

Industrial relations
Annual review of working life 2018



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The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

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Contents

	Key messages	1
	Introduction	3
1.	Economic and labour market developments	5
	Labour market developments	5
	Employment structure	6
	Labour shortages	8
	Wage developments	8
2.	EU-level developments in working life	11
	Initiatives in the context of the European Pillar of Social Rights	11
	Initiatives in the context of the freedom of the Single Market	11
	Health and safety	12
3.	Political context in individual Member States	13
	Major reforms affecting working life	13
	Reactions of social partners to policies relating to working life	17
4.	Social dialogue actors and institutions	19
	Social partners	19
	Social dialogue and working life institutions	20
	Representativeness	21
5.	Collective bargaining	23
	Legislative changes affecting collective bargaining	23
	Changes in practices related to collective bargaining	23
	Innovation in collective bargaining and agreements	24
6.	National-level social dialogue	27
	Mapping of peak-level social dialogue themes, interactions and outcomes	27
	Major social dialogue debates and outcomes	30
	Social dialogue under pressure	35
7.	Collective labour disputes	37
	Regulation of collective disputes	37
	Labour disputes of national significance	38
8.	New working life regulations in 2018	41
	Employment status	41
	Working time regulations	47
	Health and well-being at work	48
9.	Summary	51
	References	53
	Annexes	55
	Annex 1: EU-level developments	55
	Annex 2: Changes in national regulations relating to employment status	57
	Annex 3: Network of Eurofound correspondents	59

Country codes

EU28

AT	Austria	FI	Finland	NL	Netherlands
BE	Belgium	FR	France	PL	Poland
BG	Bulgaria	HR	Croatia	PT	Portugal
CY	Cyprus	HU	Hungary	RO	Romania
CZ	Czechia	IE	Ireland	SE	Sweden
DE	Germany	IT	Italy	SI	Slovenia
DK	Denmark	LT	Lithuania	SK	Slovakia
EE	Estonia	LU	Luxembourg	UK	United Kingdom
EL	Greece	LV	Latvia		
ES	Spain	MT	Malta		

Non-EU countries

CH	Switzerland	NO	Norway
IS	Iceland	RS	Serbia
MK	North Macedonia	TR	Turkey

Key messages

- There were favourable labour market developments in 2018 throughout the EU, with rising employment levels, declining unemployment and a reduction in involuntary part-time employment.
- 2018 was a period of intense finalisation of legislation related to working life, with diverging perspectives among Member States on how working life should develop, and the remit of the EU in this regard.
- Discussions and negotiations between the European Commission, Parliament and Council also took place throughout 2018 on two key draft proposals: the Work–Life Balance Package and the Transparent and Predictable Working Conditions Directive, with provisional agreements being reached in early 2019.
- The initial reactions of the social partners to incoming national governments, or reform plans under existing governments, were mixed, with trade unions expressing opposition to right-wing government policies and employer organisations more likely to state that they would have appreciated more ambitious changes to, or reforms of, legislation related to working life.
- Social dialogue was reported to be under strain by both sides of industry in Italy and Poland, as well as reported to be deteriorating in countries where governments had weaker decision-making powers due to smaller majorities, large or unstable coalitions, or the all-encompassing predominance of a particular issue (for example, Brexit in the United Kingdom).
- The predominant form of national peak-level social dialogue was through consultations of the social partners, often following tripartite exchanges. Genuine bipartite or tripartite negotiations, leading to social dialogue texts, such as joint positions or bi- or tripartite agreements in working life policy, were less frequent. Of the 200 peak-level working life cases Eurofound analysed, unilateral decisions by governments were reportedly taken in one fifth of instances, the majority of them related to cases with no or very limited prior social dialogue.
- Eurofound’s research shows that employment-related topics, particularly linked to addressing labour shortages, dominated the social dialogue and working life debates throughout 2018.
- Several countries experienced an increased number of working days lost due to industrial action in 2018, but still short of the magnitude observed during the years of economic crisis.

Introduction

The economic climate was favourable overall in 2018, with some moderation in GDP growth manifest towards the end of the year. Favourable labour market developments in terms of high employment and low unemployment coincided with increasing labour shortages in some countries and sectors.

It was the last full year of the mandate of the European Parliament and the Juncker Commission, and was therefore marked by a busy EU working life agenda in the run-up to the European elections in May 2019. The 2017 rise of populist left- and right-wing political parties in various Member States also led to changes to working life policies in some countries or affected social dialogue.

This review of working life is part of an annual series that began in 1997. The series details major working life developments at EU level, as well as in the Member States and Norway, and is predominantly based on reporting from the Network of Eurofound Correspondents. Their contributions have been made available on Eurofound's website (Eurofound, 2019d), while more detailed and timely information can also be found in the quarterly country updates (Eurofound, 2019a).

This report consists of nine chapters.

- Chapters 1–3 include contextual information about the economic and labour markets, EU-level working life and national political developments in 2018.
- Chapter 4 summarises major changes to the social dialogue actors and institutions related to working life.
- Chapter 5 reviews changes in collective bargaining legislation or the practice of collective bargaining, and highlights some innovations relating to agreements and the bargaining process.
- Chapter 6 summarises how peak-level social dialogue contributed to the development and regulation of 10 areas of working life. It also recalls cases where social dialogue was absent or not used to its full potential.
- Chapter 7 discusses collective labour disputes of national significance in 2018.
- Chapter 8 provides an overview of major changes to working life legislation in the areas of employment status, working time, and health and well-being at work.
- Chapter 9 summarises the main findings of the report.

1 Economic and labour market developments

Economic growth, while stable, slowed down over the course of 2018 (+2.0% real GDP growth for the EU28, down from 2.4% in 2017) (Eurostat [tec00115]). This was a common trend for the majority of the countries, but was mainly driven by developments in the four Member States with the largest economies: **France** (+1.5%), Germany (+1.4%), the United Kingdom (+1.4%) and Italy (+0.9%).¹ For a large number of Member States – despite the slowdown in comparison to 2017 – economic growth remained high and ranked as one of the strongest years in economic terms since the 2008 financial crisis (**Bulgaria, Croatia, Cyprus, Czechia, Estonia, Finland, Ireland, Lithuania, Malta, the Netherlands, Portugal, Romania, Slovenia and Spain**).²

A continuation of year-on-year economic growth was recorded in Austria, **Greece**, Hungary, Latvia, Luxembourg, Poland, Slovakia and Sweden.

Labour market developments

Labour markets tend to react to economic developments after a certain amount of time has passed. Therefore, 2018 continued to be a very favourable year for labour market developments in terms of overall employment growth and a decline in unemployment levels and rates.

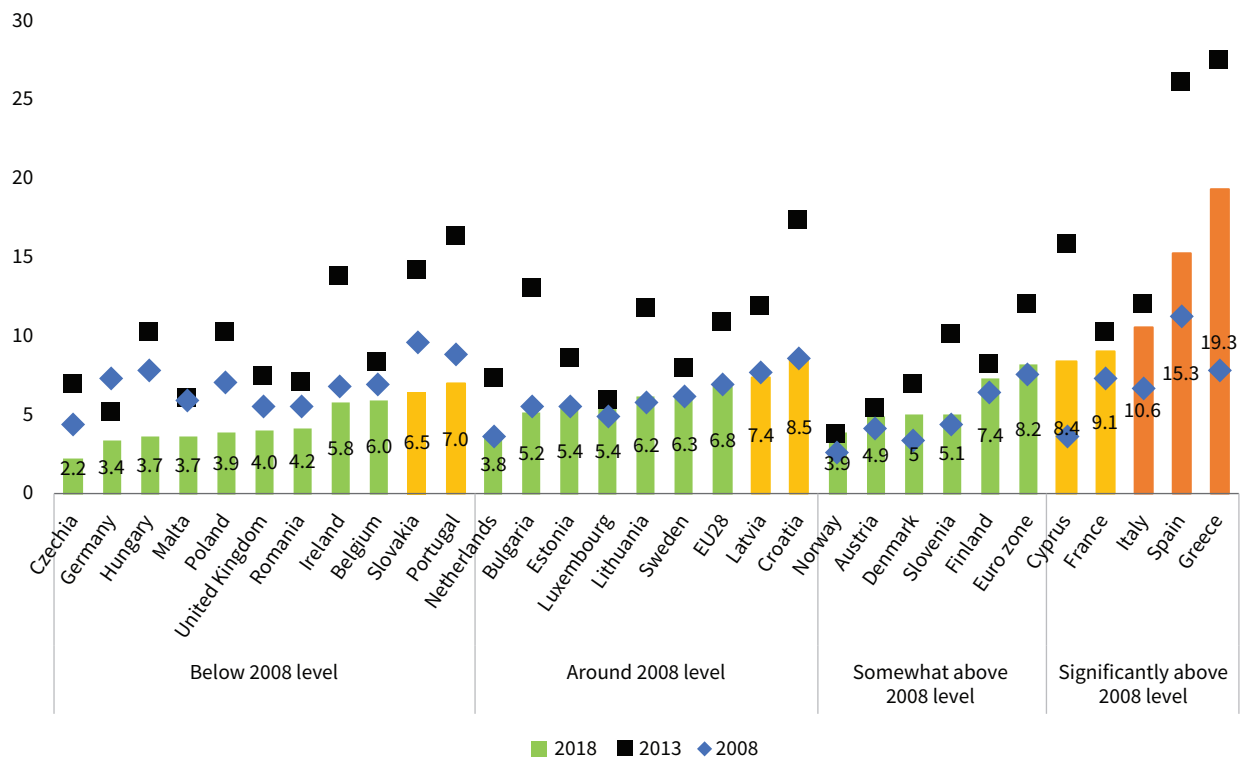
A record 219.5 million people aged 20–64 in the EU28 were recorded as being in employment in 2018, according to the EU Labour Force Survey (EU LFS) [lfsi_emp_a]. This equates to 73.1% of the EU28 population, making it the highest rate of employment ever recorded for the EU.

The number of unemployed people in the EU28 fell for the fifth consecutive year in 2018. A total of 16.9 million European citizens reported being unemployed, down from the peak level of 26.3 million in 2013 (and nearly reaching the 2008 level of 16.8 million). As the active working population has grown, the 2018 unemployment rate of 6.8% is the lowest recorded level since 2000 (Eurostat provides aggregate figures from this year onwards). The trend was similar for both men and women in the EU28, although the unemployment rate for men was slightly lower (6.6% as opposed to 7.1% for women).

Figure 1 shows the 2018 unemployment rates by country and how they have developed in comparison to 2013 (a year marked by the financial and economic crisis) and 2008 (the year before the labour markets of most countries were affected). In 2018, unemployment rates in more than a third of Member States were significantly below those of 2008 (Belgium, Czechia, Germany, Hungary, Ireland, Malta, Poland, Portugal, Romania, Slovakia and the UK) and they remained at the same level in another eight Member States (Bulgaria, Croatia, Estonia, Latvia, Lithuania, Luxembourg, the Netherlands and Sweden). In the remaining countries, unemployment rates exceeded the 2008 level to some extent (Austria, Denmark, Finland, Norway and Slovenia) or significantly (Cyprus, France, Greece, Italy and Spain).

¹ In Germany, GDP volume in the third quarter of 2018 declined compared to the previous quarter and stagnated in the fourth quarter, bringing the country to the brink of recession. Italian GDP growth actually contracted slightly over the past two quarters.

² Figures for the countries highlighted in bold in this section were provisional as of 6 August.

Figure 1: Level and development of unemployment rates in the long-, medium- and short-term, 2008, 2013 and 2018 (%)

Note: All percentages refer to annual average unemployment rates for the respective years. Countries with yellow or orange bars had unemployment rates for 2018 that somewhat or significantly exceeded the EU28 average.
Source: Eurostat, total unemployment rate [tesem120]. It should be noted that all Eurostat data sets reflect the situation at the time of writing.

Employment structure

The proportion of people in part-time employment declined slightly from 19% in 2013 to 18.5% in 2018, although this still exceeds the 2008 level of 16.8% (Table 1). There was a considerable decrease in

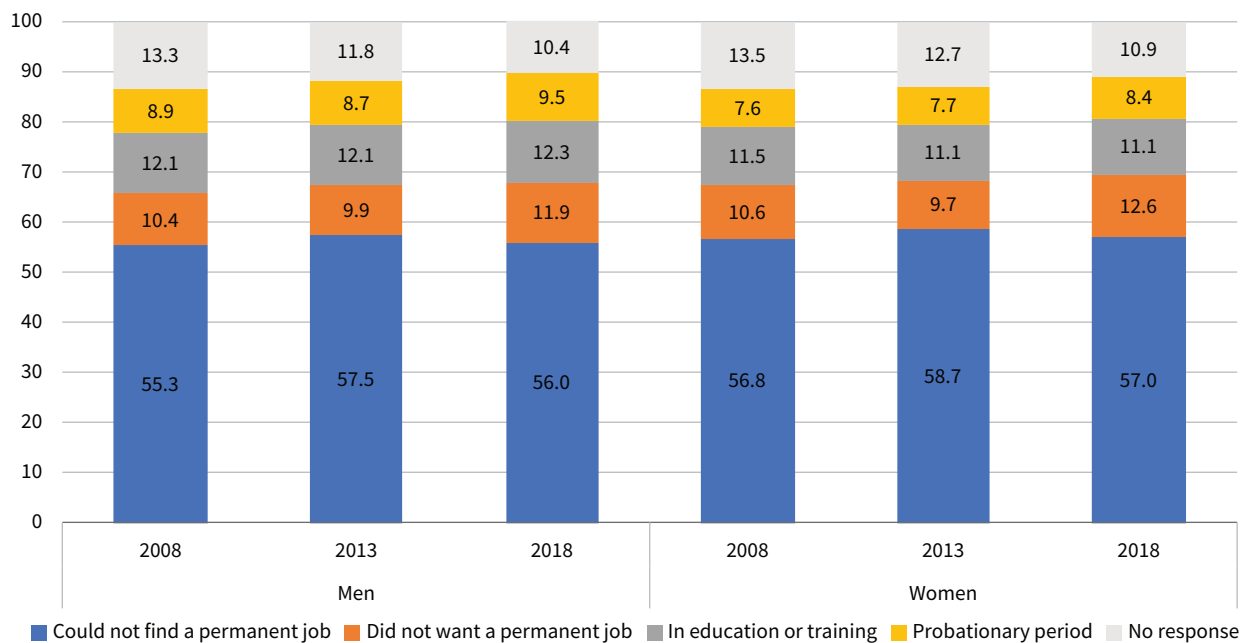
involuntary part-time employment (30% in 2013 down to 25.5% in 2018), particularly due to a drop in the level of this type of employment among male part-time workers. The share of people working on temporary employment contracts increased slightly from 10.7% in 2013 to 11.2% in 2018, among both men and women.

Table 1: Selected features of the employment structure of the EU28, 2008, 2013 and 2018 (%)

	2008	2013	2018
Part-time employment (percentage of total employment)	16.8	19.0	18.5
Male	6.3	8.1	8.0
Female	29.7	31.8	30.8
Involuntary part-time employment* (percentage of total part-time employment)	26.3	30.0	25.5
Male	35.2	42.4	35.6
Female	24.0	26.4	22.6
Temporary employment (percentage of total employment)	10.9	10.7	11.2
Male	9.7	9.8	10.3
Female	12.3	11.7	12.3

Notes: All data relate to the age group 15–64, percentage of total employment. *When the respondent reports they work part time because they were not able to find full-time employment.

Sources: Eurostat, EU LFS: Part-time employment [tps00159], and Temporary contracts [lfsi_pt_a] and [lfsa_etgar]

Figure 2: Reasons for temporary employment, 2008, 2013 and 2018, by sex (%)

Note: All data relate to the age group 15–64, percentage of temporary employment.

Source: Eurostat, EU LFS: Temporary employees by sex, age and main reason [lfsa_etgar]

A closer look into the reasons why people are in temporary jobs (Figure 2) reveals that this form of employment is involuntary for the majority of men and women. In 2018, 56% of male workers with a non-permanent employment contract and 57% of women with such a contract stated that this was because they were unable to find a permanent job.

This is a very small decline in comparison to 2013. There was a small increase in the proportion of workers who opted for temporary instead of permanent employment. However, as well as a higher level of non-response in 2008, the data suggest that the situation has not changed significantly.

Box 1: Results of an EU-wide labour market monitor (2007–2017) in Austria

The wage data used for these calculations stem from the 2017 edition of the EU-SILC. The EU-SILC collects data on annual labour income, poverty, social exclusion and living conditions from respondents across all EU countries.

The Austrian Chamber of Labour (AK), in collaboration with the Austrian Institute of Economic Research (WIFO), has developed an EU-wide labour market monitor. The monitor is comprised of 58 indicators measuring five dimensions:

- overall labour market performance
- participation
- exclusion risks within the labour market
- distribution of earnings
- redistribution by the welfare state

The most recent results for the index on overall labour market performance for 2007–2017 show an upward trend and improved labour market performance since 2014, with 2017 being the ‘best’ year for most countries. However, the disparities that arose between Member States following the 2008 economic crisis still persist (albeit on a smaller scale than in the years directly following the crisis). Progress has also been made between 2008 and 2017 in terms of reducing the risks of exclusion on the labour market (Huemmer and Mahringer, 2019).

Table 2: Highest job vacancy rates in selected sectors by country, fourth quarter of 2018,%

Sector, based on NACE Rev. 2	EU28 average	Countries
Information and communication	3.4	Austria (6.7), Belgium (6.2), the Netherlands (5.7), Germany (4.8), Czechia (4.5), Sweden (4.1), Norway (4.0)
Professional, scientific and technical activities – administrative and support service activities	3.4	Czechia (19.6), Belgium (7.1), Germany (6.0), Austria (5.0)
Construction	3.0	Czechia (12.5), Germany (5.5), Slovenia (5.4), Austria (5.1), the Netherlands (4.9)
Accommodation and food service activities	3.0	Czechia (8.8), Austria (5.9), Belgium (5.9), Slovenia (4.8), Germany (4.5), the Netherlands (4.3)
Services of the business economy	2.6	Czechia (8.5), Belgium (5.0), Germany (4.2), Austria (4.2)
Transportation and storage	2.4	Czechia (5.7), Germany (4.4), the Netherlands (3.3), Austria (3.1), Belgium (3.1), the UK (3.1)
Wholesale and retail trade – repair of motor vehicles and motorcycles	1.9	Czechia (4.5), the Netherlands (3.5), Austria (3.4), Belgium (3.3), the UK (3.2)
Industry (except construction)	1.8	Czechia (5.5), Hungary (2.9), Belgium (2.5)
Electricity, gas, steam and air conditioning supply	1.1	Sweden (3.7), the Netherlands (3.0), Slovakia (3.3), Denmark (2.4)

Source: Eurostat, Job vacancy statistics by NACE Rev. 2 activity – quarterly data (from 2001 onwards): Unadjusted data (i.e. neither seasonally adjusted nor calendar adjusted data) [jvs_q_nace2]

Labour shortages

In some countries and sectors, labour shortages have become a pressing issue. The job vacancy rate in the EU stood at 2.3% in 2018, up from 1.3% and 1.4% in 2008 and 2013 respectively (Eurostat [tps00172]).³ The highest overall rates were recorded in Czechia (6.0%), Belgium (3.4%), Germany (3.4%) and Austria (3.1%). In terms of sectors, labour shortages were higher than average across the EU28 in information and communication (3.4%); professional, scientific and technical activities – administrative and support service activities (3.4%); construction, (3.0%); accommodation and food service activities (3.0%); and services of the business economy (2.6%) (Table 2).

