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OBSERVATORY 1

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NOTE FROM THE EDITOR

For those of you that know CLR-News from the beginning this issue of our bulletin is not really a surprise. We started our Observatory in 1998 and it was Gerhard Syben who came with the idea and worked it out himself together with a growing group of national rapporteurs. Due to other busy work in the field Gerhard decided to hand over the job. That was the reason why the regular reports presented in our Observatory left the scene for a while.

During the Annual General Meeting in 2003 Harry Beereboom from the Dutch Economic Institute for Construction (EIB) took over the responsibility.

And in the meantime, partly as a result of our enlargement-project, the list of potential national correspondents was growing.

Harry Beereboom really did a great job. And even for our dinosaurs we have a surprise.

We now have too many national reports for one issue of CLR-News and therefore had to decide to deliver you an Observatory in two parts.

Beereboom introduces this number of CLR-News in a trend report written together with Stefan Hochstadt who just opened a CLR-liaison office at the Fachhochschule in Dortmund.

Their overview of trends in European construction sets the frame for the other contributions.

We have contributions from our good friends Vassil Kirov and Valentina Vasile both experts in our CEE-study. Polish Jacob Kus was not directly involved in that project but we know him already for years as a decent trend-watcher in our industry. Welcome on board the three of you.

Old Europe is present with a mixture of old and new authors. All together quite a “dream team”.

But since Real Madrid failed both in the Champions League as in the national league we have to be careful with that labelling.

One of the research projects at the moment with CLR-involvement is about the national implementation of the Posting-directive. The EFBWW got EU-funding to work on this file and many of our CLR-colleagues are acting as national experts in this project.

In this issue of CLR-News Ernst Ludwig Laux comes up with a critical exposé of a new initiative from the EU-Commission, the so-called Services-directive. The aim of this initiative from retiring commissioner Bolkestein seems to be in sharp contradiction with the purposes of the Posting-directive: the equal treatment of workers and the host country principle with regard to labour legislation and collective agreements. Whether Bolkestein will succeed is questionable and lies to an important extend in the hands of the newly elected European Parliament.

Another reason to go to the ballot box in June.

Jan Cremers, 21-5-2004.

SUBJECT ARTICLES

European Trends

CLR Observatory 2003: labour markets in transition

Harry Beereboom/Stefan Hochstadt

Many countries in Europe witnessed growing production in 2003. Countries like Great Britain, Ireland, Austria and Hungary witnessed another year of growth but production fell back in other countries (Table 1).

On the whole, the labour situation for workers in the European construction industry showed several negative signs. In 'big' countries like Germany, France and Poland employment fell back, as it did in several smaller countries like the Netherlands and Sweden. An important factor is also reforms in new EU countries, such as Poland, Bulgaria and Romania. In the last three countries there is a clear tendency towards the individualisation of working relations, that is, individual firms negotiating working conditions with individual workers, in many cases on minimum wages. There are also large reservoirs of self-employed.

As the construction industry in many countries suffers from negative developments, construction firms seek to reduce their costs, including labour costs. There is a tendency to substitute open-ended contracts for temporary contracts, not only in the countries in the East but also in western countries like Germany, Belgium and the Netherlands. Thus a (European) market for flexible contracts is emerging. If demand is in the West and supply in the East, labour movement is to be expected from East to West, given the fact that construction firms in the West can reduce their labour costs more than firms in the East. For the individual construction worker this means a trade-off between wage rates and costs. This will, of course, induce transnational labour movements.

The extent to which these movements will occur is difficult to estimate. Many countries have declared restrictions on the import of labour. The question is how this can be controlled. It is far from certain right now. One obvious consequence is competition between national workers and workers from abroad. Solidarity between the domestic social partners will be put to the test, as will be the case between unions in different countries.

The outlook for 2004 shows signs of improvement. It might well be the case that growth in production will absorb much of the current labour market surplus. On the other hand, the trend towards the liberalisation of labour relations and the (possible) invalidation of the posting directive by the new service directive could counteract this. We shall see.

Table 1 Construction output in some European countries.

	Production in 2002 (in billions €)	Change in 2003 (%, estimate)	Change in 2004 (%, forecast)
Austria	26.1	+1.7	+1.9
Belgium	23.2	-0.8	+2.3
Czech Republic	9.0	+4.6	+4.7
Denmark	18.7	-1.8	+1.9
Germany	196.4	-3.6	-0.3
Great Britain	132.9	+4.4	+3.3
Finland	19.2	+0.2	+2.2
France	149.6	-1.4	+0.1
Hungary	7.0	+4.6	+7.0
Netherlands	48.7	-3.0	0.0
Poland	19.2	-7.7	+5.5
Portugal	22.7	-9.8	-6.7
Slovakia	1.6	+2.1	+2.4
Spain	120.5	+4.0	+2.6
Ireland	21.5	+1.8	-4.0
Italy	135.5	+0.8	+0.2
Switzerland	30.1	-2.0	-0.6
Sweden	18.3	-0.3	+3.1

Source: Euroconstruct.

Recent developments in the Bulgarian construction sector

Vassil Kirov, Bulgarian Academy of Sciences, Sofia

The objective of this paper is to present recent developments in the Bulgarian construction sector relating to economic performance, collective bargaining, working conditions, health and safety, and vocational training. The sources of information are publications of the National Statistical Institute (NSI) and short interviews with G. Grancharov, expert, Bulgarian Construction Chamber, I. Niklenov, President, Federation of the Independent Construction Trade Unions (FICTU), CITUB, and I. Parteniotis, President of the Construction, Industry and Water Supply Federation 'Podcrepa' (CIWSF 'Podcrepa'). In examining the construction sector in Bulgaria it is also important to take into account widespread informal practices (see Kirov, V., 'Bulgaria', in Clarke, L., Cremers, J., Janssen, J. (eds) (2003) EU Enlargement: Construction Labour Relations as a Pilot).

Recent developments in the construction industry

After a drastic decline during the 1990s the Bulgarian construction industry experienced a slight but uneven recovery from the beginning of the new decade. Overall production in the sector for the year 2000 was BGN¹ 2,811 million, for 2001 BGN 3,393 million and for 2002 BGN 2,712 million. There are no official data for the year 2003, but according to analysis published in the media there should be sustained growth. In large Bulgarian cities from 2002 on and especially in 2003 a construction boom, both in dwellings and in office and commercial buildings, is to be observed. Several large infrastructure projects such as the Sofia Airport extension or the Trakia highway construction are on the way, attracting large international contractors. The share of private sector investment continues growing, to reach 90% in 2001.

¹ 1 Euro = 1.956 Bulgarian Leva (BGN)

However, statistical data about employment show that the overall number of employees slightly decreased from 97,053 in 2001 to 95,336 in 2002 (Table 1). There is no indication of undeclared labour in the sector, but we may estimate that it probably still amounts to tens of thousands of workers.

Table 1 Employees under labour contract by sector of activity (2001-02)

Economic activity	2001			2002		
	Total	Public sector	Private sector	Total	Public sector	Private sector
Total	1,899,874	779,384	1,120,490	1,927,690	729,591	1,198,099
Construction	97,053	22,297	74,756	95,336	16,764	78,572

Source: NSI

The average annual wage in the sector increased, according to national statistics, but was officially below the average salary for the country in 2002 (Table 2). But real wages paid to workers appear to be higher; only part of these are official, the remainder being paid in cash without records.

According to the CIWSF ‘Podcrepa’ President, growth in the sector will give rise to a wage growth; the question is when?

Table 2 Average annual wages and salaries of employees under labour contract (in BGN)

Economic activity	2001			2002		
	Total	Public sector	Private sector	Total	Public sector	Private sector
Total	2,880	3,491	2,452	3,091	3,871	2,613
Construction	2,551	3,181	2,362	2,579	3,334	2,417

Source: NSI, 2003

The hourly labour cost in Bulgaria in 2003 was still one of the lowest in Europe (Table 3).

Table 3 Employers' expenses for one hour of labour under labour contract (in BGN)

Economic activity	2001			2002		
	Total	Public sector	Private sector	Total	Public sector	Private sector
Total	2.46	3.17	2.00	2.59	3.46	2.09
Construction	2.08	2.74	1.88	2.05	2.86	1.88

Source: NSI

The structure of labour costs shows that even in 2002 (the situation for 2003 is similar) the weight of social security costs was relatively important, which partly explains the practice of 'evasion'.

Table 4 Structure of labour costs under labour contract (%)

Economic activity	2002					
	Total	Wage costs	Compen-sa-tion	Social security costs	Other social expenses	Tax over social expenses
Total	100.00	68.27	2.29	23.71	4.78	0.95
Construction	100.00	70.33	2.61	23.52	2.95	0.59

Source: NSI

Collective bargaining

A national collective agreement at sectoral level valid for two years was signed on 8th February 2002. Signatories to the agreement are the Bulgarian Construction Chamber and the trade union federations FICTU and CIWSF 'Podcrepa'. At the beginning of 2004 negotiations began for a new two-year agreement which is expected to be signed at the beginning of April by the Chamber, the two federations and another two chambers.

The main differences between the old and new agreement are that:

- In the new agreement are minimum wages for eight categories of personnel have been negotiated instead of one minimum wage for the sector.
- The social partners agreed to ask the Minister of Labour and Social Policy to extend the new agreement to cover the entire sector.

The actual collective agreement for the sector covers only a small part of the workforce and the phenomenon of ‘Disintegration of collective employment relations’ continues to apply (Kirov, op. cit., p. 55). Another collective agreement is expected to be signed for the ‘Road Construction Branch’ (between the Road Construction Chamber and the two above-mentioned federations) where trade union density is still very high (70-80%) and 60% of the employers are members of the chamber. The explanation for this fact is probably that the majority of firms are still state or municipally owned.

Working conditions and health and safety

In recent years the construction industry has continued to be one of the four most hazardous (and ‘tragic’, according to trade unions) in the Bulgarian economy, together with metallurgy, mining and chemistry, according to the General Labour Inspection.

The Health and Safety Law, adopted in 1999, envisaged the establishment of committees/ groups on working conditions for enterprises with more than 50 employees/fewer than 50 employees respectively. There is not enough information about the situation in the construction sector, but it seems that it is no different from the overall economy: only in a few enterprises are these structures established and functioning normally.

In 2003 employers in the sector were still offering compensation for bad working conditions instead of taking measures to improve them. The deadline given under the Health and Safety Law to all Bulgarian enterprises to harmonise their working conditions with European norms expired at the end of 2003. The requirement was difficult to fulfill for many companies and the General Labour Inspection announced that it will start inspections in many sectors, including construction, from the beginning of 2004 and will examine enterprises case by case.

