time off in connection with certain family responsibilities or personal reasons. This includes paid days to take care of a child or other family member who is ill or needs constant care and help, to seek medical help and to see to other personal matters. The leave is restricted in the number of days for each activity and in total days a year (from one to a few days). The vast majority of collective agreements also regulate additional unpaid leave for the above-mentioned reasons, which can be taken when the paid options have run out.

Extension of leave for eldercare
Clauses on (the extension of) leave for eldercare can be found in Austria, Germany and Netherlands. In Belgium, the system of mostly paid time credit (of up to 36 months) is fairly widespread, to be called upon in the case of providing palliative care, assisting or caring for a seriously ill family member or relative, or having care duties for a child. In the case of long-term care leave, collective agreements in France covering just under one-quarter of employees provide for longer periods of leave, and agreements covering just over one-quarter of employees provide for pay during this leave of 25–100% of regular pay.

Clauses in relation to working time flexibility (in terms of distribution, organisation and extent) and teleworking are frequently reported, for example in the following countries: Austria, Czech Republic, Germany, Denmark, Estonia, Spain, France, Greece, Hungary, Italy, Latvia, Malta, Romania, Sweden, Slovenia and Slovakia. In addition, in some countries, clauses targeted towards the protection of workers from un-social working hours are found, as in France, Austria and Slovenia, as well as in Slovenia and Hungary with regards to the place of work (i.e. limiting the posting of workers). A very recent example of how such flexibility measures can be dealt with in company-level collective agreements is the ‘smart working’ case in the Italian banking sector.

Box 35: ‘Smart working’ in Italian banking sector companies
In Italy, work–life balance has specifically been addressed at the company level in recent years, mostly concentrated on flexible working arrangements, in terms of both working schedule and workplace, first and foremost in the banking sector, as exemplified by a pilot project on ‘smart working’ (defined as work reorganisation based on new technologies in order to overcome the time and space constraints of traditional workstations) in the Cariparma banking group, which entered into force in March 2016. The project’s aim is to ease labour mobility and to incentivise the hiring of women who want to work at home during and after pregnancy. The Intesa San Paolo banking group started a pilot project on smart working through a collective agreement involving about 5,600 workers in 2015, with a view towards facilitating employees with care responsibilities to enter or remain in the labour market. One innovative aspect of particular relevance is the fact that employees can work from home up to eight days a month, and the flexible working time does not have specific time limits. Following positive evidence emerging in terms of satisfaction of employees and business productivity during the pilot phase, the programme was regularly implemented in 2016. A law to regulate smart work was under discussion in parliament in 2016 and was eventually approved in 2017.
### Box 36: Overview of clauses in relation to flexibility and protection of employees from unsocial working hours

#### Flexible working time arrangements

Clauses on flexible working time arrangements are widespread in **Denmark** (e.g. the pace-setting Industrial Agreement allows special working time arrangements at the company level if agreed by both partners), **Spain** (promotion of a continuous/intensive working day instead of a ‘working day with a long lunch break’), **Slovenia** (in the metal and electro industry, the employer is obliged to enable a worker with family responsibilities to work in his/her most favourable schedule, taking into consideration the needs of the working process), **Malta** (flexitime where it is deemed feasible and appropriate), **Germany**, **Slovakia**, **Latvia**, **Estonia**, **the Czech Republic** and **Italy** (with its “smart working” project in the banking sector, see box above).

#### Flexibility in terms of start and finishing hours

This type of flexibility is reported in **Spain**, **Greece** (the National General Collective Labour Agreement EGSSE entitles working mothers for the period of 30 months from the end of maternity leave either to arrive later or leave earlier by one hour each day from work) and **Romania** (for employees caring for preschool children).

#### Possibility of reducing hours

This is provided for in collective agreements in **Malta** (the collective agreement for employees in the public service sector provides the possibility to work on a reduced time-table until the child reaches the age of twelve years for both natural and adopted children), **Greece** (daily working time can be set lower by two hours per day for the first twelve months after maternity leave and one hour per day for six additional months) and **Romania**, **Hungary** (collective agreements typically top-up provisions stipulated in legislation, e.g. providing the possibility of part-time employment on request for a wider range of workers or also for parents with older children).

