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Generational approach to the social patterns of relation to work

Changing social patterns of relations to work

Workpackage 6: Cross-national comparative analysis

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Project no. 028408 (CIT5)

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Introduction

The SPReW project focuses on the factors leading to solidarity or tensions in intergenerational relations, in the area of work. Recent researches raised the hypothesis that the younger generation has different attitudes, forms of participation, expectations and engagement in work than the older generations. The pessimistic view concludes to an increased individualism, but this assumption is not founded on robust research. The project will provide a better understanding of the evolving relation that generations have to work. Such changes have important consequences on intergenerational relations at the workplace, on solidarity between generations, and on the relevance of specific work and employment policies as well as on other public policies.

The relation to work can be analysed through different angles: value given to work, expectations associated to work, vision of the future, relation to precariousness or mobility, more generally the construction of an identity through work and the linking with other key values. A link is also established between the relation to work and other correlated issues: family formation and lifestyles, intergenerational relations in society, social inclusion or exclusion. The gender dimension and the position of migrants are constitutive and transversal aspects of all research tasks. The project also analyses age policies related to work and employment and identifies good practices. The research methodology combines qualitative, quantitative, comparative and participatory approaches.

The key objectives are to draw out social patterns of relation to work for different generations, including the gender dimension; to study articulations with other societal fields (family formation and lifestyles, intergenerational relations, social cohesion); to develop awareness of public authorities and social actors on the generational dimensions in the relation to work and employment; to draw out guidelines for youth policies and ageing policies in this area.

The report

This report is structured in four parts. The first part identifies the theoretical approach we choose to explain the differences in intergenerational changes in relation to work and the related consequences. The second part analyses distinctiveness and similarities among institutional and cultural frameworks in the six countries along the lines of the seven elements we identified as the main objects of the comparison. The third part provides an overview of the different institutional and cultural contexts and the fourth and final part draws some general conclusions.

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Introduction

The aim of the cross-national comparison is to allow a more in-depth understanding of the relation to work through generations by examining it on the background of institutional and cultural frameworks characterising the different European countries involved in the project. The underlying idea is to compare the evidence of the qualitative (WP3) and quantitative investigation (WP4) in the light of the national prerogatives, focusing on both similarities and distinctions in welfare systems, labour market regulation, educational and employment policies and industrial relations can help identifying what circumstances lead to deal more effectively with different, and often competing, needs of generations at work. The purpose is to orient well-founded recommendations to policy makers, both at local and European level.

Given the aim of this step, this report consists of a comparative reading of the six institutional and cultural national frameworks to underline distinctive features, strengths and weakness of the national contexts. The comparative reading will focus on the following topics:

1. Family and welfare systems.
2. Educational systems.
3. Labour market regulation and industrial relations.

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1. Theoretical approaches to cross-national comparative analysis

The purpose of the Sprew research project is to highlight the *change occurring in the relationship to work, through the lens of generations* and to suggest the right policies to promote social cohesion. Change is likely to produce either conflict or solidarity, inclusion or exclusion, inequalities or simply differences among generations. If we understand in *which institutional conditions* the impact is more positive (or less negative), we can give useful suggestions to policy makers.

Institutional and cultural frameworks consist of a multiplicity of factors:

- demographical aspects (birth rate, maternity, age of leaving the family...);
- education and training systems (trend in higher education, university degrees, vocational training...);
- economical factors (employment structure, economical trends, enterprises dimension, sectoral mix, private/public mix, high-tech mix);
- welfare model, role of the family and gender issue;

- youth specific issues;
- labour market regulation (flexibility, security, unemployment provisions...);
- industrial relations systems (unionisation density per age, collective bargaining coverage);
- human resource management practices in large enterprises/multinational;
- labour policies specifically targeting young people;
- ageing workforce labour policies.

In *comparative studies*, a large number of economic and social theories try to highlight differences among countries and sometimes to create clusters and typologies of countries, based on specific cultural and socio-economic indicators. Sometimes the positioning of each country in the model may help to better understand diversities and explain the different country impact of the same phenomenon.

We have a *variety of theories* that can be used to explain differences in intergenerational change in relation to work and related consequences (intergenerational conflict, solidarity, different patterns of working...):

- as for the economic model: the theory of “Variety of capitalism” (Albert, 1991) or “Differences in coordination” (Soskice, 1989), and many others;
- as for the welfare model: “Three Worlds of Welfare” (1990) and “The Social Foundations of Post-industrial Economies” (1999) by Esping Andersen;
- as for the young people labour market regulation, the theory of “Transaction costs associated with individual relations” (Marsden, 1999);
- as for perspectives of skill/deskilling: the theory of skill upgrading (Bell, 1973), and vice versa, the theory of degradation of work (Braveman, 1974);
- as for gender issue/age: according to “Life cycles theory”, age is more conditioning for women (Wajcman, 1983).

Some other *bibliographical references* on various approaches to cross-cultural analysis have been provided (by Patricia Vendramin) at the beginning of our discussion on the comparative analysis.

➤ **Rubery J. & Grimshaw D. (2003), *The organisation of employment — An international perspective*, Palgrave, New York.**

There are different types of theoretical frameworks that are used by researchers in cross-national comparative analysis. In the field of labour market and employment arrangements, Rubery and Grimshaw propose a classification of theoretical frameworks in cross-national comparative analysis. They distinguish three main theoretical frameworks and their related school of thought: universalists, culturalists and institutionalists.

The *universalists* state the general relevance of common models of social and economic organisation whatever can be the social context. These approaches consider that there is a one best way, a best practice. They consider that the differences between countries are not fundamental differences; they only reflect “objective” economic or technological differences between societies or sectors, or political/institutional barriers to implementation of the best practice.

In the *culturalist* approaches, differences in culture are used to explain differences in organisational and management forms, differences in employment policies and practices. Culture has become an important subject of interest in international business and human resource management. However, in most approaches, cultural factors are considered as given. Workers enter an organisation with their cultural characteristics. There is few dynamic approach that try to understand how cultural dimensions are build and how they evolve.

The *institutionalists* stress on the variations within a society. In this perspective, the variations among countries in organisations reflect embeddness of societal system. The set of institutional arrangements and societal structures can explain the differences between and within societies. Social and institutional arrangements are critical in structuring organisations and the labour markets. In this perspective, institutions are important, societies make choices and engage themselves particularly path of development or specific national trajectories. The social and institutional arrangements have interlocking and inseparable effects that generate a specific societal logic or *societal effect* (see below).

➤ **Hoofstede G. (2001), *Culture consequences*, second edition, Sage publications.**

Many researches have tried to map national characteristics that can impact on organisational forms and work arrangements. A main reference in the culturalist approach is that of Hoofstede. On the basis of four variables, he found significant differences between countries and suggested a clustering of countries. The four criteria are: *power distance*, the acceptability of an unequal distribution of power; *uncertainty avoidance*, the extent to which uncertainty is tolerated through the development of strongly codified rules; *individualist versus collectivist values*; *masculinity* (acquisition of money, high achievement, recognition) *versus femininity* (concern for people, for quality of life). One criticism to this approach is that the identification of cultural differences (in norms and values) does not in itself provide proof that these differences affect behaviour within organisations. However, the cultural perspectives explain some differences between countries and question the validity of universal theories. A main criticism of such cultural approaches is the lack of dynamic dimension. National culture is taken as a given; there is no explanation on how norms and value are evolving and, by implication, the social and the institutional dimensions are seen as static. Other criticisms argue that there is not just one set of norms and values within a society and that for an organisation; the more important is not the national stereotypical set of values but the range of norms and values of his workforce.

➤ **Maurice M. & Sorge A. (eds.) (2000), *Embedding organisations*, John Benjamins publishing Company, Amsterdam/Philasdelphia.**

➤ **Maurice M. (1989), “Méthode comparative et analyse sociétale. Les implications théoriques des comparaisons internationales”, in *Sociologie du travail*, Paris, 31 (2): 175-191.**

From the *societal effect perspective*, differences in organisations, labour markets and employment policies are consequences of differences in societal logics and societal trajectories. Common pressures due to globalisation do not lead in a process of convergence but in changes in societal institutions: particular forms of response will reflect particular societal logic.

The societal effect approach tries to understand how institutional characteristics and arrangements affect a societal system. The societal effect approach has been implicated in many debates, starting with “industrial society”, than new technologies, new techniques of organising, multinational companies and globalisation. The idea was to demonstrate that innovations (organisational, technological...) were not coming and transforming previously known arrangements completely and in a convergent way. Maurice is the one who elaborated the societal approach. His research questions are based on the statement that “there is a striking difference between what is often claimed when a phenomenon is relatively novel and what emerges after it as become more widely widespread in different societies.” Within the societal approach, some researchers have also developed the dominant country theory, which states that in every era there is a dominant model/dominant country, which others try to imitate.