The sectoral social partners have organised some activities in this area. Social partners have also some activities in the area of health and safety. The Chamber has organised a set of training courses for its members, after which enterprises are awarded certificates. In 2004 the Chamber will prepare training for the introduction of the role of 'health and safety coordinator', a function imposed by an administrative decree on each construction site. CIWSF 'Podcrepa' also provides training for first aid in the case of an accident. In 2004 the Federation will prepare 15 brochures for distribution to each construction site.

Vocational training

The Bulgarian vocational training system is under the responsibility of the government. From 2001 a National Agency for Professional Education and Training (with tripartite supervision) has licensed training centres, established by private companies, NGOs, etc. The social partners also recorded some activity in the area: the Chamber, CIWSF 'Podcrepa', the Military Construction University in Sofia and German partners established a training center that is expected to start in 2004. According to CIWSF 'Podcrepa' in recent years it has been possible to have a deficit of qualified labour in the sector in Bulgaria.

Main social partners

Employers:

Bulgarian Construction Chamber

Road Construction Chamber

Bulgarian Chamber of Entrepreneurs

Trade unions:

Federation of the Independent Construction Trade Unions (FICTU),
CITUB

Construction, Industry and Water Supply Federation 'Podcrepa'
(CIWSF 'Podcrepa').

The Irish construction labour market – key developments in 2003

Annette Hughes, DKM Economic Consultants

The Irish construction industry

The consensus view for 2003 is that the Irish economy expanded by between 2.25% and 2.5% following a flat performance in 2002 and a growth rate of 3.8% in 2001. Thus the economy, since 2001, will have slowed appreciably from the very rapid growth rates recorded during the boom years of the late 1990s.

2003 is likely to record a year of mixed fortunes for the construction sector. Housebuilding exceeded all expectations and recorded its tenth successive year of growth, reaching exceptional housebuilding levels by European standards. In Ireland the rate of housebuilding per 1,000 of the population was around 17 units in 2003 compared with around an average of five for the 15 member States of the EU as a whole. The outturn for output in the non-housing sectors, on the other hand, is expected to show a decline in volume, due to a continued weakness in the performance of the private non-residential sector, for the third year in a row, and a lower public capital spend on infrastructure last year, albeit compared with record levels in 2002. Overall construction output is estimated to have increased by around 1% in volume terms in 2003. This is sharply lower than the record level of output growth experienced over the late 1990s.

Construction employment trends

The latest *Quarterly National Household Survey* published by the Central Statistics Office (CSO) shows total employment in construction performed better than expected during 2003. Against all expectation, construction employment continued rising throughout 2003, reaching 198,600, (seasonally adjusted) in October 2003, 4.7% above the corresponding level in January 2003 and 4.7% up on year earlier levels - well ahead of the average growth in total employment across the economy as a whole of 2.5% over the twelve months to

October 2003. At the end of October the construction sector accounted for 10.9% of total employment, up from 10.5% just two years earlier. We suspect that the strong housebuilding sector continued to underpin the employment performance, as private non-residential construction activity remained weak for the third year in a row.

Collective agreements

The Irish construction industry is regulated by a registered Employment Agreement (REA) that covers pay and general conditions of employment. The REA has the force of law and is legally enforceable on employers and employees engaged in the construction industry. Throughout 2003 the only significant alteration was in relation to pay; industry pay rates were increased in line with the rates agreed under the eighteen-month national pay agreement Sustaining Progress (see www.irlgov.ie). As part of the REA all construction workers are legally obliged to become members of an acceptable pension scheme into which they and their employers contribute a weekly amount. The terms of this scheme were improved upon by agreement with the main unions and these changes and increased contributions became effective from 1st January 2004 (see www.cfops.ie).

Working conditions, health and safety

Unfortunately there has been a considerable number of deaths on construction sites in recent years. The Construction Industry Training Committee of FÁS – which is representative of both employers and the unions – has developed the Safe-Pass Programme to provide a minimum level of training for all workers in the construction industry. Under the Safety Health & Welfare at Work (Construction) Regulations 2001, workers on Irish construction sites must have received approved training and hold a Safe Pass Card or approved equivalent. Over 90% of workers now have Safe Pass Cards.

The programme consists of a minimum of one day safety training, offering instruction in a number of key areas, including the following: healthcare and safety at work, accident prevention and emergency procedures, health and hygiene, working at heights, electrical safety, equipment and tools and personal protective equipment. Workers involved in high-risk activities e.g. roofing, scaffolding and plant operation must have evidence of training/competence and hold a Construction Skills Card. The industry is confident that this initiative will result in a significant reduction in fatalities and injuries on construction sites.

Vocational training

The training system for the construction industry in Ireland consists of an apprenticeship system, training programmes for skilled manual workers, training programmes for operatives and courses for foremen/women and site managers and other specialist managers (for example, environmental protection).

Most of the training in the first three categories is provided by FÁS – the National Training and Employment Authority. In the case of apprenticeship, some of the off-the-job modules are also provided by the education system, while the employers' representative body, the Construction Industry Federation is involved in the provision of a range of training programmes for supervisors and managers. The content of courses is under review by subject-matter experts, including education, trade unions and employer representatives.

There are 11 construction crafts that are designated as construction apprenticeships. These include the crafts of carpenter/joiner, electrician, plumber, bricklayer, plasterer, cabinetmaker, painter/decorator, construction plant fitter, sheet metal worker, floor wall tiler, and wood machinist. Almost 6,000 young people registered as apprentices in these trades in 2003.

Apprenticeship is a standards-based system, but in practice it usually takes approximately four years for an apprentice to acquire a national craft qualification. The training is provided through seven phases and phases 2, 4 and 6 are provided off-the-job. Phase 2 is by far the longest period of off-the-job training and consists of approximately six months training usually in a FÁS training centre. The education sector provides training in phases 4 and 6 that are of considerably shorter duration.

In Ireland all apprentices must be sponsored by an employer. The employers' representative body – the Construction Industry Federation – has encouraged employers to sponsor apprentices and the number of young people registering in these trades has doubled in the last seven years in response to the success of the 'Celtic Tiger' economy.

There are discussions between FÁS and the social partners (that is, employer and trade union representatives) with a view to expanding the apprenticeship system to other construction trades. Currently, training in many of these other skilled trades is provided through the Construction Skills Certification Programme. The skills that acquire certification under this programme include scaffolding, roofing and drivers and operators of heavy plant equipment such as cranes and specialist digging equipment. The programme offers both basic and advanced training in these skills.

There is also training available for operatives working on the construction of roads. This course includes the driving and operating of small plant vehicles, asphalt and pipe-laying.

FÁS also offers training programmes in a range of environmental areas, including construction and demolition waste management, waste management, training for waste facility operators, site suitability, radon gas control, landfill gas monitoring and control, and water and waste water plant operation, mains and service laying.

The Construction Industry Federation offers a range of programmes for managers and supervisors, including a course for site managers, that is available in a number of regional locations across the country.

Social protection

As discussed above, improvements to the pension scheme were introduced from 1st January 2004. In addition to providing a pension on retirement, the scheme is also designed to provide payment to employees when they are absent from work due to sickness. The scheme provides for up to 50 days paid sick leave, after which the employee must claim disability benefit from the State. The main changes to the scheme were related to increased contributions from employees and employers to maintain the solvency of the scheme.

The Construction Industry Federation and the Irish Congress of Trade Unions reached agreement during the year on a framework for dealing with allegations of bullying and harassment in the workplace. A survey of the national workforce in Ireland showed that of all sectors of the economy, construction had the second lowest incidence of reported bullying. Nonetheless it was considered appropriate that employers and employees be provided with guidance in this area and this resulted in the joint CIF/ICTU framework (see www.cif.ie).

Contributors to the article

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Progress of the Italian building market: outlook and trends

Alfredo Marini, Cresme Recherche

The Italian building sector truly represents an exception in the present difficult economic climate. Indeed we might say that in the last few years, at least since 1999, Italy has focused on the building trade and thus succeeded in keeping afloat. Up until 2002 the driving force in the building trade gained strength, thus inducing a leap in the scale of new fixed building assets and new residential and non-residential building. In the meantime civil engineering started up small projects initially and then larger ones, which should bring about changes in the capacity to move ahead, to exchange and to communicate.

This positive outlook is specifically marked by three elements:

- Employment growth, which today concurs to make the building sector the main supporter of the economy.
- The exceptional vitality of the real estate market, both residential and non-residential.
- The increase in civil engineering growth which speeded up in 2003, together with the boom in new public works and new ways of implementing urban and local transformation processes, project financing, facility management, integrated contracts, joint ventures, ad-hoc companies and public and private partnerships.

In terms of value the building market should increase by 0.7% in 2003, while in 2004 production will settle down to the levels attained in 2003 (-0.1% in relation to investments, 0.1% in relation to production value), whilst in 2005 the downturn will reach 1.1% for investment and 0.8% for production value. As to the following years, a steady market is expected, but it will greatly depend on the dynamics of the economy and particularly on Stock Exchange trends and interest rates as well as on forms of investment other than real estate.

Enterprises, workers' and employers' associations

The construction industry employs over 1.8 million workers. They are largely represented by three trade associations, closely connected to the main Italian trade unions: Filca Cisl (Federation of Construction and Allied Trades Workers), Fillea Cgil (Federation of Wood, Building and Allied Industries) and Feneal Uil (Building and Woodworkers' Union).

The structure of Italian firms is rather fragmented and is characterised by a large number of small and very small-sized enterprises. Industrial enterprises are some tens of thousands and together with craft firms amount to over 100,000. There are more than 32,000 building firms eligible for access to the civil engineering market because they hold the SOA certificate provided for by the Law on Public Procurement Reform. Representation of the structure of firms responds to dimensional and organisational approaches. The system is moreover arranged according to the industrial, craft and cooperative nature of the business. Private industrial enterprises mostly belong to the ANCE (National Association of Private Building Contractors), which is a member of Confindustria (Italian Manufacturers' Federation). The ANCE's structure is arranged in a network of 120 associations both provincial and regional. These boast enterprises of different sizes as their members. It is worth mentioning the AGI (Association of Big and Large Companies), which has joined ANCE in a confederation; AGI was set up a few years ago following the 'exit' of the main, large enterprises from the ANCE. Today the alliance has been set up once more. At present over 15,000 companies are members of ANCE.

Not as many enterprises, only a few thousand and all of them small, are associated to API (Association of Small Firms), which is specifically oriented to protect the interests of minor companies. A key sector is also represented by cooperative enterprises arranged into associations and mainly falling within two major federations of the sector, the Lega Nazionale delle Cooperative (National League of Cooperatives) with a lay and socialist tradition, and the

Confcooperative, established within the Catholic social movements. A similar representative structure is observed among craft firms, whose interests are safeguarded by specific trade associations. The two major organisations are the CNA (National Craftmen's Federation) boasting a lay and socialist tradition, and the Confartigianato (General Federation of Italian Artisans and Craftsmen Crafts) with a strong Catholic inspiration.