#### Teleworking

Providing the possibility of work at other places than the company’s premises (telework) is reported to be included in several collective agreements in **Sweden** (although quite rare), **Denmark** (in most agreements where it is physically possible, relatively widespread with 31.2% having worked from home at least once during the last four years in 2016 according to Danmarks Statistik), **Malta** (where deemed feasible and appropriate), **Italy** (up to eight days a month of home-office are provided for in the “smart working” project, see box below), **Spain** (facilitating telework and video-conferences to avoid journeys), **Germany** and **Latvia**.

#### Protection of employees from unsocial working hours and unsuitable places of work

In **France**, provisions on the avoidance of scheduling meetings after 16:00 or on Wednesdays (when part-time working employees are often off as children do not have school) are typically found in company-level agreements; in internet retail subsector, provisions encourage companies to fix the opening and closing times of meetings within the usual working hours, except in exceptional cases. Clauses on the avoidance of overtime and night work are found in collective agreements in **Austria** and **Slovenia**: In the collective agreement for the electronics industry in **Austria**, it specifically states that in the distribution of the working hours (especially night and shift work), the reconciliation of work and family should be guaranteed; this also applies to working overtime or business trips. Employees doing night work are – within operational possibilities – to be provided with a day work position if they need to care for a child up to twelve years or provide care for a close relative. This also applies to the collective agreement in the food industry. In the trade sector (incl. retail sale) in **Slovenia**, **work on Sundays, at night and on statutory holidays** is prohibited for a worker who takes care of a child up to the age of three years; furthermore, they may not be ordered to work more
than ten Sundays in a calendar year. Specific regulations on the place of work with regards to the non-posting of workers when care reasons are present are found in Slovenia (60% of collective agreements contain a provision limiting posting when taking care of a preschool child) and Hungary (according to collective agreements in the public sector, the employer cannot post a parent, without his/her consent, to another work location until his/her child is 16 or if the parent is a personal caretaker of a family member).

Payment of workers during family leave is typically ensured through statutory provisions and most frequently provided for by the social security/health insurance funds. An overview of ‘who pays’ and replacement rates is available in EurWORK’s working life country profiles. In a number of countries, however, collective agreements are used to additionally regulate the allowances. Clauses on wage top-ups during absences are reported in Denmark, Finland and Sweden, as well as in France, Italy and the Netherlands. Managing re-entry after periods of family leave is reportedly only addressed in collective agreement in a few countries, including the Czech Republic, Denmark and France. In Austria and France clauses on the recognition of longer periods of absence (mostly family leave) when calculating career advancement and seniority are reported.

Box 37: Overview of other clauses found in collective agreements

Clauses on wage top-up during periods of leave

In Finland, the employee has a statutory right to different types of maternity, paternity and parental leave; however, the employer is not obliged to pay wages during the leave. Many collective agreements include provisions for wages being paid during leave, such as during maternity leave or when looking after a sick child for up to a few days. In Sweden, almost all collective agreements include a clause on parental wage, which is an addition to the regular parental insurance, increasing the remuneration paid by the Social Insurance Agency (80% of the wage) by another 10%; this means workers receive 90% of their wage while on leave. In some sectors in France, part or all of the wages are maintained during maternity and parental leave. In the Netherlands, results from a study conducted by the Ministry of Social Affairs and Employment (PDF), based on the 99 largest collective agreement, show that many of them top up maternity leave pay to up to 100% of regular wages. In about one-third of investigated collective agreements, top-ups are also negotiated for short-term care leave, foster care leave, and adoption leave. Since 2006, employers in Denmark are obliged to be members of a maternity fund that pays them for giving the full salary to both mothers and fathers during some weeks of the parental leave up to a fixed level (usually 32 weeks for the mother and up to 9 weeks for the father). In Italy, national collective bargaining agreements (NCBAs) often top up benefits during parental leave and other forms of leave.

Clauses on management of re-entry after leave periods

These clauses are reported to be provided for in collective agreements found in the Czech Republic, Denmark and France. In the Czech Republic, few collective agreements include specific programmes concerning re-entry into employment following a period of parental leave. Flexible rules on further training in the company might facilitate the return after a long maternity leave in Denmark. In France, maintaining a link between the employee and his employer during leave periods is foreseen in some sectoral agreements, e.g. via providing general information to parents on leave which is communicated to all employees. Furthermore, interviews between the employer and employees before and after maternity leave ease the return to work in several sectors.

