Annual review of working conditions in the EU 2006–2007
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Quality of work and employment is an ongoing priority for policy in the European Union. This fourth annual review of working conditions in the EU from the European Working Conditions Observatory examines a range of issues and challenges related to working life and the workplace. It looks in particular at four key dimensions in quality of work and employment: career development and employment security, health and well-being, skills and competencies development, and work–life balance. Outlining relevant legislative and policy developments across the Union, it looks at a range of issues including gender equality, corporate social responsibility, and the implications of demographic change.

The European Foundation for the Improvement of Living and Working Conditions is a tripartite EU body, whose role is to provide key actors in social policymaking with findings, knowledge and advice drawn from comparative research. The Foundation was established in 1975 by Council Regulation EEC No. 1365/75 of 26 May 1975.
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This fourth annual review from the European Working Conditions Observatory puts the spotlight on four key dimensions of working conditions and quality of work and employment: career and employment, health and well-being at work, skills development and work–life balance. The report outlines relevant legislative and policy developments, and examine trends in the workplace.

While no legislative progress was made on the Working Time Directive during this period, a ruling from the European Court of Justice called for a more precise definition of rest and leave periods. Significant developments were made in the area of health and well-being, with the REACH chemicals Directive and the agreements of the social partners on crystalline silica and on combating violence and harassment in the workplace. However, there was no legislative progress in addressing the problem of musculoskeletal disorders. Meanwhile, the services Directive established a balance between competition and social protection issues. The European Commission published its Roadmap for equality between women and men 2006–2010, which has ambitious goals far beyond the workplace domain; further EU policy documents in this area were published and a first-phase consultation on work–life balance was launched. The European Commission communications on corporate social responsibility and decent work open a wide debate on sustainable development inside and outside the EU, while the Green Paper on modernising labour identifies ‘flexicurity’ as the cornerstone of the revised European social model.

We trust that this comprehensive report will provide an informative overview for key actors in the area of working conditions and quality of work and employment.

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Working Time Directive

By the end of 2006, the revision of the Working Time Directive (2003/88/EC) remained unresolved, with the 'opt-out' clause remaining the most divisive issue. This clause allows some Member States to opt out of setting a maximum 48-hour week where individual workers agree to work longer hours. (See the 2005–2006 review (EU0603AR01) for previous developments.)

Earlier in the year, on 6 April 2006, the European Court of Justice (ECJ) delivered an interpretation of Council Directive 93/104/EC concerning certain aspects of the organisation of working time; the ECJ ruling underlines workers' essential right to annual leave and the obligation on the Member States to ensure that workers' right to benefit from rest breaks is observed (EU0611059I). In one particular case – the Federatie Nederlandse Vakbeweging versus Staat der Nederlanden (Case C-124/05) – the ECJ ruled that entitlement to paid annual leave is an important principle of EU social law and that it cannot be replaced simply by payment, other than at the termination of an employment relationship.

On 7 September 2006, the ECJ reached a conclusion on the case of the Commission versus United Kingdom (Case C-484/04). The European Commission had initiated proceedings on the grounds that the UK government's guidelines endorsed and encouraged a practice of non-compliance with the Directive as they advise that 'employers must make sure that workers can take their rest, but are not required to ensure that they do take their rest' (UK0610029I).

The ECJ ruled that Member States are obliged to guarantee that a worker's right to benefit from effective rest is observed; it also ruled that, in cases where a Member State indicates that an employer is not required to ensure that workers actually exercise such rights, this does not guarantee compliance with either the Directive's minimum requirements or with its essential objective. Subsequent to the court's judgement, the UK Department of Trade and Industry (DTI) reissued its guidelines on rest requirements in November 2006, which no longer include the reference to employers not being 'required to ensure that they [workers] do take their rest'.

With ongoing debate therefore in the overall area of working time, on 7 November 2006 at the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO), the Finnish presidency proposed a compromise on revising the Working Time Directive, but this failed to achieve the required majority of votes (EU0612019I). The key points of the proposal (135Kb PDF) were the following:

- the 48-hour working time limit, from which workers can opt out if their country's government has decided to do so, would remain;
- if social partners agreed, the average working time could be calculated over a 12-month period;
- the 48-hour limit would be complemented by a 60-hour limit on weekly working time, calculated as an average over a six-month period and binding for all Member States, without any opt-out clause;
- no limit would apply for company executives, emergency service workers and farmers;

The text of this report contains numerous references (e.g. EU0603AR01) to records on the EWCO website, which provide more detailed information on the issues in question. They can be accessed at http://www.eurofound.europa.eu/ewco by simply entering the reference into the Search field.
‘on-call’ time would not be treated as working time;

the Directive would have to be reviewed after another three-year period, with more measures intended to reduce working time if the revised Directive proved ineffective in doing so.

The Industrial and Employers’ Confederation of Europe (Union des Industries des pays de la Communauté européenne, UNICE – renamed BusinessEurope, The Confederation of European Business as of 23 January 2007) called for a more flexible workforce, including the possibility of longer working hours, which are particularly important for smaller companies. The European Trade Union Confederation (ETUC), on the other hand, regretted the Council’s lack of progress, viewing it as a further signal of a stalled commitment to a social Europe.

The German government’s work programme (300Kb PDF) during the six months of its EU presidency up to 30 June 2007 makes no reference to the Working Time Directive, so it may be presumed that no further revisions will be proposed until the second half of 2007 at the earliest.

**Directives on health and safety at work**

**Musculoskeletal disorders at work**

Musculoskeletal disorders (MSDs) are among the most widespread illnesses reported by European workers. According to the fourth *European Working Conditions Survey* carried out in 2005, about 20% of EU15 workers complain of backache and muscular pains, while in the new Member States (NMS) these proportions reach as much as 38% and 35% of respondents, respectively.


In its June 2006 position paper *Priorities for the future Community strategy on health and safety at work*, BusinessEurope (formerly UNICE) refers to MSDs as an example of the need to consider ‘routes other than the “classical route” of legislation to address occupational health and safety challenges, particularly in the light of multi-factoral and complex risks, whose occurrence is far from limited to the workplace’.

On the other hand, the ETUC document *New scope for the Community health and safety at work strategy 2007–2012* identifies MSDs as the main cause of illness related to a pressurised work organisation and their extent ‘shows the need to make work organisation central to prevention strategies’. The existing directives are not an adequate framework for dealing with MSDs: ‘a directive is needed that addresses the contributory factors of MSDs within an overall ergonomic approach to work situations’. The trade union confederation considers MSDs an EU priority.
In December 2006, the European Agency for Safety and Health at Work launched the European Week of Safety and Health at Work from 22 to 26 October 2007, which will involve a campaign on MSDs, under the slogan ‘Lighten the load’. The campaign aims to support employers, workers, safety representatives, practitioners, preventive services, policymakers and other stakeholders in improving MSD prevention at workplace level. The objective is to adopt an integrated management approach which requires close cooperation between social partners and governments to tackle MSDs and manage the retention, rehabilitation and return to work of those who suffer or have suffered from MSDs.

**Directive on optical radiation**

On 14 February 2006, the European Parliament endorsed the work of the earlier Parliament–Council conciliation committee on the proposed directive on optical radiation in the workplace. The European Parliament agreed that regulation to protect workers from over-exposure to sunshine should be left to the Member States. (See the 2005–2006 review (EU0603AR01) for previous developments.)

Thus, Directive 2006/25/EC on the minimum health and safety requirements regarding the exposure of workers to risks arising from physical agents (artificial optical radiation) was published in the Official Journal of the European Union on 27 April 2006. Member States have four years to transpose and implement the legislation. This directive is the last in a series of four rulings aimed at protecting workers from the dangers of various physical agents. Previous directives dealt with vibration, noise and electromagnetic fields.

**Exposure to chemical, physical and biological agents at work**

On 25 April 2006, the first European multi-sector agreement on workers’ health protection was signed by the European Glass Fibre Producers Federation (APFE), the European Association for Precast Concrete (Bureau International du Béton Manufacturé, BIMB), the European Foundry Association (CAEF), the Council of European Employers of the Metal, Engineering and Technology-based Industries (CEEMET), the European Ceramics Industries (CEREME-UNIE), the European Cement Association (Cembureau), the European Metalworkers’ Federation (EMF) and the European Mine, Chemical and Energy Workers’ Federation (EMCEF). The agreement pertains to good practice in the handling and use of crystalline silica and products containing this substance, adopting a good practice guide for preventing silicosis. The agreement also covers related activities, such as handling, storage and transport, and applies to mobile workers as well. Moreover, it provides for research, monitoring and dissemination activities. The good practice guide aims to offer advice to producers and users on the practical application of a programme to manage breathable crystalline silica and guidance on their safe use in the workplace.

**Asbestos**

On 1 September 2006, the Commission and the European Senior Labour Inspectors’ Committee (SLIC) – the coordinating committee of Member State labour inspectorates – launched the campaign ‘Asbestos is deadly serious – Prevent exposure’ (EU0612049I). On the basis of Directive 1999/77/EC, marketing, handling and use of asbestos products is banned since 2005, while its handling in any form has been prohibited since April 2006; only demolition, maintenance, and removal work are allowed under strictly regulated conditions.

In adopting the revised asbestos Directive, the so-called Dresden declaration (63Kb PDF) of the European Conference on Asbestos 2003 demanded a worldwide ban on asbestos production and use.
Thereafter, EU institutions produced a set of initiatives, adopted by the International Labour Organisation (ILO) resolution on 15 June 2006 (ILO/06/34).

The report *Asbestos-related occupational diseases in Europe* published by Eurogip, a French-based organisation working in the area of occupational risk prevention in Europe, identifies significant differences across countries due to both sectoral specialisation and varying systems of detection and recording of various diseases. Nevertheless, most countries show an exponential increase of lung cancer and mesothelioma (cancer of the membrane sacs housing the lungs and the membrane lining inside the abdominal cavity). According to most recent statistics, the Eurogip report predicts a peak in the number of fatalities in 2018 because of a 25-year latency period, with a total of 100,000 deaths.

On 7 November 2006, the Commission presented a proposal COM(2006) 664 (codified version) for a directive on the protection of workers from the risks related to exposure to asbestos at work. This proposal brings together all the amendments introduced since the 1983 Directive in line with the better regulation principle, as outlined by the European Economic and Social Committee (EESC) opinion of 15 February 2007.

SLIC also issued a practical guide, aimed at providing a common European baseline for best practice and at presenting information on work situations with different degrees of exposure to asbestos.

**REACH**

REACH stands for ‘registration, evaluation and authorisation of chemicals’. This European regulation was primarily introduced as a measure to protect the environment and the public, rather than workers, although it has a significant impact on working conditions. The regulation will replace 40 existing legal acts, create a single system for all chemicals and introduce a new European Chemicals Agency.