Collective bargaining and the bilateral system

The central core of trade union relations within the building sector is the 'Contratto collettivo nazionale' (National Collective Labour Agreement), the instrument intended both to regulate relationships among social partners and to set down rules for trade union relations. The agreement at present covers over 700,000 employees in the building sector.

The last national agreement dates from 2002. This agreement envisages that at a later date and in compliance with the national agreement, stipulation of territorial complementary contracts is to be provided for. In this case, regulations are confronted with the specific requirements of every single area, starting with the definition of wage supplements. The agreement also regulates the smooth running of joint bodies, that is bodies co-managed by employer and worker associations in charge of dealing with some of the main issues pertaining to collective bargaining, and specifically welfare, training and occupational safety. Such safety-oriented bodies are the Casse Edili (Special Construction Workers' Funds), Scuole Edili (Building Schools) and Comitati paritetici territoriali - Cpt (Territorial Joint Committees). The Casse Edili regulate some relevant aspects related to workers' assistance and welfare, by using funds derived from employers' and workers' contributions. The Casse, one for each province, are coordinated by one national Commission (CNCE).

In the context of social security, the social partners together with craft associations have set up a sector fund for complementary social

security called Prevedi. Building schools manage vocational training at Provincial level. In 2003, according to the last report prepared by Formedil, the national school coordination body, activity through the bilateral training system consisted of approximately 2,000 courses actively attended by over 30,000 students. Safety Committees, set up as protection-oriented instruments, are co-managed by the social partners and give training and assistance to building firms. The Committees are entrusted with accident prevention, safety and improvement of the work environment, together with other tasks such as the adoption of ad-hoc initiatives, supervision and consultancy.

Labour market reform

In Italy a well thought out reappraisal is actually in progress, mainly focused on institutions and other matters related to the labour market. In 2002, on a government initiative, new legislation was approved aimed at promoting occupational flexibility and mobility.

Special relevance is attached to the so-called ‘Legge Biagi’, bearing the name of the university professor Marco Biagi, consultant to the Ministry of Labour who was killed by the Red Brigades and who inspired the law.

The most significant innovations of the law relating to the building sector concern:

- Apprenticeship, whose peculiarity as an important medium for in-company training is acknowledged and enhanced. The law aims to promote and facilitate training by granting social security and procedural benefits.
- Incentives to implement flexible working in terms of the time distribution of work performance as well as its duration in case of part-time employment.

Foreign workers

Recently Italy has been subject to radical changes in the social structure of labour, due to the inflow of foreign immigrant workers. The change concerns almost all economic sectors. Housing is, with agriculture, the economic segment most involved. The phenomenon mainly concerns the northern regions of Italy. It is estimated that in some areas the percentage of foreign workers is over 30% of the total number of employees. The most up-to-date surveys indicate that over one-third of newly recruited employees are foreign workers.

This phenomenon has a significant impact on the structure as well as on the distribution of building manpower. The latter – which has for years been characterised by a gradual ageing and a process of deskilling – is now confronted by the inflow of foreign workers who, on one hand, bring in a younger manpower but, on the other, contribute to an already existing process of deskilling. This fact is also strengthened by the present booming economic situation, which requires an ongoing input of unskilled manpower.

Regulations pertaining to immigration flows have recently been reshaped in conformity with a new law concerning ‘amendment to the provisions regarding immigration and asylum’ approved in July 2002. The new legislation regulates migration flows as well as residence permits, while greater involvement and responsibility are requested from employers. There is a specifically important Article according to which a guarantee of available accommodation is required in conformity with the regulations relating to employment and residence permits.

The Polish construction labour market in 2003 – fourth year of crisis

Jakub A. Kus, Budowlani Trade Union (construction, building materials, wood, forest, environmental and housing communities workers)

2003 was another year of deepening crisis in the Polish construction sector. The number of enterprises active in the construction sector amounted to 360,600, including 21,882 commercial companies, 307 state-owned and 313,748 individuals conducting registered economic activity.² Although industry output in Poland rose in 2003 by 8.4% over the previous year, construction-assembly production declined by 3% over the same period.³ In companies employing over nine people the fall in production reached 5.9%, infrastructure work declined by 4.4% and repair work by 10%. The structure of building construction (at current prices) was as follows: buildings 46.1% (a decrease of 3.4%), including residential 14.6% (a decrease of 0.9%) and non-residential 31.5% (a decrease of 2.5%), and civil engineering work 53.9% (an increase of 3.4%).⁴ Employment in construction has been systematically declining and in 2003 was on average 354,000 employees, representing a 35% fall (about 190,000 workers) compared with 1999. Compared with 2002, employment in construction companies has declined by 16.1%, the largest fall of all sectors of the Polish economy.⁵ The unemployment rate in Poland in December 2003 was 18% and growing.

Wages in the construction sector

The average monthly gross wage in the enterprise sector in 2003 was 2341.53⁶ PLN (2.8% higher than in 2002). In ‘industry’ it amounted to 2352.93 PLN (a 3% increase) and in the construction sector 2132.01 PLN (a 2.4% increase), which constituted 91.1% of the average wage in the enterprise sector. The growth of real wage in

² Informacja o sytuacji społeczno-gospodarczej w kraju; rok 2003; GUS 29/01/2004.

³ Statistical Yearbook of the Republic of Poland 2003 GUS Year LXIII, Warsaw.

⁴ Informacja... GUS 29/01/2004

⁵ Ocena sytuacji społeczno – gospodarczej w 2003 roku; CSRS Warszawa luty 2004.

⁶ 1 EURO = 4.68 PLN (December 2003).

construction companies in 2003 amounted to 1.6% (in 2002 it declined by 0.1%), with a productivity growth of 12.2% compared with 2002.⁷ This reflects the deep restructuring of this sector, as companies introduce employment restrictions, new technologies and management systems. Cost reduction is achieved by firing employees and then hiring them on contract for specific tasks, coercing them to form small or one-man businesses and so dispensing with the social charges related to workers' employment. Wage dispersion in the construction sector is substantial. A large proportion of workers receive payment at the minimum wage level of 760 PLN. In 2003 about 30% of production and employment in construction was estimated to be located in the grey zone.

Polish labour law envisages that collective agreements are freely negotiated at company and supra-company level (sectoral, vocational, regional, etc.). In the construction sector there is no sectoral collective agreement and the chances of one in the foreseeable future are limited. Trade unions in this sector only cover 12% of workers, mostly in large and medium-sized enterprises.⁸ Three sectoral employers' organisations cover a small number of construction companies and operate in different confederations. In 2003 three all-Poland trade unions invited four employers' organisations to negotiate a collective agreement for the construction sector. The negotiations have not yet started and the chances of their quick progress are small. Instead, three employers' organisations and two all-Poland trade unions in the construction sector agreed on a minimum basis of payment for one hour of construction-assembly work at the level of 7.62 PLN.⁹ The agreement was for anti-dumping purposes and was used freely by many enterprises. The government side has however never officially recognised this agreement and refused its use in public contracts.

In 2003 only 35 collective agreements were negotiated in the construction sector, covering about 9,750 workers. For all sectors of the economy these numbers amounted to 430 and 130,000

⁷ Statistical Yearbook... GUS Year LXIII, Warsaw.

⁸ 'Budowlani' trade union database, December 2003.

⁹ Porozumienie w sprawie minimalnej kalkulacyjnej stawki godzinowej rbm; Warsaw, 12.2.2003.

respectively.¹⁰ This indicates that in Poland work relations are only to a small extent regulated by collective agreements. The groundwork for legal regulation remains the Labour Code. Changes in the Labour Law introduced in 2003 enable withdrawal from collective agreements in companies, replacing them with work and wages regulations drawn up by the employer in consultation with employee representatives. Collective agreements are therefore being abandoned by employers, who are not however willing to negotiate new ones. A dangerous pathology in work relations over the last few years has been serious delays in wage payments or not paying at all. In 2003 the amount of wages not paid increased by 42% over the previous year.¹¹

Health and safety in the construction sector

The worker employed in construction goes through three stages of training in health and safety: first, entry training carried out by health and safety staff in the company before he/she is allowed to work; second, in the workplace carried out by the supervision units; third, the basic health and safety training carried out by specialised and certified units up to the sixth month from the beginning of work. Independent of these, the employee also carries out cyclical training, dependent on the level of danger, every six or three years or annually.¹² Apart from this, workers on highly specialised work undertake individual training. The number of threats of and accidents at work in construction still remains high, with a considerable proportion of accidents taking place in the grey zone. The total number of accidents at work in construction is available for 2002. The frequency index of accidents at work in the Polish economy was at the level of 7.5%; in construction it reached 10%.¹³ The number of persons injured in accidents at work in construction amounted to 7,800, which constituted 9.8% of the total number of accidents at work. There were 96 fatal and 164 serious accidents. Construction

¹⁰ National Labour Inspection, database; March 2004.

¹¹ Stanowisko Rady Ochrony Pracy z 2/04/2003; Biuletyn ROP 1691/IV kadencja.

¹² Rozporządzenie MIPS z dnia 28 May 1996. DZ.U. 62 p. 285 z 1996.

¹³ GUS Monitoring rynku pracy. Wypadki przy pracy w 2002.

workers made up 6.4% of the total number of persons injured at work.¹⁴ It must be stressed, however, that construction work is also undertaken in other sectors of the economy, especially in those exposed to accidents, such as the mining sector. Violations of health and safety regulations during construction work referred mainly to work at high heights and to the use of electrical equipment. Other violations concerned the securing of dangerous zones and places.¹⁵ In 2003 new regulations meeting European Union requirements on the marking of building sites were introduced.

In construction companies 244 incidents of occupational diseases were recorded in 2002 (40.43 persons for every 100,000 employed). The majority of these concerned noise-induced hearing loss (105), skin disease (39), vibratory syndrome (39) and silicosis (31).¹⁶ It should be stressed that rheumatic diseases are not recognised as occupational diseases, although workers in the construction sector are exposed to factors that cause this kind of illness.

Vocational training in construction

The Polish system of vocational training in construction is still based on the network of public schools. The education system in Poland is under reconstruction, aimed at adapting it to the realities of the free-market economy. The structure of specialised secondary schools (profiled vocational lyceum) has been introduced into the system. School vocational training in construction is carried out by basic vocational schools (two or three years), specialised secondary schools (vocational lyceum) (three years) and technical secondary schools (five years). All these levels of education allow for further education (open system). At the lower secondary education level (7th-9th year of school education), pre-occupational orientation is introduced. Specialised secondary schools (vocational lyceum) educate specialised workers (2-3 job qualifications) prepared for

¹⁴ Sprawozdanie GIP z działalności PIP w 2002 r. Warsaw, 2003.

