



Strengthening social dialogue in the local and regional government sector in the 'new' Member States and candidate countries

Overview of findings

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¹ ECOTEC Research & Consulting Limited - Priestley House, 12-26 Albert Street, Birmingham B4 7UD, United Kingdom. Tel: +44 (0)121 616 3600 - Fax: +44 (0)121 616 3699 - www.ecotec.com

Preamble

For the purposes of this study, the following definitions have been applied in respect of the terminology used to describe different types of collective interest intermediation and information, consultation and negotiating mechanisms:

Social dialogue – the term social dialogue is used to cover a wide range of bi-partite and tripartite information, consultation and negotiating arrangements. Collective bargaining (see below) is one specific form of social dialogue. Here the term “social dialogue” is used to deliberately distinguish between negotiations on wages and terms and conditions of employment (referred to as collective bargaining) and other information and consultation arrangements between social partners on issues affecting their sector (referred to as social dialogue). This use of the terminology has been chosen in order to highlight the fact that in many of the new Member States and accession countries, while there may be no collective bargaining on wages at sectoral level, there may be a dialogue between trade unions and representatives of municipalities on the main challenges facing the sector.

Collective bargaining – this term is used to refer to the negotiation of wages and terms and conditions of employment. Collective bargaining can take place at the *national, regional or local/enterprise level*. It can be *cross-sectoral, sectoral* or cover a single organisation and can be *bipartite* (involving only representatives of labour and management) or *tripartite* (involving government representatives). In circumstances where employees of regional and local government are civil servants, such negotiations involving representatives of State authorities are characterised as bi-partite rather than tripartite bargaining, as the State fulfils a dual function in such cases.

Tripartite concertation – this term is used to refer to institutionalised arrangements, usually at the national level, which allow social partner representatives to be informed and consulted on a wide range of policy issues.

Introduction

This overview presents the findings from this research, focussing on the following aspects with regard to the 'new' Member States and candidate countries:

- The development, role and responsibilities of local and regional government in the 'new' Member States and candidate countries and key trends affecting the sector.

This section will focus in particular on the significant changes in the organisation of local and regional government, particularly in the Central and Eastern European countries under study in the post-communist era. It will also look at the increasing trends towards restructuring, privatisation and contracting out of many services previously provided directly by municipalities, as well as the modernisation of internal structures and service delivery functions. This section also looks at employment patterns in the public sector.

- The key features of the framework for industrial relations in the 13 countries studied.

We emphasise the difficult development of industrial relations structures in many countries following the transformation to market economies and the defining features of resulting arrangements, as these also have an impact on sectoral social dialogue structures.

- The development of collective bargaining and social dialogue structures for the regional and local government sector.

In this section we emphasise the developmental process of sectoral social dialogue arrangements highlighting key trends and drivers, as well as any remaining obstacles to the development of effective sectoral dialogue.

- Conclusions regarding the linkages between the issues affecting the local and regional government sector in the 'new' Member States and candidate countries and the sectoral social dialogue process at European level.

This section explores the lessons to be learnt regarding future priorities of the European sectoral social dialogue process. It will highlight the evident linkages between debates at European and national level in the 13 countries and highlights new potential areas for discussion at European level, feeding concerns at issues from the "bottom up".

The tables presented at the end of this section provide a brief, synthetic overview of the following for the 10 'new' Member States and three candidate countries respectively:

- The structure and responsibilities of local and regional government;
- The industrial relations framework
- Collective bargaining and social dialogue in the local and regional government sector
- Key challenges for the sector
- Economic growth
- Employment in the sector

The development, role and responsibilities of local and regional government and key trends affecting the sector

Introduction

In the Central and Eastern European countries which joined the European Union in 2004 the current structure of local and regional government post-dates 1989 and the transformation of these countries to market economies. A similar restructuring took place in Romania post-1989. As a result, regional and local government structures are historically relatively new and have continued their process of evolution over the past 15 years. The general trend has been towards a decentralisation of functions from the State to the regional and local level. Similar to developments in the 'old' member States, significant moves have also begun leading to the restructuring, contracting out and in many cases the privatisation of functions previously provided directly by local authorities.

Structure of local and regional government

Of the 13 countries studied, only two – Slovenia and Estonia – operate a single tier local governance structure. In four countries (Czech Republic, Malta, Poland and the Slovak Republic) the highest sub-state administrative unit is the region. In a further three countries (Hungary, Lithuania and Romania) these higher administrative functions are delivered at county level, while the district is the highest such administrative unit in Cyprus and Latvia. In Turkey, there are 81 provinces, however, these have no autonomy or self-governance structure, but are administrative units of central government in the local sphere.

The higher levels of administration (county, regional and district level) generally hold responsibility for functions, which cannot easily be provided by each smaller local authority area such as secondary education, cultural activities or the maintenance of main roads and highways, as well as regional transport infrastructure. The responsibilities of local authorities and municipalities are generally similar to those in the 'old' member States ranging from the maintenance of local infrastructure and parks; over the collection, disposal and treatment of waste; to local planning and the provision education, health and social care services. A more detailed description of the responsibilities of regional and local authorities in the different countries can be found in the table in appendix I.

Sources of local government finance

The sources of local government finance differ from country to country. In some countries there are no municipal taxes and local government revenue is therefore primarily drawn from central government allocations (e.g. Latvia, Malta, Slovenia). In other countries, funding is obtained through a mixture of local taxes and central budgetary allocations, as well as a share of central tax revenue. The instability of resources obtained from central government was raised as an important issue for local government (in terms of wages and services provided) in a number of countries. In Hungary, Latvia, Poland and Slovakia, for example, concerns were expressed over reductions in public sector funding in recent years.

The decline in public sector spending stands in contrast to the significant progress made by many of the new Member States in relation to economic growth. GDP growth in many of these countries has outstripped that of the 'old' Member States (for more information see table in appendix II of the report). What little data is available points to the fact that growth has not been reflected in increased investment in public sector infrastructure which is in many countries in need of updating. Overall employment data and information from the five

case studies also seems to suggest that economic growth has not been reflected in job creation and indeed wage developments, at least in the public sector.

Employment in local and regional government

Throughout this study, lack of data availability has made it difficult to monitor the impact of these developments on employment in the sector. At EU level, comparable data is only available at an aggregated level for overall employment in public administration, employment in education and employment in health and social services (the latter two categories include both public and private sector employment). The tables in appendix V show the development of employment trends in these three key sectors between 1998 and 2003 for the 13 countries covered by this study. When looking at this data it must be borne in mind that as contracting out occurs, employment shifts from the public to the private sector, although a service is still provided on behalf of a public authority.

