

▶ **HOUSEHOLDS, WORK AND FLEXIBILITY**

Comparative Contextual Report
Demographic Trends, Labour Market and Social Policies

▶▶ **PART ONE**

**LABOUR MARKET, FAMILY
AND SOCIAL POLICIES**

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▶▶ PART ONE

LABOUR MARKET, FAMILY AND SOCIAL POLICIES

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Chapter 1.

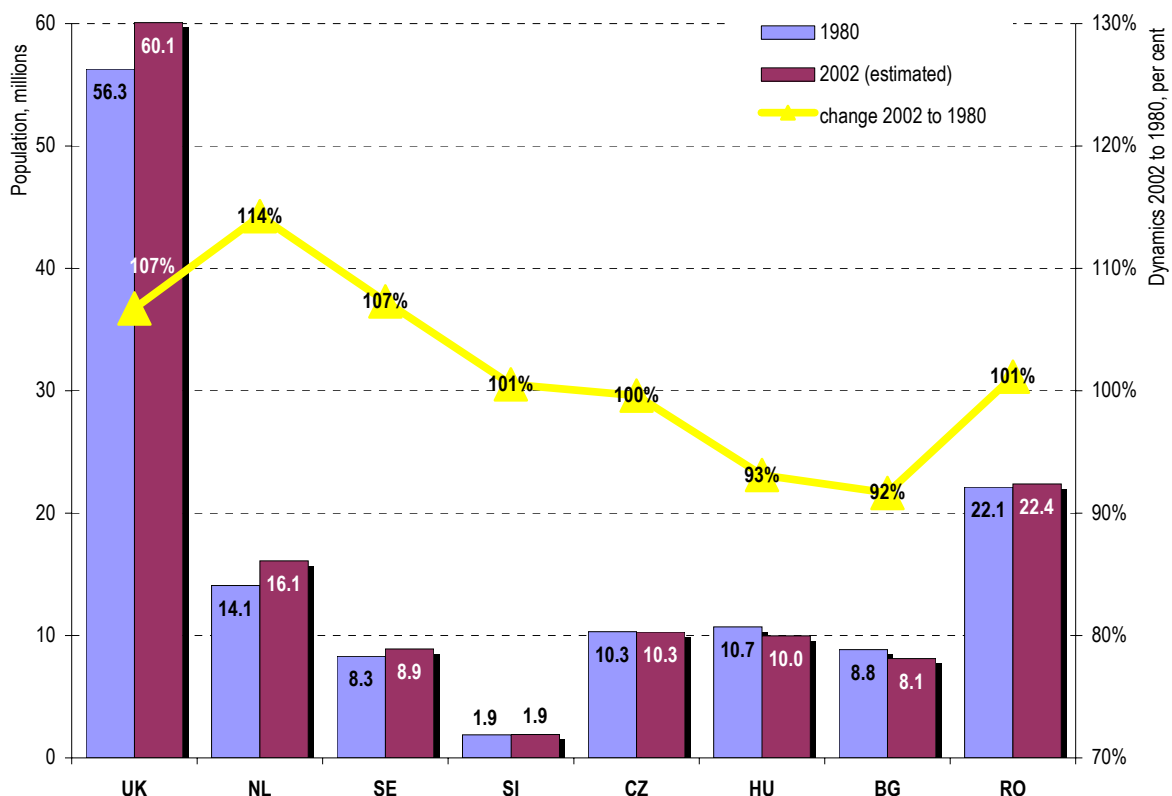
Demographic and employment trends

1.1. Population

The populations of the HWF countries show disparate trends: in the UK, the Netherlands, Sweden, Slovenia and Romania, the populations have generally grown since 1980. However, in the Czech Republic, Hungary and Bulgaria they have shrunk over same time. This partly reflects the economic uncertainties of transition and in some

countries, such as Bulgaria, substantial out-migration, as well as the removal of the communist-era pro-natalist policies (which included draconian attempts to promote fertility in Romania, for example). However, it also reflects a longer term trend in declining birth rates which we explore below.

Figure 1-1. Population Trends



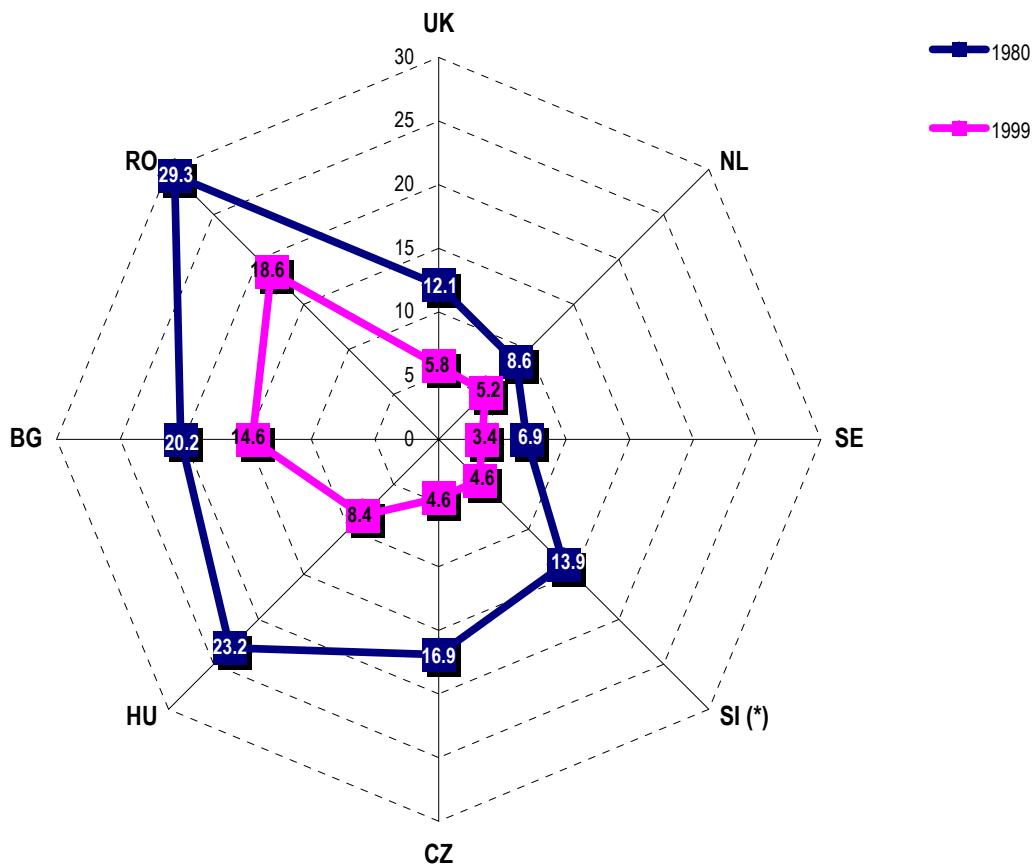
Source: The Social Situation in the European Union, 2002
DG Employment and Social Affairs, Brussels

1.2. Life expectancy

The general tendency in all the countries under study is for people to live longer, and for infant mortality to decline, although the life expectancy in ECE countries is still below that of the EU (in the case of Romania and Bulgaria, substantially below, although Hungary also has problems of early mortality). In ECE countries, males are particularly affected by high mortality rates and are among the people to be most affected by this form of “transition stress” which also reflects lifestyle (heavy smoking and drinking) as well as diet. Whilst in the more advanced transition countries (Hungary, the Czech Republic) there has been a

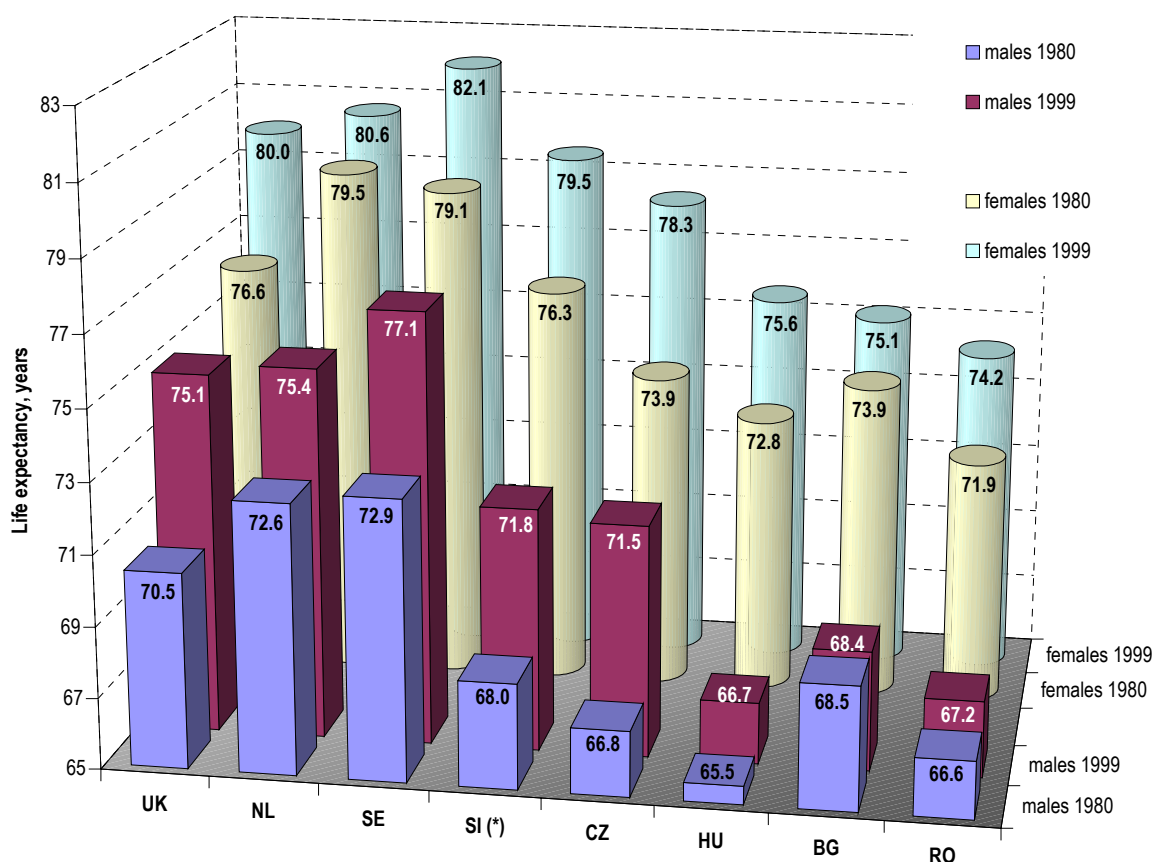
long term improvement in health, in Bulgaria and Romania longevity and infant mortality became worse after the transition and these countries only improved their life expectancy and infant mortality after 1998. Furthermore, whilst in Hungary and the Czech Republic infectious diseases associated with poverty, such as tuberculosis are more or less eradicated, in Romania there has been an increase in such diseases. Slovenia, by contrast has health which is equivalent to, or not far below the EU average (The Social Situation in the European Union, 2003).

Figure 1-2. Infant mortality per 1000 live births



Source: WHO Regional Office for Europe, European health for all database

Figure 1-3. Life expectancy at birth



Source: WHO Regional Office for Europe, European health for all database

1.3. Family patterns

Whilst in the past, the people of ECE countries tended towards a pattern of producing children in their early 20s and having children was fairly universal, since the onset of transition, the fertility rate has fallen and marriage as well as childbirth is being postponed (Mozny 1994). In the EU countries this has already been a long term trend, leading to ageing populations, smaller households and a decline in fertility. There are variations between EU countries in this respect, with higher levels of fertility in the UK and the Netherlands than in Sweden. In 1990, however, Sweden had the higher levels of fertility. It would

seem that ECE countries are also developing the same trend. Some would argue that this is on account of the risk and uncertainty brought by transition, which discourages long term personal planning. Others would claim that it is rather because of the increasing opportunities available to young people, encouraging them to postpone marriage. Certainly, there are no longer incentives such as marriage grants or priority access to accommodation for families. Another factor might be the loss of facilities for children which had existed in the past, such as public childcare facilities and secure employment for women. As these

things have disappeared with restructuring, so it is more difficult and expensive to have children. In addition, the lack of a housing market means that it is very difficult for young people to get accommodation, which might also deter them from starting families as well as the fact that young people are especially badly affected by unemployment, so they are not able to build the financial base to start families. The result of these trends is that the ECE countries have among the lowest fertility in the EU and this is further exacerbated by the out-migration of younger people. In Bulgaria and Romania the fall in the birth rate is also associated with high rates of infant mortality and low or even falling life expectancy, among the worst in Europe. However, we should also point out from Figure 1-4 that Slovenia is enjoying an above average rate of fertility and fertility is even increasing there. Table 1-1 provides further evidence of rising age of women at first childbirth (data not available for all ECE countries). This shows that the average age of women at childbirth is rising, but remains slightly lower in the Czech Republic than in the EU generally, and substantially lower in Bulgaria compared with the other countries.

Table 1-1. Average age of women at childbirth

	1980	1998
United Kingdom	27	28
the Netherlands	28	30
Sweden	28	30
Czech Republic	25	27
Bulgaria		24

Source: The Social Situation in the European Union, 2001. DG Employment and Social Affairs, Brussels supplemented by data from Vecernik and Kovacheva

Other trends where ECE countries and the EU are converging are the tendency to have children outside of marriage (although perhaps in consensual unions) and the role of these consensual unions as a prelude to - or instead of - marriage. Figure 1-5 shows the quite dramatic trends in this respect,

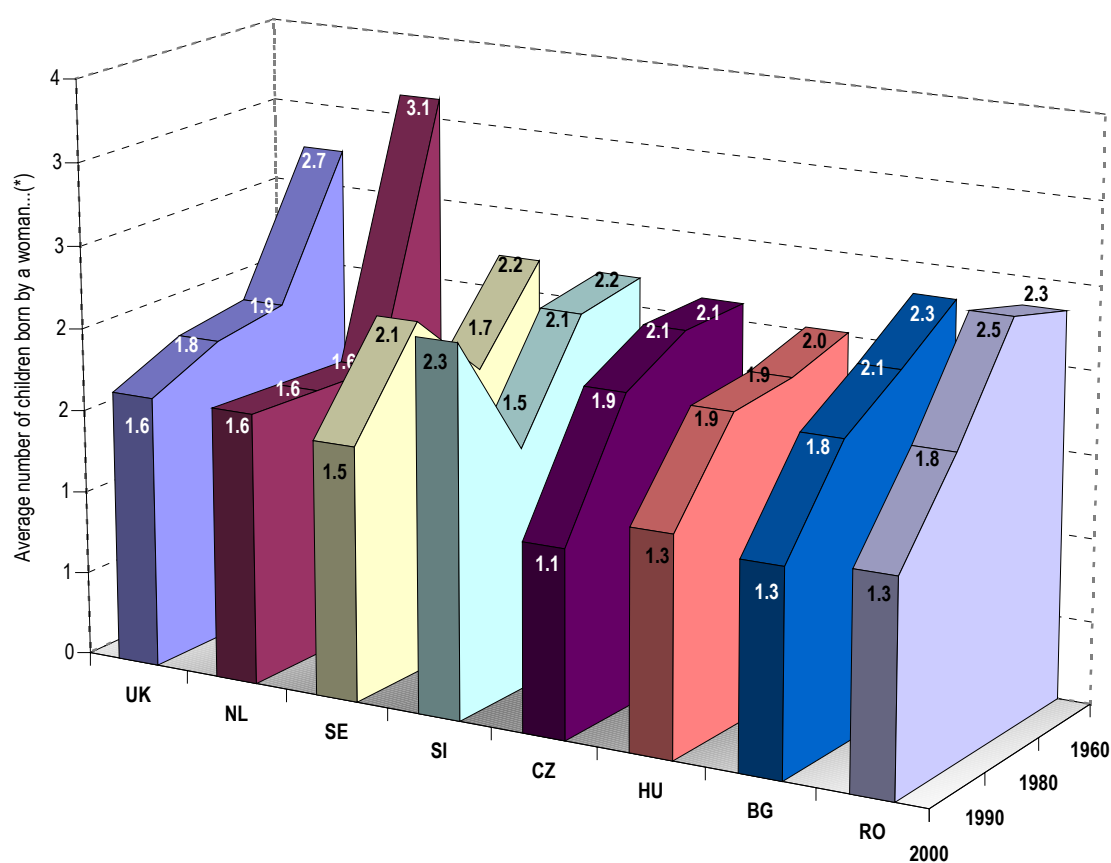
with very starkly rising proportions in ECE countries since the start of the transition in 1990, although these also reflect longer term trends. In the EU countries, Sweden has traditionally had a high number of extra-marital childbirths, but the fact that other EU countries are now moving in the same direction, including countries where there was no tradition of this kind of family formation, such as the Netherlands, implies that this is a general European trend.

We can see from Table 1-2 that there are important differences in family structure between the Northern EU countries and the ECE countries in the HWF project. Single person households are much more common in the Northern EU countries, as are childless couple households and their numbers have been increasing, especially among the young and the old. In ECE countries, this style of living is uncommon, since most people could not afford to live alone: income pooling enables families to survive. However, more extended families with or without children are more common in ECE countries. We should point out that this pattern is more similar to Southern European countries which are not included in the HWF project and these multi-generational families are more often found in the countryside. It reflects not just the lack of housing, but also the strong ties of family solidarity between generations which exists despite the strong role of the welfare state (Social Situation Report 2003). In all countries the most common pattern is families with dependent children - that is "nuclear" families. Lone parent families are far more common in the North Western EU countries than they are in the ECE countries. This pattern of family structure partly explains how child care is managed in ECE countries where women work full time, male partners contribute little in terms of domestic care (see HWF Report no. 4 volume 1) and public child care facilities have been strongly cut back. Under these circumstances, extended family helped out with childcare.

Table 1-2. Family Structure 2000

	1 adult without dependent children	2 adults without dependent children	3 or more adults without dependent children	1 adult with dependent children	2 adults with dependent children	3 or more adults with dependent children
United Kingdom	13	27	11	8	32	8
the Netherlands	14	29	10	3	35	9
Sweden	20	27	11	8	32	8
Slovenia	5	13	17	2	32	26
Czech Republic	8	21	15	4	39	13
Hungary	9	20	14	4	37	16

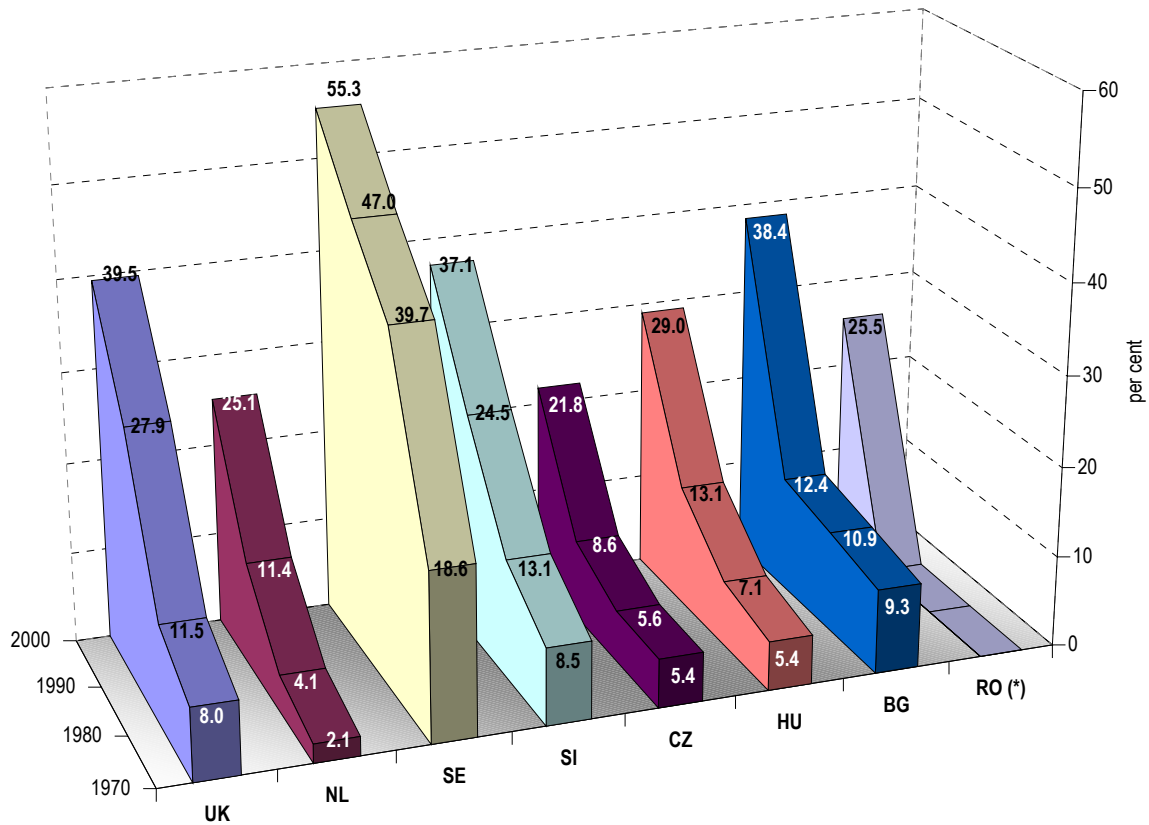
Source: The Social Situation in the European Union, 2002
DG Employment and Social Affairs, Brussels

Figure 1-4. Fertility rates, 1960-2000

Note: (*) The fertility rate is the average number of children that would be born alive to a woman during her lifetime if current fertility rates were to continue

Source: The Social Situation in the European Union, 2002
DG Employment and Social Affairs, Brussels

Figure 1-5. Percentage of live births outside marriage



Source: The Social Situation in the European Union, 2002
 DG Employment and Social Affairs, Brussels

Urban and rural dimensions have different meanings in UK and the Netherlands on the one hand and ECE countries on the other hand. In the UK, a trend towards de-urbanisation has led to better off people moving to the countryside or small towns, leaving an often deprived population in urban areas. In the Netherlands wealthier people also move out of town. In ECE countries, as in many other European countries, we see the reverse phenomenon: the poorest and most deprived population are likely to live in the countryside and the major cities such as Prague, Budapest and Ljubljana have become new poles of growth and prosperity.

Another trend is de-industrialisation which affected Britain already since 30 years and which has led to the closure of large industries and the shift of employment to new regions, leaving behind a deprived population of early retired, disabled and unemployed. Ethnic minorities and the less educated were often the most severely affected among these populations. In ECE countries there has also been the beginning of de-industrialisation, but often the large industrial centres are still operating due to union and voting pressures and the fact that unemployment would be even higher if these industrial centres with their large dependent populations were to close altogether. Nevertheless, where such industries

have been unable to convert production to become more globally competitive, they are under threat or have already closed. In Romania, industrial restructuring has led to the re-ruralisation of

large parts of the population, who compensated for their loss of jobs by returning to the land. To some extent this has happened in Bulgaria too.

1.4. Education

Considering now educational differences, we can see that the level of education is slightly lower in ECE countries when compared with the EU countries in the HWF sample. Whereas in the EU countries between 24% and 30% of the relevant age cohorts have completed tertiary education, this falls to between 9% and 18% in ECE countries. However, the numbers having completed upper secondary education are correspondingly higher in ECE countries, reflecting the well established traditions of vocational education and training. In most countries, with the exception of Sweden, there are more males at the tertiary level than females. In Romania, there has been a general polarization in education as the top and the bottom levels increasingly diverge, and this reflects the polarization in wealth as access to edu-

cation has become increasingly dependent upon financial contributions from parents. This means that in the poorest transition countries – Romania and Bulgaria – education could be deteriorating for many parts of the population and increasing numbers of children are unable to afford to go to school at all.

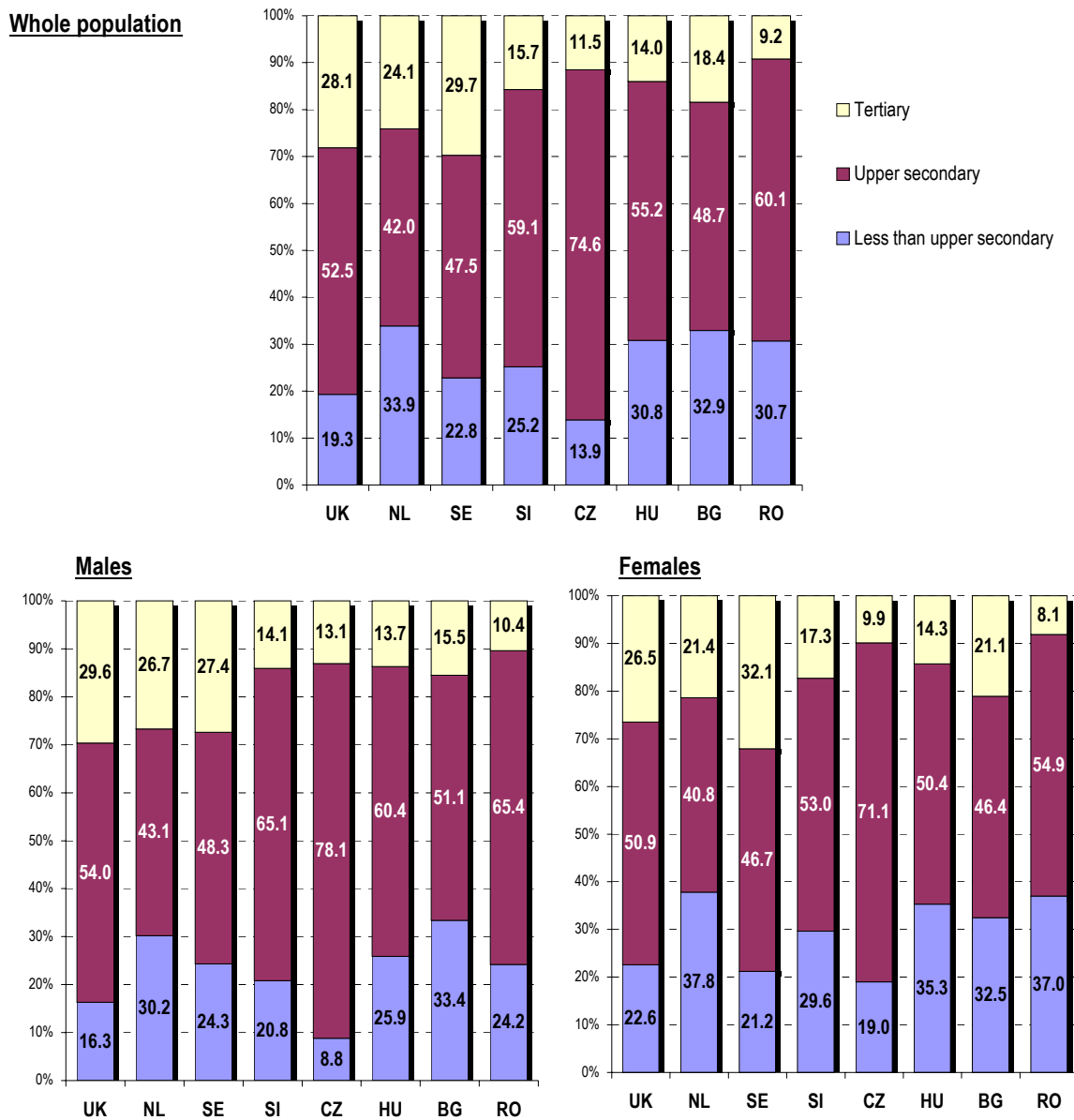
In ECE countries, there was not a tradition of life-long learning and once trained for a job, people were usually expected to stay in that job. However, this has been changing, despite the lack of policies encouraging return to education or further training, on account of the need to find new employment and the new opportunities offered for those with the required skills (see HWF Report no. 4 volume 1).