The European Commission’s original proposal on REACH (COM(03) 644) was adopted on 29 October 2003 and was communicated to both the European Parliament and the Council in November 2003.

The work in the European Parliament has been led by the Committee on the Environment, Public Health and Food Safety, with – in first reading – the assistance of nine other parliamentary committees. After the European Parliament adopted its first reading opinion on 17 November 2005, the Council reached a political agreement by unanimity on a compromise text with a view to adopting its common position on 13 December 2005. The Statement of the Council’s Reasons was published on 28 April 2006. It aims to design ‘a workable and less burdensome system of registration while ensuring that enough information is generated by industry to allow a substance to be used safely and information to be available to the authorities and downstream users’, paying particular attention to the needs of small and medium-sized enterprises (SMEs). Thus, the common position does not take on board the principle of mandatory substitution if suitable alternatives are available, nor that workers would be granted access by producers to information given in the supply chain, ‘since such a responsibility lies with the employer’.

At its meeting on 27 June 2006, the Environment Council formally adopted the Common Position (Press release 10876/1/06 REV (presse 192)), which served as the basis of discussion during the second reading in the European Parliament, which started in September 2006.
A Commission Communication on the common position (COM(2006) 375) was adopted on 12 July 2006 and submitted to the European Parliament and Council, allowing the second reading to commence. The Commission fully supports the common position as ‘a reasonable basis for achieving agreement on this key piece of legislation’ and as being consistent with the objectives of the Lisbon Strategy as regards both competitiveness and improvement of citizens’ health and safety.

On 13 October 2006, the European Parliament Environment Committee voted in second reading endorsing the first reading position, by reinstating several points not included in the Council’s common position. The committee also sought to make the system more manageable, particularly in view of the problems that SMEs will face with the new regulation.

The compromise with the Commission and the Council was concluded successfully on 30 November (European Parliament press service, 1 December 2006), adopted by both the Parliament (press service, 13 December 2006) and Commission on 15 December and approved by the Environment Council on 18 December 2006. The main points are the following:

- the burden of proof lies on industry, obliging employers to provide information on the hazards and risks of chemicals and on risk-reduction measures;
- a strong substitution principle pertains in the authorisation procedure;
- the ‘duty of care’ principle for manufacturers and importers is strengthened;
- a chemical safety report is required for substances produced in quantities over 10 tonnes, while the Commission will decide within 12 years’ time whether to recommend it for substances produced or imported in amounts of 1–10 tonnes a year. This deadline is shortened to seven years for cancerous or mutagenic substances or those toxic to reproduction;
- dangerous substances must be substituted by less dangerous substances or technologies where suitable economically and technically viable alternatives are available. Where no alternative exists, producers will have to present a research and development plan aimed at finding one.

The joint press release of 6 December 2006 by BusinessEurope, the European Association of Metals (Eurometaux), the European Chemical Industry Council (Cefic) and the European Engineering Industries Association (Orgalime) recognises the ‘balanced and open approach of institutions, which have taken into account the divergent interests of the various stakeholders’. However, the statement believes that the objectives of REACH ‘could have been achieved with a more risk-based and more workable approach’.

In its press release of 13 December 2006, ETUC welcomes the progress in relation to the REACH regulation but regrets that ‘information vital to protecting workers’ health given in the chemical safety reports will now only be required for a third of the chemicals originally planned’.

The European Association of Craft, Small and Medium-sized Enterprises (Union Européenne de l’artisanat et des petites et moyennes entreprises, UEAPME) appreciates efforts made to ease the bureaucratic burden for SMEs, although its press release of 13 December 2006 notes that ‘more could have been done to increase both competitiveness and competition in all business sectors working with chemicals in Europe’.
Meanwhile, the Commission had put in place an interim strategy as early as 2004 to ensure the smooth implementation of the legislation once it is adopted. These REACH implementation projects will run until the new European Chemicals Agency becomes fully operational in 2008. Following the 2005 guidelines for the protection of workers from risks from chemical agents, the booklet \textit{REACH in brief} summarises the contents of the Directive.

\textbf{Machinery and personal protective equipment directives}

The revised Machinery Directive (2006/42/EC) does not introduce any radical changes compared with the earlier Directive 98/37/EC on the approximation of the laws of the Member States relating to machinery. It aims rather to consolidate the achievements of the earlier ruling in terms of free circulation and safety of machinery, while also improving and extending its application.

The new practical guidelines for manufacturers of personal protective equipment aim to clarify certain matters and procedures referred to in Directive 89/686/EEC concerning personal protective equipment. The guidelines provide cross references from the legal text of the directive to explanations by EU sectoral experts. These recommendations should be used in conjunction with the directive and with the European Commission's \textit{Guide to the implementation of directives based on the new approach and the global approach}.

\textbf{Needlestick injuries and infectious diseases}

The European Parliament report of 22 June 2006 noted that, according to studies, the use of safer needles, together with regular training and organisational measures, can help to reduce the number of injuries. Today, healthcare workers are likely to suffer about one million additional needlestick injuries, many of which could have been avoided, and some of these injuries will lead to infection, with potentially life-threatening consequences. According to the European Parliament resolution, the existing legislation should, theoretically, address the risk of injuries from needles but, in practical terms, this has not been the case. Guidelines, awareness campaigns and other non-legislative initiatives can only make a partial contribution and should be used in addition to directives. The Parliament requested the Commission to submit within three months a proposal for a directive amending Directive 2000/54/EC on the protection of workers from risks related to exposure to biological agents at work; to date, the Commission has not made any proposal yet.

\textbf{Consolidating reports on implementation of health and safety directives}


\textbf{Gender equality in employment and occupation}

The procedure of the amended proposal for a directive on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (COM(2005)380) was finalised in 2006. The amended directive incorporates seven existing directives relating to equal opportunities and gender equality.
On 2 February 2006, the European Parliament resolution on equality between women and men in the European Union welcomed ‘the recognition that it is important to close the gender pay gap and to facilitate reconciliation of work and family life for both women and men’. It emphasised the importance of gender mainstreaming at the highest level and called on both the European Commission and Member States to implement the Beijing Platform for Action.

On 22 February 2006, the Council expressed a Common Position, sharing the European Parliament commitment, with minor amendments. The directive was approved by the Parliament on 1 June 2006 and issued as Directive 2006/54/EC.

On 1 March 2006, the Commission published a Communication to the Council, the European Parliament, the EESC and the Committee of the Regions – A roadmap for equality between women and men 2006–2010 (COM(2006) 0092 final). The roadmap outlines six priority areas for EU action on gender equality for the five-year period, including equal economic independence for women and men, and reconciliation of private and professional life (for more detail, see under Chapter 3 – Policy developments: Working conditions). The communication reinforces the need for partnership with the Member States and key actors to achieve these aims.

At the Brussels summit on 23–24 March 2006, the Council approved the European Pact for gender equality, encouraging action at Member State and EU level in the following areas:

- closing gender gaps and combating gender stereotypes both in the labour market – the gender pay gap, employment gap and segregation – and in private and civil society, ‘encouraging social partners and enterprises to develop initiatives in favour of gender equality and promote gender equality plans at the workplace’;
- promoting a better work–life balance for all, including meeting the targets set at the European Council in Barcelona in March 2002 on the provision of childcare facilities;
- reinforcing governance through gender mainstreaming and better monitoring in the labour market.

Reconciliation of work and family life

On 12 October 2006, the Commission launched a first-stage consultation of the European social partners on the reconciliation of professional, private and family life. It asked the social partners to consider what can be done to improve the situation concerning leave for work–life balance, childcare, care for elderly and disabled people, and care facilities for children ‘in order to address demographic challenges, raise the quantitative and qualitative level of participation of women in the labour market, and encourage women and men to take an equal share of caring responsibilities’.

More specifically, the Commission consulted the social partners in relation to the following objectives, namely to:

- assess the need for further action on reconciliation between professional, private and family life in the EU and, if necessary, at what level – Community, national, company or sectoral;
- identify areas where improvements may be required, taking into account working-time arrangements and new possibilities offered by information technologies; availability and quality of care services; and leave;
evaluate the existing Community legislation aimed at helping people to reconcile work and family life, and at creating the conditions for more equal sharing of responsibilities between women and men;

find the best balance between the costs and benefits for both individuals and companies.

The ETUC position, adopted on 7–8 December 2006, states that there is urgent need for further action based on a redefinition of the concept of a ‘standard’ worker. Such workers are ‘never available on a “full-time” (that is, unlimited) basis’ due to family and private burdens, which ‘may however differ throughout a life course’, as discussed in the Supiot report, the Green Paper *Modernising labour law to meet the challenges of the 21st century* and the related debate on flexicurity. According to ETUC, the question of reconciling work and family life is not a ‘female question’ but a ‘societal question’, and therefore must be mainstreamed in all policies; and any costs that arise from increasing care and other services need to be shared by the society at large. Community legislation on parental leave and protection of maternity leave is a step in the right direction, to be strengthened by introducing more flexible provisions, a paternity leave directive, granting paid leave to fathers (and partners of same-sex couples) for a fixed period of time, and by revising the Working Time Directive ensuring the 48-hour limit on the working week.

In its reply to the Commission on 23 November 2006, BusinessEurope agrees on the importance of the issue but ‘does not believe it necessary to revise existing EU legal provisions on maternity and parental leave’. The confederation also points out that changes to the EU framework agreement on parental leave can only be carried out by the signatory parties. Rather, these aspects should be discussed at Member State level as part of the debate on how to adapt social security systems to demographic change, with the support of exchanges of good practice. Furthermore, lack of flexibility in working-time patterns in some countries ‘can be an obstacle to the reconciliation of work and family life’. In most countries, gender stereotypes continue to have a strong influence both in general and in the workplace. Social dialogue and partnership – including non-governmental organisations (NGOs) and the state – can play a key role in promoting childcare facilities, by ‘creating funds by collective agreements or other means to “mutualise” the costs of maternity or parental leave allowances’, or by supporting ‘projects addressing specific needs of working parents such as care for sick children or care outside regular opening hours’. SMEs should receive particular help in relation to such measures.

UEAPME’s response generally shares the views of BusinessEurope. UEAPME considers that reintegration difficulties into the labour market often emerge when the length of the leave is excessive and when there was no regular contact between the company and the worker on leave. Therefore, ‘a progressive increase of the work hours after the leave is useful’. In addition, issues related to work-life balance should also take into account the perspective of self-employed workers.

**Anti-discrimination**

The 2007 ‘European Year of Equal Opportunities for All’ is an initiative based on a decision of 17 May 2006. It aims towards a more effective strategy in combating discrimination within the EU, as set out in the Commission’s *A framework strategy for non-discrimination and equal opportunities for all*, published in June 2005.
The 30 October 2006 Commission Communication (COM(2006) 643 final) on the application of Council Directive 2000/43/EC, implementing the principle of equal treatment between persons irrespective of racial or ethnic origin, reviews the following aspects of the Directive: its impact, transposition-related problems, dissemination of information, the enforcement of rights, the roles of equality bodies, social partners and NGOs, and which actors intervene in case of discrimination at work. The communication notes that some Member States have not yet implemented the directive, while others have exceeded its requirements.