- **Khun M. & Weidemann D. (2005), ‘Reinterpreting transnationality — European transnational socio-economic research in practice’, in Khun M. & Remoe S.O. (eds), *Building the European research area — Socio-economic research in practice*, Peter Lang, New York, pp. 53-84.**

In the study that they coordinated in order to evaluate the experiences and challenges of transnational socio-economic research projects (which were conducted under the European Union’s social science research programmes), Khun and Weidemann identify three different types of transnational researches:

Type A: *Transnational research as country studies*. This type of research aims to compare national practices (e.g. measures against unemployment) with a strong interest in identifying “best practice” by extending the view across national borders. Units of comparisons are national practices that are documented in “country reports”. Researchers are involved as national experts who do research in “their” own (usually native) country.

Type B: *Transnational research as thematic studies across countries*. This type of research is driven by the interest to better understand a social phenomenon, including its moderating factors, by including a wider range of social practices. Units of comparison are deducted from hypotheses and knowledge about a social phenomenon and may rest on national categories as well as on theoretical concepts. As a result, comparisons may be based on both “national reports” and “thematic studies”. Researchers are involved as national experts, doing research in “their” own country, but also performing crosscutting thematic analyses, sometimes in sub-teams.

Type C: *Transnational research as research beyond national categories*. This type of research aims to better understand a social phenomenon by choosing sub- or meta-national units for comparison. Units of comparison are deducted according to the state of knowledge about a social phenomenon, avoiding a priori national categories. Researchers perform crosscutting thematic analyses, avoiding roles as “national experts”.

In describing the country contexts and designing a comparison perspective, we chose to stay inside the same school of thought, adopting, in flexible terms, a neo-institutionalist approach – as Rubery and Grimsahaw (2003) propose – and just refer to other theories while introducing the cross-country report.

For consequence, the comparison between the six countries institutional and cultural context is drawn on by means of an institutional approach to cross-cultural analysis. Some main aspects qualify this theoretical framework. Firstly *the approach focuses on diversities* rather than on convergence among the contexts and read them on the background of institutions regarded as an essential part of the social and economic organisation that may account for diversities among societies. According to the institutional view, the prerogatives of different countries can be explained through *different set of institutions and social structures in which the specific organisation is embedded*. Labour market is a perfect example of a socially and institutionally constructed market as organisation of family, welfare support, structure to supply female labour result in shaping its dynamics. In this perspective, institutions results in conditions for specific national trajectories and also specific societal logic. According to this view, contingency and embeddedness are two key features of societal organisation and trends.

Using this theoretical stance we looked at the different institutional contexts in order to highlight their specificity and to gain a better understanding of the fieldwork results, particularly, of their similarities and differences.

2. Similarities and differences among the six countries institutional and cultural contexts

2.1 Family and welfare systems

2.1.1 Family

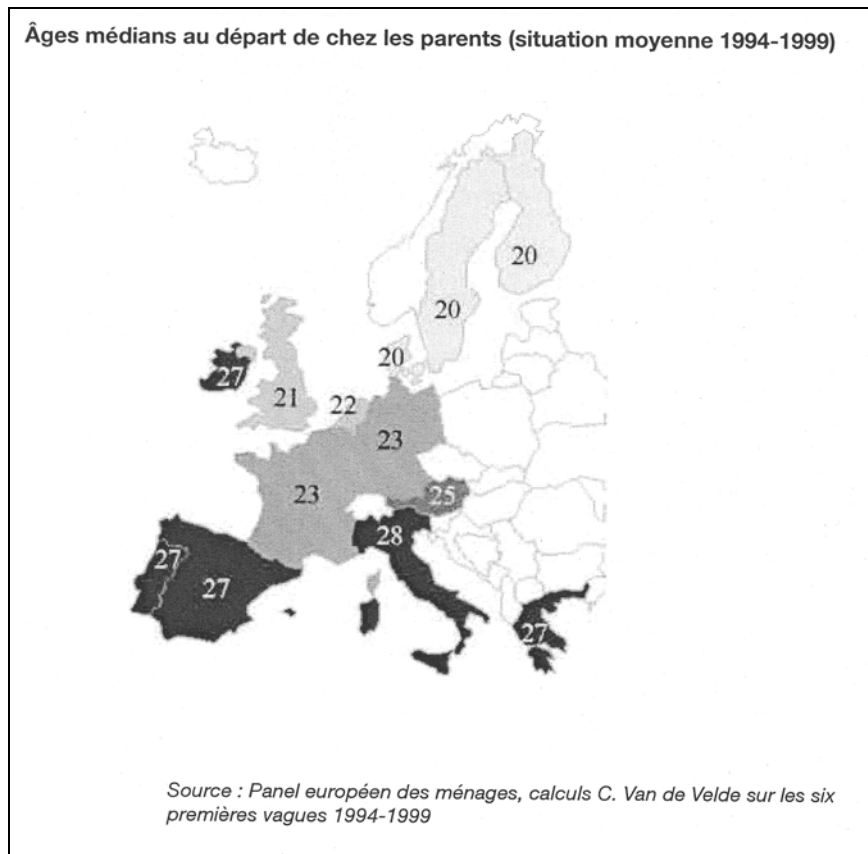
The European Union is facing a substantial challenge due to population ageing, which is the result of low fertility rates and increasing life expectancy. The population is expected to become much older, with a marked change in the age structure of both the overall and working-age. From the point of view of welfare systems and family change this results in the need for a definition of institutional targets that meet the different needs of different generational groups and the same individuals in the difference phases of a working life that tends to be less linear and increasingly longer.

Concerning the family structure some different variables are involved. As for the marital status, the distribution of marital status of men and women, by age group shows that Belgium, Germany and Hungary have a similar population structure concerning marital status, while Italy and Portugal are similar for the very low rate of divorce due to institutional and cultural reasons yet Portugal shows a higher marital status for all the generation. France has instead a much higher proportion than the other five countries of single men and women in the two age groups 25-49 and 50-59, but it is in doubt whether it is due to more widespread informal cohabitation or to preference for living alone.

Concerning family roles, we can observe a gap between Southern and Continental countries and a specificity in very traditional gender relation in Hungary. Countries like Italy and Portugal that share the most traditional view of family, are the countries were young people stay longer with their parents (Italy particularly). Hungary seems characterised by very traditional gender roles in the family (and also by a hard competition between men and women on the labour market: the gender gap is wider in young generations). As for Germany, the welfare system still focuses on the nuclear family: particularly, financial transfer also for

schooling create dependency of young people on their parents, yet de-cohabitation age is still lower than in Southern countries (IT 28, PT 27). France and Belgium have profiles more similar to Northern European countries.

Table I - Median age at which young people live their parents



2.1.2 Welfare

Referring to the prerogatives of institutional arrangements and policy orientations in European countries, Esping-Andersen (1990) distinguishes three welfare models: liberal, social – democratic and conservative. The liberal welfare state - England, the USA, Australia and New Zealand – in which the trade-off between market and politics is “won” by the market and the state has mainly the task of guaranteeing civil liberties more than of answering to social claims. The conservative model characterises Germany, along with France, Italy and the Netherlands, it has the form of a corporatist welfare states that intervenes more vigorously, but in most cases temporarily and for state policy reasons. Conservative welfare states are greatly oriented to wage work and social insurance. Social rights are bound to work and status, while entitlement to benefits is based on contributions and the resulting property rights. Normal employer-employee relationships and a stable family are the basis of this model. Yet, due to some specificity of the Southern countries such as Italy, Portugal, Spain, a further model, the “Mediterranean,” has been introduced to identify a welfare mostly based on: transferring benefit to breadwinner workers and not to other subjects; on intrafamilial solidarity rather than on services. The last model is the social democratic type of welfare state (Sweden, Norway, Denmark) in which more social rights are secured by the central

government yet not depending on work and status, but as an outcome of citizenship. Financing is provided for from the national budget, the civil service sector performs many services and also plays a major role with regard to labour market policy.