Clauses on recognition of family leave

In Austria, recognition of parental leave periods for wage increases (i.e. increments within the pay scheme) or bonus payments at different lengths are common. In France, many branches explicitly propose to ‘neutralise’ employees’ leave periods so that they do not affect the evaluation, promotion
or career progress. Many branches recall on employers’ obligations that returning employees must benefit from wage increases received during the period of leave by other employees.

**Additional clauses**

Other clauses reported include setting up facilitating services (concierge services or local services) for employees in the internet retail sector, or the donation of paid days off in **France**: several branches have put in place the possibility of giving rest days for seriously ill children following the adoption of such legislation in 2014 allowing for days of rest to be granted to a parent of a seriously ill child (see above). Some company-level agreements have also extended the scheme to employees having to care for their elderly parents up to 60 days per year. Similar clauses regarding the granting of days are expected in **Belgium** after legislation was approved by government in February 2017 (see above), with the implementation requiring sectoral collective agreements.

In collective agreements in **Spain**, clauses on financial aid for nursery schools or nursing homes, as well as the possibility to receive training during working hours are found. In some industry agreements in **Norway**, one will find regulations on preferential rights of part-time employees, as a statutory right. In **Germany**, sectoral collective bargaining often delegates the arranging of the details to the social partners at the establishment level. In 2013, for example, the pharmaceutical company Boehringer Ingelheim concluded a works agreement on care responsibilities explaining the right procedure if care responsibilities arise, including individual counselling on care matters.
8 – Working life in 2016: Summary and conclusions

Improving economy and labour markets
The year 2016 has been an eventful one across Europe for working life related debates, policies and regulations. Economic growth has picked up, employment continued to grow for the third consecutive year and unemployment rates – while still being above the level of 2007 in the EU28 - are (albeit with exceptions) declining slightly. The picture, however, is mixed, with some countries still showing high and rather persistent unemployment (Greece, Cyprus, Italy, Spain, Croatia) or slightly increasing levels of unemployment (Austria, Belgium, Finland, France, Luxembourg, the Netherlands, Norway and Slovenia). Mirroring this development, wages (collectively agreed and statutory minimum wages) grew in 2016 and average working time has decreased.

Potential impact of Brexit
The event with the greatest impact on future working life of many Europeans in 2016 was the British referendum of June 23, in which 51.9% of the voters opted for the United Kingdom to leave the European Union. This decision – which ultimately resulted in the triggering of Article 50 of the TFEU in March 2017 – is going to exert an unprecedented impact on the working lives of many: EU workers within the U.K., British citizens working within other Member States as well as the British workforce who will in future not be covered by EU regulations in the area of employment and working conditions. What this will mean exactly is hitherto unknown or would be speculative. Social partners’ first reactions after the referendum across Europe showed great concern, trade unions anticipating a deterioration of working conditions for UK workers and employers’ organisations having concerns about the implications for business and trade.

It is worth highlighting that social partners across Europe signalled a strong commitment to the European project when reacting to the outcome of the British referendum.

Elections in several other Member States in 2016 and 2017 were attentively looked upon by commentators in the media and by the public, with a view to assessing what support the EU would get in future. At the time of writing – June 2017 – the results of some recent elections (Austria, the Netherlands, France) show that candidates with a clear pro-European focus had been elected and also the idea of a ‘hard’ Brexit with the UK entirely leaving the Single Market, seems to have lost support among the British electorate.

At EU level: A busy working life agenda and a new start for social dialogue
In the area of EU-level social dialogue, the European Commission, the Council and the social partners committed themselves within a quadripartite statement in April 2016 on a new start for social dialogue, including a stronger involvement in the European Semester process, more emphasis on the capacity building of national social partners, a strengthened involvement of EU social partners in EU policy and law-making and a clearer relationship between social partner agreements and the EU’s ‘better regulation’ agenda.

