

Industrial relations

# Capacity building for effective social dialogue in the European Union





# Capacity building for effective social dialogue in the European Union



European Foundation  
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*Research carried out prior to the UK's withdrawal from the European Union on 31 January 2020, and published subsequently, may include data relating to the 28 EU Member States. Following this date, research only takes into account the 27 EU Member States (EU28 minus the UK), unless specified otherwise.*

*This report presents the results of research conducted prior to the outbreak of COVID-19 in Europe in February 2020. For this reason, the results do not take account of the outbreak.*

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.

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# Acronyms

AEIP	European Association of Paritarian Institutions
AICESIS	International Association of Economic and Social Councils and Similar Institutions
CEEP	European Centre of Employers and Enterprises providing Public Services and Services of General Interest
CSR	Country-specific recommendation
EAEA	European Arts and Entertainment Alliance
EFBWW	European Federation of Building and Woodworkers
EFEE	European Federation for Education Employers
EMCO	Employment Committee
EPSCO	Employment, Social Policy, Health and Consumer Affairs Council
EPSU	European Federation of Public Service Union
ESDA	European Social Dialogue Academy
ESF	European Social Fund
ESSDE	European Sectoral Social Dialogue in Education
ETF	European Transport Workers' Federation
ETUC	European Trade Union Confederation
ETUCE	European Trade Union Committee for Education
ETUI	European Trade Union Institute
EYPA	Employers Young Professionals' Academy
FIEC	European Construction Industry Federation
Hospeem	European Hospital and Healthcare Employers' Association
ILO	International Labour Organization
ITCILO	International Training Centre of the International Labour Organization
OECD	Organisation for Economic Co-operation and Development
Pearle*	Performing Arts Employers Associations League Europe
SME	Small and medium-sized enterprise
UITP	International Association of Public Transport
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
VET	Vocational education and training

# Executive summary

## Introduction

The main objective of this report is to feed into the discussion on how Eurofound can contribute to supporting capacity building of social partners for effective social dialogue. The specific objectives of the report are to present and analyse capacity gaps, needs and issues identified to date; support possible solutions; and put forward policy pointers for further action.

The report has been developed on the basis of a review by Eurofound of its existing work and other sources. The aim of this review was to identify the capacity-building needs and initiatives of social partners in relation to national frameworks for autonomous collective bargaining, the involvement in European social dialogue and the European Semester, and the development of membership and services for members. In 2018 and 2019, Eurofound and its stakeholders identified capacity needs and issues to be addressed, and discussed how the findings of the project could be further used to enhance capacity building for social dialogue at national level.

Bearing in mind that this research was completed before the spread of COVID-19, the report makes a brief reference to the changed context. The research was conducted before the UK left the EU on 31 January 2020. Where relevant, findings are reported for the EU Member States and the UK.

## Policy context

As part of the relaunch of social dialogue, in 2014 the former Commission President Jean-Claude Juncker called for stronger emphasis on the capacity building of national social partners.

In 2015, European cross-industry social partners prepared a joint statement, which they later approved in January 2016. This declaration underlines that there is no blueprint for social dialogue, but it provides guiding principles for social partner involvement at EU level and for improving the functioning and effectiveness of social dialogue and the capacity building of social partners in the Member States.

On 16 June 2016, the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) adopted conclusions, stressing the importance of capacity building of social partners at national and sectoral level. On 27 June 2016, the quadripartite statement 'A new start for social dialogue' was co-signed by European cross-industry social partners, the European Commission and the Dutch Presidency of the Council of the European Union. The document underlines the signatories' commitment to continue to promote the capacity of social partners. Employment Guideline 7, adopted on 16 July 2018, stresses the importance of meaningful involvement of social partners in the design and implementation of social and employment policies, including through support for increased capacity of the social partners.

Principle 8 of the European Pillar of Social Rights states that support for increased capacity of social partners to promote social dialogue should be encouraged. In the *Joint employment report 2019*, adopted by the EPSCO Council on 15 March 2019, the Commission and the Council reiterate that increased capacity should be considered a common denominator for well-performing and effective tripartite social dialogue systems. According to the 2019–2021 work programme of the European cross-industry social partners, capacity-building activities remain a priority. Finally, in January 2020 the new Commission under President Ursula von der Leyen restated its intention to promote social dialogue and collective bargaining and to increase the capacity of the social partners at EU and national levels.

