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Employers entrusted to deliver
Sustainability Growth Innovation

European social partners' joint contribution

Report by Andrea Nahles on social dialogue

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This statement takes into account the mandate given by Commissioner Schmit to Andrea Nahles as well as the discussions held during the workshop on 12 November

The European cross-industry and sectoral social partners are committed to a well-functioning European social dialogue.

Four years after the signature of the first ever quadri-partite statement on a new start for social dialogue, this joint contribution of the European social partners takes stock of the progress made. It focuses on the role of the Commission and of Member States to further improve the framework conditions for social dialogue at all appropriate levels, while recalling the founding principle that social dialogue remains the autonomous responsibility of the social partners.

This contribution is elaborated at the end of a year of unprecedented Covid-19 crisis during which social dialogue at all levels, on a tripartite as well as on a bipartite basis, has contributed in an exceptional manner to realistic solutions to mitigate the crisis.

This joint contribution of the European social partners also takes into account that the Commission will in a few months publish an action plan to implement the European pillar of social rights, which will structure the Commission and Member States activities in the coming years.

The European social partners' joint assessment of the quadri-partite statement on a new start for social dialogue is broadly positive. This statement has acted as a catalyser for coordinated progress towards stronger social dialogue at EU and national levels.

The content of the quadri-partite statement remains valid, and therefore there is no need to revise this text. However, some improvements could be made in its implementation. Process-wise it is necessary to ensure regular information exchanges between the Commission, the Council and the social partners with a view to identifying jointly what are the priorities shared by the four partners and what kind of concrete actions are needed.

The European social partners draw the particular attention of the European Commission on the need to meet and discuss with the European social partners to achieve clarity with regard to its decision-making process and actions taken about putting forward EU social partners

agreements to the Council when it is the joint request of the social partners to implement their agreement by a Council decision on proposal from the Commission.

There are five main areas where further progress is needed:

1. Strengthening the identification of broadly shared and consistent social affairs priorities at EU level

It is widely understood that social policy decisions should be taken as closely as possible to the citizens of the Union. On the labour market in particular many decisions are best taken by or as close as possible to the employer and employees concerned.

The subsidiarity and proportionality principles, as enshrined in the Treaty, should remain at the centre of policy orientation. The fact that economic development in the Member States is heterogeneous should also be better accounted for in European debates on the social dimension, to allow for realistic progress in terms of European economic and social convergence.

It also requires to progress towards a shared understanding of what constitutes the European added value in terms of employment and social policies, taking into account the role of social partners at EU and national levels.

Whereas the Commission and the Member States intend to involve the social partners in the implementation of the actions that will be agreed as part of the action plan on the European pillar of social rights, it is essential that the proposed actions reflect a broadly shared agenda that can unite public authorities and social partners at EU and national level.

Joint recommendation: The European social partners call on the European Commission and the Council to propose a new approach to involve at an early stage the EU and national social partners in the identification of priority issues/actions, the related policy instruments, and the EU resources to be mobilised in support of the action plan to implement the European pillar of social rights. There is a need for regular quadri-partite meetings involving the Commission, the Member States and the social partners to regularly discuss social affairs priorities and actions at EU and national levels and take stock of the implementation of the 2016 quadri-partite statement on a new start for social dialogue.

2. Towards more meaningful social partners' consultations by the Commission

The 2016 quadri-partite statement on a new start for social dialogue included the Commission's commitment to endeavour to:

- “promote and improve social dialogue in accordance with article 154 TFEU”;
- “involve social partners in policy- and law-making at Union level, for instance via its consultations with the Union social partners on key initiatives included in its work programme that do not fall under the scope of Articles 153 and 154 TFEU, but which may have significant implications for the social and employment situation”.

These two commitments taken by the European Commission remain fully valid. In the last years, the Treaty-based social partner consultations did not always provide the necessary conditions for a meaningful consultation of the social partners. In this respect, the European social partners stress the importance for the Commission to promote social dialogue solutions, taking into account social partners respective positions.

Moreover, in the last years, the multiplication of issues for social partners hearings and/or other forms of consultations has not always coincided with what the European social partners suggested as priorities for consultations.

Joint recommendation: The European social partners call on the European Commission to better act upon its already taken commitments in the 2016 quadri-partite statement on a new start for social dialogue, as regards social partner involvement in policy- and law-making. In particular, a clearer distinction needs to be made between social partner and public consultations, and improvements are needed as regards social partners' consultations on initiatives which do not fall under the scope of article 153 and 154, but are of particular relevance for social partners. It is the Commission's role to promote the dialogue between social partners, keeping in mind that not just negotiations but also joint recommendations from the social partners are a possibility. To improve awareness and understanding of the role of social dialogue within the Commission and ensure that social partners are timely consulted on all matters that have an impact on growth and employment, and that their autonomy is respected in the domains which are of social partners competence, the Commission should identify a representative responsible for social dialogue coordination in each of its relevant DGs.