¹⁵ Ocena stanu bezpieczeństwa i higieny pracy w 2002 r. MGPIPS, Warszawa czerwiec 2003.

¹⁶ Choroby zawodowe w Polsce w 2002 r. Instytut Medycyny Pracy. Zakład Epidemiologii Środowiskowej, 2003.

further education, and technical secondary schools technicians in the construction professions. Both of these allow for further education at academic level. Further education after basic vocational school requires supplementary education in the general secondary or technical secondary school. The system is assumed to be more compatible with the post-school education system, and thus to enable the occupational qualifications to be obtained and re-specialisation.¹⁷ Post-school education is carried on by Centres of Practical Education, Centres of Continual Education and certified private centres of education. So far employers have not been directly incorporated into this system.

The weakness of the vocational training system is the lack of a link between the school education system and training in companies. The exception is practical education in craft shops financially supported by the state system. In 2003 all the basic standards of occupational qualifications for the construction professions, compliant with standards approved by EU countries, were elaborated.¹⁸ There are about 300 public education institutions training in the construction professions to the level of qualified worker and technician.¹⁹ Moreover, there is small number of private basic vocational schools run by the companies. In the last three years the number of students being educated in the construction professions has fallen considerably. In 2003/04 in the second-year classes of the three-year study in the basic vocational schools there were 2,600 students on bricklaying courses, about 1,000 on finishing work in construction courses and about 1,500 on sanitary equipment fitter courses. It can be said that the public vocational training system in construction is in a phase of decomposition and, despite a large resource in qualified workers on the labour market today, an insufficiently highly qualified workforce is expected in five to seven years.

¹⁷ Web page www.menis.gov.pl Kształcenie zawodowe. Nowy system edukacji.

¹⁸ Projekt PHARE 2000 Project PL.0003.11 Krajowy System Szkolenia Zawodowego.

¹⁹ Dyjuk Bogdan, Wykaz szkół budowlanych, Augustów 2004.

Work migrations in construction

The problem of work migration in the Polish construction sector includes both the export and import of the workforce. In 2003 seasonal migration of Polish construction workers remained at the level of the last few years. The main direction of migrations was to the German labour market, where over 70,000 workers were working legally (including 17,000 working in Polish companies operating within the framework of inter-governmental agreements, of which 60% relate to construction workers). At present German law acts against German companies legally employing construction workers. The number of workers employed illegally greatly exceeds these numbers but is very difficult to estimate. Construction work in Germany and (to a lesser extent) Austria is of a seasonal nature. The inflow of Polish construction workers to other EU labour markets was insignificant.

It is estimated that the inflow of workers from Eastern Europe (mainly Ukraine and White Russia) to the Polish construction labour market amounts seasonally to 100,000 persons. They are employed illegally at lower wages than Polish workers, or wages not burdened with taxes and social security. The number of these workers has remained at the same level for a few years. The precise data are difficult to obtain, as there is no coordination of surveys by Labour Offices.

Appendix

Central organisations of employers and employees

Employers:

- PKPP (Polish Confederation of Private Employers) www.prywatni.pl
- KPP (Confederation of Polish Employers) www.kpp.org.pl
- Business Centre Club www.bcc.org.pl
- Związek Rzemiosła Polskiego (Craft Union) www.zrp.pl

Employees:

- OPZZ www.opzz.org.pl
- Solidarność www.solidarnosc.org.pl
- Forum Związków Zawodowych (Trade Unions Forum) www.fzzorg.pl

Sectoral organisations (building and construction)

Employers:

- KZPB (National Association of Building Employers) www.kzpb.pl
- FPiPPBRP (Federation of Employers and Entrepreneurs of the Building Industry in Poland) www.b.internetdsl.pl/federacja
- Związek Pracodawców – Producentów Materiałów Budowlanych (Union of Building Materials Employers)

Employees:

- Związek Zawodowy ‘Budowlani’ (Trade Union Budowlani) www.zzbudowlani.pl
- Sekretariat Budownictwa i Przemysłu Drzewnego NSZZ ‘Solidarność’ (Secretariat of the Building and Wood Industry Solidarność)

Organisations responsible for health and safety in the construction industry:

- PIP (State Labour Inspection) www.pip.gov.pl
- GUNB (General Office of Building Control) www.gunb.gov.pl
- GIS (Chief Sanitary Inspectorate) www.gis.mz.gov.pl
- CIOP (Central Institute of Labour Protection) www.ciop.waw.pl

The Romanian construction labour market – slowly recovering

Valentina Vasile, Romanian Academy of Sciences, Bucharest

The construction sector continues to have an oscillating evolution. After a construction activity index of 129.8% in 1996 as compared with 1990, decreasing to around 97% in 1998-99, we now face again an upward trend. Compared with 1999, the most recent lowest level, in 2002 construction activity increased by almost 19% (and 30% in most private construction firms).²⁰

The contribution of the construction sector²¹ to gross value-added at national level also increased slowly after 2000, up to 5.6% in 2002. The private sector contribution is approximately 90% and labour productivity per employee, measured in construction units, registered a positive index: 30% higher in the same period at a constant number of employed persons (430,000 persons or 4.5% of total employment – see Annex)

Industrial relations development

The representative social partners at the sector level²² are: ARACO on the employers' organisation side, and three trade union federations on the employees' side: the Federation of the Construction and Construction Materials Unions FAMILIA (the

²⁰The largest area of activity is represented by new construction (around two-thirds), which together with capital repairs covers approximately 80% of total construction work. Eighty to 90% of new construction and capital repairs is based on a contract for services. Since 1995 over 70% of construction work has been achieved in the private sector and around 5-15% in the mixed sector. The new civil and industrial construction stock is developing (more than half of the total), followed by current maintenance and repair work (20%) and capital repairs. The predominance of construction confirms the intention to extend and, most of all, to modernise the transport infrastructure (roads, railways, bridges, tunnels, canals, pipes, hydrotechnical engineering, harbour and airport construction, etc.). Non-residential buildings hold second position in terms of value of construction; and with regard to residential buildings, it is noteworthy that a certain balance was maintained between individual construction and collective. In 2004, investment in infrastructure from the national state budget (new construction and road modernisation) will increase by 27% over 2003, approximately 357 million EURO)

²¹ *Construction activity is carried out within 11,500 units.* If we take into account their social capital we notice that, of all the active enterprises within the construction sector, approximately 80% have private capital; and a little more than 1% were founded on entirely foreign capital

²² According to the law regarding collective bargaining.

largest); the National Federation of Construction and Erection Trade Unions ‘Anghel Saligny’; and the Federation of Railway and Road Builders in Romania. Unlike other sectors, construction trade union density is higher in the private sector than in the public. According to the social partners, trade union density is about 25%, mainly because of the large number of SMEs (around 95% of the total).

Collective bargaining takes place at company and sectoral level. At sectoral level only one collective agreement is negotiated, which is valid for one year but which can be extended by law for a further year. The extension system is valid in Romania, so the sectoral level collective agreement is applicable ‘at branch level’²³ to all employees without discrimination. The last collective agreement was signed by the social partners in July 2003 for one year. The number of disputes is relatively low, 3-4% of the total and employee participation is decreasing (in 2002, for example, only 1,200 persons were involved in four disputes). Within the bargaining process trade unions have gradually turned from an adversarial position to a credible partner, involved in promoting an efficient restructuring/modernisation, privatisation process and sustainable economic growth. The social partners support the improvement of working conditions and the keeping of construction jobs as a mechanism of active social protection of the labour force.

As a new element, the 2003 sectoral agreement included the provisions of the new Labour Code, in force since March 2003, which is more favourable to employees.

Wage negotiations

Labour remuneration has been the major bargaining issue between the social partners and one of the main causes of much social conflict in the last 15 years (almost half of total claims that gave rise to labour disputes in recent years). At present construction employees’ earnings are 10% lower than the national average. The index of real

²³ Art.1(2), Collective labour contract in construction for 2003.

salary earnings is around two-thirds of the 1990 level. In 2003 wages increased faster than the average national level. In December average gross salary earnings were 37% higher than in January. The negotiated minimum wage at sector level was 8% higher than the legal²⁴ minimum wage. The level, structure and increase in wages are negotiated between social partners at enterprise level, beginning at sectoral level. At present there is an increasing option to negotiate job and wage stability instead of immediate advantages/compensation.

Working conditions, health and safety

According to Law 90/1996, General Labour Protection Rules, and based on the principle that ‘to prevent is cheaper and more efficient than to repair/compensate’, the sector collective agreement stipulates the obligation to set up a Committee for Labour Security and Health in every enterprise responsible for maintaining normal working conditions and their improvement. The collective agreement stipulates that a permanent improvement of working conditions should be an obligation and a constant priority of the employer. Active protection shall be promoted by compulsory consultation between the partners to find the most efficient, practical conditions for improving the working microclimate. From the technological and financial viewpoint, achieving and especially preserving/modernising working and labour protection conditions in Romania are difficult tasks even for the strongest and more efficient employer organisations. The construction sector collective agreement²⁵ stipulates passive protection as an exception – ‘only if improvement in working conditions is impossible will compensation in money or other kind be granted’ (additional days leave, spa tickets partially or totally paid for by employer organisations, etc.). The Committee for

²⁴ The minimum base wage is set periodically by the government. The negotiated minimum wage is granted to employees when they are present full time at work, even if, through the fault of the company, they are unable to work effectively all the time.

²⁵ The phrase ‘normal working conditions’ used in almost all collective labour contracts implies a wide range of conditions, from minimal ones for survival – physical and psychological recovery, to decent and modern ones implying comfort, environment, etc.

Labour Security and Health is responsible for controlling the application of the package of active protection measures: scientifically established work quotas that stimulate the insertion of technical progress, organisation, modernisation, etc.; supply of protective equipment, periodic and free medical examinations; insurance contracts, additional vacations, etc. All are put in place through the Yearly Action Programmes for the improvement of labour conditions, removal of noxious matter, prevention of labour accidents or professional diseases.

The collective labour contract includes the social protection regime specific to the building and erection field²⁶ (special arrangement of working places, working conditions complying with the type of activity, normal environmental conditions (lighting, microclimate, noise, vibration, temperature and humidity), arrangement of minimum social annexes (locker rooms, bathrooms, rest rooms and canteen/restaurants), measures to reduce/abate specific pollution, etc. The protection specific to each work place as well as the measures for special protection of women and under-18s are set and negotiated through company contracts in accordance with the legal rules. While the employer organisation is liable for creating the working conditions negotiated, employees must observe the labour protection rules and instructions.