## Key findings

At international and European levels, the report maps and identifies successful examples of capacity building organised by the ILO, the International Training Centre of the ILO and the European Union.

At national level, the mapping exercise identifies the following issues under two overarching areas.

### Structural gaps and barriers:

- weakness of social partners and lack of representativeness and mandate to negotiate
- limited sectoral collective bargaining and low collective bargaining coverage
- limited tripartism and frameworks for effective social dialogue
- lack of social partner autonomy and a dominant role of the state
- lack of trust between social partners, both sides of industry, and governments

### Needs:

- legislative reforms to promote social dialogue and collective bargaining
- supportive role of the state
- increased membership, representativeness and capacity, and mandate to negotiate
- better human resources and development of skills
- better financial resources

## Policy pointers

The context in which this research was undertaken has been changed by the COVID-19 pandemic, with unknown longer-term consequences at the time of writing this report. We have already seen that social dialogue has made some contribution in responding to the crisis. But

it is also clear that there will be consequences for the resources and tools available for capacity building and social dialogue. With this caveat, the following remarks still stand.

The report defines capacity building as the enhancement of skills, abilities and powers of social partners to engage effectively at different levels (EU, national, regional, sectoral, company and establishment) in the following areas:

- social dialogue
- collective bargaining
- (co-)regulating the employment relationship
- tripartite and bipartite consultations
- public policymaking
- influencing public policymaking via advocacy

Social dialogue and well-functioning industrial relations serve the general interest and should be supported by public policy. Further policy pointers identified include the following.

- Attempts to close structural gaps within the national systems of industrial relations should be supported.
- The autonomy of social partners should be respected and reinforced.

- Social partners should be supported in their efforts to increase their membership, representativeness, and capacity to negotiate and implement agreements.
- Bipartite social dialogue is the core of national industrial relations and should be underpinned by supportive legal frameworks.
- Developing expertise of both sides of industry in relation to specific skills should be supported.
- Social partners should invest in building, or, when necessary, rebuilding trust for more effective social dialogue.
- Better linkages between the EU and national levels of industrial relations, including better implementation of European autonomous agreements, would foster more effective social dialogue.
- More awareness-raising campaigns could be undertaken about social dialogue and its potential for improving working conditions and competitiveness.
- Eurofound could further examine and possibly develop dedicated tools to facilitate mutual learning exercises for European social partners' members.



# Introduction

**‘Capacity building must not be considered an end in itself.’**

(Floridi et al, 2009)

In the framework of its 2017–2020 work programme, Eurofound reviewed its existing work and other sources to identify the capacity-building needs and initiatives of social partners in relation to national frameworks for autonomous collective bargaining, the involvement in European social dialogue and the European Semester, and the development of membership and services for members. On this basis, in 2018 Eurofound and its stakeholders identified capacity needs and issues, which were later addressed at the exchange seminars in Riga and Gdansk in 2019. In May 2019, Eurofound invited its European-level social partners to a lunch debate to discuss for the first time the Agency’s comparative work on industrial relations and how its findings and related tools can enhance capacity building for social dialogue at national level.

Following the two exchange seminars, Eurofound was asked to make available its knowledge and expertise to support the capacity building of social partners and contribute to an effective and meaningful social dialogue. One suggestion was to draw on the conceptual framework and the industrial relations index developed by this project, as well as on the key dimensions of industrial relations. This approach allowed Eurofound to identify areas where mutual learning and support could be beneficial.

Bearing in mind that this research was completed before the spread of COVID-19, the report makes a brief reference to the changed context in Chapter 5.

This research was conducted before the United Kingdom (UK) left the EU on 31 January 2020. Where relevant, findings are reported for the EU Member States and the UK (EU27 and the UK). This is in line with Eurostat’s guidelines on publishing statistics after the UK leaves the EU (Eurostat, 2020).

## Objectives

The main aim of this report is to feed into the discussion on how Eurofound can contribute to supporting the capacity building of social partners for effective social dialogue.