1.5. Conclusions: Demographic trends

In general, there have been similar demographic and family trends in EU and ECE countries covered by the HWF project. There has been a general fall in fertility (except in Slovenia) and even a decline in population in some ECE countries. Although in Southern ECE countries there are still larger families, family size is generally shrinking. However, alternative family forms have grown in these countries, with more children born outside

of marriage and more couples cohabiting. Marriage and parenthood are increasingly postponed. In EU countries there are also more and more single person as well as lone parent households, reflecting the fragmentation of the family, whilst in ECE countries strong family bonds and intergenerational solidarity persist or have even been reinforced by the uncertainties of transition.

Figure 1-6. Educational levels (highest completed level) 2000 (ISCED)



Source: The Social Situation in the European Union, 2002
 DG Employment and Social Affairs, Brussels

Chapter 2.

Economic indicators

2.1. Employment Trends

Overview of employment trends

From the Figure 2-1 below, it is evident that there are still large differences in economic prosperity between the Northern EU countries and the Accession countries. Although the two have been converging more recently, it is still the case that the most prosperous Accession countries (Slovenia, Czech Republic and Hungary) have about half the GDP per capita of the northern EU countries and the two Southern Accession countries – Romania and Bulgaria – have about one quarter of the GDP per capita of northern EU countries. This disguises the fact that increasing polarisation of incomes in those countries means that whilst some people are better off, many have become poorer. These trends set some of the reforms (or lack of them) that have taken place in context.

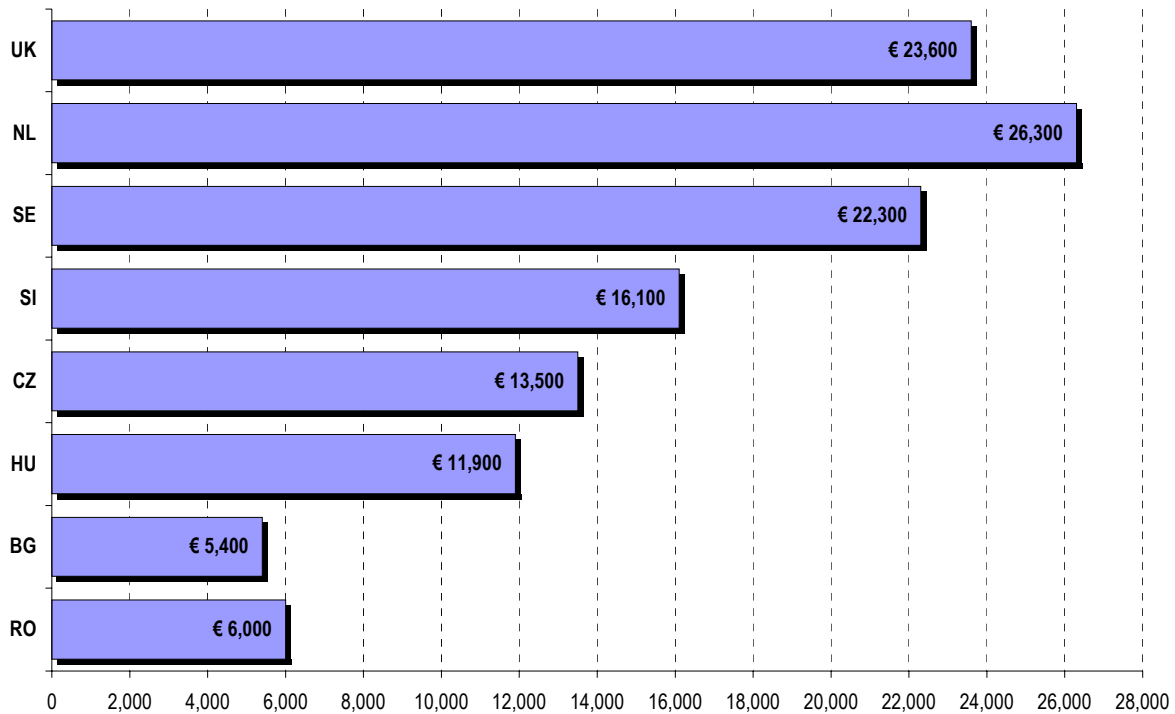
The Northern EU countries covered in the HWF survey represent some of the most prosperous and advanced EU countries and they have roughly similar levels of GDP per capita. Therefore the contrast between the HWF EU and HWF Accession countries is especially strong. We would not have found such a large contrast if we had included some Southern EU countries such as Greece or Portugal.

One of the declared aims of the European Employment Strategy as agreed at the Lisbon European Council in March 2000 is to increase the rate of employment in European countries. The aim is to have 70% of the potential workforce employed and 60% of women in the workforce by 2010. We can see from Figure 2-2 below that the rate of employment has generally increased since

1991 in European countries. In the UK it has increased from 70% to 71.7% of the potential workforce. In Sweden, there was a decline in the mid-1990s on account of rising unemployment and the most recent figure is for 71.7% - still less than it was in 1991. In the Netherlands there has been the most steady climb in the rate of employment from 62.5% to 74% in 2001. Much of this has been due to the increase in the levels of part time work (Jager 2003). These three countries are all above the EU average.

In the table below (Table 2-1) we also see evidence of the UK long hours culture. From our other HWF reports (Wallace, Chvorostov, Nagaev et al. 2003) we know that this is a problem for the integration of work and family life.

In ECE countries there has been a tendency for the rate of employment to fall following transition (although only figures from the mid 1990s are shown here). However, for Slovenia there has been a small rise from the mid 1990s and Slovenia is not so different from the EU average. The Czech Republic has the highest levels of employment among the ECE countries at 65% although this has declined somewhat since the mid 1990s. This is on account of the tradition of labour hoarding described in the HWF report by Vecernik (Vecernik 2003). In Hungary the level of employment has increased since the mid 1990s and now stands at 56.3% whilst in Bulgaria it is the lowest of all at 50.7%. Whilst the Western European countries included in this report have higher than EU average rates of employment, the ECE countries generally have lower rates of employment (except for the Czech Republic)

Figure 2-1. GDP per capita (PPS) 2000, €

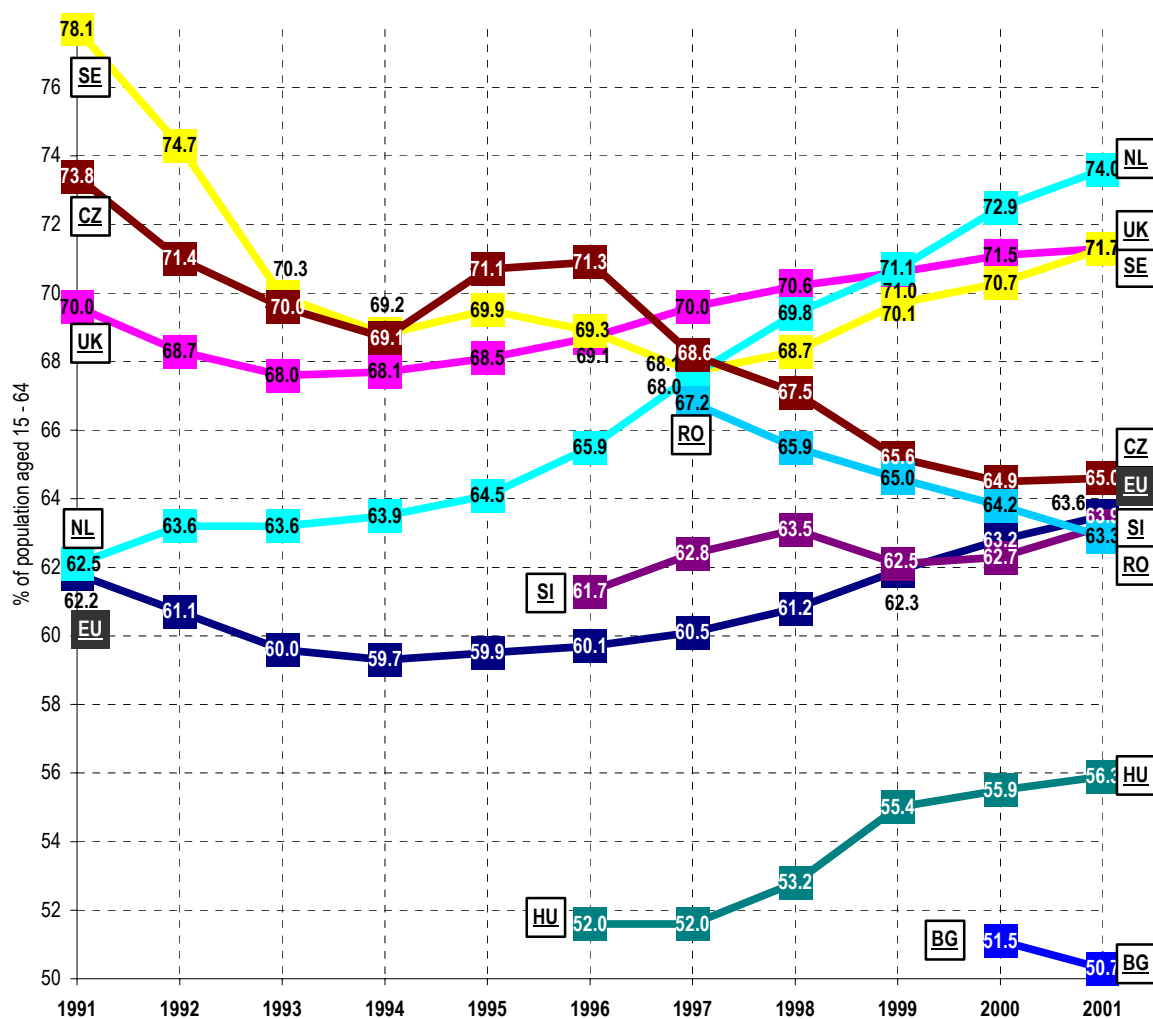
Source: The Social Situation in the European Union, 2002
DG Employment and Social Affairs, Brussels

Table 2-1. Percentage of people working long hours, 1999.

	>40 hours per week	>48 hours per week
United Kingdom	51	21
the Netherlands	3	1
Sweden	9	3
Czech Republic*	57	n.a.

Source: The Social Situation in the European Union, 2001
DG Employment and Social Affairs, Brussels
(* LFS first Quartile 2000)

Figure 2-2. Trends in the employment rate (per cent of population aged 15-64)

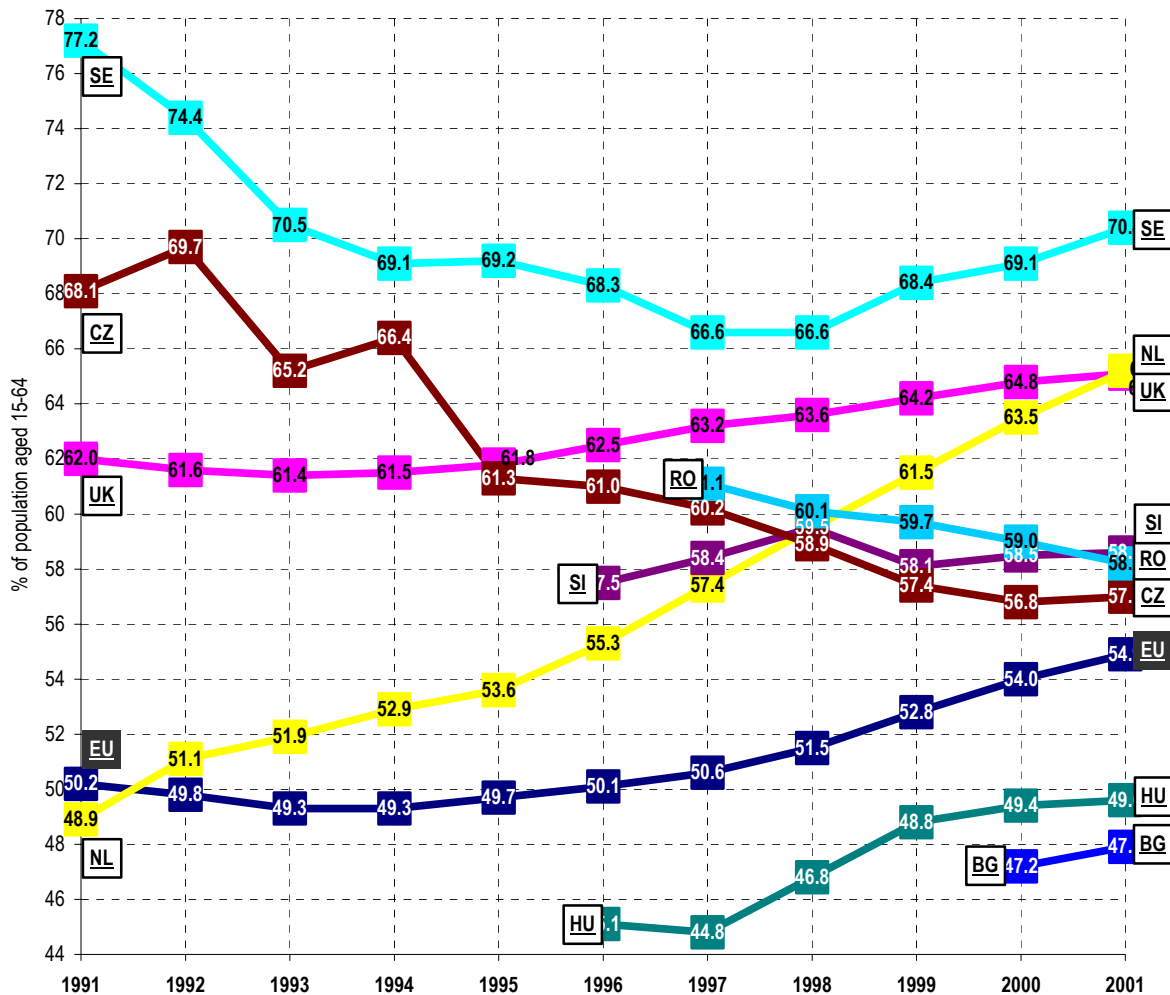


Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Looking at Figure 2-3 we can see that the EU targets of 60% employment for women have already been reached in our three Northern EU countries, which are above the EU average. Slovenia, Romania and the Czech Republic are not far below the EU targets and are above the EU average or near to it, although Hungary and Bulgaria are below the EU average. The Accession countries are ones where there was a tradition of full time female employment and it is the collapse of production and massive loss of jobs following transition that lead to a decline in female employment.

However, the tradition of early retirement for women may also have dented these figures. Whilst in the Western European countries female employment has been rising over the last 50 years, in ECE countries the generally high levels of female employment under communism have suffered as a result of transition. Some of these countries now have rates of female employment that are even below the EU average. The tendency has been for female employment to rise in the EU in general, although it has not yet reached the 60 % aimed for in the European Employment Strategy.

Figure 2-3. Trends in the female employment rate (per cent of labour force 15+).

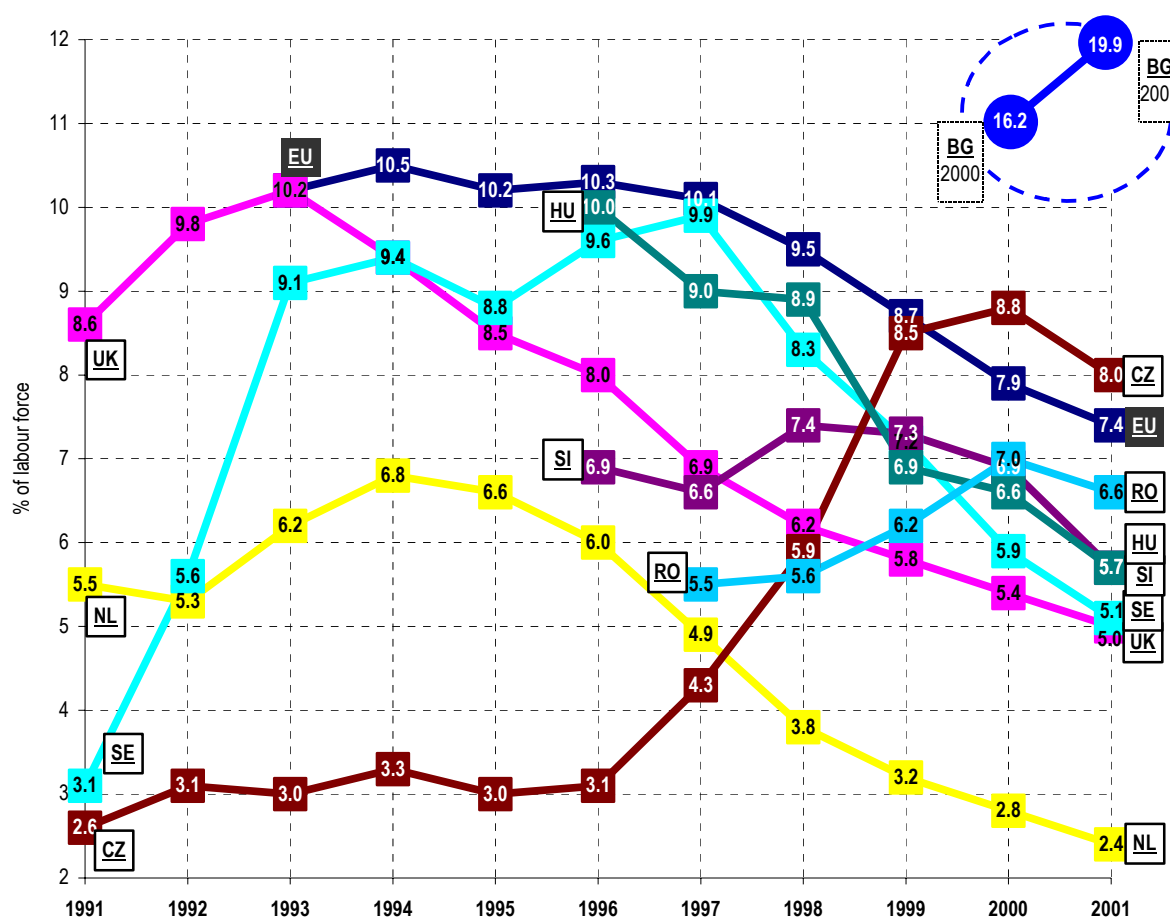


Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Apart from Hungary and Bulgaria, all the HWF countries are above the EU average. In the UK there has been a steady rise in female employment, reaching 65.1% in 2001. In Sweden with traditionally high rates of female employment there has been a decline since 1991, due to the rise in unemployment more generally, but Sweden still has the highest rate of female employment in the HWF countries (and among the highest in Europe) at 70.4%. In the Netherlands there has been a steady and rather dramatic rise in female employment on account of the introduction of part time work, even slightly overtaking the UK.

In Slovenia, female employment has risen slightly since the mid 1990s, as it has in Hungary, whilst in the Czech Republic and Romania there has been a decline. In Hungary and Bulgaria, female employment is especially low, reflecting partly the system of early retirement and partly the restructuring of the labour market. However, many of those who are not recorded as employed are in fact working in the black economy or in casual jobs or in peasant-style agriculture, especially in Romania and Bulgaria (Stanculescu and Ber-voescu 2003).

Figure 2-4. Trends in the unemployment rate (per cent of labour force 15+).



Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Turning now to unemployment, we can see that the rate of unemployment in the EU generally has declined over the 1990s. Most of the countries in our report (except Bulgaria) have at present below the EU average rate of unemployment. In the UK and Sweden there has been a decline from a peak of around 10% to just 5%. In the Netherlands the rates have been lower and stand now at only 2.4%, were some of the lowest in Europe during most of the period of the project duration. However, now unemployment is rising once more and is seen as a growing problem. In Slovenia, unemployment has been declining over the 1990s as it has in Hungary. However, in the Czech Republic, Romania and Bulgaria it has been increasing. Bul-

garia has by far the highest rate of unemployment – almost three times the EU average. However, much under-employment in Romania and also Slovenia is disguised by the large number of people who depend upon subsistence agriculture rather than work in the labour force. Also, we know in these countries from the HWF survey, that a large number of people are retired or otherwise out of the labour force (for example unregistered unemployed) and therefore do not form part of the unemployment statistics (Wallace, Chvorostov, Nagaev et al. 2003)

In the UK official unemployment is now lower than it was in the past, but there is a lot of hidden unemployment with 2.3 million men of

working age being inactive. Many people are registered sick or disabled and these can be as many as 20% of the workforce in some districts.

In Sweden there is a high rate of female participation but in a highly segregated labour market. For this reason, unemployment has impacted differently on men and women and it first affected men in the private sector rather than women employed mainly in the public sector. Although there is a gender gap in wages, it tends to be smaller than that in other countries. The recession affected Sweden in the early 1990s and this was combined with some deflationary policies leading to the worst recession to have hit the country since the 1930s. Until then, Sweden could be said to have avoided the problems of unemployment found elsewhere in Europe. Now there is a more "normal" European pattern. Especially badly affected are young people and non-Swedish nationals as well as lone parents. The regulations in the Swedish labour market allow women to work part time as a right and also to take long periods of time off whilst being paid, to care for children.

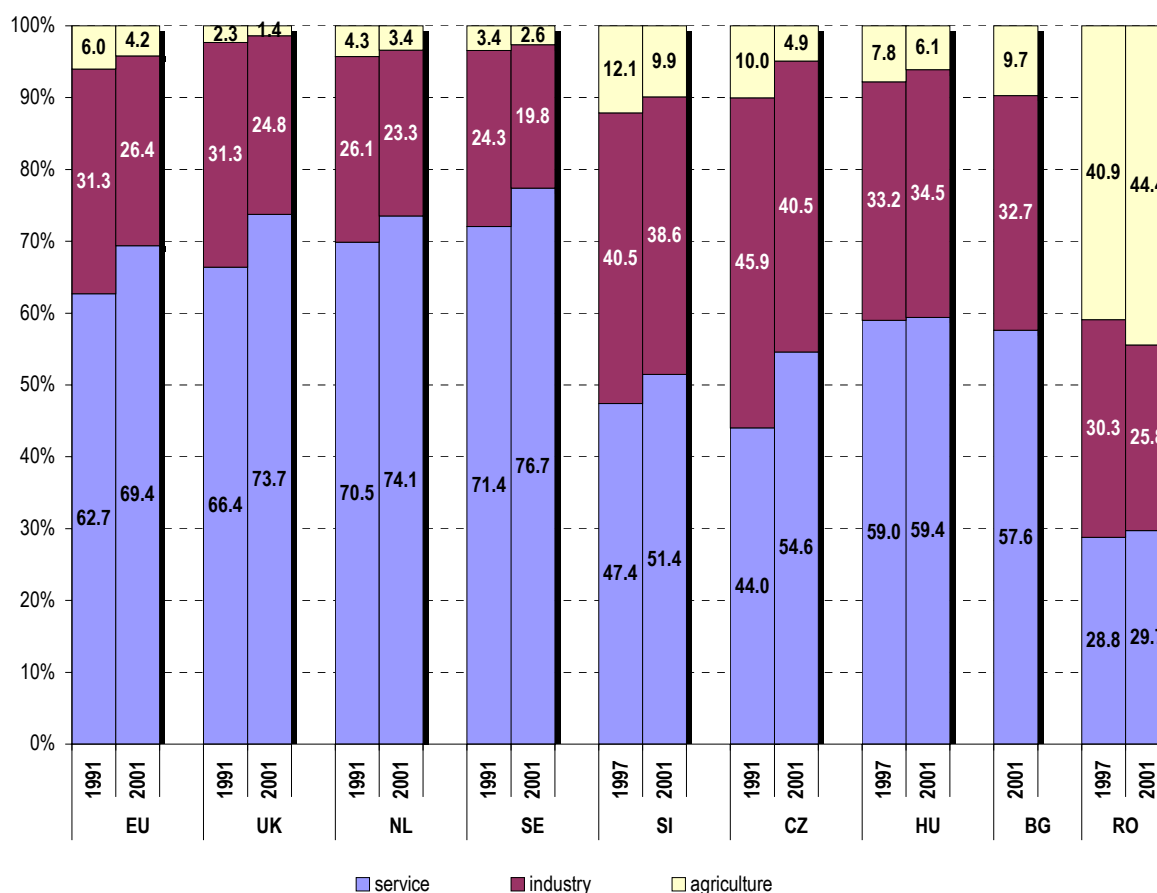
In the Netherlands there has been a substantial increase in employment throughout the 1980s and 1990s on account of the labour market participation of women, especially in part time work, which has been a specific policy goal. Unemployment was among the lowest in Europe and there has in fact been a labour shortage, although there is once more concern about unemployment in 2003. In addition more older workers have been drawn into the labour market through changes in the pension system, in response to the realisation that the policies of the 1980s encouraging early retirement were not the best way to tackle unemployment. Part time work is counted as between 12 and 34 hours per week and is protected in terms of labour conditions, legal status and social security so that it is not more disadvantaged than full time employment. Part time work, as a result of a range of legislation offers more time flexibility inside a regulated labour market. However, in the early 1990s there was some hid-

den unemployment as a result of large numbers who were sick and disabled. This legislation was then amended but the numbers of sick and disabled are once more rising. Since the beginning of the 1990s social security policy has been directed increasingly at limiting the inflow into the system by strengthening the benefit agency's 'gatekeeper' function and at encouraging outflow, by wherever possible getting benefit recipients back into the labour market. The Dutch government is also trying to tackle the problems of the long term unemployed as well as those of ethnic minorities and unemployed youth through training programmes and incentives to employers to provide employment. In order to facilitate the higher employment of women, the Dutch government is encouraging municipalities to provide child care facilities, bringing the Netherlands up to the European level in this respect.