There are two other provisions in the 2003 agreement. First, the employer is obliged to conclude insurance contracts for all personnel against industrial accidents and occupational disease risks. At the same time they have the responsibility to provide personnel with access to medical assistance (occupational medicine services) The main occupational medicine services consist of: prevention of labour accidents/hazards and occupational diseases; effective monitoring of occupational health conditions; employee's medical investigation both in employment time and during fulfilment of the individual labour contract.

²⁶ The specific working conditions that require special protection are certified by analysis bulletins. Periodically, work places are classified by categories of hazard and any change in working conditions brings about reclassification and measures for related staff.

The number of registered accidents amongst construction-workers in 2002 was 564 and 263 in the first semester of 2003; collective injuries were four and one respectively. Of the total number, 12% in 2002 and 10% in 2003 were fatal. Compared with other activities, the highest number of fatal injuries, 17% and 20% respectively of the total number at national level, are found in the construction sector. Of note, however, is a decreasing trend in the frequency index level: 1.38 in 2002 and 1.31 in 2003. As at national level, construction faces an ageing labour force that is increasing at a faster rate than in other industries. Many young workers, after a few years of practice and specialisation, look for temporary jobs abroad. People over 50 employed in construction represent around 15% of the total, and those between 35-49 42%. The situation will worsen after 2005, when smaller contingents born after 1990 will enter the labour market. Additionally, due to a lower level of incomes and unsatisfactory pensions from the Pillar I system, many older persons will postpone retirement or will work to complete their pension benefits. This situation will increase labour market imbalances within the construction sector in terms of qualifications and professions, labour productivity, mobility in response to production demand, skills required by new technology, etc.

Vocational training

Continuing vocational training (CVT) in Romania is becoming a national priority. At present there is greater concern for the potential quality of the labour employed in the construction sector. Because of a more dynamic technological-progress assimilation than in other industries, there is an increasing need for CVT. Trained personnel, specialised in specific construction professions, have become a challenge for the employer. The education system provides a general training in some trades specific to the construction sector, but the connection/ collaboration with secondary and tertiary education institutions is weak. The curriculum is not sufficiently oriented to the knowledge required in the labour market.

The new Labour Code stipulates the obligation of employers to provide CVT. Each employee has to be trained once every two years. Employers must set out annual training programmes, with trade union consultation. The plans become part of the collective labour contract. CVT²⁷ is dealt with in a distinct chapter that specifies the obligations of the parties and the means to fulfil CVT objectives. Within the sector collective contract the parties agree on the coerciveness of the vocational training of all employee categories and the costs being borne by the unit. At the same time they admit the necessity of improving the qualification level and agree on a way of gradually assessing the vocational skills of employees²⁸ in conformity with occupational standards.

Even under these conditions of CVT regulation, effective participation is still lower than necessary. According to the last available data²⁹ on construction, fewer than 10% of firms without a training centre provided CVT.³⁰ Training is provided in trades specific to the construction sector: bricklayer, housepainter, wall painter, reinforcement-bars specialist, fitter, mosaic and tile worker, carpenter, VELUX plastering worker, KNAUF worker, PVC LINOPLAST worker. The global rate of access to CVT courses in the construction sector was twice as low as the national average, with the main obstacles being the lack of a medium-term perspective for the construction market and financial restrictions.

²⁷ According to Article 72 of the Collective Contract at branch level, vocational training includes any procedure to provide an employee with one qualification/another qualification, as well as any procedure to specialise or retrain an employee who is granted a diploma (Law 133/2000 and Emergency Ordinance of Government 129/2000). Vocational training and retraining includes subjects concerning labour relations agreed upon by trade unions and employer organisations.

²⁸ The branch collective contract stipulates that when concluding collective contracts at unit level the parties should agree on the following LVT aspects: to identify periodically the positions requiring such qualification and ways of achieving it; the employer shall bear the cost of the employee's LVT in the company's interest; the employer shall bear the cost of the employee's vocational training, at the employee's request, through courses selected by the employee, if the knowledge to be acquired proves useful for the company. In the case that the company's form of activity changes, employees should undergo retraining to remain that company's employees.

²⁹ The FORPRO Survey of lifelong vocational training in Romania, INS.

³⁰ Of all enterprises that updated and diversified their range of goods and services or introduced new methods, only about 17% provided CVT (at national level the proportion was 20%). Most of the students were technicians (over a quarter), closely followed by managers and higher education graduates (20%), office workers and craftsmen.

A future major CVT provider in the construction and building materials sector is the Social House of Builders (SHB), which intends to establish and operate a ‘school of trades’ in 2004 in accordance with EU standards and to promote distance learning for employee training to cope with new technology.

Social protection

Construction worker social protection is presently provided by two complementary systems – the compulsory social assistance scheme and the optional one, specific to the industry. The first is the general protection system for the benefit of any active person in Romania, which consists of unemployment insurance, health care, pension (first pillar PAYG), industrial accidents, and social assistance in the case of temporary invalidity. Even though social taxes on wages have decreased a few percentage points (58% of gross earnings in 2000, 52.5% in 2003 and 49.5% in 2004) the total level is considered too high by Romanian employers. The social partners consider *the system inadequate and inefficient* at present because it is too tough, as the financial burdens are unbearable; efficiency is very low and the quality of service is often poor and inadequate, so that employees have to spend additional large amounts on health care, medicines, etc.

The specific system, complementary to the scheme above, that covers the risk of seasonal work in the construction sector, is meant for employee pay for work interruption caused by bad weather.³¹ Companies that joined the Social House of Builders (SHB)³² and

³¹ Single Collective Contract at the branch level in accordance with the provisions under Article 13 of Law 215/1997 regarding the construction companies that joined and contributed to the Social House of Builders.

³² It is a non-profit organisation set up in accordance with Law 215/1997 and Government Decision 600/1998; it operates as a bipartite system, based on the free and equal participation of the employees’ organisations of the construction and construction materials sector. Over 500 construction and construction materials companies are members of the SHB, with 150,000 employees; 210 of them with 110,000 employees, and contribute to SHB funds.

Some of the services offered by the SHB to members are:

- the social protection of employees in the winter time, when no activities can be carried out owing to bad weather;
- obtaining of letters of guarantee for members in order to participate in tenders;
- low-risk increase in the funds established in accordance with the law;
- support for its members to solve economic, social problems, etc.

In the future the range of services will consist of:

- a) the establishment and running of a ‘vocational school’ in accordance with EU standards;
- b) the development of a private pension programme (pillar III) for its members.

contributed accordingly³³ may grant employees bad weather compensation up to 75% of average gross wage for the November–March period (but not more than 90 days). In principle the establishment of this specific form of protection is accepted by both social partners – employees and companies, but the way it functions is inadequate mainly due to the financial problems of the economy – arrears, inflation, insecure financial markets, etc. In practice this system is beneficial only to some of the employees, that is, highly performing workers, with the others being laid off temporarily. Although a young institution, SHB activity results are encouraging and social partner participation is increasing. During the winter of 2003/04 workers of ARACO members received approximately 300 billion ROL as insurance benefits (approximately 215 billion ROL in 2003).³⁴

Annex

Social partners representative at construction sector level:

employers:

- Romanian Builders' and Contractors' Associations – ARACO: www.araco.org

employees:

- The Federation of Unions in the Construction and Construction Materials FAMILIA; www.famcom.ro
- The National Federation of Construction and Erection Trade Unions 'Anghel Saligny'
- The Federation of Railway and Road Builders in Romania.

Other relevant organisation for construction sector:

- Social House of Builders (SHB): www.casoc.ro

³³ Contribution to the fund is set up as follows: a) by employees, every month 1% of monthly gross base wage; b) by the employers, every month 1.5% of the annual revenues/turnover; c) by clients of the construction companies, 0.5% of the value of construction work, as specifically stipulated in the erection contract. The amounts are considered too big and that is why the payments are rarely made.

³⁴ www.probiz.ro/stiri/2004/01/actualitate.htm

Distribution of firms according to size (employees)

- up to 9 around two-thirds
- 10-49 more than 20%
- 50-249 approximately 10%
- >250 2%

Employment:

- by age groups:

15-24 years	11%
25-34	32%
35-49	42%
50-64	14%
65 and over	<1%

- by professional status:

employees	85%
employers	2%
self-employed	13%
unwaged family workers	<1%

REPORTS

CLR Annual Meeting 2004

London 19th March 2004

Participants: Hans Baumann, Justin Byrne, Linda Clarke, Jan Cremers, Elsebet Frydendal, George Fuller, Stefan Hochstadt, Jörn Janssen, Ernst-Ludwig Laux, Sven Ljung, Anneke Westerhuis

Minutes (JJ):

Chair: Jan Cremers/morning, Jörn Janssen/afternoon

1. Short presentation of current projects

The participants presented themselves outlining their present activities and current as well as recently accomplished projects. These projects will be published in CLR-News 2/2003 in the column 'New Projects'. Progress on CLR-Projects will be reported in section 5.

2. Report of activities in 2003, Jan Cremers

The three issues of CLR-News demanded a special effort. 1/2003 appeared in eight, 3/2003 in two languages.

We have launched the first book of CLR-Studies with Reed Business Information: Clarke/Cremers/Janssen, EU Enlargement.

Two new research projects have been started in cooperation between EFBWW and CLR:

- Stress in the Construction Industry
- The Implementation of the Posting Directive

A regional CLR-office has been set up in London 26th June 2003:
CLR-London Office.

It has published two Newsletters in 2003 and planned a series of 8 seminars for 2004 and 2005 with the University of Westminster, funded by the Economic and Social Research Council under the general theme: 'People in Construction'.

An international CLR-Workshop organised by the GBI-Secretariat was held 20th October 2003 in Zurich: 'Trade Union Restructuring: which unions survive?' (see CLR-News 3/2003)

3. Financial report

CLR has remained reliant entirely on the voluntary work of its members. The expenses incurred by the publication of the book in CLR-Studies have been recovered by the sale of the 200 copies advance purchase.

At the end of the year the account was 1800 Eur.

It was discussed whether subscription for CLR-News to support CLR activities would be worthwhile. Apart from the cost of money transfer, the disadvantage of subscription would be a demarcation of membership, whilst the open structure of CLR is a fundamental quality of its appeal and efficiency. Therefore this option was unanimously dismissed.

The regional offices in London, Dortmund and Copenhagen will be autonomous and have their own accounts. They will not be consolidated with the official CLR-account in Brussels.