The Eurostat data presented in the 2004 Employment in Europe Report highlights the differing patterns of employment across the new Member States and the candidate countries. There is great variation in the percentage of people employed in the public administration² sector between the 13 countries, with the share of employment in Malta (9.5 per cent) being almost twice that of Lithuania (4.9 per cent). Employment in the sector has seen a significant degree of fluctuation. Six of the 13 countries have seen overall employment in the sector increase (Czech Republic, Hungary, Poland, Slovakia, Bulgaria and Romania), while three have seen an overall decline (Cyprus, Latvia, Lithuania). In Estonia, employment in the sector fell between 1998 and 2000, but recovered to 1998 levels by 2003. In Slovenia, employment rose significantly between 1998 and 2000, but has since dipped again, nevertheless remaining above 1998 levels.

In the health and social services sector, only Bulgaria and Poland have witnessed a decline in employment, whereas all other countries where data is available have seen employment increase in this sector. This is commensurate with patterns across the rest of the EU and is crucially affected by demographic patterns and advances in medical care and research.

In education the story is quite different, with nine of the 13 countries experiencing decreases in total employment in the sector between 1998 and 2003. Again, there is variation between the countries in terms of the share of total employment – while in Bulgaria, education only accounts for a 4.6 per cent share of employment, the figure in Lithuania is 9.4 per cent. The only country to experience an increase in employment in all three sectors was Slovenia.

When comparing the share of employment in the public sectors of the new Member States to the old Member States, it is possible to see variation between the two. It is only in education where the share of employment is higher in the new Member States – in both the public administration and the health and social care sectors, the share of total employment is higher in the old Member States.

Little was available in terms of more detailed data, breaking down regional and local government employment by sector and even were it did exist, figures were sometimes disputed between government, trade unions and employers' organisations. In some cases, future projections provided a national level point to the likelihood of significant future job losses in public administration, in some cases contrary to past trends illustrated in the Eurostat data. In Hungary for example, a 10% reduction in public administration staff is

² It is not possible to distinguish between central, regional and local public administration from this data. However, as many employees of regional and local authorities are civil servants, this data remains relevant.

predicted in the coming years. Eurostat data from 1998-2003 so far indicated a rise in employment in this sector. Evidence from the Slovakian trade unions active in the sector suggests that the decentralisation of responsibilities and the lack of funding made available to municipalities to carry out their new tasks has led to redundancies and the closure of facilities such as kindergartens, primary schools and the loss of bed capacity in hospitals and social service facilities.

Turkey is the only case study country, which has witnessed an increase in employment in public administration. However, although employment overall has reportedly increased by 4% between 2001 and 2004, this masks the significant changes in the types of employees in the sector. The number of civil servants and general workers on open ended contracts has declined during this period while the number of temporary staff has increased significantly.

Employment in the local and regional government sector is characterised by significant vertical and horizontal segregation with the 'new' Member States replicating the familiar picture of women being concentrated in certain (often lower paid) sectors and occupations, as well as in lower occupational grades, with few women reaching higher managerial positions.

It is clear that further research and detailed data collection would be required to fully appreciate the impact of structural changes in local government on employment in general and different groups of employees more particularly.

Restructuring and modernisation of local and regional government services

The outsourcing, competitive tendering and the privatisation of previously publicly provided local government functions was perceived to be among the key challenges facing the local and regional government sectors in eight of the 13 countries covered by this study.

Privatisation is particularly widespread in the field of Services of General Economic Interest³ such as energy supply, transmission and distribution, water supply and sewerage treatment, waste treatment and transport. In many countries where such services were previously supplied directly by municipalities, these have – or are increasingly being - privatised. In addition, in many Central and Eastern European countries a number of industrial enterprises were previously municipally owned and have now largely been privatised. A number of countries, such as the Czech Republic, for example, are considering the privatisation of health services and education. In addition, competitive tendering and contracting out often lead to the provision of services previously supplied in-house by external, usually private, providers. Competitive tendering in local government is used for a wide range of services ranging from cleaning, catering or transport to core functions such as HR management. Competitive tendering is regulated by EU and national regulations and is subject to certain value thresholds.

While the need to modernise public service provision is widely accepted, the means for achieving this is more controversially debated, especially in the context of the particular role played by Services of General Interest and the importance of retaining the principle of high quality universal service provision. The latter is crucial if EU goals in relation to regional development, equality and social cohesion are to be achieved.

³"Services of General (economic) Interest" (SGI) are those services such as transport, water, electricity, gas, telecommunications, broadcasting and postal services, which are judged to be essential for the functioning of a modern society. Although classified as being "essential", these services may be provided by private as well as by public enterprises. [European Commission]

It is by no means evident that contracting out and privatisation lead to lower prices for consumers, increasing quality, greater investment and technological innovation. However, whatever the arguments for or against privatisation and the long-term effects on the quality and sustainability of public services, there are a number of preconditions that are essential for it to take place:

- The need for a real market and competition between different potential suppliers (including a level playing field for potential in-house providers)
- The need for regulation to ensure competition and the maintenance of the universal service obligation
- The existence of consumer organisations capable of representing the rights of customers and ensuring the monitoring of developments of prices and quality
- The need for effective social dialogue to mitigate the consequences of privatisation and restructuring
- The need for effective local authorities to monitor contract compliance and the impact of new forms of service provision on territorial cohesion and social inclusion

The absence of many of the above factors can cause difficulties in the implementation of modernisation strategies through contracting out and privatisation and certainly requires the adequate monitoring of the outcomes of such processes. Evidence from our study suggests that this is currently not the case. Similarly, there is little information available of the actual impact of privatisation and contracting out on employment in the local government sector. Only the Hungarian case study points to a 30% reduction in staff resulting from the privatisation of the country's water industry in the 1990s.

As the trend towards modernisation, contracting out and privatisation is widespread in the 'old' as well as the 'new' Member States, it appears important for the sectoral social dialogue to provide a forum for the exchange of experiences regarding the outcomes of such practices on the quantity and quality of employment, social inclusion and territorial cohesion.

Key features of the framework of industrial relations

Dominance of tripartite and enterprise level bargaining

The findings of this study confirmed what has already been highlighted in other research reports regarding the nature of industrial relations systems in the new Member States. With a few exceptions, these systems are characterised by the strong central influence of the State in setting legislative norms regarding the employment relationship and State dominance in tripartite bodies. The most pronounced case of such centralised tripartism can be found in Slovenia where separate general national agreements are concluded for the private and public sector between the State and central trade union and employers' organisations. Any sectoral and enterprise agreements must comply with the relevant national agreements.