The specific objectives of the report are to:

- present and analyse the capacity gaps, needs and issues identified so far
- support possible solutions
- suggest policy pointers for further action

## Method

The method applied to this research project consists of three core elements:

- a literature review of academic publications and documents issued by international and EU institutions, as well as by cross-sectoral and sectoral social partners, on the topic of capacity building
- 28 national reports based on a questionnaire (covering gaps and needs, good practice, policy and academic debate) completed by the Network of Eurofound Correspondents
- expert and stakeholder seminars, organised in 2018 (Brussels) and 2019 (Riga and Gdansk)

## Research questions

This research project addresses several questions.

- What needs for capacity building have emerged from research and other work, or can be identified in social partners’ work and initiatives (activities funded through integrated projects on European social dialogue, the European Social Fund (ESF) and the European Commission’s social dialogue budget lines)?
- Which initiatives constitute good practice and could be the subject of mutual learning?
- Are there any priority topics on capacity building to which Eurofound research could contribute?
- Through what means could Eurofound support exchange and mutual learning to promote capacity building?

## Analytical framework

To guide Eurofound’s network in understanding what constitutes effective social dialogue, the Agency has asked the Network of Eurofound Correspondents to refer to the European Commission’s analytical framework on the functioning and effectiveness of social dialogue (EMCO, 2018). It is also important to stress that this project is about the capacity of national social partners to effectively participate in social dialogue at European, national and sectoral levels, and it does not analyse participation in social dialogue at company level.

Finally, it is important to recall the following in this context:

*As the literature on corporatism emphasized, the capacity of organized interests to complement state governance depended on their institutional set-up, in particular their encompassment: This capacity generally increased with growing degrees of ‘corporatism’.*

(Brandl and Traxler, 2011)



# 1 Background and context

## Relaunch of social dialogue and capacity building

As part of the planned relaunch of social dialogue, the European Commission has been keen to strengthen the capacity building of social partners in the Member States. In 2014, then European Commission President Jean-Claude Juncker was already calling for stronger emphasis on the capacity building of national social partners (European Commission, 2018d).

In 2015, European cross-industry social partners prepared a joint declaration, which was approved at a thematic group meeting in January 2016. As there is no blueprint for social dialogue, the document provides some guiding principles and key messages for different areas about how social partners can be involved at EU level. It also offers a key message to improve the functioning and effectiveness of social dialogue and the capacity building of social partners in the Member States:

*social dialogue requires social partners that are strong, representative, autonomous, mandated and equipped with the capacities needed. Social partners also need to dispose of the institutional settings allowing for their dialogue to take place and to be effective.*

(ETUC et al, 2016)

On 16 June 2016, the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) adopted the Council conclusions, titled *A new start for a strong social dialogue*. The document stresses ‘the importance of capacity-building of social partners at national and sectoral level, which could contribute – amongst other things – to improved representativeness of European social partners in negotiating their agreements’ (Council of the European Union, 2016).

The conclusions also acknowledge the following:

*An effective social dialogue requires social partners that are resilient, representative, autonomous, mandated and equipped with all the capacities needed. Social partners also need institutional settings that allow their dialogue to be effective.*

(Council of the European Union, 2016)

The Council then calls on Member States 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.*

(Council of the European Union, 2016)

Furthermore, the conclusions call on the European Commission to:

*contribute to strengthening the capacity of national social partners by promoting the use of European Structural and Investment Funds, notably the European Social Fund, and other relevant EU budget lines, to support social dialogue and capacity building, and encourage the promotion of knowledge-building on social dialogue and support capacity-building through mutual learning, identification, and exchanges of good practices.*

(Council of the European Union, 2016)

On 27 June 2016, European cross-industry social partners, the European Commission and the Dutch Presidency of the Council of the European Union co-signed the quadripartite statement *A new start for social dialogue*. The document underlines the fundamental role of European social dialogue as a significant component of EU employment and social policymaking. The statement identifies actions to be undertaken by the signatories to further strengthen social dialogue at EU and national levels. All parties underline their commitment to continuing promoting the capacity of social partners (BusinessEurope et al, 2016).

As stated in a recent study commissioned by European cross-sector social partners, ‘There is a lack of reliable and comparable data on the resources made available for social partner capacity building through the ESF. Where such information is available, the amounts allocated tend to be small and calls for projects are only just being issued’ (Weber and Pavlovaite, 2018b). The study further states that ‘the level of resources committed to social partner capacity building is limited and is insufficient to meet expressed needs’. According to the recommendations in the document *Capacity building of social partners and the European Social Fund*, European social partners should identify their concrete needs for capacity-building support; they should also determine the role of the ESF in strengthening social dialogue and supporting better implementation of the outcomes of European social dialogue (ETUC et al, 2018).