Perhaps the most significant initiative affecting future working life regulation at EU level was the gearing up during 2016 to introduce a European Pillar of Social Rights, for which concrete proposals were advanced in early 2017. This is a set of legislative and non-legislative policy proposals to ensure equal opportunities and access to the labour market, fair working conditions and adequate and sustainable social protection. Ongoing efforts to reduce the regulatory burden of EU regulation within the REFIT process also affected different working life areas.

Overall, the working life – related EU agenda was very dense, with important new commitments or regulations being introduced. It remains to be seen how and to what extent they will impact national level social dialogue and working life.
National industrial relations in 2016

This chapter has reported on the heterogeneous developments in national industrial relations in 2016. The main focus is to summarise ‘national-level’ information rather than social dialogue in its various forms at sub-national level. It should also be noted that reporting on negotiations on the key issues of pay and working-time is not covered here, but in other publications.

The reporting has shown that where rules concerning the representativeness of the social partners have been amended, this has more frequently been to tighten them than to make representative status easier to secure. This might be seen as a way to organise industrial relations – and to combat fragmentation – in the context of more decentralised bargaining.

The reporting also shows the ongoing effort to review how tripartite institutions function and to unblock their role in social dialogue in a number of the countries where their role is significant.

It is fair to say that the information presented shows that Europe remains a continent in which social dialogue matters.

The chapter demonstrates the relevance of social dialogue in addressing issues of importance for society at large as well as those directly involved. The group of issues addressed most frequently was the labour market integration of groups – refugees and migrants, young workers – whose participation is widely seen as a core challenge. Yet many other topics were also broached, including those where tangible outcomes could be seen in public policy – examples include taxation, benefits, active labour market policies and the regulation of health and safety. Social dialogue also led to agreements or joint action of the social partners themselves on a broad range of issues, but most frequently in relation to wage-setting, including of minimum wages, where they have direct responsibility.

The material also shows that there are serious challenges to effective and meaningful social dialogue. There are many countries where the scope of social dialogue is rather limited and there are many countries where it plays a role – but perhaps a somewhat superficial one.

Examples of social dialogue failing, and/or being overruled by government action were seen in Belgium, Bulgaria, Croatia, Luxembourg, Poland, Romania, Slovenia and Spain – countries with very different industrial relations systems. This underlines the importance of efforts to enhance the capacities of social partners to engage in meaningful social dialogue, and the relevance of their being fully involved in such policymaking processes as the European Semester.

Pay inequalities increasingly focus of policy debate

The debate about the targeted revision of the Posting of Workers Directive – the addressing of which at EU level the European Commission after careful assessment considered to be justified – also resonated within the Member States during 2016. A key provision within the targeted revision was to ensure that remuneration of posted workers would be equal to their local colleagues. This announced revision resulted in a division of views, which in a simplified version can be presented as between ‘West’ and ‘East’ and between trade unions and employers; the reality, however, is more nuanced, as the reporting showed. Besides the fear of a deterioration of the functioning of the Single Market and a loss of competitiveness, the potential interference with wage setting – being a national domain within the autonomy of social partners – was also a point of concern.

The gender pay gap is without doubt the form of pay inequality that has received most attention in public debates and in terms of policy actions alike, not least because of the long-standing history of the debate. Despite a history of public awareness and continuing policy actions (such as the notable introduction of pay transparency instruments in an increasing number of Member States) it has remained rather static at an unadjusted level of 16.3% in 2015. Also the pay gap between fixed-term
and permanent workers is considerable, with a 29% difference in monthly pay in 2014 on an ‘unadjusted’ basis.

In both cases, adjusting for individual or job-specific factors can explain some of the gap. However, these explainable components – the segregation of women into lower paid jobs, the higher likelihood of young workers or non-nationals obtaining temporary contracts or the overrepresentation of temporary contracts in lower paid positions and higher gaps among the lowest paid – are also outcomes that deserve closer scrutiny from an equality perspective.

In the years of crisis and high youth unemployment, youth minimum wages with lower rates of pay for young workers were the focus of policymakers as one means to circumvent youth unemployment and promote the employment of young workers; it seems that the ‘pendulum’ has now swung into the opposite direction. There are a number of countries in which the focus of debate or opinion is now less in favour of such youth minimum wages, but rather stresses the pay gaps or pay inequalities that have arisen from the application of such instruments or as a consequence of less favourable labour market conditions for young workers.