4. CLR regional offices

The 'CLR-Regionalbüro Dortmund' will be officially inaugurated 2nd April 2004 by a conference on 'EU-Enlargement and Employment Relations'. From outside Dortmund Harry Bijen/EFBWW, Ernst-Ludwig Laux/IG BAU, Harry Beereboom/EIB, Linda Clarke/University of Westminster, Jörn Janssen/CLR will be contributing.

Contact address:
Prof. Wolfgang Richter
Fachbereich Architektur
Fachhochschule Dortmund
Postfach 105018
D – 44047 Dortmund

‘CLRdenmark’ will hold its first international conference with BAT (The Federation of Building-Construction and Woodworkers Union) 20th of April 2004 on ‘EU-Enlargement and the free movement of labour – migration of construction workers after 1st May 2004’. The conference is sponsored by BAT, Nævnet for EU-oplysning, BYG.DTU, Dansk Byggeri, Byggeriets Uddannelsesfond. The speakers are Arne Johansen/TIB, Justin Byrne/Fundación Juan March, Gerhard Bosch/IAT, Jan Cremers/former general secretary EFBWW, Linda Clarke/CLR, and Nikolaj Lubanski/CLR (see programme in CLR-News 3/2003). The committee of CLRdenmark will consist of trade union officials and academics (incl. Elsebet Frydendal and Sten Bonke). Elsebet Frydendal is the secretary for the interim-committee.

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Elsebet Frydendal Pedersen BYG.DTU
Denmarks Tekniske Universitet
Bygning 115
DK – Lyngby

The ‘CLR-London Office’, founded 26th June 2003, has published 3 Newsletters. The editors are George Fuller and Jörn Janssen. According to the note in the Newsletter, “The CLR-London Office is a platform linking CLR activities at EU and GB levels as well as trade union and academic work in GB in the field of Construction Labour Research. It will support related initiatives specific to GB.” Jointly with the University of Westminster CLR-London has started a series of international seminars under the heading ‘People in Construction’ on 18th March: ‘Women in Construction’ (see report).

The next seminar on ‘Historical Change and the Future of Construction Trade Unions’ will take place 27th May 2004.

Contact address:

Prof. Dr Linda Clarke
University of Westminster
35 Marylebone Road
GB – London NW1 5LS

In Zurich an ‘Initiative Group Thinknet’ has been set up 27th November 2003. This group will be linked to CLR in the same way as the other regional offices. “The Thinknet is a forum for exchange on topics of economic, social and labour policies. It is committed to the fundamental norms of freedom, equality and solidarity.” Its first inaugural international conference will be held 26th June 2004 in Bern on ‘The shine of equality’. The speakers will be Peter Ulrich/HSG, Louis Chauvel/OFCE, Susanne Schunter-Kleemann/Hochschule Bremen, Thorsten Schulten/WSI. (booking by email: tagung@denknetz-online.ch). The group has a budget of 10.000 EUR. The secretary is Beat Ringger

Contact address:

Initiativgruppe Denknetz
Postfach 9177
CH - 8036 Zürich

The question was raised, how the communication between the regional offices will be organised. Newsletters will be exchanged but the Danish one will not be understood in the other offices. This will remain an obstacle. Generally the regional offices will be linked through a common website under the EFBWW in Brussels. Also the email-distribution lists of the regional offices are open for names from other offices. All events shall be published in CLR-News.

In connection with the regional offices the issue was raised whether a CLR-Women’s Committee should be set up to continue the debate of the seminar ‘Women in Construction’? This will not be that easy, as

the debate, was more an exchange of experiences and ideas than developing a strategic focus. But gender discrimination will be one of the subjects at the Regionalbüro-Dortmund and this might feed into a network on gender issues. Generally the difficulty will remain to coordinate gender politics trans-nationally, as the conditions are so different in the individual countries, especially the ex-Comecon states.

As the ESRC seminar 'Women in Construction' had been a great success it should be discussed how to get the book - number two in CLR-Studies – sold to a wider readership.

5. CLR-Projects (J.C.)

CLR is presently involved in two projects (see below). Both are struggling with the problem that they are under-funded and, as a result, demand a great deal of voluntary work. This concerns not only the coordination of the projects but equally the work for the country reports. The EU-Commission does not allocate enough money for research and survey work as compared to publicity activities.

Stress in the Construction Industry:

The planning is unchanged. National reports will be produced for Denmark, France, Germany, Great Britain, Hungary and the Netherlands. However, the sources and knowledge are unequal from country to country and the coordination is difficult. The country reports are the basis for a substantial document useful for the social partners at national level. A draft of 15 pages is available.

The Implementation of the Posting Directive:

The European Commission has asked the social partners to do research on the implementation and effectiveness of the Posting Directive. The European Council and the European Parliament were equally alerted. This project was to be carried out within a very short time schedule. Remarkable differences were found across the European Union. But the Posting Directive clashes with initiatives for deregulation and free movement of services, which are on the

agenda of the European Commission. Switzerland is also interested in the Posting Directive. The issue is for FIEC and EFBWW to take action. Some trade unions have achieved effective posting regulations through flanking measures, e.g. Switzerland has introduced minimum wages.

Both projects will be published as books in CLR-Studies.

6. EU Enlargement and European Wage Policy

The presentation by *Ernst-Ludwig Laux* assessing the likely impact of EU enlargement will be published in CLR-News separately. It showed how labour supply from CEE countries has already undermined wages in the German construction industry, in the eastern more than in the western regions.

7. Continuing Debate on Trade Union Restructuring

Hans Baumann introduced the discussion about how to continue the debate about trade union restructuring within CLR with a review of the meeting in Zurich. He emphasised the openness of the debate thanks to the absence of too many high ranking officials – though Vasco Pedrina, chair of GBI had not only introduced the workshop but also taken part in the discussion. He reminded us of the shortcomings of that event in that neither the Scandinavian countries nor Great Britain were represented. But as the conditions leading to trade union ‘mergers and acquisitions’ are becoming rather more acute, a strategic debate is objectively all the more urgent and should be continued. A critical comment from a British point of view on the papers published in CLR-News 3/2003 will appear in the next issue of CLR-News.

Linda Clarke suggested that the next two of the ESRC funded seminars organised jointly between CLR-London and the University of Westminster might resume the debate concerning trade union development:

3. 'Industrial Relations and Collective Bargaining in Construction' (23rd September) and 4. The Nature of the Employment Contract (25th November).

The fourth seminar was intended to address the organisation and representation of migrant workers. After a discussion on detailed questions to be addressed and contributions for these two seminars, they appeared to be overlapping to such an extent that they might better be merged. Hans Baumann will assist Linda Clarke in the conceptualisation of the combined seminar provisionally envisaged for the 28th October 2004.

8. CLR-News

The issue on *pensions*, which Jörn Janssen is editing, is delayed, so we might consider publishing the Observatory as no 1/2004. No response has yet been received from Italy. Hans Baumann offered to provide a contribution on Switzerland, where a new pension system is coming in force. There is also a campaign on pensions in Spain, for which Justin Byrne will find a contributor. IG BAU in Germany has developed a proposal for the construction industry. Ernst-Ludwig Laux will find somebody to write an article for CLR-News.

The *Observatory*, edited by Harry Beereboom, is almost ready. The deadline end of March may not quite be kept, but the issue is expected to be ready in April. Justin Byrne and Linda Clarke promised to write their contributions as soon as possible. About 12 countries including four from central Europe will be represented which is a great progress in relation to previous Observatories.

The third issue on the *history of construction labour*, edited by Linda Clarke, will draw on contributions to the ESRC seminar in May. It should be ready for publication by early autumn.

A fourth issue is planned to be on *unregulated labour and the liability of the main contractor* edited by Werner Buelen. We will have to check whether Werner will be able to prepare this issue by the end of 2004.

An alternative possibility by the end of the year would be an issue on *migration* in construction, based on the conference of CLRdenmark in April 2004. Linda Clarke and Elsebeth Frydendal volunteered to edit this issue.

The role of *multinational companies in construction* was proposed as a subject for an issue by Hans Baumann and Sven Ljung. This would be no 2/2005 following the Observatory.

9. AOB

The question was raised whether the next CLR Annual Meeting should take place in one of the new EU states? Which town is central in the new EU states? Bratislava, Krakow, Tallin...? Where do the cheaper flights go to? Which airport provides direct connections to e.g. London, Brussels, Zurich, Amsterdam, Düsseldorf, Copenhagen, Stockholm, Madrid? A matter for serious consideration in order to enforce the network in the extended European Union.

Report on Women's Meeting - Women in Construction

Linda Clarke - May 2004

On 18th March 2004 a seminar supported by the ESRC (Economic and Social Research Council) in association with CLR was held in London at the University of Westminster. There were nearly 100 participants, mainly women, from all over Britain and as far afield as Denmark, France, Germany, Iceland, Italy, Sweden, Switzerland and the USA – tradespersons, academics, researchers, trades unionists, employers, professionals and politicians, from a wide range of disciplines, professions and trades. It was a packed programme of formal presentations, discussion and film, culminating in the launch of the new CLR Studies book 'Women in Construction' whose editorial group (Linda Clarke, Elsebet Frydendal Pedersen, Barbara Susman and Christine Wall) all contributed to the day's events.

In the course of the day, many reasons were given and proposals made to improve the appallingly low participation of women in the manual construction trades. A survey of European social partners in construction conducted by the editorial team of the Women in Construction group exposed – with a few notable exceptions such as Finland – the poor support given to employing women in the different EU countries. Those countries still dominated by craft systems of production, such as Italy and Spain, are the most impermeable for women and the general conclusion of the editorial group was that what is needed for women to gain access are improved employment and working conditions, more mechanisation, good training provision and the promotion of gender equality – all of which would benefit all workers. These were conclusions echoed throughout the day, including in the panel discussion. However, without the political will, campaigning and supporting regulation, little will be achieved – unless in isolated pockets, such as the remarkable success of women painters in Denmark, now nearly 40% of all painters, and in the Central and East-European countries, where women – although now reduced in numbers – have been well established in many trades from socialist days.

In the afternoon, contributions referred to further afield, from Jill Wells of the ILO, who described how 30-50% of site operatives in India are women, although these are not admitted to training and predominantly act as helpers to their husbands, crushing stone and carrying materials and without any rights. This was wonderfully illustrated later in the film 'Reja' (Women Builders) made and introduced by Margaret Dickinson, and by the many photographs and the film 'Transnational Tradeswomen' by Vivian Price from California. As well as India, Vivian also well illustrated the situation for women in the US, as did Susan Eisenberg from Boston, a former electrician and now poet and writer (author of 'We'll Call You'), who painted a wide panorama of issues concerning the life of women in construction, their discrimination and resistance. Finally the seminar concluded with a discussion panel, introduced by Jean Lambert, Member of the European Parliament, who summarised the 'huge job for the government' in Britain necessary to improve access, including the abolition of bogus self-employment, the enforcement of health and safety inspection, and school-to-work programmes. Most encouraging and convincing were the contributions from women working in construction, Jacky Clarke, a carpenter in the building department of a London local authority, for instance, who – whilst pinpointing key obstacles confronting women such as competitive piece rates and the institutionalised sexism in construction trades – urged that 'Instead of university, go into the trades and join the union!'