Violence in the workplace

Eradication of all forms of gender-based violence is one of the key targets of the Roadmap for equality between women and men 2006–2010, which calls for prevention as well as emphasising that it is ‘urgent to eliminate customary and harmful attitudes’. The August 2005 Report on sexual harassment in the workplace in EU Member States had highlighted the role of employers and trade unions in preventing violence and harassment in the workplace while highlighting the very low coverage of this issue in collective agreements. Negotiations between BusinessEurope, UEAPME, the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP) and ETUC therefore began on 7 February 2006, aimed at concluding a voluntary framework agreement on harassment and violence. On 15 December 2006, the social partners agreed on a compromise with a key part of the deal being the notion of a ‘third party’ where the perpetrator is not another employee. However, the agreement was still under internal consultation among the social partners and had not yet been officially signed by the end of the year (see BusinessEurope Headlines No. 2006-41).

Directive on services

The long codecision procedure between the European Commission, Council and European Parliament in relation to Directive 2006/123/EC (213Kb PDF) on services in the internal market ended on 15 November 2006, when the Parliament voted on the Directive at second reading (EU0612039I). The first Commission proposal in 2004 met widespread opposition due to public opinion, trade unions and also Member States which could not accept such an ‘all-encompassing’ directive. (See last year's review (EU0603AR01) for previous developments.)

On 16 February 2006, the European Parliament approved in first reading its position (EP-PE_TC1-COD(2004)0001), which substantially modified the Commission proposal. A large number of far-reaching amendments provided useful clarifications of the scope and timing of the directive. Many amendments were aimed at strengthening the protection of posted workers and working conditions in host countries, such as the exclusion of temporary employment agencies from the scope of the directive and reinstating certain obligations and controls on service providers that use posted workers. These new provisions explicitly confirmed that the Directive would not prevent the Member States from applying terms and conditions of employment such as those contained in Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, and more generally would not affect labour and social security laws.

At the same time, the European Parliament amendments to Article 2 excluded from the scope of the Directive a long list of services for their prominence in societal values. On the whole, all services that the Member States consider to be of general economic interest are excluded. Finally, instead of the
controversial ‘country of origin principle’ – whereby a service provider could market its services in other Member States without having to comply with their legislation – there is a general ‘freedom to provide services principle’ (Article 16). Thus, the Member State in which the service is provided shall ensure free access to and free exercise of a service activity in its territory (Article 21).

On 4 April 2006, the Commission published its amended proposal for the draft directive (COM(2006) 160). The main issues which arose in the parliamentary debate were almost fully agreed by the Commission as part of an overall compromise, namely:

- the removal of the country of origin principle;
- the exclusion of taxation from the scope of the directive;
- the non-overriding nature of the directive as regards other provisions of Community law;
- the abolition of the specific provision on posted workers.

The Commission made some slight amendments in relation to the definition of services of general interest. They do fall within the scope of the Directive; thus, their exclusion as stipulated in the European Parliament’s amendment 73 is removed. However, the Directive does not provide for their liberalisation or for the privatisation of public entities providing such services (Article 1).

The Commission also rejected amendment 193, which had proposed the exclusion of multidisciplinary activities from the mutual evaluation process (Article 30). The Commission believes that the obligation to evaluate and report on restrictions on multidisciplinary activities is an essential measure for facilitating access to, and exercise of, service activities. Finally, the Commission set a two-year deadline for the transposition of the Directive into Member State law, rather than the three-year deadline provided by the European Parliament’s amendment 213.


**Portability of supplementary pension rights**


On 20 April 2006, the EESC adopted its opinion, largely endorsing the Commission proposal. The EESC appreciated the Commission’s comprehensive approach aimed at enhancing the Lisbon Strategy by dismantling barriers to workers’ mobility arising from occupational pension schemes. The main obstacles are the following:

- conditions for the acquisition of pension rights, such as length of service;
- rules for the preservation of dormant rights, for instance where workers leave behind their rights to a pension scheme offered by a former employer;
- rules for the transferability of rights, for example from one pension scheme to another.
Moreover, the EESC emphasised the necessity of improving the coordination and the exchange of information between Member States in this area, due to substantial differences among the countries. Hence, Member States have the option, under specific reasons, of an additional 60 months for transposition of the Directive – starting from 1 July 2008 – in order to reduce to two years the period in which pension rights are definitely acquired.

Although the Parliament opinion at its first reading is still pending, on 1 June 2006 the Council held a policy debate on the Commission proposal, covering the following issues:

- transferability: this Directive should focus on the acquisition criteria as well as on the preservation of pension rights through a fair treatment of dormant rights; furthermore, it should include provisions for transferability;
- supplementary pension schemes: these should be covered by the Directive.


On 3 February 2006, the parliamentary Committee on Women's Rights and Gender Equality presented to the Committee on Employment and Social Affairs (EMPL) some amendments to the draft directive (2005/0214(COD)) in order to adopt a more gender-neutral language and prevent the preservation of obstacles on technical grounds in some Member States.

CEEP and UEAPME do not fully agree with the Commission proposal (see CEEP.2006/AVIS.7 and UEAPME position paper of 9 February 2006). They emphasise the need to respect the subsidiarity principle and to avoid the risk of an additional administrative and tax burden on employers and national pension schemes due to legislation at EU level. For this reason, CEEP insists that the Directive should concentrate on the cross-border portability of acquired pension rights, in an interpretation of the term ‘portability’ which is restricted to already acquired pension rights.
Policy developments: Employment and social inclusion

Social policy agenda

On 25 January 2006 (press release IP/06/71), European Commission President José Manuel Barroso presented the first annual progress report of the European Commission, entitled *Time to move up a gear – The new partnership for growth and jobs*, in line with the revised Lisbon Strategy. President Barroso expressed his satisfaction with the Member States’ high level of commitment to the renewed Lisbon Strategy after the mid-term review.

Moreover, the European Commission presented a Communication (COM(2006) 30 final) to the Spring 2006 European Council, which identifies two main instruments to implement the new Lisbon Strategy. These are the Community programme for employment and social solidarity (Progress) 2007–2013, setting out what should be done at Community level, and the 25 National Reform Programmes (formerly National Action Plans), submitted in October 2005, as agreed in the Spring Council 2005 (MEMO/05/123).

The annual progress report on growth and jobs provides an analysis of the 25 National Reform Programmes and emphasises the strengths in different national programmes with a view to promoting the exchange of good ideas. Finally, the report identifies the following four priority action areas:

- investing in education, research and innovation;
- giving greater freedom to SMEs by removing administrative obstacles;
- advancing employment policies to get people into work, such as the implementation of ‘active ageing’ and stronger efforts to meet national targets;
- promoting efficient, secure and sustainable energy.

On 9 and 10 March 2006, the EESC and the Hungarian Economic and Social Council held a joint conference ‘Improving national ownership of the Lisbon Strategy: Is organised civil society sufficiently involved?’ in Budapest. The summary report *Implementation of the Lisbon Strategy* (CESE 1468/2005) was presented at the conference, which had been prepared in cooperation with Member State Economic and Social Councils for the European Council of 23 and 24 March 2006. The report also emphasised the need to involve organised civil society in the implementation of the Lisbon Strategy (Press release No. 21/2006).

The European Council encouraged the EESC to continue its work on the Lisbon Strategy, mobilising its network of partner organisations and reporting back to the European Council in 2008 (Press release No. 30/2006). Finally, the Council approved the priority action areas identified by the Commission’s annual progress report and invited the Commission to examine the concept of flexicurity in greater depth.

**European Employment Strategy: Flexicurity and quality of working life**

On 6 July 2006, the EPSCO informal meeting in Helsinki (Press release, 6 July 2006) discussed how to respond to the challenges brought about by globalisation and population ageing. Increasing productivity in a socially sustainable way is one of the key features of the European social model:
this implies developing the quality of working life, the organisation of work and work–life balance according to flexicurity principles. Flexicurity is the combination of sufficient labour flexibility, on the one hand, with adequate security for workers, on the other (EU0701059I). Decent work is a competitive asset of Europe in terms of global economic competition. Work that respects fair rules is also important from the viewpoint of productivity and welfare for businesses operating in developing countries and their employees.

The four pillars of the revised Organisation for Economic Cooperation and Development (OECD) job strategy, presented in September 2006, focus on a welfare-to-work strategy, active labour market and family-friendly policies, adapting labour and product markets to changing demands, and facilitating the development of labour force skills and competences. Employment policies based on flexicurity – a mix of flexible hiring and firing processes with efficient re-employment services and decent unemployment incomes – show good employment performance while also protecting workers’ rights.

On 13 September 2006, an EESC opinion emphasised that Europe should ‘focus on its strengths, which are to be found in the high quality of its products and services, its well-trained workforce and its social model’ competing with its global competitors ‘on quality, and not enter a race for the lowest wages and social standards in which Europe is bound to be the loser’. This requires ‘a comprehensive approach to innovation policy, which includes the microeconomic level, i.e. business structures and the quality of working life’.

Following the Spring Summit guidelines, the European Commission and the Finnish presidency organised a Tripartite Social Summit in Lahti (EU0611039I, Press release, 20 October 2006) to encourage high-level worker and employer organisations to provide input to European-level discussions on flexicurity (Commission press release on 20 October 2006).

Anticipating the Lahti Summit, the European Commissioner for Employment, Social Affairs and Equal Opportunities, Vladimír Špidla, introduced in a speech on ‘Boosting productivity and creating jobs’ on 16 October 2006 the issue of flexicurity as ‘one of the keys to modernising the European social model’. This concept can combine the following vital elements:

- flexible work arrangements;
- effective active labour market measures enabling workers to cope with change;
- comprehensive lifelong learning systems;
- modern social security systems that guarantee income and also facilitate mobility.

The social partners placed flexicurity high on the agenda of their draft 2006–2008 work programme. ETUC called for a balanced approach combining strong social support with active measures to assist workers during periods of transition, so that ‘flexibility does not, under any circumstances, take precedence over security’ (Press release, 20 October 2006).

At the same time, the analysis of the employer organisations BusinessEurope, UEAPME and CEEP focuses on the following six policy priorities to improve the functioning of Europe’s labour markets, namely:

1. enhancing the business environment to foster innovation and job creation;
2. turning job security into employment security;
3. ensuring that labour costs do not restrict labour demand;
4. designing tax and social protection systems to strengthen work incentives and increase labour supply;
5. ensuring a better match of labour demand and supply through lifelong learning, and increased geographical and professional mobility;
6. creating inclusive labour markets, which integrate disadvantaged groups and develop pathways to better work.