Employment Policy Guideline 7, adopted by the Council of the European Union on 16 July 2018, reads as follows:

*Building on existing national practices, and in order to achieve more effective social dialogue and better socioeconomic outcomes, Member States should ensure the timely and meaningful involvement of the social partners in the design and implementation of employment, social and, where relevant, economic reforms and policies, including through support for increased capacity of the social partners. The social partners should be encouraged to negotiate and conclude collective agreements in matters relevant to them, fully respecting their autonomy and the right to collective action.*

(Council of the European Union, 2018)

Principle 8 of the European Pillar of Social Rights states that ‘support for increased capacity of social partners to

promote social dialogue shall be encouraged' (European Commission, undated-e).

In their joint employment report from 2019, the Commission and the Council state:

*While there is no one-size-fits-all model, timely and meaningful involvement of social partners in policy design and implementation, including by providing support for increased capacity of social partners, should be considered as a common denominator for well performing and effective tripartite social dialogue systems. The latter is equally true for bipartite social dialogue.*

(European Commission, 2019a)

According to the 2019–2021 work programme of the European cross-industry social partners:

*Capacity building activities remain a priority for the European social partners. They recognise that in order for the European social dialogue to have a positive impact, much needs to be done to strengthen and support social dialogue at all levels. In line with their commitments in the New Start for Social Dialogue, the European social partners will continue their efforts to better use the European social fund for social partners' capacity building, and support their members, where needed, to achieve better implementation of EU social dialogue outcomes. A subgroup of the social dialogue committee was set up in 2015 on the basis of a two-year mandate to look into the implementation of the outcomes of European social dialogue.*

(ETUC et al, 2019)

Finally, in January 2020 the new European Commission under President Ursula von der Leyen published a communication reaffirming the EU's intention to 'explore ways to promote social dialogue and collective bargaining and increase the capacity of unions and employer organisations at EU and national level' (European Commission, 2020a).

## Definition of capacity building

According to the Organisation for Economic Co-operation and Development (OECD), 'capacity' is understood as the ability of people, organisations and society as a whole to manage their affairs successfully (OECD, 2006). Yet, capacity building is not easily defined. Floridi et al (2009) argue:

*Still, regardless of its increasing importance from the point of view of dialogue and the activities of organisations, there is not, at this point in time, a single, unequivocal definition of the concept of 'capacity building'.*

(Floridi et al, 2009)

Venner agrees that there 'does not appear to be agreement on what is meant by capacity and what it means to develop capacity' (Venner, 2014).<sup>1</sup>

Some organisations and scholars (OECD, 2006; European Commission, 2011b) occasionally prefer to speak of capacity development instead of capacity building, since 'the "building" metaphor suggests a process starting with a plain surface'. In its 2008 brochure *Supporting capacity development: The UNDP approach*, the United Nations Development Programme (UNDP) defines capacity development as 'the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time' (United Nations, 2008). Nevertheless, in the present report Eurofound prefers to use the notion of capacity building, agreed upon by the Agency's tripartite constituents.

According to Venner (2014), the concept of capacity building finds its inception in the early 1970s, where it was used in the context of local US government, fiscal decentralisation and 'new federalism'. The scholar points out that references to capacity building increased slowly in the 1980s but multiplied considerably from the 1990s onwards. In 1991, the UNDP and the International Institute for Hydraulic and Environmental Engineering organised the symposium *A strategy for water sector capacity building* in Delft, the Netherlands (United Nations, 1991). The event delegates defined capacity building as:

- the creation of an enabling environment with appropriate policy and legal frameworks
- institutional development, including community participation (of women in particular)
- human resource development and strengthening of managerial systems

The event participants recognised that capacity building is a long-term continuing process, in which all stakeholders participate – ministries, local authorities, non-governmental organisations, water user groups, professional associations, academics and more.

Finally, the delegates at the UNDP event also agreed that capacity building includes more than just training. It also includes the following.