Seminar of the Institute of Employment Rights London, Wednesday 28th April 2004

Jörn Janssen/CLR-London Office

Information and Consultation: towards a No Surprise culture

The British Government is about to implement the EU Directive of Information and Consultation. A draft document was presented and briefly discussed in a seminar organised by the Institute of Employment Rights. The first two interventions were meant to encourage trade unions to take an active role in the discussion of the 'Draft Information and Consultation Regulations' and to prepare their organisations and members to take on their rights in workplace democracy. The third intervention emphasised the shortcomings of the draft.

Sarah Veale, drawing on her experience in negotiating the draft for the TUC, provided basic information about the essential provisions and contentious issues of the present draft. On the whole her picture emphasised the opportunities provided by the implementation of the EU Directive for widening employee rights.

Kathleen Walker Shaw, complemented this intervention by showing, how the GMB is preparing the union and workers to take on their tasks in representing workers within the framework of the coming regulations for information and consultation in 'undertakings'. This presentation demonstrated how much still needs to be done in this field.

Keith Ewing, President of the Institute of Employment Rights, pointed out, to what extent the Draft of the British Government fails to implement the basic idea of the Information and Consultation Directive, e.g. in setting high thresholds for setting up workers representation, not providing an enforcement machinery, resources for employee training, guaranteed time off. Summarising the pitfalls and legal insufficiencies he suggested that the British Government might have to be taken to the Strasbourg Court for non-compliance with the Directive.

The seminar was encouraging in that it showed the expertise available to interpret and implement the Directive, but at the same time it became apparent in the discussion how spontaneous enthusiasm is lacking on the part of the trade unions and how employers and Government are reluctant to allow industrial democracy into the United Kingdom.

CURRENT ISSUES

EU Services Directive Undermines Posting Directive!

Ernst-Ludwig Laux - Frankfurt am Main, 1.4.2004

After an eight-year long battle, in 1996 the European Parliament and other political bodies adopted a **posting directive** concerning so-called migrant workers, that is those working in firms operating on the territory of other countries. For example, it is stipulated in this directive that in the case of construction work, for the collective agreements declared binding across the industry, the country of employment principle applies to cross-border work. This means that the provisions of the place of employment governing wages, leave and other conditions which have been declared binding in the sector must apply to all workers on the construction site, whatever their nationality or whichever the country of origin of the construction firm.

On 15 January 2004, the ultra-liberal thinkers in the European Commission struck out. The Commissioner responsible for the European internal market, Frits Bolkestein, has put forward a proposal for a **services directive** in order to contribute towards dismantling the bureaucratic obstacles and taking an important step in promoting competitiveness in Europe. On 6th and 7th April the European Parliament was consulted about this proposal for the first time.

Summary of my assessment

Dismantling bureaucratic obstacles, as declared by Bolkestein, would be entirely at the expense of construction workers in the countries of Western Europe. If the collective agreements covering construction workers in countries from outside Europe or from the Central and Eastern European countries were to impact on the territory of Western Europe, conditions of work and employment in construction would be determined by different sets of conditions. Not only will

this undermine bargaining autonomy as a key component of the Constitution in the Federal Republic of Germany and other countries, but the bargaining landscape and collective agreements will be destroyed, and the ability of the trade unions to exert influence to protect their members will be reduced to zero.

Current situation on construction sites

The posting directive of 1996 which has applied until now and been implemented in all EU member states via national legislation, provides that the terms and conditions of employment prevailing in the construction industry of the country of posting must apply directly on the construction site.

Frits Bolkestein of the European Commission states that this is a bureaucratic obstacle and that the national regulations are archaic, excessively cumbersome and in some cases violate EU legislation. According to his draft, these regulations should therefore be circumvented in order to introduce a totally free market economy. The huge income differences, for example, between Polish and Slovakian on the one hand and German, Danish and French building workers on the other would determine competition.

The European Commission claims that this would generate more growth, more jobs and greater competitiveness in the EU, but it has not considered the consequent impact on conditions for workers on construction sites. Without the possibility of carrying out checks, workers from different countries subject to different negotiated provisions would be working on the same construction site. This means that industrial disputes, misunderstandings and even actual attacks could no longer be excluded, and in fact would be likely. Moreover, the capacity of the bargaining parties to resolve problems would be appreciably limited or even abolished. This has huge implications for the social funds of the bargaining parties, which for decades have served as joint industry bodies administering welfare benefits in the construction sector paid to the workers or firms. It

goes without saying that these enormous differences in wages on construction sites will create pressure on the construction workers in the Netherlands, Belgium and Austria who are working under the conditions of collective agreements. They, together with their unions, would put up vigorous opposition to such a situation. With this services directive the European Commission wants to allow in the “country of origin principle”, according to which the laws and collective agreements of the country of origin can be exported. The European Commission goes on to say that in this way greater trust would be created regarding the corresponding country of origin. We in the Federal Republic of Germany, but also the colleagues in Scandinavia, France and the Benelux know that trust is a good thing, but inspections are better. Already now, workers from central and eastern European countries can work in Western Europe, but the relevant compulsory provisions must be applied.

When we consider that the inspection bodies, for example in the FRG, only visit construction sites sporadically, it is still shocking to know just how many violations of the regulations take place. For example, in 2001, approximately 43,000, and in 2002, 41,000 inspections were carried out by the Federal Employment Agency under the Posted Workers Act. In 2001, around 10,000 preliminary legal proceedings were initiated, and in 2002 the figure was around 15,000.

In 2001 there were as many as 8000 cases of fines being applied, totalling EUR 43 million, and in 2002 around 12,000 fines totalling EUR 62 million.

We know from experience that inspections carried out in the other countries produced similar results. On this basis, the level of trust cannot be so high at present as there is clearly a gaping divide in past experience and working conditions, but also in the economic situation between individual countries of the EU and beyond, and the relative standard of working conditions is in some cases 5 : 1.

The posting directive in particular, with the posting laws subsequently passed in the individual European member states, has secured the freedom of movement and to provide services in the construction industry in a way which is acceptable from the workers' viewpoint, although in the FRG, for example, this has been achieved at the limits of the pain threshold. Should the principle that the regulations of the place of employment apply be invalidated by the new services directive, this will give rise to great condemnation, promote nationalist thinking. Defending the jobs of the country's own citizens is bound to be on the agenda of parties and interest groups. The trade unions do not want this to happen. That is why, both before and after the European elections, we will vigorously oppose the adoption of the services directive with its provisions that will nullify the posting directive. The proposed services directive will pour oil on the fire of industrial relations on construction sites.

I am assuming that the European Commission is hoping for a swing to the right in the European elections and that it then wants to push through this services directive with the support of the ten new countries in Europe.

If this is the thinking in the European Commission, this will be a heavy burden for EU enlargement to include the ten new countries as the divide already existing between East and West is then certainly going to cause profound harm to social conditions, without making any positive achievements. That is why we will fight this proposal.

If inspections can no longer be conducted any longer on the territory of the States concerned, this will lead to anarchy. According to current EU law, it is clearly not possible for special rules to apply to foreign firms, but inspections on the construction site, compliance with working conditions or binding negotiated rates of pay apply to domestic as well as foreign firms and workers. For this reason, if trust instead of inspections is to be relied upon, matters will very rapidly go downhill in Europe as far as employment conditions are concerned. That is why the European construction unions in particular must vigorously oppose the introduction of the services

directive and seek to ensure that the European posting directive, for which we fought so long, is maintained in the form adopted in national legislation.

At the same time, the European elections must be an opportunity to reject the liberal approach, as recently manifested in the elections in Spain and the regional elections in France.

Europe must remain a major economic bloc with a social dimension, as it is on this basis that we can build for the future.



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JOINT STATEMENT

of the European Construction Industry's Social Partners

on

the European Commission's Proposal for a Directive

on

SERVICES IN THE INTERNAL MARKET COM(2004) 002

EFBWW and FIEC,

recognised by the European Commission as the social partners representing the workers and the employers in the European Sectoral Social Dialogue in the Construction Industry, fully agree, as a complement to their individual position papers, on the following principles:

1. The proposed text, in particular Art. 24 and 25 would effectively eliminate the practical application of the posting directive, 96/71/EC of 16/12/1996, and consequently would facilitate the wrong kind of free movement, namely that of unfair competition, social dumping and undeclared work.

Consequently, these articles should be adapted to the realities of the construction industry, or even deleted.

2. The proposed “country of origin” principle, Art. 16(3), would facilitate abusive practices, such as avoiding mandatory national rules by the creation of pure “post-box” companies in a country of convenience.

Consequently, this law avoiding practice should be banned.

3. A better coordination between the authorities of both the home country and the host country is certainly a necessary and laudable aim, but at least in the construction industry, it must not replace adequate non-discriminatory control mechanisms in the host country. Only the host country authorities are aware of the rules which have to be respected in cases of posted workers.

Consequently, the host country authorities should be the leading partner, assisted whenever necessary by the home country authorities.

4. Issues other than “posting” will be addressed in future position papers.

for EFBWW

Harrie Bijen

Secretary General

2nd April 2004

for FIEC

Ulrich Paetzold

Director General

REVIEWS

The future of the construction in North Rhine Westphalia

by G.Bosch, D.Rehfeld – Zukunftsstudie Baugewerbe, Institut Arbeit und Technik, Gelsenkirchen, 2003.

During the last decades Gerhard Bosch has produced several important studies about the construction industry. In this study he and his colleague Dieter Rehfeld come up with the poor outlook for construction in one of the richest and wealthiest part of Germany. It all doesn't look promising. It is worthwhile to quote the different parts of the development that have lead to this backslide.