On 22 November 2006, the Commission published the Green Paper *Modernising labour law to meet the challenges of the 21st century* (COM(2006) 708 final). It constitutes a revision of the earlier draft *Adapting labour law to ensure flexibility and security for all* and takes into account the criticism of that version as being ‘an implicit agenda of harmonisation of labour law [...] in contradiction with the flexicurity approach’, as BusinessEurope asserted in its letter, as well as being in contradiction with the performance of the Scandinavian model. The Green Paper aimed to stimulate a public debate on how labour law can evolve in order to support the Lisbon Strategy’s objective of achieving sustainable growth with more and better jobs. It was also planned as a central issue of the Spring Council of 2007 after the conclusion of a consultation phase on 31 March 2007.

On 18 January 2007, the EPSCO informal meeting in Berlin discussed the notion of ‘good work’, which the German presidency has placed high on the agenda, as it complements the concept of flexicurity (German presidency press release, 18 January 2007). Major elements determining ‘good work’ include: working conditions; promoting lifelong learning and possibilities of vocational further training; adequate income; social dialogue, according to national traditions; company-level participation and codetermination in companies; safety, health protection and prevention measures at the workplace; the balance between flexibility and security; compatibility of work and private life; and in-company integration management for disabled workers.

**Decent work and social globalisation**

On 24 May 2006, the Commission presented the Communication *Promoting decent work for all: The EU contribution to the implementation of the decent work agenda in the world* (COM(2006) 249). The document endorses the United Nations (UN) Millennium Declaration for fair globalisation – including the promotion of productive employment and of decent work in order to combat poverty – and promotes development, in accordance with the ILO strategy.

The European Community *acquis* or body of legislation goes far beyond the international labour standard of decent work. As the Commission staff working document annexed to the communication recalls, ‘by January 2006, all EU Member States had ratified the eight conventions of Core Labour Standards set by the ILO or are in process of ratifying a final convention. EU Member States are also bound to respect the EC directives on protecting young people at work, non-discrimination in employment and equal pay for men and women’. Moreover, the decent work strategy fits the Lisbon Strategy, particularly in relation to sustainable development. The Commission’s concern extends to countries involved in neighbourhood policies, regional and bilateral relations; cooperation policies, trade relations, and better governance management are the main area of mainstreaming decent work outside the EU. Finally, both social dialogue and corporate social responsibility (CSR) play an
important role in such a process (Press release IP/06/1669, 1 December 2006). The Commission positions are consistent with the July 2006 UN Economic and Social Council (ECOSOC) Ministerial Declaration, which recognises the decent work agenda ‘as an important instrument to achieve the objective of full and productive employment and decent work for all’ and to support fair globalisation.

The EU Council Conclusions on Decent work for all, adopted at the EPSCO meeting of 30 November 2006, share the Commission approach. They underline ‘the need for an integrated and coherent approach to trade policies and social development’ and that ‘the endorsement of social objectives should not be used for protectionist purposes’. An EESC draft opinion considers that the promotion of decent work forms an integral part of the European social policy agenda and of the EU’s efforts to promote its values and share its experience and its model of integrated economic and social development.

Corporate social responsibility (CSR)

The 22 March 2006 Commission Communication Implementing the partnership for growth and jobs: Making Europe a pole of excellence on corporate social responsibility (COM(2006) 136 final) emphasises the role of CSR as a voluntary aspect of company policies. Further obligations and administrative requirements would be counter-productive to the spirit of CSR and would contravene the principle of better regulation. The Commission launched the European Alliance on CSR as a political umbrella, by inviting European companies of all sizes to voluntarily express their support, since CSR practices can play a key role in contributing to the Lisbon target of sustainable development, for example, in the quality of work domains, non-discriminatory recruitment policies, skills development, lifelong learning and employability, and better innovation performances. In December 2006, the Commission presented a progress review of the CSR Forum Recommendations following the work of the multi-stakeholder forum on CSR, summarising activities undertaken by companies and those in progress.

The European Parliament welcomed the Commission communication as providing new impetus to the debate. Moreover, it recognises CSR as an important business driver and that socially responsible undertakings ‘make an important contribution towards redressing inequalities’. The European Parliament believes that ‘CSR should tackle new areas such as lifelong learning, the organisation of work, equal opportunities, social inclusion and sustainable development and ethics, so as to act as an additional instrument for managing industrial change and restructuring’.

The EESC opinion on the communication shares the Commission perspective of CSR as a voluntary behaviour and ‘takes the view that CSR is at its most effective when it is an integral part of strategy and when it is implemented throughout the corporate hierarchy’. This can be achieved by involving staff representatives and increasing transparency and credibility of the information provided, underpinned by certification standards and codes of conduct.

In its press release of 22 March 2006, BusinessEurope welcomed the European Alliance as a way to ‘inject more concrete dynamism into CSR practices in Europe and shift the focus from political debate to concrete action’. The employer organisation announced its engagement in promoting CSR by acting as a multiplier and being an interface between the Commission and companies, in cooperation with other business associations.
However, in an earlier statement on 14 March 2006, ETUC expressed ‘its justified concern about the evolution of an unbalanced, unilateral approach to CSR’. The trade union confederation believes that a multi-stakeholder involvement is needed instead, establishing standards in relation to corporate governance, access to Community funds, codes of conduct and certification criteria.

Community programme for employment and social solidarity

On 24 October 2006, subsequent to an initial proposal in July 2004, the European Parliament and Council Decision (No. 1672/2006/EC) established a Community programme for employment and social solidarity – Progress. Progress aims to support financially the implementation of the social policy agenda and thereby contribute to the achievement of the Lisbon objectives in the areas of employment, social protection and inclusion, working conditions, anti-discrimination and diversity, and gender equality. The programme will run over six years, from 1 January 2007 until 31 December 2013.

During the decision process, in December 2005 the Council found partial political agreement on a common position, incorporating the European Parliament’s amendments to the Commission’s amended proposal of 21 October 2005 (COM(2005) 536). The only critical point concerned Article 17 relating to the financing of the programme, which was felt to provide an uneven distribution between the five different areas of intervention.


On 21 December 2006, the Commission published the General guidelines for the implementation of the Community action programme for employment and social solidarity – Progress (2007–2013), as provided by Article 12(a) of the decision. The paper helps to clarify the functioning of Progress, which brings together the previous Community programmes and budget lines under an integrated framework, in order to improve policy coherence and efficiency through cross-cutting work between the various policy sections. Progress will support the implementation of measures in relation to:

- the European Employment Strategy;
- the open method of coordination in the field of social protection and inclusion;
- the improvement of the working environment, including both health and safety at work and reconciling work and family life;
- non-discrimination and promotion of its mainstreming in all EU policies;
- gender equality and promotion of its mainstreming in all EU policies.

Social dialogue joint work programme 2006–2008

On 23 March 2006, BusinessEurope, UEAPME, CEEP and ETUC presented their Work programme of the European social partners 2006–2008. Among the main topics of social dialogue were the
following: demographic issues, flexicurity, undeclared work, lifelong learning, competitiveness, innovation and integration of disadvantaged groups in the labour market (EU0605019I). As noted earlier, the social partners planned negotiations towards a voluntary framework agreement on harassment and violence in the workplace; at the same time, negotiations towards an autonomous framework agreement were to take place on either the integration of disadvantaged groups in the labour market or lifelong learning.

**Common European area of knowledge**

Education and training is a key area in order to achieve the Lisbon targets, with a twofold objective: to improve competitiveness by means of a better educated workforce with higher human capital, and to improve social cohesion by reducing risks of exclusion both in society and the labour market. In connection with the European Year of Workers’ Mobility 2006, the Austrian presidency issued the European Quality Charter for Mobility for training and educational purposes, as a key tool to support the creation of a European area of knowledge and to increase workers’ mobility.

**European credit system for vocational education and training (ECVET)**

On 31 October 2006, the Commission presented a staff working document on a proposal for a European credit system for vocational education and training (ECVET) – A system for the transfer, accumulation and recognition of learning outcomes in Europe (SEC (2006) 1431). The proposal opened a round of consultation concerning all of the European countries involved in the Copenhagen process of enhanced European cooperation in vocational education and training (VET), as well as the European social partners and professional organisations; the consultation was due to conclude in March 2007. The Copenhagen Declaration of 30 November 2002 identified as a priority the mobility of learners, in the general context of developing a lifelong learning society in Europe.

ECVET is thus intended to facilitate the transfer and accumulation of learning outcomes acquired by people moving from one learning context or system of qualification to another. It forms part of the overall project for developing European cooperation in the field of VET and constitutes one of its operational tools. In this regard, ECVET complements the European Qualifications Framework (EQF). In fact, EQF and ECVET are based on common principles and concepts that are:

- focused on learning outcomes expressed in terms of knowledge, skills and competence;
- based on a process of qualification;
- adapted to the demands of lifelong learning and all learning contexts, on an equal footing;
- geared towards the mobility of people.

On 30 October 2006, the Council and the government representatives of the Member States presented draft conclusions on the future priorities for enhanced European cooperation on VET. Recalling that VET has a dual role in contributing to competitiveness and in enhancing social cohesion, the Council remarked that VET policies should address all sections of the population, offering attractive and challenging pathways for those with high potential, while offering learning opportunities for those at risk of educational disadvantage and labour market exclusion. The Council recognised the significance of the Copenhagen process in emphasising the importance of VET to political decision makers. At national level, the process has contributed to strengthening the focus on VET and has inspired national reforms. The ongoing consultation process should be aware of the major diversity in national educational systems and facilitate mutual exchange learning. The draft
conclusions were approved by the 13–14 November 2006 Education, Youth and Culture Council (Press release No. 14965/06).

On 5 December 2006, in Helsinki, the European ministers of vocational education and training, the European social partners and the European Commission reviewed the priorities and strategies of the Copenhagen process and presented a communiqué on enhanced European cooperation in vocational education and training. The Helsinki meeting confirmed that the priorities set by the Copenhagen Declaration – reviewed by the 2004 Maastricht communiqué – remain valid and the process needs to be strengthened. The work should focus on the following priority areas:

- the image, status and attractiveness of VET: more emphasis should be placed on good governance of VET systems, institutions and/or providers;
- further development, testing and implementation of common European tools: the agreed tools should be in place by 2010;
- a more systematic approach to strengthen mutual learning: particular attention should be given to improving the scope, comparability and reliability of VET statistics by 2008;
- active involvement of all stakeholders in the work as the Copenhagen process moves towards an implementation phase.