- **Human resource development:** The process of equipping individuals with the understanding, skills and access to information, knowledge and training that enables them to perform effectively.
- **Organisational development:** The elaboration of management structures, processes and procedures within organisations, but also the management of relationships between the different organisations and sectors (public, private and community).
- **Institutional and legal framework development:** Making legal and regulatory changes to enable organisations, institutions and agencies at all levels and in all sectors to enhance their capacities.

<sup>1</sup> Consequently, Eurofound developed its own definition of capacity building in close cooperation with its tripartite constituents.

Following the 1992 United Nations conference on environment and development, the UN produced the document *Agenda 21*, which states:

*capacity-building encompasses the country's human, scientific, technological, organizational, institutional and resource capabilities. A fundamental goal of*

*capacity-building is to enhance the ability to evaluate and address the crucial questions related to policy choices and modes of implementation among development options, based on an understanding of environment potentials and limits and of needs perceived by the people of the country concerned.*

(UNCED, 1992)

### Box 1: Defining regional industrial policy capacity and capacity building

Denis and Lehoux (2014) define policy capacity as the 'capacity of government and other public actors to plan, develop, implement and evaluate purposeful solutions to collective problems'. In the framework of regional industrial policy, this refers to the ability of governments to react to changing economic environments and opportunities that influence industrial performance.

This study is based on the understanding that regional industrial policy capacity is influenced by four major elements.

- **Degree of autonomy:** The region's ability to influence the setting of policy priorities and their implementation.
- **Availability of resources:** The financial and human resources needed to design and implement policy strategies.
- **Skills and competencies:** The availability of expertise, knowledge and policy intelligence tools that help to identify, design and implement adequate policies and instruments; and the existence and effective use of monitoring and evaluation to adapt and further improve policies and instruments, if required.
- **Strength of coordination and cooperation within regional policy stakeholders:** The ability of regional policy stakeholders to cooperate with each other as well as with other regions and administrative levels in the country or cross-nationally.

Following from that, capacity building is understood as any action that strengthens and further develops human resources (including skills development), organisational arrangements (including cooperation and coordination mechanisms, risk management, multiannual planning and decision support systems), and framework developments (for example, institutional or legal), enabling stakeholders to enhance their capacities (UNCED, 1992; EQUAL, 2006; Pucher et al 2015a, 2015b).

In the context of this report, Eurofound is focusing on social partners' capacities and not those of Member States.

According to the 'Declaration on a new start for a strong social dialogue', social partners can have the following approach to capacity building:

*Capacities of social partners in the Member States can be built through e.g. financial, legal, analytical, institutional and political support. This should be ensured at all levels, depending on the needs of countries and social partners, including to become stable organisations.*

(ETUC et al, 2016)

The declaration assumes that capacity-building initiatives are those that help social partners to increase and/or improve their financial, legal, analytical, institutional and political capacities to do their daily work at any level, whether EU, national, regional, sectoral or company.

The European Commission gives the following definition of capacity building in its report *Industrial relations in Europe 2008*:

*a process of developing organisational, financial and personnel capacities of trade unions and employer organisations and enhancing their contribution to governance on both national and regional levels. Actions to enhance their capacity for social dialogue could consist of training on information, participation and negotiation mechanisms, strengthening the role of social partners in shaping working conditions and the functioning of the labour market, consolidating sectoral structures, improving the link between the national and EU-level social dialogue, assisting the implementation of European social dialogue outcomes and others.*

(European Commission, 2009)

## Box 2: Eurofound definition of capacity building

In line with the above and for the purpose of this report, Eurofound defines **capacity building** as the enhancement of the skills, abilities and powers of social partners to engage effectively at different levels (EU, national, regional, sectoral, company and establishment) in:

- social dialogue
- collective bargaining
- (co-)regulating the employment relationship
- tripartite and bipartite consultations
- public policymaking
- influencing public policymaking via advocacy

Ideally, this enhancement of abilities and powers should lead to an institutional context of stable and sustainable industrial relations of good quality. The 2016 Eurofound study *Mapping key dimensions of industrial relations* defines industrial relations as the collective and individual governance of work and employment (Eurofound, 2016). The report develops a compass for good industrial relations and a conceptual framework for mapping industrial relations, identifying four key dimensions: industrial democracy, industrial competitiveness, social justice and quality of work and employment.