In most countries, collective bargaining - in the private sector in particular - usually takes place at the local, enterprise level with sectoral bargaining either non-existent or very much in its infancy. The Slovak Republic is a notable example among the former communist countries now in EU membership in that sectoral dialogue is more widespread. Bulgaria is another example outside the current EU where bargaining takes place at national, sectoral, municipal and enterprise level.

However, changes are under way in many countries, which place greater emphasis on bi-partite and indeed sectoral bargaining. In some cases this is linked to legislative changes providing greater leeway for employers' organisations to be involved in collective bargaining

and broadening the spectrum of terms and conditions that can be subject to negotiation rather than national legislation. Moves in this general direction are currently under way in the Czech Republic, Estonia and Poland. These are explored in more detail below where we discuss developments in collective bargaining and the social dialogue in local and regional government. In the meantime, the rate of sectoral bargaining remains low, with only a limited number of sectoral agreements in place in most countries.

Differences in private and public sector collective bargaining structures

A distinction must be drawn between collective bargaining arrangements in the public and in the private sector. While in the private sector centralised bargaining at national or sectoral level is virtually non-existent, many countries use centralised bi-partite bargaining arrangements in the public sector. This mainly applies to civil servants (many local and regional government employees fall into this category), but in some countries covers all public sector employees. However, particularly in the Baltic countries, wages and terms and conditions for public sector workers are set by each individual local authority/region. The nature of collective bargaining in the public sector and in local and regional government in particular is described in more detail below.

Social dialogue structures outside the tripartite arrangements for concertation at national level are weak and indeed non-existent in many countries. There are exceptions to this with the Czech Republic, Poland and Turkey for example having structures to encourage social dialogue at the sectoral or regional level (these examples are explored in more detail below). However, these arrangements are often weak, attract little public attention and are often perceived to be ineffective. Nonetheless, the further development of social dialogue structures is increasingly being encouraged by the State and by social partner organisations (and trade unions in particular) keen to develop such avenues for the exchange of information on issues affecting their sectors.

Trends in the development of employer and trade union organisations

Social partner organisations, and employers' organisations in particular, are often weak as they often have but a relatively short history during which many have undergone several permutations through mergers and de-mergers. Many employers' organisations continue to resist taking on a mandate for collective bargaining, which makes sectoral bargaining difficult or impossible. In a number of countries, current legislation currently forbids representative organisations – particularly in the public sector – from entering into collective agreements. Such legislation restricting the development of collective bargaining is currently under review, but it will require strong organisational development within social partner organisations in order to meet new challenges. This can be made difficult by a lack of resources facing many of these organisations.

Trade union membership has declined in many of the new Member States and candidate countries, largely as a result of changes in the economic structure of these countries and the demise of industrial sectors where trade union membership has traditionally been high. Membership density is therefore an issue in many countries and collective bargaining coverage is often low, ranging around 20%. In a number of countries, trade unions have risen to this challenge by offering new services and seeking to attract new members in non-traditional sectors.

The collective bargaining and social dialogue structure for the regional and local government sector

Our study looked both at the mechanisms for the setting of wages and terms and conditions for workers in the regional and local government sector, as well as any wider social dialogue arrangements allowing for exchanges of information and consultation on other issues affecting the sector in each of the 'new' Member States and candidate countries.

The collective bargaining structures for of the regional and local government sectors are affected by the status held by employees in the sector. Many workers directly employed in regional and local administrations hold the status of civil servants and are therefore covered by different legislation, collective bargaining arrangements, wages and terms and conditions than "general public sector workers". In Estonia, Lithuania, Bulgaria, Romania and Turkey, terms and conditions for civil servants are set by national legislation and/or bi-partite collective bargaining between the State and the respective trade unions at national level. The wages and terms and conditions or general workers in the local and regional government sector, on the other hand, are set through bi-partite bargaining at local level with each authority.

In Cyprus, the Czech Republic, Hungary, Malta, Poland, the Slovak Republic and Slovenia wages and terms and conditions for all public sector workers are set through national level bi-partite bargaining with the State.

In Estonia, Latvia and Lithuania (in the latter case with the exception of civil servants) bi-partite collective bargaining takes place at local level where trade unions are active. Where this is not the case, terms and conditions are set unilaterally by employers.

The lack of employers' organisations mandated to bargaining collectively makes it difficult for sectoral bargaining to take place. Such employers' organisations currently only exist in the Slovak Republic and in Turkey. A number of obstacles have been identified to the establishment of effective sectoral employers' organisations. In a number of countries (e.g. Poland, Estonia, Hungary, Czech Republic, Lithuania) legislation currently forbids or makes it difficult for organisations representing local government to formally act as employers and/or for sectoral level bargaining to take place. However, in some countries moves are under way to effect changes in these regulations to allow for a change in the status of organisations representing local authorities and for more sectoral bargaining to take place.

In the Czech Republic, work is currently under way to amend the Labour Code and Collective Bargaining Act to remove restrictions hampering the development of collective bargaining. The new Code is expected to come into effect in 2006 and should provide greater leeway for bargaining. In order for this to be effective in encouraging collective bargaining in the sector, reservations among some of the organisations representing local and regional authorities with regard to assuming the employers' role would need to be overcome. In Hungary, commentators have argued that the existing Labour Code has similar limitations, restricting possibilities for the development of sectoral collective bargaining. Significantly, sectoral bargaining does exist in Hungary in the water sector through a Sectoral Dialogue Committee for Water Services. One contributing factor towards the development of this sectoral dialogue committee was the participation of the trade union representing workers in the sector in a PHARE project exploring the potential benefits of sectoral social dialogue structures.

In Estonia, local government organisations currently only have the right to form associations to express and promote common interests, but not to act as employers' organisations. In

2004, the Minister for Regional Affairs set up a Working Group to address the regulatory issues preventing local government organisation from engaging in collective bargaining. Representative organisations were consulted and proposals were subsequently submitted to the Ministry of Social Affairs. Should the draft text be approved, a new law could be passed by the end of the year. Trade unions in Estonia are keen to engage in sectoral bargaining with employer counterparts, in particular to discuss the possibility of setting a minimum wage for the sector. Existing associations representing the interests of local authorities would have to amend their structures and procedures in order to fulfil such a new role. There are some indications of a greater willingness to engage with trade union organisations in a social dialogue on key issues affecting the sector.

In Poland, a new Labour Code calls for more collective bargaining (including at sectoral level) to take place post-2009. This will require either for new representative organisations to be established or for existing local government associations to acquire new skills and functions to allow them to participate in this process.