Table II - Social protection expenditures - 2000

	DK (The highest)	EU-15	BE	DE	FR	IT	PT
Per capita in EUR							
	9384	6155	6477	7291	6954	5082	2553
Per capita in PPS							
	7754	6155	6458	7025	6748	5943	3675
Social protection benefits by groups of functions (as a percentage of total benefits)							
Old ages and survivors' benefits	38.0	46.4	43.8	42.2	44.0	63.4	45.6
Sickness, healthcare and disability	32.2	35.4	33.8	36.1	34.9	31.0	43.6
Unemployment	10.5	6.3	11.9	8.4	6.9	1.7	3.8
Family and children	13.1	8.2	9.1	10.6	9.6	3.8	5.5

Source: Eurostat - European system of integrated social protection statistics (Esspros)

In fact differences among countries welfare states tend to crosscut the three models and further distinctions within the same type emerge, as the table on welfare expenditures among countries involved in the SPREW project shows. The six countries show different inclinations in securing benefit and social insurance reflect the different models: Belgium, France and Germany are included into the conservative model; while Italy and Portugal share the Mediterranean welfare model. We lack data to identify Hungary welfare profile.

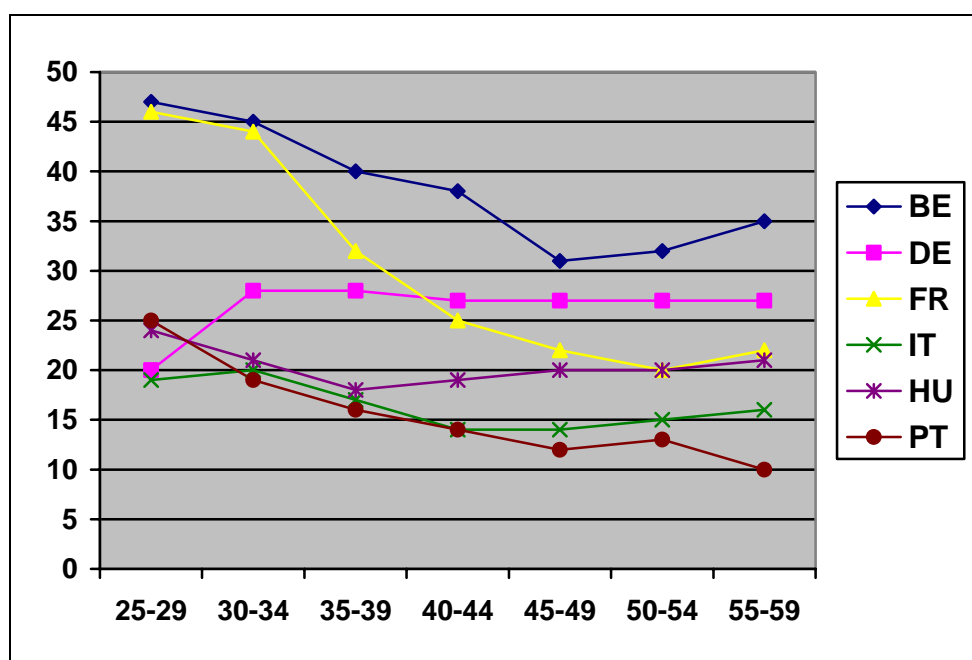
Looking at the distribution of the expenditures among the six countries, we can notice that Italy represents an extreme case: with 63% of the expenditure targeted to older people it is the only country beyond the European average (46.4%), by contrast it has very low expenditure for unemployment, family and children. In fact, except Belgium, none of the six countries provides allowance for youth unemployment. Anyway the Italian and Portuguese have the lowest expenditures for unemployed people, most of whom being indeed the younger. Still concerning family, Germany has higher transfers, France and Belgium have both high services and transfers, while Italy and Portugal —more family oriented—have the lowest services. France shows a more balanced distribution of expenditure among the different targets groups.

A possible outcome of the welfare system distribution may be that unbalance in the welfare distribution together with deregulation of the labour market risk to weaken the “pact” between generations, yet not necessary the intra-family pact: where unbalance is higher just intra-family solidarity can work (Italy).

2.2 Education

The last decades have been characterised by a considerable increase in the participation in tertiary education for all the European countries, at the same time, since 1999 Europe engaged in the so called “Bologna process” which aims at the establishment of a European area of higher education where mobility of people, transparency and recognition of qualification, quality and European dimension in higher education, as well as attractiveness of European institutions for third country students are fostered. Speaking of the increase in the participation to high education, the number of students enrolled in tertiary education more than doubled between 1995 and 2004 in Greece, Hungary, Iceland and Poland, and increased by more than 50% in the Czech Republic, Korea, Mexico, Sweden and Turkey. Despite the general positive trend, differences among countries persist, as proved by the following table, and in some cases they are the result of the different impact of European policies on the particular institutional and cultural context.

Table III - Percentage of population that has completed tertiary education (isced 5-6) / age, 2006



Source: Eurostat - Labour force survey

As for the six countries, according to the table, Germany presents a stable distribution of tertiary education among all age groups, while Belgium and France show a sharp increase in the percentage of people who completed tertiary education moving from the older age group to the younger one. Despite the improvement in their education performance, the percentage that completed tertiary education grows as we move from the older to the younger age group. Italy and Portugal have the lowest percentage of population that completed tertiary education. Italy shows particularly low performance among the group aged 25-29. Yet this weak performance of Italy be in part explained by the only recent introduction of the reform of high education, which constitutes an incentive to complete the undergraduate curricula since it reduced from 4/5 to 3 the years needed to obtain an undergraduate degree (laurea) was

introduced only recently: as it is observed, graduation rate tend to be higher in countries where the programmes have a shorter duration (OECD, Education at Glance, 2007).

Concerning the link between employment rate and education, despite in the table above we can observe a general trend of higher education coupled with high employment rates, the situation is so diversified depending on the age group and on country we are referring to that we cannot talk of a direct correlation between employment rate and level of education. Particularly, looking at the age groups, we can observe that over 25 years there is a strict connection between higher education and higher employment rate, especially for male population. But as for the medium and low education, the situation appears more diversified depending on countries: in Italy the medium-graduated men show the lower employment rate, even lower than for the Italian women in the same age group and educational level: 58.8% vs. 66.8%. While in other countries the rate decreases over age, in Italy and Portugal it increases for men (IT: 88.2%, PT: 84.8%) and keeps stable for women (IT: 66.9%, PT: 79.0%). Low-graduated employment rates is variable among countries: among men, the lowest in Hungary, the highest in Portugal and Italy; among women, the lowest in Italy, Hungary and Belgium. Here too, there is a deep gender gap. Low-skilled women's employment rate is below 50%, except in Portugal, France and Germany (beyond 40%).

For young people between 20-25 the situation is again quite heterogeneous. Germany and Italy are the two opposite extremes: Germany has a very high employment rate for high graduated young people (four out of five work), Italy¹ has a very low one (one out of five). Anyway in countries, as France, that has a faster grow in tertiary attainment, as shown in table I, have a close to zero or negative growth in unemployment

For low and medium-skilled young people, the entry into the labour market seems easier in Germany than in other countries. In several countries, employment rates of young low-graduated is better than for medium-graduated. In Portugal, employment rates of low and medium-graduated is generally higher than in other countries, mainly over 25 years.

Differences among countries also relate to internationalisation of the tertiary education, while places like German and France are major destinations of international students, differently from Italy, Portugal and Belgium.

Concerning the relation between socio-economic status and attainment in higher education, large differences among countries emerge: in France, Germany and Portugal students from a family that completed higher education are twice as likely to be in higher education too, Italy occupies a mid-way position.

From education to work

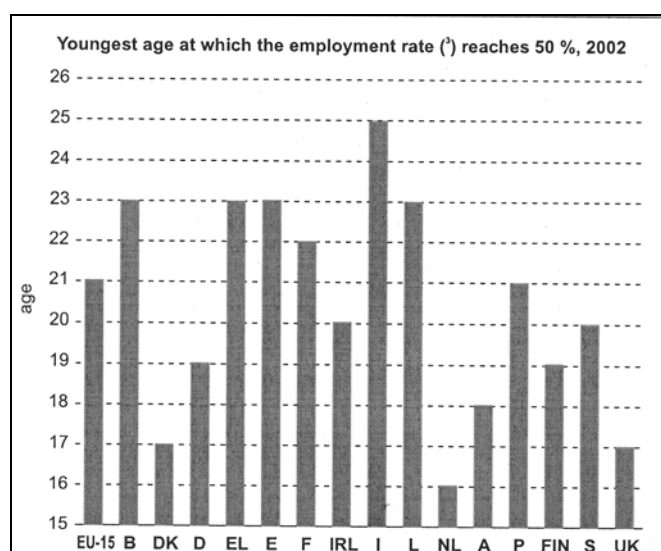
The transition from education to work is a sensitive issue as all over Europe. Despite the fact that young people enter labour market with higher qualifications, and that their population is decreasing, the young newcomers meet the main difficulties in finding good quality jobs. The main problem for young people is work instability and less favourable economical conditions. Between 2000 and 2006, there was a slight decrease of youth employment (from 22.6 to 22 millions) and unemployment (from 5 millions to 4.6 millions), and a decrease of the young people activity rate. The general trend of young people performance in the labour market is

1. In Italy the average exit from tertiary education is 27%, although it lowered as a result of the shortening in the duration of undergraduate degrees (Alma Laurea).

positive: employment and participation decreased mainly because of the extension of the education path, while unemployment decreased.