On the other hand, in some countries, the possibility to introduce lower wages for refugees or migrants as a means to promote their faster labour market integration has been debated. The reason that such policies have not been widely implemented seems to be the fear of unfair wage competition with the domestic workforce rather than stemming from equality-related considerations. In some countries, pay gaps or inequalities which arose from the application of different pay settlements for people in the same workplace or similar workplaces within the same sector were debated and/or addressed recently.

Pay gaps which concern minorities have not by and large been on the radar of policymakers.

While there has been some recent research on the existence of pay gaps for workers of different ethnicities as compared to the majority ethnicity (e.g. from the black and Asian minorities in the United Kingdom or the Russian minority in Estonia), and also research has pointed to the existence of pay gaps for gay workers (and partially pay premia for lesbians), almost no recent policy debates were reported from the Member States. Correspondents were also mute about pay gaps for disabled workers or those between groups of different religious reliefs. This does not mean that there is no attention and action whatsoever, but pay inequalities concerning these groups of workers are certainly not at the forefront of public debate and policy attention.

As in the case of posted workers, pay gaps between workers doing similar jobs can also arise (and be legally justified) because of different contract types (for instance, part-time, fixed-term or temporary agency work) or because their wages are set via different rules (due to less favourable or no collective agreements). The review has mapped and presented quite a few cases where such pay gaps have crept into debates and/or were tackled by regulators recently.

What should not be forgotten in this context, however, is the simultaneity and interrelationship between different individual characteristics and employment status: disadvantaged groups of workers might be more likely to have less favourable forms of employment contracts. So policies that ensure that conditions of employment including pay are the same for people with different employment status go a long way in addressing pay gaps also for individuals. More encompassing wage-setting mechanisms, such as statutory minimum wages, higher collective bargaining coverage rates, the extension of collective agreements and more centralised bargaining can further help to address individual inequalities.

Within all of these debates around pay inequalities, there is an inherent ‘tension’ regarding the use of relatively lower wages. They are a double-edged sword: paying someone relatively lower wages as compared to others can be a tool to promote their employment or can help business to compete and exploit opportunities. On the other hand, the use of lower wages can lead to unjustified and unwanted inequalities between workers or distort level playing fields for companies.
The 2016 review shows that perhaps the side of the debate which focuses on equality considerations for workers and level-playing fields for companies has gained more attention recently. This is not surprising in the context of ongoing recovery and continued favourable economic and labour market development.

**Work–life balance**

Reconciliation of paid employment and private life (including care responsibilities) is important for both men and women; it is also part of the EU agenda for smart, inclusive growth. Successful reconciliation depends to a large degree on working arrangements and options for both male and female workers; these need to be adapted to their private life (including care) needs.

An analysis of the sixth European Working Conditions Survey (EWCS) shows that women still provide a large share of unpaid work, even though there are (large) differences between the various European countries. While the highest shares of male contribution and at the same time almost equal distribution between the sexes in the frequency of providing care can be found in Nordic countries, Luxemburg and Slovenia, in southern European countries and Poland one can see the lowest shares of male involvement and the greatest differences between men and women.

At the same time, women on average work fewer hours per week in paid work than men. However, reasons for working part-time are different for men and women, as shown in the Eurostat Labour Force Survey: while women tend to work reduced hours mostly due to care reasons, men are working part-time mostly for other reasons, among which are education or lack of other job opportunities. Men are more likely to work part-time both at the beginning and end of their careers, while part-time work among women is more spread throughout their working lives.

According to the EWCS, the majority of male and female workers seems to be satisfied with this situation or do not perceive any attractive alternative. In accordance with this, many men and women state that the male partner is the breadwinner of the household; equal distribution between the sexes is reported by fewer respondents. Nonetheless, many workers report tensions between work and private life, especially when there are children living in the household.

Not surprisingly, the fit between working hours and other private obligations is better when working part time; this holds true for both women and men. Furthermore, a strong positive connection exists between flexibility (being able take some time off at short notice) and the matching of working and private life. The extent to which workers can avail of such flexibility varies greatly across Member States.