In the Czech Republic, a range of new working arrangements have been introduced but the norm is still seen as stable regular employment, so these are not as well developed as in Western EU countries. The Czech Republic was characterised by low unemployment and labour hoarding, so that it did not experience the rapid rise in unemployment that the other transition countries experienced until the mid 1990s. Managers preferred to keep workers on their low wages rather than to restructure by laying people off. Low official unemployment persisted because of mass retirement, the retirement of working pensioners and the decrease in women's participation in the labour market. Related to this is the long period (up to 4 years) of maternity leave that we analyse in a later section.

In Slovenia there has been a set of responses to labour market conditions rather than an employment strategy. The loss of the markets in Yugoslavia led to a recession between 1987 and 1997, with rising unemployment and loss of jobs. However, employment started to recover around 1999 thanks to the rise in GDP and the active labour market policies introduced. In all, Slovenia weathered the transition recession better than most other post-communist countries.

Figure 2-5. Trends in employment in per sector (per cent of total employment)



Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

In Bulgaria the reduction in employment has led to a dramatic rise in registered unemployment, unlike in Romania where the massive loss of jobs has not been reflected in unemployment statistics to the extent that should have taken place, because many people have gone into early retirement, have retreated to the land or work in the black economy. They are not registered at labour offices and so do not appear in the statistics.

We can examine the structure of the workforce in different countries by comparing employment in industry, agriculture and services. In the EU generally, there has been a long term decline in the employment in agriculture, which now reaches 4.2% of the workforce on average. However, the Western European countries in the

HWF project have advanced economies and therefore very low employment in agriculture with 1.4% in the UK, 2.6% in Sweden and 3.4% in the Netherlands (despite the fact that the Netherlands is one of the biggest agricultural producers in Europe). The rate of employment in agriculture is much higher in ECE countries, reflecting the kind of technologies and system of employment in those countries, which is a legacy of the previous regimes. Whilst the rate of employment in agriculture in the Czech Republic, at 4.9% is not so different from the EU average, in Slovenia and Bulgaria it is around twice as high as the EU average, albeit declining in general. The real exception is Romania where employment in agriculture is very high, at 44.4% and has even increased over

the last ten years. However, this is part of the ruralisation trend which represents a survival strategy in the face of declining levels of employment and social support. In that country, therefore, employment in agriculture has been increasing.

The trend in the EU generally has been for employment in industry to decline as well, going down to 26.4% in the EU as a whole. The UK, Sweden and the Netherlands all have levels of employment in industry which are below the EU average, showing a steady long term decline. In the Netherlands especially, employment in industry stood at only 19.8%. In ECE countries employment in industry was traditionally high, reflecting the priorities of the former communist regimes and the tradition of over-manning. Although employment in industry has generally declined, reflecting the process of restructuring and the loss of employment in those countries generally, it remains substantially above the EU average (except in Romania).

Employment in services has been generally increasing in EU countries as part of a long term trend so that the EU average is now 69.4%. In the advanced economies represented by our Western European HWF countries, employment in services is above the EU average reflecting the long term increases and is highest in the Netherlands with 76.7% of the workforce thus employed. Employment in services is substantially lower in the ECE countries, reflecting the legacies of the former regimes. However, services have been an area of employment growth in these countries and has reached 59.4% in Hungary where this kind of employment is highest. Romania has the lowest rate of employment in services with only 29.7%, partly on account of the skew towards agriculture.

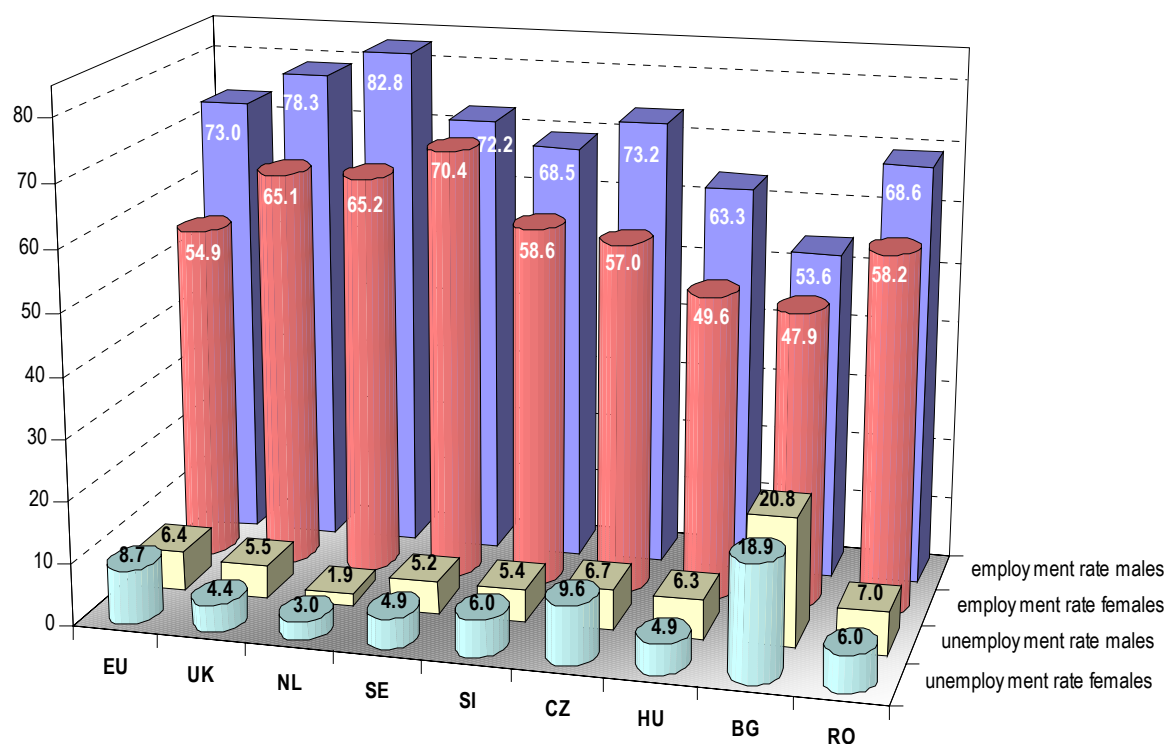
In Sweden there is an especially large service sector in public services, which perform not only many tasks which are done elsewhere in the family (such as care of children and elderly) but also many tasks which are elsewhere covered by the market. Instead of the market performing caring tasks, these are done either by the state (work done by women, but paid) and by a do-it-yourself

culture of self help, since private personal services are under-developed.

Figure 2-6 shows that the high rates of employment in the EU are mainly the result of high rates of male employment. However, in Sweden, there is little difference between the rate of male and female employment, whilst in the Netherlands and the UK there are big differences. In the ECE countries there are also big differences in the rates of male and female employment, with women being less likely to be employed than males, although in Slovenia, the Czech Republic and Romania, female employment rates are still above the EU average. Male rates of employment in the ECE countries are generally below the EU average. Female unemployment is above male unemployment in the EU as a whole. In the HWF countries, female unemployment is higher than that of males in the Netherlands Slovenia, and the Czech Republic but lower than that of males in the UK, Sweden, Hungary, Romania and Bulgaria. We should note however, that much female unemployment may be hidden by women leaving the labour force or working as unpaid housekeepers or helpers in family businesses.

Conclusions: employment trends

In these employment statistics we can see some strong contrasts between the Western European HWF countries and the ECE ones. This is on account of the fact that our HWF countries are among the most advanced in the EU and are generally ahead of the EU average in employment trends. The ECE countries, by contrast are still affected by a combination of the structure of employment under the former regimes, with large numbers in industry and agriculture, few in services and the consequences of "transition stress" which lead to a dramatic drop in employment, especially for women, as well as a rise in unemployment. However, among these countries there is a general tendency for slow convergence with the EU. Exceptions, perhaps are Bulgaria with extremely high levels of unemployment and Romania with extremely high levels of employment in agriculture, most of which is small scale and not of a modern form.

Figure 2-6. Comparative employment and unemployment rates by sex, 2001.

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

2.2. Trends in Flexible Work

Overview of trends in flexible work

Turning now to different kinds of flexible work we can look at self-employment, part-time employment and fixed term contracts as being examples of this. However, we should be aware that part-time employment is defined differently in each country and here it is based upon the Labour Force Survey, which means a self-definition. In

some countries, such as Hungary, part time work can mean anything up to 36 hours and in Sweden anything less than 40 hours, whilst in other countries it could mean just 20 hours. In the UK the threshold for paying National Insurance has been set at 87 GBP, which also affects the number of part-time workers. The role of part time work can be manipulated to suit the minimum wage ar-

rangements and ways of avoiding pay roll taxes. If we take, for example, part-time employment data for Hungary published in OECD publications (Employment Outlook 1998; 2000) then we note that they are slightly different to the figures used here. Several factors limit the reliability of data on part-time employment in Hungary. The Labour Force Surveys do not allow us to separate part-time workers from casual workers. According to the definition of the ILO, one hour of income generating activity in the week prior to the survey qualifies as employment but several hours of casual work performed every week does not qualify as part-time employment. Another problem is that in ECE countries it is mainly pensioners that are employed part-time, but the national working age is ignored by the LFS. A further bias might be that, together with the widespread practice of underreporting wages, some employers also under-report working hours in order to minimize payroll taxes. In 2000, for the first time in Hungary, the Labour Force Survey respondents were asked to declare themselves as full-time or part-time workers. Figures show that only 3.9 percent of employees declared themselves as part-timers (2.9 % of men and 5.1% of women). Interestingly, almost half of them (47%) worked more than 30 hours per week. One may conclude that many part-timers are actually full-time employees registered as part-timers in a year preceding the drastic increase in the minimum wage. In general, those countries with higher part time hours thresholds tend to show more part time work, perhaps because such work would be counted as full time elsewhere (Bastelaer, Lemaitre et al. 1997).

Part time employment is much higher in the Western European HWF countries than either in the EU generally or than in ECE countries (Figure 2-7). Part time employment is especially high in the Netherlands, rising to 42.2% of all employment and has shown a steady upward trend over the 1990s as a result of policies there deliberately designed to draw more women into the labour force with part time work (see Wallace 2003). In

the Netherlands, part time work is counted as work between 12 and 34 hours per week and is protected in terms of labour conditions, legal status and social security so that it is not more disadvantaging than full time employment. Part time work is therefore associated with permanent and secure work. There has also been some flexibilisation of working hours as a result of a range of legislation offering more time flexibility inside a regulated labour market.

In Sweden and the UK the numbers of part time workers represent about one quarter of the labour force. In Sweden the numbers have remained stable but in the UK they have risen slightly. In the UK there has been a rise in part time employment since the 1970s, but this is mainly for women and these are mainly women with children under 5 years of age.

In Sweden part time work is counted as that which is less than 40 hours. In fact, most part time workers work between 30 and 40 hours. If we take the definition of people working less than 20 hours (as in the UK previously) we find relatively few part time workers (Boje and Strandh 2003). When comparing the Netherlands, Sweden and the UK we find high rates of flexible work of all kinds (including part time, flexible hours etc.) in Sweden in the context of a highly regulated labour market .

In ECE countries the rate of part time work is much lower and in the Czech Republic and Slovenia it is even declining slightly since the mid-1990s. Part time work is rare and not really a preference for most prime aged workers. Part time work is mainly for elderly, sick and disabled people under special circumstances and these can be men just as often as women.

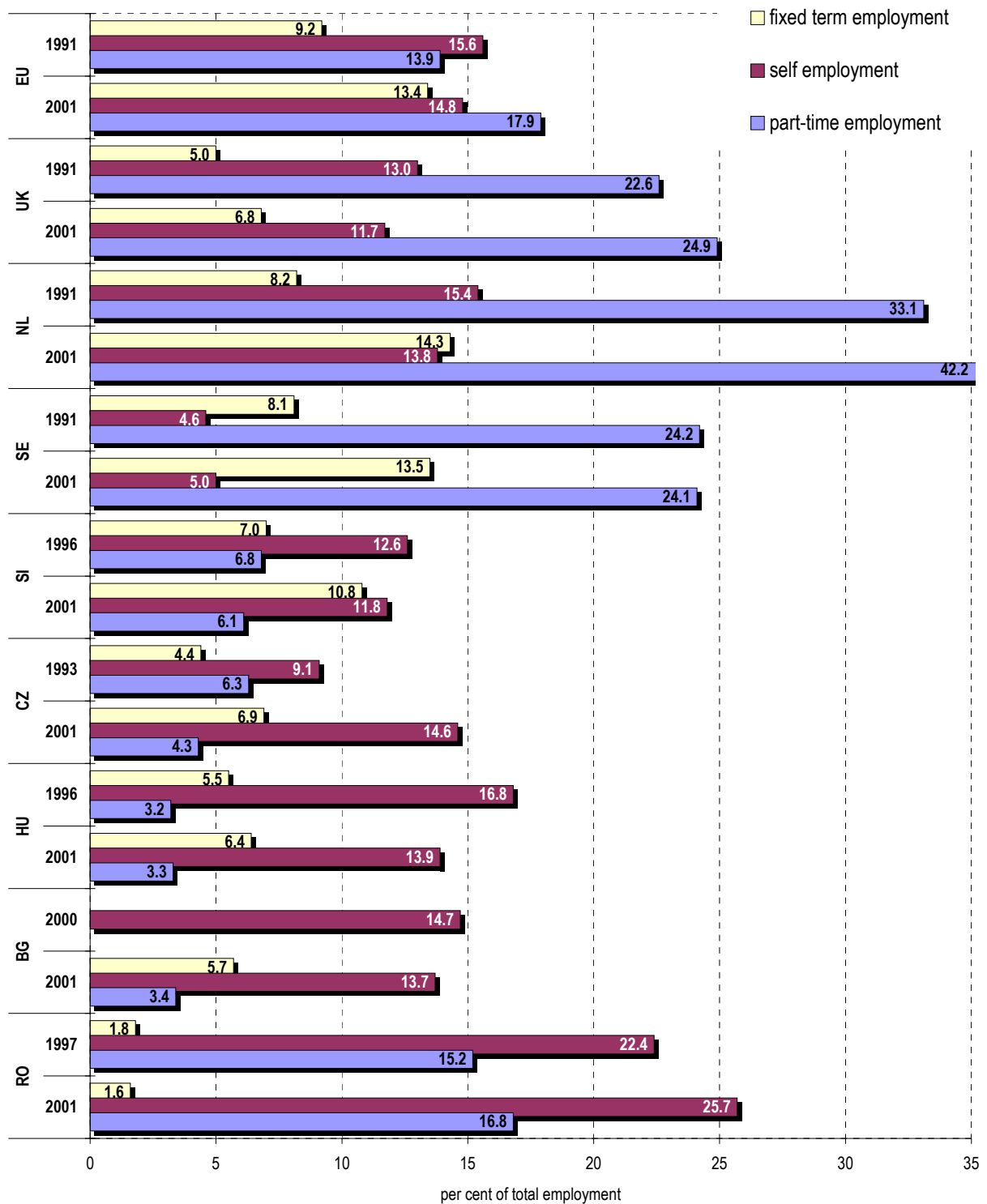
In Hungary and Bulgaria, part time work represents only 3% of the workforce, although in Romania it is higher at 16.8% and there it also seems to be rising. As we know from our HWF survey, part time work has different patterns in Eastern Europe than in Western Europe (see Sicherl Appendix 1 and HWF Report no. 4, 2003)

We can see from Figure 2-7 that self-employment in the European Union hovers at around 15%-16% with a recent tendency to decline (Table A1: 15). In the UK we see a slightly declining trend, as is the case in the Netherlands, but in Sweden a slightly upward trend. Sweden has the lowest numbers of self-employed in our group of countries. The rate of self-employment in the ECE countries is rather high and this in some cases reflects a lot of casual employment. The rate of self-employment in the Czech Republic is especially high and has shown an upward trend since the mid-1990s, but many more business licences were issued than there are self-employed people. People often undertake self-employment as their second job rather than their main activity. Romania had the highest rate of self-employment altogether, with one quarter of the population being self-employed. However, we can suppose from our own survey results (HWF Report no. 4, 2003) that many of these are peasant farmers and this is part of the re-ruralisation of the population. In this respect, flexibility is rather well developed in the Accession Countries.

Fixed term contracts are usually taken as a sign of flexibility, although in fact they can also signify the opposite. In labour markets where there is a high degree of job protection, fixed term contracts can be a way of getting around this, whilst in countries where there is little job protection, there is less need for fixed term contracts. The number of fixed term contracts in the EU has been rising steadily over the 1990s and this is also reflected in our statistics for EU countries in the HWF project (Figure 2-7.). The Netherlands and Sweden have the highest number of fixed term contracts, precisely because they also have a great deal of job protection. Temporary contracts in the Netherlands are mainly seasonal in nature, especially in agriculture.

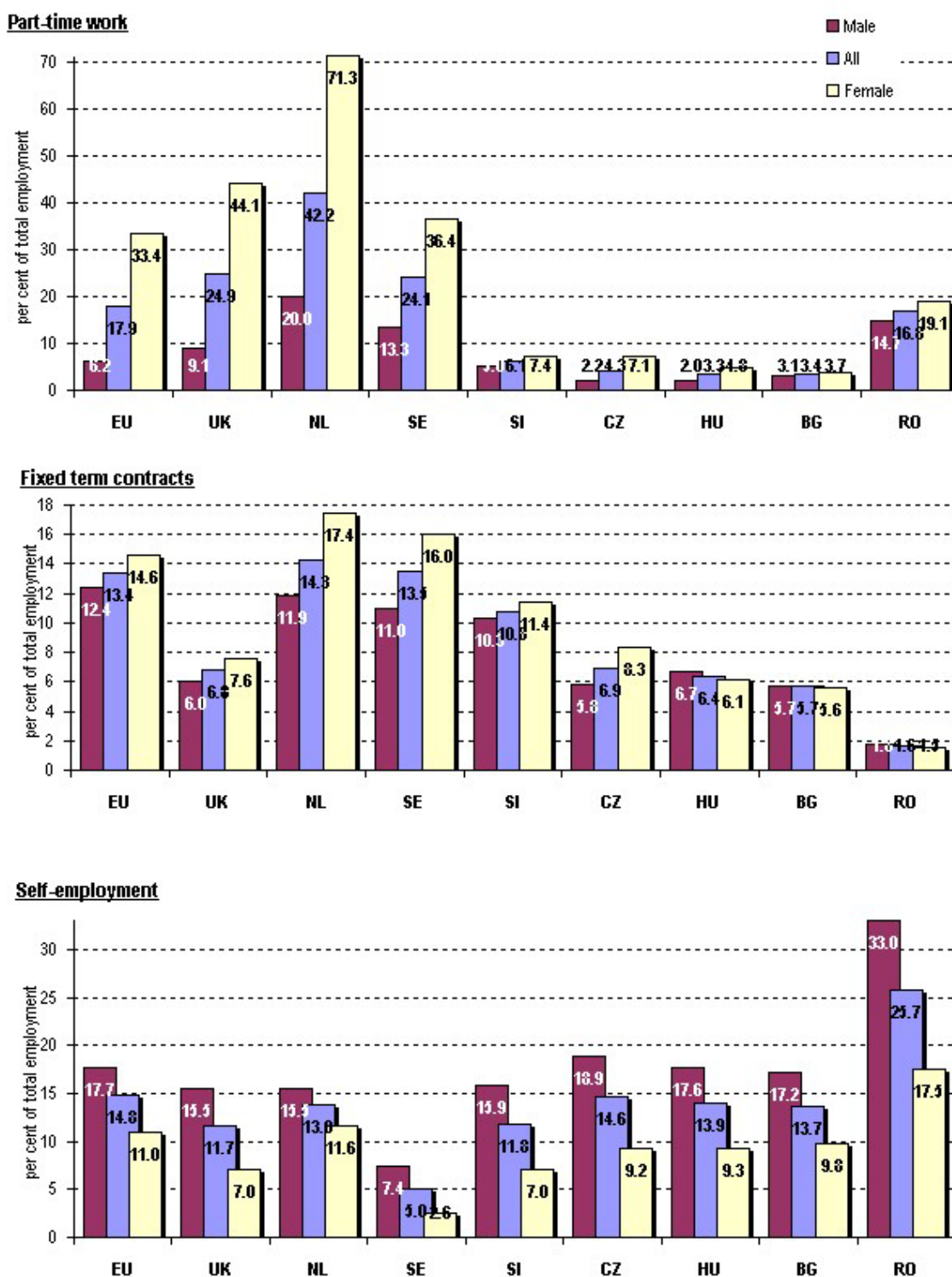
In Slovenia the rate of fixed term contracts is at 10.8% not much below the EU average, probably and labour market regulations are strong so that many of the temporary workers are from Temporary Work Agencies based outside of Slovenia, since there is as yet no legal framework for these agencies. In Slovenia, as in the Czech Republic, a life long regular job is seen as the norm and labour market regulations are rather rigid, for example on the issue of job dismissal. There have been protracted negotiations on the part of the three social partners about these issues but it is unlikely that the changes will introduce a great deal of flexibility in the near future. In Slovenia, there is some hidden unemployment in the form of people going into retirement or taking disability pensions. However, most new jobs have been ones on fixed term contracts, usually of 6-7 months duration. In the Czech Republic, Hungary and Bulgaria fixed term contracts are at about half of the EU average, whilst in Romania they are very low at only 1.6%. Fixed term contracts are not very typical in the Czech Republic but are found often in the professional and public sector, particularly health, education and research. We know from our HWF survey that there is nevertheless a lot of casual work in Romania, especially in agriculture. Once again, data on fixed term contracts show differences depending on the source. In Hungary, according to the Labour Force Survey, 6 percent of employees had a fixed-term work contract in 1999. And around 90 percent of them had a contract with duration of less than one year. A recent TÁRKI survey provides somewhat different data. According to this, about one in ten employees have a fixed-term contract. and among those on fixed term contract, 83.1 percent have a contract with duration of less than one year (Sik 2003).

Figure 2-7. Trends in atypical employment



Source: Employment in Europe 2002
 DG Employment and Social Affairs, Brussels

Figure 2-8. Comparative forms of a-typical employment, 2001



Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

In all countries, women are more likely to work part time than are men. However, these differences are very large in the Western European countries and rather narrow in the ECE countries. Women are also most likely to have fixed term contracts in the EU, in the UK, in Sweden, in the Netherlands, in Slovenia and in the Czech Republic. However, in Hungary, Bulgaria and Romania, men are more likely to have fixed term contracts than women. In all countries, men are substantially more likely to be self-employed than are women.

In Romania, the very large numbers of self employed are mainly people in rural areas, mostly in peasant farming, so this also reflects the re-ruralisation and re-agrarianisation of the workforce. Hence the self employed overlap with unpaid family workers – the latter being unemployed family members who also work on the family plot. Youth unemployment and unemployment among the Roma sub-population is especially high. However, atypical work is not legally regularised and is therefore to a great extent missing from the statistics. For that reason, we need to look more closely at what people actually do in terms of economic activity (Stanculescu and Berevoescu 2003). Whilst there are people on fixed term contracts, they are mainly in agriculture in rural areas and only do this kind of work because they can find no other jobs. Part time workers do not usually do this kind of work willingly and many are pensioners supplementing their pensions, even though this kind of work was banned after 1996. In ECE countries, especially in the Southern ECE countries, such as Bulgaria and Romania, it is usual to work in a number of economies to make ends meet and the black economy has expanded substantially over the transition (Wallace and Haerpfner 2000; Neef and Stanculescu 2002). This is partly because of the high tax burden on official workers and on small businesses. The problem with this kind of black work

is that nothing is entered into the persons “work book” which forms the basis entitlements to pensions, social security, health etc. so that it undermines the social and family policies that we will look at shortly.

Conclusions: flexible work

Although there appears to have been a rise in flexibility according to the indicators used in this section, we should be aware that such figures are subject to a range of different measures and manipulations. For example, part-time work is defined very differently in different countries and self-employment can be a survival strategy as well as a route to prosperity. Furthermore, many of these indicators mean something different in ECE countries as compared with EU countries.

However, we could say that there is in general a substantial amount of self-employment in all our HWF countries, although part-time work is confined mainly to the Northern EU countries and is not so widespread in the Accession Countries, where it has a different function. The number of fixed term contracts is not so high but tends to reflect the degree of labour market protection and the nature of these contracts can be better explored using survey data (see Wallace, Chvorostov, Nagaev 2003). Thus, paradoxically, the number of fixed term contracts reflects the degree of a job protection rather than the opposite.

We could say that whilst in the North Western EU countries under consideration, we find a high degree of formalised flexibility, in the Accession countries, especially in the less regulated labour markets such as Bulgaria and Romania, we find a high degree of informal flexibility using additional contracts, casual work and other types of “atypical” employment that are not necessarily recorded in these statistics or are recorded in misleading ways.

