Note from the editor: [observatory]

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In the period November 2009 to May 2010 CLR organised a series of seminars and workshops with a small group of practitioners and academics, dedicated to the consequences of the crisis for the construction industry.

Some of the participants prepared short country reports in order to illustrate what was going on. The reason for this was to come up with an issue of CLR-News. Till 2004 we brought regular country reports in a special issue called “Observatory”. With the contributions available, we thought that this was the moment to pick up that “old tradition”.

Going through the reports, the conclusion must be that there is both convergence and divergence at stake in Europe. All countries have suffered from the crisis and the construction sector has been hit hard. Investment in the sector has seriously decreased and employment figures are way down. However, some countries perform better than others. The crisis hit Spain and Ireland extremely hard at the start, countries that had seen an enormous growth in construction-related activities, partly as a result of property related speculation. As investment in the sector decreased and the rescue operation of the banking sector resulted in a policy of withdrawal instead of investment, the effect of the crisis deepened and became more manifest in other countries. The countries that survived best still have regulatory frames, of labour law and collective agreements, in which workers are protected and treated as stakeholders who keep an industry in good shape. Collective agreements and direct employment relationships are important contributions to a general feeling of justice and fair treatment, also in times of crisis. These regulatory frames are perhaps costly, but they were explicitly built up as anticipative instruments for bad times. Provisions to guarantee continuity in a sector, to maintain social security and to avoid extreme...
poverty don’t need to show evidence in prosperous times.

Austerity programmes, mainly characterised by cuts on public spending and with the aim of reducing state deficits, will lead to very modest perspectives even in time of economic growth. A large part of the sector is dependant on public works and social housing and the “exit” strategies that are proclaimed to get out of the crisis are not very promising for labour. Before the crisis, a rise in the number of atypical contracts and precarious working conditions took place across Europe, with about 19 million working poor in Europe in 2008. In recent years the burden of labour market flexibility was imposed on workers in non-standard employment relations, and especially on young people through the widespread use of atypical and temporary contracts and, as a consequence, easy lay off.

Major trends which have contributed to shaping European labour markets have included the implementation of labour law reforms, seeking to increase the internal and external flexibility of enterprises and administrations, as well as a clear increase in labour recruitment within Europe - with the accession of 12 countries to the EU - and from non-EU countries. Most “exit” strategies include new restrictions on employment protection such as the loosening of mandatory restrictions on dismissals or reform of unemployment and social benefits. The result of this budgetary cost-cutting policy is that crucial social risks are transferred away from governments and employers onto individual citizens and at the expense of the workforce. A dismantling of social insurance and other social protection provision guarantees no improvement in job or income security. Neo-liberal “reform” concepts from a drawing table, based on (theoretical and political) economic ideas and notions, can work out to be very negative. The first indications of economic recovery, whether sustainable or not, have not lead to more direct
labour. In countries that have survived best, new jobs have been created not in the form of direct employment of workers, but by reintroducing various types of flexible contracts. The workforce has taken over the role of the buffer for bad times.

In this issue of CLR-News we have a broad range of contributions. We have national reports from countries that seem to have recovered quite well but also from countries that will suffer for a very long time. Our reports and reviews fit well in the issue as they take up questions such as the function of labour market institutions and the problem for trade unions to formulate adequate responses to the economic crisis in different European countries.

As ever, feel invited to deliver contributions and feedback.

**Announcement**

**Skills and Low Energy Construction**

*symposium*

**Friday 5 November 2010.**

**University of Westminster,**

**Regent Street Board Room, 309 Regent Street, London W1B 2UW**

The requirements to create low carbon buildings relate to all aspects of construction, including design communication, contractual relations, site management and operative skills. The objective of the symposium is to understand how ownership of the whole process can be claimed across occupational and professional barriers in order to make a paradigm shift in the conception of “green buildings” - from niche market to industry standard. The symposium is organized by ProBE (Centre for the Study of the Production of the Built Environment), in association with the European Institute for Construction Labour Research.

**Symposium Programme** see [www.clr-news.org](http://www.clr-news.org) under News.

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