Wage developments

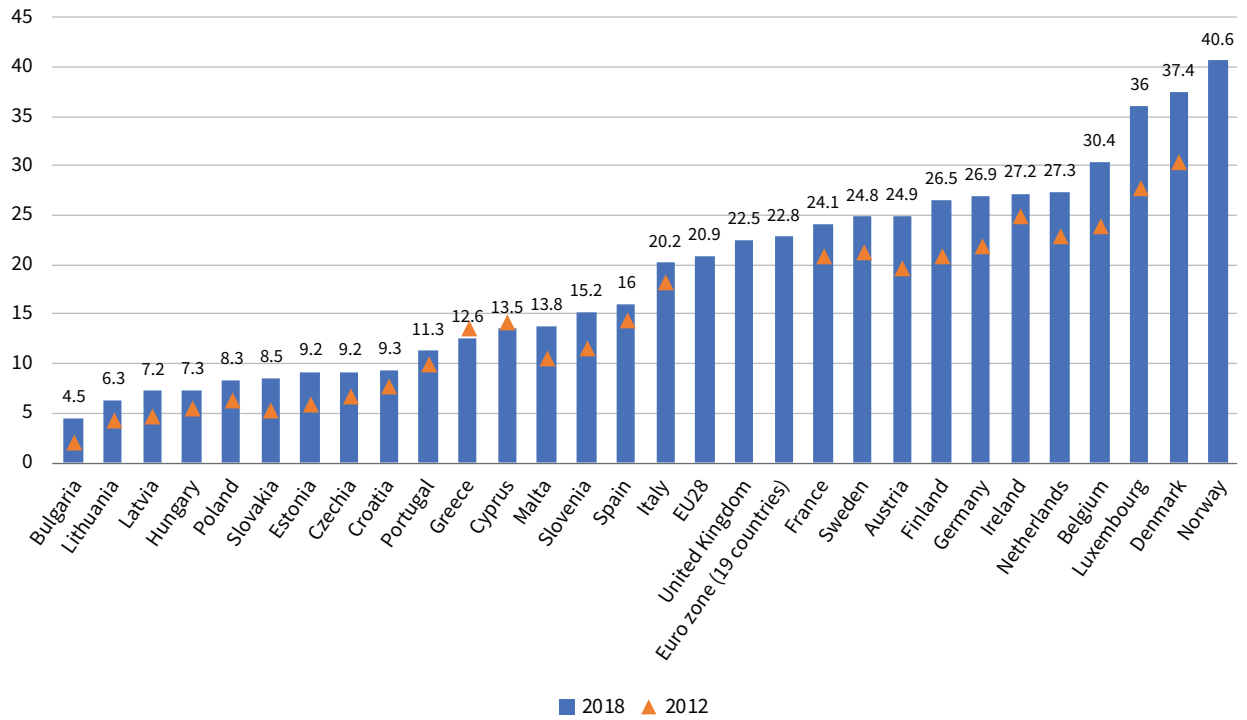
The strong growth of employment, together with a slow down in output growth, implies that growth in terms of real labour productivity – which had already been relatively modest post-crisis – reduced further to 0.7% between 2017 and 2018 (Eurostat [nama_10_lp_ulc]).

Average hourly wages in the EU28 increased from €16.7 in 2012 to €29.9 in 2018. The greatest growth in percentage terms was recorded in many central and eastern European countries including Bulgaria, (114%), Slovakia (63%) and Estonia (59%). Greece and Cyprus witnessed a decline in average hourly wages during the same period of -7% and -4%, respectively. Modest growth over the past six years was also recorded in other countries that were more strongly affected by the crisis, including Ireland (10%), Italy (11%), Spain (12%) and the UK (12%) (Figure 3).

Minimum wage increases set during 2018 for the year 2019 were comparatively high in most Member States, which also led to growth in real terms (see Eurofound, 2019b).

³ 'Job vacancy rate' is the number of vacant jobs as a proportion of occupied and vacant posts. The quoted data refer to the fourth quarter in each year.

Figure 3: Level and development of average hourly wages and salaries, 2012 and 2018, by country (in euro per hour)



Note: Industry, construction and services sector (except public administration, defence and compulsory social security)
Source: Eurostat, Labour costs annual data – NACE Rev. 2 [tps00173]. Calculations based on national accounts.

2 EU-level developments in working life

Looking at the working life developments at EU level in 2018, two areas of legislative activity can be observed. The first sets out initiatives linked to the principles of the European Pillar of Social Rights. The second concerns attempts to overcome the growing disparities that relate to ensuring the freedom of the Single Market in the context of the protection of employees' rights.

Initiatives in the context of the European Pillar of Social Rights

With regard to the Pillar, discussions and negotiations between the Commission, European Parliament and Council were held throughout the year on two draft proposals: the Work–Life Balance Directive (COM/2017/0253 final) and the Transparent and Predictable Working Conditions Directive (COM/2017/0797 final). The final agreements concerning them were reached in the beginning of 2019.

A description of these two directives can be found in the Annex. It is important to stress that they are some of the first new initiatives after a long period of limited legislative activity in the area of working life.

The reactions of social partners to both proposals varied significantly. From the outset, the European Trade Union Confederation (ETUC) supported the development of the directives. While the organisation regretted the fact that some of the employee-friendly elements were removed during the development process, it emphasised that the directives would make the lives of working people in Europe better.

The employer organisations were more sceptical. BusinessEurope stated that adopting the Work–Life Balance Directive would encourage more parents and carers, men and women, not to work. The organisation added that the directive was an outdated and one-sided view of reconciliation, and did not fit with the reality of today's workplace. In terms of the Transparent and Predictable Working Conditions Directive, concerns were raised regarding legal matters (e.g. non-compliance with the principles of subsidiarity and proportionality).

Initiatives in the context of the freedom of the Single Market

The battle to amend the Posted Workers Directive (96/71/EC) continued in 2018, as did persistent attempts to agree a Mobility Package for drivers of international road transport. In addition, work was finalised on the establishment of a European Labour Authority (ELA). The Commission presented the ELA as an element in the implementation of the European Pillar of Social Rights, although it is also seen as a way to solve problems related to the movement of employees within the Single Market.

Political discussions about the Posted Workers Directive and the Mobility Package revealed a divide between western Member States and those in central and eastern Europe. The former emphasised the need to counteract social dumping, while the latter stressed the need to observe the principles of the Single Market (freedom of services).

Revision of the Posted Workers Directive

The Posted Workers Directive was finally amended in June 2018 (COM/2018/0957). Member States will be expected to adopt the new measures within a transition period of two years. The Commission will present a review on the application of the directive five years after it enters into force.

Among the most important changes is that posting is temporary in nature (limited to 12 months or 18 in special cases), posted workers must receive the same remuneration as their local colleagues working in a similar position, and collective agreements must be adhered to. It also clearly specifies what counts as remuneration.

It is important to note that the amendment to the Posted Workers Directive will not apply to the international road transport sector until the Mobility Package for that sector has been adopted.

After the Posted Workers Directive was adopted, the Member States continued to express divergent opinions and two – Poland and Hungary – filed complaints with the Court of Justice. Poland objected to the 'protectionist' character of the new provisions, particularly the principle of equal pay which the government claimed would hinder the implementation

of the principle of free movement of services, one of the cornerstones of the Treaty on the Functioning of the European Union (TFEU).

The Hungarian cabinet argued that the amendment to the Posted Workers Directive was incompatible with the principles of necessity and proportionality, and imposed obligations and restrictions in violation of the requirement of non-discrimination (Trans.info, 2018). The cabinet also emphasised that some provisions of the amendment violated the principles of legal certainty, which would pose a serious challenge for Member States when incorporating the directive into national law.

These complaints, along with the previous ‘yellow card’ procedure,⁴ suggest that there is a deeper problem resulting from the diverging approaches of Member States to the social dimensions of the Single Market (i.e. accusations of social dumping versus protectionism in defence of national markets).

Mobility Package

The protracted dispute over the Mobility Package for drivers in the international road transport sector is another example of this division. In 2018, discussions continued in the European Parliament and in the Council of the EU on how to reconcile the need to ensure that haulier companies have the freedom to provide services, with the need to improve working conditions for drivers. However, the fundamental question about to what extent and according to which rules international truck drivers should be treated as posted workers remained unanswered.

The Austrian Presidency of the Council of the EU proposed the inclusion of cross trade (i.e. haulers from one country providing services between two other countries) and cabotage (i.e. haulers from one country providing services between two locations in another country) in the provisions on the posting of workers. In this way, the rules on posted workers would not only apply to drivers in transit and bilateral transport.

In addition, the Austrian Presidency proposed mandatory returns for drivers and vehicles to the country that the company is registered in every four weeks, as well as a 14-day grace period for cabotage operations. This would mean that the hauler could only perform cabotage operations within a given country 14 days after the last cabotage operations were carried out. The Presidency also suggested that cabotage should be included in the regulations on the posting of workers from the very first day. The proposal prepared

by the Austrian Presidency was met with disagreement from Member States.

In the European Parliament, two different visions of the package were promoted by the Committee on Transport and Tourism, and the Committee on Employment and Social Affairs. Members of the European Parliament from the newer Member States (the 12 countries that joined in 2004–2007), regardless of their own political affiliations, presented almost unanimous opinions consistent with the direction of their national governments. As a result, the legislative process regarding the Mobility Package was not concluded in 2018.

European Labour Authority

On 13 March 2018, the Commission published a proposal on the establishment of a European Labour Authority (ELA). The aim of the regulation was to create a new body that would support Member States with the implementation of EU legislation in the fields of cross-border labour mobility and social security coordination, including the free movement of workers, the posting of workers and highly mobile services.

However, when the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council approved this proposal in December, it stipulated that the ELA would not impact on the competences of Member States in terms of the application and enforcement of relevant EU legislation, their own industrial relations systems and their national labour laws.

The ETUC welcomed the proposal, while feeling that it lacked ambition. BusinessEurope announced that it supported the efforts of policymakers to combat fraud in cross-border situations. However, the organisation doubted that setting up an ELA was an efficient and cost-effective way of achieving this.

Health and safety

There were also developments relating to health and safety initiatives in 2018, with ongoing discussions about updating the Carcinogens and Mutagens Directive (2004/37/EC). These discussions led the European Parliament to adopt stricter rules to further reduce and eliminate eight carcinogens and mutagens in the workplace on 11 December (COM/2017/0011 final). In the same month, work began on another amendment to the directive that aims to introduce exposure limit values for five additional carcinogens.

⁴ The yellow card procedure occurred in 2016, when 10 Member States opposed a previous Commission proposal on posted workers and the Commission was required to review the text.

3 Political context in individual Member States

This chapter briefly presents the political context and changes thereof in the Member States, and summarises major reforms and broader packages of changes to regulations affecting working life, as well as the reactions of social partners to such changes.

Many populist or right-wing parties gained ground in 2017, coming into power in national governments and often at the expense of broader ‘grand coalitions’ of traditional parties or other (mainly conservative) governments. In 2018, the majority of Member States were governed by political coalitions that could be considered centre-right, but no further increase in this tendency was noted.

In Germany, a grand coalition of the Social Democratic party (SPD) and the Christian Democratic Union (CDU) was re-established in early 2018, following protracted negotiations after the surge of electoral support for the right-wing Alternative for Germany party (AfD). Italy saw a change of government following the March 2018 election results, with the Five Star Movement (M5S) and the League party forming a coalition, agreeing on a ‘government of change’ contract and taking office in June 2018. New left-wing governments took office in Romania and Slovenia, while a coalition of the centre-left Swedish Social Democratic Party and the Green Party was re-established in Sweden. Elections also took place in Cyprus (presidential elections), Hungary and Luxembourg, with each country maintaining their previous governments.

Major reforms affecting working life

The announcement of wider-ranging labour market or social policy reforms are often closely linked to changes in governments. However, the preparation, enactment and implementation of such reforms typically stretches over several years. Some of the most controversial changes to working life regulations that were announced or implemented in 2018 were reported in Austria, Finland, Hungary and Poland.

In Austria, the Kurz government announced or enacted several changes that were widely disputed. These included changes to the Working Time Act (by extending the maximum daily and weekly working time), a reform of the social insurance system, cuts to the budget of the public employment service and a reform of the minimum income scheme. All of these changes triggered strong reactions from organised labour.

In Finland, the Sipilä government continued with its reforms by instituting the controversial activation scheme for unemployed people. The government also faced opposition to its plans to ease the dismissal process for smaller companies and introduce amendments to the Working Time Act.

The newly-elected Hungarian government, which gained an absolute majority, introduced some crucial changes. These included eliminating major elements of the ‘cafeteria’ (fringe benefits) system, and initiating amendments to the Labour Code and the Act on the Legal Status of Public Servants regarding working time and overtime regulations (at the expense of the employee).

In Poland, the Labour Law Codification Committee delivered the drafts of two separate Labour Codes (individual and collective) in March 2018. While the proposals were seen as innovative in a number of ways, particularly in relation to the promotion of collective bargaining, there were growing tensions and disagreements among the social partners involved with the body. Among the divisive issues were the level of control given to employers over working time (which was considered excessive by some) and the enhanced protection of the employment relationship. Subsequently, the government decided to drop the issue from the legislative agenda.

Significant changes concerning working life regulations were also made in France, Germany, Greece and Italy in 2018.

France saw the introduction of the second part of the labour market reform that was announced by President Macron in 2017. This reform focused on the career development of workers and provided for changes in the management of vocational training funds.

The new German government started to implement several of the measures announced in their coalition agreement, including the right to reduce working hours for up to five years and to return to full-time work.

For Greece, 2018 was an important turning point as the country’s Third Economic Adjustment Programme ended in August. The Greek government subsequently implemented several changes that affected collective bargaining or the determination of minimum wages.

The new Italian government issued the ‘dignity decree’ in 2018, which restricts fixed-term work and temporary agency work but extends voucher-based work.

Broader packages of labour law and social policy reforms were also announced, debated, passed or implemented in other Member States, as summarised in

Table 3. More detailed information can be found in the accompanying country working papers.

Table 3: Labour market reforms or broader packages of labour law changes

Country	Employment	Unemployment	Pension reform	Wages and other remuneration Taxes and social security contributions	Working time	Training and qualifications	Other aspects	Status
Austria	Notice periods for white-collar workers harmonised	Public employment service budget and some active labour market measures cut		Reform of minimum income scheme announced	Working Time Act amended Maximum daily and weekly working hours amended	Vocational training costs shifted from apprentices to employers, with reimbursement	Social insurance system reformed Quota for women on supervisory boards introduced	Partially implemented, partially announced
Belgium		Benefit increased, with subsequent faster reduction	Early retirement scheme applied more strictly, combined with activation	Wages detached from age				Labour deal – postponed indefinitely
Estonia	More flexible immigration quota for foreign workers introduced Plans to introduce more flexibility into employment contracts announced		Pension reform approved				Occupational Health and Safety Act introduced Gender equality: Supervision mechanism over equal pay for equal work introduced, parental leave introduced and benefits made more flexible	Two major social policy reforms implemented after several years Several laws passed and new plans announced
Finland	Reform of dismissal protection announced	Activation model entered into force			New Working Hours Act and amendments to the Annual Holidays Act proposed			Partially implemented, partially ongoing
France						Law on 'Freedom to choose one's professional future' introduced Management of vocational training funds changed	Gender equality index – self-assessment for companies introduced	Second part of the labour market reform, announced in 2017, implemented
Germany		Integration of long-term unemployed people and subsidised public sector work introduced			Right to reduce working hours for 1–5 years and return to full-time work introduced	Subsidised trainings for employees affected by major technological change introduced		Laws passed – other aspects still under discussion

Country	Employment	Unemployment	Pension reform	Wages and other remuneration Taxes and social security contributions	Working time	Training and qualifications	Other aspects	Status
Greece	Sanctions for undeclared work tightened			Extension of collective agreements and favourability principle re-established New process for determining minimum wage introduced			Balloting requirements changed and right to strike for primary company-based unions introduced	Laws passed
Hungary				Non-wage remuneration 'cafeteria' system reformed	Working time and overtime regulations changed			Initiated after the elections
Italy	'Dignity decree' introduced, with the main focus on non-standard work Use of fixed term and temporary agency work restricted, but voucher-based work extended			Introduction of statutory minimum wage under consideration			Citizenship income: Means-tested income support and employment services introduced	Partially passed, partially ongoing
Lithuania		Public employment service re-organised	Pension reform introduced that laid down a new procedure for involvement in the supplementary accumulation of pensions in the second pillar pension funds	Taxes and social security contributions reformed				Laws passed
Netherlands	Easier dismissal rights, higher unemployment premia for employees with fixed-term contracts and other changes debated during 2018		Pension reform introduced (failed at end of the year)	Income tax revamped				Laws in process: to be implemented in 2020 as part of the bill on the 'Labour market in balance' Pension reform failed

Country	Employment	Unemployment	Pension reform	Wages and other remuneration Taxes and social security contributions	Working time	Training and qualifications	Other aspects	Status
Poland	Seasonal work permits introduced		Act on Employee Capital Plans (as a third pillar of the pension scheme) introduced				Two drafts for new Labour Codes presented (collective and individual) Trade union act and right to associate introduced	Proposed new of Labour Codes dropped All other reform areas implemented
Portugal	Major package of measures, based on tripartite agreement, introduced to combat precarious work and labour market segmentation, and to promote dynamism in collective bargaining				Package on promoting work-life balance in line with gender equality introduced			Project law and package presented
Sweden	Reform to Employment Protection Act announced							Announcement
Slovenia	Actions to increase the employability of older workers and ease the employment of highly skilled foreign workers introduced	Faster activation of unemployed people introduced						Labour market reforms of 2017 being implemented and new laws passed
UK	Four consultations launched as part of the government's response to the <i>Taylor review of modern working practices</i> Good Work Plan published							Proposals for employment law reform detailed

Note: Countries not in this table reported either no major changes to labour law, or more singular changes. More information can be found in the related working papers.

Source: Network of Eurofound Correspondents

Reactions of social partners to policies relating to working life

The reporting from the Network of Eurofound Correspondents shows that there is an association between the political orientation of the respective national governments and the open reaction of social partners to announced changes to working life policies (be they part of coalition agreements or already more advanced plans). In 2018, trade unions tended to more strongly oppose the policies of right-wing governments than employer organisations (Austria, Belgium, Croatia and Hungary). Employer organisations were more likely to voice higher expectations in relation to government reforms or changes to working life policies, irrespective of the political orientation of their national government (Belgium, Germany, Lithuania, Romania and Sweden). In Austria and the Netherlands, employer organisations were reportedly more appreciative of their government's reforms or changes affecting working life regulations.

Each of the cases where social partners were unsatisfied with or unanimously critical of their government's approach to social dialogue (Italy and Poland), or to policies affecting working life (UK), related to centre-right governments. Social dialogue was also

perceived to be less effective in cases where governments had 'weaker' decision-making powers for reasons including unstable coalitions (Belgium), the dependence on support from other parties (the Irish minority government), a greater number of coalition partners leading to greater inflexibility in policymaking (the Netherlands) or a particular topic overshadowing all others and monopolising government resources (Brexit in the UK).

Trade unions and employer organisations in Czechia and Spain were generally satisfied with the social dialogue process in 2018. In Spain, they particularly welcomed the government's revitalisation of social dialogue following years of more passive approaches to it.

In Sweden, where the outcome of the 2018 parliamentary elections resulted in a long negotiation process and the incumbent centre-left government eventually retaining office, social partners expressed their general support for social dialogue. However, they were critical of the envisaged major employment protection reform as they felt they should be involved in its design.

The incoming governments in Latvia, Luxembourg and Slovenia were met with high expectations and demands from both sides of industry.

4 Social dialogue actors and institutions

This chapter summarises the main developments of 2018 among trade unions and employer organisations, the institutions related to social dialogue or working life, and the representativeness of social partner organisations.