2.3. Labour Market Trends

The Western EU countries in our HWF project have all embraced flexibilisation as a way of modernizing the labour market. However, they have used different strategies and these take places within the context of different regimes of regulation prevailing in different contexts (Regini 2000). The regimes of regulation are based upon government policies and the different kinds of social dialogue traditions in different countries, which are analysed in this section of the report. They are also affected by the different traditions of family policy which integrate family and work in different ways, although this is usually ignored by regulation theorists (Lewis 1992). This aspect covered in the final section of the report. However, regulation regimes are also affected by the culture of the workforce and this is analysed separately in the survey reports (Wallace, Chvorostov, Nagaev 2003).

The HWF countries can be grouped according to their labour market regulation regimes. In the UK the de-regulatory policies of the 1980s and early 1990s have been replaced with policies such as a minimum income and better conditions for part time workers. We might term this a move from de-regulatory towards “partially de-regulated flexibilisation”, because the UK remains more deregulated than most other countries. In Sweden, flexibilisation strategies were adopted to pull the country out of the recession of the 1990s and they took the form of making work more flexible within the context of a the norm of regular full time work for both men and women. In the Netherlands a distinctive strategy was adopted of getting more women into the labour market by encouraging part time work. This was extended to a concern with managing the working timetable so that hours of work could be made flexible and individualized for all employees. However, this was in the context of job protection and offering job security, what has been dubbed “flexicurity”. Both Sweden and the Netherlands

therefore practice what we might call “regulated flexibility”.

In the post-communist Accession countries, it was necessary to completely modernize the labour market according to new principles after the regime changes in 1988-1990. In these countries, the norm of a controlled labour market which gave a full-time life-long job to both men and women (and discouraged mobility between jobs) was replaced by a free labour market.

However, because full employment was ensured by over-manning and there was a need to modernize the industries and collective agricultural enterprises where most people had been employed in those countries, the change to a market economy was accompanied by the massive shedding of jobs and initially a dramatic fall in production and output. Also, many services had previously been provided by employers (housing, heating, nursery care) and these were lost or reorganized. New policies had to be introduced into the labour market, including unemployment benefits, social insurance, pension reforms and a taxation system. With these very broad changes brought about in a short period of time through a whole raft of legislation, there were of course some mistakes and miscalculations so that legislation had to be continually updated. In general Western European models of labour market reform were introduced, but did not always function well in a different work culture. To begin with the sources of social support, in line with the former philosophy of universal coverage, were very generous. Under the advice of international agencies and strong fiscal pressure, these policies have become increasingly less generous and moved from a model of universal provision towards one of “workfare” - from passive and towards active labour market policies.

The Accession countries of ECE did not at first set themselves the goal of becoming “flexible” but nevertheless provisions for self-employment and part-time work as well as fixed

term contracts were introduced in the early 1990s. A great deal of spontaneous flexibilisation in fact took place as people moved jobs, moved professions, became self-employed or took on casual work. Informal methods of flexibilising rather rigid rules also took place, for example with regard to official salaries on which social insurance was paid and top-up salaries which were provided unofficially. At least some of this was hidden by the grey economy as the legislation to control and incorporate economic activities often did not keep pace with the changes in economic behaviour. Where there have been progressive labour market and taxation policies, more and more activities have moved out of the grey economy and into the formal economy, as is the case in the Czech Republic and Hungary (Wallace and Haerfper 2002). We might call the the Czech Republic and Hungary “partially regulated flexibilisation” as a result, even if they did not embrace flexibility in the same way as the Northern European countries did. Slovenia, by contrast is a country that has been slow to introduce reforms, buoyed up by a prosperous economy and levels of GDP closer to the EU average. It could begin such reforms only after the independence in 1991 and not earlier as in the Czech Republic or Hungary (Sicherl, Stanovnik et al. 2003). In general the economies of all three of the more “prosperous” Accession countries – the Czech Republic, Hungary and Slovenia – started to recover after the middle of the 1990s and have generally been improving since then. In the Czech Republic, an ideological battle between liberalization and social protection has raged around the concept of flexibility (Vecernik 2003). Nevertheless a range of legislation has been introduced which can aid flexibility and its implementation was assisted by the buoyant labour market with very low unemployment in the first part of the 1990s, enabling people to move between jobs with little risk of ending up unemployed. In Hungary, by contrast, there were rather progressive labour market reforms and attempts to introduced flexible measures, such as part-time work, from the beginning. However, these had

rather limited success, since the take up was not impressive and many policies were subsequently abandoned or abolished.(Sik 2003). High rates of unemployment make flexibility by employees into a personal risk.

In all Accession countries, transition lead to increasing polarization of income, differentiation within the workforce, job loss and rising poverty. Ethnic groups such as Roma were especially affected but so were young people and those in rural areas. Poverty was especially acute in the two least prosperous Accession countries, Romania and Bulgaria, whose picked up from the transition slump only at the end of the 1990s (Kovacheva and Pancheva 2003; Stanculescu and Berevoescu 2003). This improvement affected the population in very patchy ways with a small number prospering and large numbers plunged into poverty. Labour market and social security reforms were slow and often inappropriate or contradictory and could not match the impoverishment of the population, so that many people fell out of coverage altogether. The result was that more activities were pushed into the informal economy as people had to make ends meet without official incomes and inadequate or absent benefits (Wallace and Haerfper 2002). In Romania, this job loss, accompanied by land restitution, lead to large numbers (many of whom had been forcibly urbanized in the recent past) returning to the land and to subsistence production as a household strategy (Wallace 2002). In those latter two countries, therefore, there is a labour market divided between those still holding traditional (inflexible) jobs and a very flexible sector, where people live from casual work, self-employment, agriculture and could be said to be socially excluded. This flexibility takes place in spite of the lack of reform and so we might call this “unregulated flexibility”.

The process of EU integration has introduced a new dynamic into this picture by including various labour market and social policy reforms as part of the Accession negotiations. In all countries it has been necessary to set up a National

Employment Action Plan in response to the EU Employment Strategy. More detailed accounts of the different labour market policies in each country can be found in the HWF Report Number 2 (Wallace 2003). Here, we provide only a basic overview and summary of trends.

These trends can be summarized in the chart below. Here we contrast the past (1980s) with the present and the last decade when flexibilisation became a debate in many countries and there were attempts to respond to pressures to flexibilise. We concentrate only on a very general national level here. In the UK there was a movement from de-regulation by removing social protection and labour market controls, to one of partially de-regulated flexibility under "New Labour". However, the legislation passed under New Labour (much of it arising from EU Directives) is re-

garded by the UK partners on the HWF project as minimal. In the Netherlands and Sweden we see the change in already strongly regulated labour markets to introduce flexibility within the context of continuing strong regulation and relatively strong involvement of the Trades Unions. In the Post-Communist countries we can see a movement from strong state control of the labour market and a deliberate (official) policy of anti-flexibility towards various degrees of regulated flexibility. In Hungary, there has been the most attempt to embrace such legislation; in the Czech Republic and in Slovenia more reluctant attempts. In Bulgaria and Romania the general economic crisis and lack of coherent policies have led to a situation where flexibilisation is largely unregulated, even though some reform measures are in place.

Table 2-2. Trends in Labour Market Policies

1980s	1990s and 2000s	
De-regulated flexibility	Partially de-regulated flexibility	United Kingdom
Regulated non-flexibility	Regulated flexibility	the Netherlands, Sweden
Strongly regulated anti-flexibility	Partially regulated flexibility	Hungary (high) Czech Republic (medium) Slovenia (low)
Strongly regulated anti-flexibility	Mainly unregulated flexibility	Bulgaria Romania

Source: © HWF Consortium, Claire Wallace, 2003

Chapter 3.

Social protection

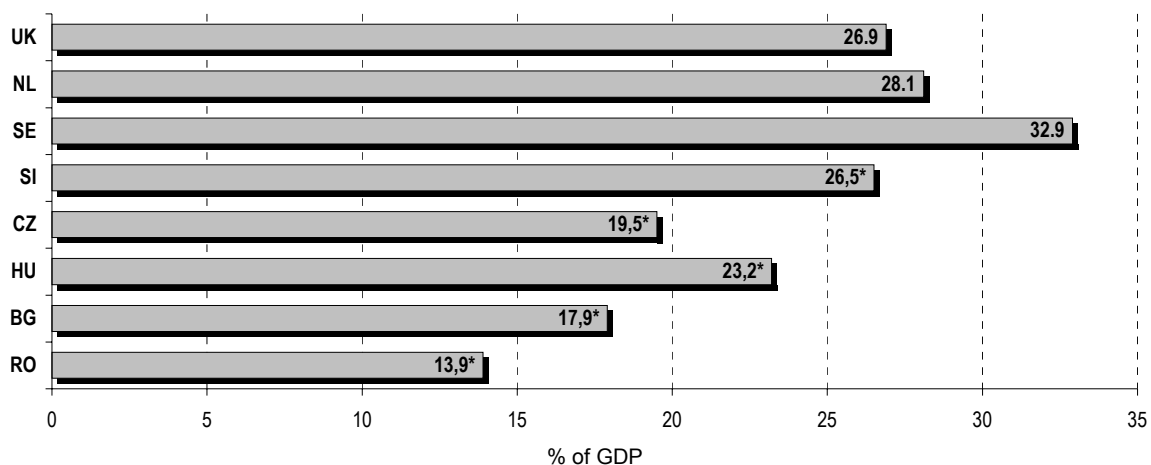
3.1. General overview of social protection issues

We can situate labour market, family and social policies in the context of social protection more generally. From the Figure 3-1, we can see that expenditure on social protection is generally higher in Sweden than the Netherlands and the UK. It is lowest of all the old EU countries in the UK (despite having risen over the last ten years). In general, expenditure on social protection is lower in Accession countries, since welfare states have been generally cut-back during the course of the transition and social protection was already lower in the 1980s. Slovenia has the highest expenditure on social protection, consistent with the generous welfare state there, followed by Hungary and the Czech Republic. Romania and Bul-

garia have very low expenditures on social protection, despite high unemployment.

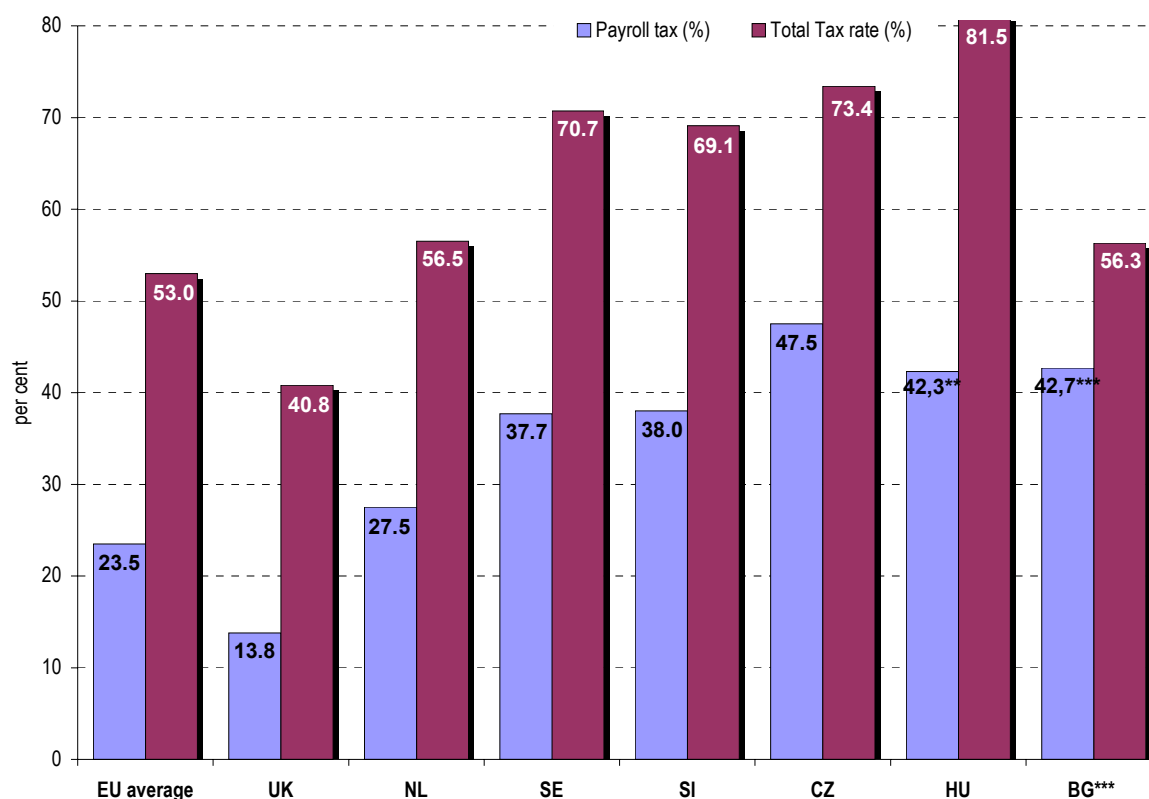
Countries in the EU have faced a crisis of funding in the welfare state since the 1980s as unemployment has risen and the numbers of retired have risen. However, there are traditionally very different levels of taxation in the EU as well as in the Accession countries (Figure 3-2). The payroll taxes in ECE countries were traditionally high, although the level of wages was low. Pay roll taxes tend to be higher in the ECE countries than in the EU, although the tendency is to introduce policies to reduce them. The UK has an exceptionally low rate of tax among EU countries and Sweden very high. However, ECE countries have generally higher rates of pay roll tax than Sweden.

Figure 3-1. Social protection as % of GDP, 2000.



Source: Social Situation in the European Union, 2002
* CVG Report, 2002, Social Protection in Applicant countries
DG Employment and Social Affairs, Brussels

Figure 3-2. Payroll taxes and general tax rate



Notes: ** It is not clear to which year this 44 per cent refers. Since 1999, payroll tax in Hungary has been kept somewhat below this level. Currently it has five components: pension contribution and health insurance, Labor Market Fund contribution, vocational training contribution and a flat health tax. According to the calculations of a 2001 World Bank Report, the payroll tax was 42.8 per cent in 1999. In 2001, the payroll tax was 37.5 per cent (22+11+3+1.5) not including the flat health tax (HUF4,200). Thus calculated for the gross average wage, it means a total payroll tax of about 42.3 per cent. In 2002, the payroll tax is 33.5 per cent (18+11+3+1.5) plus the raised flat health tax (HUF4,500).

***Bulgaria: In 2001 the minimum wage was 100, the average wage was 257.25, income support was given according to the guaranteed minimum income of 40 BGL which is corrected with the following coefficients:

Single person – 1.0

Single person aged 70 or more – 1.2

Orphan child – 1.2

A child in a family aged below 18 – 0.9 but if the child is not at school at the age of 7-16 – 0.5, etc.

Source: www.nsi.bg In 2002 the insurance payment for unemployment was 4 per cent of the gross wage, paid in a ratio 3:1 by employers and employees.

***Bulgaria: In 2002 the insurance payments for all social risks deducted obligatory from one's salary amount to 36.7 per cent for third category labour (the majority), 46.7 per cent for the second category of labour and 51.7 per cent for the third category, teachers being something special, having 41 per cent. The tendency here is to raise the shares (for example for health and pension insurance) and particularly the proportion paid by the employees. The exact ratio was 80:20 till 2001, in 2002 it is 75:25, in 2003 it will be 70:30 and will reach 50:50 in 2007 according to the Code for Obligatory Social Insurance. The income tax varies, in 2001 110 BGL are not taxable (the minimum salary is 100) and then it varies from 18 per cent to 29 per cent. The tendency here is to reduce the tax burden (in 2000 it varied from 20 per cent to 36 per cent, the greater incomes profiting more than the smaller incomes).

Sources: Adapted from Riboud, Silva-Jauregui and Sanchez-Paramo, World Bank, 2001

3.2. Employment policies

Below we consider developments in employment policies in general, but especially with regard to flexibility. The next part is set out as follows: first we consider the employment policies in each country in turn, and then we look at their policies with regard to unemployment, to part-time work and to self-employment. Then we consider the policies which have been aimed at, or specifically affect, flexibilisation.

In the UK there have policies to address the income levels and tax benefits system. The aim has been to promote paid work and tackle social exclusion. During the 1980s much employment protection was removed, but in the 1990s there has been a move away from flexibility for the employer and towards promoting flexibility for the employee. This is illustrated in the “New Deal” for young workers aiming to get them into the labour market, where unemployment was not an option.

Some policies have been introduced as a result of EU Directives, including the Working Time Regulations which were introduced in the UK in 1998 and part time work regulations in 2000. However, the UK is characterized by very long and irregular hours of work and the National Employment Action Plan tries to turn this into an advantage by encouraging a “diverse range of working patterns”.

The UK is characterized by having disadvantaged groups and regions where inactivity rates are very high, often as a form of disguised unemployment. The gender pay gap is one of the highest in Europe and social partners are not generally involved in pay negotiations which are decentralized and individualized. The response to this in terms of the National Employment Action Plan has been to encourage local employment initiatives, develop a strategy for social inclusion and provide more security for workers.

Swedish labour market policy aims to combine full employment with high economic growth and a flexible labour market. There is a strong emphasis on active employment measures (de-

clining somewhat as unemployment increased in the mid 1990s) Although there is a gender gap in earnings, it tends to be smaller than in other countries.

In the Netherlands more and more active labour market policies have been introduced. These include set up grants and income maintenance for 24 months to set up a small business and job creation schemes. There was a rapid growth in employment in the 1990s and this can be traced back to the new policies introduced under the Wassenaar Agreements in 1982 when the Trades Unions agreed to restrain wages and taxes were reduced in order to make Dutch labour more competitive. Unions have been more and more concerned to introduce controlled flexibility The Flexibility and Social Security Act in 1996 helped to introduce the idea of “flexicurity”: that is, flexibility within the context of secure and regulated employment. However, flexible work actually decreased between 1998 and 2000 because of the shortage of workers generally.

In the Netherlands this resulted in the trend that gradually more is required from the individual employee, a broad availability is sought for, which involves changing organisational contexts, working times, work locations, organisational objectives and investment in keeping knowledge and skills up to date. However, employees are gradually winning more flexibility in their conditions of employment. The Dutch labour market has experienced a great deal of movement. Employees are more critical and make more demands on the employers and for their conditions of work. Employers are obliged to offer adaptable conditions of work in which flexibility and individuality are central. More and more we see the development of *a la carte* conditions of work and labour agreements. The employer offers the employee more freedom in creating their own work conditions and this is reflected in the development of flexible rewards including special bonuses or pensions or care leave. On the other hand, the government is gradually pulling out of social secu-

rity, leaving the responsibility for conditions of work resting with the employee and employer.

Since the 1990s there has been more and more concern to look at the daily timetable and find ways to combine work and care. This culminated in the Labour Time Act 1996 which required employers to recognize the caring duties of employees. Labour market policy has been concerned to equalize part time and full time work so that part timers are not disadvantaged.

Many labour market reforms were introduced in the Czech Republic after 1990, including a job mediation service and favourable conditions for starting a small business (including tax exemptions). Active labour market policies which had existed since the beginning of the transition were stepped up considerably after the rise in unemployment in 1997 but did not manage to stem the rise of unemployment. The active labour market policies included subsidizing employment, public works, youth training, sheltered workshops and professional training. A new tool in labour market policy that was introduced was the Personal Action Plan where by individuals must report to a supervisor and show a willingness to do all kinds of jobs.

In 1998-1999 a National Employment Plan was introduced with 4 pillars: support for human resources to encourage employability; support for businesses and employers to attract investment; encouragement of flexibility in the labour market; removal of discrimination. This evolved into the National Employment Action Plan in 2002 when the Czech Republic had joined in the Accession negotiations to the EU.

The Czech Republic attracted a number of industries through having a cheap and well trained workforce, but this wage advantage will likely disappear in future. The labour shortage during the first half of the 1990s meant that the Czech Republic attracted foreign workers. This is even the case now when unemployment has reached 10 per cent. It is also a product of the good social protection for Czech workers, which provides little incentive for them to take on the

marginal jobs that are carried out by foreign workers.

In Slovenia changes to atypical employment have been part of a response to labour market changes rather than a labour strategy. Following the accession negotiations, a National Employment Action Plan was developed with 4 pillars, similar to that in the Czech Republic. The labour market policy is administered by the Employment Service of Slovenia, which is a job mediation agency as well as developing occupational guidance and back-to-work plan for the unemployed.

Of all the Accession countries, Hungary began labour market reforms earliest, building upon liberalization that had taken place already in the 1980s. The 1991 Act on Employment Promotion and Provision for the Unemployed was passed at a date when unemployment in Hungary was virtually non-existent. Prior to the new law on labour market policy, the country had already made substantial progress in establishing labour market institutions and laying down regulations. Among the most important developments, the Employment Fund (the predecessor of the current Labour Market Fund) was created; the National Interest Reconciliation Council was established in 1988; new independent trade unions and employers' associations emerged; strikes were made legal in 1989; unemployment benefit schemes were introduced; and the Ministry of Labour was set up in 1990.

The 1991 Act on Employment (and its amendments) covered labour market policies as well as their institutional settings. It established the tripartite Labour Market Committee as a sub-committee of the National Interest Reconciliation Council, as well as the county labour councils. (In 1996, the Labour Market Committee was replaced by the Labour Market Council.) The National Labour Centre and its local offices were assigned by the law to implement labour market policies financed from the Labour Market Fund and the Solidarity Fund. Further, the National Training Council was created with its network to promote the reemployment of the unemployed.

Labour market policy is implemented through passive and active labour market programs. The 1991 Act on Employment established two separate funds for passive and active labour programmes: the Solidarity Fund and Employment Fund.

The trend in the policy has been from the creation of a legal base with quite generous measures, toward a reduction of the benefits and their duration and a rise in the eligibility requirements. Since 2002 there has been a definite focus on active labour market policies with the creation of numerous programmes for increasing employment and reducing the number of people receiving benefits.

Bulgaria has not yet developed a National Action Plan, similar to that of EU member states and of some of the Accession countries (in 2002). The labour market policy in the country is currently based on several documents, among them the governmental programme (2001-2005), the strategy for development of human resources 2000-2006, the recommendations of the international organisations linked to the Monetary Board (introduced after the currency collapse and hyperinflationary period in 1998), the European Union employment strategy 1998-2001 and the conditions for accession to the EU.

The often uncoordinated efforts of the social partners in Bulgaria have resulted in an inconsistent employment policy, which is unable to create sustainable employment in the country. Contradictory decisions are to be found in all major spheres of employment policy, including for example, policies in the sphere of recruitment, dismissal and use of workers, regulation of working time, policies toward ensuring safe and healthy working conditions, policies combating unemployment.

The regulation of working time is another aspect of the employment policy. Its major focus has been the limitation of the maximum length of the working time. Historically, the tendency has been to the reduction of working time. Thus the

'normal' working time was reduced to 40 hours per week in 1993 (from 42.30).

At present, the daily and weekly length of work is settled via the collective bargaining in the collective labour contracts which can reduce the working hours. The Labour Code treats working time dividing it to several categories: *normal* (8 hours daily or 40 hours a week); *reduced* (only in harmful conditions and for persons younger than 18). In 1994 there was a government decree for a reduced working time for those working in dangerous conditions which set the length of such work at 6 or 7 hours daily; *not full* (when there is not enough work load but not less than half the normal time and not longer than 3 months in one year); *flexible* (with changing borders); *non-standard* (to stay longer when necessary and this is compensated with longer holidays); *extra-time* (which cannot be more than 150 hours a year, not more than 30 hours a month); *part-time* which is less than the normal and reduced and is negotiated via the individual labour contract between the employer and the employee.

Part-time work in the sense that the labour contract sets the working week for 10, 18 or 32 hours for example does not exist in Bulgaria. The Law treats the 'not full' time as a temporary decision forced by economic reasons (decrease in output) and against the interest of the employee and not as a form of desired flexibility on his/her part. Such type of working time is allowed only under limited conditions - when there is not enough work load but cannot be for less than half the normal time, cannot last longer than 3 months in one year and can be introduced only after negotiations with workers' representatives.

In January 2002 a new law came in force in Bulgaria the **Law for encouraging employment**, which substituted the Law for protection in unemployment and for encouragement of employment which had been valid since 1997. This cut back on the eligibility for benefits once more and introduced recalculations of the benefit levels in order to reduce them and it withdrew some of the benefits from seasonal workers. It attempted to

tighten up on the tax avoidance strategy of paying “top up” salaries whilst only declaring the national minimum for social insurance purposes and introduced the necessity of an Annual Plan for Employment. In general, the changes reflected the movement from passive to active policies and more of a “workfare” orientation by making benefits dependent upon participation in special measures.

The main change in the **Labour Code since January 2003**, concerning the HWF project, is the requirement that the employer registers every new or modified employment contract with the National Insurance Institute within three days of the signing of the contract. The employer is obliged to give a written copy of the contract to the employee upon the start of the work. All employment contracts, which have been signed before the adoption of this law, must be registered by 30 April 2003. Previously the law allowed employment without a written contract. An employment relationship could be said to exist even without a written contract when the worker had started to work. In introducing this legislation, the aim of the government is to reduce the employment in the grey economy and make employers

and employees pay social security to the National Insurance Institute.

In the first two weeks of 2003, 15 000 new contracts have been registered, says the Minister of Labour and Social Care. When asked about the openings the National Employment Agency offered in 2002 under the programme ‘temporary employment’, she said: ‘I do not accept the term temporary employment because there is no permanent employment nowadays. We just offer new working places.’ (newspaper *Now*, 17 January, p. 5).

In Romania, Employment Agencies have been set up in 1999 to register the unemployed and to help orchestrate the labour market. Active labour market policies include a subsidy for long term jobs, training courses and vocational counselling (although it is unusual to re-train in Romania), low interest credits for SMEs, public works employment and matching of people to jobs (mostly in the highly trained and IT sectors) as well as help with insertion of young people into the labour market. However, most expenditure is on passive labour market policies and the effectiveness of the active policies is in fact negligible.