**European Qualifications Framework**

After almost two years of consultation across Europe, on 5 September 2006 the Commission presented its proposal for a *Recommendation of the European Parliament and of the Council on the establishment of the European Qualifications Framework for lifelong learning* (COM(2006) 479 final). Pending the European Parliament's first reading opinion, the Education, Youth and Culture Council of 13–14 November endorsed by a large majority the draft recommendation. The proposal aims at providing a common language to describe qualifications, thereby increasing transparency, improving comparability and facilitating the recognition of different qualifications acquired under the various EU education and training systems, thus promoting the mobility of citizens and, in particular, of students across Europe. The 2002 social partner agreement *Framework of actions for the lifelong learning development of competencies and qualifications* played a seminal role in relation to these issues, followed up by their annual progress reports.


Following the 4 April 2006 interinstitutional agreement on the 2007–2013 financial perspective, the budget allocation for the lifelong learning programme was established at €69.7 billion.

The Council also agreed with the draft recommendation on key competences for lifelong learning presented by the Commission in November 2005 (COM (2005) 548 final), and called for an agreement with the European Parliament to be reached in first reading.

The proposal aims at identifying and defining the key competencies necessary for personal fulfilment, social cohesion and employability in a knowledge society. Moreover, it provides a European level reference tool and a framework for further actions at Community level (see the annex at the end of the recommendation: *Key competences for lifelong learning – A European reference framework*). On 18 December 2006, the recommendation was adopted by the European Parliament and the Council (2006/962/EC).
On 24 July 2006, the European Council and the European Parliament approved a Common Position on an integrated action programme in the field of lifelong learning (see last year’s review (EU0603AR01) for previous developments), aimed at providing financial support for the European education sector in the period 2007–2013. The lifelong learning programme involves the four main educational exchange programmes which have been operational up to the end of 2006, namely: Comenius, Erasmus, Leonardo da Vinci and Grundtvig. These four pillars are joined by a series of transversal programmes which will pursue policy cooperation and innovation in lifelong learning, including the exchange of good practice. Moreover, these actions will be complemented by the new Jean Monnet programme, which supports institutions and activities in the field of European integration.

The main discussions pertained to the financial aspects and the allocation of funds between the various projects that are part of the action programme; therefore, the common position represented only a partial agreement.


Training and employability

On 23 October 2006, the European Commission adopted a Communication Adult learning: It is never too late to learn (COM(2006) 614 final (355Kb PDF)), calling on the Member States to promote adult learning in Europe. The Commission recognises that Member States have included plans and policies to strengthen lifelong learning in their National Reform Programmes; nevertheless, a move from planning to action is still needed. The Commission will work with Member States to launch an action plan on adult learning in 2007. According to the Commission staff working document Progress towards the Lisbon objectives in education and training (SEC(2006) 639), issued on 16 May 2006, participation of adults in lifelong learning remains a challenge.
Community strategy on health and safety 2007–2012

On 27 January 2006, the European Agency for Safety and Health at Work published the working paper for the European Commission Priorities for occupational safety and health research in the EU25. The report focuses on the new challenges for health at work: new social attitudes, work-related stress, psychosocial diseases, musculoskeletal disorders and risks caused by dangerous substances or new technologies. The increasing proportion of households with two adults pursuing a career, as well as dependent older relatives, affects workers’ ability to achieve a work–life balance. Moreover, the increase of so-called ‘atypical work’ is significant. Furthermore, there is need for further research into preventing psychological violence at work. In addition, the rapid growth of nanotechnology leads to the exposure of workers to nanoparticles, although exposure assessment and measurement methods are still very much at an experimental stage.

The Commission Communication Improving quality and productivity at work: Community strategy 2007–2012 on health and safety at work (COM(2007) 62 final) was published on 21 February 2007. It welcomes the progress made thus far in improving working conditions in the Member States, and in reducing the incidence of work-related accidents and illnesses. The renewed strategy aims for a 25% reduction in the total incidence rate of accidents at work by 2012 in the EU27 by improving health and safety protection for workers.

In anticipation of the new strategy, the June 2006 BusinessEurope position paper highlighted that the existing legislative framework in relation to health and safety, which covers all risks and categories of workers, is ‘extremely complex, not always fully understood, in some instances too detailed and presents a particular challenge for SMEs’. In order to further reduce accidents at work and occupational diseases, BusinessEurope asked the Commission to focus ‘on initiatives that foster better implementation of the current legislative framework rather than on new legislation’, and to regulate ‘only when and where really necessary’. This strategy should be integrated with a variety of instruments and players, according to two basic guidelines:

- practical guidance for all existing legislative provisions, in some cases as an alternative to new regulation, in others as a useful complement;
- increasing coherence between occupational health and safety and other EU policies, introducing benchmark orientation across enforcement institutions throughout the EU, improving exchange of information between EU committees and increasing transparency.

The UEAPME position paper issued in June 2006 largely shares the views of BusinessEurope: the focus should be on implementation of existing standards rather than on new provisions, with substantial efforts in information and training in order to improve awareness. In short, the employer organisation would like ‘less and better legislation’, and underlined the need for an in-depth impact assessment before revising current laws, in addition to greater efforts in relation to guidance.

Meanwhile, the ETUC position is summarised in the report New scope for the Community health and safety at work strategy 2007–2012, published by the Workers Group of the Advisory Committee on Safety and Health at Work. It expresses concern that the Commission’s proposals for ‘legislative simplification’ or ‘better regulation’ could undermine the existing regulatory framework of workers’
health and safety protection, and regrets particular failings of the 2002–2006 strategy. ETUC recommends a new strategy 'focused on new risks, safeguarding minimum levels of protection, and coverage for workers not adequately covered'. This programme should be built around practical initiatives and a definite timetable, with a much more hands-on approach. It should also focus on selected priorities, and clearly specify what measures must be taken and by when, supported by regular evaluations and community guidelines according to the most advanced risk-prevention schemes. Indeed, the need to strengthen preventive systems is the first priority: the ETUC report calls on the Commission ‘to give impetus to individual Member States’ national prevention strategies and set minimum criteria for the key components of national preventive systems’. Problems resulting from the enlargement of the EU should be regarded as the second priority since, in most of the NMS, privatisation ‘has seriously destabilised living and working conditions’, undermining many provisions in the area of public health and safety inspection.

The EPSCO Council Conclusions on Health in All Policies (HiAP) of 30 November 2006 include workplaces in those everyday environments that have significant effects on health and note that ‘health, in turn, has an effect on the economy by enabling active and productive participation to working life’.

Green paper on mental health

In October 2005, the Commission presented a Green Paper Improving the mental health of the population (COM(2005) 484 final). The workplace is mentioned as being crucial for preventive action. The background sheet Promoting mental health in the working population recommends establishing mental health as a management priority integrated in quality management schemes and occupational health systems. This should be done according to a participative approach involving trade unions, in order to: implement preventive intervention in ergonomics, social support and other aspects of the work environment; identify and support workplaces at risk; and implement anxiety, stress and burn-out prevention, including targeted programmes for particularly vulnerable employees.

On 17 May 2006, the EESC opinion on the Green Paper recommended that ‘attention should be paid to improving conditions for those both in and out of employment. The issue of work and mental health touches on questions such as the value attributed to work and its personal cost, the impact of unemployment and invalidity’.

On 6 September 2006, the European Parliament resolution welcomed the Green Paper as it recognises that ‘working conditions, such as job insecurity, unemployment and long working hours, play a role in the mental health of people’. Since mental disorders are one of the reasons for early retirement and disability pensions, the European Parliament calls on employers ‘to introduce “Mental Health at Work” policies as a necessary part of their health and safety at work responsibility, with a view to ensuring the best possible jobs for and best possible incorporation into the labour market of persons with mental disorders’. The resolution emphasises the importance of social support in the prevention of mental disorders, and encourages policy initiatives to promote the non-discrimination of individuals with mental ill health and the prevention of occupational stress in the workplace.

Implementation report on telework

Telework plays a significant role in the European Employment Strategy in terms of employment targets and also as a means for a better balance between work and private life, enhancing company
flexibility and workers’ security in a flexicurity approach (European Commission press release, 11 October 2006). On 11 October 2006, the European social partners presented the implementation report of the European framework agreement on telework, adopted by the European Social Dialogue Committee on 28 June 2006 and transmitted to the European Commission in September 2006. Implementation at national level is reviewed both in regulatory forms and in specific clauses pertaining to working conditions.

**Roadmap for gender equality**

On 1 March 2006, the Commission presented the *Roadmap for equality between men and women 2006–2010*. It reaffirms its full commitment to gender equality in the social agenda, which complements and supports the renewed Lisbon Strategy for growth and jobs. Although three quarters of new jobs created in the last five years have been filled by women – reducing the employment gap by 3% – the gender pay gap remains stable and women work part time far more often than men do. Moreover, women are still concentrated in particular activities and occupations, reinforcing both sectoral and occupational segregation in the labour market. Poor work–life balance forces women out of the labour market and contributes to lower fertility rates and a higher risk of social exclusion for women than men at all stages of life. The priority is to scale down the pay gap, which is still at an unacceptable level, and to tackle its causes, by combining all available instruments with the active involvement of the social partners.

The roadmap for gender equality confirms the dual approach based on gender mainstreaming and specific actions, and outlines the following six priority areas for EU action:

1. achieving equal economic independence for women and men by tackling the Lisbon targets, eliminating the gender pay gap, promoting entrepreneurship among women, combating poverty and discrimination, and promoting an engendered approach to health;
2. enhancing reconciliation of private and professional life by promoting flexible working arrangements for women and men as well as flexible care services;
3. promoting equal participation in decision making;
4. eradicating all forms of gender-based violence and trafficking;
5. eliminating gender stereotypes in the cultural and educational sphere, in the labour market and in media;
6. promoting gender equality in external and development policies, and enforcing EU legislation in acceding, candidate and potential candidate countries.

The creation of the European Institute for Gender Equality, planned during 2007, and the definition of a list of indicators – concerning each objective of the six priority areas – will ensure both expertise and consultancy, and will monitor the implementation process.

The draft opinion of the Committee on Employment and Social Affairs (EMPL), of 18 July 2006, supports the key actions put forward in the roadmap, and highlights that competitive challenges in the area of gender equality are increasing as a result of globalisation. Moreover, subsequent demands of further flexibilities are likely to have a greater impact on women than on men, both in the EU and in other parts of the world. This view is shared by the EESC opinion of 13 September 2006, which
firmly believes that a balance should be struck between flexibility and security: the enhancement of work attractiveness should include job flexibility, training opportunities for low-skilled workers and adequately subsidised childcare facilities.

The September 2006 CEEP opinion welcomes the roadmap as an important tool to set priority areas. It points out that 'the causes of the gender pay gap must be fully understood within the context of each sector and employer in order to be able to address it'.