Social partners

In 2018, the longstanding trend of a stable landscape for employer organisations and a more rapidly changing landscape for trade unions continued. With the exception of France, where the restructuring of branch-level collective bargaining resulted in a considerable number of mergers among employer organisations, there were few major changes among the main employer organisations or federations in the EU. In contrast, a number of significant mergers or new affiliations to peak-level organisations took place on the trade union side. Declining membership figures – not least due to demographic change – were the driver behind many of these developments, next to the need to increase resources and bargaining power by joining forces. The decline of trade union membership and density has been a general trend in the EU since the beginning of the new millennium, and the process was accelerated by the financial and economic crisis (Vandaele, 2019).⁵

Ageing union membership

The ageing of union membership is another trend that has been observed in several Member States over the last several years. Vandaele (2019) shows that this trend was particularly strong between 2006 and 2016 in Hungary, Portugal, Slovenia and Spain.⁶ The highest average age of union members in 2016 was recorded in Italy (48 years), followed by Hungary, the Netherlands and Spain (each around 47 years) (Table 4).

The reports from the Network of Eurofound Correspondents for France, Malta and the Netherlands showed that the ageing union membership base came into focus in 2018.

The French Ministry of Labour published new data on union membership. At national level, the union density is stable at 11% with a marked difference between the private sector (8.4%) and the public sector (19.1%). There is also a marked difference in terms of age groups: the highest rate of membership in the private sector is in the 50+ age group (11.4%), while it drops to 3.3% among the under-30 age group.

While membership figures grew in Malta, the rate of growth was insufficient to keep pace with the increased employment. National trade union density (the percentage of those gainfully employed who are members of a trade union) in Malta stands at 38%.

Table 4: Union membership and age

Change of average age over the past decade	Average age of union members in 2016		
	At least 43 and less than 44 years	Between 44 and 46 years	More than 46 years
Decreased by up to one year	Austria, Norway, Slovakia, Sweden	Estonia	
Remained the same	Denmark, Finland		
Increased by up to two years	Belgium, Ireland	France, Germany, Poland, UK	Czechia, Italy, Netherlands
Increased by two to four years		Portugal, Slovenia	
Increased by more than four years			Hungary, Spain

Source: Vandaele (2019), based on ICTWSS 6.0

⁵ Based on the Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS) 6.0.

⁶ These countries are ones where the average age of members increased by at least two years over the period mentioned. The average age of union members increased by 1–2 years in France, Germany, Ireland, Poland and the UK; remained stable in Denmark and Finland; and declined by one year or less in Austria, Norway, Slovakia and Sweden.

Box 2: Opening union membership to crowdworkers in Austria

Since 1 January 2019, GPA-djp has offered full membership for €10 a month to all crowdworkers working in Austria. As members, they are entitled to make use of legal protection and counselling provided by union experts. Since crowdworkers work for firms that position themselves as intermediaries rather than employers, the extent to which they are covered by social and labour law is limited, and there are no remuneration and working time regulations that apply to them. GPA-djp aims to use this initiative to learn more about this form of work and to give the affected workers an opportunity to network with each other.

In the Netherlands, it was reported that declining membership numbers are starting to cause significant issues for trade unions. Around 40% of the members of trade unions are 60 years or older, which is projected to grow to 60% in 10 years if the number of young members replacing those due to leave continues to fall. If nothing changes, the largest trade union in the Netherlands, the Netherlands Trade Union Confederation (FNV), is facing a deficit of €24 million by 2021 partially due to this issue (Volkskrant, 2018). The union is therefore looking to reorganise and cut back around 250 of their 1,700 employees.

Recruiting new members and founding a specialised union

One response to declining union membership is to pro-actively recruit new, potentially younger, members from among a different group of workers. An example of this is the Austrian Union of Salaried Employees, Graphical Workers and Journalists (GPA-djp), which offers a reduced membership rate to crowdworkers (Box 2). A new union with a specialised focus was also founded in Cyprus in 2018: the Pancyprrian Trade Union of Temporary Contracted Doctors (PASISE). This union aims to promote the interests of doctors with fixed-term contracts in public hospitals.

Trade union mergers and consolidations

The largest merger took place in Denmark, between the Danish Confederation of Trade Unions (LO) and the Confederation of Professionals in Denmark (FTF). The unions became collectively known as the Danish Trade Union Confederation (FH) from 1 January 2019 onwards and this new confederation has 1.4 million members.

In Finland, the public sector Federation of Salaried Employees (Pardia) merged with the private sector trade union Pro, adding Pardia's 30,000 members to Pro's existing 110,000. Another merger was signed in November, when two affiliates of the Central Organisation of Finnish Trade Unions (SAK) formed a new organisation, the Railway Union. The new union covers some 4,000 employees working in the railway sector.

In Ireland, two major union mergers took place. Firstly, the Irish Municipal, Public and Civil Trade Union (IMPACT); the Public Service Executive Union (PSEU); and the Civil, Public and Services Union (CPSU) united

to become Fórsa, the second largest union in the country with over 80,000 members. Secondly, the Technical Engineering and Electrical Union (TEEU) and the Union of Construction, Allied Trades and Technicians (UCATT) merged to become Connect, with 40,000 members.

In Slovakia, the New Education Union (NSO), the Trade Union Association of Nurses and Midwives (OZSaPA), the New Police Trade Union (NOZP), the Modern Trade Union Volkswagen (MOV) and the Modern Trade Union AIOS merged to form the Joint Trade Unions of Slovakia (SOS). At 28,000 members, the organisation is not yet large enough to participate in the national-level tripartite social dialogue forum.

In Slovenia, a possible merger between the largest union confederations – the Confederation of Trade Unions of Slovenia (PERGAM) and the Association of Free Trade Unions of Slovenia (ZSSS) – continued to be under discussion in 2018. Another possible merger was discussed in Luxembourg, between the Trade Union Confederation of Luxembourg (OGBL) and the National Federation of Railway Workers, Transport Workers, Officials and Employees of Luxembourg (FNCTTEFEL).

Consolidation also took place on the trade union side in 2018, with new member organisations joining existing peak-level confederations. The Bohemian-Moravian Confederation of Trade Unions (ČMKOS) in Czechia decided to accept a new member: the Railways Alliance (ADP), which has around 2,700 members. The Free Trade Union Confederation of Latvia (LBAS) also accepted a new member: the Trade Union of Latvian Interior Employees (LIDA).

Social dialogue and working life institutions

The institutional landscape for peak-level social dialogue continued to be stable across the EU in 2018. There were some notable positive changes such as the re-establishment of tripartite meetings, the widening of responsibilities or the rights of social dialogue bodies, or the creation of a new tripartite exchange forum (Estonia, Hungary, Greece and Poland).

The situation in other countries was less positive. In Austria, a reform of the social security institution had a

detrimental effect on the unions, while in Croatia, the government abolished two institutions dealing with health and safety at work without prior social dialogue. While Romania reorganised social dialogue responsibilities within the government, the national correspondent did not expect this change to have a major impact.

National-level social dialogue institutions

In Estonia, the government and social partners re-established tripartite social dialogue by meeting twice during the year to discuss topics relating to labour and social policy. The last time such a tripartite meeting had taken place was in 2002.

Greece and Poland both increased the responsibilities of their tripartite social dialogue bodies in 2018. In Greece, the Supreme Labour Council (ASE) now plays a role in the newly devised mechanism for extending sector-level collective agreements. The ASE is responsible for confirming the representativeness of employer organisations, and advising the Minister of Labour whether the conditions for extending the agreement and declaring it compulsory have been met.

In Poland, new amendments to the Act on a Social Dialogue Council and Other Social Dialogue Bodies slightly enhanced the rights of such bodies. In particular, the Social Dialogue Council (RDS) can now issue opinions on governmental policy programmes and strategies or conclude bipartite resolutions through electronic means of communication.

In Hungary, a new interest reconciliation forum for public utility providers was added to a social dialogue institution landscape that was already fragmented. The aim of the new forum is to provide a space for direct negotiations between employee representatives from state-owned enterprises, business representatives from those enterprises and the state. Following the establishment of the forum, no activity has been reported so far.

The Romanian Ministry of Public Consultancy and Social Dialogue, which was created in 2017 in order to coordinate all the activities related to social dialogue, was dissolved at the beginning of 2018. The dissolution was the result of a change in government and the ministry's functions were taken over by the Ministry of Labour and Social Justice, and the General Secretariat of the Government.

A change in the government also affected discussions in Austria about reforms to the social security system (which was characterised by the principle of self-administration). In December 2018, the composition of the relevant decision-making bodies was changed to the detriment of the unions.

Finally, the Croatian government amended the Act on Protection and Safety at Work and reorganised responsibilities in this field by passing the remit of the

Institute for the Enhancement of Protection at Work to the Ministry of Labour and Pension System, and abolishing the Croatian Institute for Health Protection and Safety at Work. This action was strongly criticised by trade unions, who claimed that social partners did not participate in the decision-making process or in preparing the reform but learned about it from the agenda of a government meeting.

Company-level social dialogue institutions

Few changes affecting company-level social dialogue institutions were reported for 2018. In Germany, works council elections took place in around 28,000 companies and unions highlighted their importance (DGB, undated).

In Luxembourg, the planned works council elections were postponed to early 2019, in order to not interfere with the general election.

The most substantial change was reported in France, where the government reformed the company-level employee representation structure by merging three independent entities (works councils, staff delegates and health and safety committees) into a single body: the Social and Economic Committee (CSE). Next to having an information and consultation function, the new body may also engage in collective bargaining.

In Ireland, there was increased interest in the use of the Orderly Dispute Resolution Framework (ODRF) at non-union companies. It has been used in the pharmaceutical, chemical and medical device sectors so far, and involves a joint worker-manager forum process. These 'stability' agreements offer non-union firms and unions seeking recognition a way to engage without either having to compromise their core principles.

Representativeness

In 2018, there were very few cases where changes to the regulations regarding the representativeness of social partners were made or were under consideration. The developments in Estonia, Italy, Poland and Romania in this regard are considered here.

Until recently, Estonia had no representativeness criteria for social partners in place as collective bargaining took place predominantly at company level. This changed at the beginning of 2018, when the peak-level social partners concluded a Good Practice Agreement on the Extension of Collective Agreements, which – for the first time – sets representativeness criteria for social partners. The Good Practice Agreement limits the provisions of the Collective Bargaining Act, by suggesting that extensions of multi-employer agreements should only take place when they are signed between the most representative social partners for the sector. Representativeness is based on an organisation's membership numbers and, should these be equal, membership of the peak-level

organisations the Estonian Trade Union Confederation (EAKL) and the Estonian Employers' Confederation (ETKL). While the bipartite agreement is not legally binding, social partners hope that it will be followed (EAKL, undated).

In Italy, the intersectoral agreements on representativeness signed in 2011–2014 were supplemented by an agreement that was reached on 9 March 2018. Through the rules they include on the certification of membership, these agreements provide reference criteria for assessing the representativeness of trade unions and employer organisations.

For trade unions, a general system has been designed but not implemented yet due to administrative difficulties that are linked to the collection and certification of data on trade union membership. For employers, there is the acknowledgement that specific criteria may help address the issue of the growing number of national industry-wide collective agreements signed by organisations of uncertain representativeness, which may undermine collective agreements. An important development in 2018 was therefore the acknowledgement of the relevance of introducing representativeness criteria for employers. In the intersectoral agreement of 9 March (also known as the 'factory pact'), the General Confederation of Italian Industry (Confindustria), the Italian General Confederation of Labour (CGIL), the Italian Confederation of Workers' Trade Unions (CISL) and the Italian Labour Union (UIL) underlined the necessity of extending the certification of representativeness to employer organisations.

In Poland, the Trade Union Act was amended, extending the right to associate to 'all persons performing paid work', but establishing higher thresholds for trade unions to become representative at enterprise or establishment level in turn. The increase of these thresholds was higher for trade unions that are not affiliated to a nationally representative organisation than for those who are. The latter unions also get stronger veto rights in company-level social dialogue: one representative trade union can now block internal regulations brought by the employer, while all trade unions previously had to speak in unison. These changes are seen as possibly promoting the consolidation of unions at company level, while smaller, independent organisations see it as a threat to union pluralism and industrial democracy.

In Romania, negotiations initiated by the government on the new draft of the Social Dialogue Law in 2017 did not yield any results. Therefore, in September 2018, five

representative trade union confederations submitted a joint legislative proposal to amend the law that included the following demands:

- to give 'unrepresentative'⁷ trade unions the right to trigger a strike under certain conditions
- to reduce the minimum number of employees that may form a trade union from 15 to 3
- to establish new conditions for initiating strikes

Their amendments were adopted by the Senate Labour Commission, but the employer representatives claimed that this had been done in a non-transparent, groundless way and without real social dialogue, resulting in a worsening of relations between the social actors. The new law was rejected by the Senate in November 2018 and will be forwarded to the Chamber of Deputies for debate.

Several other countries reported on the outcomes of processes during which the representativeness of social partners was established.

A second assessment of the representativeness of trade unions in the public sector was published in France, based on the results of the 2018 workplace elections (in which almost half of the five million eligible voters participated). During these elections, the General Confederation of Labour (CGT) was confirmed as the leading trade union organisation in the civil service as a whole, while the French Democratic Confederation of Labour (CFDT) became the leading French trade union in terms of the combined public and private sector results.

In Greece, a new national peak-level employer organisation – the Federation of Industries of Northern Greece (SVVE) – was recognised as a representative.

In Poland, the third-largest national-level trade union organisation – the Trade Unions Forum (FZZ) – successfully defended its status as the representative central-level social partner before the District Court for Warsaw, and therefore retained its seats on the RDS.

Several Labour Court recommendations also centred on the representativeness of company-level unions in Ireland. In the case of Zimmer Biomet, union membership of 13–19% within the company was deemed too low for the union to be considered representative. For Conduit and Enercon, the union membership levels (29–31% and 47% respectively) were seen as satisfactory and the Court considered the unions' claims under the Industrial Relations Amendment Act. The Court did not, in any of its recommendations, state that any explicit representative threshold applies.

⁷ In Romania, a trade union can gain the 'representative' status at national level if the affiliated organisations account for at least 5% of the overall number of employees in the national economy and it has territorial structures in at least 50%+1 of the counties, including the capital, Bucharest.

5 Collective bargaining

This chapter reviews major changes in 2018 that affected collective bargaining. The first section summarises legal changes – those being implemented and those under debate – with a potential impact on collective bargaining. The second section summarises changes in collective bargaining practices and the third section reviews country-specific innovations in collective bargaining.

Legislative changes affecting collective bargaining

In 2018, few countries made changes to aspects of their collective bargaining frameworks. Broader packages of changes to the frameworks were previously introduced and/or continued to be implemented in France (2016), Latvia (2017) and Poland (2018). Greece, which saw a period of decline in collective bargaining as a result of legislative changes demanded by the Economic Adjustment Programmes, reintroduced the extension mechanism and the favourability principle in 2018 (Table 5).

Changes in practices related to collective bargaining

Different changes to collective bargaining processes or industrial relations practices were reported in Austria, Estonia, Finland, Ireland and Latvia. Austria saw a significant increase in collective action during major sectoral bargaining rounds, while the implementation of coordinated sectoral bargaining in Finland continued following the end of central-level pay bargaining. Efforts

to promote the negotiation of sectoral agreements took place in Estonia, Ireland and Latvia.

In Austria, the autumn bargaining rounds were marked by conflict and unrest, in response to the government’s reform of the working time legislation. In the sectoral negotiations, trade unions asked for various levels of compensation (specific for each sector) within the new collective agreements. In the case of the metalworking unions (the white-collar GPA-djp and the blue-collar PRO-GE manufacturing union), demands included a pay increase of 5%, paid in-work breaks in case of overtime work, an enforceable right to a four-day week and additional protection against termination for those who refuse overtime work. Following a series of token strikes – an uncommon event in Austria – the pace-setting metal sector reached an agreement. While the agreement meant substantial improvements in terms of pay to partially compensate for extra-long hours, it lacked any innovative measures.

The 2017–2018 bargaining round in Finland was also marked by unrest, although any strikes were either relatively short or were announced but cancelled as agreements were reached. The move from centralised to sector-level bargaining – following a decision by employer organisations – continued to be implemented. Despite this, the bargaining remained a strongly coordinated effort as employer organisations across sectors kept to the benchmark and agreed pay rises that were largely in line with the rate agreed by the export industry sector in autumn 2017 (3.2% within two years). This implies that the so-called Finnish wage model – based on the Swedish wage model, where export industries and other sectors sensitive to international competition set the limits on future wage rises – has been successfully put into practice.

Table 5: Legal changes affecting collective bargaining

Classification of change	Country	Description
Changes affecting the bargaining landscape	France	Restructuring of the bargaining branches continues, following the law of 8 August 2016. The aim is to reduce the number of branches from 700 to 200 by mid-2019. By November 2018, collective bargaining structures in 180 branches had been restructured and merged, following consultation with social partners.
	Poland	There were amendments to the Trade Union Act in 2018, which might affect company-level bargaining or the social dialogue landscape. The scope of workers that trade unions may represent has been extended to ‘all persons performing paid work’, but only after they have been with an employer for more than six months. The representativeness criteria have also been tightened and more extensive veto rights provided to representative unions. This may lead to the consolidation of company-level trade unions.
Reintroduction of extension mechanisms and the favourability principle	Greece	In August 2018, the extension of sectoral collective agreements and the favourability principle were reinstated. From then until the end of the year, 10 existing national sectoral collective agreements were declared compulsory for all employers, covering about 191,000 employees.

Source: Vandaele (2019), based on ICTWSS 6.0

Box 3: Efforts to promote the negotiation of sectoral agreements or industrial relations in countries where company-level bargaining predominates

A small change of practice was reported in Estonia, as trade unions followed the Good Practice Agreement on the Extension of Collective Agreements and the suggestions of the International Labour Organization (ILO). The trade unions published sectoral- or national-level draft collective agreements for a public consultation round so that all organisations, companies and individuals could provide their opinions regarding the agreements.

Latvian social partners continued in their efforts to promote sectoral social dialogue and collective bargaining. Throughout 2018, the main employer organisations in the construction sector (the Partnership of Latvian Construction Entrepreneurs, with the support of the Latvian building sector trade union and national-level social partners) continued actions aimed at having their collective agreement extended into a sector-level collective agreement.

In Ireland, the second ever sectoral employment order was signed in March 2018, covering the mechanical engineering building services sector (and applicable mostly to plumbers and pipefitters). The other existing sectoral employment order is for the construction sector in general and was signed in October 2017. Sectoral employment orders set rates of pay, sick pay and provide for pension scheme coverage. They facilitate orderly industrial relations in certain sectors of employment.

Innovation in collective bargaining and agreements

Correspondents were asked to report cases of innovation (including any substantial developments concerning new actors and groups of workers or business segments covered), substantial changes to collective bargaining processes, or new topics covered within collective agreements. The focus was on country-specific innovation (i.e. whether a phenomenon was new or newly evolving in the context of the respective country's collective bargaining irrespective of the bargaining level, whether it existed elsewhere and whether it was mandated via legislation or stemming from autonomous bipartite negotiations).⁸ The term 'innovation' was also used in a non-normative way here, as not all parties would necessarily agree that new aspects within collective bargaining processes or agreements were positive.

The identified cases of innovation were much more likely to come from countries where bargaining predominantly takes place at sectoral level. To what extent this is due to the difficulty involved in obtaining information about company agreements – a larger number of which are often not publicly available – is unknown.

The innovative cases from countries where company-level bargaining predominates were usually related to changes in the process of collective bargaining, or the involvement of new business segments and groups of workers under the coverage of a collective agreement. Innovation in this context is often an attempt to enter into sectoral bargaining, or to adapt processes that make the conclusion of collective agreements with a broader coverage of workers more likely.

The inclusion of new topics in collective agreements was equally likely to be found in both predominantly sectoral- or company-level bargaining contexts.

In countries where sector-level bargaining predominates, the analysis of the reported innovative cases shows that there seems to be a move towards more flexible options within collective agreements for both employees and for employers. This may include, for instance, the possibility for employees to choose between a reduction in working time or a pay increase, or for employers to have the flexibility to grant conditional pay increases based on company-level productivity developments or individual performance. In addition, over the last few years some innovations have 'spilled over' from one sector to another within the same country, or from one country to another.⁹

⁸ Cases of peak-level bipartite or tripartite social pacts are included here.