A good indicator of the transition to work takes place in different countries is the youngest age at which the employment rate reaches 50%. The following table shows that the two extremes are Germany, where at the age of 19 one young person out of two works and Italy where the same percentage is reached at 25 (it is the “lowest performance in Europe”).

Table IV - Employment rate and age



Further important differences among countries are linked to the education and training system structure, which does or does not support the transition from education to work, or more in general allows stronger or weaker integration between education and work.

2.3 Labour market regulation and industrial relations

2.3.1 Labour market regulation

In Europe young people between 25 and 29 show higher activity rate, while the activity rate of young between 15 - 25 decreased since 2000, from 45.9% to 44%. This difference is read as the effect of youth aged 15-25 longer permanence in education. As a matter of fact, young people between 25 and 29 are “significantly more affected by unemployment” (Eurostat, 2007). Still, notwithstanding the scarcity of the resources - in 2006 young people were the 18.5% of EU-27 working-age population - the quality of their job condition is lower.

Italy shows common trends in young workers conditions, but the phenomena are more stressed. Actually, Italy has a youth aged 19-24 unemployment rate of 21.6% (19.1% men, 25.3% women) — four points over the European average — which still constitutes an improvement compared to the past: in 2000 young people unemployed rate was 31.1% (27.6% men and 35.4% women). As for the young people aged 25-29 unemployment rate decreased from 17.5% of 2000 to 11.6% of 2006. As we can see, the decrease in the unemployment rate in Italy is more marked in youth age 15-24, but the percentage of youth 15-24 not in education is 10 points lower in our country than in the rest of Europe (about 17% versus 27%). It is important to underline that one year after leaving school the unemployed

rate of youth aged 15-24 is among the highest in Europe. In Italy it is still higher than in the rest of Europe the percentage of early school leavers (about 25% versus 15%) who have the lower secondary education and are not attending further education or training (Eurostat, 2007). Furthermore, Italy has the highest percentage of school leavers aged 15-35 who are affected by job mismatch: 47% of young people work outside the field of their education.

Belgium as well is characterised by a quite low activity rate of young workers in comparison with other European Countries. In 2005, young workers (15-24 years) registered an employment rate of 26.6%. Unemployment was high among young people between 15 and 24 (21.5% compared to 7.6% for the 25-49 age group and 5.3% for the 50-64 age group), and particularly for youth with a low level of education (29.6% for young people having only lower secondary education, compared to 19.4% for those having completed upper secondary education and 16.4% for young people with a higher education degree). In 2004, 39384 young people aged less than 25 years were unemployed for more than one year. This figure represents 51.4% of job seekers under 25 and includes slightly more women (51.5%) than men (INS, 2006). Regional differences concerning youth employment are significant. The employment rate of the workers aged 15-24 years is 24% in the Walloon Region, only 20.8% in the Region of Brussels-Capital and 35.1% in the Flemish Region. A comparison between unemployment rates reveals more contrasted situations: 32% in the Walloon Region, 32.2% in the Region of Brussels-Capital and only 12% in the Flemish Region. The youth insertion in employment is quite fast for a majority of young people. Between 15 and 29 years, students are progressively replaced by workers, particularly after 25 years. However, according to the Belgian Labour force survey (INS, 2006), 8% of the young people aged 15-19 years are neither students nor employed (this group represented only 3% in 1995). 19% of the young people aged 20-29 years are in the same situation. It concerns, in the same proportions, unskilled young people and qualified young people. 24% of the young people are always looking for a job, one year after they leaved school. 10% are not active. Moreover, many observers show that the way young people enter the labour market has a great influence on their future trajectory (OECD, 2007).

In Germany, in comparison to other countries, young persons at the beginning of their working life traditionally profit from the dual vocational training system and are more rarely affected by unemployment than their peers in other countries. The German labour market has lost this lead. In 2005 the unemployment rate among young persons in Germany scarcely differs from that of the comparative countries in the euro zone (Deutsche Bundesbank, 2007). At the same time the employment rate of young persons in Germany dropped between 1995 and 2005. (Deutsche Bundesbank, 2007)

In Hungary as a result of the shrinking of the labour market after the change of the regime (as many as 1.5 million jobs were cut in the course of a couple of years), unemployment became massive throughout the country. Most affected by this on the one hand were the oldest segment of the population in active age, which was closest to retirement, and the youngest one on the other hand, which only entered the labour market or were about to enter it. The former was forced to leave the labour market sooner, while the latter had to postpone entry into it. While prior to the regime change almost every school-leaver was able to get a job, in the beginning of the nineties unemployment rate was 27-33% in the age group 15-19 and 14-17% in the case of 20-24 year old. Unemployment remains one of the youth's main problems even today.

For older workers in general for all countries, employment rate starts decreasing for this age group, but there are some gender differences and country differences, particularly the rate is lower in Belgium and Italy and the difference between man and women is less important in France and Hungary.

As for Europe general trends, notwithstanding the recent increase in older people employment (a rise of 7 points for people aged 55-64, compared to an increase of 2.3 points for the whole working – age population) it is argued that too many workers leave the market at early age, considering the longer life expectancy and the negative impact of this exit on the welfare state (the average retirement age is 65). From this perspective Italy is less an exception that one may expect. Though, if the standard retirement age in Italy is 65 and early retirement at present does not go beyond 57, the system has always been characterised by measures facilitating the earlier retirement in the public sector and encouraging it as social buffer, during restructuring and downsizing processes in the large industrial groups.

Also for people aged 55-64 employment rate in Italy is about 10 points below the European average (32% versus 42%). Their activity rate is among the lowest in Europe (35% versus 50%), which can be partly explained with the low participation of women aged 55-64, and with the relatively early age of retirement. As a matter of fact Italy is a sort of extreme case of the European general trend with regards to the women aged 55-65 employment rate that is very low (21%). This phenomenon is probably also linked to the specific feature of the welfare model that still requires the contributions of grannies for the childcare.

It is not surprising that age discrimination in Italy is not a high priority given the protection targeting older workers both while employed and when retired. Older workers are the most extensively represented by collective bargaining and by institutional arrangements, and they are the group who is impacted less in case of economical crisis (Eiro, 2000). Moreover recent labour reforms aimed to reduce the traditional rigidity of the labour market while they changed the entry system, did not touch at all the exit one, keeping all the traditional protection of workers against dismissal.

In Germany, at the end of their working life employees are exposed to higher risks than at middle age. The employment rate of older workers (55 to 64 years of age) is very low, i.e. 39.2% of the resident population (2004), while the OECD average was 50.9% (Funk, Seyda, 2006). The comparison with Sweden and New Zealand, which attained rates of over 70% in 2005, shows a considerable lag (Thode, 2006). The unemployment rate is stable as compared to 1995 at a level of 12% and thus significantly higher than the comparative figure of 1.5 percent (Deutsche Bundesbank, 2007). Both in comparison to the OECD and the EU-15 countries Germany displayed the highest unemployment rate for persons between 55 and 64 in 2005 (Dietz, Walwei, 2007).

In Belgium in 2005, the activity rate of older people was one of the lowest in Europe (28% of the population aged 55-64). It corresponds to respectively 12% (for men) and 16% (for women) below the OECD average rate. Moreover, the employment rate of women aged 50-64 is nearly twice below the employment rate of men. At least, the unemployment rate among people aged 50-64 is very low: that means that more than 75% of the jobless old workers are not available anymore for employment. In Belgium, the legal age of retirement is fixed at 65 years, yet as in the case of Italy the phenomenon of older workers low activity rate is strictly linked to the chance for old workers to receive a complementary income and becoming inactive before the age of retirement. Such dispositions explain the low rate of activity of the

aged workers in Belgium and the Federal government is presently considering their reform. Whereas the effects of aging are still to come, Belgium – like many other industrialised countries – is facing serious problems in financing its social security system. Due to demographical reasons, the Flemish Region will be primary concerned by this issue.