While sectoral social dialogue was virtually non-existent in most of the 13 countries only a few years ago, there are now some encouraging signs of more or less formal dialogue structures emerging. The lack of sectoral social dialogue structures was initially due to the weakness of local government organisations and their lack of employer status. In some cases, the low organisation grade of trade unions was clearly also a factor. However, as perceptions and the legislative situation regarding the status of local government organisations is starting to change, at least in some countries, social dialogue is slowly beginning to evolve. As well as the aforementioned changes, this can also be attributed to a number of other factors:

- The requirements of EU accession and the emphasis placed by the European Union on social dialogue processes and structures;
- Encouragement from national governments (sometimes as a result of the requirements of EU accession), firstly through the development of tripartite fora which can act as a launch pad for bipartite dialogue and through the required changes in legislation;
- Pressure from the trade union side to establish a more active exchange of views;
- Involvement in European funded projects (e.g. under PHARE or social dialogue budget lines) and European level social partner organisations and social dialogue processes.

Bulgaria and Turkey are the only countries, which currently have formalised sectoral social dialogue structures for the local and regional government sector. In Bulgaria, municipal councils for social co-operation provide a forum for discussion between trade unions and representatives of municipal authorities. In Turkey, institutional management committees facilitate social dialogue between employers and trade unions in the sector. These committees meet once a year. Slovakia – one of the two countries with an employers' organisation mandated to bargain collectively – also has somewhat less formal structures for sectoral social dialogue between trade unions and employers' organisations. Discussions have most recently focussed on issues relating to public sector reform such as the development of wage systems and their impact on employees.

As mentioned above, Hungary has a sectoral social dialogue committee for the water sector. Tripartite social dialogue also exists in national bodies including the National Public Sector Interest Reconciliation Council; the National Labour Council of Public Employees; the Interest Reconciliation Council of Civil Servants; and the National Interest Reconciliation Council of Civil Servants in Local Government. In Poland tripartite social dialogue takes place at the regional level some of the services delivered by local authorities.

In Estonia, trade unions are detecting an increasing willingness on the part of local government organisations to engage in a process of dialogue. In the past, the only formal dialogue on key issues affecting the sector took place between local government associations and central government, who met on a regular basis to exchange information and to co-operate in seven working groups (Finance, Education, Employment, Social Security and health Services; Culture, Environment, Land Management and Transport and Roads). However, in 2005 there have been a number of informal meetings between trade unions and local government associations to discuss issues such as local authority budgets, the status of local government associations and the future of a sectoral social dialogue process.

In Lithuania there is an emerging dialogue through informal meetings between trade unions and local government associations to discuss issues such as extra social guarantees for employees, wage increases and holidays etc. However, the absence of a formal employers' organisation is restricting progress in this field and trade unions have called for changes to the legislation to allow local government associations to become involved in sectoral social dialogue. An emerging, but currently weak, sectoral social dialogue also exists in Romania in relation to the development of Services of General Interest.

On the whole social dialogue and collective bargaining in the sector presents a picture of slowly emerging from the legacies of the past and nascent development under the influence of the requirements of EU accession, government support, pressures from national social partner organisations (particularly from the trade union side) and experience with European social dialogue and co-operation. The emerging dialogues clearly reflect the specificities of the legislative and organisational structures of each country.

It could be considered as part of the European sectoral social dialogue process how these emerging structures and dialogue processes could best be supported. As repeatedly emphasised by the European Commission and European social partner organisations, effective social dialogue processes are important in achieving not only the goals of the Lisbon strategy in relation to growth and employment creation, but also in relation to achieving successful public sector modernisation.

The key issues affecting the sector

Our research found a significant number of similarities between countries regarding the key issues facing the regional and local government sectors in the new Member States and candidate countries. Some of these issues are familiar even in the context of the sector in the 'old EU' – such as public sector modernisation - but there are clearly some significant differences between the EU15 and the countries covered by this study in relation to the stages reached in the process of reform and the way in which changes are being implemented. The latter largely relates to the lack or relatively recent nature of social dialogue structures and therefore the difficulties experienced in achieving a consensual implementation of reforms. This section will therefore concentrate on the main challenges arising from public sector reform and the drivers but also obstacles to achieving negotiated outcomes as a result of current bargaining arrangements. The section will also refer to way in which different countries are beginning to address these issues.

Public sector reform

The local and regional government sector has been undergoing a period of significant change over the past 10-15 years in many of the 'new' Member States and candidate countries. This has partly been the result of the fundamental social, political and economic changes facing most of the countries covered by this study since the demise of the Communist bloc and the introduction of market economies followed by accession to the EU. Not only have the structure and responsibilities of local and regional government been revised, but the way in which local public services are funded and delivered has also undergone fundamental transformation. The following effects of these developments have been highlighted in a significant number of 13 countries under study:

- Decentralisation (or in some cases re-centralisation) of functions and responsibilities has led to job losses and uncertainties over responsibilities in some areas;
- General budgetary stringency and the lack of local autonomy over the budgetary process have brought about low wages, wage freezes (and indeed effective wage reductions in the context of increasing consumer costs) and redundancies;
- Outsourcing and privatisation have become increasingly widespread phenomena, often leading to redundancies in the public sector.

On the whole, the trend in governance structures is towards greater decentralisation of responsibilities, as well as towards contracting out and the privatisation a number of functions and services previously delivered by local and regional authorities. As was the case in the 'old EU', this applies in particular to the delivery of public utilities such as gas, electricity, water, waste management and in some instances transport infrastructure and services. Rapid and frequent changes in this field have meant differences to the way such services are managed with local authorities now performing outsourcing and contract management functions rather than acting as direct suppliers. This and other changes aiming to achieve the provision of new services and greater customer orientation have led to calls from trade unions for more and better training for staff. In Hungary, for example, a new act on administrative processes in the public sector was adopted in December 2004, which will bring about substantial changes to public administration systems with greater emphasis on service quality, greater customer orientation and e-governance. While everyone agrees on the need for these changes, they do require revisions in working time and work organisations. Social partner organisations on both sides have recognised the need for better training measures and information provision regarding the impact of these changes for local government.

Planning for the future development of local and regional services is further hampered by the lack of stability and/or control over local government budgets which is evident in many countries. This lack of control and local accountability makes long-term planning difficult. In Estonia, for example, although representatives of municipalities have been involved in bi-partite discussions with the government over local budgets since 1994, central government has the final say over allocations. In recent months, local government organisations in Estonia have been move involved in long-term budgetary planning processes, with sectoral trade unions also keen to become involved.