⁹ This includes the 'right to switch off' or the use of working time accounts within collective agreements. Some spill-over cases are also discussed in the 2017 version of this annual review (Eurofound, 2018a).

Box 4: Examples of recent innovative collective agreements in France and Denmark

Encouraging sustainable commuting

In a new collective agreement signed in 2018, the French telecommunication company Orange agreed to provide a bicycle mileage allowance of up to €200 per year. The allowance can go towards covering the cost of commuting for those who travel by bicycle, or purchasing a conventional or electric bicycle. To further encourage the use of bicycles, Orange is also looking into introducing suitable infrastructure for those who cycle to work. This would include adapted and secure bicycle shelters, battery-charging terminals operated on a pay-per-use basis (at a rate that only covers the costs incurred by the company), lockers near workspaces and changing rooms or showers.

The agreement also promoted carpooling by asking managers to ‘consider with kindness’ any requests for the adjustment of working hours from employees who carpool. Specific parking spaces will also be created in the car parks for vehicles involved in carpooling.

Finally, the agreement stipulated that Orange will cover the entire cost of travel from home to the usual place of work (instead of the usual 50%) in the event of peak pollution, bad weather or exceptional transport difficulties, for employees who do not have access to remote working opportunities.

Pilot agreement with an online platform

In Denmark, the United Federation of Danish Workers (3F) concluded a 12-month pilot collective agreement with digital work platform Hilfr, which mainly covers workers within the private cleaning sector. Part of the agreement is that freelancers who use the Hilfr platform occasionally remain self-employed, whereas those that work via the platform more regularly will be covered by the collective agreement.

The agreement is important because it is the first time in Denmark that a union and a platform have agreed on wage and working conditions for users of the platform. This means that workers will benefit from a pension scheme, holiday pay and sickness pay. The agreement is therefore making a significant contribution to the standing debate on whether there is an employer–employee relationship between economic digital platforms and their workforce (Altinget.dk, 2018).

New groups of workers or business segments covered

In 2018, there were two reported examples of new groups of workers being covered by new collective agreements. In Denmark, a pilot agreement was concluded with cleaners on the Hilfr platform (Box 4). In Malta, police officers began to be covered by a collective agreement for the first time (they previously gained the right to associate in 2015). The new agreement includes improved disturbance allowances and overtime rates, as well as a reduced working week (46 hours reduced to 40 hours).

New contents or topics

In 2018, relatively new topics were included in the collective bargaining process or collective agreements in several countries (Table 6).

More flexible collective agreements

Collective agreements with greater flexibility – either for employers or employees – have been continuously reported over the past few years. The most prominent example is where employees may choose between pay increases or additional leisure time. In 2017–2018, such an ‘option plan’ was included in the German metal and electrical industry agreement (Eurofound, 2018a), followed by the railway agreement (EVG, 2018).

A ‘conditional element’ was included in the Spanish peak-level intersectoral agreement in 2018 in order to allow a greater level of employer-led flexibility. Social partners in their recommendation agreed on wage increases of up to 2% until 2020, and the possibility of having an additional 1% increase conditional upon productivity development, business performance and levels of absenteeism. The objective of this clause was

Table 6: New topics or content in collective bargaining agreements

Country	Description
Company-level bargaining	
Czechia	The main trade union confederation ČMKOS recommended that its members negotiate (or create negotiating conditions for the agreement of) shorter working hours without reductions in wages at company and sectoral level. This is in the context of both the confederation's 'End of Cheap Labour' campaign, as well as its objective to focus on work-life balance and equal treatment. At the same time, trade unions campaigned for legislative changes to reduce working hours.
Ireland	There is a growing interest in including tax-free vouchers in collective agreements at company level (these vouchers can be used to buy retail goods). Nearly 20% of the deals concluded in 2018 between the Services Industrial Professional and Technical Union (SIPTU) and manufacturing companies had some element of a voucher as part of the agreement. The average voucher value is about €250, while up to €500 can be provided.
Latvia	Collective bargaining partners are increasingly trying to link the conclusion of collective agreements with benefits for employers: one example at company level is the trade-off between the conclusion of a collective agreement and the non-taxable (by personal income tax) amount of employers' meal expenses provided in the workplace, which was introduced in 2017.
Sector-level bargaining	
France	<ul style="list-style-type: none"> ○ Several relatively new topics are diffusing into more collective agreements: including the regulation of Sunday work within commerce sector agreements ○ more flexible forms of telework and ICT-based mobile work, with a view to make the framework more flexible or increase the share of teleworkers ○ the 'right to switch off' (mainly negotiated in agreements covering the work-life balance or quality of life at work) ○ the donation of leave from employees to colleagues with seriously ill children <p>In addition, larger companies in France are now obliged to negotiate vigilance plans, on 'suitable measures to allow for risk identification and for the prevention of severe violations of human rights and fundamental freedoms, injury to human health and safety, and environmental damage' caused by the company, but also because of the operations of subcontractors or suppliers (Latham & Watkins, 2017).</p>
Portugal	There is a growing use of working time accounts within collective agreements, with figures rising from 17% in 2016 to 23% in 2017 according to the annual report on the evolution of collective bargaining (CRL, 2018). A recent analysis of agreements published during 2017 and the first semester of 2018 showed that aspects related to the digital economy are starting to appear, but are not yet very widespread. This includes telework, electronic means of communication and means of electronic surveillance, access to the data of individual workers, and vocational training as a vehicle for adapting to digital technologies (Palma Ramalho, 2019).
Central-level bargaining	
Greece	The scope of the National General Collective Labour Agreement (EGSSE) was broadened in 2018. It now includes the setup of joint technical working groups on the establishment of a National Occupational Insurance Fund , guidelines for collective bargaining and the promotion of vocational training .

to reduce unjustified absenteeism (i.e. the number of days lost without due cause) by linking it to higher wage increases at sector or company level. How this is implemented at company level is not specified and there has been no evaluation to date.

In addition, the agreement establishes a floor for negotiated wages of €14,000 a year – a clear improvement for the lowest salaries, which were the most affected by the 2008 economic crisis.

The new Spanish public sector agreement also includes a 'conditional increase' for the first time: higher wages will only be paid if GDP growth exceeds 2.5%.

The innovative aspect of this clause is that inflation, as the usual benchmark for wage increases, is losing weight in comparison to GDP growth.

Portuguese social partners addressed setting working time collectively rather than individually in the 2018 peak-level tripartite agreement.¹⁰ The agreement proposes to eliminate the possibility of implementing 'working time accounts' based on individual agreements between employers and employees, but to allow companies to take decisions on working time accounts at company level, subject to prior consultation with workers.

¹⁰ The agreement was signed by the Portuguese government and all peak-level social partners, with the exception of the General Confederation of Portuguese Workers (CGTP), the largest trade union confederation.

6 National-level social dialogue

This chapter presents the main developments in national social dialogue in the Member States and Norway in 2018. In many countries, such peak-level social dialogue is held in tripartite institutions. In other countries, such as Germany, Italy, Sweden and the UK (where no peak-level tripartite social dialogue fora exist), dialogue often takes place in ad hoc exchanges and consultations, or within organisations under tripartite governance such as public employment services or national social security institutions. It is also more frequently of a bipartite nature. Sectoral social dialogue, for which many Member States have specific dialogue fora, was excluded from the scope of this report.

The first section presents the main findings of a mapping of peak-level social dialogue themes, social dialogue interactions and outcomes. It aims to provide an overview of how social dialogue was conducted, and which themes and working life regulations it contributed to during 2018. The second section presents the main social dialogue debates within each Member State and discusses selected bipartite and tripartite agreements in more detail. The third section presents cases where social dialogue was not used to its full potential and unilateral government decisions were made without the input of social partners or without reflecting their views.

Mapping of peak-level social dialogue themes, interactions and outcomes

Social dialogue can take many forms of interaction including lobbying activities, bipartite and tripartite debates, formal consultations with social partners, negotiations between social partners and negotiations with social partners. It can also generate various outputs such as joint opinions or bipartite- or tripartite-negotiated agreements and influence the drafting of legislation or the shape of policy measures.

Within this mapping exercise, correspondents were asked to report on major peak-level social dialogue that took place during 2018 and covered the following areas:

- employment, including job creation, the reduction of unemployment, active labour market policies and the labour market participation of different groups
- skills, training and employability
- benefits e.g. unemployment, sickness schemes, minimum income (excluding the regular annual debates about the determination of the level of the new benefit)
- taxation and labour costs not related to wages
- pension reforms
- wage setting systems, including the setting of minimum wages (excluding the regular annual debates about the determination of the level of the new minimum wage)¹¹
- working time regulations
- terms and conditions of employment, including different forms of contracts
- health, safety and well-being at work
- themes related to work–life balance (including family leave)
- other topical areas

In addition, the correspondents were also asked to report on major government initiatives in any of the above fields, where action was taken without any known social dialogue.

Social dialogue interactions and outcomes at peak level

The mapping of the more than 200 reported cases – presented in Figures 4, 5 and 6 – resulted in a number of findings in terms of social dialogue interactions and outcomes at peak level.

11 How the statutory minimum wage rates for 2019 were set during 2018, and what role social partners played, is discussed in detail in Eurofound (2019b).

Consultations: More than one third (35%) of the major and peak-level social dialogue of 2018 took place in the form of consultations among the social partners (Figure 4). Such consultations can be within a tripartite institutional setting or formal consultations outside such an institution, and typically include both sides of industry. In a small minority of cases, governments only consulted one side of industry. Some of these consultations were preceded by, or occurred simultaneously with, tripartite debates.

Tripartite debate: Nearly one fifth (17%) of the cases remained at the stage of tripartite debate in 2018.

These two types of interactions most commonly contributed to legislative measures or similar forms of regulations. Where predominantly tripartite debates were held, the likelihood that the case was still ongoing at the end of 2018 was higher than in cases where social partners had already been consulted.

Tripartite negotiations: This was the predominant social dialogue form in 10% of cases. While some of these negotiations also resulted in a tripartite agreement or position, many fed into the preparation of

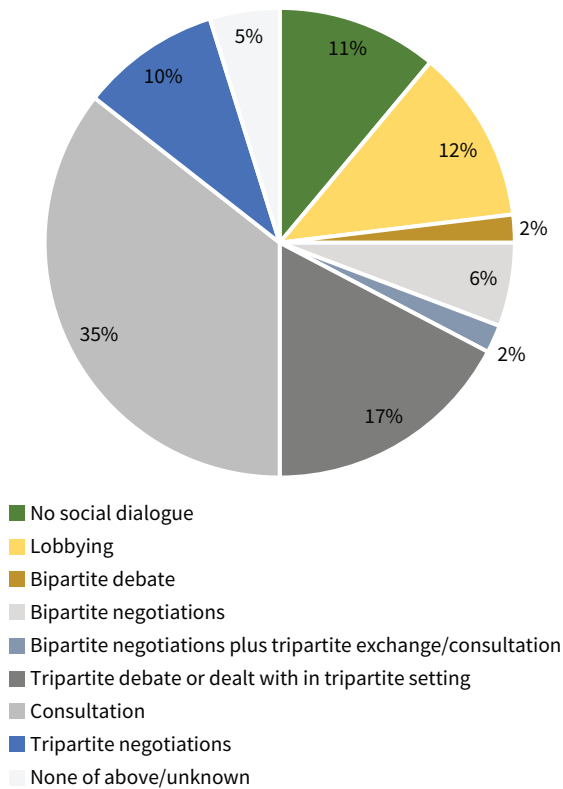
legislation or were decided unilaterally by the government.

Bipartite negotiations: Less than one tenth (8%) of the reported cases included some form of bipartite negotiations, in some cases (2%) combined with tripartite debates. These produced genuine social dialogue outcomes relatively frequently, such as joint opinions or agreements, but contributed to legislation less frequently.

Most of these social dialogue outcomes will be presented in more detail later in this chapter. They may also contribute to legislation or influence social partner activities, including social dialogue or collective bargaining.

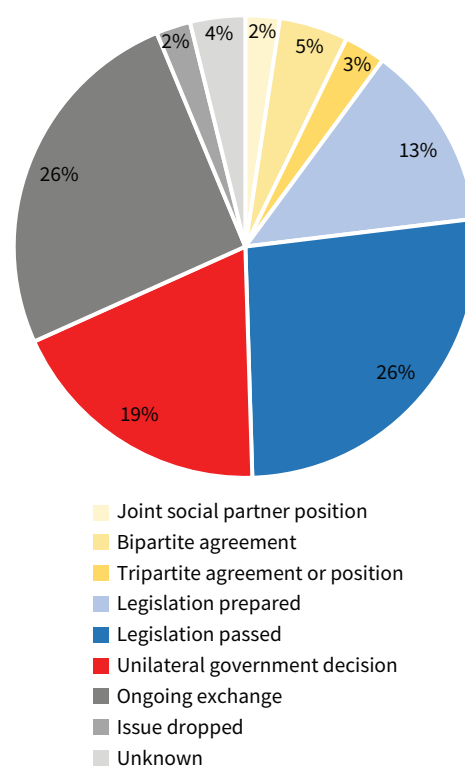
Unilateral decisions by the government: These were taken in 19% of the cases (Figure 5). The majority of them, however, were reported for those cases where no or very limited social dialogue took place (i.e. only lobbying). Where social dialogue interaction beyond lobbying took place, only every tenth case resulted in a unilateral government decision.

Figure 4: National peak-level social dialogue: Predominant form of interaction, 2018



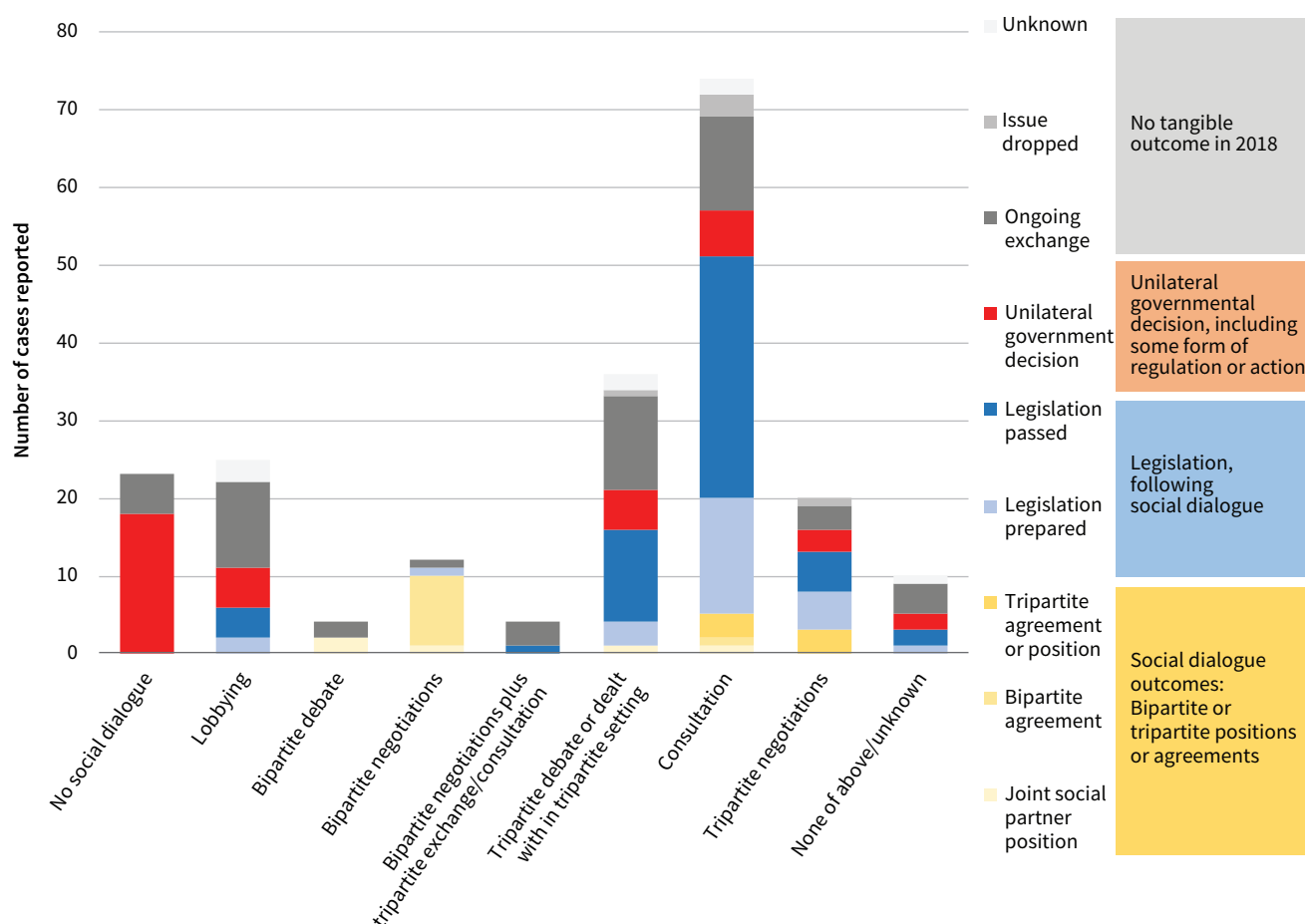
Note: N = 208 cases.
Source: Author's own calculations, based on data provided by the Network of Eurofound Correspondents

Figure 5: National peak-level social dialogue: Predominant form of output/outcome, 2018



Note: N = 208 cases.
Source: Author's own calculations, based on data provided by the Network of Eurofound Correspondents

Figure 6: National peak-level social dialogue: Predominant form of interaction and outcomes, 2018



Note: Predominant form: In cases where multiple forms of interaction were reported, a predominant form has been assigned. In particular, many of the reported cases also included lobbying activities. Negotiations were typically, and consultations regularly, preceded by some form of debate.

Source: Author's own calculations, based on data provided by the Network of Eurofound Correspondents

Approaches to thematic areas during social dialogue

Different forms of social dialogue interactions and outcomes were also observed, varying by theme (Figure 7).