In France the activity rate of older workers is as well low as in Italy and Belgium (in fact Germany and Portugal appear to be the only exceptions). Here the gradual rise in the duration of retirement premiums to 40 years in the private sector (1993) has not led to any increase in retirement age, as it is showed by table III. The large majority of persons reaching 60 over the last ten years finished their studies before they were 20, which enabled them if they had paid their premiums continuously, to retire on the full rate at 60. In addition, 154,000 of them benefited in 2004 from the possibility, available under pension legislation, of leaving work between 56 and 59.

Portugal is characterised by the second higher activity rate for older workers, although the early retirement pension is lowest among the six European countries (55%), there is a percentage of active population in the older age group of 62.7% versus the 43.1% of France.

Some overall remarks can be draw in the specificity of the six countries concerning the employment in different age groups looking at the tables below on the activity rate and exit age. As we underlines the differences in the activity rate among the six countries of the SPReW project are linked to institutional contexts. In the age group 15-24, the country differences in activity rates are biased by the differences in length of studies and mainly by the differences in student jobs: the activity rate is high in countries where students often combine part-time or occasional paid work with their studies.

Table V - Activity rates of men and women, by age groups (1996-2006)

	Gender	Year	BE	DE	FR	IT	HU	PT
Age group 15-24	Men	2006	37.4%	52.9%	42.2%	37.8%	30.1%	46.6%
		1996	36.7%	53.6%	37.9%	43.2%	39.6%	50.9%
	Women	2006	31.9%	47.6%	34.6%	26.9%	23.4%	38.7%
		1996	30.8%	47.1%	32.7%	33.7%	29.6%	44.3%
Age group 25-54	Men	2006	91.9%	93.8%	94.2%	91.3%	86.5%	92.9%
		1996	92.4%	93.0%	95.2%	90.3%	85.7%	93.1%
	Women	2006	77.0%	81.4%	81.7%	64.3%	72.9%	82.7%
		1996	68.5%	73.9%	77.8%	54.1%	68.2%	73.7%
Age group 55-64	Men	2006	42.7%	64.0%	43.1%	45.0%	43.1%	62.7%
		1996	33.4%	54.6%	36.6%	45.7%	28.9%	64.6%
	Women	2006	24.6%	46.6%	38.0%	22.5%	28.2%	45.1%
		1996	12.9%	33.3%	27.7%	15.2%	10.7%	36.0%

Source: LFS EUROSTAT

In the age group 25-54, all countries are characterised by a huge gender gap in activity rates: the activity rate of women is much lower than men, and particularly low in Italy. In Hungary, the activity rate of men is lower than in all other countries.

The age group 55-64 reveals large discrepancies among countries. The activity rate of men is low (about 40-45%), except in Germany and Portugal (over 60%). The activity rate of women is still lower, differing from a factor 3 between Belgium and Hungary on the one hand, Germany and Portugal on the other hand.

The decrease in the participation on the labour market among young people between 15-24 is linked to the longer education paths, the difference is especially evident in Italy where the recent introduction of the reform of higher education shorted the undergraduate degrees from 4/5 years to 3 providing incentive to stay in education long enough to graduate. As for the increase of active population in the age group 45-64, the data are quite homogeneous among the six countries of the SPReW project, due to a general European policy aimed at extending the permanence in the labour market.

Table VI - Average age of exit from the labour force

		BE	DE	FR	IT	HU	PT
Total	2005-2006	60.6	61.9	58.9	60.2	59.8	63.1
	2000-2001	56.8	60.6	58.1	59.8	57.6	61.9
Men	2005-2006	61.6	62.1	58.7	60.5	61.2	62.4
	2000-2001	57.8	60.9	58.2	59.9	58.4	62.3
Women	2005-2006	59.6	61.6	59.1	60.0	58.7	63.8
	2000-2001	55.9	60.4	58.0	59.8	57.0	61.6

Source: LFS EUROSTAT

As the table above shows, the average age of exit is close to 60, except in Portugal where men and women stay longer on the labour market. Concerning the age when retirement is entitlement,

Table VII - Age of entitlement to early retirement pension, 2006

BE	DE	FR	IT	HU	PT
60	63	56	57	varies	55

Source: Our elaboration on LFS EUROSTAT

Despite the debate on the need to increase the retirement age, among the OECD countries Portugal is the only case in which has a significantly higher actual exit age (63.1) despite the early retirement would be allowed since age 55. The second higher actual exit age is in Germany (61.9). By contrast the other countries have earlier average age of exit which confirms that among the reason for low employment rates of older people in Europe there are early retirement schemes, together with social security benefits and disability benefits, used by both employees and employers as exit routes from the workplace (Employment in Europe, 2007).

Flexible working

The data of the Labour Force Survey provided interesting insight into the relation between flexible work and age, particularly flexible work appears specially linked to extreme age groups. Generally speaking flexible work (part time, temporary work, atypical work increased during the past ten years.

Concerning temporary work, its share among young people is particularly important in Germany, France, Portugal and Italy, less in Hungary. This is due to different reasons, from the frequent seasonal work in Italy and Portugal, thought the frequent use of short-term contracts in Germany and France, to the high proportion of young people in interim work in Belgium. It is important to underline that temporary employment account for 50% of young people employment in the two countries where young people employment rate is higher than the average, Germany and Portugal. In Portugal, Italy and France, temporary work results still important in the mid-age group, especially for women.

Part time is unequally distributed among countries and among age groups. It is high in Belgium, Germany and France and very low in Italy and Hungary. It mainly concerns women, especially in the mid-age and older group, in Belgium and Germany, while it is higher for younger women in France, Italy, Portugal. In the latter countries part time seems more linked to precariousness. In Belgium and Germany where institutional arrangements allow (or constrained) older workers to reduce their working time, part time increased among older men in last ten years. In general, between 1996 and 2006 part time increased in all the six countries but France and Portugal. In Hungary it does not constitute a relevant phenomenon of the labour market.

Concerning distribution of atypical working time (shift work and week end work), the proportion of older workers is lower than of other age groups for all forms of atypical working time and in all countries. In Belgium and France, the most service-based economy among the six countries of the SPReW project, there has been a sharp decrease in shift work.

2.3.2 Industrial relations

Trade union density rates, which in the 1970s increased in most developed industrial economies, are now declining, according to a recent analysis. At the same time, union membership levels are **particularly low among young workers**, while a greater proportion of union members currently consists of older and retired workers.

In a study on unionisation in 12 of the EU15 Member States (excluding Portugal, Greece and Luxembourg), union membership resulted rising by 6.8% between 1970 and 2003, while in the same period union density declined by 11.5%. Different trends can be explained by the fact that union membership includes also non-working members. Since union density rate can be considered the best indicator for evaluating union strength and influence and workers appreciation of union policies, these data suggest that the position of unions is actually potentially weaker than what might be ascertained by looking at membership figures alone. Consequently, although the union density rate is twice as high in Europe than it is in the United States, the study notes that these rates ‘may be expected to converge’. It tentatively suggests that there are ‘structural, cyclical and institutional factors at work’ that have contributed to the decline in union density (Visser, 2006).

Factors which have contributed to a reduction in union recruitment and strength in the most European countries, include: international competition with increasing globalisation; rise of service sector employment; slower growth rates combined with a decline in government employment through privatisation; rates of long-term unemployment; use of flexible employment contracts; lower inflation in conjunction with tighter monetary policies. However, legal rules, labour market institutions and other specific institutional factors are connected with higher levels of union density. For example, in some countries – among which Belgium - union involvement in the administration of unemployment insurance contributed to an increase in union density and membership rates. Thus, the accepted presence of unions in the workplace – as for our project, it is the case of Italy and Germany but not, for example, of France - the coordinated nationwide bargaining and the presence of tripartite consultation may also correlate positively with union density.

As seen in the table below, a relevant union density decline affects three on four partner countries (Belgium gets ahead for involvement in insurance administration). We do not have data for Portugal and Hungary.

Table VIII - Trend in union gross* density. Four of our partner countries

* including non-active members

	Belgium	France	Germany	Italy
1975	51,9	21,7	34,6	48,0
1997	52,9	9,9	27,1	36,8

Source: Ebbinghaus and Visser, 2000

Latter Visser's study concludes that one of the most important factor – together with gender – is age: in general, **European unions currently mainly consist of older members** and a sizeable proportion of the reported membership of European trade unions is located outside the employed dependent labour force: some 17.2% of members are retired from the labour market. With regard to young workers, the study shows a decline in union density among these workers. However, the data do not provide enough evidence to determine whether this decline is related to changes in the labour market – such as the growth in flexible and temporary work among young workers, which makes it more difficult for unions to organise these workers – or if it reflects a lower demand for unionisation among younger employees. Either way, however, the data point to union membership being more focused on older than younger workers.