Lack of financial control and general public sector cut backs have led to significant redundancies in the sector in some countries (through be no means all – see tables on employment data in appendix V). In Hungary, for example, nearly 7,000 positions were cut in public administration in 2004, with a further 8,000 redundancies set to follow in 2005. Trade unions in particular have expressed their concern regarding the impact of such cuts on

service provisions, particularly in the more remote rural communities. In addition, privatisation has affected employment in the water sector in Hungary, with an approximate 30 per cent reduction in staff over the first few years of private operation. Social partners have held bilateral negotiations on privatisation and outsourcing in the water services and trade unions in particular refer to the importance of benefiting from the experience and learning from other countries, which can be, shared through membership of international trade union confederations. In Slovakia concerns have been expressed by trade unions that public sector cutbacks have led to the closure of kindergartens and primary schools as well as hospital beds and social care facilities. As mentioned above, in many countries public sector cutbacks and wage freezes stand in direct contrast to the significant growth rates achieved in the economy overall.

It is significant that these changes take place in the context of often weak social partner organisations and only emerging social dialogue and collective bargaining structures capable to achieving negotiated solutions to these challenges.

Lack of sectoral employers' organisations and social dialogue structures

Clearly, one of the key issues affecting the developing of social dialogue in the local and regional government sector is the absence, in most countries, of local government representative organisations on the employer side mandated to take part in collective bargaining. While in some countries moves towards forming effective employers' organisations are being resisted by local government organisations themselves, in other countries legislative barriers exist to local and regional government bodies performing employer functions. In the Czech Republic, Estonia and Poland processes are currently under way seeking to overcome these obstacles (see above).

As well as having weak employers' organisations, a number of countries also have weak trade union structures as a result of low membership density and the limited coverage of collective agreements.

Organisation fragmentation can also be an issue. In Hungary, for example, there are no less than seven organisations representing the interests of local government. The reasons for this fragmentation are political, historical and structural. There have been a number of attempts in the past to create an umbrella organisation, but these have failed, largely as a result of different political viewpoints.

However, as mentioned above, this situation is slowly changing with more social dialogue processes emerging and attempts at overcoming legislative barriers to sectoral collective bargaining. In the context of EU policy priorities and recommendations regarding effective governance, thought should be given to how these processes can be supported without interference.

Conclusions

This section seeks to summarise the conclusions from this study regarding the linkages between key issues for the sector identified in the 'new' Member States and candidate countries and the priorities for the sectoral social dialogue process at EU level. In addition, this section raises a number of questions for further investigation, which could be addressed as part of the discussions at the closing conference for this study and could subsequently be incorporated into the report.

There are clearly a number of significant similarities between the key issues facing the local government sector in the 'old' and the 'new' Member States and candidate countries. These primarily relate to the process of public sector modernisation and the desire to create greater efficiencies, customer orientation and quality services. The way in which countries have sought to achieve this is also similar (partly guided by European regulation), although different countries have clearly reached different stages with regard to the implementation of such reforms. Crucially, the following key changes should be mentioned:

- Contracting out of services (requiring local authorities to provide different functions, for example as contract managers)
- Privatisation (requiring local authorities to provide different functions for example regulation and monitoring)
- Reform of service provision for example through e-governance; amendments to the availability of services, for example in relation to opening hours etc. Many of these changes require amendments in work organisation and skills profiles
- Greater customer orientation (linked to the above)
- More emphasis on productivity and performance management

Linked to the above changes, and in addition to this, local and regional authorities need to manage changes in relation to changing demographic trends and new skill requirements.

The key difference between the way in which these challenges are being addressed in the 'old' and the 'new' Member States generally lies in the availability of sufficiently well established social dialogue processes capable of achieving negotiated approaches to meet these challenges. Such sectoral collective bargaining and social dialogue arrangements are generally well established in the 'old EU', but are only just emerging in most of the 'new' Member States and candidate countries.

Emphasis should therefore be placed on the sharing of information with regards to experiences and good practice in setting and achieving the goals of public sector reform (including the evaluation of outcomes); the implementation of effective human resources (HR) strategies to support these processes and capacity building to support the emerging social dialogue and collective bargaining arrangements in the countries where these are currently insufficiently developed. In doing so, the following questions should be borne in mind:

Public sector reform

- What are the precise goals set for public sector reform and modernisation?
- Who is involved in setting these goals, ensuring their implementation and evaluating the outcomes?
- Have formal evaluations of the impact of reform processes been carried out; what are the lessons learnt and how can these be shared?

- How has reform ensured that high quality universal services are maintained in the context of outsourcing or privatisation and has the impact of these developments been evaluated? What are the lessons learnt and how can these be shared?
- Which HR strategies have been adopted to support meeting the challenge of the modernisation process and to meet new skill requirements and address the impact of demographic changes?

The development of social dialogue structures

- Are there any legislative obstacles hindering the development of effective sectoral social dialogue and collective bargaining and if so what are they?
- How have these been overcome in other countries and can lessons be learnt?
- Is there a desire/willingness among national governments and social partner organisations to overcome these barriers?
- What are the appropriate structures at national/regional or local level to facilitate social dialogue?
- Are local government associations willing to fulfil the role of an employers' organisation?
- If not what are the reasons/barriers/obstacles?
- If so, what needs to be done to build sufficient capacity to fulfil this role effectively?
- Is the organisational profile of the trade unions sufficient to engage in sectoral collective bargaining?
- What is the organisational density of trade unions and local government organisations and is this sufficient to achieve regional or national coverage?
- If not how can this be overcome? Can lessons be learnt from other countries?
- What support is required/desired from national governments to support capacity building?
- What support is required/desired from the EU Commission to support capacity building?
- What support is required/desired from EU sectoral social partner organisations to support capacity building?