3.3. Unemployment policies

It can be seen from Table 3-1 below that the replacement rates for unemployment insurance are very low in the UK at 36 per cent of former wages but rather generous in Sweden and the Netherlands, especially Sweden where they reach 75 per cent of previous wages. The Czech Republic has a replacement rate which is below the EU average and approaching more the UK, whilst the other ECE countries in this table have replacement rates around the EU average. We should remember in interpreting this table that unemployment benefits have been continually revised and reduced in ECE and that the wage levels are generally also very low, so that a very low replacement rate could result in benefits that are almost impossible to live upon. The duration of the payment of

benefits is also lower in ECE countries and has tended to be reduced over time.

In all EU countries, spending on passive measures for unemployment is higher than for active measures, although this is reversed in Sweden where there has been a traditionally active approach to unemployment (Table 3-2). Of the EU countries, the UK has a very low rate of spending on both active and passive policies, whilst in the Netherlands it is rather high (despite the low number of unemployed there). Spending on labour market policies is much lower in ECE countries than in EU countries. Whilst in Slovenia and Hungary the difference between active and passive policies is narrowed (especially in Slovenia), in Bulgaria there is far more spending on passive

rather than active policies and in the Czech Republic there is also higher spending on passive rather than active policies. Slovenia has the highest spending on labour market policies of the ECE countries.

Passive policies include spending upon Unemployment Insurance or Unemployment Assistance, which exists in all the countries under consideration (having been introduced in the Accession countries during the 1990s).

Table 3-1. Unemployment Insurance System

	Benefit RR (per cent)	Benefit duration (months)*
EU average	60	
Netherlands	69	6-54
Sweden	75	12-18
UK	36	12
Czech Republic	50	6
Hungary	64	12** now 9 months
Slovenia	63	3-24
Bulgaria***	60	4-12

Notes: (*) Duration depends on the insurance period and varies from 4 to 12 months.
(**) Hungary: As of February 2000 the maximum duration of benefit was reduced from 12 to 9 months. Actually, benefit durations depend on how long the recipient was in employment within the past 4 years and range from 50 days to 9 months.
(***) Bulgaria: In 2001 unemployment benefits were 60 per cent of the average gross wage for the last 9 months but not less than 80 per cent of the minimum wage and not more than 150 per cent of the minimum wage. Since 1 January 2002 the law for social insurance changed in this way: unemployment benefits were 60 per cent of the average gross wage for the last 9 months but not less than 70 BGL and not more than 130 BGL.

Sources: From Riboud, Silva-Jauregui and Sanchez-Paramo, World Bank, 2001
Law on Obligatory Public Insurance (1997, and 2002)

Table 3-2. Spending on Passive and Active Labour Market Policies

	Passive policies		Active policies	
	per cent GDP	Spending per unemployed	per cent GDP	Spending per unemployed
EU Average	1.73	0.26	1.16	0.16
Netherlands	2.81	0.85	1.80	0.55
Sweden	1.70	0.24	1.84	0.26
UK	0.82	0.12	0.37	0.05
Czech Republic (1999)	0.31	0.04	0.19	0.02
Hungary (1997)	0.56	0.06	0.40	0.04
Slovenia (1998)	0.89	0.11	0.83	0.11
Bulgaria*	0.87		0.19	

Note: (*)Bulgaria: 1999 - Unemployment rate was 13.8 per cent, Passive policy as a share of GDP was 0.6 per cent, Active policy was 0.27 per cent. In 2000 - Unemployment was 18.1 per cent, passive policy - 0.87 per cent of GDP and active policy was 0.19 per cent. Source: National Labour Office, Labour Market 1999, Sofia, 2000; and National Employment Agency, Information about the State of Unemployment and the Measures for Encouraging Employment in 2001, Sofia, 2002; and www.nsi.bg.

Sources: From Riboud, Silva-Jauregui and Sanchez-Paramo, World Bank, 2001

Active policies can be divided into two groups. One set of active policies support the employers through providing subsidies for training, for taking on unemployed or new workers or for not laying them off (or for subsidising part time work). The second group of active policies are directed more at the employee to encourage re-training or requalification, which is something of a novelty in the work cultures of ECE, or providing public works, training workshop, Job Clubs and in the case of the Czech Republic, a Personal Action Plan. In most countries there is encouragement for the unemployed to become self-employed, although the efficacy of such programmes is limited.

Other active policies are directed increasingly at target groups: Roma, the illiterate, the disabled, young people.

However, it is one thing to have policies and another to actually implement them. The problem in both Romania and Bulgaria is that the policies existing on paper are implemented in such a way

that very few of the target population are reached. In Hungary the problem was also the lack of take-up of the active labour market measures aimed at flexibilisation. In a situation where new and unfamiliar measures are being introduced all the time, there is a problem of how to inform people of such measures as well as how to get them to act upon them.

An additional strategy to deal with unemployment was to encourage early retirement. This has led to a decreasing proportion of those over 55 being found actively employed. Whilst this was a problem in all EU countries, the problem was exacerbated in ECE countries by the already low age of eligibility for early retirement. Later it was realised that this simply shifted the burden of supporting inactive members of the population elsewhere and put a tremendous pressure on the already overstretched pensions systems.

In the UK and in the Netherlands, the large numbers claiming disability benefits is also a way in which unemployment is concealed.

3.4. Policies for part time work

Different countries define part time work in different ways. Here we have summarised the ways in which it is defined in the HWF countries. We can see from the Table 3-3 below that there are very different definitions of part-time work in each country, which can stretch anything up to 39 hours. It is also evident that much of the legislation is rather recent in origin and reflects the attempts to flexibilise the labour market in different countries. However, we should remember that part-time work can also be rather inflexible in the way the hours are allocated. Whilst part time work is an established way in which women in EU countries manage to provide care for the family combined with participation in the labour market, it is clear that this also disadvantages them in terms of pay and promotion as well as access to social benefits and pensions.

Part-time work has been around for a long time in Sweden, the Netherlands and the UK, but

recent legislation has tried to improve the conditions for part-time workers in each country to make them equivalent to full time workers. Whilst this was already a policy goal in Sweden and the Netherlands, in the UK it has been mainly a response to EU Directives. In the UK, part-time work for less than 20 hours was previously excluded from National Insurance contributions (leading to a lot of work being provided for less than 20 hours), the new threshold is now 87 GBP per week.

Whilst in the UK the part time workers were a traditional part of the secondary labour market, in the Netherlands, where women traditionally stayed at home full time, it formed a major plank of the flexibilisation strategy of the 1990s, leading to a very large rise in the number of part-time workers (Jager 2003). Whilst in the UK, this was mainly an employment strategy, in the Nether-

lands this kind of flexibilisation took into account both the labour market and the care of the family.

In Sweden, part time work is linked to family-work policies so that parents can opt to work part-time until the child is 8 years old. Therefore it is linked explicitly to care in the family.

In ECE countries, by contrast, part time work had no tradition and was most often a strategy for disabled or retired people, where it existed. The level of part-time working remains very low and attempts to promote part-time work through active labour market policies have met with little success because of the fact that it does not fit with the work culture of ECE countries and because the wages would be insufficient to provide any incentive to do this kind of work for a normal worker. Thus, although such legislation was introduced in ECE countries, the level of part time

working remains very low. In the Czech Republic, the possibility to do part time work was strengthened in 2000 with a requirement that the employer should respond to flexible hours demanded by the employee, much like in the the Netherlands. In Bulgaria and Romania, the legislation basically recognises work which is less than full time but it is seen as deviant rather than normal. In the ECE countries policies for part time work are usually concerned with combating unemployment rather than dealing with conflicts between work and care. The legislative changes are summarised in the Table 3-3 below.

In Hungary as well as Bulgaria, part time work was subsidised as an alternative to mass redundancies in an attempt to promote employment through flexibilisation, but in both countries there has been little take up of this option.

Table 3-3. Part time work

Country	Date regulation introduced	Definition (hours worked)	Rights and conditions
UK	1995 House of Lords ruling	None (as employer defines)	Gave part-time workers the same protection as those working full-time. Protection extended to all employees with two or more years of job tenure, so that the number of hours worked per week was no longer the qualifying condition.
	Part-time Workers Regulations 2000		No less favourable treatment between full-time and part-time workers in their terms and conditions (but see UK Context Report)
NL	The Adaptation Working Hours Act (2000) Act prohibiting discrimination on the basis of working hours (1996) Working Hours Act (1986).	Working shorter than full working time (which is regulated in various ways).	<p>The amount of working hours is regulated in various ways in the Netherlands.</p> <ul style="list-style-type: none"> • The maximum hours are set down in the Working Hours Act (1986). • The hours agreed on are recorded in the Collective Labour Agreements (CAO's) for each industrial sector or company. • The hours can then be specified in more detail for each company. • The working hours are fixed in the contract for each employee. <p>So the weekly and yearly working hours are the result of collective or individual agreements between employers and employees. The government also plays a role in this process</p> <p>During the 1990's more and more people worked part-time and the right to part-time work was included in an increasing number of Collective Labour Agreements (CAO's), the right to part-time work was only regulated in 2000 in the Adaptation Working Hours Act (Wet Recht op aanpassing van de arbeidsduur). It offers individual employees a legal right to increase or reduce their working hours. An employee, who is working at least one year with the same employer, can submit a request for reduction or extension of his working hours. A maximum or minimum adaptation is not provided by this Act (but it can not exceed legal norms).</p> <p>The employer is required to honour such a request unless, on the basis of important business or service interests – conflicting business interests, this cannot be expected of him. The Act does not apply for organisations with less than ten employees, although the employer needs to make arrangements (in which the right for reduction must be arranged for). Additional arrangements</p>

Country	Date regulation introduced	Definition (hours worked)	Rights and conditions
			<p>can be made in collective labour agreements.</p> <p>This Act has become part of the Labour and Care Act (Wet Arbeid en Zorg) - effected in December 2001- in which (new) regulations are included, expanded and made more flexible to ease the combination of work and care, such as the right to ten days care leave, pregnancy leave and birth leave, adoption leave, baby leave and the right to long term (care) leave</p> <p>Equality of treatment of part-time employees was arranged by law in 1996 in the Act prohibiting discrimination on the basis of working hours (WOA). Part-time employees have the same rights a people working full-time. There must be no distinction between primary and secondary conditions of employment based on working hours. So, in proportion of their working hours, part-time employees have the right to equal wages, holidays, leave, training and all other labour agreements.</p>
SE	2001, final regulation against any discrimination in accordance with ILO convention no 175, European Commission directives about atypical workers.	Part time employment is defined as an employee who during a normal work-week, or other period shorter than a year, works less than the normal work time for a comparable employee who according to agreement or law is considered to be working fulltime. In practice this means everybody working less than 40 hours per week unless there is a branch level agreement of a normal working week less than 40 hours	<p>Part-time workers have equal rights and obligations of full-time workers. Discrimination of part time workers regulated against in labor law.</p> <p>Up to the year the child turns 8 parents have the right to reduce their working time to 75%.</p>
SI	1990 Employment Act 2002 Employment Act	Reduced working time is defined as working time shorter than full working time.	According to the Employment Act, the rights and obligations of part-time workers are equal to the rights and obligations of full-time workers.
CZ	Labour Code 65/1965, Last amendment 155/2000 valid since 1/1/2001.	Defined as 'shorter working time' which are all hours less than the working time set by the law which is currently 40 hours weekly for all workers except for workers younger than 16 years of age (30 hours).	Employer can set a shorter working time given operational reasons on his/her side or health or other serious reasons on the employee's side, if it is not prevented by operational reasons. The employer is obliged to create conditions to comply with such requests of employees. Working time can be concluded accordingly. Wage is reduced proportionally.
HU	1991 Act on Employment Promotion and Provision for the Unemployed 1996 Ministerial Decree on Employment Promotion (Ministry of Labor) 2002 Ministerial Decree on Employment Promotion	Reduced working time; daily hours should be between 4 and 6	<p>Part time employment support programme. Employers were motivated to opt for part time employment rather than dismissals</p> <p>Part time employment support programme introduced for budgetary organisations as well</p> <p>Subsidised employment scheme to avoid mass dismissals by subsidising part time employment. Designed to assist mothers with small children, employees less than 5 years below retirement age and those who lost 40% of their working ability. Wage subsidy up to 50% for enterprises with liquidity problems who introduce part time work . Abolished 2001</p>
BG	1986	30-40 hours per week	Reduced work between 30-40 hours for those working in harmful conditions or aged below 18

Country	Date regulation introduced	Definition (hours worked)	Rights and conditions
	2001		<p>In 2001 this was extended to up to half time. Less than full time (40 hours per week) for pregnant women, mothers with children up to 10 and disabled workers.</p> <p>Under certain conditions the employer can reduce the working time to less than full time for a limited period of time if has liquidity problems</p> <p>Labour contracts for particular days of the month for pensioners, housewives, students, and people doing additional jobs. Could be less than 20 hours per week but not less than 5 days per month. Abolished in 1992 and restored again in 2001 with no restrictions on which workers were eligible</p> <p>Part time work carried out under a 'civil contract' (one off) or without a contract</p>
RO	Part-time regulations firstly included in the National Collective Labour Contract from 1992.		<p>Part-time Workers Regulations (in line with EU Directive 97/81 from 1997) introduced the same treatment for full-time and part-time workers. There is no definition in terms of 'part-time' work but the national legislation provides the possibility to work 6, 4 or 2 hours per day but not less than 10 hours per week (standard working time in Romania is 8 hours per day, 170 hours per month). Part-time workers are not allowed to work overtime. Part-time workers should be employed in full time jobs when a full time job is available. This provision has not been changed since 1992, following the agreement between social partners.</p>
	1995		<p>Women with children under six years may work part time, working time being counted as full time. An extended form of part time contract, the so-called <i>civil contract (collaboration agreement)</i>, has been regulated since 1995 but has become effective in 1998. Income tax had to be paid for such contract, while no social contributions were required. This regulation made room for the devious practice of diminishing fiscal duties by hiring people with civil contracts (often for 1-2 years).</p>
	1999	Civil contract may be concluded for reduced working time; no more than 3 daily hours.	<p>Following 1999 a legal constraint was added, whereby firms are prohibited from using civil contracts in their main field of activity, and for a given activity the number of civil contracts that can be concluded should be less than a full time position, for which a full time workbook contract is compulsory. In addition, the new regulations also increase fiscal dues for a civil contract to include health and pension insurances rights. However, a civil contract does not entitle the person to unemployment benefit. There are legal provisions neither to stimulate nor to impede part time work.</p>

Source: © HWF Consortium, Claire Wallace, 2003

3.5. Policies for Self-employment

In all countries there has been legislation to enable self-employment. In line with the move towards active labour market policies, self-employment is frequently seen as a solution to unemployment, so that there are a variety of schemes in the UK, Hungary, Bulgaria and Romania to encourage the unemployed to become self-employed. However, in Romania and Bulgaria the self-employed are not always entrepreneurs: sometimes this can be a survival strategy for the economically marginalized. In Romania the self-employed are still hampered by having to obtain many different permissions in order to establish a firm, which makes it

easier to do so in the informal economy. This is partly a legacy of the former system which combined obsessive bureaucratisation with a deep suspicion of "speculative" activities. In the Czech Republic, many people obtained permits to set up a business, but not all of them actually did so. For foreigners, this was sometimes a way of getting a residence permit. Therefore the number of permits does not necessarily reflect the number of businesses.

Up until the 1980s economic policy focused upon large companies in most countries. However, since the 1990s the role of Small and Me-

dium Sized Enterprises (SMEs) has come increasingly into focus. The encouragement of small business is now regarded as an important element of policies for creating employment and combating unemployment. Hence in EU countries, barriers to self-employment were removed during the 1990s and the aim of public policy was to create opportunities for small business by creating a helpful legislative environment and a good business climate in the sense of tax, financing and education. In the Netherlands and elsewhere, new regulations with regard to bankruptcy were designed to help the survival of small businesses.

In the UK, the New Deal for self employment replaced various other schemes that had been in-

troduced since the 1980s to help the unemployed to set up a business. However there is a favourable situation for starting small businesses in the UK with tax advantages as a legacy of the policies of the former Conservative government, for whom this was a priority.

In Sweden too, the legislation to support small businesses for the unemployed had been introduced in the 1980s. In the ECE countries, such legislation appeared only in the 1990s following the transition towards a market economy and was among the first reforms to be introduced in Slovenia, Czech Republic and Hungary. New businesses have in fact been a major area of employment growth in these countries.

Table 3-4. Self employment

Country	Date regulation introduced	Definition	Rights and conditions
UK	The Business Start-up Scheme 1991	Renamed after the Enterprise Allowance Scheme (1983) to encourage entrepreneurial behaviour on the part of the unemployed by raising the returns from self-employment relative to those from their current state.	Provides a temporary subsidy to eligible unemployed individuals who set up in business for themselves by enabling them to continue to claim unemployment benefit of £40 per week for up to one year after start-up.
	Self-employment with New Deal 2002	Help from New Deal to set up own business	Unemployed young people aged 18-24 interested in setting up their own business can get help from New Deal For people aged 25 and over who want to work for themselves, New Deal could help through Work Based Learning for Adults, or a Job Grant.
NL	1999 (new policy document)	<p>In 1999 the Dutch government launched a new policy document called '<i>The entrepreneurial society. More opportunities and fewer obstacles for entrepreneurship</i>'.</p> <p>The objective of government policy is to pave the way for a more entrepreneurial society by creating more opportunities for and removing impediments to entrepreneurship. Specifically, there are three main areas of attention with the following policy actions:</p> <ol style="list-style-type: none"> 1) market structure; 2) regulations and public business services; 3) creating new opportunities by means of a productive economic climate. 	<p>1) <i>Market structure</i></p> <p>The government has assumed the task of creating a level playing field where starting and growing entrepreneurs have a fair chance of success. On the one hand, this means that obstacles put in the way of new businesses must be removed; on the other, this requires effective legal regulation for competing companies. The government has set out the following two policy actions to meet these conditions: modernisation of the Establishment Act and Review of the Bankruptcy Act.</p> <ul style="list-style-type: none"> • Repeal the Establishment Act on 1 January 2001, with the exception of health, safety and environmental aspects; full repeal of the Act on 1 January 2006. • Amend the Bankruptcy Act, so that firms which have been granted a suspension of payments are given more possibilities for a successful reorganization and relaunch. <p>2) <i>Regulations and public business services;</i></p> <p>The government has set out the following policy actions: introduce fewer but more effective regulations, reduce the administrative burdens, set up a helpdesk for businesses and make the schemes designed to stimulate enterprise</p>

Country	Date regulation introduced	Definition	Rights and conditions
			<p>simpler and more accessible.</p> <p>3) <i>Creating new opportunities by means of a productive economic climate</i></p> <p>There are numerous areas in which there are to stimulate entrepreneurship: fiscal measures and financing, education, export, regional and local policy. The government has set out the following policy actions: a package of fiscal measures as part of National Tax Plan 21st Century, more opportunities for attracting venture capital, learning how to be enterprising as part of the educational programme and student career orientation, more attention for local entrepreneurship, assistance in capturing overseas markets and tackling barriers to growth.</p>
SE	<p>introduced on a trial basis 1984</p> <p>On a permanent basis 1987</p>	The purpose of the 'Support for start of new business' is to provide unemployed or those about to become unemployed with the conditions to be able to start their own businesses.	<p>'Support for start of new business' provides economic support for the upkeep during the start up stage of the business. The benefit is equal to the unemployment benefit the person would receive, and is paid for six months</p> <p>In the year 2000 21% of all new businesses received benefits from the 'support for start of new business'.</p>
SI	1993 Act on Commercial Companies	Besides commercial companies the law also includes individual private entrepreneurs and farmers – entrepreneurs – two forms of self-employment.	Besides commercial companies the law also includes individual private entrepreneurs and farmers – entrepreneurs – two forms of self-employment.
CZ	1991 Own-Account Business Act	Own-account business is a systematic and independent profit activity, on one's own responsibility in the frame of the law.	General conditions are to be age 18 and over, have clean record and confirmation that all taxes were paid. Special conditions are provided for professions enumerated by corresponding governmental decree.
HU	1991 Act on Employment Promotion and Provision for the Unemployed	The law aims to reduce unemployment through the promotion of self-employment. Unemployment benefit recipients are motivated to become self-employed through different forms of support, financial aid, reimbursement up to 50% of expenses (consulting, training, etc.) or the insurance fee in case of bank loans.	The law aims to reduce unemployment through the promotion of self-employment. Unemployment benefit recipients are motivated to become self-employed through different forms of support, financial aid, reimbursement up to 50% of expenses (consulting, training, etc.) or the insurance fee in case of bank loans.
BG	1991 Decree 110 'Own Account Business Activity'	Activity with own responsibility that and can be organised individually or collectively.	Registered unemployed should present a business project proposal and they will be funded with the lump sum of the monthly benefits, which they are entitled to (4 to 8 months). Those who sign such a contract with the Labour Office are entitled to a three-month qualification course funded by the Labour Office.
RO	1990	Besides commercial companies the law also includes individual private entrepreneurs and farmers – entrepreneurs – two forms of self-employment.	The Law states the right to private economic initiative. Any citizen over 18 may set up a firm (on his/her own or in association with others) or work as self-employed. It is allowed to be an employee at the state company and self-employed or employer of a firm at the same time. Employees are allowed to work in two or more companies simultaneously.
	1997		Promotion of self-employment (through various incentives) was included among the active measures designed for the collective dismissals in 1997 but it was not effective.

Source: © HWF Consortium, Claire Wallace, 2003

3.6. Labour market policies and flexibilisation

In all countries under consideration, some policies which could be considered as leading towards flexibilisation have been introduced. In the North Western EU countries, part time work and self employment had already existed, but new legislation facilitating this along with temporary work was introduced from the 1990s and especially in the 1990s. In the ECE countries, such measures only became possible after 1989. However, the extent to which such policies have been introduced and the extent to which they have been effective is variable. We include two tables below: policies encouraging flexibility and policies impeding flexibility. In fact, this distinction is rather arbitrary, since policies providing security for workers, which have been included in the second table (policies hindering flexibility) could arguably encourage worker flexibility by encouraging moves between jobs with less risk of unemployment. Since 1997, many atypical jobs are regulated by EU Directives rather than on a national level in any case, so this is no longer an issue of national policies. This coincides also with the Accession of ECE countries (excluding Bulgaria and Romania) to the EU.

In the UK, the de-regulatory policies of the 1980s and early 1990s were to some extent reversed after the election of the New Labour Government. Before that time, there was a progressive removal of job protection and wage protection. Conditions for part-time workers were reduced. Dismissal was made easier and the Trade Unions subdued – they no longer formed part of the national negotiations over labour market policies. In the UK it is also very easy to set up a small business. After 1998, protection for part time workers was introduced as well, but this was mainly in response to EU Directives on Working Time. In 1997 the Part Time Work Directive was introduced, coming into force in 2000, the 1999 Fixed Term Work Directive took force in 2002 and a new Directive on Temporary Work Agencies will also come into force this year (2003). Although the situation for non-standard workers

has improved, they still do not enjoy the security and conditions that they have in the Netherlands and Sweden, which is why we have termed the UK “de-regulated flexibilization”.

In the Sweden and the Netherlands a variety of measures were introduced in the 1990s to improve flexibility. Part time employment was encouraged in the Netherlands along with negotiated hours which form part of the collective as well as individual labour negotiations. In both countries self-employment was encouraged and the situation of people on fixed term contracts improved so that after a certain time they must be offered full time jobs (this is also a response to EU Directives). However, there was also legislation to protect the position of part-time employees. Although this has been listed here as impeding flexibilisation, we could also see it as encouraging flexibility between and within firms by minimizing the risks when leaving a job.

It is evident that there was a general liberalization of labour markets in ECE countries through de-regulation throughout the 1990s and even from the 1980s in Hungary. However, the Trade Unions in both the Czech Republic and in Slovenia have tried to resist flexibilisation in industries that they control and during the tripartite negotiations. Legislation to encourage self-employment was considered especially important and as we have seen in the Czech Republic and Hungary, it had the result of encouraging a lot of self-employment, even if not all license holders started businesses.

Hungary embraced flexibilisation from the late 1980s, but this is an example of how not all legislation that was introduced was successful (Medgyesi 2002). One programme introduced subsidies to encourage self-employment in 1991. By 1997 only 1-2% of the self-employed who were eligible had taken up such opportunities and this is the same story in many other ECE countries, such as Romania. It is doubtful if unemployed people make the best candidates for self-employment and they often live in depressed ar-

eas, where any kind of business initiative is difficult. In Hungary, a second scheme tried to encourage the employers to employ the unemployed as casual workers. The employers were given a free "work book" and they received subsidies for their social security. The unemployed had an incentive to participate because they became eligible once more for unemployment benefit after a certain number of days work. However, the scheme was not a great success. An Act to encourage part-time work, introduced in 1991 through subsidising employers to make people part time rather than lay them off. This at first attracted 30 000 participants, but later the numbers fell off to just one sixth of the original numbers and in 1997 it was replaced with another similar scheme targeted at particular groups of employees, but this was also unpopular. However, new measures were introduced through the National Employment Fund. It is possible that such flexibility measures were introduced too soon, before either employers or employees were ready for them and that there will be more take up in future.

In Romania and Bulgaria many of the policies to encourage flexibilisation were even con-

tradictory. For example, although it is possible to become self-employed, there are a dense forest of restrictions and permits to be negotiated. Legislation is mainly concerned with maintaining the working week rather than with reducing it. This is changing however, with the accession negotiations to the EU.

The fact that policies aimed at encouraging flexibilisation are not many in number and are often contradictory or not well implemented or received in ECE does not mean that there is little flexibility. Both employees and employers have found a variety of ways to create flexibility of pay, conditions and hours on an informal basis, either by creating additional informal and casual jobs that evade the legislation or by creating additional conditions within the existing jobs, such as "top up" salaries. Furthermore the large numbers of casual and agricultural workers are forced to be flexible since they have no alternative employment. Many live from casual jobs from day-to-day. Some flexibility is even a continuation of the former second economy (Stanculescu and Ber-voescu 2003).