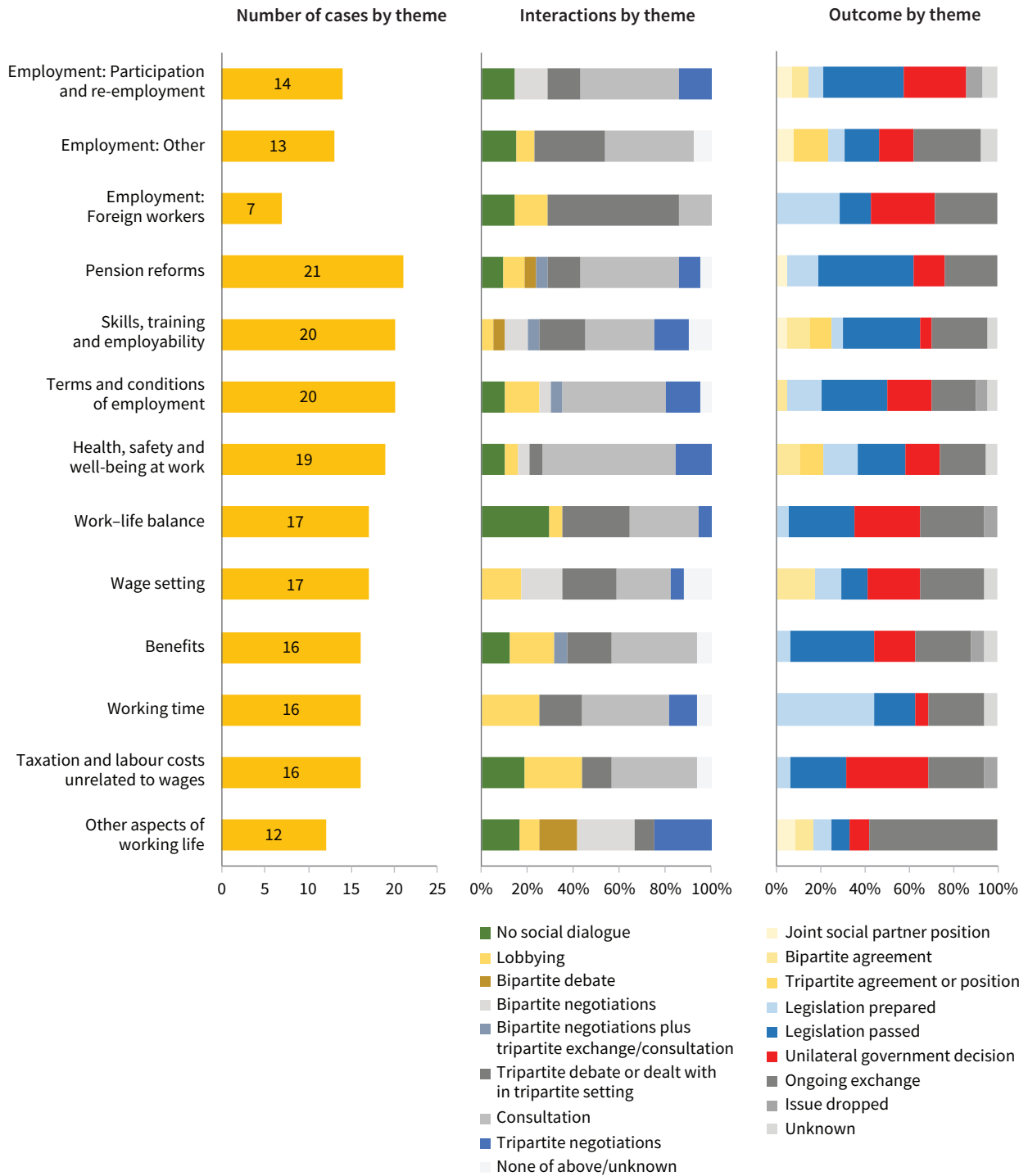
Among the 10 thematic areas captured in the mapping exercise, employment-related topics clearly dominated the social dialogue and working life debates in 2018. In particular, this included measures to address labour shortages, either by focusing on participation in the labour market and the re-employment of the domestic workforce, by improving matching mechanisms on the labour market or by reviewing quotas or other regulations concerning the employment of foreign workers. While labour market access and employment of foreign workers was predominantly the subject of tripartite debates which were feeding into legislation, dialogue concerning participation in the labour market and other employment topics more frequently took place in the form of consultations. A considerable share of these cases was still ongoing by the end of 2018.

The remaining peak-level working life debates were spread relatively evenly across the other nine topical areas, with 16–21 cases reported for each theme. Consultations were the most common form of social dialogue interaction in general and across most themes, particularly 'health, safety and well-being at work', 'terms and conditions of employment' and 'pension reforms'.

Consultations were least common in the areas of 'wage setting' and 'skills, training and employability'. Both of these themes are part of the bipartite sphere of social partners in many countries, which is also reflected in the high frequency of bipartite debates and negotiations in these fields during 2018.

In contrast, 'work-life balance' was the theme with the largest share of cases where no social dialogue took place, leading mainly to unilateral government decisions. This included several cases of changes to parental leave that were not discussed explicitly with social partners during 2018. The largest share of unilateral government decisions related to changes concerning 'taxation and labour costs unrelated to wages', while the lowest share was in the areas of 'working time' and 'skills, training and employability'.

Figure 7: National peak-level social dialogue themes: Form of interaction and outcomes, 2018



Source: Author's own calculations, based on data provided by the Network of Eurofound Correspondents

Major social dialogue debates and outcomes

Next to providing a comprehensive overview of peak-level social dialogue activities, the Network of Eurofound Correspondents was also asked to select up to two of the 'most important' social dialogue debates in their country and to report on them in more detail.

Table 7 lists the results by theme and country, while more detailed information is available in the national reports. Selected bipartite and tripartite agreements are also analysed more closely in the following section.

Table 7: Main social dialogue debates by theme and country

Themes	Country	Headline of the social dialogue debate in 2018
Employment		
Addressing labour shortages	Czechia	Employers continued to suffer from labour shortages and pushed the government to facilitate the recruitment of third-country nationals
	Germany	A draft law on improved immigration rules for skilled labour was under discussion
	Lithuania	Tripartite negotiations took place on the introduction of quotas for third-country nationals in occupations with labour shortages
	Slovakia	A strategy for the job mobility of foreigners in Slovakia was under discussion
	UK	The Migration Advisory Committee made recommendations for the UK's post-Brexit work immigration system, following the implementation period
Participation and job matching	Greece	Tripartite negotiations took place on the development of a mechanism for a labour market diagnosis system
	Spain	A youth employment plan to improve public placement services was being developed
Skills, training and employability	Poland	There was a debate on vocational education
Social protection		
Pension reform	Belgium	Both bipartite and political discussions on heavy occupations failed to reach a compromise
	Croatia	A pension reform was introduced
	Netherlands	Tripartite pension reform negotiations stopped
Minimum income	Luxembourg	The guaranteed minimum income was reformed and is now known as the Social Inclusion Income (REVIS)
Sickness insurance and benefit	Austria	A social security reform with far-reaching implications was implemented, against the resistance of organised labour
	Cyprus	There was turmoil a few months before the introduction of the National Health Scheme (Gesyl)
Unemployment benefits	Belgium	Social partners failed to agree on a new labour deal after wide-ranging tripartite debate
	Finland	The unemployment benefit reform met with continued resistance and adjustments were announced
	France	The government asked social partners to reform unemployment insurance
Taxation and labour costs unrelated to wages	Hungary	There was discontent about the reshaping of the 'cafeteria package'
Terms and conditions of employment		
Employment protection	Finland	The reform of dismissal protection was a major source of conflict
	Sweden	Planned revisions of the employment protection regulations were announced
Employment status	Estonia	The ministry proposed changes to the labour law in order to provide more flexibility and introduce a new independent employee form
	Greece	Tripartite dialogue took place and new legislative measures to combat undeclared work were defined
	Ireland	False or bogus self-employment
	Netherlands	A bill was proposed in order to improve the flexibility of the labour market
	Norway	Public debate involving the social partners took place on temporary work and an amendment to the Work Environment Act
	Portugal	Combating precarious work and promoting the dynamics of collective bargaining were the topics under discussion
	UK	The Government's Good Work Plan was published in December 2018
Wages and wage setting		
Level of wages	Czechia	The 'End of Cheap Labour' campaign continued and its aims were expanded to include shorter working hours
	Luxembourg	There was a general debate on increasing the minimum wage (SSM) to fight against poverty rates
	Slovenia	A general strike for higher wages in the private sector took place
	Spain	Government and social partners introduced measures to improve real wages after the crisis

Themes	Country	Headline of the social dialogue debate in 2018
Wages and wage setting		
Mechanisms for setting wages	Cyprus	The introduction of a national statutory minimum wage for Cyprus was debated
	Greece	The new mechanism for determining the minimum wage through consultation with social partners was applied
	Hungary	The national-level wage negotiations had a controversial outcome
	Italy	The organised decentralisation of collective wage bargaining was under discussion
	Lithuania	Tripartite negotiations took place on how the minimum wage should be calculated
	Romania	A differentiated minimum wage was introduced
Public sector pay	Denmark	Collective agreements were reached in the public sector after tough negotiations
	Slovakia	Changes were made to the remuneration of public servants
	Slovenia	Social partners signed a public sector wage agreement after a year of negotiations
Gender pay gap	Ireland	Consultation took place on the General Scheme of the Gender Pay Gap Information Bill
Working time		
	Austria	There was a passionate debate about the planned amendment to the Working Time Act
	Croatia	The payment of overtime work in the commerce sector and a discussion on banning commerce-related work on Sundays was under discussion
	Germany	A new legal claim for part-time work was introduced
	Luxembourg	A time-saving account in the public sector and a bill in the private sector were introduced
	Malta	New rules related to holiday leave were introduced
Health, safety and well-being at work		
	Bulgaria	Tripartite debates took place on health and safety in the light industry
	Estonia	Preventing health and safety issues in the workplace through more flexibility and responsibility was discussed
	Norway	A new tripartite letter of intent was released on a more inclusive working life in Norway
Other themes		
	Bulgaria	There were protests in the transport sector against the Mobility Package
	Latvia	A general wage agreement was reached in the construction sector
	Poland	A debate took place on a new public procurement law
	Romania	A new law on social dialogue was not adopted
	Sweden	The Saltsjöbaden Agreement reached 80 years of existence
		Social partners agreed on new strike regulations

Source: Network of Eurofound Correspondents

Bipartite peak-level agreements

In a few countries, bipartite agreements were made at peak level. This included Italy, where social partners agreed on a general framework for decentralised wage

bargaining (known as the 'Factory Pact'); Spain, where social partners agreed on a new central-level wage agreement that aimed to halt the devaluation of wages; and Belgium, Greece and Sweden (Box 5).

Box 5: Bipartite agreements at peak-level in Italy and Spain

Italy: Organising the decentralisation of collective bargaining

In the Factory Pact,¹² the Italian social partners confirmed the two-tier bargaining system and established a general framework for wage bargaining that clarifies and organises the decentralised setting of wages. It identifies the parts of the economic elements set at industry level that constitute the minimum rates (minimum economic treatment, TEM). It also identifies the overall economic treatment (TEC), which includes the economic elements common to all sectoral workers, irrespective of the bargaining level that covers them. The minimum economic treatment will be adjusted based on inflation, in accordance with the rules and practices of each sectoral agreement. Sectoral agreements shall promote the diffusion of performance-related pay, in a participatory framework.

Within the same pact, the social partners expressed their commitment to addressing other issues in future negotiations, such as:

- the labour market inclusion of younger workers
- investment in education to improve skill certification
- the quality of education and the link with the production system, including through the support of dual work–education training
- how to improve the participation of workers according to sectoral specificities

Spain: Central wage agreement halts the devaluation of wages

Spanish trade unions and employer organisations signed a bipartite peak-level intersectoral agreement in June 2018. With this agreement, they wished to halt the internal devaluation that began in 2010 and led to a substantial decline in real wages. This pact also put an end to the deadlock in terms of negotiating a new agreement, which had been ongoing since 2015.

The new agreement recommends negotiated wage increases of up to 2% until 2020, with the possibility of having an additional 1% increase conditional on productivity trends, business performance and levels of absenteeism. In addition, the agreement also establishes a floor for negotiated wages of €14,000 a year, a clear improvement for the lowest salaries, which suffered most in the crisis.

The bipartite agreement accompanied other actions aimed at improving real wages, including higher increases for public sector servants (which are also conditional on macroeconomic performance for the first time) and a substantial increase of the statutory minimum wage.

Bipartite agreements at peak level were also reported from a number of other countries.

Belgium: Social partners negotiated formally within the National Labour Council on the issue of ‘repeated day contracts’ and agreed to reduce them by at least 20% by 2019.

Greece: Social partners signed the 2018 National General Collective Agreement (EGSSE) in March and pledged to start negotiating the payment terms if legal restrictions on the content of the 2010–2012 EGSSes were lifted. They also agreed to maintain non-wage conditions, such as the marriage allowance, three-yearly pay increases based on prior working service, and leave for working parents.

Italy: On 12 December 2018, Confindustria, CGIL, CISL and UIL signed an agreement on the overall organisation of the insurance system, and the prevention of health and safety issues in the workplace. They also signed an agreement on the system of representation and joint bodies in the fields of health and safety.

Sweden: Social partners agreed on new rules around the right to strike and entering into collective agreements for smaller trade unions.

Tripartite agreements or joint positions

In 2018, there were only a few examples of tripartite agreements, in Hungary, Norway and Portugal (Box 6).

12 The Factory Pact is an intersectoral agreement on the contents and focus of industrial relations and collective bargaining, signed by Confindustria, CGIL, CISL and UIL on 9 March 2018.

Box 6: Tripartite agreements in Hungary, Norway and Portugal

Hungary: Renegotiation of the minimum wage and reduction of the social security contribution

In 2016, a six-year wage agreement was concluded about increasing the minimum wage and guaranteed wage minimum and reducing the tax burden for employers. This agreement foresaw the renegotiation of these points for 2019, but the multiple consultations that took place in 2018 were marked by significant disagreements between employer organisations and trade unions. One particularly contentious issue was the fact that the government had not indicated an exact date from which the social contribution tax would be reduced (this reduction was adopted in summer 2018 as part of a tax package).

The government convened a session of the Permanent Consultative Forum of the Competitive Sector and the government on 30 December 2018 and urged social partners to come to an agreement. The result was a two-year agreement that foresaw the minimum wage and the guaranteed minimum wage being raised by 8% in 2019 and 2020, respectively. Two of the three participating trade union confederations – the Democratic League of Independent Trade Unions (LIGA) and the National Federation of Workers' Councils (MOSZ) – signed the agreement, while the Hungarian Trade Union Confederation (MASZSZ) refused to do so.

Norway: New tripartite letter of intent on a more inclusive working life

In 2018, social partners and the government renewed a letter of intent on a more inclusive working life for the fifth time. Covering 2019–2022, the new agreement's overall goal is to reduce the levels of sickness absence and the number of people dropping out of working life. A new aspect is the focus on sector-specific challenges. Before entering into the agreement, trade unions demanded that the government did not propose any changes to the sick pay scheme.

Portugal: Combating precarious work and promoting the dynamics of collective bargaining

With the tripartite agreement on 'Combating precarious work and labour market segmentation and promoting greater dynamism in collective bargaining', the Portuguese government and social partners agreed on a major package of legislative changes and other measures.

Proposals for legislation on the issues in the tripartite agreement were first discussed in 2018, with more specific discussions and final decisions expected in 2019. In terms of combating precarious work and labour market segmentation, the tripartite agreement (and the government's proposed law) propose to limit the duration of fixed-term contracts, penalise companies that use an excessive number of fixed-term contracts and limit the number of times temporary agency contracts can be renewed.

The agreement also proposes to extend the duration of very short employment contracts, extend the use of short employment contracts to sectors beyond seasonal work in agriculture and tourism, and extend the probationary period for first-time jobseekers and long-term unemployed people when they are hired for open-ended contracts.

In terms of collective bargaining, the tripartite agreement proposes introducing new arbitration mechanisms as a last step before collective agreements expire and enlarging the scope of the rights that workers have after collective agreements expire (adding parental and health and security rights). In addition, it proposes establishing company referendums that can be organised by employers (under the surveillance of trade unions and worker representatives) to decide on the implementation of 'working time accounts' to replace the previous regime of employer–employee individual agreements.

Social dialogue under pressure

The social dialogue process does not always lead to a final decision that satisfies all of the parties involved. Compromises and negotiated solutions inevitably mean that parties often find their initial positions are not fully reflected in the resulting decisions. However, effective social dialogue processes ensure that all parties are able to share their views and assessments, can gain a better understanding of the views of other parties and are able to reach common decisions.

Social dialogue can come under pressure or prove unsuccessful for a number of reasons, the most obvious of which is when there is no such dialogue within a country. This occurs when social partners do not discuss matters bilaterally or set initiatives in their fields, when the government implements unilaterally devised solutions without prior consultation with social partners, or when the government implements solutions after only consulting with employer organisations or trade unions.

Another reason is when existing information exchange, consultation and negotiation processes are formally followed, but the final decisions diverge considerably from what was discussed or where few attempts are made to create compromises and find negotiated solutions.

The reports from 2018 show a wide spectrum of cases where social dialogue came under pressure and was not entirely successful. This was partially because of the absence of social dialogue in fields related to working life, and partially because processes were unsatisfactory and unilateral decisions caused discontent. As in previous years, trade unions were more likely to voice such discontent than employer organisations.

Major changes that were made to regulations relating to working life without any prior social dialogue – and which potentially affected large parts of the workforce – were reported in the following countries.

- **Austria:** Changes were made to the Working Time Act and the maximum working hours per day and week were extended.
- **Croatia:** Two health and safety institutes were abolished.
- **France:** The employer bonus for low wage earners was increased.
- **Greece:** A trade union law was introduced and changes were made to the right to strike and balloting requirements.
- **Hungary:** An overtime bill was introduced and maximum working hours were extended.

- **Italy:** The ‘dignity decree’, citizen income and a new anticipatory retirement scheme were enacted.
- **Malta:** An equality bill was introduced.
- **Spain:** Minimum wages were substantially increased.

Unilateral changes without social dialogue that were not as wide-ranging and only affected some parts of the workforce were reported in the following countries.

- **Cyprus:** The terms and conditions of the employment of teachers and outsourced employees within hotels were amended.
- **Greece:** A fifth social partner was recognised and measures were put in place to improve the protection of employees in cases of contracting and subcontracting.

When social dialogue did take place, there were cases where social partners expressed dissatisfaction about the process or the outcome.

In Austria, social partners were once seen as holding a privileged position in terms of consultation procedures relating to economic and social policy matters of national interest. However, after the Austrian People’s Party (ÖVP) and the Freedom Party of Austria (FPÖ) formed a coalition government in December 2017, the involvement of social partners in such matters fell. In particular, organised labour (OEGB and AK) feel that they are only consulted for formal reasons (usually in the form of written consultation) and that their views are generally disregarded by the government. The absence of any consultations with social partners ahead of the 2018 changes to the Working Time Act were particularly criticised by trade unions (employer organisations agreed on the substance of the changes, despite the lack of consultation).

In Estonia, employer organisations felt that the government had not sufficiently reflected the proposals of a social partner working group when discussing more flexible quotas for the employment of third-country nationals.

In Finland, the peak-level social partners on both sides generally agreed that they were fully involved in formal/institutional consultations in relation to employment and social policy issues. However, trade unions, particularly SAK, raised concerns about how social dialogue functions in the country. According to SAK, the current government has withdrawn from the traditional Finnish consensus-seeking model where the government consults with social partners extensively on issues regarding working life and social policy (preparation of the activation model is seen as a prime example of this).

In Lithuania, trade unions reported that they were not properly consulted about a tax reform, in contrast to employer organisations.

When social dialogue is unsuccessful, unilateral decisions can be taken. This was the case in Belgium in 2018, where social partners could not agree on a revision to the ‘Renault law’¹³ on regulating the procedure to be followed by companies in the event of

restructuring. As a result of this, the government announced that it would find a unilateral solution instead.

A similar situation was reported in Poland, where social partners could not agree on the revision of the statutory minimum wage rate for 2019. In the absence of an agreement, the government regularly makes a unilateral decision, and this was the case in 2018.

¹³ The ‘Renault law’ is an act containing provisions for the promotion of employment.

7 | Collective labour disputes

There has been an overall decline in the level of strike activity over the past few decades. Following a peak in 2010, the number of days not worked has also steadily fallen. According to data from the European Trade Union Institute (ETUI), 16 days per 1,000 employees were not worked due to industrial action in 2017.¹⁴ The countries with a comparatively high volume of industrial action between 2010 and 2017 (more than 50 days not worked per 1,000 employees per year) were Belgium, Cyprus, Denmark, France, Norway and Spain. There were no data available for countries including Greece, Italy and Romania (ETUI, 2019, p. 60). Preliminary national statistics for 2018 show a rise in the number of days not worked in several countries, including Austria, Belgium, Cyprus, Estonia, Germany, Lithuania and Spain, albeit not to the extent witnessed during the years of economic turmoil. For Denmark, Ireland, the Netherlands, Sweden and the UK, the latest national statistics demonstrate that 2018 was a quieter year.

The national correspondents were asked to report on significant changes in the regulation of collective disputes and major collective labour disputes of national significance. The details that were requested included the main issues under discussion, the main sectors or occupations affected, and how the disputes were resolved. While not a complete picture of industrial action and labour disputes in Europe in 2018, the cases presented in more detail in the accompanying country reports provide an overview of some of the main occurrences.

Regulation of collective disputes

In 2017, there was increased action around the regulation of collective disputes and a number of significant changes (e.g. the Trade Union Act was introduced in the UK, the right to strike was weakened in Greece¹⁵ and the constitutional court in Germany upheld the right of minority unions to strike). There were fewer developments in 2018 and the main changes were seen in Greece, Slovenia and Sweden.