In July 2006, the Advisory Committee on Equal Opportunities between Women and Men issued an Opinion on men in gender equality. Achieving gender equality requires an active role for both men and women and 'inevitably involves a redistribution of resources and power from men to women' with possible gains for men in terms of redefining their role, their relational style, their societal tasks and new opportunities in changing working time policies. This calls for further investigation of the possible role and contribution of men 'in challenging and changing the structures, institutional policies and practices, and culture that generate and sustain gender inequality', envisaging changes both attitudinal at individual level and cultural at the level of society. Education at all levels will play a key role in supporting this process.

The Committee recommends that the Commission should develop a communication on men in gender equality and 'review current legislation at EU level in relation to statutory leave entitlements and work–life reconciliation issues with a view to assessing their role and contribution towards men in gender equality'. On 5–6 October 2006, the Finnish presidency hosted a European-wide expert conference on 'Men and gender equality – Towards progressive policies'.

The Conclusions of the 30 November–1 December 2006 Council share the approach set out in the roadmap for gender equality (Press release 06/330). The Council confirms the importance of the effective implementation of the gender mainstreaming strategy and notes 'the positive impact of gender equality for men and for the well-being of society as a whole'. Furthermore, it urges the Commission and Member States to ensure equal career opportunities for both sexes, dismantling gender segregation by encouraging young people to choose education and employment fields that contradict gender stereotypes. Moreover, the Council invites Member States 'to take concrete actions towards eliminating the gender pay gap'.

In addition, the Council calls again on Member States to create and strengthen national structures and other governmental bodies in order to integrate the gender perspective both in legislation and information, as laid down in the Beijing Platform for Action, and to develop mechanisms for reviewing and monitoring laws against gender discrimination in the labour market.

Framework of actions on gender equality
On 29 January 2007, ETUC, BusinessEurope, UEAPME and CEEP presented the first follow-up report of the framework of actions on gender equality agreed on 22 March 2005, summarising actions undertaken at EU and national level in the four priority areas: addressing gender roles, promoting women in decision making, supporting work–life balance and tackling the gender pay gap.
Demographic change and work–life cycle

Following the European Commission's Green Paper on Confronting demographic change: a new solidarity between the generations (COM(2005) 94 final), in March 2005, a year later on 23 March 2006 the European Parliament approved the resolution on demographic challenges and solidarity between the generations. The Parliament welcomed the Commission's initiative, but regretted the lack of a gender approach in the Green Paper and invited the Commission to consult both sides of industry on the issue of a better balance between work and family life. The largest part of the resolution is dedicated to the Member States, which are called upon to make a strong commitment to extensive reform of pensions and care services systems.

On 12 October 2006, the Commission presented a Communication, The demographic future of Europe – from challenge to opportunity (COM(2006) 571 final). It aimed at developing a reference framework at Community level for Member States' policies pertaining to significant demographic change, and set the following five main areas for policy intervention:

1. promoting demographic renewal in Europe;
2. fostering employment in Europe: more jobs and longer working lives of better quality;
3. ensuring a more productive and dynamic Europe;
4. receiving and integrating migrants in Europe;
5. underpinning sustainable public finances in Europe: guaranteeing adequate social security and equity between the generations.

Following the Commission's communication, on 30–31 October Commissioner Špidla introduced the 'First Forum on Europe's demographic future' in Brussels.

In a related area, on 14 November 2006, the Social Protection Committee (SPC) published an opinion which endorsed the content and purposes of the Commission's Communication of 22 December 2005 on Working together, working better: A new framework for the open coordination of social protection and inclusion policies in the European Union (COM(2005) 706 final). Nevertheless, the SPC emphasised the need for a wider and more comprehensive policy mix approach, under the framework of the open method of coordination.

Mobility

2006 was the European Year of Workers' Mobility. On 8 February 2006, the Commission published a Report on the functioning of the transitional arrangements set out in the 2003 Accession Treaty ((COM)2006 0048 final) (Press release IP/06/130). This communication assesses the situation regarding the free movement of workers following the EU enlargement in 2004. The report finds that workers' mobility from the NMS in central and eastern Europe to the EU15 has had mostly positive effects, contributing to better economic performance in the host countries. Moreover, in most countries, such immigration has been quantitatively less significant than anticipated. Countries that did not apply restrictions after May 2004 have experienced high economic growth, a decline in unemployment and an increase of employment. Indeed, some of the countries using transitional arrangements may have faced undesirable side effects, such as higher levels of undeclared work and bogus self-employed work.
The 28 March 2006 meeting between Commissioner Špidla, representatives of Member States and the social partners discussed the opportunity to review restrictions on free movement of workers and second-phase transitional arrangements (European Commission press release 28 March 2006).


Implementation of posted workers directive

On 4 April 2006, the Commission presented a Services report on the implementation of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (COM(2006) 159 final). This report was primarily in connection with the Commission’s amended proposal for the directive on services in the internal market.

Following the European Parliament position of 16 February 2006 (see above under Directive on services), the Commission deleted Articles 24 and 25 of its first proposal, dealing with specific provisions on the posting of workers. These measures had concerned the abolition of certain administrative obligations as well as measures to reinforce administrative cooperation between Member States.

In order to replace these articles and to reach the objective of Member States’ compliance with the Posted Workers Directive, the Commission prepared this report in order to monitor the practical and legal difficulties in relation to implementation of the posted workers directive.

Migration

Following its draft opinion (130Kb PDF) of 31 January 2006, on 23 March 2006 EMPL issued an opinion on the September 2005 Commission Communication A common agenda for integration – Framework for the integration of third-country nationals in the European Union (COM(2005) 389 final). The opinion called on Member States to ‘avoid social dumping by adopting clear rules on the status of migrant workers as legal residents’ and ‘by promoting the regularisation of the above status for all migrant workers’. Moreover, the countries should adopt measures to eliminate discrimination in the workplace. Subsequently, on 6 July 2006, the European Parliament presented its resolution on strategies and means for the integration of immigrants in the European Union.


Framework for open coordination of social protection and inclusion policies

On 7 November 2006, the Employment Committee (EMCO) issued an opinion on enhancing higher productivity and more and better jobs including for people at the margins of the labour market. The
opinion states that, although there is an initial ‘trade off between increasing productivity and increasing employment of people at the margins of the labour market’, their contribution to growth is essential. Thus, EMCO recommends setting special fiscal regimes, social security measures and labour market policies aimed at promoting a ‘work first’ approach, that is, encouraging participants into employment as quickly as possible.

On 20 April 2006, the EESC issued an opinion welcoming the communication from the Commission, Working together, working better: A new framework for the open coordination of social protection and inclusion policies in the European Union (see above). The Commission communication aims to build on the work already achieved in relation to the three main strands for action in this area: the eradication of poverty and social exclusion; adequate and sustainable pensions; and accessible, high-quality and sustainable healthcare and long-term care.
Official statistics and trends in working conditions

European Working Conditions Survey

On 8 November 2006, the first results from the fourth European Working Conditions Survey (EWCS) were presented in Brussels. Fieldwork was carried out during September and November 2005 in 31 countries, namely the now EU27, the two candidate countries (Turkey and Croatia), Norway and Switzerland. The survey involved face-to-face interviews with nearly 30,000 workers (employees and self-employed), comprising 1,000 workers in each country, with the exception of Cyprus, Estonia, Luxembourg, Malta and Slovenia where 600 workers were interviewed. The publication Fifteen years of working conditions in the EU: Charting the trends summarises the main trends over the 1991–2005 period.

The key results of the fourth EWCS include the following findings:

- overall job satisfaction shows a steady positive trend among European workers, although lower levels of satisfaction are reported in the NMS; job satisfaction is positively related with employment security, a positive working atmosphere and good opportunities to learn;
- work intensification is on the increase, with more people working at high speed and to tight deadlines; direct demands from people as well as performance targets determine the pace of work, while workers’ autonomy levels remain high;
- average weekly working hours are decreasing, while work–life balance is rated most positively by those working regular and predictable schedules and less positively by those working long hours;
- working conditions show high variability across the NMS and EU15, depending on sector, sex and employment status, thus exposing the risk of labour market segmentation; temporary and part-time workers have fewer opportunities of receiving training and learning new things at the workplace;
- more women are moving into managerial roles, although the gender pay gap persists; in fact, women are more likely to work in low-paid jobs than men are, partly because they more often have a part-time job.

EU Labour Force Survey

On 10 November 2006, the European Commission published the annual report Employment in Europe 2006, which summarised the main trends in relation to the labour market, working hours and atypical work arrangements, and the flexicurity debate. The study mapped the EU Member States under these headings, and assessed the effectiveness of both European and national level active labour market policies.

The Eurostat publication European Labour Force Survey – Principal results 2005 provides an overview of key labour market indicators. Quarterly reports on results of the survey provide further information by highlighting specific aspects of employment.
Employment performance

Figure 1 shows that, following a decline in the early 2000s, the employment growth trend is more irregular and has not yet regained the growth levels of 2000. In all years, employment growth is considerably higher for women than for men although, after the 2002 net decrease, employment growth for men increased more than for women.

![Figure 1](image_url)  Employment growth, by sex, EU27, 2000–2005 (%)

Source: Eurostat, Labour Force Survey (LFS) main indicators

In 2006, the unemployment rate stood at 8.8% in the EU27 (Figure 2). Countries showing the highest unemployment rates are Poland (14%), Slovakia (13%) and Greece (9.8%); those reporting the lowest are Denmark (3.8%), the Netherlands (3.9%) and Ireland (4.4%). The unemployment rate of women is above the rate of men in most EU27 countries, except Estonia, Ireland, Latvia, Lithuania, Romania and the UK. Considerable gender differences were observed in Greece (8.9 percentage points), Spain (5.6 percentage points) and Italy (3.8 percentage points).

Figure 3 shows long-term unemployment rates in the EU25 for 2005. Long-term unemployment is defined as unemployment of 12 months or more. For the EU25, the rate is 3.9%. Countries with the highest levels of long-term unemployment are Slovakia (11.7%), Poland (10.2%) and Bulgaria (6%), while those with the lowest levels are the UK (1%), Denmark (1.1%), and Cyprus, Luxembourg and Sweden (each 1.2%).
Figure 2  Unemployment rates, by sex, 2006 (%)

![Unemployment rates graph]

Note: Data for GR, IT, RO and UK refer to 2005.
Source: Eurostat, structural indicators

Figure 3  Long-term unemployment rates, 2005 (%)

![Long-term unemployment rates graph]

Source: Eurostat, main indicators
Figure 4 shows the youth unemployment rate across the EU25 for 2005. The average unemployment rate for young people aged 15–24 years is 18.5%. Poland (36.9%) and Slovakia (30.1%) show the highest rates, while the Netherlands (8.2%), and Denmark and Ireland (each 8.6%) report the lowest levels of youth unemployment.