Care activities more equally shared between the partners can facilitate the reconciliation of work, family life and other responsibilities for both partners; the involvement of men in care activities is a major driving force to a more equally shared distribution of care work between the genders and thus also an important step towards a more equal distribution of paid work. One important objective of EU level policies around work–life balance is to stimulate female employment and reduce obstacles that may hinder them from participating in the labour market (such as care responsibilities, missing care infrastructure or unequal distribution of paid and unpaid work). The gender employment gap is still above 10% in the EU28, even though improvements have been made within the last decades. Thus, there is increasing awareness of the role that work–life balance policies (working time arrangements, family-related leave, care infrastructure) can play in reconciling work and life for working families and caregivers.

As the report shows, a variety of measures have recently been taken both at the legislative and the collective bargaining level in order to improve gender equality and work–life balance for both women and men. The reforms tackled different objectives and departed from already very different levels.
Recent changes in national-level policies have been reported in regards to family related leave (e.g. introduction or extension of paternity leave, short- and long-term care leave for sick relatives, but also friends and neighbours, amendments and reforms of parental and maternity leave), working time and place of work (e.g. introduction or extension of flexible working time arrangements and teleworking, reduction of working time and unsocial working hours), as well as in connection with childcare services (e.g. increasing the supply, making services more affordable) and other support measures targeted towards the promotion of reconciliation and equal sharing (e.g. household income calculator, business certification).

The role of collective agreements in promoting work–life balance should not be forgotten and underestimated. In several European countries, especially in those where collective agreements complement legislation in the area of reconciliation, clauses in collective agreements were identified in relation to (extended) leaves and days off; flexibility of working time and place of work; wage top-ups during leaves; in relation to job re-entry after periods of absence; and on the recognition of leaves for career advancement.

With the presentation of the European Commission’s work–life balance initiative in the framework of the European Pillar of Social Rights in April 2017, and the proposal for a work–life balance directive, further movements in this area can be expected. At the same time, it is questionable whether these measures will indeed affect the employment rates of women and the equal distribution of paid and unpaid work between men and women; while in some countries, a process of convergence between the genders has started, others have still a long way to go. In general, the majority of both male and female workers are satisfied with their working hours and how these fit with private responsibilities; but this might also be due to them not perceiving any realistic options to change their working hours. At the same time, some would like (their partner) to work fewer hours.
Bibliography

All Eurofound publications are available at www.eurofound.europa.eu

All URLs were accessed on 12 September 2017.


## Annex: Key topics discussed in national social dialogue

### Table A1: Overview of key topics discussed in national social dialogue by country, 2016

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<tr>
<th>Country</th>
<th>Job creation, reduction of unemployment</th>
<th>Active labor market policies</th>
<th>Benefits (unemployment, sickness schemes)</th>
<th>Taxation and non-wage related labour costs</th>
<th>Pension reforms</th>
<th>Labour market participation of different groups</th>
<th>Wage setting systems, including the setting of minimum wages</th>
<th>Working time regulations</th>
<th>Terms and conditions of employment, including different forms of contracts</th>
<th>Health, safety and well-being at work</th>
<th>Work-life balance related themes, including family leave</th>
<th>Skills, training and employability</th>
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Note: See Figure 5 for explanation of colour coding. (3a) Legislation or public policy action "imposed"; (1a) Debate mainly between government and one social partner; (1b) Debate closed without result; (1) Social dialogue debate; (2) Social partner agreement or joint action; (3) Legislation or public policy action following social dialogue; (3b) Legislation or public policy action with further ongoing debate. Excluded from this figure are the following: Sector specific cases of social dialogue, even if addressed at national level or within national social dialogue bodies; changes in the level of minimum wages, if they did not involve a change of the system how they were set. As some cases cover more areas, they are counted twice.

Source: Author's assessment, based on Eurofound's Network of European correspondents. More information can be found in the national contributions.
Developments in Working Life in Europe is part of a series of annual reviews published by Eurofound and provides an overview of the latest developments in industrial relations and working conditions across the EU and Norway. The annual review collates information based on reports from Eurofound’s network of European correspondents throughout 2016, complemented by recent research findings, including data from Eurofound’s European Working Conditions Survey (EWCS). This review is divided into seven thematic chapters, which provide an overview of the current situation, explore developments at European and national level, and examine particular issues rising from the analysis of the quarterly reporting for EurWORK.

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