Another study focusing on a European country outside our partnership (Great-Britain), examines union membership profiles over time by age cohort and concludes that successive age cohorts have steadily declining probabilities of being union members (more clear for male cohorts) and that the relationship between age and union participation is due in large part to the changing labour market experiences of cohorts born in later periods (Disney, Golsling, 1998).

3. Synthesis of the six institutional and cultural frameworks

3.1 Belgium

Belgium has an open service-based economy, strongly integrated in the European Union. In 2004, the service sector represents 76.6% of the employment against 2.4% for agriculture and 21% for manufacturing industries. Moreover, due to the constant tertiarisation of the primary and secondary sectors, the majority of new jobs are created in the service sector.

Features provided by the Labour Force Survey (2007) and comparisons based on the evolution of the Belgian demography confirm the constant ageing of the Belgian Population and the centrality of nuclear family. In Belgium, the nuclear family remains the reference for all generations (parents and children: 47.6%; one parent and children: 13.1%). 15.3% of the Belgian live alone, mainly aged women. This is twice more than 30 years ago.

Belgium is characterised by a rather high qualification level of the workforce but also by important regional inequalities; a high unemployment rate; and a low level of investment of the companies in training programmes, particularly for young and low qualified workers. The Flemish Region is a prosperous Region that nearly reaches full employment. The Region of Brussels-Capital is the main pole of the service economy and it attracts an important part of the Belgian workforce. However, this Region has also the highest unemployment rate. The Walloon Region encounters structural difficulties because of the decline of traditional industries.

The permanent full-time contract remains the reference for Belgian workers yet part-time work is above the EU average and it concerns much more women than men. Interim contracts have increasingly become a privileged way to enter the labour market but also to obtain a permanent contract.

The youth insertion in employment is quite fast for a majority of young people but the unemployment rate of young workers remains quite high in comparison with other European Countries. The activity rate of older people is also one of the lowest in Europe. As a consequence, workers aged 25-49 are the core of the active population. To prepare for population ageing and to reach the objectives defined at the Stockholm Summit, the Belgian government has recently launched some reform programmes dedicated to support youth employment and to retain older workers.

About 85% of the workforce is affiliated to trade unions (more than three millions people). However, because unions are involved in the payment of unemployment benefits, many of the members are also unemployed; moreover, a large contingent of members is in early retirement schemes.

3.2 France

As at 1 January 2008, the population of Metropolitan France and its overseas departments was estimated at 63.8 millions inhabitants. Births again exceeded 800,000 in 2007 and the average age of women at maternity rose. The downturn in marriage is continuing, whereas the idea of a civil union is appealing to more and more couples. Stability in the number of deaths makes

it possible to maintain strong natural growth. Within the European Union, France remains in the lead for female fertility and life expectancy. It likewise differs by the high share of the natural balance in total population growth.

In 2007, France's migratory balance was estimated at 71,000, down compared with previous years where it figured at around 100,000 (91,000 in 2006). In 2007, it only represented one fifth of the total population growth, which was principally due to the natural increase. In the majority of European countries, this situation is reversed: where there is population growth this is mainly due to migration.

Concerning participation of different age groups in the labour market, in 2004 people at work aged 50 and over, the seniors, occupied almost one quarter of jobs and one fifth of private salaried employment, as the result of a phase of stabilisation of the working behaviour of seniors that followed the 1975-1995 period characterised by the exclusion of the extremes age groups from the labour market. In these twenty years, due to economical slowdown, the low retirement age spread as a measure to contrast increasing unemployment: the legal retirement age was lowered by law from 65 to 60 in 1983; unemployed over 55 were exempted from finding a new job while receiving benefits, as a result the activity rate for seniors drop from 57% to 46% particularly between 1980 and 1984. Concerning young people, the activity rate of 15 to 29-year olds fell as well as an effect of the longer permanence in education.

By contrast to the 1975-1995 period characterised by a concentration of intermediate age groups in the labour market. It is only starting from 1996 that the activity rate of middle age groups was rebalanced by the participation of young people due the increase of young people working during their studies. At the same time, since the baby-boom generation reached its 50s, from 1996 on also the senior presence in the labour market increased.

Concerning the extreme age groups if it has been noticed that their recruitment is very sensitive to economic conditions, in the last 10 years the phases of positive economic trends have been too short and unemployment too high to be faced, therefore authorities undertook policies to foster employment of senior groups and introduced reforms to keep seniors in employment longer. Yet these reforms had little impact and the restriction in the use of pre-retirement schemes had little effect because often companies apply their own retirement policies notwithstanding the institutional orientation.

Young French people are today facing fragility in employment inherent in their status as beginners. In twenty years, young people have seen the ways in which they can enter the working world deteriorate considerably and their access to stable employment has continued to slow down. A fracture has opened up between age groups in the working world, as if the young – mostly obliged to go from unstable job to precarious employment – were doomed to wait in a long "queue" before having access to the protected jobs reserved for 30 to 55-year olds. Such an extremely harmful model reinforces the differences in living standards between age groups and generations: today the difference in 50-year old workers earned on average more than 30-year olds is 40%, while it was 15% in 1975. It seems that the high level of youth unemployment is largely the result of the profound duality established by the French model between those "inside the system" with access to protected employment and "outcasts" charged with absorbing the flexibility.

Generally speaking French youth suffers enormously from the importance of the country's structural unemployment: for the past twenty years, it has been twice as high as the average

rate of unemployment, itself very high (9.8% of the working population in 2005). Young people who are not qualified or have few qualifications are particularly vulnerable to the risk of unemployment. Concerning the link between education and trajectory in the labour market, women employment is an additional example of the positive link between level of qualification and presence in the labour market. If having/not-having children is the decisive element of the gender divide, it has to be noticed that its effect decrees for women with high education who have more chance and/or greater interest to reconcile work and family life.

However, the high level of youth unemployment, although shocking, is nonetheless an almost general fact: as beginners, the young are everywhere the most vulnerable to unemployment and the “waiting list model” characterises young people entrance in the labour market. Young people are also paying for the adverse effects of our embryonic reforms, which range from the establishment of fixed-term contracts to policies on early cessation of work.

The general adverse situation effects the transition to adulthood: access to economic independence, a first stable job and independent accommodation happened later and later.

3.3 Germany

Germany numbers among the conservative, corporatist welfare states. These states intervene more vigorously, but in most cases temporarily and for state policy reasons. The labour market is characterised by regional and occupational segmentation that frequently overlaps. The most important divide runs between the ‘old’ and ‘new’ federal states.

Demographic, social and cultural challenges overlap: the disappearance of the multi-children family and the high degree of childlessness point to the individual wish for children and its social, economic and cultural embedment. On the one hand, highly qualified training, occupational success and belonging to the top income group in Germany appear to be accessible for many women only if they have no children while, on the other hand, childlessness in Germany is also the result of the lack of a partner or an anticipated insecurity of the partnership.

As in other conservative welfare states, the family policy conditional framework is still geared to the breadwinner model. The tax and social insurance system and the subsidisation of families via transfer payments in a qualitatively and quantitatively poorly developed public care structure and half-day schools foster the male breadwinner model. As far as the system of provision for old age is concerned, there is a risk of imbalance in the ratio between gainfully employed persons paying taxes and social security contributions and retired persons due to low economic growth and high unemployment. In recent years several measures aimed at prolonging actual working life have been agreed upon and implemented. The statutory early retirement arrangement expires in 2009, after that statutory support of early retirement will cease. The legal age limit for normal working life will be raised from 65 at present to 67 as of 2021.

In comparison to other countries young persons at the beginning of their working life in Germany traditionally profit from the dual vocational training system and are more rarely affected by unemployment than their peers in other countries. Company-based training represents the core of the dual vocational training system in Germany. At the end of their working life employees are exposed to higher risks than at middle age. The employment rate of older workers (55 to 64 years of age) is very low. Long-term unemployed persons with

formally low qualifications bear higher labour market risks in Germany than on average in the euro countries. At the end of working life early retirement currently plays a declining, though still a major role.