Table 3-5. Policies aiding flexibilisation (general overview)

Country	Year introduced	Nature of regulation
UK	1979 – 1997	15 key Acts in many of which the scope of employment protection rights narrowed, access to rights made more difficult and some protections abolished. 'Discipline to work' more effective through changes to social security and especially unemployment benefits. Removal of minimum wage levels (abolition of Fair Wages Clause 1980s and Wages Councils 1993). Weakening of the collective institutions of labour with programme of legislation to restrict and regulate trade union activity. Refusal to sign the Social Chapter of the Maastricht Treaty in 1993.
	1997-2003	New Labour government remains committed to a flexible labour force although protected by the Social Chapter and minimum wage.
	2002	Employment Act - Right for parents to request flexible working, employers new duty to seriously consider such requests. 2 weeks paid paternity leave.

Country	Year introduced	Nature of regulation
NL	1982 Wassenaar agreements on wage restraint and increased flexibility	Unpaid study leave also a right
	1995 Common agreement on temporary workers	Leave to care or to study can be subsidized as long as substitute appointed who is entitled to benefits. Depends on negotiations with employers
	1996 Labour Time Act	Aimed to provide flexibility and security 'FlexAct' Forces employers to adhere to a package of measures to help the flexible workers including temporary workers, agency workers, teleworkers etc.
	1996 Flexibility and Social Security Act	Employees can save time and money for future leave from work depending upon negotiations with employers. Employers have fiscal incentives.
	1998. Career Interruption Financing Act	Right to adapt working hours in Adaptation of Working Hours Act (2000) give employees a legal right to reduce their working hours, so long as they have worked at least one year. Employer obliged to honour such requests. Additional arrangements possible under the collective bargaining negotiations.
	1999 Flexibility and Security Act	
	2000. Adoption of Working Hours Act Save for time	Sabbatical leave possible according to negotiation (unpaid)
SE	1982-2000	Repeated changes in The Employment Protection Law (LAS), in order to facilitate easier hiring of temporary staff through allowing more types of temporary contracts. The changes during the 1990s also mean that there can be local agreements concerning temporary contracts. Specifically directed towards smaller and medium size business a new form of temporary employment called agreed temporary employment was introduced. This means that a company can without specific reasons temporarily employ a maximum of 5 persons for 12 months over a three year period. The Government monopoly on labour market matching through employment offices also abolished. In order to facilitate the needs of small businesses in businesses with a maximum of 10 employees the right was given to retain two employees outside the 'last in first out' order of sacking regulated in LAS.
SI	2002 Employment Act	The Act manages the field of fixed-term employment (it defines the conditions and restrictions for the conclusion of fixed-term contract) and distance work. It also introduces more flexibilisation in the field of the period of notice (it introduces 30 – 150 days minimum period of notice dependent on working period and reasons for notice), reasons for notice, dismissal pay.
CZ	Labour Code 65/1965, last amendment 155/2000 valid since 1/1/2001.	No discrimination is allowed in job access, reward, training and job promotion, and in labour legal relations; for equal work, equal pay.
	Fields especially concerned are equal opportunities for men and women, work conditions, work security and health protection, and employees' representation.	Contracts for an unlimited period of time are preferred as before but also fixed-term contracts were maintained with no legal limits in sequencing them except adolescents, school leavers and categories of workers exempted by the collective agreement; disabled persons are not protected any more.
		Fixed-term contracts are not administratively limited, however in order to hinder their misuse, objective reasons have to be expressly stated in the work contract; employees working on fixed-term contracts are equal in labour relations and have the same rights as employees on standard contracts.
		Collective dismissals and related obligations for employers are newly arranged according to EU legislation.
		Flexible working hours are set by the amendment. The arrangement can be set as a) flexible working day, when an employee sets himself/herself the beginning of the working shift and is obliged in a given day work the entire shift following the schedule of weekly working time; b) flexible working week, when an employee sets himself/herself the beginning and end of working shifts and is obliged in a given week work the entire weekly hours; c) flexible four-weeks period, when an employee sets himself/herself the beginning and end of working shifts and is obliged in a given four-weeks period work hours assigned to such period.
HU	1995	Normal daily hours are not changed but have to be fulfilled over a longer period: 4 months in case of enterprise level collective agreements and 6 months in case of multi-employer collective agreements. Overtime hours are modified to 8 on four consecutive days, with an annual limit of 300 hours in the case of multi-employer collective agreements.
	2001	Weekly hours are restricted to 48, including overtime; under certain conditions it should be met over a period of 12 months, providing higher flexibility for the employers. Overtime hours remain limited to 4 on two consecutive days, but with an annual maximum of 200 hours; no multi-employer collective agreement is needed to extend it to 300 hours per year.
	1997	The Act on Temporary Employment simplified the payments of payroll taxes.

Country	Year introduced	Nature of regulation
	2000	The employer is no longer obliged to give reasons for the dismissal of people in pension age. Legislation introduced in the 1990s encourages part time work rather than mass redundancy through subsidies to employers.
BG	1992	Abolition of the regulation that a second labour contract can be concluded by the employee only with the written agreement of the employer in her/his first job and that there can be only one additional job (1992). Cancellation of the whole section II regulating the employment of 'young specialists', that is graduates from colleges and universities, and the obligation of enterprises to create working places for this group, to conclude contracts with them during their studies for financial support and so on (1992). A new paragraph was added according to which a labour contract can be concluded for several days of the month – when it is less than 5 working days or 40 hours per month this time is not considered labour experience (1992, this paragraph was abolished in 1999 and restored again in 2001). Abolition of the obligation of the enterprise to create opportunities for additional work to their employees (1992). Cancellation of the paragraph according to which the enterprise has the right to send an employee to a three-month training course with his/her agreement (1992). Added are new grounds for employers to dismiss workers – when there is a change in the requirements for the job and the worker does not meet them or for managerial jobs 'in the interest of the work' (1992). The employer is given the right to select employees when reducing the volume of work (1990) but with a lot of categories of employees who have special protection. In 1992 the advantages, given to workers with 3 years remaining till retirement and those with longer work experience, were abolished. In 2001 the advantages, given to workers with a worsened family, financial or health situation, were abolished.
	2000	National programme for "flexible labour" started October 2000 providing part time work for the unemployed by subsidising employers International exchanges to send workers to Germany and Switzerland. Mobility allowances to allow working further from home.
	2001	Fixed-term contracts are allowed for a trial period of 3 months (1992), raised to 6 months in 2001. Abolishment of the paragraph according to which a contract with a pensioner can be concluded only when there are no other candidates for this opening (2001). Abolition of the paragraph according to which a contract with a pensioner can be employed for no more than one year (2001). Abolition of the paragraph which enacted that a labour contract should be terminated when an opening for a young specialist had been taken by a person who did not meet the requirements (1992). Addition to the list of cases when the employee can terminate a labour contract without a period of warning – when he or she takes up a state job (2001). Addition to the list of cases when the employer can terminate a contract without a period of warning: when the volume of work is reduced (2001). Reduction from 30 to 15 days of the period of work pause that the employer can use as a basis for terminating the labour contract (2001).
RO	1990	Possibility to have more than one work contract. Retired people may cumulate the pension with a salary either from a private or a state company.
	1990-1994	Beginning with the generation of 1991 young graduates are no longer forced to accept a predetermined job in a state company and enterprises have no longer the obligation to create working places for this group. In 1990-1993 special laws were issued in this respect for each generation. In 1994 the legal framework was finalized.
	1995	Possibility to work on civil contract was regulated.
	1997	Political option for massive lay-offs as means to restructure the economy and lack of policies regulating alternatives. Consequently, flexibility is mainly forced and unregulated – self-employment in agriculture and informal work.
	2000	International agreements concluded by the Romanian Government for temporary work contracts in various EU countries.

Source: © HWF Consortium, Claire Wallace, 2003

Table 3-6. Policies impeding flexibilisation

Country	Year introduced	Nature of regulation
UK	1995	House of Lords ruling on part-time workers with respect to EU equal pay and equal treatment law
	1998	Working Time Regulations (but with opt-out clauses) implements 1993 EU Directive (93/104/EC)
	1999	Employment Act - Reduction in the qualifying period for protection from unfair dismissal from two years to one year.
	1999	National minimum wage introduced
	2000	Part-time Workers Regulations (implements EU Directive) - no less favourable treatment between full-time and part-time workers (but see UK Context Report)
	2002	Fixed-term Contract Workers (implements EU Directive) - no less favourable treatment between permanent and fixed term contract workers (but see UK Context Report)
	2003	New code of practice in local authorities which reinstates 'fair wages' for contacted out (private sector) workers
NL	1996	Act prohibiting discrimination on basis of working hours. This ensured the equal conditions of part time and full time workers.
SE	1974-1976	<p>The Employment protection act (LAS).</p> <p>Employment protection was prior to 1974 regulated through collective agreements by the labour market parts. Through the Employment protection act (LAS) employees were by law guaranteed a wide range of rights. The permanent contract was the basis of the law while temporary contracts were allowed only when it came to internships, substitution or worktasks of special character. Procedures at dismissals were regulated against the free choice of the employer, the last employee at a workplace has to be the first one to be dismissed if there is a work shortage and regulated notice times for sackings according to tenure (2-6 months). Employees who are dismissed with notice due to shortage of work also have priority for re-employment for up to nine months after the termination of employment. This law has however been modified over the years as can be seen in table 26.</p> <p>The act on co-determination at work (MBL)</p> <p>Includes among other things such as expressed and extended right of union organisation and access to information from the employer also the right of veto against subcontracting notification and mediation concerning dismissals and industrial action.</p>
	2000	Workers who have been employed as temporary substitutes at the same employer for three years over the last five year period automatically receive a permanent employment contract.
SI	2002 Employment Act	In the field of fixed-term employment the Employment Act (2002) introduces instruments for protection of workers from abuse by successive fixed-term employment contracts. It determines the maximum total duration of successive fixed-term contracts (the employer is not allowed to make one or more successive fixed-term contracts with the same worker and for the same work if their uninterrupted overall duration exceeds two years).
CZ	Labour Code 65/1965, last amendment 155/2000 valid since 1/1/2001.	Difficulties to fire people except fixed-term contracts. Attempts to reform this have met with strong resistance from Trades Unions which also provide legal assistance against employers.
		Overtime work was reduced by the amendment on at most 8 hours in individual weeks and 150 hours per calendar year.
		High payroll tax which makes employers reluctant to create jobs.
		Employees can perform the same activity within another work contract only having agreement in written form from the employer.
		Crippled or non-existing housing market, due to rent regulation of former state apartments.
		Due to various obstacles of flexibility, many informal ways of getting round this were developed, such as informal payments (common in construction and catering), hiring own account workers, hiring foreign workers and using contracting agencies. Actual flexibility is thus higher than statistics reports.

Country	Year introduced	Nature of regulation
HU	1997 Act on Temporary Employment*	Casual workers receive a booklet in which a history of their employment with various employers is recorded. Temporary work is strictly regulated: workers are not allowed to work more than 5 consecutive days or 15 days within a month, and no more than 90 days in a year for a single employer or more than 120 days a year altogether. Under the scheme, temporary workers can re-establish eligibility to unemployment benefits and healthcare. The payment of employers' tax and social contributions is simplified.
	2002	Pension incomes are no longer subject to personal income taxation.
	2000	The employer is obliged to give grounds for dismissals. Sufficient reasons can be the employee's abilities and his/her employment-related behaviour as well as reasons concerning the operation of the enterprise.
	2001	Dismissal protection of persons in pre-retirement age is increased. Protection against mass dismissals is introduced. A written statement is required to an employee at least 30 days prior to the dismissal. Further, employers are requested to initiate a consultation with the workers' council at least 15 days prior to the dismissals.
BG	2001	Additional jobs can be performed only when the main working contract permits this (2001). The permanent labour contract cannot be transformed into a temporary one without the written agreement of the employee. Fixed-term contracts can be offered only for seasonal or temporary tasks or for newly recruited employees (2001). A fixed-term contract can be renewed as fixed term only once but for a period of no less than 1 year (2001). Fixed-term trial contract can be concluded only once, after that it should be transformed into a permanent contract (2001).
	1990-1999	Protection against dismissals is given to numerous categories of employees (1990). This protection is not unconditional – it is valid only when a part of the enterprise is closed down or the volume of work is reduced. Some of these were reduced in 1992 but protection was given to new categories such as persons who are single providers in the household or whose spouses are registered as unemployed, also to pregnant women, mothers of children up to the age of 3 years, disabled persons, persons in paid holidays, spouses of military officers and of disabled persons. In 1999 protection against dismissal is given to trades union leaders in the enterprise.
RO	Labour Code 1973. Various amendments between 1990 and 2002.	National minimum wage introduced in 1991. Early retirement as the alternative to mass redundancy impeded flexibility and increased considerably the economic dependency rate. High payroll tax, which makes employers reluctant to create jobs. This impedes the formal flexibility but stimulates the informal sector. Fixed-term contracts have been regulated in the 2003 Labour Code but the social taxes that need to be paid are so high that do not encourage their use.
	In 2003 a new Labour Code was issued.	The latest Labour Code introduces regulations highly protective for the employees and does not stimulate flexibility. That is why is controversial.

Source: © HWF Consortium, Claire Wallace, 2003

3.7. Social Dialogue

The nature of flexibility reflects the strength of social dialogue in the European Union. Although flexibility is introduced mainly to the advantage of employers in adjusting to changing markets and changing demands and accepted as a way of making local conditions more globally competitive, the development of the European Social Model in response to flexibility is a product of the role of Trades Unions and other social partners.

Hence the protective legislation for atypical workers introduced in the last years as well as the shift towards flexibility for the employee is part of this development. Therefore, in this section we explore changes in the pattern of social dialogue and the role of Trades Unions and forms of employee representation.

The Trades Unions were instrumental in the construction of the European Social model at a

national level throughout the twentieth century and their strongest influence came in the era of Keynesian welfare state expansion buffered by Fordist type organisation of employment during the post-Second World War period. Social dialogue was concentrated upon a national level and Trades Unions had strong links with government through the socialist political parties. However, these links were far stronger in Sweden, for example, where the role of the Trades Unions was institutionalised in the welfare state, than in Britain where negotiations were traditionally on a “voluntary” basis.

This post-war settlement broke down from the 1970s onwards and especially in the 1980s due to globalisation impinging on national economies and the shift towards neo-liberal economic policies which strengthened the hand of employers. As the Fordism gave way to Post-Fordism, atypical work became more common and employment was feminised and tertiarised, areas not adequately covered in traditional Trade Union bargaining. The cut back of the public sector along with rising unemployment and anti-Trade Union policies in some countries such as Britain eroded the membership and sources of support and the traditional links with socialist parties were severed or weakened. After 1985 and the introduction of the “Common Market” followed by the Single Market in 1992, the globalisation of the European economies further undermined the nationally based Trades Unions and favoured the flows of capital around the EU.

Industrial relations were faced with what Martin and Ross called a “double shift” (Martin and Ross 1999). On the one hand there was a shift of economic power to the supra-national level through multi-national companies and the faster flows of capital between countries and around the world. On the other hand, there was a shift in negotiations away from the national level and towards the regional, sectoral or even plant levels with the argument that this could better reflect productivity differentials and different costs of living.

The response of the Employers organisations was to increase their activities at a European level. Although employees organisations were invited to become “social partners” at a European level from 1972, this took off only in the 1990s following the Maastricht treaty and the introduction of the European Monetary Union. In 1992 it was the initiative of Jacques Delors and the Directorate General for Employment and Social Affairs in Brussels which helped to establish the Trades Unions as partners in social dialogue through the ETUC (European Trades Union Council) at an EU level. Even then, there was little support from nationally based Trades Unions. Therefore, the Brussels office of the ETUC concentrated upon more marginal groups of workers, ones that were traditionally not the focus of Trades Union attention: atypical workers. Through the social partnership at a European level, the Directives on part-time work, temporary workers and temporary work agencies emerged, partly as a concern to avoid “social dumping”. These forms of protection for atypical workers were achieved legislatively, rather than through collective bargaining, which was a departure from the earlier role of Trades Unions. Hence, the Europeanisation of social dialogue has played an important part in the way in which flexibility has been introduced as part of the European Social Model.

The development of social dialogue has been one of the criteria in the Accession negotiations for Accession countries, but the role of social dialogue varies greatly between EU countries.

In the UK there has been declining Trades Union membership and the social partners and are not generally involved in the development of policies. Pay negotiations tend to be decentralised or even individualised. Trades Unions now only cover 29% of the workforce and bargaining is decentralised or even individualised rather than collectivised at a national level after the anti-Union policies of the previous Conservative government during the 1980s (Howell 1999). The result is that it is much easier to dismiss workers and social dialogue favours the employers in the UK leaving

many workers unprotected. Even the Labour government distances itself from Trades Unions. However, social dialogue has been lead increasingly at the EU level, introducing new elements into the British tradition of industrial relations. Legislative rather than voluntary measures have been introduced along with a new role for social partnership in implementing these directives. At the same time unions have developed more a "service" function – providing for example a range of services for their employees rather than collective bargaining.

In Sweden the Trades Unions are very much integrated into the state and state policies. Trades Unions have a great interest in social benefits since they are responsible for paying them, which is different to their role in other countries. However, in Sweden too, more neo-liberal policies were introduced in the 1980s and Trades Unions lost members and a new kind of individualisation of work contracts has arisen, threatening the principle of social solidarity (Mahon 1999). In Sweden, the women's representation in Trades Unions was always strong and they were able to successfully raise concerns of gender equality which have been incorporated into Swedish legislation.

In the Netherlands there are a series of tripartite agreements at a national level between the Dutch Trades Unions, the state and the employers so that a consensus is reached. At first Dutch Trades Unions were sceptical about part time work, seeing it as a form of secondary labour market. However, strong pressure from the women's lobby lead them to start to see part time and later temporary employment as part of a general employment strategy and to defend the position of these workers. This was assisted by the drop in Trades Union membership over the 1980s, forcing them to look for new members and new constituencies. The role of social dialogue in the Netherlands has evolved from one where unions were politically connected to particular parties to one where they are consulted by all political parties and have no formal affiliation to any one of them. Although formally, there is decentralised

collective bargaining according to the sectoral or company level. Informally there is an network of collective agreements and administrative arrangements that cover 70% of employees. The state intervenes by organising round tables with employers' and workers' federations with a view to reaching central agreements on wages policy, working time, employment, social security etc. This system of negotiations is also intended to avoid conflicts and promote harmonious co-operation between the social partners and the good labour market performance in the Netherlands is partly attributed to this form of consensus, known as the "Polder model". The state participated in the tripartite wage debate to help reach consensus on wage growth. The government also seeks to influence the social partners through policy statements and consultations, including the Social Economic Council which monitors economic developments in the country and advises the government on industrial policy, social security, law, working participation and co-determination, the relationship between the labour market and education, transport and consumer affairs.

A comparative study of the development of social dialogue in the ECE countries by Anna Pollert (Pollert 1999), found that although independent Trades Unions were established in Poland, Hungary and the Czech Republic after transition, they were easily side-lined by later governments. Generally speaking collective bargaining is weak and even absent in the new private sectors of the economy. Although there is representation at a national level, bargaining tends to take place at a local level and is missing at a general branch or industry level. Furthermore there has been strong membership decline.

In the Czech Republic, the Czechoslovak Federal Assembly passed the Collective Bargaining Act, valid since 1991. The development in this area was far from continuous and is marked by several ups and downs. As various circumstances have hampered social dialogue, the number of concluded collective agreements permanently

decreased and, simultaneously, the number of employees covered by them shrunk.

The first General Agreement of the independent Czech Republic was signed in early 1993. A hot issue was their obligatory nature: employers objected to putting effort into making agreements obligatory for firms not actually involved but to which the territorial or branch principle was automatically applied. However, from 1995 the coalition government led by Klaus' Civic Democratic Party (ODS) started to hamper the conclusion of a new general agreement. Up to 1996, no agreement was concluded. The Council of Economic and Social Agreement was transformed into the Council for Dialogue of Social Partners (RDSP) as a voluntary tripartite body of trade unions and employers with the participation of government representatives. Its action area was reduced and focused on labour relations, collective bargaining, employment, wages, work security and social protection.

Although RDSP has met semi-annually during 1995-1997, no social agreement was reached. Disappointed unions reacted by strikes or strike warnings. Only after facing economic recession and in connection with austerity measures in 1997 did the government renew the Council of Economic and Social Agreement in November 1997. Relations between trade unions and Social-Democratic government are quite cooperative since that time. In spite of this, the number of workers covered by enterprise collective agreements has steadily decreased: it was 1,9 million workers in 1994, 1,4 million in 1998 and 1 million in 2001.

Hungary was the first in the CEE region to establish the institution of macro level tripartism. The National Interest Reconciliation Council (later renamed the Interest Reconciliation Council, IRC) as the main body of macro level interest reconciliation was set up already in 1988. (The new Labour Code of 1992 abolished legal barriers to free collective bargaining and the 1989 Strike Act regulated collective labour disputes). The initial function of the Labour Market Committee (a subcom-

mittee of the National Interest Reconciliation Council) was to negotiate and set the national minimum wage, as well as to recommend wage guidelines. Later it was also given the authority to discuss labour legislation (e.g. the Labour Code, Vocational Training Act, Occupational Safety Act, Labour Inspection Act, etc.) and to participate in economic and social policies formulation, as well as, to settle industrial conflicts of national level. In 1996, the function of national interest reconciliation was taken over by the IRC and the National Labour Council (NLC).

Tripartism generally presupposes strong and unified representation of employees' and employers' interest. In Hungary both the employees' and employers' sides of NLC are fragmented. The former currently consists of six trade union confederations, of which MSzOSz is the largest, and the latter has nine employers' associations. In the employers' side, associations of small- and medium-sized enterprises have become dominant in the NLC over the 1990s (Héthy, 2000). The IRC has certainly played an important role in maintaining social peace and provided both legitimation and voice to the social partners, as well as important information rights. However, generally the range of issues where agreements were reached in the IRC was quite limited and it had a substantive say only in relation to labor issues. Although consultation on a wide range of issues took place, the government has been reluctant to negotiate broader agreements. The government has been the dominant actor in the NCL and proceeds as intended when no agreement is reached, also in the area of labor issues.

At the outset of the political system change, compulsory trade union membership was abolished and new independent trade unions appeared on the scene. In 1992, works councils were established to resolve the problem of multi-unionism and the representation for non-union workers. The partly reformed former unions gained over 70 percent of the vote for works councils in the 1993 works council elections. Since collective bargaining rights were to be determined

by unions' performance in works council elections. MszOSz, the partly reformed former union confederation managed to keep its dominance in the multi-union structure, while the newly emerged independent unions failed to recruit a sizeable membership. The overall rate of unionization declined sharply. Rivalry between the former socialist and the new independent unions weakened trade unionism. A number of other factors have contributed to the marginalization of trade unions in Hungary: initially, mass unemployment due to contraction of large state companies, and then the rise of self-employment and micro enterprises, as well as, the expansion of informal employment. Estimates of union density rate range from 25 percent to 40 percent (EBRD 2001).

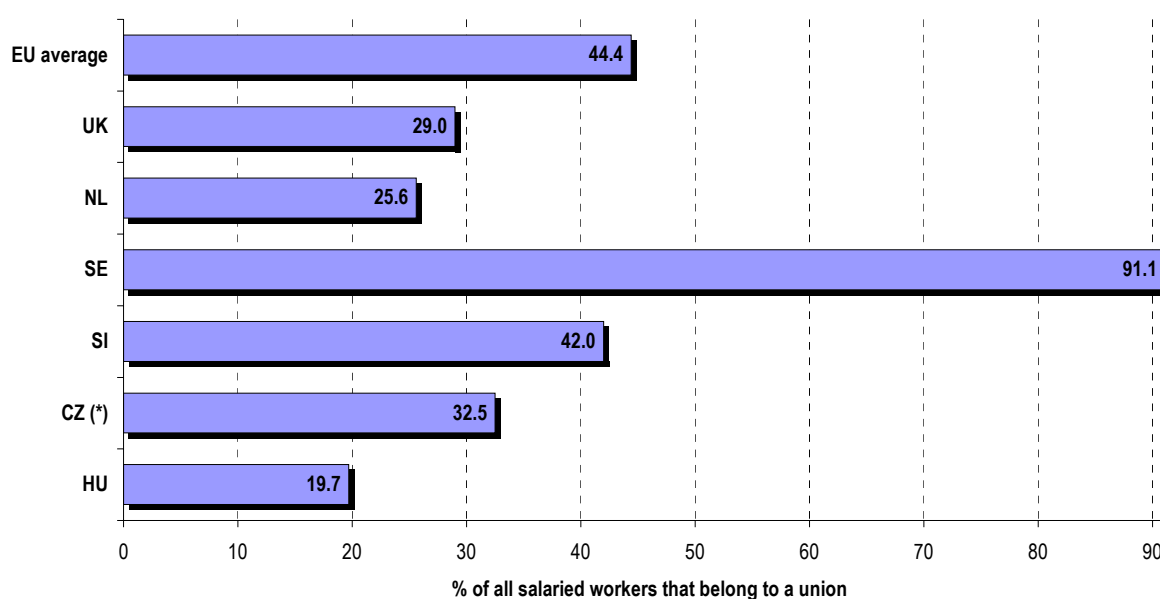
In Bulgaria, social dialogue is developed on the national level, not so well on branch and local level and better in the state than in the private sector. Currently employers' organisations pressure the government for easier lay-offs and less regulation for fixed-term contracts. Trade unions do not oppose flexibility openly (as in the Czech Republic) and even speak about greater flexibility of the labour market to reduce unemployment but oppose the change in regulation of lay-offs and last year under their pressure, more regulation was introduced for fix-term contracts thus limiting their number. There has been a tendency to go from from strict state regulation to greater freedom of employers and employees, a lot of it under the influence of European directives. However, both employers and employees prefer informal flexible arrangements, such as working additional hours or less hours or flexible places and schedules, or without a written contract, instead of waiting for the state to introduce changes

in the labour legislation towards a greater formal flexibility. A lot of this informal flexibility comes on top of the official contracts - that is the extra time is not reported and is paid additionally in cash, employees being insured on the minimum wage while receiving additional payment which is not reported. Very often the employer signs a contract with only some of the employees, for example 5 waitresses have a contract and ten do not and are not insured.