APPENDICES

I. Structure and responsibilities of local and regional governments

Country	Structure and responsibilities of local and regional governments
Cyprus	<ul style="list-style-type: none"> Structure: 6 districts, 33 municipalities (urban areas), 576 community councils (rural areas) Responsibilities at <i>municipal level</i>: Construction, maintenance and lighting of streets; collection, disposal and treatment of waste; protection and improvement of the environment and municipal areas; construction, development and maintenance of municipal gardens and parks; and the protection of public health.
Czech Republic	<ul style="list-style-type: none"> Structure: 14 regions, 6258 municipalities, Responsibilities: <ul style="list-style-type: none"> <i>Municipal level</i>: Local development; municipal police; water supply; household refuse; agriculture; primary education; housing; social assistance and urban planning. <i>Regional level</i>: Secondary education; road networks; social assistance; environment; public transport; regional development and health.
Estonia	<ul style="list-style-type: none"> Structure: 15 counties (functions delegated by the State administration), 39 towns, 202 rural municipalities Responsibilities at <i>municipal level</i>: Kindergartens; education; cultural activities; social care; utilities; social housing; municipal transport and road maintenance; environment and the maintenance of public facilities.
Hungary	<ul style="list-style-type: none"> Structure: 19 counties, 3158 municipalities Responsibilities: <ul style="list-style-type: none"> <i>Municipal level</i>: Water supply; general education (pre-school and primary); basic health and welfare services; public lighting; maintenance of public roads and cemeteries; protection of rights of ethnic and national minorities. <i>County level</i>: Secondary and vocational education; libraries; archives; personal services for disabled and elderly people; special services for the homeless; families in crisis and hospitals.
Latvia	<ul style="list-style-type: none"> Structure: 26 districts, 63 towns, 26 amalgamated towns, 444 rural municipalities Responsibilities at <i>local/regional levels</i>: Public utilities and transport; management and maintenance of local/regional infrastructure; education; support to cultural activities; health and social care; housing; economic development; issuing permit and licences for trading activities; maintenance of public order; building and local/regional planning; protection of children; organisation of elections; maintenance of the civil register; collection of statistics; ensuring residents' representation in the regional Sickness Insurance Fund.
Lithuania	<ul style="list-style-type: none"> Structure: 10 counties, 60 municipalities Responsibilities: <ul style="list-style-type: none"> <i>Municipal level</i>: Education; nurseries; kindergartens; welfare; personal services for elderly and handicapped; special services; social housing, health services; culture & leisure & sports; provision of water & sewage and central heating; environmental services (refuse collection and disposal, street maintenance etc.); traffic and transport, urban development. <i>County level</i>: Road maintenance; educational and cultural activities.
Malta	<ul style="list-style-type: none"> Structure: 3 regions, 68 local authorities There is no division of responsibilities between regional and local authorities - functions and responsibilities are statutorily assigned to local councils. Responsibilities: <ul style="list-style-type: none"> Waste management; changes to local traffic, building and planning schemes; street maintenance and lighting; citizens' advice; establishment, upkeep and maintenance of crèches, libraries, kindergartens, sport facilities and other educational services or buildings; establishment, upkeep and maintenance of health, care and rehabilitation centres and district offices; water management; public property administration; collection of Government property rents; and issuing of temporary trading licences.
Poland	<ul style="list-style-type: none"> Structure: 16 regions, 380 districts, 2489 municipalities, 40057 village administrations

Country	Structure and responsibilities of local and regional governments
	<ul style="list-style-type: none"> • Responsibilities: <i>Regional level:</i> Full responsibility for strategic (comprehensive, socio-economic) and spatial (physical) planning for the regions. <i>County level:</i> Specific planning responsibilities. Self-governmental character, but also perform specific tasks commissioned by the State. <i>Municipal level:</i> Obligatory functions: Development and physical planning; primary education; general health care; social services; public utilities; municipal housing; local roads; local public transportation; culture; recreation; public order; fire protection and physical planning. Delegated functions: Registration of marriages, births and deaths; the provision of identity cards and driving licences; civil defence; environmental protection and sanitary control.
Slovak Republic	<ul style="list-style-type: none"> • Structure: 8 regions, 2920 municipalities • Responsibilities: <i>Local level:</i> Local development; primary education; basic health care and long term care; housing and zoning and maintenance and management of local infrastructure. <i>Regional level:</i> Secondary education; regional transport and regional development.
Slovenia	<ul style="list-style-type: none"> • Structure: Single tier system of 193 municipalities. • Responsibilities: <i>Basic municipal level:</i> Primary education; primary health care; provision of essential utilities; municipal services; postal and banking services; library facilities; public buildings and administration; maintenance of public spaces. <i>Municipalities with city status:</i> Regulation of local public transportation; regulation of public spaces and construction of facilities; administration of a public network of primary, secondary, vocational and higher education institutions; secondary public health service; network of civil services; establishment of telecommunication centres plus local media; support for cultural activities and administration of housing matters.
Bulgaria	<ul style="list-style-type: none"> • Structure: 26 districts, 264 municipalities • Responsibilities: <i>Municipal level:</i> Collection and treatment of household waste; urban development; construction and maintenance of streets, squares, parks, gardens, street lights; operation of public transport on the territory of municipality; general and detailed town plans; maintenance and further development of local sports, tourist and other recreational facilities; municipal schools - grammar, primary, and secondary schools (including remuneration and social security payments of the respective staff), municipal hospitals and social institutions, social services centres, cultural, historical, and architectural monuments of municipal importance; municipal kindergartens; municipal theatres, orchestras, museums and their art collections, libraries, etc.; defining the fees for municipal services; management of municipal property for the benefit of the citizens; management of municipal companies and enterprises; and adoption and implementation of the municipal budget. Activities linked to the management of healthcare, education, social security and culture are shared between the municipalities and the national government
Romania	<ul style="list-style-type: none"> • Structure: 42 counties, 86 municipalities, 280 towns, 2800 communities • Responsibilities: <i>Local authorities:</i> Local economic development; local urban development; land administration and development; administration of cemeteries; protection of the environment; housing; water supply; sewage; maintenance of local public roads; local transportation; primary education; health care; local public security; fire protection; social services; cultural and sports activities and libraries and cultural centres. <i>County administrations:</i> Civil protection; secondary and vocational education; kindergartens and nurseries; town and regional planning; environmental protection and regional roads and transport.
Turkey	<ul style="list-style-type: none"> • Structure: 81 provinces, 3200 municipalities (of which 16 are large metropolitan areas), 50000 village administrations • There is no regional/provincial level administration in place – all services are the responsibility of the municipal administration. • Responsibilities: Urban planning and implementation; land development; urban renewal; planning and

Country	Structure and responsibilities of local and regional governments
	construction of social housing; organisation and management of local public transport and parking; construction and maintenance of road networks and public areas; provision of water; sewage and public utility gas services; refuse collection and cleansing of public places; provision of fire prevention services; operation of slaughterhouse facilities; establishment and management of recreation-cultural-education-tourist facilities; provision of veterinary services; establishment and management of health and social welfare facilities; municipal policing and crisis management; regulation of industrial waste and conservation of areas of natural and historical value.