The most significant difference in industrial relations is the high degree of statutory, juridical legitimisation of collective agreements. Employee co-determination exists at many different levels in Germany. Particularly the co-determination of elected employee representatives in the supervisory boards of large companies has

3.4 Hungary

Generally traditional and conservative values are dominant in Hungarian society regarding gender roles, which limits women's employment in the level of positions available for them, despite a higher proportion of women completing higher education studies. Policies supporting women's employment (part-time or women's return to the labour market after child-birth) are either very scarce or ineffective.

In education, the most important developments of the past years concerned higher education and the vocational training system. With regard to the former, massive expansion took place in the course of which the number of HE students more than tripled in the year after the regime change and as of 2006 the Bologna system was introduced. The vocational education system is also undergoing major reform in an attempt to better match training with labour market demands.

With regard to youth, the most important developments of the past years are the expansion of higher education and a high level of unemployment of young entrants into the labour market. Younger people are given preference in jobs over older people, who often face discrimination in the labour market and very often try to choose early retirement schemes to escape unemployment.

In Hungary minimum wage is exempted from the personal income tax, effectively increasing it by about 15%, as compensation for freezing the minimum wage in 2003 at about 41% of the average national income. Statutory minimum annual paid leave is 20 working days.

Hungary's industrial relations system is characterised by a high level of plurality and a tendency of falling coverage. Trade unions were more active in the past 2 years organising industrial actions related to austerity measures introduced by the government in 2006.

3.5 Italy

As in the rest of Southern European countries, during seventies, eighties and the first half of nineties Italy's labour market has been characterised by strict rules regarding the hiring and the firing of workers and by low availability of flexible employment arrangements. These labour market regulations have been largely responsible until the mid-nineties for the high unemployment rates particularly among women and youth. Recent government policies, and especially flexible and atypical contracts, have greatly changed the company hiring possibilities and are progressively modifying the employment structure. In the meanwhile, as Oecd underlined, thanks to temporary contracts, Italy's unemployment fell to 6.8% (vs 7.9 EU average) (Eurostat, 2007).

In recent years, Italy shows a weak economical performance and the second highest overall debt level in the Oecd countries. Although unemployment is continuing to fall (slowly), the employment rates for both people aged 15-24 and aged 55-64 are among the worst in Europe, confirming an employment and social model still protecting the adult (male) worker.

A first element is the important role of the family in the economy. Italian families are characterised by their readiness to keep their vulnerable (e.g. young unemployed) members at home and support them by means of global family income. According to Istat (2005), 60% young people from 18 to 34 still live with their parents (66% male and 52% female). This form of inter-generation support is such an important social buffer, that it has been said that “the Italian welfare system is largely based on the family and this simultaneously reinforces its role” (Esping Andersen, 1990). Moreover, the importance of the family to the welfare system is also based on the fact that Italian women take on their shoulders most (up to 74%) of the domestic work (Istat 2005). Yet, it is worth to underline that the last aspect is not simply due to the national “familist” costumes, but as well to actual need of family economical support to the younger, given the low wage and the housing problems. The family of origin has a strong importance in the labour market as well: according to a recent survey family and friends networks are more determinant to search for job than more formal or institutional channels (Iard, 2006).

As for young generations, the unemployment fall can be mainly explained by both the increase of schooling and new “flexible” hiring through atypical contracts (mainly temporary jobs, quasi self-employment and self-employment contracts). Self-employment contracts are often preferred by employers also because no legal minimum wage is applied and that is the reason why in Italy the average wage for young workers is particularly low: this situation is leading to a sharp dualisation of labour market, because is doubly difficult for a young worker to enter in stable employment. No unemployment allowance for new entrants is provided by welfare policies, still focussed to employed workers. As for older generations, public administration and large companies’ employees enjoy better salaries, high protection against dismissal and still early retirement opportunities. Anyway, just due to this rigidity, when losing their job old workers have only few opportunities to find a new one and they are likely to meet with the competition of better educated and less paid young workers. The intergenerational conflict remains low, because of the important role of the family in redistribution of income and of a poor representation of young people interest.

The specificity of Italy concerning generations and work can be summarised in the following aspects. There is a dichotomisation between an aged workforce either working in stable jobs, or retired and benefiting of the pension, and a young workforce characterised by low wages and unstable jobs. For this young population the transition from school to work and adulthood is a particularly critical moment as in Italy it is still marked the separation between school and work worlds and the offer of vocational training is very low. Moreover, young people aged 18-34 tend to stay with the family of origin. As for the relation between generations in the labour market, the competition between young and old workers, at least for all the nineties, was won by the older, namely between an experienced and a non-experienced worker the company would have preferred the first (Reyneri, 2002). But recently the trend seems to be different. Young people are “cheaper” than older people; they are often more flexible and very well skilled, therefore they are preferred to the over-45 people. Yet young generation is more exposed to insecurity than old generation, although this, according to Schizzerotto (2002), is not a prerogative of Italy of the new millennium. It was a typical feature of the pre-

second world war and of the phase that preceded the spread of Fordism in Italy at the end of the sixties.

As a consequence of these aspects, a peculiar element of Italy, compared for example to France, is the absence of social conflict despite the presence of unequal distribution between ages of labour protection and benefits. In Italy young generations do not go on the public square to protest against elderly people's privileges and to unveil the disparities of a welfare system shaped on the need of the older. On the contrary they enter the public square together with their parents to protest against projects of reform of the pensions system! This has been explained as a short-term, and short-sight, self-protecting behaviour of children who on the one side live on the pensions of their parents (Ferrera, 2006), and who on the other side hope to be the last lucky ones who will enter the system that protects the insiders (at the cost of increasing social injustice and decreasing social mobility). The overall picture of Italian intergenerational relations has been defined as a kind of "great solidarity with one's children and sharp competition with the children of others" (Boeri, Galasso, 2007).

3.6 Portugal

Portugal has been recently characterised by OECD as a country with low productivity. To deal with the situation, the government tried in the last years to implement a set of reforms in key-areas like health, education and employment. The ageing process of the population has been gaining progressive attention of policy makers and stakeholders due to its impact on the economical and social development. Families tend to be constituted later, the number of children has dropped significantly and the proportion of older citizens tends to increase. The number of children, particularly those in pre-school age, is decreasing significantly. INE's projection for 2050 accentuates that tendency. In 1960 there were 2592 thousands of citizens with less than 15 years old. In 2005 the number dropped to 1644 thousands and the estimation for 2050 is around 1219 thousands (INE, Censos, 2001). On the other hand, the elderly population (>65) continues to grow almost in the inverse proportion. In 1960 the number of senior citizens was 709 thousands, whereas in 2005 the number more than doubled (1810 thousands). By 2050, it is expected that the elder population will be around 2956 thousands – 1320 thousands of men and 1640 thousands of women. Since 1999 the elderly population exceeds the young generations. For that fact contributes the continuous drop of older generation's mortality and, simultaneously, the maintenance of low fecundity rates. The consequence of this *status quo* is felt in the economical, particularly in the labour market, and social spheres influencing the families' composition, the habitation search, the need for healthcare and leisure. In 2005, 58% of the families didn't have any dependent children. The proportion of families with only one child was 24%, with two children was 14% and with three or more children was only 3% (Eurostat, UE Labour Force Survey, spring results, 2005).

The educational system, particularly, has been considered as an obstacle to greater productivity and growth. On the other hand, Portugal has been increasingly overshadowed by lower-cost producers in Central Europe and Asia as a target for foreign direct investment. The budget deficit surged to an all-time high of 6% of GDP in 2005, but the government estimates it at 3% in 2007 - a year ahead of Portugal's targeted schedule - thanks partly to deficit-cutting efforts. Nonetheless, the government faces tough choices in its attempts to enliven Portugal's economic competitiveness while keeping the budget deficit within the European limit - 3% of GDP.

As for the participation in education, during 2003, more than 1,5 million of individuals with at least 15 years old, that is to say 18,7% of the total population, have participated in activities of formal and/or non-formal learning (additional module of the Labour Force Survey about long-life learning, 2003). Young citizens aged 15-24 were those more engaged in formal education, representing 80% of the students. However, it was interesting to note the participation of adults aged more than 34 – 6% of the formal students.

Other important remarks are that 65% of the population in 2003 with age between 25 and 64 haven't completed more than the first six school years, 13% completed the 9th year and only 11,8% and 10,8% completed the secondary and higher levels respectively.