**Industrial democracy:** This refers to the rights of employers and employees to participate in the decision-making defining the employment relationship. The concept acknowledges the autonomy of both sides of industry as collective organisations and their collective capacity to influence decision-making. Industrial democracy plays therefore a central role in Eurofound's conceptual framework, supporting the other three dimensions of industrial relations.

**Industrial competitiveness:** The ability of an economy to achieve a consistently high rate of productivity growth and good performance among its small and medium-sized enterprises (SMEs).

**Social justice:** The fair and non-discriminatory distribution of opportunities and outcomes within a society, in order to strengthen the capabilities of each individual for self-determination and self-realisation.

**Quality of work and employment:** Conditions of work and employment that provide career and employment security, health and well-being, the ability to reconcile working and non-working life, and the opportunity to develop skills over the life course.

The basic tenet of Eurofound's analytical framework is that a balanced and mutually reinforcing pursuit of efficiency (industrial competitiveness) and equity (social justice and quality of work and employment) is the most desirable industrial relations strategy for both employers and employees. The pursuit of a balanced strategy towards sustainable growth and equity requires coordinated efforts among the main actors concerned. To render such a strategy effective, both sides of industry need to develop their collective capacity to influence decision-making (industrial democracy).

In this report, Eurofound focuses on the capacities of social partners at national level and not those of European social partners or the Member States.

## Objectives of capacity building

According to Floridi et al:

*capacity building focuses on the attainment of a concrete objective, even a contribution to the changing of attitudes within the concerned organisations and individuals. In this sense, the capacity building programmes must integrate monitoring and evaluation systems into their results.*

(Floridi et al, 2009)

Capacity-building initiatives for more effective social dialogue should help social partners to improve their membership basis and their human and administrative capacities, promote their process-oriented capacities, and support their organisational development. This report follows this approach.

Table 1: Typical objectives of capacity-building initiatives

Area of activity	Objectives
<b>Organisation-oriented capacities (such as membership, human resources and administrative capacities)</b>	<ul style="list-style-type: none"> <li>○ Set up, maintain or expand a stable membership</li> <li>○ Inform, organise and protect current and potential members</li> <li>○ Provide qualified training and counselling, information and communication for members, partners, management and administrative staff</li> <li>○ Provide and diversify services for members</li> <li>○ Obtain or maintain appropriate equipment</li> <li>○ Adapt organisational structures and work practices according to changing labour markets and the impact of globalisation on industrial relations</li> </ul>
<b>Process-oriented capacities</b>	<ul style="list-style-type: none"> <li>○ Set up structures for social dialogue</li> <li>○ Effectively engage in collective bargaining, social dialogue and dispute resolution</li> <li>○ (Co-)Regulate the employment relationship</li> <li>○ Mobilise members for industrial action</li> <li>○ Participate in policymaking at different levels</li> <li>○ Participate in international cooperation and interregional/cross-border activities</li> <li>○ Engage in advocacy</li> </ul>

Source: National capacity-building initiatives for social partners: Experiences in five EU Member States (Eurofound, 2017b)





## 2 Capacity building at international and EU levels

### ILO and capacity building

The International Labour Organization (ILO) strongly supports the key actors of social dialogue:

*A major focus of the ILO is developing the capacities of its constituents in all aspects of social dialogue. This includes raising awareness of the benefits of social dialogue as a governance tool, building the institutional capacity of the constituents to participate effectively in social dialogue and policy-making, providing necessary training courses, and developing the structures available for bargaining collectively and complying with labour law. To this end, the International Labour Office offers technical assistance to Member States and helps them to build the capacity of their tripartite constituents for effective social dialogue.*

(ILO, 2018a)

This technical assistance includes the following support elements (ILO, 2017):

- support for the creation of national institutions for tripartite or bipartite social dialogue
- support for the ratification and effective implementation of international labour standards on freedom of association, collective bargaining and tripartite consultation

It also includes these additional elements:

- analysis of the functioning, role and impact of national social dialogue institutions
- capacity building of employers' and workers' representatives to participate fully in the consultation process, including strengthening their technical knowledge and negotiation skills
- strengthening the secretariats of national social dialogue institutions through more efficient planning, better staffing structures, improved knowledge resources and databases
- advice to improve the legal and regulatory framework, including the composition, structure, functioning and competencies of the national social dialogue institutions
- sharing of good practices and lessons learnt between Member States
- capacity building of labour administrations to facilitate and participate in social dialogue