**Figure 4  Youth unemployment rates, 2005 (%)**

![Graph showing youth unemployment rates across EU25](image)

Source: Eurostat, main indicators

Figure 5 shows the EU25 employment rates by sex between 2000 and 2005. The total employment rate increased by 1.4 percentage points during this period. Men experienced an employment decline in 2002–2003 but regained the level of 2001 in 2005, while the employment rate for women shows a continual increase over the same period, amounting to a total increase of 2.7 percentage points. In 2005, the rate for women reached 56.3%, just below the Commission’s interim target of 57% for that year.

**Female labour market participation**

Most countries are far behind the 2010 Lisbon target of a 60% employment rate for women. Nevertheless, Denmark and Sweden have female employment rates above 70%, while Finland, the Netherlands and the UK report rates above 65% (Figure 6).
Figure 5  Employment rates, by sex, EU25, 2000–2005 (%)

Source: Eurostat, structural indicators 2006

Figure 6  Employment rates for women, EU27, 2005 (%)

Source: Eurostat, structural indicators

Figure 7 shows the changes in female employment levels between 2000 and 2005: for the EU27, the increase is 2.3%. Some countries have experienced a considerable increase, such as Spain (9.9%), Italy (5.7%), Latvia (5.5%), Bulgaria (5.4%) and Estonia (5.2%), while four of the NMS and Sweden recorded a decline in employment rates, particularly sharp in the case of Romania (-6%).
Figure 7  Changes in female employment levels, 2000–2005 (%)

Source: Eurostat, structural indicators

Figure 8 shows the gender gap in employment across the EU27. This gap is less than 5% in Finland (3.8%), Sweden (4%) and Estonia (4.3%), while it is considerable in Malta (40.1%), Greece (28.1%), Italy (24.6%) and Spain (24%). The EU27 average is 14.8%.

Figure 8  Gender gap in employment (%)
**Temporary employment**
According to Figure 9, between 2000 and 2005 the proportion of employees in the EU27 having a non-permanent employment contract, such as a fixed-term contract or temporary agency contract, increased by 1.6% of total employment, from 12.3% to 13.9%. Women are still more likely than men to hold such contracts, although the gender gap has declined from 1.3% to 0.9% of total employment.

**Figure 9** Employees with temporary contracts, by sex, EU27, 2000–2005 (% of total employment)

The prevalence of temporary employment contracts increased across all age groups (15–64 years) by 2% of total employment from 2001 to the second quarter of 2006, but such contracts are less common among older employees (Figure 10). Some 42% of young workers aged 15–24 years held a temporary employment contract in 2006, representing an increase of 5.1 percentage points in the six-year period, while just 6.7% of workers aged over 50 years held a temporary contract, constituting an increase of 0.5 percentage points over the last six years.

**Part-time work**
Figure 11 shows the proportion of part-time work within the total workforce between 2000 and 2005. Until 2002, the share of employees working part time remained stable, albeit with a slight decline for women. However, the overall number of part-time workers increased significantly after that year (+1.6% of total employees), with a high incidence of part-time work among women (+2.5%)
Figure 10  Employees with temporary contracts, by age, EU27, 2001–2006 (% of total employed)

Source: Eurostat, Quarterly LFS (QLFS), 2nd quarter

Figure 11  Employees working part time, by sex, EU27, 2000–2005 (% of total employees)

Source: LFS, main indicators

Community statistics on income and living conditions

Since 2005, the European Statistics on Income and Living Conditions survey (EU-SILC) has replaced the European Community Household Panel (ECHP). In that year, EU-SILC covered the then 25
Member States, and planned to include Bulgaria and Romania, whereas ECHP had only covered the 
EU15.

EU-SILC aims at collecting timely and comparable cross-sectional and longitudinal multidimensional 
microdata on income, poverty, social exclusion and living conditions. This instrument forms part 
of the European Statistical System (ESS) and will soon become the EU reference source for income, 
poverty and social exclusion.

A conference on ‘Comparative EU statistics on income and living conditions: Issues and challenges’, 
including a methodological workshop, was held in Helsinki on 6–7 November 2006. The meeting 
reviewed EU-SILC in all its dimensions, such as content, quality, methodology, implementation and 
access to microdata. The conference aimed at identifying areas for possible improvement, promoting 
the exchange of best practices and improving the monitoring of the EU social situation. 
Comparability between countries and over time are essential to the statistical project, including 
insofar as possible during the transition phase from ECHP to EU-SILC.

Structure of Earnings Survey 2002

The Structure of Earnings Survey (SES) is carried out every four years under Council Regulation 
recently amended by Regulation 1738/2005. In July 2006, the Eurostat publication Earnings 
disparities across European countries and regions summarised the main results of SES 2002 at 
national and regional level.

Minimum wages

In July 2006, Eurostat published the leaflet Minimum wages 2006 – Variations from 82 to 1,503 euro 
gross per month focusing on the 21 EU, acceding or candidate countries with a statutory national 
minimum wage: Belgium, Bulgaria, the Czech Republic, Estonia, France, Greece, Hungary, Ireland, 
Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, 
Slovenia, Spain, Turkey and the UK. The study revealed a number of interesting findings, namely 
that:

- minimum wages across various countries range from €82 (Bulgaria) to €1,503 (Luxembourg) 
gross per month. However, when purchasing power parities are applied, the differences are halved;
- the annual average growth of the minimum wage in Europe is between 1% and 12% among the 
aforementioned Member States;
- the proportion of full-time employees earning the minimum wage is much higher among women;
- the minimum wage level is between 34% and 50% of average gross monthly earnings in industry 
and in the services sector.

Figure 12 shows that the proportion of workers on minimum wages tends to be higher as these wages 
increase, and the proportion among women is higher than for men in most countries. Gender 
differences are not highlighted in some countries (France, Lithuania and Slovenia).
Harmonised European Time Use Surveys

In February 2006, Eurostat published the working paper *Comparable time use statistics – Main results for Spain, Italy, Latvia, Lithuania and Poland*, which provides methodological information on a further five countries, thus completing the 2005 paper. Time use surveys provide basic data on the gender division of paid and household work and therefore offer insight into opportunities to reconcile working and non-working life.

Ageing

On 12 September 2006, the Commission published the report *Ageing and employment: Identification of good practice to increase job opportunities and maintain older workers in employment*, representing a timely contribution to an important EU issue. Based on 41 company case studies in 11 Member States, the report investigates the links between company-level personnel policies, labour policies and pension reforms, mapping good practices and making recommendations.

The Foundation published a report *Age and employment in the new Member States*, which summarises information on policies and statistics at national level and on 130 case studies at company and organisational level, highlighting specific national conditions.

The Stockholm council set a target employment rate of 50% for older workers, defined as the 55–64 year age group. Figure 13 shows the distance most of the EU27 countries have to bridge to reach this level. In 2005, the employment rate of older workers in the EU27 was 42.2%. Sweden, Denmark, the UK, Estonia, Finland, Ireland, Cyprus and Portugal exceeded the target of 50%; however, the majority of Member States are still far below.
Figure 13  Employment rates of older workers, EU27, 2005 (%)  

Figure 14 outlines the trend of employment rates for older workers by sex in the EU27 between 2000 and 2005. It shows a general increase of 5.3 percentage points, with a slight reduction in the gender gap: men’s employment rate increased from 47.1% to 51.5%, while the rate for women increased from 27.4% to 33.5%.

Figure 14  Employment rates of older workers, by sex, EU27, 2000–2005 (%)  

Source: Eurostat, structural indicators
Alongside the proportion of older people at work, a second structural indicator is the average exit age, that is, the age at which people leave work. The Barcelona council set the target of increasing the average exit age by five years by 2010. Figure 15 summarises the average exit age from the labour force in 2005. The EU25 average is 60.9 years, with significant differences between the Member States: Ireland (64.1 years) and Sweden (63.7) record the highest average exit age, while Slovenia (58.5), and Malta and France (each 58.8 years) show the lowest.

Figure 15  Average exit age from labour force, EU27, 2005 (years)

Note: EU25 estimated value; DE and CY data are from 2004; SE provisional data. The indicator gives the average exit age from the labour force, weighted by the probability of withdrawal from the labour market.
Source: Eurostat, structural indicators

Lifelong learning

The Lifelong Learning Evaluation Report 2006 monitors the follow up of the 2002 social partner agreement Framework of actions for the lifelong learning development of competencies and qualifications. The report provides an overview of the most significant examples of useful initiatives and tools developed by the social partners at national, sectoral and company levels. Key priority actions are identified, namely to:

- identify and anticipate competence and qualification needs;
- recognise and validate competencies and qualifications;
- inform, support and provide guidance;
- mobilise resources.

The report shows an increasing concern to better tailor education and training to improve both the employability of workers and the competitiveness of companies. It also seeks to make education and training systems sustainable.
In 2005, the total participation rate in lifelong learning was 9.7% in the EU27. In general and in most Member States, a higher proportion of women (10.4%) participated in lifelong learning than did men (8.9%). Sweden (32.1%), the UK (27.5%) and Denmark (27.4%) show the highest rates, while Bulgaria (1.3%), Romania (1.6%) and Greece (1.9%) report the lowest.

Figure 16  Participation in lifelong learning, 2005 (% of employed)

Reconciling work and family life

The 2006 Foundation report *Working time and work–life balance in European companies* summarises the main results of the Establishment survey on working time (ESWT), carried out by the Foundation in 2004–2005 in 21 countries and over 21,000 establishments. Focusing on the company level, the survey shows that a variety of flexible working time arrangements enable a better match between both company and individuals' needs than is possible within standard working time arrangements.

The Foundation report *Working time options over the life course* examines the interplay between current working time options and arrangements over the life course, on the one hand, and the design of national-level regulatory systems and welfare states, on the other. The study analyses disparities between demographic groups and the Member States.

The report *Reconciliation of work and private life – A comparative review of 30 European countries*, prepared by the EU Expert Group on Gender, Social Inclusion and Employment, provides an overview of the various elements that facilitate the work–life balance mix, such as childcare facilities, leave, flexible working time arrangements, allowances and the role that employers play. The study recommends a better division of responsibilities between the state, the employee and the employer.
The Foundation comparative report *Gender mainstreaming in surveys* (TN0608TR02) investigates how gender mainstreaming is incorporated into national working conditions surveys, based on 12 national contributions. It discusses both conceptual and methodological issues, as well as the implementation of gender mainstreaming.

**Making work pay**

In May 2006, the European Commission’s Directorate General for Employment, Social Affairs and Equal Opportunities published a report entitled *Making work pay* debates from a gender perspective. The objective of the report is to develop the gender perspective in the debate on labour supply. The primary policy context for this report is the Commission’s Communication *Modernising social protection for more and better jobs – a comprehensive approach contributing to making work pay* (COM(2003) 842 final).