Concerning the labour market regulation, if during the eighties and nineties, the way to deal with the young generations' unemployment was to facilitate or even encourage the anticipation of retirement; currently the employment policies are changing. The employment of older workers has started to be seen as an important variable in the sustainability of Social Security for instance, but it is mostly absent in the media and good practices related with the older generations were not easy to find. In October 2006 an agreement, obtained by the Economic and Social Council - the permanent commission of Social Agreement, took place between the government and social partners, around these new directives about retirement, the calculations of pensions and the protections of long contributing careers. But all of these changes are too recent.

Another major role in the labour market regulation is normally played by unions. In the Portuguese case however this role seems to be weakened since the 1980's. As presented in the quantitative approach report, although there is no systematic, deep and official statistical data concerning unions and affiliation rates to trade unions, one thing is possible to say with a good degree of certainty: the number of union members has been decreasing since the 1980's in almost all activity sectors.

4. Concluding remarks

Cultural and institutional contexts have a relevant impact on at least two aspects that are related to the **issue of intergenerational relations at work**:

- The *social construction of generations* (and their specific features).
- The *character of the relations among generations*, i.e. the balance of power among them, the potential of conflict or of solidarity which they hide.

The first aspect considers the relevance of **institutional factors** like the education system, the family, the labour market regulation, the welfare state model, the type of capitalism in **drawing the boundaries among generations**.

From this point of view, for example, we can observe that almost everywhere in Europe a major protection of labour in the second half of the twentieth century and the maximum of the development of welfare systems in the same period – which consolidated a generation of highly protected, strong and collectively represented labour force - have probably been the origin, after the world petrol crises, the welfare state financial crises and the consequent end of keynesian policies all around Europe, of the coming of a new, more exposed to

unemployment generation of workers at the beginning of the eighties (the so-called X Generation).

Similarly, the increasingly higher participation of women to the labour market in the same period was the reason of a sharp generational transition from a one-career generation to the dual-career generation, with different priorities, aims and needs.

More recently, the necessity of welfare systems to pay pension provisions to a more and more large population rather than spend money in other social directions, together with the impact of the globalisation on Western economies and the increasing preference for flexible labour markets of most European governments, are producing a generation of more precarious, less collectively represented, less socially protected workers (shall we call them the Y Generation?).

The second aspect - the influence of social institutions specifically on the **relations among generations** – is more close to our project purpose. Although the influence, with few differences, has probably been the more or less the same all over Europe, we may have more suggestions for the results of our research considering each country separately. Only in a comparative way, in fact, we can explore specific cultural and social diversities of each environment and the different impact they are producing in the balance of power among generations in the domain of work: job security, quality of working life, wage, career, etc. This evidence will allow us first to highlight at which conditions social conflict among generations – or just simple tensions at workplace – might potentially arise and, secondly, to better understand which institutional environment and policies can, on the contrary, foster a greater solidarity and social cohesion among different age workers.

From this point of view, in each country, indicators to be taken into consideration and policies which can be considered favourable to a good balance between generations and fostering the best generational cohesion are:

- demography trends and policies aimed at keeping *a balanced birth rate over time*, in order to maintain a right equilibrium between the State expenditure for pensions and the social security contribution coming from employed workers (while actual longer life expectancy and low birth rates are changing the old-age dependency ratio and threatening the generational justice towards younger generation);
- employment trends and labour market policies aimed at keeping *a stable activity rate among age cohorts*, both through a balanced flexibility in entries and exits (to prevent the dualisation of the labour market) and incentives aimed at hindering the market trend to prefer central-age more productive workers or at confronting company strategies aimed at dismissal of the more expensive older workers;
- structure of the education system and policies aimed at a better *transition from school to the labour market* for young workers, at increasing the *employability* of the whole workers or at facing *skill obsolescence* of older workers (since all these factors contribute to an equilibrated composition of skill competences among workers of different age);
- dimension and composition of welfare expenditure and policies aimed at a balanced distribution of provisions – both money transfers and services – addressing the *different life cycle needs*: youth unemployment and transition to work, reconciling work and family commitments, supporting layoffs and reduced income, etc.

Yet, also **cultural aspects** are likely to produce a relevant impact on the relations among generations. First of all, the *organisation of the family and its role in the economy*: households management, cohabitation, caring of family members, distribution of employment opportunities, internal redistribution of income:

- a tradition of centrality of the family in the economy, together with poor welfare provisions to young people, compel the families to prolong cohabitation and financial support to their young members (by consequence, both economic autonomy and marriage and procreation time are delayed)
- a culture of centrality of the family in the care-giving, together with little public or market services for families, orient older women workers to renounce to paid work for taking care of their old parents and of their grandchildren

Secondly, *different gender roles in the family and in the parenthood*: they have important consequences, for example on the middle-age female participation in the labour market, on the gender and age distribution of part time jobs, on the company management of career path.

Among other social and institutional factors, one of the most relevant is *industrial relations institutions*: collective bargaining coverage, union membership, trade union presence at the workplace, trade union influence on public opinion:

- high union membership among old workers is likely to condition union policies and collective bargaining towards the maintaining of older workers benefits at workplace (secure employment, seniority rules) and generous social protection, especially the state expenditure for pensions.
- union involvement in the unemployment allowance administration is likely to promote union joining also among young workers.

Given this framework of analysis, we can try to interpret the situation in our countries and also to give a kind of **“measure of the risk” for the social cohesion** coming from possible future conflict among generations.

From the analysis of the different national institutional contexts, major unbalances in the power of the three generations on the labour market resulted:

- In countries where a political economy oriented to liberalisation is prevailing, the *middle generation* (and particularly men) – which is the most productive - is going to be the preferred one by employers. Referring to Albert’s analysis of the variety of capitalism (1991), US and UK – but none of our partners countries – should have the higher probability of this kind of unbalance. Anyway, the increasing reduction of State intervention in the labour market (the so-called “deregulation”) may arise this risk – towards the other generations, of course – also in some of our countries, especially Italy, Portugal and Hungary. In a more creeping way, also in the others.
- Anyway, *mid generation women with family commitments* are especially at risk in those countries where both money transfers and services to families are poor (Italy and Portugal). Whereas in other countries, like Germany and to some extent also France, where relevant transfers to families are provided but public childcare is still scarce, 30-50 years-old women are often compelled to part time working.

- *Younger workers* are likely to be particularly disadvantaged in those countries, where:
 - the state expenditure is more favourable to pensions and/or the unemployment expenditure – which can be considered a proxy of the financial support to younger workers – is particularly low: among our countries, this is especially the case of Italy and of Portugal;
 - during the nineties some flexibilisation of hiring, or an overall deregulation of labour market, has been introduced, which had the consequence of the increase of precarious job especially among youth: this is more or less the case of all our countries, except Germany;
 - the union density is particularly higher in the elder age cohorts (which can be argued by the progressive lowering of unionisation over time), as in Germany and Italy but less in Belgium (where young people still join unions) and in France (where unions are traditionally less strong than elsewhere in Europe, so they have less incentives to protect the only group of older workers). No union data available for Portugal and Hungary.
- By contrast, *younger workers* enjoy more *advantages* in those countries where:
 - the educational and vocational systems – and especially the transition from school to work – are better coordinated: this is the case, first of all of Germany, followed by France and Belgium.
 - youth unemployment allowance is provided: the only country among ours is Belgium that looks as the most supportive one towards the young generation.
- The situation of *older workers* can be observed by two different points of view:
 - as average, at present they don't look particularly at risk in our countries, given the persisting early retirement provisions in most of them (Hungary, Germany, Italy, Belgium; whereas Portugal recently entered a new perspective). So far, this policy succeeded in compensating the loss of skill and related productivity of old workers (together with the promoting youth employment). While, from now on, it is not going to be acceptable both for Lisbon employment rate targets and for the increasing demand of continuing to work coming from old workers and retired people.
 - from an individual point of view, old workers are more at risk of job losses and income reduction in those countries where the natural erosion of their skills is less balanced by continuing vocational training programmes. Among our partners countries, Italy, Portugal and Hungary show the lowest share of participation of 55-64 years old workers in further education in Europe: around 4% vs. the 43% of Sweden (Eurostat, 2005).
- Yet, *future old workers* – the middle generation of nowadays – are likely to be more disadvantaged than the present old generation everywhere, because they will experience the raising of retirement age with its obligations. Anyway, they are expected to be luckier in countries with a more balanced demographical trend and a higher younger employment.
- In the end, the *role of the family* in the re-distribution of the social protection through the substitution of the “external” solidarity among generations with an “internal” one, is well known. Looking at some of our countries – like Italy and Portugal – where a balanced social re-distribution is still lacking, we can just say that it works. Even in containing the

potential conflict among younger and older people. Nevertheless, the price is difficult to be measured!

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