II. Industrial relations framework

Country	Industrial relations framework
Cyprus	<ul style="list-style-type: none"> • System based on voluntarism and tripartite concertation. • Mainly bi-partite collective bargaining at enterprise or sectoral level. • Strong tripartite system for consultation.
Czech Republic	<ul style="list-style-type: none"> • Bi-partite collective bargaining mainly at company and sectoral level. • Tripartite concertation takes place in the Council of Economic and Social Agreement.
Estonia	<ul style="list-style-type: none"> • Social dialogue is better developed at national than at other levels. • Bi-partite collective bargaining is conducted at enterprise level. • There are only 7 sectoral and 10 sub-sectoral agreements in place.
Hungary	<ul style="list-style-type: none"> • Bi-partite collective bargaining primarily takes place at enterprise level, although sectoral bargaining has developed more in recent years with the creation of sectoral social dialogue committees. • National tripartism is strong.
Latvia	<ul style="list-style-type: none"> • Bi-partite bargaining mainly at company level; only 10 sectoral agreements have been concluded. • Tripartite concertation through the National Tripartite Council
Lithuania	<ul style="list-style-type: none"> • Tripartite partnership at national level is more developed than bipartite relations between trade unions and employer organisations. • Tripartite concertation is focussed on the Tripartite Council of the Republic of Lithuania. • Tripartite agreements are binding under 2002 labour code. Any bipartite agreements are endorsed at tripartite level.
Malta	<ul style="list-style-type: none"> • All collective agreements in the private sector are negotiated at company level. • Public sector wages are set through bi-partite agreement at national level.
Poland	<ul style="list-style-type: none"> • Collective bargaining mainly takes place at enterprise level. • There are a number of tripartite social dialogue institutions at national and regional level (e.g. the Tripartite Social and Economic Committee; the Voivodship Committees on Social Dialogue; the Joint Committee for Central and Local Government).
Slovak Republic	<ul style="list-style-type: none"> • Collective bargaining mainly takes place at sectoral level - around 40% of the workforce is covered by a sectoral agreement. • Negotiations at the tripartite level are concluded either in the form of non-binding recommendations or general agreements which establish mutual relationship frameworks.
Slovenia	<ul style="list-style-type: none"> • Collective bargaining is highly centralised with two general national agreements being concluded (one for the private and one for the public sector). • Sectoral and enterprise agreements must comply with relevant national agreements. • Tripartism is strong.
Bulgaria	<ul style="list-style-type: none"> • Collective bargaining is organised at three levels: <ul style="list-style-type: none"> - Sectoral level - Municipal level - Enterprise/company level • Tripartite concertation takes place through the National Council for Tripartite Cooperation
Romania	<ul style="list-style-type: none"> • Most collective bargaining is bi-partite at company level; however, there are also national (1) and sectoral (10) agreements. • Tripartite concertation takes place through the Tripartite Secretariat for Social Dialogue.
Turkey	<ul style="list-style-type: none"> • Bi-partite social dialogue mainly exists in large scale undertakings and in the public sector. In SMEs it is virtually non-existent. • The Government has set up a special sub-Commission to encourage the development of social dialogue.

III. Collective bargaining in local and regional government sector and social dialogue arrangements

Country	Collective bargaining in local and regional government sector and social dialogue arrangements
Cyprus	<ul style="list-style-type: none"> • Bi-partite bargaining with State for civil servants (most workers in the sector). Once agreed terms and conditions are set by government decree for 3 years. • No sectoral bargaining or social dialogue arrangements.
Czech Republic	<ul style="list-style-type: none"> • Annual bi-partite negotiations with government on key terms and conditions. Additional benefits are negotiated between trade unions and each individual municipality. • New Labour Code due to come into force in 2006 to provide greater leeway for sectoral bargaining. • No sectoral social dialogue arrangements.
Estonia	<ul style="list-style-type: none"> • Minimum wages set nationally • Wages and terms and conditions set between trade unions and each individual municipality on annual basis. • New proposals could see legislation passed allowing local government representative organisations to act as employers' organisations. • Some first steps towards greater dialogue in the sector.
Hungary	<ul style="list-style-type: none"> • Wages and terms and conditions set through annual negotiations in tripartite National Public Service Interest Reconciliation Council (trade unions representing health care workers negotiate directly with the Department of Health). • Different legislation governing civil servants and other public employees. • Currently no sectoral bargaining due to limitations in the Labour Code. • Water sector has sectoral bargaining through Sectoral Dialogue Committee for Water Services. • There is tripartite sectoral dialogue and some moves towards bi-partite dialogue.
Latvia	<ul style="list-style-type: none"> • Bi-partite collective bargaining takes place with each municipality. Where no trade union is represented wages are set unilaterally. • No sectoral social dialogue
Lithuania	<ul style="list-style-type: none"> • Wages and terms and conditions for civil servants are set unilaterally by the government. • Local or regional level collective bargaining for other public sector employees in areas where trade unions are active. • Emerging sectoral social dialogue to discuss issues such as wages and terms and conditions.
Malta	<ul style="list-style-type: none"> • Bi-partite collective bargaining at national level for all public sector workers between government and trade unions. • Some sectoral social dialogue on issues such as budgets, health and safety, qualification allowances etc.
Poland	<ul style="list-style-type: none"> • Terms and conditions set at national level through legislation governing civil servants, municipal administration employees and other employees (through the Labour Code). • There is tripartite social dialogue at national and regional level.
Slovak Republic	<ul style="list-style-type: none"> • Tripartite collective bargaining at national level leading to separate agreements for civil servants and general public sector employees. • Social dialogue takes place between employers and trade union organisations on key issues affecting the sector.
Slovenia	<ul style="list-style-type: none"> • National level bargaining between trade unions and the State.
Bulgaria	<ul style="list-style-type: none"> • Terms and conditions for civil servants determined unilaterally by the State through legislation. Wages of other public sector workers are set through bi-partite negotiations at local and regional level.

Country	Collective bargaining in local and regional government sector and social dialogue arrangements
	<ul style="list-style-type: none">• Municipal councils for social co-operation provide a forum for discussions between unions and representatives of municipal authorities on issues affecting the sector.
Romania	<ul style="list-style-type: none">• Annual tripartite negotiations on wages and terms and conditions for civil servants. Terms and conditions for other public sector workers are set at local or regional level.• Some sectoral social dialogue on issues affecting the sector.
Turkey	<ul style="list-style-type: none">• Wages and terms and conditions for civil servants are set in negotiations between the government and the trade unions.• Collective bargaining for other public sector workers takes place between trade unions and each municipality.• Institutional management committees facilitate sectoral social dialogue between employers' organisations and trade unions on key issues affecting the sector.