In Slovenia a tripartite social dialogue system was introduced in 1989 following decades of socialist self-management. It is a highly centralised system of wage negotiation. Unionisation rates are about 42% although coverage is much higher.

In Romania, Trades Unions became legal only after 1990 and then there was an explosion in Trades Unions to about 800. In 1998 the Social Economic Council was set up to organise tripartite negotiations and this is also implemented through the National Agency for Employment, set up in 1999.

It can be seen from Figure 3-3 that Union membership is highly variable. In Sweden it is extremely high and often compulsory whilst in the UK it is relatively low and declining. In the Netherlands, Trades Union membership is also rather low, although the coverage of collective bargaining is much higher than the membership and the Unions play a relatively important role in the introduction of flexibilisation policies. In ECE countries, the role of the Unions has declined relative to the past and the Unions have had to find a new role for themselves in the new market economies. The results is that they tend to be stronger in the public than in the private sector and more in large firms than in small ones. Therefore, they have lost out form the market transformations of the last decade (Orenstein 1995).

Figure 3-3. Union membership in comparative perspective

Note: CZ – estimate (an average value for an interval) (the data range between 25 and 40 per cent)

Source: Adapted from Riboud, Silva-Jauregui and Sanchez-Paramo, World Bank, 2001 and updated by Vecernik, Sik, Cousins, Sicherl

3.8. Conclusions: Flexibility policies

We can say that there are flexibility policies that related first of all to a-typical jobs – that is, temporary, part-time and self-employment. In general the growth of these kinds of jobs in all countries has been accompanied by legislation, which first of all encourages such kinds of work and secondly, since the end of the 1990s, has attempted to make such work more secure. Such jobs have been the explicit target of EU “open co-ordination” and Directives. However, we can also identify a whole range of flexibility policies within typical, regular employment. In the UK, Sweden, the Netherlands and the Czech Republic, work contracts and working hours have become more and more individualised. These measures can take a whole variety of forms from sabbaticals, care leave, negotiated hours, teleworking and so on.

This reflects perhaps a shift from flexibility which was intended to assist employers (Atkinson and Meager 1986) to flexibility from the point of view of the employee. Such individualisation of

working contracts reflects the shifts in the welfare state as well as the nature of Social Dialogue that we consider later. However, in most ECE countries, we still see a priority given to employer type flexibility policies or a division of the labour market between protected and unprotected workers, the former being inflexible and the latter highly flexible. This reflects the weakness or defensiveness of the Trades Union organisation in those countries.

We could also make a distinction between the regulated forms of formal flexibility which we find in the North Western EU countries, especially Sweden and the Netherlands, and the informal forms of unregulated or partially regulated flexibility that we find in the ECE countries, especially Romania and Bulgaria.

Even the policies impeding flexibilisation, with regard to the protection of a-typical workers could be said to help flexibilisation by providing it within a secure environment.

Chapter 4.

Social and family policies

In this chapter of the report we develop first of all a typology of family policies as they related to the integration of home and work. Then we describe each country in more detail with the help of a series of charts about maternity and paternity as

well as parental leave, childcare provision and child benefit. More detailed information about social and family policies in each country can be found in HWF Report No. 2. (Wallace 2003).

4.1. Models of Social and Family Policy

There have been a range of studies attempting to typologise welfare state regimes since the influential work of Esping-Andersen (Esping-Andersen 1990) in defining “Three worlds of welfare capitalism”. Esping Andersen defined three welfare regime types: the liberal-minimal (characterized by the USA), the conservative-family - work-centred (characterized by Germany) and the social-democratic-universalistic (characterized by Sweden). Since then, others have added a “Southern European welfare regime” which is “sub-institutional” in nature (characterized by Greece, Spain and Portugal) (Gallie and Paugam 1999). Our three EU countries fit quite neatly into Esping-Andersen’s clusters, with the UK representing the liberal model, the Netherlands the conservative model and Sweden the universalistic model. However, the welfare regimes of ECE represent a different set of models missing from these classifications until now. The ECE model of the communist period was a universal welfare system linked to employment: rights were earned through participation in the workforce. However, rather than being based upon the breadwinner family and social insurance, rights were individually earned through the participation of all members of the society, including women. The ECE model of the

communist period has given way to a more differentiated picture among CIS and Accession countries. We will not attempt a comprehensive classification of these many regime types here, but limit ourselves to the countries covered in the HWF project. They can be classified as “re-institutionalising” regimes of the Czech Republic, Hungary and Slovenia in which the communist-era welfare regimes are being remodeled, often deriving from the Bismarckian social insurance model of the Central European conservative regimes, but based upon individual rather than family centred insurance. The South-Eastern countries of Bulgaria and Romania, by contrast, could be seen as “de-institutionalising regimes” where the universal coverage of the communist period has given way to more patchy coverage of the population and a division between secure, regularly employed workers and a casual, irregularly employed ones. These latter two countries perhaps more resemble the southern European welfare model, although they are probably not based upon it.

A number of studies have tried to typologies the welfare state regimes with regard to family policies, following criticisms of the neglect of gender in Esping Andersen’s original work. Bar-

bara Haas (Haas 2003) identifies studies using structural criteria such as that by Jane Lewis (Lewis 1992) and studies using cultural criteria such as those by Birgit Pfau-Effinger (Pfau-Effinger 1998; Pfau-Effinger 2003). Structural criteria include the provision of benefits and assistance to parents, cultural criteria include expectations of family life and the gendered division of labour. Haas has helpfully provided us with a synthesis of these two approaches, but applied only to small range of EU countries: Austria, the Netherlands and Sweden. Here we apply the scheme to all the HWF countries (Table 4-1).

Following Haas, we have divided the columns according to structural factors (social provision, eligibility) and cultural factors (expectations and norms). It is not necessarily the case the people's family practices form themselves around social policies. As we have seen with the previous section on flexibilisation, it is sometimes the case that the policies are not implemented properly or are not taken up by the population. We have also made a division between countries as they were in the past and the models that they are moving towards at present, since this aspect of social life is not static, but changing according to path-dependent developments. Each country can fit into several categories, because we do not find 100% of families in any one category. Indeed, probably all models can be found to some extent in all countries. We have simply classified them according to the predominant models.

Beginning with the *traditional breadwinner model*, we could say that this is the traditional model in all countries, including the post-communist countries before the Second World War and in EU countries more recently. In this model, the man is the breadwinner, the woman takes over caring functions in a traditional male-female division of labour. This model was supported in most European welfare states through the social insurance system, the pension system, school hours, wage negotiations and so on. Culturally, it is based upon the assumption of a traditional division of labour between men and

women in the home. The family is seen as a private sphere and members of the family should primarily have responsibility for caring for their members. This model has been challenged by the movement of women into the workforce, the increasing number of single parent and divorced families as well as by male unemployment. Nevertheless it is a model upon which the gender division of labour is still to a great extent based. This model was found in the Netherlands until recently and to a great extent in the UK as well. Although more women are now in the labour force and the gender division of labour is showing some signs of change, it is still found in many families in the UK and the Netherlands. Some families in Eastern and Central Europe are also starting to follow this model where the "new rich" are able to earn enough money to support a dependent wife and children. In ECE countries it was also the norm during the long extended parental leave lasting sometimes several years.

The *modified breadwinner model* assumes still that the man is the main breadwinner. However, women are drawn into the workforce on a part-time basis as supplementary wage earners. The structures of the welfare state and the employment market still support the male breadwinner role, but women are expected to combine labour market participation with caring for children and family through part time work. The family is still seen as a private sphere which has responsibility for caring for its members and wife/mother of the family is the main carer in the home. State support for childcare is therefore minimal. This model was found predominantly in the UK and in the Netherlands. The Netherlands has moved from a "traditional breadwinner model" towards a "modified breadwinner model". This model is not very common in ECE countries because part-time work for women is not established there.

The *egalitarian employment model* assumes that both men and women work full time in the labour market, even if women may take time off for parental leave, during which time they resort more to the traditional breadwinner model. In this

model, the state, the municipality (or state employer) supports the participation of women in the workforce and takes over some care and responsibility for children. The expectation is that women and men will work full time and that someone else will take over the care of the children, even though women may still be mainly responsible for care. In the case of Sweden there is the provision of child care places and crèches from when the child is born up to 6 years which are accessible to everybody. In the communist countries until 1989 it was mainly the state that took over this role, providing crèches from early in the morning until late at night at nominal fees or for free. In ECE countries the state was supplemented by the extended family, mostly in the form of grandparents (sometimes co-resident), who took care of children when the wife/mother was at work. This was basically the communist model of family-work integration, based mainly upon the principle of boosting population growth whilst maximising economic output. Paradoxically, the family remained nevertheless a private sphere, a retreat from the state, so that the division of labour continued to follow the traditional pattern from pre-communist times (Watson 1993). Now, as the state as well as employers have withdrawn from this responsibility, it is increasingly the extended family that takes over this role, or otherwise children are supervised "at a distance" by telephone. This is recognised in the right to take parental leave, which in Bulgaria, for example, can be taken by grandparents as well as parents. At the present time, Sweden continues to have this model, as does Slovenia, which has continued with the family policies of the previous era and even improved them. In other post-communist countries, this state and employer support has been cut, but women continue to work full time, so that the extended family becomes more important in this model. Whilst in the first two models it is believed that children are best cared for by their mothers, in this model it is believed that collective childcare provision is actually a better form of care for children, enabling

them to socialise with other children and to receive professional pedagogical supervision.

The *dual carer model* is more a product of modern labour market conditions and the increasing professional role of women in the labour market. In this model, both men and women work full time (as in the egalitarian employment model) but the family continues to be a private sphere (as in the traditional breadwinner model). Structurally, there is no state assistance, nor is there assistance from the extended family: the nuclear family is entirely responsible for childcare and seeks to find private solutions for the problem of childcare. It is a model found often in the US and Canada (Pratt and Hanson 1991; Hochschild 1997) and parents frequently believe that only they can adequately care for their children. The care of children is arranged around the husband/father and the wife/mother working in shifts in order to manage the care of the children, or in arranging their working life around school hours. It is expected that childcare and to some extent household work is shared, even if the woman may still be mainly responsible. Some couples may resort to this model for financial reasons, because in countries such as the UK and the USA buying unsubsidised private child care is very expensive, sometimes exceeding what women can earn. Therefore, whilst some couples may resort to this model for ideological reasons, others would do it for financial reasons. This dual carer model can be found in the the UK and we can assume that it is increasingly common in the Czech Republic, Hungary, Bulgaria and Romania where the state system has been withdrawn and if the extended family system has broken down for one reason or another. This model is also supported by the increasing individualisation of the welfare system.

Finally, we find the *role reversal model*, which Haas hypothesises is more an ideal type than a common reality. Nevertheless, it is increasingly common in the UK that women are the main breadwinners and it is not unknown in other countries. In the HWF survey, 49% of women in Britain claimed to be the main breadwinners in their

households (including single parents) (see HWF Report no. 4). We can assume that under these circumstances, men may take over the major role for child care and domestic tasks (although probably not to the extent of the women in the traditional breadwinner model). As we have seen, women take up an increasing proportion of places in Higher Education so that at least some of these women may become breadwinners. In working class communities where men have lost their jobs, it is also often the case that they are forced to take over the female role in the household (Wheelock

1990). In this model, the family is once more a private sphere and responsible for its own members. The increasing individualisation of the welfare system which is no longer based so much upon gender, but rather upon individual entitlements supports this system (Lewis 2002).

The latter two models are perhaps emergent ones. However, changes in the welfare state support such developments as the social insurance system that assumed a male breadwinner supporting his family is increasingly replaced by individualised benefits and insurances.

Table 4-1. Structural and cultural criteria in developing family care models

Models types	Structural criteria	Cultural Criteria	Countries	
			in the 1980s and before	nowadays
Traditional breadwinner model	Support of male breadwinner with female dependent. Social insurance via male breadwinner	Expectation that man will be main wage earner and woman will do most of the household work and child care	UK	UK
			NL	NL
Modified breadwinner model	Support for male breadwinner and encouragement of part time work for women	Expectation that man is main breadwinner but that women will work part time and continue to do most of the housework and childcare.	UK	NL
				UK
Egalitarian Employment model	Encourages both men and women to work in the labour market full time. State support for children	Parental care of children seen as best		
		Expectation for women and men to work full time.	SE	SE (state)
		Childcare taken over by the state or extended family (although women might be still mainly responsible).	SI	SI (state)
			CZ	CZ (family)
		Collective care of children seen as best.	HU	HU (family)
			BG	BG (family)
Dual carer model	Expectation of men and women as full time workers. Individualisation of benefits and insurance	Expectation of sharing of both employment and household work		UK
		Parental care of for children seen as best		
Female breadwinner	Woman as main breadwinner. Individualisation of benefits and insurance	Woman in the labour market, man in the home		The UK
		Parental care of for children seen as best		

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4.2. General issues in family policies and care of children

The flexibilisation of work is not only a labour market policy. The ability of men, but especially women with children to participate in paid employment depends to a great extent upon the childcare policies, parental and maternity leave in each country. This could also be said to be part of the European Social Model. However, these are

highly variable and often follow the welfare state regimes and family models described earlier. Family and social policy is usually discussed separately and seldom explicitly part of a flexibilisation strategy, except perhaps in the case of Sweden where parents can work part-time until their child is 8 years old. Increasingly in other

countries, the right to change hours to suit caring arrangements is being recognised (in the UK as well as in the Netherlands). However, this kind of family friendly policies has not affected ECE countries with the exception of Slovenia.

In the tables below, we have summarised the contrasting forms of parental leave, childcare systems. In analysing these different models, we should be aware of different principles of support. The first is with regard to the source of support for families with children. For example, in the UK, where the family is regarded as a private sphere and childcare a private problem, child support is provided mainly through tax credits to families and individuals, the idea being that they should buy in the support that they need in this way. This mechanism is not well developed in other contexts and in post-communist countries, the tax system can even work in a negative way, against the support of families, which are supported from other areas of the state budget (Kovacheva and Pancheva 2003). In the Netherlands, the tax system is used to support employers who provide childcare facilities, whilst in Sweden childcare is provided directly through the state and the municipalities, as in Slovenia where it is also substantially publicly subsidised. In other countries, such as the Czech Republic and Hungary, it is the social insurance system, which is used to pay for maternity leave, and benefits to families should cover childcare. We can see therefore different combinations of indirect support taxation as well as social insurance and direct support for families with children.

Secondly, there is the extent of public or private care for children. Whilst in all countries, both systems exist, the emphasis varies. In Sweden there is public child care support for children aged 0-6 which is provided at a nominal charge. In Slovenia, the public child care facilities for all pre-school children is supplemented by private facilities, but these are also subsidised. In the UK public facilities are only available for children at risk and others must resort to private provisions, either in nurseries or with child minders. In the

Czech Republic there are rather good childcare provisions with facilities for children up to three years (crèches) were reduced to a minimum after parental leave was extended up to four years. Maternal schools for children aged 3-6 years are, however, easily available for all pre-school children and 85% of them actually use them (98% in the last pre-school year). Hungary has similar good provision for children of less than school age. Although only 10% are found in nurseries, 86% of children over the age of 3 are found in Kindergarten. In Bulgaria and Romania there is public child care provision, but the quality is poor and the infrastructure low. Private child care centres as well as private sector child minding arrangements are of good quality with good infrastructure, but too expensive for most people to use. The breakdown of the previous extensive childcare arrangements have not been replaced with alternatives in these “de-institutionalising” models.

We should also distinguish between formal childcare arrangements and informal ones. In all countries, private informal arrangements are the norm, but in Bulgaria and Romania such informal arrangements have taken over as other public facilities have declined. This may even take the form of no supervision of children at all as they simply come home from school and wait for their parents, or remote supervision through telephone calls.

We should also consider developments in the system of family and social policies, since these are evolving systems. In the UK, the system of family support has received considerable impetus in recent years, with increasing credits given to families with children as well as nursery and child care places being provided. Some thought has been given to the integration of family and working life and ways of getting more women to participate in the labour force, so we could say that the UK has become more family friendly in recent years whilst maintaining the principle of private responsibility of care and individualised provisions. In Sweden there has been a slight contrac-

tion of support for mothers in favour of support for fathers who have been encouraged to take leave to care for children. However, the system remains generous in supporting parents with children to integrate work and care whilst maintaining the principle of public, collectivised provision. In the Netherlands there is little public provision of childcare, although this has been under consideration as part of the attempts to manage the integration of work and care. In all these EU countries, therefore, family support has generally been expanding or is at high levels already.

In the post-communist countries, the previous system of support for working women through public child care provision and long periods of maternity leave (up to 4 years) was mainly a way of attempting to boost the population whilst maximising economic productivity. Therefore these provisions were never introduced on account of feminist pressure or in order to be family friendly, as in the EU countries. Nevertheless in outcome they were family friendly policies, implemented mainly in the latter two decades of the communist system. Since the 1990s these systems have undergone extensive reforms. Social insurance has been introduced, which in the Czech Republic and Hungary is used as a form of family support. A private sector has been introduced, offering alternative childcare facilities. On the other hand, employers no longer offer child care facilities for their employees as they may have done in the past and responsibility for this has been mainly devolved to the municipalities, who are suffering from lack of funding. Social policies have become more targeted rather than universal, aiming to reach families with particular needs, such as those with disabled children or with parents unemployed, or single parents. Benefits have become more and more means tested rather than universal. The introduction of an NGO sector has meant that some caring and assistance functions have been taken over by such organisations, so that provision for families is far more fragmented and differentiated. However, in countries such as Romania and Bulgaria where

the deterioration of the previous public services has not been matched by affordable alternatives, the informal care of children by relatives or by parental self-help became more important.

In the post-communist countries, there has been generally a cut-back and diminution of support for families, as the communist era policies have been reformed and facilities are constantly cut back or allowed to go into decline. Even now, there is little consideration of family friendly policies or initiatives to support women and families in care and in work. This debate is not part of the policy agenda at all. The exception is Slovenia, where the high GDP and buoyant economy have enabled a continuation and even improvement in family friendly policies, making it more similar to Sweden than the other countries under consideration here.

In many countries, there is an increasing attempt to involve fathers and not just mothers in the parental leave and the provision of care for children. In Sweden, where such recognition already existed, the possibility of the paternal role involvement has been extended. In Slovenia and Bulgaria this even extends to the extended family where grandparents can take parental leave if necessary. This reflects perhaps the decline of the traditional breadwinner model in favour of the dual carer model in social policies.

We should also be aware of the implementation and take up of such policies instead of just considering what exists on paper. For example, in the Netherlands people use childcare nurseries only for a couple of days per week and not the whole week and parents prefer to take care of their children at least part of the time themselves. Furthermore, there have traditionally not been sufficient facilities and the quality was lower than in other countries such as Sweden. However, this is changing in recent government initiatives to encourage municipalities to provide more places for the children of working mothers. In the post-communist countries the provision of private facilities as an alternative to public facilities has led to a decline in the use of this kind of child care

because it is not affordable for most parents, except in Slovenia where this kind of care is subsidised. The post-communist economic realities create numerous difficulties for working parents. For example, in Bulgaria, there are often problems with paying insurance for pregnancy in small private companies. Employers in private companies do not allow fathers or grandparents to take the leave for child rearing by exerting informal pressure and threatening dismissal. Furthermore, since increasing numbers of people work informally, casually or without a work contract, they

are not covered by social insurance and not entitled to maternity or parental leave, which makes this group particularly vulnerable to receive no protection in risks of pregnancy and motherhood. Furthermore, although mothers and even fathers are entitled to take extended leave, in fact very few are able to afford to do this in the current climate and sometimes they are threatened with dismissal if they try.

We now turn to each aspect of social policy for families in more detail.

4.3. Maternity leave and Parental Leave

We can see from Table 4-2 that there is a strong contrast between countries in terms of the length of parental leave. In some countries, such as the Netherlands and the UK, parental leave is very short period for working parents. In the Netherlands it is only 16 weeks, whilst in the UK it is 13 weeks. However, whilst in the Netherlands it is on full pay, in the UK unpaid. There is no extended right to paternity leave in the Netherlands as there is in every other country: children are a mother's responsibility. However, partners can take 2 days delivery leave and maybe other kinds of leave depending upon the agreement in the labour collective bargaining negotiations. In this respect we can see that the policies to balance work and care in the Netherlands have been extended mainly to the labour market and not to family policies. They embody a conservative, traditional model of family roles.

Slovenia appears to have the most generous maternity and parental leave provision with one year on 100% pay and this is followed by Sweden

with fractional pay. In Sweden there is also the possibility of taking fractional time off for the period of parental leave, whilst this is much more inflexible in other countries. The Czech Republic and Hungary both allow very long parental leave (until 4 and 3 years respectively) but on a fixed rate and this is up to 2 years in Bulgaria and Romania with a percentage of the salary. In Bulgaria, women receive 100% of their salary for the first 3 months and the minimum pay up to two years. We should remember that in the latter countries, salaries are very low, so this provision is not necessarily as generous as it looks.

In all countries apart from the Netherlands, there is provision for parental leave for fathers and in the case of Romania, even incentives for the father to take such leave. However, in the Romanian report, the authors have pointed out that men do not usually take up this offer for fear of appearing "unmasculine" (Stanculescu and Berevoescu 2003).

Table 4-2. Parental leave regulations

Country	Year of regulation	Nature of right:	Conditions	Duration and from	Payment	Paternity leave
UK	1999 2003	Individual right	Until child turns 5 or 5 years after the child is adopted	13 weeks full-time; not more than 4 weeks per year	unpaid	2 weeks paid paternity leave on birth of child
NL	1990 maternity leave 1991 parental leave 2002	Individual right	Until child turns 8 and employee is at least 1 year with employer Employer cannot refuse flexible arrangements Parental leave can be taken in three parts of at least one month. Many employers broadened parental leave arrangements as part of labour agreements.	16 weeks maternity leave paid 100 per cent up to 13 weeks of work time per child	Full pay	Delivery leave of 2 days available to partner and more later based upon labour negotiations
SE	1990	Family right	Until child turns 8 (or the end of the first year of elementary school)	64 weeks months fulltime; consecutively or in short blocks; leaves can also be taken part-time (75 per cent 50 per cent or 25 per cent leave) with corresponding extension of the period; 60-day leave earmarked for other parent (non-transferable). Each parent has right to 30 years sick leave until child is in 8 th years or 60 days for parents with children with long term illness	Payment during max. 450 days per family; 72 per cent of salary for 330 days 80 per cent of salary	60 days leave
SI	2001 Act on Parenthood Protection and Family Benefits	Individual right	social security insurance	Maternity leave: 105 days full pay of which 3 months must be taken by the mother and the rest either by the mother or the father. Parental leave: 260 days (may be prolonged under certain conditions) Paternity leave: 90 day (to be fully implemented by January 2005)	100 per cent wage compensation, except for last 75 days of paternity leave (when only social security contributions based on the minimum wage are paid)	Paternity leave 90 days of which 15 must be taken within the maternity leave period and the remainder any time before child is 8
CZ	1972, since 1990 also for fathers	Individual right	Accorded to a any parent who systematically and well cares about at least one child 26 weeks maternity leave (37 weeks for twins and single mother)	Until child turns 4 (or 7 if disabled) Parental leave after maternity leave until child turns 3	Benefit set as 1.1 multiple of the Living Minimum for adult person. Maternity leave covered by sickness insurance – only for insured persons. Paid at 69 per cent of sickness insurance. Lump sum birth grant	Either the mother or the father are entitled,
HU	1992 Pregnancy leave	Individual right		24 weeks; approx. 4 weeks before childbirth Fulltime	Regular payment	Either the mother or the father are

Country	Year of regulation	Nature of right:	Conditions	Duration and from	Payment	Paternity leave
	Childcare leave Child-raising leave	Family right Family right	Until child turns 3 Until child turns 16	2 days per year for 1 child; 4 days per year for 2 children; 7 days per year for 3 or more children		entitled
BG	1985 – latest 2001	Individual. Can be taken by mother, father, grandmother, grandfather	Maternity leave for 135 days until child turns 3 months Parental leave until 1 child turns 2	21 months until child turns 2 following 90 days leave after birth Mothers with 2 children have additional 2 days holiday per year, 4 days if 3 or more children Mother has right to work at home until child is 6 Sick leave of 60 days per year for either mother or father until child is 3 years old with 100 per cent salary after that parents get 70 per cent or 90 per cent of the salary.	100 per cent of salary for first 3 months and then minimum wage until child turns two	Parental leave from 4 th month til child turns 2 can be taken by father, mother, grandmother or grandfather at minimum salary
RO	1965 - maternity leave and parental leave firstly regulated in 1965 Latest modification in 2000 and 2003 for parental leave 1999 – paternity leave	Individual rights	Maternity leave - Only for those who contributed more than 6 months to the insurance fund. Parental leave - Only for those who contributed more than 10 months to the insurance fund.	Maternity leave 126 days Parental leave – until child turns 2 years or 3 years for children with disabilities. Each parent has right to sick leave until child is 7 years or 18 years for children with disabilities. Romanian legislation partially covers the EU Directive 96/34 regarding equal chances for women and men.	85 per cent of average income in the last 6 months. In January 2004 payment will represent 85 per cent of the national net average wage irrespective parents' contribution to the insurance fund.	5 days paternity leave and 10 days if father goes on a child raising course.