3. Improving the functioning and coordination of EU Social Dialogue Committees

The role of cross-industry and sectoral Social Dialogue Committee needs to be improved, with a view to ensuring an effective cooperation between the Commission, the EU cross-industry social partners and the EU sectoral social partners.

Joint recommendation: It is important to improve the functioning of the Commission's Liaison Forum to improve coordination of cross-industry and sectoral social dialogue committees' respective activities, as well as to increase the Commission's awareness of the main results of social partners project activities. The Commission should also secure the necessary resources for an appropriate functioning of the Sectoral Social Dialogue Committees, and respects social partner's autonomy in all committees.

4. Improving social partner involvement in the recovery

The 2016 quadri-partite statement on a new start for social dialogue included the Commission's commitment to endeavour to "enhance the involvement of the Union-level social partners in economic governance and the European semester". And a commitment from the Council to "closely involve the social partners in the design and implementation of relevant reforms and policies, in line with national practices", and "ensure the timely and meaningful involvement of the national social partners, while fully respecting national practices, including through the European semester, in order to contribute to the successful implementation of Country Specific Recommendations (CSRs)".

The European social partners acknowledge the progress made at EU and national levels in a number of Member States. The European cross-industry social partners have themselves scaled up their European semester related activities in the context of their 2019-2021 social dialogue work programme activities to improve the performance of labour markets and social systems.

However, the 2020 social partner consultation meeting on the Annual Sustainable Growth Strategy unfortunately did not allow for a timely consultation of the European social partners following a change of publication date by the Commission from November to September 2020. Furthermore, the situation remains problematic in a number of countries despite the regular discussions held between the concerned Member States, the Commission and the social partners in the context of the Council's Employment Committee.

Finally, the recovery and resilience facility put forward by the Commission is progressively taking shape. Member States are active to prepare their national plans. In this respect, the

Commission's guidance invites Member States to *"outline in the plan how the social partners have been consulted and involved in designing the reforms included in the plan."*

Joint recommendation: *The European social partners call on the Commission to act in the countries where this is needed to ensure that all national governments appropriately involve the national social partners in the preparation of recovery and resilience national plans. They also call on the European Commission to adapt the timing of the social partner consultation on the Annual Sustainable Growth Strategy from 2021 to ensure the meaningful and timely involvement of social partners. In the countries where the social partners are not appropriately involved in the European semester, and those who receive country-specific recommendations on social dialogue without sufficient progress to improve the situation, the Commission and the Council need to agree on appropriate measures with a view to unlocking the situation with the support of the national social partners in the countries concerned.*

5. Time to act to strengthen capacity-building of social partners in the countries and sectors where this is needed

The 2016 quadri-partite statement on a new start for social dialogue included the Commission's commitment to endeavour to *"examine whether the use of European Structural and Investment Funds, notably the European Social Fund, and other relevant EU budget lines, can contribute to strengthening the capacity of national social partners by promoting social dialogue and capacity-building"*. And a commitment from the Council to *"promote the building and strengthening of the capacities of the social partners through different forms of support, including legal and technical expertise. This should be ensured at all relevant levels, depending on the needs of countries and social partners, including to become solid and representative organisations"*.

Since 2016, the European cross-industry social partners have continually engaged with the European Commission, the Member States, and their respective members in the context of the cross-industry Social Dialogue Committee sub-group, with a view to making progress at EU and national levels, notably with respect to the mobilisation of the European social fund for an enhanced capacity-building to social partners in the countries where this is needed. In December 2020, they have concluded an assessment of unmet needs in eight Central and Eastern European Member States: Bulgaria, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia. They have in parallel jointly promoted action by Eurofound in this domain, taking into account both the cross-industry and sectoral dimensions.

Nevertheless, progress has been slow and uneven in improving the situation due to a lack of political will at national levels, and coordination difficulties in the context of the European Social Fund management due to its shared management. Social partners needs for capacity-building have meanwhile become even more pronounced and urgent taking into account the Covid crisis impact on enterprises, public services and workers.

Joint recommendation: *The European social partners call on the European Commission to engage in bilateral discussions with the ESF managing authorities in priority in the nine countries jointly identified by the EU cross-industry social partners. Such bilateral discussions should also take place in other Member States where national social partners agree on the need for capacity-building support, with a view to agreeing with those Member States on an amount of the ESF resources foreseen for the period 2021-2027 to be earmarked for social partners capacity-building support, taking into account the needs that exist both at cross-industry and sectoral levels. These bilateral exchanges should be followed-up in each of these countries by tripartite exchanges between the national governments and the national social partners with a view to reaching an agreement on priority actions for social partners capacity-*

building, including where needed the necessary resources to achieve a better implementation of EU autonomous agreements. To make progress on this, the European social partners call on the European Commission to take stock of the various existing EU financial vehicles which can be mobilised by national and sectoral social partners to this effect (DG EMPL prerogatives lines, European Social Fund). The Commission needs to improve its financial instruments to provide better support to national and sectoral social partners' activities aiming to improve the implementation of EU autonomous social partner agreements.