In Greece, there was controversy over the right of social partners to unilaterally appeal to an arbitrator in collective labour disputes. This constitutional right has been subject to a number of changes over the last decade. In 2012, the right to appeal unilaterally was

abolished and only joint appeals were considered lawful. Following a Supreme National Court ruling in 2014, which held this new practice as unconstitutional, the government re-instated the right to unilaterally appeal (albeit with a more complicated procedure). In 2018, the government developed independent expertise on the mediation and arbitration system, consulted with social partners and subsequently maintained the majority of the previous system within new legislation. This legislation sets out that mediation and the arbitration of collective labour disputes must take into account the economic situation, the developing competitiveness of the sector under dispute (a provision that already existed) and the developing purchasing strength of salaries (an addition).

Employer organisations opposed the ‘compulsory arbitration’ and asked the ILO to examine whether this contradicts international labour agreements. Trade unions questioned whether the new system is in line with the Supreme National Court ruling, in particular in terms of restrictions relating to arbitrations and the content of arbitrations.

In Sweden, social partners came to a joint agreement on reforming the right to strike, as a reaction to the long-running dispute at the Port of Gothenburg (the government had previously announced that it would take legislative action if social partners were unable to reach an agreement). According to the new agreement, workers will only be allowed to strike if they work for employers who have not signed a collective agreement yet and if the objective of the strike is not related to asking their employer to sign a collective agreement. If the purpose of the strike is not clear, the Labour Court can make a ruling on the basis of how the negotiations have been handled and whether the organisations are usually inclined to favour collective agreements. A formal proposal will likely be brought before the Swedish parliament in 2019 and, if accepted, the new regulations are scheduled to enter into force on 1 January 2020.

Another change was implemented in Slovenia within the Law on Collective Actions. This change introduces the possibility of the collective enforcement of monetary and other compensation claims within the areas of consumer rights, investor rights, financial services, the protection of competition, environmental protection and the violation of workers’ rights.

¹⁴ This is an average weighted figure, based on available data from 20 Member States. There is no 2017 data yet available from France.

¹⁵ The modification of the strike law in Greece, including higher requirements for balloting, came into effect in January 2018.

In July 2018, the trade union of the Ministry of Defence filed the first collective labour lawsuit against the Ministry of Defence on the violation of the right to rest during working hours, and fixed and unpaid time for handing over work when changing shifts. The trade union demanded €500,000 in compensation, but the court rejected the lawsuit because there was not enough evidence to support the demands.

In three other Member States (Finland, Poland and Portugal), debates about potential changes in the regulation of labour disputes were held.

In Finland, a cross-sector dispute – resulting from a governmental reform that loosened employment protection – triggered major discussions on the future of the Finnish industrial relations landscape and social dialogue structures, including the scope of political strikes. For instance, the Confederation of Finnish Industries (EK) criticised the unions for ‘not using their right to strike in a responsible way’ and demanded that the right to political strikes in Finland should be curtailed, adjusting it to a ‘Nordic level’ (EK, 2018).

In Poland, social partners and the government raised the possibility of updating the existing regulations on collective labour disputes. Some proposals were made and talks may resume in 2019.

A new arbitration tool was proposed in Portugal, as a final step before collective agreements expire: the creation of an arbitration court under the framework of the Economic and Social Council. In addition, a proposal was made to enlarge the scope of the rights that workers maintain after collective agreements expire (adding parental, health and security rights).

Labour disputes of national significance

The sectors most affected by disputes of national significance were the transport sector in general, and the railway and air transport sectors in particular.

The most prominent case in the air transport sector was that of airline company Ryanair. While the company initially refused to recognise unions and enter into collective bargaining agreements, as well as not adhering to national labour standards, it announced a change of its policies at the end of 2017. Therefore, 2018 was marked by high hopes on the trade union side, followed by some cases of union recognition, pre-agreements on the scope of bargaining and actual collective bargaining. Analysis from the International Transport Workers’ Federation and the European

Transport Workers’ Federation (ITF and ETF, 2018), observed improvements in some countries, but concluded that overall progress remained slow.

During the difficult negotiation phases, trade unions in several countries declared industrial action. The case moved from individual action in some countries (Belgium, Germany, Ireland, Portugal and Spain) to a transnationally-coordinated case, with action occurring somewhat simultaneously, particularly during the peak summer period.

It is also notable in this regard that the recorded progress in collective bargaining, recognition of unions or application of labour law from the ITF and ETF (2018) analysis, remained predominantly confined to countries where social partners had a stronger role, while no progress was noted in countries with less well-developed systems (i.e. many of the newer Member States).¹⁶

Long-running disputes that remained unresolved in 2018 included the conflict at LOT Polish Airlines, which started in 2013. While this conflict has resulted in a peace agreement of 24 months, this is only a temporary solution.

In Sweden, the conflict at the Port of Gothenburg in relation to the recognition of the Swedish Dockworkers’ Union (SDU) continued to be on the agenda, but while talks between the affected unions hinted at a breakthrough, a solution was not forthcoming and industrial action resumed at the beginning of 2019.¹⁷

Outside of the transport sector, a dispute about the harmonisation of wage levels and the reduction of the workload for primary school teachers continued in the Dutch education sector. While there was the payment of a one-off bonus, the overall demands were not met.

In some Member States, industrial conflicts or political strikes took place in response to governmental policies.

Austria: There was an increase in trade union protests, demonstrations and strikes accompanying collective bargaining rounds in response to changes in the regulations concerning the maximum amount of working time, and a reform of the social security institutions.

Cyprus: Hotel employees protested against a bill for outsourcing, which deregulates the terms of employment. Teachers protested against the government’s plans for an education reform, while teachers within the State Institutes of Further Education protested against their self-employed status, which was introduced as part of the 2013 reforms.

¹⁶ The strength of social partners is considered in terms of Eurofound’s industrial relations index, which includes four dimensions: industrial democracy, social justice, industrial competitiveness and the quality of work and employment (Eurofound, 2018c).

¹⁷ On 6 March 2019, hours before a planned strike action, the dispute was finally resolved (Eurofound, 2019c).

Finland: Major cross-sectoral trade unions protested against the government's reform of dismissal protection, particularly in relation to the relaxing of dismissal proceedings for companies with less than 20 employees.

Romania: Trade union protests took place in connection with the newly introduced wage law, which foresaw the transfer of contributions from the employee to the employer.

Spain: Two cases of industrial action in reaction to governmental regulations were recorded. Taxi drivers in Barcelona and Madrid demanded stricter regulations for app-based driving services, while dockworkers protested against the obligation to liberalise their hiring services, following a ruling by the European Court of Justice.

The health and social care sector, and the public sector, also saw a significant level of conflict. In the health and social care sector, the level of wages was the main issue of contention. Most industrial actions in this area were linked to demands for larger pay increases (particularly in central and eastern Member States) and the unfreezing of wages (in Member States that previously received financial assistance from the EU, and those most affected by the financial and economic crisis). However, disputes also arose over a new pay system for teachers enforced by the government (Lithuania), and pay differences between the public and private sectors (Poland).

Several labour disputes concerned working conditions, especially working hours, such as in the UK's railway

sector. The railway sector in Belgium was also subject to disputes relating to new regulations on the status of workers with 'heavy' occupations.

There were also a few disputes of national significance concerning plans for restructuring, as in the shipbuilding sector in Croatia or two mines in the Bulgarian coal mining industry, where miners protested against job cuts because of policies relating to climate change actions.

More information on the disputes can be found in the related country reports.

The increased level of conflict in several countries might be associated with the increased bargaining power of workers in the context of a still favourable economic climate and higher chances to be heard in industrial conflicts in the context of pressing labour shortages. For countries with a continuing decline of industrial action, alternative interpretations were suggested by some of the Eurofound correspondents:

- tighter restrictions around the right to strike, making lawful actions more difficult (e.g. Romania (Box 7) and the UK)
- the decline of traditional trade unions and a weakening of their ability to organise, which can culminate in protests organised by individual workers (Romania) or citizens (France, the yellow vests movement), or the founding of new employee representations (the Netherlands, #POinactie, initially a social media campaign, which developed into a pool for primary school teachers to express their grievances)

Box 7: Industrial calm in Romania – an indication of harmonious industrial relations or the result of restrictions?

While the official number of labour disputes declined in Romania, an empirical observation indicates an increase in the number of spontaneous labour conflicts in 2017 compared to previous years. Many of these protests were not organised by the trade unions but by individual workers and their colleagues, and most opposed the company's trade union (and were criticised by the union in turn). This suggests a decline in the legitimacy of trade unions and an increasing gap between the union leadership and the workers, who do not feel represented anymore. It might also be a consequence of the tighter legal provisions with regard to labour disputes and collective actions that were introduced in 2011, which make the organisation of a legal protest very difficult.

8 New working life regulations in 2018

This chapter, based on input from the Network of Eurofound Correspondents, briefly summarises the main legislative changes in several areas of working life. More detailed information about the reported cases can be found in the related national reports.

Employment status

Many of the changes in the regulations affecting employment status took place against a backdrop of potential upcoming EU legislation, within the principles of the European Pillar of Social Rights. This included new national regulations extending the rights of self-employed workers to social protection (in the context of the Council of the EU's recommendation on access to social protection for workers and the self-employed (COM/2018/0132 final)). A number of countries also reported attempts to regulate some of the new forms of employment, such as limiting the use of certain forms of on-demand work (e.g. by making zero-hour contracts illegal) or limiting the number of hours that can be worked on request.

Some of the new national regulations in 2018 also suggest that certain countries are anticipating the requirements of the upcoming Transparent and Predictable Working Conditions Directive (COM/2017/0797 final).

The Seasonal Workers Directive (2014/36/EU), which was implemented in 2016, continued to have an impact in 2018 as some Member States introduced new regulations to facilitate the employment of seasonal workers and partially extend their rights to social security contributions. New national regulations affecting the use of fixed-term contracts or regulating the use of temporary agency workers were comparatively limited in 2018, and there were almost no major changes affecting the employment of posted workers (after a number of years of increased regulatory activity at national level in this field).

Further plans for changes were reported from Czechia, the Netherlands, Portugal and the UK (Box 8). These were all still under discussion by the end of 2018.

Box 8: Major changes affecting employment legislation in the making

Czechia: The forthcoming major amendment to the Labour Code proposes adjustments to agreements on work performed outside of an employment relationship (e.g. agreements to complete a job and agreements to perform work). The new arrangements should guarantee workers employed based on these agreements the same conditions as those with standard employment relationships in terms of recording working hours, rest periods and guaranteed wages.

Netherlands: No changes were made in 2018; however, a large labour market reform will be implemented in the beginning of 2020. The government bill is called 'labour market in balance' and aims to counter the rising flexibilisation in the Netherlands. It, for example, increases the unemployment premium employers have to pay for people on a fixed-term contract, making such contracts relatively more expensive compared to permanent ones. The reform will also make it easier for employers to dismiss employees that are performing poorly.

Portugal: A tripartite agreement on combating precarious work and labour market segmentation, and promoting greater dynamism in collective bargaining, was signed by all social partners in 2018 (apart from the General Confederation of Portuguese Workers – National Trades Union (CGTP-IN)). This agreement included proposals to limit the duration, renewal and excessive use of fixed-term contracts.

UK: In the Good Work Plan (published in December 2018), the government set out its intention to create detailed proposals to align the employment status tests used in employment law and tax contexts. The plan also foresees the introduction of legislation to improve the clarity of employment status tests, in order to tackle the problem of businesses misclassifying their staff.

Self-employed workers

A significant number of new national-level regulations affecting self-employed workers were passed in 2018. The main ones are listed below.

- An extension of their rights to social protection, in countries hitherto characterised by relatively low to medium levels of access to statutory social protection (implemented in Greece, Ireland, Portugal and Spain, and under consideration in Sweden).¹⁸
- The social security contributions of certain groups of self-employed workers were reduced and/or tax deductions introduced in order to promote their employment (Greece, Lithuania, Spain and Portugal).

Greece, for instance, extended unemployment benefits to self-employed doctors, lawyers and engineers under certain conditions (the benefits are available from three to nine months and amount to €360 per month).

In its 2019 budget, Ireland made Jobseeker's Benefit available for self-employed workers.¹⁹

In Portugal, the period of absence after which self-employed workers are eligible for sickness benefits was reduced from 30 to 10 days (which is closer to that of contracted workers). Maternity and paternity cash benefits were also extended to this group (Decree Law 53/2018). In addition, Portugal redefined the definition of economically-dependent work ('perform 50% of their yearly activity for the same entity') through Decree Law 2/2018 and harmonised the unemployment benefit regime for the 'economically-dependent self-employed' with that of contracted workers.

Along the same lines, the Swedish government commissioned an official inquiry into how to improve working conditions for the self-employed and investigate entrepreneurs' use of the social security system. The inquiry's final report and policy recommendations are scheduled for publication in June 2019.

These measures can be put in the context of the Council of the EU's recommendation on access to social protection for workers and the self-employed (COM/2018/0132 final), which foresees the closure of the gap between employees and the self-employed (in comparable positions) when it comes to accessing social protection benefits. While this proposal is still in

the legislative process, the regulation changes that were passed in 2018 in countries with relatively low levels of access for self-employed workers are a potential reflection of the impact of such an EU-level initiative.

In Greece, a reduction of insurance contributions for the self-employed will affect about 250,000 workers (Law 4578/2018). The government stated that this reduction in contributions will not impact access to benefits or their level, but aims to support economic development and ensure equality for self-employed workers.

In Lithuania, Law No XIII-823 standardised the procedure for social insurance contributions for all types of self-employed workers.

- It obligated self-employed workers to pay social insurance contributions, including those workers who have additional salaried employment (in which case the employer pays contributions based at least on the minimum wage).
- It made the payment of social insurance contributions optional for those in their first year of employment.
- It confirmed this opportunity for retired persons in self-employment, irrespective of the type of their activities.

In Spain, a new self-employment regulation entered into force in January 2018 (Law 6/2017). This regulation included a reduction in social security contributions, mechanisms to reconcile work and family life, and tax deductions. For self-employed workers with children, there were significant reductions in social security contributions and the law also increased the age limit for children up until which workers can benefit from these reductions (from 7 to 12 years).

Platform work is another pressing issue and, in particular, the employment status of platform workers as this determines their access to various entitlements and social protection. During 2018, two different approaches were reported in France and Portugal (Box 9). In France, a draft law proposed that platforms could introduce charters that clarify their rights and obligations towards their self-employed workers, and protect the platforms against the risk of having the contractual relationship reclassified. In Portugal, the provisions of the Labour Code were extended to the drivers of vehicles linked to electronic platforms.

18 A report by the European Commission (2018a), based on European Commission (2017a), included Belgium, Cyprus, France, Greece, Italy, Malta, Latvia, Lithuania and Slovakia in the group of countries where self-employed workers had low or no statutory access to social protection. Bulgaria, Estonia, Germany, Ireland, the Netherlands, Portugal and the UK were included in the group of countries with medium to low access.

19 Jobseeker's Benefit is a weekly payment for people who are out of work and covered by social insurance.

Box 9: Two different approaches to regulating platform work in France and Portugal

France: Protecting platforms against contractual reclassification

With the government's support, members of the French parliament tabled an amendment to provide protection for online platform workers and legal security for companies. The amendment proposed that companies could introduce a charter setting out the rights and obligations of both the platform and its workers. The charter should guarantee 'the non-exclusive nature of the relationship between the worker and the platform', to ensure that workers receive 'decent remuneration'. They should also contain 'occupational risk prevention measures' and 'rules applicable in the event of a breakdown in contractual relationships'.

However, the Constitutional Court rejected the amendment for procedural reasons. The government then introduced a new provision in a draft law to allow electronic platforms to establish charters determining the conditions and modalities for exercising their social responsibility. These charters would define the rights and obligations of the companies and their workers, and help to protect platforms against the risk of having the contractual relationship reclassified as a standard employment relationship. Work within digital platforms – specifically the classification of the contract between couriers and digital platforms – was also the subject of a judgment handed down by the Court of Cassation on 28 November 2018. The court ruled that if a subordinate relationship could be established, judges could only redefine the contract for the provision of services as an employment contract.

In describing such a subordinate relationship, the court pointed out that the application used by the couriers went beyond mere interaction, because it 'involved a geolocation system which allowed the company to track the position of the courier in real time and record the total number of kilometres he or she covered'. Furthermore, the platform 'had the authority to sanction the courier'. For the court, if the conditions for the performance of the service reveal the characteristic elements of a subordinate relationship, the classification as an employment contract must be retained. This position was confirmed by the Court of Appeal of Paris on 10 January, in a case regarding an Uber driver (Le Monde, 2019).

Portugal: Labour Code provisions extended to platform work

A new regulation (Law 45/2018) was published in October 2018, which established a legal regime for the individual transportation of passengers in vehicles linked to electronic platforms (e.g. Uber). This was the first time that the employment relationships of such platforms were regulated in Portugal.

The main purpose of Law 45/2018 is to regulate electronic platforms in order to prevent unfair competition. Article 10 establishes the main provisions in relation to employment contracts and the working time of drivers, extending the provisions of the Labour Code that define the concept and conditions of dependent work to such drivers (Article 12). The new law also extends the provisions for the organisation of the working time of people carrying out mobile road transport activities to these drivers (provided for in Decree Law 237/2007) and rules on the organisation of working time (provided for in Decree Law 117/2012).

Seasonal workers

Following the introduction of the Seasonal Workers Directive (2014/36/EU), Bulgaria and Poland both implemented changes to simplify the employment of seasonal workers in 2018.

Bulgaria shortened the processing time for seasonal work permits and introduced permits for periods of less than 90 days.

Poland introduced seasonal work permits for nine months per year. It also granted citizens from certain third countries preferential treatment when applying for

these permits and when transitioning to regular employment based on a work permit or work and residence permit.

According to Article 46 of the directive, Member States may exclude or limit certain benefits from the scope of areas within which they have to guarantee seasonal workers from third countries equal treatment with nationals. This particularly concerns access to unemployment and family benefits. In 2018, Germany, Ireland and Lithuania introduced changes relating to the payment of social security contributions, which extended the rights for seasonal workers (Table 8).

Table 8: Major changes in regulations affecting the employment of seasonal workers

Simplified procedures	
Bulgaria	The Labour Migration and Labour Mobility Act was amended in 2018. The amendments include simplified permission procedures, the reduction of the processing term for a seasonal worker permit from 15 to 10 days, and the opportunity for foreigners to be hired for seasonal work of less than 90 days (uninterrupted) in one calendar year. The maximum admissible duration of seasonal employment remains set at nine months.
Poland	On 1 January 2018, the amendments to the Act on Promoting Employment and Labour Market Institutions (transposing provisions of the Seasonal Workers Directive) came into force. The new regulations introduced a new seasonal work permit for employment in the farming, agriculture and tourism sectors for nine months per year. The procedure for issuing the permit is simpler than for other work permits (it is in the hands of local labour offices). Furthermore, citizens of six countries (Armenia, Belarus, Georgia, Moldova, Russia and Ukraine) enjoy preferential treatment when applying for such a permit and are able to make the transition to regular employment based on a work permit or work and residence permit.
Changes to social security regulations	
Germany	The law on providing more qualification opportunities (Bundesgesetzblatt Jahrgang 2018 Teil I Nr. 48, 2651) changed the rules for companies that mostly employ seasonal workers. Previously companies could only employ such workers for two months without paying social security contributions for them. The new rules abolished these thresholds (BMAS, undated-b).
Ireland	Changes to the Social Welfare Consolidation Act of 2005 allowed workers with subsidiary seasonal and casual employment to earn €7,500 a year (€144 a week) without it impacting on their rights to Jobseeker's Benefit when work is scarce. The previous rate of €12.70 a day was set in 1991 and the new rate takes into account price inflation.
Lithuania	In accordance with Law No XIII-823, application of the double tariff for unemployment insurance contributions was cancelled from 1 January 2018 for people working under seasonal employment contracts (i.e. the tariff was reduced from 2.8% to 1.4%). The increased tariff for this type of contract was introduced on 1 July 2017.