The report identifies a general lack of gender mainstreaming or impact assessment in the reforms implemented or discussed, which ‘may indicate a lack of political commitment to promoting gender equity in some cases, or at the very least a failure to develop and implement suitable gender mainstreaming procedures’. This failure ‘undermines progress towards gender equity’ and hinders more effective policy solutions for a range of social and economic objectives. The report proposes a ‘gender-sensitive’ checklist for evaluating social protection reforms in order to assess the gender impact of ‘making work pay’ policies.

**Gender segregation: Wages and working time**

Despite progress in rates of employment, fundamental differences remain between men and women in the labour market in relation to the gender pay gap.

The structural indicator ‘gender pay gap in an unadjusted form’ indicates the persistence of the pay differential by sex across the EU27 between 2000 and 2005. As shown in Table 1, the pay gap appears stable over the six-year period. Figure 17 illustrates differences in the gender pay gap across countries.

**Table 1  Gender pay gap in unadjusted form, EU27 (as a % of men’s pay)**

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<td>15</td>
<td>15</td>
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</tbody>
</table>

Note: The gender pay gap is measured as the difference between men’s and women’s average gross hourly earnings, as a percentage of men’s average gross hourly earnings (for employees working 15+ hours in paid employment).

Source: Eurostat, structural indicators
Equality and non-discrimination

In September 2006, the report *Diversity at work – Eight steps for small and medium-sized businesses* was presented in Cyprus at a European conference on diversity in SMEs. The report includes guidance for implementing diversity management as a strategic tool in order to gain a competitive advantage.

In November 2006, the Commission published the 2006 annual report *Equality and non-discrimination*, which provides an overview on progress in implementing the Racial Equality Directive (Directive 2000/43/EC) and the Employment Equality Directive (Directive 2000/78/EC). The report assesses developments according to different aspects: legislative implementation at national and sub-national level, activities carried out by national equality bodies and examples of court cases at EU and national level. The 2006 conclusions of the evaluation measuring the progress and effectiveness of the programme from 2001–2006 were issued at the same time.

The special issue of Eurobarometer, *Discrimination in the European Union*, presented in January 2007, focused on various forms of discrimination according to both country and social group.

Also in November 2006, the European Monitoring Centre on Racism and Xenophobia (re-established as the EU Agency for Fundamental Rights (FRA) on 1 March 2007) published the 2006 Annual Report on the situation regarding racism and xenophobia in the Member States of the EU. The study devotes a chapter to discrimination in employment and to initiatives by public bodies, social partners and NGOs in preventing such inequalities in respect of migrants and ethnic minorities. The report confirms the incidence of labour market segmentation according to ethnic and national origins, as reported in the 2005 annual review.
Mobility

The Foundation report *Mobility in Europe* is a descriptive analysis of the 2005 Eurobarometer survey on geographical and labour market mobility. Mobility appears to be not always the result of individual choices. Indeed, mobility – particularly job mobility – is often found to be a characteristic of the more vulnerable groups in society. The analysis also shows that mobility-related decisions are the result of significant and often difficult trade-offs. People attracted by the idea of making a long-distance move report that they fear the loss of contact and support from family and relatives. Moreover, it would appear that what is good for the EU as a whole – greater overall levels of mobility – is not necessarily reflected in how individuals feel about mobility in their own lives.

Employment and social integration of people with disabilities

In May 2006, the European Commission presented a *Thematic study on policy measures concerning disadvantaged youth*. It analyses policy measures in relation to the specific situation of disadvantaged youth in the 16–25 year age group, focusing on access to employment across 11 Member States (Austria, Denmark, Finland, Greece, Italy, Poland, Portugal, Slovakia, Slovenia, Spain and the UK) and the then two acceding countries, Bulgaria and Romania. The study identifies the key mix of elements necessary to reduce the level of poverty and unemployment among this age group.

Social inclusion

In April 2006, the Commission presented the report *Social inclusion in Europe 2006*, providing implementation and update reports on the 2003–2005 national action plans on social inclusion and update reports on the 2004–2006 national action plans on social inclusion. The study gives particular prominence to three social challenges for Europe: increasing immigration; the rise in health and insurance costs as a result of increasing dependency ratios and advances in medical care; and the need for affordable care provision for children, disabled people and elderly people due to demographic changes and the increasing labour market participation of women.

The second *Joint report on social protection and social inclusion 2006* examines national policies and national reform plans, taking into account the relationships between ageing, pensions and employment rates, on the one hand, and unemployment, economic inactivity and low wage traps, on the other.

Work organisation and quality of work and employment

On 12 September 2006, Eurostat published the *Final report of the task force for evaluating the 2004 LFS ad hoc module on work organisation and working time arrangements*. It discusses the opportunities and the problems arising from the planning and implementation of the survey.

The Foundation survey data report *Quality of work and employment 2006* (EU0609SR01) gives an overview of EU-level data in the four key dimensions of quality in work and employment: career and employment security, health and well-being, skills development, and work–life balance.

The Foundation comparative report *Measuring job satisfaction in surveys* (TN0608TR01) provides a comparative overview of how job satisfaction is measured in national working conditions surveys,
by investigating conceptual and methodological issues in the study of job satisfaction. The report then examines survey results on levels of general or overall job satisfaction among workers, as well as identifying the relationship between specific factors relating to work and job satisfaction.

In January 2007, the Foundation published the comparative report *Teamwork and high performance work organisation* (TN0507TR01) based on the third EWCS and 16 national contributions to a questionnaire. The study considers how teamwork has developed as a new form of work organisation, taking into account the context at national and company level, and assesses the impact of teamwork on diverse aspects of working conditions, such as job autonomy, job satisfaction, work intensity, productivity and the learning environment.

**Working hours and working-time arrangements**

Working hours and working-time arrangements are important elements of quality of work. Data on working time in the Labour Force Survey differentiate between usual and actual working hours. The former refers to the average weekly hours worked over a long period, while the latter refers to a specific reference week. The actual working hours may deviate from the number of hours usually worked due to absence, holidays or overtime.

In the second quarter of 2006, the average working time in the EU27 was 37.9 hours a week: 41.2 hours for men and 33.8 for women (Figure 18). Among Member States, it ranges from 30.8 hours in the Netherlands to 42.7 hours in Greece. In all countries, the number of hours usually worked is higher for men than for women.

**Figure 18  Usual hours worked per week, by sex, EU27, 2nd quarter 2006**

<table>
<thead>
<tr>
<th>Country</th>
<th>Men</th>
<th>Women</th>
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<tbody>
<tr>
<td>EU27</td>
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<td>33.8</td>
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<tr>
<td>AT</td>
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<td>36.7</td>
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<tr>
<td>BE</td>
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<tr>
<td>SK</td>
<td>36.9</td>
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</tbody>
</table>

Source: Eurostat, QLFS, 2nd quarter 2006
Figure 19 summarises usual working hours for part-time workers. In this context, women report longer working time (20.1 hours) than do men (19 hours) in the EU27, but there is no clear-cut dominance across countries.

Figure 19  Usual working hours of part-time workers, by sex, EU25

Source: Eurostat, QLFS, 2nd quarter 2006

In the second quarter of 2006, the average actual working hours in the EU27 were 37 hours per week: 32.9 hours for women and 40.3 for men. Again, variance is very high across countries.

Work-related health monitoring in Europe

The report Healthy work in an ageing Europe – Strategies and instruments for prolonging working life, published by the European Network for Workplace Health Promotion (ENWHP), offers a set of analytical tools in order to redesign workplaces and work organisation in the context of an ageing workforce. Moreover, the study develops an 'integrative' strategy involving a range of measures – including a work-ability index – aimed at achieving effective and lasting promotion of the work ability and employability of workers.

As shown in Table 2, the incidence of serious and fatal accidents at work has declined significantly since 2001, taking 1998 as the reference year with a value of 100. This downward trend is greater for men than for women.
Figure 20  Average actual working hours per week, by sex, EU27

![Bar chart showing average actual working hours per week by sex, EU27.]

Source: Eurostat, QLFS, 2nd quarter 2006

Table 2  Serious and fatal accidents at work, by sex, EU25, 1999–2004 (1998 = 100)

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<thead>
<tr>
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<td>104</td>
<td>101</td>
<td>97</td>
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<td>91</td>
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Note: Provisional data for 2004.
Source: Eurostat, structural indicators

However, substantial differences exist between countries. Figure 21 reveals that, since 1998, the incidence of serious and fatal accidents at work is still increasing in Estonia, Romania and Cyprus. Meanwhile, Slovakia and Bulgaria have experienced the most significant reduction in such accidents since that year.

**EWCO survey data reports**

The European Working Conditions Observatory (EWCO) continues to produce a series of survey data reports. The report *Quality in work and employment 2006* (ELI0609SR01) analyses survey data at EU level on quality of work and employment.
Figure 21  Serious and fatal accidents at work, 2004 (1998 = 100)

Note: 1998 is the reference year, and is indicated as the value of 100. Any data above 100 therefore represent an increase in the incidence of serious and fatal work accidents since 1998, while data below 100 represent a decline in the number of such accidents since that year. Data for IE, ES and PT not available for 2004.
Source: Eurostat, structural indicators

In 2006, the following national survey data reports were published:

- Further professional education and training in Germany (DE0605SR01)
- Working conditions in Estonia (EE0603SR01)
- Working conditions in Finland (FI0603SR01)
- A review of working conditions in France (FR0603SR01)
- Working conditions in Hungary (HU0607SR01)
- Trends in quality of work in the Netherlands (NL0601SR01)
- Working conditions in Romania (RO0610SR01)
- Work-related disorders in Sweden (SE0601SR01)
While some issues remained on the EU policy agenda at the start of 2007 – such as the Working Time Directive and the Commission initiative on MSDs – some directives having an important impact on working conditions came to the end of their codecision process during 2006, for example, REACH and the Services Directive.

Gender equality and modernising labour law, which represent the cornerstones of the revision of the European social model, played a major role in policy developments and official reports. The task of modernising labour law, in particular, ensured that the flexicurity debate took a central place in policy discussion; see, for example, the Employment in Europe 2006 report. Moreover, the relaunch of the CSR debate and the assumption of the ILO notion of decent work as the basis of social policy, combined with the roadmap for gender equality, underline a citizenship approach that extends far beyond the EU borders.

The roadmap for gender equality and the launch of 2007 as the year of equal opportunities for all resulted in the publication of a large array of reports offering an overall picture in this regard, and paving the way to the first-phase consultation of the social partners on work-life balance. Another important milestone is the framework agreement on harassment and violence, reached in December 2006, as a contribution to the public debate on psychosocial issues in the workplace. Furthermore, the Community strategy on health and safety for the period between 2007 and 2012 was published in early 2007.

Finally, the recently published fourth EWCS provides a comprehensive overview of the main trends prevailing in working conditions across Europe, providing a basis for European policymakers to assess the necessary measures to achieve the Lisbon objectives.


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