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4.4. Child Care Provision

In Table 4-3 we can see a summary of the child care provision in each country. We can see that in the UK, there exists public child care provision, but it is not used by the majority of parents and is targeted more at children at risk. It is also the case in the Netherlands that there is not much provision of public child care places. In fact most child care is privately provided, although the costs of child care can be offset against tax and the costs are state subsidised. In the Netherlands child care can be offset against tax on condition that they use a licensed childcare centre and that the expenses are above a certain (income related)

minimum. The provision of child care places is related to the employment strategy to get women into the labour market and has been greatly expanded in the last ten years. In 2003 10 000 new places will be made available and the out of school supervision schemes will also be expanded. Part time child care, like part time work, is more common than full time. Day nurseries are provided by local authorities for those aged 0-4 and for those 4-12 there are out of school care facilities for when school finishes and during holidays. Such supervision is also available for young teens (12-16 years). Lunch clubs are organised by

parent volunteers. Some places are allocated by local authorities for target groups and others are bought by companies for their employees. Subsidies are becoming lower and more infrequent. In Sweden, by contrast, there is extensive public provision and also strong take up of pre-school child care and this is the case in Slovenia too, where private child care is also publicly subsidised.

In the Czech Republic after 1989 the pre-school care was reorganised and parental leave was extended up to four years (reflecting a move towards the conservative-family centred model of welfare regimes). Only maternal schools, caring for children 3-6 years are subsidized since then, mostly from local authority budgets. The number of maternal schools is decreasing because of lower natality (32 000 children attending maternal schools in 1990/1 and 280 000 in 2000/1) but they

are available for all children and also widely used by parents who pay only a small fee set by the municipality. In fact, 85% of children who are entitled to do so visit maternal schools and 98% in the last pre-school year do so. Altogether, 5825 maternal schools are municipal, 70 private and 16 belong to the church.

In Hungary there is low enrolment in nurseries (about 10%) on account of the generous terms of maternity leave, but for kindergarten with children over 3 and below school age, there is 86% enrolment. This has changed little since 1990.

In Bulgaria and Romania, there still exist public child care facilities, but these are generally of low quality and poor infrastructure, whilst private facilities are out of the reach of most parents. The result is that people increasingly use informal care alternatives.

Table 4-3. Childcare provision

Country	Date	Type	Entitlement	Notes
UK	1998 (National Child-care Strategy)	Between 1997 and 2002, over 553,000 new childcare places were created catering for almost 1,007,000 children and Children's Centres in disadvantaged areas were established.	Ages of 0-14 and 0-16 children with special needs	Few people use the public childcare services. Parents mostly make private arrangements.
NL		Costs shared by employer, state and individual. Employee gets tax break for paying for care Decentralised to municipal level. Child care places expanded recently and more expansion planned	None	Age 0-3: 20 per cent Age4-12: 4 per cent
SE	Limited availability through the 1960s. 1975: The national child-care/pre-school act, leading to a substantial increase in the provision of childcare.	State and municipalities provide child care facilities, fee depends upon the mother's income, number of children and hours of care. In order to reduce marginal effects there is also a ceiling for the fee. The highest fee allowed: - Child no 1: 3 per cent of the income – but at most 1 140 sek/month. - Child no 2: 2 per cent of the income – but at most 760 sek/month. - Child no 3: 1 per cent of the income – but at most 380 sek/month - Child no 4: no fee.	Age 0-6 years in different institutions (all pre-school children)	Age 0-2: 31 per cent Age 3-school age: 54 per cent Age 5-6 years: 29 per cent Private family care: 13 per cent
SI	1996 Law on Pre-school Childcare	Public nurseries and kindergartens for preschool children up to 9hours per day heavily subsidised and free for people on social assistance Since 1990s private pre-school facilities also available also heavily subsidised	All pre-school children	56.6 per cent of pre-school children are found in such facilities

Country	Date	Type	Entitlement	Notes
CZ	1991 School law. Since 2001, changes related to new school responsibilities of the newly created 14 re- gions	Creches only a few, mostly private because of the lack of demand. Maternal schools easily accessible and widely used. In 1999/2000 5911 maternal schools altogether of which 5825 were municipal ones.	All children aged 3-6. Provision financed from municipal budget, families pay only a small fee.	Percentage of children frequenting maternal schools is 85 per cent of which: Age 3 years: 66 per cent Age 4 years: 89 per cent Age 5 years: 98 per cent Age 6 years: 22 per cent (only if the school start is postponed)
HU	2001	Pre-school facilities: public nurseries for children aged 0-3 and kindergartens for children aged 3-5. Public nurseries (family nurseries included) are parts of basic social supply system and are financed by local governments, non-profit institutions or private sector. Kindergarten are parts of public school system and are financed mainly by local governments.	Universal	Public nurseries: children enrolled as a percentage of those in nursery age: 10,2 per cent, almost all of them in institutes financed by local governments. Significant decrease in number of places, but no change in enrollment rates since 1990. Low enrollment rates could be explained by generous maternity benefits (until the third year of the child) and relatively low quality of provision. Informal child care is widely used as an alternative. Kindergarten: 86,4 per cent. No significant change in enrollment rates since 1990.
BG		Pre-school facilities extensive and subsidised from Ministry of Education and municipalities fee charged according to the situation of the family (number of children, income etc.) Creches children 1-3 and kindergartens children 3-6 Declining quality and infrastructure Private kindergartens since 1992 with high fees and good infrastructure, smaller groups Private care at home for a fee (very expensive and rarely used) Informal care by grandparents or by small groups of parents taking turns Supervision by parents using telephone contact	Universal	Increasingly people use grandparents and informal child care arrangements because they are cheaper
RO	1964 and repeatedly modified after 1990	Pre-school facilities subsidised from Ministry of Education and municipalities. Private kindergartens after 1990 with high fees and good infrastructure, smaller groups. Private care at home for a fee (very expensive and rarely used). Informal care by grandparents.	Universal	Child-care related services – nurseries, steadily degraded after 1989, while parental costs rose continually. Nurseries were neglected as a consequence of the extension of maternity leave until the child reaches two years of age. Although the 3 – 6 years child-care infrastructure has improved the enrolment rate decreased.

Country	Date	Type	Entitlement	Notes
		In Romania, by law, a state child allowance is paid to all children under 16 years (18 years for those attending day-education). School enrolment is a requirement for children over seven years. In 1993, the child allowance was changed in the sense that any child receives the same amount irrespective parents' earnings.		Before 1989, the child allowance was about 10 per cent of the average wage. After 1990 its value dropped and remained low, representing barely three percent of the present average wage with lower purchasing power.
		The state child allowance is important per se but the granted amount of money is ridiculous, about USD 3/child/month. Starting from 1997, families taking care of two or more children are entitled to additional state allowances but again the granted amount of money is unreasonable: USD 1,75/month/two children; USD 3,5/month/three children; USD 4,25/month/ four or more children.		For protecting the families with children in the event of mass dismissals the Government issued an emergency ordinance according which 'only in the last resort may the labour contract be terminated when the employee is a woman caring for children, a man taking care of children, or the sole financial support of the family'.

Source: © HWF Consortium, Claire Wallace, 2003

4.5. Conclusions: Labour market, family and social policies

In the above analysis of labour market, social and family policies, we can see some evidence of the welfare-state regimes defined by Esping Andersen and other analysts. However, we also need to factor in the changing and diversifying regimes of the Accession countries in ECE and to bring together the policies on flexibilisation with those for families. Our countries fall into several groups. In North Western Europe, we find the three types of welfare regime typified by our three countries and in these countries there is a shift from employer-focused flexibilisation to employee focused flexibilisation as well as the development of policies designed to be family-friendly, but in the context of the dominant family model. Hence in the Netherlands this is based upon a conservative, modified breadwinner model, in Sweden upon a universalist egalitarian employment model and in the UK a liberal regime with minimal state intervention and the family regarded as a private affair. In the case of Slovenia we have an example of a welfare state that is universal and family friendly as a development of the earlier version of socialist self-management. It does indeed resem-

ble Sweden on the Adriatic, but flexibilisation policies are not well developed there. In the Czech Republic we find rather good facilities for child-care linked with a conservative family tendency encouraging women to stay for four years as full time mothers (but paid for this). In Bulgaria and Romania we find de-institutionalising systems where the previous extensive family support has been replaced with private or incomplete coverage. In the ECE countries, flexibilisation has been mainly employer-lead although we may detect some evidence of a shift towards employee lead flexibilisation in the very recent legislation of the Czech Republic. We would expect more convergence with full integration into the EU.

Protection of a-typical workers is increasingly directed from a European rather than a national level and national level trades unions are focused more upon traditional industrial workers.

Turning to Table 4-4 below, we put together the welfare regime type, the family model and flexibility measures. We find that the liberal regime type is associated with de-regulatory flexibilisation policies leading to a variety of family

models which are “private” solutions to the integration of family and work. In the UK we can find modified breadwinners, dual carers as well as role reversal. In the Netherlands, there is a conservative family-centred welfare regime, where flexibility policies are built upon concept of a private, patriarchal nuclear family where the women have the main responsibility for caring. The progressive flexibilisation measures, in fact reinforce this family model. In Sweden, we find a universal welfare regime linked to regulated flexibility and family friendly policies that allow women to participate most fully in the labour market with extensive state support. In Slovenia we find a similar system, but with little attempt to

introduced family friendly flexibility policies and this is also not the outcome of feminist campaigning. In the Czech Republic and in Hungary, we find partially regulated flexibility along with a re-institutionalising welfare state using an individually based social insurance model coupled with egalitarian gender regime with state support. In Bulgaria and Romania we have de-institutionalising regimes with unregulated flexibility, a division between inflexible and flexible workers and “private” solutions for childcare, including egalitarian systems based upon extended family rather than the state and dual carer systems by necessity.

Table 4-4. Welfare regimes, family-gender systems and flexibilisation policies

	Welfare regime type	Flexibilisation policies	Family-gender regime type
UK	Liberal	De-regulatory Partially de-regulated	Modified breadwinner Dual carer Role reversal
The Netherlands	Conservative	Regulated	Modified breadwinner
Sweden	Universal	Regulated	Egalitarian
Slovenia	Universal	Partially regulated	Egalitarian
Czech Republic	Re-institutionalising	Partially regulated	Egalitarian
Hungary	Re-institutionalising	Partially regulated	Egalitarian
Bulgaria	De-institutionalising	Unregulated	Egalitarian Dual carer
Romania	De-institutionalising	Unregulated	Egalitarian Dual carer

Source: © HWF Consortium, Claire Wallace, 2003

Annex (Part One)

Table A1: 1 Population Trends

	1980	2002 (estimated)
UK	56 285 000	60 075 000
NL	14 091 000	16 101 000
Sweden	8 303 000	8 910 000
Slovenia	1 893 000	1 900 000
Czech Republic	10 316 000	10 275 000
Hungary	10 709 000	9 973 000
Bulgaria	8 846 000	8 107 000
Romania	22 133 000	22 390 000

Source: The Social Situation in the European Union, 2002
DG Employment and Social Affairs, Brussels

Table A1: 2 Infant mortality per 1000 live births

	1980	1999
UK	12.10	5.78
NL	8.59	5.23
Sweden	6.9	3.4
Slovenia (1984)	13.9	4.56
Czech Republic	16.9	4.62
Hungary	23.16	8.43
Bulgaria	20.24	14.62
Romania	29.31	18.58

Source: WHO Regional Office for Europe, European health for all database

Table A1: 3 Life expectancy at birth

	males		females	
	1980	1999	1980	1999
UK	70.49	75.13	76.59	79.99
NL	72.57	75.43	79.49	80.61
Sweden	72.85	77.13	79.06	82.08
Slovenia (1984)	67.96	71.82	76.3	79.52
Czech Republic	66.84	71.52	73.92	78.29
Hungary	65.52	66.72	72.82	75.59
Bulgaria	68.47	68.36	73.91	75.12
Romania	66.61	67.15	71.89	74.2

Source: WHO Regional Office for Europe, European health for all database

Table A1: 4 Fertility rate, 1960-2000

	1960	1980	1990	2000
UK	2.72	1.90	1.83	1.64
NL	3.12	1.60	1.62	1.64
Sweden	2.20	1.68	2.13	1.54
Slovenia	2.18	2.11	1.46	2.25
Czech Republic	2.11	2.10	1.89	1.14
Hungary	2.02	1.91	1.87	1.33
Bulgaria	2.31	2.05	1.81	1.25
Romania	2.33	2.45	1.83	1.30

Source: The Social Situation in the European Union, 2002. DG Employment and Social Affairs, Brussels

Table A1: 5 Percentage of live births outside marriage

	1970	1980	1990	2000
UK	8.0	11.5	27.9	39.5
NL	2.1	4.1	11.4	25.1
Sweden	18.6	39.7	47.0	55.3
Slovenia	8.5	13.1	24.5	37.1
Czech Republic	5.4	5.6	8.6	21.8
Hungary	5.4	7.1	13.1	29.0
Bulgaria	9.3	10.9	12.4	38.4
Romania	-	-	-	25.5

Source: The Social Situation in the European Union, 2002
DG Employment and Social Affairs, Brussels

Table A1: 6 Educational levels (highest completed level) 2000 (ISCED)

	Less than upper secondary			Upper secondary			Tertiary		
	Male	Female	All	Male	Female	All	Male	Female	All
UK	16.3	22.6	19.3	54.0	50.9	52.5	29.6	26.5	28.1
NL	30.2	37.8	33.9	43.1	40.8	42.0	26.7	21.4	24.1
Sweden	24.3	21.2	22.8	48.3	46.7	47.5	27.4	32.1	29.7
Slovenia	20.8	29.6	25.2	65.1	53.0	59.1	14.1	17.3	15.7
Czech Republic	8.8	19.0	13.9	78.1	71.1	74.6	13.1	9.9	11.5
Hungary	25.9	35.3	30.8	60.4	50.4	55.2	13.7	14.3	14.0
Bulgaria	33.4	32.5	32.9	51.1	46.4	48.7	15.5	21.1	18.4
Romania	24.2	37.0	30.7	65.4	54.9	60.1	10.4	8.1	9.2

Source: The Social Situation in the European Union, 2002
DG Employment and Social Affairs, Brussels

Table A1: 7 Trends in the employment rate (% of population aged 15-64)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	62.2	61.1	60.0	59.7	59.9	60.1	60.5	61.2	62.3	63.2	63.9
UK	70.0	68.7	68.0	68.1	68.5	69.1	70.0	70.6	71.0	71.5	71.7
Sweden	78.1	74.7	70.3	69.2	69.9	69.3	68.1	68.7	70.1	70.7	71.7
NL	62.5	63.6	63.6	63.9	64.5	65.9	68.0	69.8	71.1	72.9	74.0
Slovenia						61.7	62.8	63.5	62.5	62.7	63.6
Czech R	73.8	71.4	70.0	69.1	71.1	71.3	68.6	67.5	65.6	64.9	65.0
Hungary						52.0	52.0	53.2	55.4	55.9	56.3
Bulgaria										51.5	50.7
Romania							67.2	65.9	65.0	64.2	63.3

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Table A1: 8 Trends in the female employment rate (% of labour force 15+)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	50.2	49.8	49.3	49.3	49.7	50.1	50.6	51.5	52.8	54	54.9
UK	62	61.6	61.4	61.5	61.8	62.5	63.2	63.6	64.2	64.8	65.1
Sweden	77.2	74.4	70.5	69.1	69.2	68.3	66.6	66.6	68.4	69.1	70.4
NL	48.9	51.1	51.9	52.9	53.6	55.3	57.4	59.5	61.5	63.5	65.2
Slovenia						57.5	58.4	59.5	58.1	58.5	58.6
Czech R	68.1	69.7	65.2	66.4	61.3	61.0	60.2	58.9	57.4	56.8	57
Hungary						45.1	44.8	46.8	48.8	49.4	49.6
Bulgaria										47.2	47.9
Romania							61.1	60.1	59.7	59	58.2

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Table A1: 9 Trends in the unemployment rate (% of labour force 15+)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU			10.2	10.5	10.2	10.3	10.1	9.5	8.7	7.9	7.4
UK	8.6	9.8	10.2	9.4	8.5	8	6.9	6.2	5.8	5.4	5
Sweden	3.1	5.6	9.1	9.4	8.8	9.6	9.9	8.3	7.2	5.9	5.1
NL	5.5	5.3	6.2	6.8	6.6	6	4.9	3.8	3.2	2.8	2.4
Slovenia						6.9	6.6	7.4	7.3	6.9	5.7
Czech R	2.6	3.1	3.0	3.3	3.0	3.1	4.3	5.9	8.5	8.8	8
Hungary						10	9	8.9	6.9	6.6	5.7
Bulgaria										16.2	19.9
Romania							5.5	5.6	6.2	7	6.6

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Table A1: 10 Trends in employment in agriculture (% of total employment)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	6	5.7		5.4	5.2	5	4.9	4.7	4.5	4.3	4.2
UK	2.3	2.2		2	2	1.9	1.8	1.7	1.5	1.5	1.4
Sweden	3.4	3.4	3.4	3.3	3.1	3	2.9	2.8	2.8	2.7	2.6
NL	4.3	4.4	4.4	4.3	4	4	3.9	3.6	3.5	3.5	3.4
Slovenia						10.2	12.1	12.1	10.8	9.6	9.9
Czech Republic	10.0	8.6	6.8	6.9	6.2	6.0	5.8	5.6	5.3	5.2	4.9
Hungary						8.2	7.8	7.3	7	6.5	6.1
Bulgaria										13.2	9.7
Romania							40.9	42	44	45.2	44.4

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Table A1: 11 Trends in employment in industry (% of total employment)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	31.3	30.4		28.7	28.5	28	27.7	27.5	27.1	26.7	26.4
UK	31.3	30.4		27.8	27.4	27.3	26.9	26.7	26	25.3	24.8
Sweden	26.1	24.4	23.9	23.5	24.4	24.4	24.3	24.3	23.9	23.8	23.3
NL	24.3	23.7	23.1	22.3	21.8	21.2	20.9	20.6	20.3	20.1	19.8
Slovenia						42	40.5	39.5	37.8	37.7	38.6
Czech Republic	45.9	45.1	40.4	41.8	41.8	41.3	41.6	41.5	40.6	39.9	40.5
Hungary						33.2	33.2	34.8	34.4	33.8	34.5
Bulgaria										32.8	32.7
Romania							30.3	28.8	27.1	25.8	25.8

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Table A1: 12 Trends in employment in services (% of total employment)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	62.7	63.9		65.9	66.4	67	67.4	67.8	68.5	69	69.4
UK	66.4	67.5		70.2	70.6	70.8	71.3	71.6	72.5	73.2	73.7
Sweden	70.5	72.1	72.8	73.2	72.4	72.6	72.8	72.8	73.3	73.5	74.1
NL	71.4	71.9	72.5	73.4	74.2	74.8	75.2	75.8	76.1	76.4	76.7
Slovenia						47.8	47.4	48.4	51.4	52.7	51.4
Czech Republic	44.0	46.8	52	51.5	51.6	52.7	52.6	52.9	54.1	54.8	54.6
Hungary						58.5	59	57.9	58.7	59.8	59.4
Bulgaria										54	57.6
Romania							28.8	29.3	28.9	29	29.7

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Table A1: 13 Comparative employment and unemployment rates by sex, 2001.

	Employment Rate			Unemployment Rate		
	All	Male	Female	All	Male	Female
EU	63.9	73	54.9	7.4	6.4	8.7
UK	71.7	78.3	65.1	5	5.5	4.4
Sweden	71.7	72.2*	70.4	5.1	5.2	4.9
NL	74.1	82.8	65.2	2.4	1.9	3
Slovenia	63.6	68.5	58.6	5.7	5.4	6
Czech Republic	65	73.2	57	8	6.7	9.6
Hungary**	56.3	63.3	49.6	5.7	6.3	4.9
Bulgaria	50.7	53.6	47.9	19.9	20.8	18.9
Romania	63.3	68.6	58.2	6.6	7	6

Source: Employment in Europe 2002 // DG Employment and Social Affairs, Brussels*2000

Table A1: 14 Trends in part-time employment (% of total employment)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	13.9	14.5		15.5	16	16.4	16.9	17.3	17.6	17.8	17.9
UK	22.6	23.3		24.2	24.3	24.8	24.8	24.7	24.8	25	24.9
Sweden	24.2	24.8	25.7	25.8	25.2	24.6	24.4	23.8	23.7	22.4	24.1
NL	33.1	34.6	35.3	36.6	37.5	38.1	38.2	39	39.8	41.5	42.2
Slovenia						6.8	8.2	7.6	6.6	6.1	6.1
Czech R	n.a.	n.a	6.3	6.6	6.3	6.0	6.1	5.9	5.7	5.4	4.3
Hungary*						3.2	3.7	3.8	3.9	3.6	3.3
Bulgaria											3.4
Romania							15.2	16.3	16.5	16.4	16.8

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Table A1: 15 Trends in self employment (% of total employment)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	15.6	15.8		16.2	16.1	16	15.9	15.7	15.3	15	14.8
UK	13	13.1		13.5	13.5	13.2	13	12.4	12.1	11.8	11.7
Sweden	4.6	5	5.5	5.6	5.6	5.5	5.6	5.5	5.5	5.3	5
NL	15.4	15.1	15.6	15.9	15.7	15.8	15.8	15.3	14.5	14.1	13.8
Slovenia						12.6	12	12.5	12.6	11.2	11.8
Czech R	n.a.	n.a.	9.1	10.2	11.5	11.8	11.8	13	13.9	14.5	14.6
Hungary						16.8	16.3	15.2	14.9	14.6	13.9
Bulgaria										14.7	13.7
Romania							22.4	23.2	23.8	25.4	25.7

Source: Employment in Europe 2002
DG Employment and Social Affairs, Brussels

Table A1: 16 Trends in fixed term contracts (% of total employment)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
EU	9.2	9.4		11.5	12	12.2	12.6	13.1	13.4	13.6	13.4
UK	5	5.2		7	7.3	7.5	7.7	7.5	7.1	7	6.8
Sweden	8.1	8.7	9.4	11.1	11.7	11.4	11.9	12.7	13.4	14	13.5
NL	8.2	9.8	10.2	10.9	11.2	11.8	11.7	12.5	12.2	13.7	14.3
Slovenia						7	11.6	9.2	8.8	10.8	10.8
Czech R	n.a.	na.	4.4	7.1	7.9	7.6	6.9	5.8	6.4	6.9	6.9
Hungary*							5.5	5.6	5.2	5.8	6.4
Bulgaria											5.7
Romania							1.8	1.7	1.7	1.6	1.6

Source: Employment in Europe 2002

Table A1: 17 Comparative forms of a-typical employment, 2001

	Part-time work			Fixed term contracts			Self employment		
	All	Male	Female	All	Male	Female	All	Male	Female
EU	17.9	6.2	33.4	13.4	12.4	14.6	14.8	17.7	11
UK	24.9	9.1	44.1	6.8	6	7.6	11.7	15.5	7
Sweden	24.1	13.3	36.4	13.5	11	16	5	7.4	2.6
NL	42.2	20	71.3	14.3	11.9	17.4	13.8	15.5	11.6
Slovenia	6.1	5	7.4	10.8	10.3	11.4	11.8	15.9	7
Czech R	4.3	2.2	7.1	6.9	5.8	8.3	14.6	18.9	9.2
Hungary	3.3	2	4.8	6.4	6.7	6.1	13.9	17.6	9.3
Bulgaria	3.4	3.1	3.7	5.7	5.7	5.6	13.7	17.2	9.8
Romania	16.8	14.7	19.1	1.6	1.8	1.5	25.7	33	17.5

Source: Employment in Europe 2001

Table A1: 18 Social protection as % of GDP, 2000

UK	26.9
NL	28.1
Sweden	32.9
Slovenia	26.5*
Czech Republic	19.50*
Hungary	23.20*
Bulgaria	17.9*
Romania	13.90*

Note: (*) CVG Report, 2002, Social Protection in Applicant countries
DG Employment and Social Affairs, Brussels

Source: The Social Situation in the European Union, 2002

Table A1: 19 Payroll taxes and general tax rate

	Payroll tax (%)	Total Tax rate (%)
EU average	23.5	53.0
Netherlands	27.5	56.5
Sweden	37.7	70.7
UK	13.8	40.8
Czech Republic	47.5	73.4
Hungary	42.3%**	81.5
Slovenia	38.0	69.1
Bulgaria***	42.7***	56.3

Notes: ** It is not clear to which year this 44% refers. Since 1999, payroll tax in Hungary has been kept somewhat below this level. Currently it has five components: pension contribution and health insurance, Labor Market Fund contribution, vocational training contribution and a flat health tax. According to the calculations of a 2001 World Bank Report, the payroll tax was 42.8% in 1999. In 2001, the payroll tax was 37.5% (22+11+3+1.5) not including the flat health tax (HUF4,200). Thus calculated for the gross average wage, it means a total payroll tax of about 42.3%. In 2002, the payroll tax is 33.5% (18+11+3+1.5) plus the raised flat health tax (HUF4,500).

***Bulgaria: In 2001 the minimum wage was 100, the average wage was 257.25, income support was given according to the guaranteed minimum income of 40 BGL which is corrected with the following coefficients:

Single person – 1.0
Single person aged 70 or more – 1.2
Orphan child – 1.2

A child in a family aged below 18 – 0.9 but if the child is not at school at the age of 7-16 – 0.5, etc.

Source: www.nsi.bg In 2002 the insurance payment for unemployment was 4 per cent of the gross wage, paid in a ratio 3:1 by employers and employees.

***Bulgaria: In 2002 the insurance payments for all social risks deducted obligatory from one's salary amount to 36.7% for third category labour (the majority), 46.7% for the second category of labour and 51.7% for the third category, teachers being something special, having 41%. The tendency here is to raise the shares (for example for health and pension insurance) and particularly the proportion paid by the employees. The exact ratio was 80:20 till 2001, in 2002 it is 75:25, in 2003 it will be 70:30 and will reach 50:50 in 2007 according to the Code for Obligatory Social Insurance. The income tax varies, in 2001 110 BGL are not taxable (the minimum salary is 100) and then it varies from 18% to 29%. The tendency here is to reduce the tax burden (in 2000 it varied from 20% to 36%, the greater incomes profiting more than the smaller incomes).

Sources: Adapted from Riboud, Silva-Jauregui and Sanchez-Paramo, World Bank, 2001

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