Source: Network of Eurofound Correspondents

Ireland extended the subsidiary amount that seasonal and casual workers may earn during a year without it impacting on their right to Jobseeker's Benefit.²⁰

Lithuania halved the double tariffs that seasonal workers were previously required to pay for unemployment insurance.

Germany reduced the burden on companies predominantly offering seasonal work. Now, workers who engage in seasonal employment of less than 70 working days or 3 months, based on a five-day working week, do not have to pay social security contributions. This is an extension of the contribution-free period of one month.

Casual work and work on demand

Most of the new regulations in 2018 sought to limit the use of casual or on-demand work by declaring zero-hour contracts illegal (Ireland in most cases, and Norway), limiting the number of working hours that can be 'on request' (Germany), or restricting the types of situations within which alternating working hours can be applied (Finland).

In contrast, the 'dignity decree' in Italy extended the potential use of voucher-based work and a new type of temporary work in the agriculture sector was introduced in Slovenia.

Croatia increased the remuneration for those doing occasional student work and the Netherlands included people doing piecework under their minimum wage legislation, regardless of the wage they would be entitled to under their piecework contract (Table 9).

²⁰ In Ireland, workers can get Jobseeker's Benefit if they have no work for four consecutive days in a week. The amount they can receive depends on how many days work they have.

Table 9: Major changes in regulations concerning various forms of casual work or work on demand

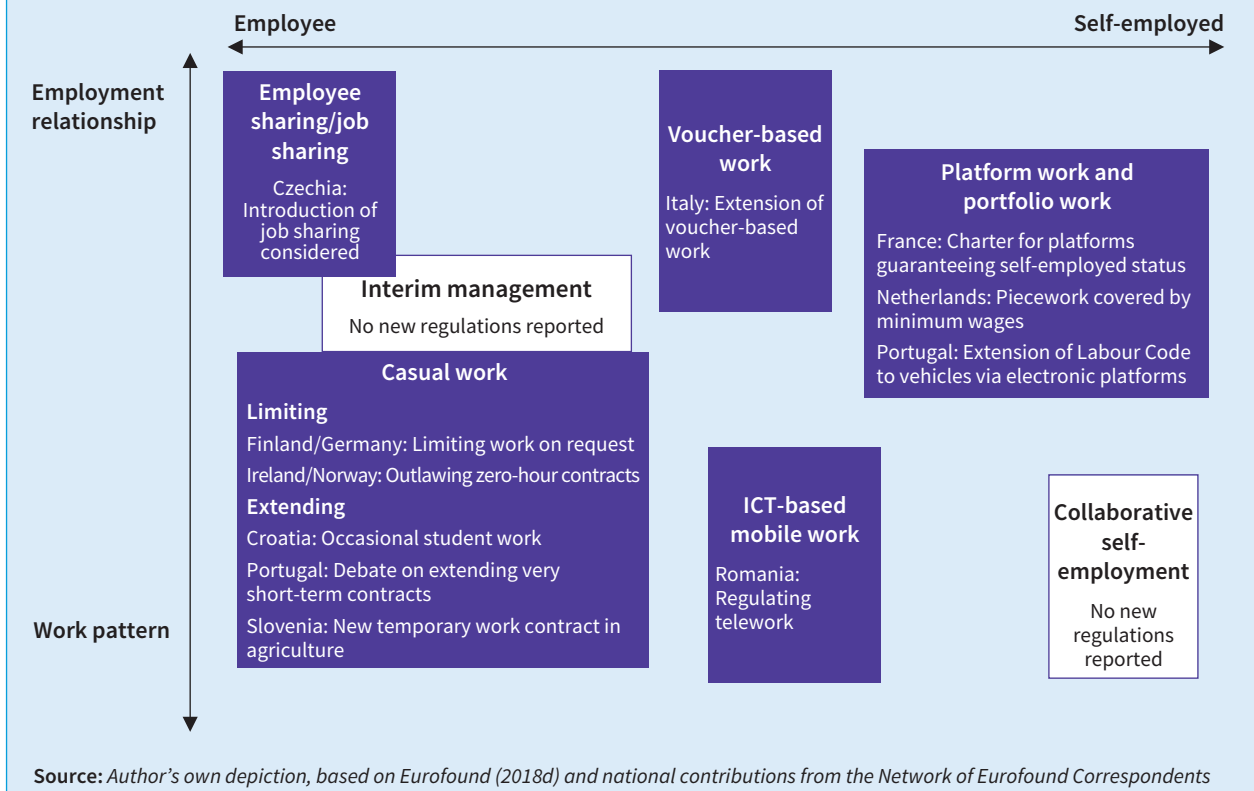
Declaring zero-hour contracts illegal	
Ireland	The Employment (Miscellaneous Provisions) Act 2018 outlaws, in most circumstances, the existence of zero-hour contracts. Exceptions are genuine casual work and emergency, on-call services.
Norway	On 11 June 2018, the Storting adopted amendments to the Working Environment Act on permanent employment and gave a definition of what permanent employment entails. The aim was to make zero-hour contracts illegal and to give the employee certainty in terms of work and income.
Limiting work on request	
Germany	New legislation came into effect on 1 January 2019 regarding 'work on request' (BMAS, undated-a). Employers are no longer allowed to ask employees for more than 25% of their weekly working hours to be 'on request'. If there is no agreement on the total weekly working time, the law takes 20 weekly working hours as a base for calculations (BMAS, undated-b).
Finland	New legislation was introduced in June 2018. The amendments included restrictions on the situations where a system with 'alternating working hours' (i.e. zero-hour contracts) can be applied. A minimum number of working hours offered must not be below the de facto need for work. In addition, the right of employees working under zero-hour contracts to paid sick leave is regulated in the new legislation (European Commission, 2017b; HS, 2018).
Extending casual work	
Italy	The 'dignity decree' extended the use of vouchers for casual work to hotels and hospitality enterprises employing up to eight workers, while the maximum duration increased from 3 days to 10 days (Decree Law 87/2018).
Slovenia	An amendment to the Agriculture Act (Official Gazette, No. 22, 2018) introduced a new type of temporary work in agriculture. It stipulates that a person may perform work under a civil law contract that is excluded from some of the provisions of the Employment Relationship Act. According to law, the work is not officially employment, but contains some elements of an employment relationship (prohibition of discrimination, harassment and child labour; regulation of rest periods, etc.). The work may be performed for a maximum of 120 hours within a calendar year and is subject to compulsory pension, disability and health insurance contributions. The income from such work is not taxable.
Increasing remuneration or take-home pay	
Croatia	The new Act on Occasional Student Work (OG 96/18) aimed to clarify the system and prevent the employment of full-time students instead of regular workers. Following the new regulation, occasional student work will eventually receive higher wages.
Lithuania	In accordance with Law No XIII-823, the application of the double tariff for unemployment insurance contributions for people working under a number of non-standard employment contracts was abolished in 2018. These included apprenticeships, project-based employment contracts, job-share employment contracts and multiple-employer employment contracts.
Netherlands	People doing piecework are now also entitled to the minimum wage, regardless of the salary they would receive under their piecework contract. People working as contractors (but not as freelancers) are also now entitled to the minimum wage (Article 2, Minimum Wage and Minimum Holiday Allowance Act).

Source: Network of Eurofound Correspondents

Box 10: Regulating new forms of employment in 2018

Figure 8 presents an overview of major new national regulations that were developed in relation to the nine forms of employment, as described in Eurofound (2018d). The largest number of new regulations concerned casual work, which is the form with the most negative impact in terms of labour market outcomes and working conditions (according to Eurofound, 2018d). In terms of platform work – which is often unregulated (see Eurofound, 2018b) – the reported cases from France and Portugal related to a clarification of the employment status of platform workers.

Figure 8: Major new national regulations linked to nine forms of employment



Fixed-term contracts, temporary agency work and posted workers

Some regulations aimed to limit the excessive use of fixed-term contracts. This matter was debated in Portugal and envisaged by the UK government within its Good Work Plan, to be limited via the right for employees to request a more stable, open-ended contract after 26 weeks of employment.

France piloted a 'single temporary employment contract' in several sectors, which allows one employee to replace several employees who are absent successively. At the same time, temporary work agencies are able to conclude an open-ended contract with employees for successive assignments.

Bulgaria and Lithuania both had some changes to the regulation of temporary work agencies, which are now obliged to prove the circumstances of their activities. Malta abolished an exception that allowed employers to

pay temporary agency workers less than their permanent staff. Similarly, the UK's Good Work Plan proposed to abolish the 'Swedish derogation'.²¹

Several changes to national legislation on the posting of workers were made in the last few years, predominantly in the context of the Enforcement Directive (2014/67/EU).²² There were also many national debates surrounding the revision of the Posted Workers Directive (COM/2018/0957). However, 2018 was much more uneventful, with only two cases reported in France and Lithuania.

France introduced stricter measures to combat fraud related to the posting of workers, including fines for breaching posting regulations and the possibility of suspending the posting when fees remain unpaid. Lithuania amended the way in which daily allowances are calculated and expenses are reimbursed for posted workers and business trips.

21 The Swedish derogation allows agency workers to be paid less than if they were hired directly, provided that they have a contract of employment with the agency and are paid between assignments.

22 More information about this can be found in Eurofound (2017, pp. 57–58) and Eurofound (2016a) on the transposition of the enforcement directive into national legislation.

Working time regulations

Working time can be regulated by law, by collective agreements or by both, and some countries have mixed systems for various sectors. Eurofound (2016b) provides the background information and Eurofound (2019e) gives a comprehensive update on the latest developments in terms of working time duration, organisation and changes to regulations made during 2017 and 2018. Table 10 contains an overview of the main changes to regulations and debates related to working time in 2018.

Major and wide-ranging changes to working time regulations were implemented after controversial debates in Austria and Hungary.

In Austria, changes to the Working Time Act and to the Act on Rest Breaks saw the extension of the maximum working hours per day from 10 to 12 and per week from 50 to 60. Social partners subsequently negotiated new framework agreements at industry level, which included allowances such as overtime pay for the eleventh

and twelfth working hours per day or additional, paid, in-work breaks for longer working days.

Hungary substantially extended the maximum amount of overtime that can be ordered by calendar year and, within the public sector administration, the government can require a maximum working day of 12 hours and a 48-hour week. On this basis, considerable overtime will be possible. In addition, special holidays for government officials will be abolished, lunchbreaks will be excluded from working time and government officials should be available upon request during lunch breaks.

In Finland, the government proposed changes to the Working Time Act, including provisions for more flexible working arrangements and the introduction of working hour 'banks'. The proposal was met with disagreement from employer organisations (such as EK), but deemed acceptable by trade unions. However, the trade unions (including Akava and SAK) did criticise the fact that social partners were not involved in the final drafting stages.

Table 10: Overview of major proposed and implemented changes to working time regulations in 2018

Topic	Countries and main changes	Legal basis
Annual leave	Czechia: Proposal developed for a major amendment to the Labour Code, including the calculation of annual leave entitlements	Proposed amendment to Act No. 262/2006 Coll. (the Labour Code)
	Finland: Proposal developed to amend the Annual Holidays Act concerning the right to a minimum leave period of four weeks, regardless of absence periods	Proposed revisions to the Annual Holidays Act (162/2005) passed in Q1 2018
	Malta: Eight hours of annual leave added, on the basis of a 40-hour week	Legal Notice 367/2017, effective 1 January 2018
Public holiday	Greece: 26 December established as a new public holiday	Law 4554/2018, Article 42
	Luxembourg: 9 May (Europe Day) established as a new public holiday	Modifications to the Law of 25 April 2019: Articles L. 232-2 and L. 233-3 of the Labour Code. Article 28-1 of the modified Law of 16 April 1979 establishing the general status of state officials. Memorial A No. 271: Law of 25 April 2019.
	Romania: Last Friday before Easter declared a public holiday (free days for people belonging to legal religious denominations other than Christianity are granted by the employer on other days than the statutory holiday days established by law or annual leave)	Law 64/2018
Banking of working hours	Belgium: Proposal developed within the Workable Work Law to allow 'career saving' (i.e. accumulating unused leave over a longer time) – negotiations with social partners failed	N/A
	Finland: Proposal developed to introduce a working hours bank	Proposed change to Working Hours Act (605/1996)
Extension of maximum hours or reference periods for accumulation, affecting overtime	Austria: Maximum working hours extended from 10 to 12 hours a day and from 50 to 60 hours a week	Changes to Working Time Act (BGBl. I Nr. 53/2018)
	Hungary: For public sector: Maximum working day extended to 12 hours and working week to a maximum of 48 hours	Act CXXV of 2018 on Government Administration
	Hungary: Maximum working time banking increased from 12 to 36 months, and maximum overtime per calendar year increased from 250 to 400 hours	Labour Code (Act I of 2012) amended by Act CXVI of 2018
Recording and calculation of working time*	Spain: Proposal presented by the government to reform the Workers' Statute, including the compulsory registration of all hours (including overtime work)	Law 8/2019

Note: *Smaller amendments in this area were also implemented in Bulgaria and Lithuania.

Source: National reports, based on national regulations

Health and well-being at work

Physical work environment

Several countries reported changes in regulations during 2018 concerning various aspects of the physical work environment.

Limiting exposure to physical risk factors

In Czechia, the government changed the conditions of health protection at work, specifically the limits of exposure to chemicals in the workplace. In this way, Czech health and safety legislation was harmonised with the Commission Directive on a fourth list of indicative occupational exposure limit values (2017/164/EU).

In Greece, a new law (4554/2018) expanded the existing legislation on the health and safety of workers by enabling the Minister of Labour to issue decisions following an opinion from the Council of Worker Health and Safety. In this context, specific legislative provisions can be made, while issues such as preventing and tackling the heat stress of workers during the summer can also be identified. The new law includes detailed methods for calculating heat stress, taking into account temperature, humidity, type of work and the categories of workers exposed to heat stress.

Law 4512/2018 clarified an old legislative provision regarding the employer's obligation to compensate an employee who has suffered an accident at work if the employer has not complied with the current legislation on health and safety at work. In addition, a circular issued by the Ministry of Labour laid down the measures and obligations for the employer in relation to the protection of employees delivering goods by motorcycle.

New legislation on the protection of workers from the impact of radiation was adopted in Slovakia. Act No. 87/2018 regulates work activities performed in a working environment with radiation and occupational safety and health requirements, and defines the related responsibilities of employers.

In Cyprus, new legal instruments for protection against ionised and nuclear radiation were adopted in line with Council Directive 2013/59/Euratom. The Minister of Labour, Welfare and Social Insurance also issued two orders related to health and safety at work: providing obligatory regular medical examinations for asbestos (R.A.A. 184/2018) and for dock work (R.A.A. 185/2018).

Monitoring and prevention

Other revisions to existing regulations on health and safety provided more autonomy for employers. In Estonia, there were two amendments to the Occupational Health and Safety Act (RT I 1999, 60, 616). These amendments stipulated that employers will not have to notify the Labour Inspectorate in the case of

minor work accidents, and that they can also agree with the employee on a penal fine when health and safety requirements have been violated.

In Italy, an intersectoral agreement was signed on 12 December between social partners, which advocates for a stronger partnership with the National Institute for Insurance Against Accidents at Work (INAIL). It covers the redesign of the insurance system against accidents at work and occupational disease, the improvement of the regulatory system, and the greater involvement of social partners in prevention and monitoring. An important part of the agreement regulates the system of representation and joint bodies in the field of health and safety at work, in accordance with Law No. 81 of 9 April 2008. The agreement also covers 'smart' working arrangements, which involve locations that are outside the influence and legal responsibility of the employer. In these cases, the employer will be responsible only for information and training, whereas the parties to the agreement demand the introduction of a formal legal insurance coverage.

Legislation clarified some points related to health and safety. In Croatia, Article 4 of the revised Occupational Health and Safety Act (OG 94/18) now acknowledges the description 'disease related to work' in relation to some sectors where risks are considered inevitable (such as firefighters). It also states that workers operating on their own (e.g. craftsmen, the self-employed) are not obliged to respect work-based health and safety regulations. However, they should do so when working with others. In this regard, Article 7 addresses the issue of health and safety protection at work for multiple employers operating at the same location.

In Ireland, the new Safety, Health and Welfare at Work (Mines) Regulations 2018 (SI 133/2018) clearly defined the duties of mine owners, operators and others. This allows for new operators to develop rules, schemes and procedures that are specific to their own mining operations, while including higher requirements on the reporting of dangerous occurrences.

In Norway, a tripartite agreement (the Inclusive Workplace Agreement) to reduce sickness absence and early exits from working life was signed. The agreement included a provision to retain employees on long-term absences and had a greater focus on optimising the working environment.

In Slovenia, a new resolution was adopted on the national programme of occupational safety and health 2018–2027. The plan is to involve all stakeholders in the health and safety system in order to explore ways to reduce accidents in the workplace. The Slovenian Labour Inspectorate indicated an 8% decrease in occupational health and safety violations in 2017 in comparison to 2016, but the level of work-based accidents remained high (Labour Inspectorate of the Republic of Slovenia, 2018). The new strategy aims to

encourage a culture of prevention that includes new forms of employment, such as home- or distance-based work.

Finally, in the UK, the government issued draft regulations to ensure that health and safety protections derived from the EU will continue in domestic law after the UK leaves the EU (the Health and Safety (Amendment) (EU Exit) Regulations 2018). In the case of some protections, technical amendments to existing legislation will be required. One of the most significant amendments is to the Control of Major Accident Hazards Regulations 2015. Regulations 17 and 20(1) require specific information to be made available to other Member States where they could be impacted by a major accident. Although this will no longer apply from the day the UK leaves the EU, the UK will still be under an international obligation to share certain information about the potential transboundary effects of major accidents due to being party to the UNECE Convention on the Transboundary Effects of Industrial Accidents.

Another key amendment relates to Regulation 26(3), which places a duty on the competent authority to provide the Commission with specific information about major accidents, which meet the criteria in schedule 5,

within a specific timeframe. The government proposes that this requirement should be removed.

Psychosocial working environment

Fewer countries reported that agreements were reached in relation to other dimensions of the working environment, such as the psychosocial dimension.

In Belgium, an agreement was reached between Flemish social partners (except the General Federation of Belgian Labour (ABVV/FGTB)) and the government to establish an action plan to develop knowledge on the concept of 'workable work'. 'Workable work' is defined as work that is motivating, offers learning opportunities, does not induce excessive stress and enables a work-life balance. Three axes are considered: knowledge building, communication, and encouraging companies to monitor the condition of their workforce.

In Czechia, employees paid from the state budget are entitled to a supplementary monthly allowance if their working conditions are associated with extraordinary neuropsychological burdens, risks to health and life, or difficult working regimes. Government Decree No. 263/2018 Coll. increased the special supplementary charge granted in five groups according to the degree of burdens imposed by the working conditions.

Box 11: New data on the physical and psychosocial aspects of work

Data reports show a decline in the number of work-related accidents in Germany (BMAS, 2017). In 2017, 954,627 accidents at work were reported – the second lowest number since reporting began. The number of fatal accidents amounted to 564, a reduction of 11.7% compared to 2014. In 79,774 cases, an occupational disease was suspected in 2017. In the same year, 21,772 suspected cases were verified and in 5,064 cases, employees retired due to an occupational disease.

In contrast, the Swedish government – concerned with the high occurrence of work-related fatal accidents in 2018 – invited social partners in March 2019 to discuss ways to reverse the trend (Arbetet, 2019).

In the Netherlands, statistics revealed that the condition of the physical working environment is worsening (CBS, undated): there has been an overall increase in reports of uncomfortable working postures, dangerous work and the use of heavy manual labour. The psychosocial working environment is also worsening, with work intensity, emotional demands at work and unwanted sexual attention from customers increasing. The Dutch government voted to increase its budget in order to carry out more inspections of suspected illegal employment, decrease the risk of exposure to hazardous substances, decrease illegal extreme working hours and ensure that work pressure does not result in dangerous situations.