- a. A strong demographic recoil of apprentices with as a consequence a heavy competition with other industries on the labour market. The perspective with regard to the inflow of youngsters is not very favourable also because of a poor image. Shortage of skilled workers in the long run is nowadays combined with overcapacity at the moment.
- b. Permanent distortion of competition because of the appearance of enterprises and agencies with posted workers from other EU-countries. Notwithstanding the minimum wages based on the posting legislation these workers are paid below the German collective agreement. This is the more the situation for workers coming from the CEE-countries in the framework of the bilateral contingencies between Germany and the CEE-states. But it also has to be said that these workers serve as a solution to skill shortages on the labour market..
- c. Bigger companies could perhaps make profit out of the EU-enlargement via contracts in civil engineering and infrastructure. Therefore it is necessary that the industry starts with a restructuring and investment in better process and project management.
- d. Illegal practices, the black and undeclared labour, bogus self employment and subcontracting in the grey zone undermine the labour market in construction and have lead to a murderous negative downward trend in prices. There is a lack of effective

control and of sanctions with as a result weak compliance with collective agreements and erosion of legislation.

e. As part of the political aim “to deregulate” important provisions that contribute to the sector’s continuity are coming under threat. Fragmentation and decentralisation undermine these regulations and provisions. Although construction needs most of these provisions and regulations it is necessary to assess the purpose and impact of these regulations for the industry and to reform and modernise the paritarian and other provisions that exist.

f. Nowadays construction can be seen as one of the weakest sectors in the economy taken into account innovation, competitiveness and competence development.

The study does not bring us a lot of new information but it gives a good summary of what is going on.

And what is more, the reasons why construction stays on the decline do not end at the German border.

Jan Cremers, CLR, 13-02-04.

A clear study of unclear work site management!

Marcelle Duc (2002) Le Travail en Chantier. Octares Editions. Toulouse. 202 p.

Marcelle Duc’s study “Work on the Building Site” provides a strong, rich and insightful account on work processes and everyday life on building sites. She lets the actors speak directly to us through extensive transcriptions of dialogue and speech. Her study can be seen as a counter medicine to over-optimistic, managerially-oriented accounts of change, which time and again forget about how ‘real’ work gets done! The insistence in closeness to everyday work provides results which are invaluable for scholars of building processes and construction organisation and management.

Duc understands cooperation as an important component of work, which she, drawing on Marx, sees as something different from organisation. Organisation is regarded as a tool for enterprises and management to exploit work and workers, whereas cooperation is the way work is carried out by and amongst workers. Duc's point of departure is what she calls a rediscovery of cooperation. After Taylorism and other managerial effort throughout the last century, which has developed organisation and management, it is now time to return to cooperation. Another central position for Duc is the view of work as a language activity.

The interest in cooperation leads Duc into a study of the everyday work on a building site.

She characterises site work in terms of the importance of coordination between the different actors in the workplace, the need for adaptation anew every time to the context, time as the most important factor of organisation, the large number of actors involved around the workplace and their interdependency, and physical and temporal constraints expressed through the notion of double variability, that is irregularity in the fluctuations of work.

Drawing on Campinos-Dubernet and Coriat, Duc finds double variability to be central to understanding building processes. It is the combination of external variability related to the heterogeneity of products and markets and internal variability referring to handling real life work with its fluctuation in space and time.

In her analysis of site management, Duc describes how work organisation is done with what she denotes "floue" prescription, which can be translated as unclear, fuzzy or vague prescriptions (p.65). Given the characteristics of construction work, her analysis is that the lower you are in the hierarchy the more you have to adapt to diverse constraints and the less you can follow prescriptions. Fuzzy, vague prescription is thus a necessary tool for realising a margin for workers to adapt to and giving them space to create and take in charge the fluctuations and variability of work. Fuzzy prescriptions are not to be seen as incompetence by management. In her empirical

analysis, the author underlines through extensive quotations how language is used to give prescriptions allowing freedom to the workers to organise themselves in a given frame. The author also shows that 'I' is not used by the site manager when talking to teams or workers, nor is the imperative tense, but rather an integrative 'we' or 'you'.

In the empirical study of site work, especially chapter 3, Duc shows us, how the frame developed to support and control work processes is continuously challenged by practical activities and developments. Cooperation within this frame is composed of many ingredients such as to plan in real time, to adjust procedures, to organise multiple actions, to work taking others into account, to stay synchronised with the collective of the workplace. Her study of the discourse shows the complexity of these activities especially with regard to the collective management of the different layers of the workplace. The analysis shows that the management of all these activities requires more competences and know-how than is represented and incorporated during the planning process. The necessary supplementary competences and know-how come from workers themselves. Cooperation is therefore socially constructed from 'the inside'.

There is a temporal, global framework around the workplace and the vague prescription should influence workers' behaviour in order for them to integrate the various events happening. The temporal frame has to be managed by workers with regard to the complexity of the local situation. This means that cooperation is not only framed and organised by the managers of activities, but also created and expressed by workers themselves during their daily activities and in adapting to changes taking place in the workplace.

Duc thus arrives at an understanding of building processes which incorporate its human, social and political dimensions as much as its disruptive, multivariate and complex characteristics. In doing so she represents a rich alternative to the conceptualisations of operations management, such as lean construction, which prefer to see building processes as merely transformation, flows and value generation or

alternatively as chaos! The implications of such results for the future organisation of construction work are not discussed by Duc, who has a sociological background, but she provides a strong basis for others who have that interest.

It is a pity, however, that the study builds on a very francophone basis. Critical studies from other parts of the western world in the fields of micro-sociology and anthropology of work, such as by Lave and Wenger, Orr and the labour process studies in the Braverman tradition (e.g. Burawoy) strongly resonate with Duc's interest and orientation, but they are never allowed into her discussion. Lave and Wenger would for example also underline everyday interaction, but would be less convinced that cooperation is conscious and based on language. They rather see cooperation as culturally embedded and therefore of a tacit character. And it would have been interesting to see how Burawoy's concept of making-out and playing games fits into Duc's concept of 'vague prescription'. These shortcomings cannot, however, overshadow the empirical insights we are offered.

Martine Buser & Christian Koch, Technical University of Denmark

NEW PROJECTS

Justin Byrne is in the preparatory stage of a project examining the performance of a unique labour market institution, the bipartite Fundación Laboral de la Construcción del Principado de Asturias (FLC-Asturias, Spain) set up in 1988. The research seeks to examine the origins of the FLC-Asturias, the impact it has had over the last 15 years on training and skill levels, permanence in the sector, and health and safety in the construction industry, as well as to examine why this model has not been replicated in the rest of Spain.

For more info please contact Justin Byrne - j.byrne@mail.march.es

In 2001 the social partners in the construction industry decided to launch an experiment in career development for construction workers. In 2002 the experiment took off in one of the provinces of the Netherlands, addressing all construction workers in this province. Its aims:

- 1) to promote mobility in the workforces in the perspective of preventing long time sick leave (career guidance, competence development, assessment of prior learning, mediating for another job/occupation within or outside the construction industry)
- 2) to promote mobility in the workforces in the perspective of addressing personal preferences in changing of employer or even occupation
- 3) to develop an infrastructure of organisations/experience to handle this type of activities on a wide scale

The experiment is very successful; social partners are now considering to upscale the experiment to a national level, and if so, whether or not both aiming at aim one and two or just to the first aim. It might be worthwhile to write an article in CLR news on nature of this experiment

In 2004 CINOP wil start an experiment in implementing skill deveopment programmes in the on site. We want ot anayse in an action reseach approach with what - minimum - interventions a site will be adequate to develop the competencies of workers relevant for the national competencies framework. We are now looking for companies interesting to join us in this experiment.

For more info please contact Anneke Westerhuis – awesterhuis@cinop.nl

BygSol

Cooperation and Learning in the Construction Industry

A new programme has been initiated in the Danish construction industry addressing the problems of conflicts in cooperation, low productivity and the need for up-dated competences of the different participants.

The approach is ‘bottom up’: activities are initiated and take place in construction firms and on current building sites. These enhance and make use of new management theories i.e. partnering, lean production and BygLOK, which is a situated site leaning method.

The project is funded by the EU, public teaching funds, and the participant firms. A number of training institutions are also involved from technical schools to universities,

The basic issues deal with dialogue and cooperation between all those on site from the apprentice to the site manager, the influence this has on day to day planning and the increased focus on working environment. A weekly meeting on site in which everyone has to participate is the core of the dialogue. Here various issues concerning ongoing planning are discussed, completed activities evaluated, and training required agreed upon. A BygSol trainer participates in the process and acts as a facilitator.

15 construction firms have so far signed up and more are coming on board. The project started January 2004 and runs on this funding for three years on.

International cooperation is also part of the project. Agreements have been made with CIB group Lean Construction to follow and support the project and initial contacts have also been made to CLRdenmark.

For more info please contact bygsol@teknologisk.dk- www.bygsol.dk

CALENDAR OF EVENTS

<p>Conference The new shine of equality</p>
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Initiative Group Thinknet
Postfach 9177, 8036 Zürich
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PC 87-450463-8

Saturday, June 26 2004
Hotel Bern, Zeughausstrasse 9 (Old Town of Berne)
9:30-16:45 (9:00 Welcome coffee)
German-French translation

Conference programme

Introduction

09:00 – 09:30 Welcome coffee
09:30 Welcome by Paul Rechsteiner
President of the Swiss Union Federation
09:45 - 10:15 Prof. Peter Ulrich
What is the significance of material equality in the republic society?

Part 1: Material (in)equality: facts, trends, interrelations

10:15 – 12:30 Louis Chauvel, Researcher at the Observatoire Français des
Conjonctures Economiques (OFCE) and Observatoire Sociologique du
Changement (OSC), teacher at Université de Genève
Prof.Dr. Susanne Schunter-Kleemann, Hochschule Bremen
Thorsten Schulten, researcher at the WSI of the Hans-Böckler foundation

Presentations and discussion

12:45 – 13:30 Lunch break

Part 2: Means of distribution and equality policy

14:00 – 15:30 Workshops with introductions

- The fight for distribution of government finances in a gender perspective
- Social classes, Social Security
- The Banana Republic Switzerland? Finance and tax policies, banking secrecy
- Salaries, the distribution of Capital-Labour, the influence of the trade unions

15:30 - 16:30 Is more equality possible? Panel discussion with the invited speakers

16:45 Closure

The underlying thesis of this event is: Equality is a central, indispensable norm of all republic societies. This includes legal equality, equality in influencing policies, equality in terms of access to public services and to the material resources of the society. The material inequality, however, has been growing in a worrying way during the last years. The questions of the conference are:

- To what degree and in which forms has the distribution of material resources changed during the last decades?
- How can these developments be explained?
- What are the means for redistribution and equality? What are their possible consequences?
- What is the significance of the current trends for the cohesion of the republic societies?

Organiser: Initiative group Thinknet

Conference fee: CHF 120.- (CHF 40.- for students and unemployed persons)

Lunch and break drinks included. We will inform you after your enrolment, which trade unions and organisations will pay the conference fee.

Please enrol by e-mail: tagung@denknetz-online.ch and indicate your name, address and number of participants. There is a limited number of participants, the enrolments will be considered following their entry date.

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