IV. Key challenges for local and regional government sector

Country	Key challenges for local and regional government sector
Cyprus	<ul style="list-style-type: none"> • Privatisation • wage freezes • retirement age of public sector workers
Czech Republic	<ul style="list-style-type: none"> • Privatisation • lack of employers' organisation
Estonia	<ul style="list-style-type: none"> • Moves towards legislative change to allow for the establishment of employers' organisations in the sector of local/regional government. • Lack of independent/stable budgets. • Low wages and regional salary differences. • Low unionisation rates. • Changes in municipal responsibilities. • Outsourcing and competitive tendering
Hungary	<ul style="list-style-type: none"> • Fragmentation of representation of local government organisations. • Lack of employers' organisations. • New pay scheme for civil servants. • Privatisation. • Low wages. • Reductions in public spending. • Changes in responsibilities of different levels of local government. • New administrative procedures
Latvia	<ul style="list-style-type: none"> • Lack of social partner involvement due to low unionisation rates and institutional weakness. • Lack of fiscal autonomy of local authorities.
Lithuania	<ul style="list-style-type: none"> • Absence of employers' organisation. • Law is required to allow employers' organisations in the sector to bargain collectively. There are now efforts to create such a new law. • Lack of financial autonomy.
Malta	<ul style="list-style-type: none"> • Privatisation. • Introduction of Public Private Partnerships. • Greater customer orientation. • Different working patterns. • Job security
Poland	<ul style="list-style-type: none"> • Financial constraints. • New Labour Code Requirements, which call for collective agreements to be concluded between trade unions and employers' organisations from 2009. • Status of municipal civil service.
Slovak Republic	<ul style="list-style-type: none"> • Financial constraints. The Association of Cities and Municipalities of Slovakia refused to sign the 2004 collective agreement as it considered that insufficient financial resources were allocated to municipalities
Slovenia	<ul style="list-style-type: none"> • Low level of autonomy for municipalities. • 2003 Public Sector Wages Act restricted salaries for public officials.
Bulgaria	<ul style="list-style-type: none"> • Lack of financial independence leading to disproportion between rights and responsibilities. • Poor standard of municipal infrastructure. • Moves towards privatisation.
Romania	<ul style="list-style-type: none"> • Privatisation

Country	Key challenges for local and regional government sector
	<ul style="list-style-type: none">• Conditions for competitive tendering• Deficiency of local strategies for the development of public services.
Turkey	<ul style="list-style-type: none">• Privatisation• Dismissals and collective redundancies• Late payment of wages and benefits.

V. Growth rate of GDP - percentage change on previous year ⁴

Country	2003	2004	2005 ⁵
Belgium	1.3	2.9	2.2
Czech Republic	3.2	4.4	4.0 ^(f)
Denmark	0.7	2.4	2.3 ^(f)
Germany	-0.2	1.6	0.8 ^(f)
Estonia	6.7	7.8	6.0 ^(f)
Greece	4.7	4.2	2.9 ^(f)
Spain	2.9	3.1	2.7 ^(f)
France	0.8	2.3	2.0 ^(f)
Ireland	4.4	4.5	4.9 ^(f)
Italy	0.3	1.2	1.2 ^(f)
Cyprus	1.9	3.7	3.9 ^(f)
Latvia	7.2	8.3	7.2 ^(f)
Lithuania	10.4	7.0	6.4 ^(f)
Luxembourg	2.9	4.5	3.8 ^(f)
Hungary	2.9	4.2	3.9 ^(f)
Malta	-1.9	0.4	1.7 ^(f)
Netherlands	-0.1	1.7	1.0 ^(f)
Austria	1.4	2.4	2.1 ^(f)
Poland	3.8	5.3	4.4 ^(f)
Portugal	-1.2	1.2	1.1 ^(f)
Slovenia	2.5	4.6	3.7 ^(f)
Slovakia	4.5	5.5	4.9 ^(f)
Finland	2.4	3.6	3.3 ^(f)
Sweden	1.5	3.6	3.0 ^(f)
UK	2.5	3.2	2.8 ^(f)

⁴ Eurostat, 2005.

⁵ (f) = forecast

VI. Public sector employment data⁶

Employment in public administration⁷													
	Cyprus	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Malta	Poland	Slovakia	Slovenia	Bulgaria	Romania	Turkey ⁸
Total employment (in thousands)													
2003	24	305	35	288	62	71	14	866	163	49	228	459	-
2000	26	305	30	263	72	74	-	765	160	53	194	428	-
1998	-	279	35	252	64	75	-	-	155	41	-	380	-
Employment growth (in per cent)													
1998 – 2003	-	9.3	0.0	14.3	-3.1	-5.3	-	-	5.2	19.5	-	20.8	-
2000 – 2003	-7.7	0.0	16.7	9.5	-13.9	-4.1	-	13.2	1.9	-7.5	17.5	7.2	-
Employment share (in per cent)													
2003	7.6	6.6	6.2	7.4	6.3	4.9	9.5	6.5	7.5	5.6	8.1	5.2	-
Employment in education⁹													
	Cyprus	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Malta	Poland	Slovakia	Slovenia	Bulgaria	Romania	Turkey
Total employment (in thousands)													
2003	21	284	50	320	71	135	12	1,063	160	62	213	402	-
2000	17	289	42	309	81	160	-	985	161	57	210	436	-
1998	-	288	52	305	84	138	-	-	166	59	-	445	-
Employment growth (in per cent)													
1998 – 2003	-	-1.4	-3.8	4.9	-15.5	-2.2	-	-	-3.6	5.1	-	-9.7	-
2000 – 2003	23.5	-1.7	19	3.6	-12.3	-15.6	-	7.9	-0.6	8.8	1.4	-7.8	-
Employment share (in per cent)													
2003	6.6	6.1	8.8	8.2	7.2	9.4	8.1	7.9	7.4	7.1	7.6	4.6	-

⁶ European Commission, Employment in Europe 2004

⁷ Includes all public administration workers and not solely those in local and regional government

⁸ Comparable data is unavailable for Turkey. For further information, please refer to the Turkish case study in the report annex.

⁹ Includes all employees in education, both private and public sector

Employment in health and social services¹⁰													
	Cyprus	Czech Republic	Estonia	Hungary	Latvia	Lithuania	Malta	Poland	Slovakia	Slovenia	Bulgaria	Romania	Turkey
Total employment (in thousands)													
2003	14	291	33	268	62	95	10	800	146	46	156	376	-
2000	11	281	27	246	46	91	-	927	146	46	165	316	-
1998	-	260	32	237	50	92	-	-	143	41	-	341	-
Employment growth (in per cent)													
1998 – 2003	-	11.9	3.1	13.1	24	3.3	-	-	2.1	12.2	-	10.3	-
2000 – 2003	27.3	3.6	22.2	8.9	34.8	4.4	-	-13.7	0.0	0.0	-5.5	19	-
Employment share (in per cent)													
2003	4.4	6.3	5.8	6.9	6.3	6.6	6.8	6.0	6.8	5.2	5.5	4.3	-

¹⁰ Includes all employees in health and social services, both private and public sector