In Ireland, data from the Economic and Social Research Institute on workplace stress (based on data from the European Working Conditions Survey) showed that stress in the workplace doubled between 2010 and 2015, while remaining below the European average. Sectors that were particularly affected included health, public administration and manufacturing, while retail and construction showed the lowest levels of stress. Stress was most likely to be triggered by emotional demands (e.g. having to conceal feelings) and dealing with angry customers or clients.

According to the French Medical Monitoring Survey of Professional Risks (Sumer) conducted by DARES (2018), 22.2% of employees were exposed to biological agents in 2010, representing nearly 4.8 million people.

In addition, the amendment transferred a number of occupations in the health and social care sector from group II (defined as working with a lower neuropsychological burden) to group IV (defined as working with the highest degree of neuropsychological burden and a high risk to health and life). This was included at the request of the Trade Union of Health and Social Care of the Czech Republic (OSZSP ČR) and the reclassification may lead to significant increases of the monthly allowance (although the determination of the exact level is at the discretion of the employer).²³

In Slovenia, the Resolution on the National Mental Health Programme 2018–2028 was adopted by the National Assembly in 2018. The national strategic document consists of several measures to promote health, such as developing and introducing educational programmes on mental health in the workplace, preparing guidelines for the promotion and strengthening of psychosocial factors, and enabling employers to participate in the development and introduction of programmes promoting health in the workplace.

Significant developments relating to the recognition of occupational diseases were also reported in several Member States. In Estonia, psychological hazards were replaced with psychosocial hazards, in order to emphasise the impact of the social aspects of the work environment and work organisation on the development of stress or burnout (Box 12).

In the UK, a number of employers called on the government to place mental health on the same level as physical first aid in employment and health and safety legislation. The changes would mean that under health and safety law, employers would have to provide appropriate training to help employees deal with mental health issues.

Adversely, the French National Assembly rejected a bill for the recognition of psychological pathologies related to burnout as occupational diseases. Discussions in Denmark within the framework of the government's expert committee continued on the psychosocial environment. The committee observed that more needs to be done in order to reduce musculoskeletal disorders and workplace accidents and recommended that the rules on psychosocial occupational health and safety should be clearer and more transparent.

Box 12: A new definition of psychosocial hazards in Estonia

Psychosocial hazards are defined as:

- work involving the risk of an accident or violence
- unequal treatment
- bullying and harassment at work
- work not corresponding to the abilities of an employee
- working alone for an extended period of time
- monotonous work
- other factors related to management, the organisation of work and the working environment that may affect the mental or physical health of an employee

Psychological hazards were defined as monotonous work or work not corresponding to the abilities of an employee, poor work organisation, working alone for an extended period of time, and other similar factors that may gradually cause changes in the mental state of an employee.

²³ Moving the relevant occupations from the second to the fourth group resulted in the special supplementary charges increasing from CZK 750–2,500 (€29–98 as at 10 July 2019) to CZK 1,880–7,500 (€74–294) per month.

9 Summary

Economic slowdown and rising labour shortages

Economic growth, while still relatively high in many Member States, slowed over the course of 2018. Labour market developments were favourable, with high levels of employment and low unemployment. Labour shortages continued to increase, with some countries (Austria, Belgium, Czechia and Germany) and sectors (construction, hospitality, information and communication) being more affected than others in terms of the recorded job vacancy rates.

Divergent views on EU working life regulations

Member States have many different perspectives on how EU legislation on working conditions should develop and 2018 was marked by continued efforts at EU level to finalise legislative dossiers on working life ahead of the 2019 elections. Progress was made in relation to several initiatives in the context of the European Pillar of Social Rights, in particular the Work-Life Balance Package and the Transparent and Predictable Working Conditions Directive and agreements on both were reached in early 2019. The views of social partners in relation to these directives diverged, with trade unions being in favour (though regretting amendments made during the course of the negotiations) and employer organisations being against the regulations and their content.

It is also worth noting that there was resistance from different Member States to the expansion of the EU reference level in labour matters. For example, it was not possible to agree on an EU-level definition for 'worker'. Also, several EU initiatives in the context of the freedom of the European Single Market highlighted existing differences of opinion, not only between social partners, but particularly between the 'old' and 'new' Member States. Discussion in the European Parliament on the Mobility Package and social security coordination rules showed that when it came to working life issues, the approach of parliamentarians was more the result of their country of origin than their political affiliations.

Changes to regulations related to working life at national level are clearly influenced by EU-level initiatives (and in some countries more than in others). Many of the reported changes to national working life regulations were transposing regulations from previous years (e.g. in the case of seasonal workers or in the area of health and safety). In other cases, legislative changes

seemed to pre-empt them (e.g. the area of transparent and predictable working conditions or in changes to family leave).

Impact of new governments on social dialogue

The number of Member States governed by coalitions including right-wing or populist parties in 2017 increased and many of these governments started to implement their programmes in 2018, triggering partially strong reactions from social partners. In general, trade unions tended to oppose right-wing government policies more strongly than employer organisations (as in Austria, Belgium, Croatia and Hungary). Employer organisations were more likely to state that they would have appreciated more ambitious changes to, or reforms of, legislation related to working life (irrespective of the political orientation of their governments).

Both sides of industry reported that social dialogue was under some strain in several Member States, particularly Italy and Poland. Social dialogue was also functioning less well in countries where governments had weaker decision-making powers due to smaller majorities, larger or unstable coalitions (as in Belgium and the Netherlands) or the predominance of a certain theme (e.g. Brexit in the UK).

Stable industrial relations landscape

In 2018, the longstanding trend of a stable landscape for employer organisations and a more rapidly changing landscape for trade unions continued, with major mergers on the union side in Denmark and Ireland (and debated in Slovenia). One of the main reasons for this is the decline in trade union membership and density alongside an ageing membership base. Mergers, next to strategies to recruit new members and organise in new business segments, were two of the responses noted in the 2018 reports.

The institutional landscape for peak-level social dialogue also remained stable across the EU, with some notable positive changes such as the re-establishment of tripartite meetings, wider responsibilities or rights for social dialogue bodies, or the creation of new tripartite exchange methods (Estonia, Greece, Hungary and Poland). Changes with a potentially more negative impact were seen in Austria, where the reform of the social security institution was to the detriment of trade unions, and Croatia, where the government abolished two institutions dealing with health and safety at work without prior social dialogue.

There were few changes to collective bargaining regulations or practice in 2018, apart from the return of collective bargaining in Greece (extension mechanisms and the favourability principle were reintroduced, and 10 existing national sectoral collective agreements were extended to all employers). Innovation in collective bargaining agreements remained limited across the board and was more commonly reported in countries with predominantly sector-level bargaining. In countries where bargaining was predominantly at company level, various attempts to promote the conclusion of sectoral agreements were noted and considered innovative.

Contribution of social dialogue to national policymaking

One of the main aims of this report was to explore how social dialogue contributes to national-level policymaking. More than 200 cases of peak-level policy debates and working life regulations were identified in 10 thematic areas. Employment-related themes, in particular those addressing labour shortages, were predominant in 2018.

The report shows that the most common form of interaction at peak level (about one fifth of the cases) was where social partners contributed to new policies and regulations via consultations (within tripartite fora, within tripartite governed institutions or on an ad hoc basis). Typically, consultations took place after tripartite exchanges – and where this form of dialogue occurred, there was a high probability that it contributed to new legislation.

Less than a tenth of the cases involved bipartite social dialogue (in the form of debates or negotiations), while the number of tripartite negotiations leading to tripartite agreements also remained low.

Social dialogue under pressure and collective actions

Unilateral decisions by governments were taken in one fifth of the reported cases. The majority of them, however, were reported for those cases where no or very limited social dialogue took place (e.g. lobbying). Where some form of social dialogue interaction beyond lobbying was present, only every tenth case was said to have resulted in a unilateral government decision.

More wide-ranging cases where social dialogue was found to be working poorly or was not used in the context of major reforms were reported in Austria, Croatia, Greece, Hungary, Italy, Malta and Spain.

Major cross-sectoral collective actions against governmental policies were recorded in Austria (concerning the changes to the Working Time Act), Finland (against the loosening of employment protection) and Romania (against the new wage law).

Overall, the level of industrial action was somewhat rising in 2018 in several Member States. While this might be partly due to the favourable economic climate and labour market with increased bargaining power and additional pressure felt by individual workers due to labour shortage, an alternative interpretation for those countries which saw a continued decline of industrial action is presented in this report. That interpretation suggests that the decline in some countries could be related to tighter restrictions around the right to strike, making lawful actions more difficult (Romania and the UK); the decline of trade unions and a weakening of their ability to organise, which can culminate in protests organised by individual workers (Romania) or citizens (France – the yellow vest movement), or school teachers (the Netherlands).

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Annexes

Annex 1: EU-level developments

Social Fairness Package

On 13 March 2018, the European Commission presented the Social Fairness Package. This package consists of:

- a Communication on monitoring the implementation of the European Pillar of Social Rights
- a Regulation establishing a European Labour Authority
- a Council Recommendation on access to social protection for workers and the self-employed (COM/2018/132 final)
- the Commission's vision for a European Social Security Number

Transparent and Predictable Working Conditions Directive

A draft proposal for a new directive on transparent and predictable working conditions (COM/2017/0797 final) was debated throughout 2018 by the Commission, European Parliament and Council. The new directive will extend the rights of workers to people undertaking non-standard forms of employment that are not full-time and open-ended. The directive will also lighten the administrative burden on employers by giving them the opportunity to provide requested information electronically.

The specific workers' rights that are covered are as follows.

- Workers under on-demand contracts or undertaking similar forms of employment should benefit from a minimum level of predictability in terms of working hours and days of work.
- The employer should not prohibit, hinder or penalise workers from/for taking jobs with other companies if this falls outside the work schedule established with that employer.
- Probationary periods should be no longer than six months or proportionate to the expected duration of the contract in the case of fixed-term employment.
- Mandatory training foreseen in European and national legislation should be provided free of charge by the employer and count as working time.

According to European Commissioner for Employment, Social Affairs, Skills and Labour Mobility Marianne Thyssen, up to three million workers active in new forms of work (e.g. workers on zero-hour contracts and domestic workers) will be covered by the directive.

In February 2019, a provisional agreement on the directive was reached.

Work-life Balance Directive

A draft proposal for a new directive on work-life balance (COM/2017/0253 final) was also under discussion in 2018. A provisional agreement was reached on 24 January 2019. The new directive includes the following provisions.

Paternity leave: Fathers or second parents will be able to take at least 10 working days of paternity leave around the time of the birth of a child, which is paid at a level equal to that currently set at EU level for maternity leave. The right to paternity leave will not be subject to a prior service requirement, although the payment of this leave can be subject to a six-month prior service requirement. Member States with more generous parental leave systems will be able to keep their current national arrangements.

Parental leave: Parents will have the individual right to four months of parental leave, from which two months are non-transferable between the parents and are paid. The level of payment is to be set by Member States.

Carers' leave: In a new concept at EU level, workers caring for relatives with serious medical conditions will be able to take five working days per year as leave.

Flexible working arrangements: All working parents with children up to at least eight years old will have the right to request flexible working arrangements, including flexible or reduced working hours and flexibility on the place of work.

Posted Workers Directive revision

The Posted Workers Directive (COM/2018/0957) was amended in June 2018. The most important changes are as follows.

- A posted worker can only work under the conditions of the directive for a maximum of 12 months (after this, all provisions of the labour law of the host country must be applied to the posted worker).

- An extension of six months is possible where the company notifies the competent authority in the host country.
- Posted workers in all sectors are now covered by collective agreements (previously only workers in the construction sector were covered).
- Member States must set up a single national website that sets out the mandatory elements that constitute remuneration in that country.
- The overall remuneration that a posted worker receives must meet the level of remuneration laid down in the host country (reimbursement of expenses cannot be counted towards this amount).

Council Recommendation on access to social protection

On 13 March 2018, the Commission presented a proposal for a Council Recommendation on access to social protection for workers and the self-employed (COM/2018/0132 final).

As the world of work evolves due to new lifestyles, business practices and digitisation, social protection systems constantly need to match new realities. Today, almost 40% of the working population are either working in an atypical employment situation (i.e. they are not working under a full-time, open-ended contract) or are self-employed. Such people are not always effectively covered in terms of social security, and lack unemployment insurance or access to pension rights.

In line with the European Pillar of Social Rights, the Commission's proposal aims to set a direction for Member States to follow in order to help all workers and the self-employed access social protection (in particular, those who are not sufficiently covered by social security schemes due to their employment status).

The recommendation proposes to:

- close formal coverage gaps by ensuring that workers and the self-employed in comparable conditions can adhere to corresponding social security systems
- offer workers and the self-employed adequate effective coverage, so that they can build up and claim adequate entitlements
- facilitate the transfer of social security entitlements from one job to the next
- provide workers and the self-employed with transparent information about their social security entitlements and obligations

Joint working programme by EU social partners

Negotiations between EU social partners (ETUC, BusinessEurope, the European Centre for Employers and Enterprises providing Public Services and Services of general interest (CEEP) and SMEUnited) over a joint working programme began in May 2018. The six priorities of the programme are:

- digitalisation
- improving the performance of labour markets and social systems
- skills
- addressing psychosocial aspects and risks at work
- capacity-building for stronger social dialogue
- the circular economy

The most controversial point during the negotiations was whether, in accordance with the demands of the trade union side, a declaration to negotiate a European framework agreement related to the impact of digitalisation on the working environment would be included in the text.

On 6 February 2019, the European cross-industry social partners (ETUC, BusinessEurope, CEEP, SMEUnited) signed the work programme for 2019-2021.

Tripartite opinion on the future of vocational education and training

On 6 December 2018, the tripartite Advisory Committee on Vocational Training (ACVT) unanimously adopted an opinion on the future of vocational education and training (VET) post-2020. The ACVT opinion sets a shared vision for governments, trade unions and employer organisations from Member States and partner countries on how to make VET systems fit to address future societal and economic challenges (ACVT, 2018).

The opinion:

- stresses the dual objectives of VET to foster social inclusion and excellence
- stresses the role of VET in supporting the acquisition of job-specific and transversal skills
- calls for investment and funding between initial and continuing VET to be better balanced

Annex 2: Changes in national regulations relating to employment status

Standard employment

Table A1: Major changes in regulations affecting standard employment

Country	Change in regulation
Clarifying or harmonising the 'standard' employment status	
Austria	The harmonisation of employment regulations between blue-collar and white-collar workers, agreed upon in 2017, partially came into force on 1 July 2018. Entitlements to continued remuneration in the case of sick leave have now been harmonised, whereas harmonisation in other areas of employment regulation will follow step-by-step until 2021.
Norway	On 11 June 2018, the Storting adopted amendments to the Working Environment Act on permanent employment and gave a definition of what permanent employment entails, including a clarification of the duty to provide information on working hours in the employment contract. The amendment also strengthened preferential rights for part-time employees.

Fixed-term and temporary agency work contracts

Table A2: Major changes in regulations affecting the employment of fixed-term, temporary agency and posted workers

Country	Change in regulation
Limiting the use of fixed-term contracts and protecting the interests of workers	
France	Law No. 2018-771 of 5 September 2018 introduced flexibility into the management of successive fixed-term contracts, in order to fight precarious work and the use of short-term contracts. On an experimental basis from 1 January 2019 to 31 December 2020, a single fixed-term contract or a single temporary employment contract will be allowed to replace several employees who are absent successively, or over two half-time periods. However, this experiment will only be available in sectors defined by a decree that is yet to be published.
Poland	Following a major amendment to the Labour Code of 2016 (which limited the total duration of fixed-term contracts concluded with the same employer to 33 months), the last fixed-term contracts concluded on 22 November 2018 when the new provision became binding.
Regulating temporary agency work	
Bulgaria	The recently adopted Article 74g paragraph 3 of the Employment Promotion Act obliges temporary work agencies to prove the circumstances of their activities. These agencies must declare that: <ul style="list-style-type: none"> ◦ they do not incur any pecuniary obligations to the State or to a municipality ◦ they are not adjudicated bankrupt, nor are subject to pending bankruptcy proceedings ◦ liquidation proceedings are not pending there against and, applicable to non-resident legal persons, a similar procedure according to the legislation of the relevant State is not in progress there against ◦ they are represented by people who have not been convicted of an intentional publicly indictable offence, unless those people have been rehabilitated
France	Law No. 2018-771 of 5 September 2018 introduced amendments to the Labour Code related to permanent temporary contracts, which allow a temporary work agency to conclude an open-ended contract with the employee for the performance of successive assignments (Article 116). Created on 6 March 2014 by a branch-level agreement concluded by the social partners in the temporary agency sector, this permanent temporary contract was set by law for an experimental period, which ended in December 2018. The new law included this instrument within the Labour Code.
Lithuania	The government passed Resolution No. 151 on 12 February 2018, approving the list of criteria to be met by temporary work agencies and the procedure for determining the compliance of such agencies with the criteria. The criteria are related to the status of an agency, detected violations of law (if any), and payment of obligations to the State and employees. Employers included in the list are required to produce an annual, free-format letter for the State Labour Inspectorate, which confirms that they meet the criteria and intend to continue their activities as a temporary work agency. The procedure became effective in Lithuania on 1 July 2018. In addition, in compliance with Law No XIII-823, the application of the increased (double) tariff for unemployment insurance contributions was abolished with effect from 1 January 2018 for people working under temporary agency employment contracts (i.e. the tariff was reduced from 2.8% to 1.4%). The increased tariff for this type of contract was introduced in Lithuania on 1 July 2017.

Country	Change in regulation
Removing pay inequalities between temporary agency workers and permanent staff	
Malta	Amendments were made to the Temporary Workers Regulations (S.L.452.106) in 2018. These amendments stipulate that wages due to a temporary agency worker must be at least equal to those that would apply if they had been directly recruited by their place of work. Under the previous regulations, these individuals could be paid less as long as the temporary work agency paid them between assignments.
UK	The Good Work Plan sets out the government's intention to provide all workers with the right to request a more stable contract after 26 weeks on a non-fixed pattern. It also states the government's intention to scrap the 'Swedish derogation', and sets out proposals for an increase in state enforcement protections for agency workers when they have pay withheld or unclear deductions made by an umbrella company.
Combating the fraudulent posting of workers	
France	<p>On 27 February 2018, the government proposed a bill on the reform of apprenticeships, vocational training and unemployment insurance. The bill also provides for the introduction of tougher sanctions to combat fraud related to the posting of workers and illegal working, and reinforces the prerogatives of the Labour Inspectorate.</p> <p>The bill was adopted in September (Law No. 2018-771) and eases the administrative formalities for short-term assignments and employers who regularly post employees. The law also abolishes the €40 contribution payable for each posting declared. The level of the fines payable for breaches of the posting regulations has been doubled, from €2,000 to €4,000 per posted employee, and the work undertaken within the framework of the posting may be suspended if fines remain unpaid. The law also includes a provision intended to combat letterbox companies.²⁴</p>

²⁴ Letterbox companies are defined as businesses that have an established mailing address in one Member State, but conduct their activities in another Member State (usually in order to evade taxes, etc.)

Annex 3: Network of Eurofound Correspondents

Table A3: List of contributors to the present report

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This report – the latest in an annual series – describes the main developments in industrial relations and the regulations affecting working conditions at EU level and in the EU Member States and Norway during 2018. Based on data from the Network of Eurofound Correspondents, it presents information related to national social dialogue actors and working life institutions. It summarises key themes and interactions of national peak-level social dialogue, including how social dialogue contributed to national policymaking, and also covers those cases where social dialogue was under pressure, highlighting collective disputes of national significance. In addition, it summarises the main changes affecting collective bargaining, the regulation of working time, employment status, and health and well-being at work.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