The ILO has strengthened its partnerships with the International Association of Economic and Social Councils and Similar Institutions (AICESIS), the European

Commission and Eurofound to enhance the capacity of national social dialogue institutions and actors, and to expand the knowledge base with relation to the 2030 Agenda for Sustainable Development:

*Partnerships with EU institutions (notably Eurofound and the European Commission) have led to joint activities to build the capacities of national social dialogue actors and institutions to expand their knowledge base and facilitate policy dialogues.*  
(ILO, 2018a)

### ITCILO and capacity building

#### Employer component – Employers Young Professionals' Academy

The Employers Young Professionals' Academy (EYPA) is one of the flagship initiatives of the Employers' Activities Programme of the International Training Centre of the International Labour Organization (ITCILO). It is implemented in collaboration with BusinessEurope and with the financial support of the European Union.<sup>2</sup>

The EYPA's objective is to strengthen the capacity of young members of employer and business organisations in three core areas:

- effective representation of the interests of employer organisation members
- engagement with social partners in social dialogue and in dialogue with other relevant stakeholders
- identification of the most relevant channels through which to contribute to economic and social policies

Since 2012, the EYPA has provided tailored and practical training solutions, combining online and face-to-face interactive and practical learning, to over 250 professionals from across Europe. Every edition of the academy reaches out to between 30 and 35 young professionals, mainly from BusinessEurope and member organisations in the EU Member States and candidate countries.

The EYPA's strength lies in its ability to establish a good network of young professionals across European employer and business member organisations, to upskill young and dynamic staff, and to provide a deeper understanding of the role of employers in engaging in social dialogue and negotiations.

The EYPA's positive results were confirmed in an impact evaluation of the first six editions of the academy (2012–2017), where alumni confirmed that the EYPA had contributed to their day-to-day jobs and benefited their organisations (ITCILO and BusinessEurope, 2018).

<sup>2</sup> The information about this project is based on the ITCILO website and input from Sandro Pettineo (Programme Officer Employers' Activities, ITCILO) from 14 April 2020.

## Worker component – European Youth Academy on the Future of Work

The European Youth Academy on the Future of Work was implemented in 2019 by the Workers' Activities Programme of the ITCILO. It was organised in partnership with the European Trade Union Confederation (ETUC) and the European Trade Union Institute (ETUI), with the financial support of the European Union.

With its 94 participants, the project's final conference was probably the largest of its kind. The project involved 113 young participants from national trade union organisations, affiliated to ETUC and to different European trade union federations, from 26 Member States and candidate countries. The project linked the ILO Future of Work Initiative to the topic of youth empowerment and marked the ILO centenary. The specific objective of the academy was to provide young unionists with tools and knowledge on the different drivers that shape the future of work. It also aimed to give them a clear understanding of possible scenarios and a stronger capability to react and respond to the new challenges of the future world of work.

The project implemented several capacity-building activities, including the following.

**Training:** The European Youth Academy on the Future of Work had three phases – preliminary online training, four-day residential academy at the ITCILO, and an online post-academy phase for mentoring and development of national action plans.

**Survey on youth representation in trade unions:** The survey mapped different practices across Europe on youth representation in trade unions.

**Follow-up event:** The European Youth Empowerment Conference hosted 94 young trade unionists and high-level representatives, focusing on the main areas of the future of trade unions, the future of work, climate change, and violence and harassment at the workplace.

Fifteen participants in the 2019 edition of the academy were interviewed at the final event through the ITCILO impact assessment modality 'Application of learning and most significant changes in the participants' behaviour'. In their feedback, they stated that they had acquired significant skills that allowed them to improve their position in their organisation. The interviewees also reported an increased capacity to plan and implement high-quality actions on the different topics presented. All 15 participants observed an increase in their self-confidence and improvement in the quality of their trade union activity. The interviewees confirmed they could convert theory into practice with effective and concrete positive results.

The EU-funded capacity-building projects of the ILO's Bureau for Workers' Activities focus on youth empowerment and are based on several successful collaborations with different partners and target groups.

The pilot project with ETUC was launched in 2016, using the innovative modality of the learning journey across different topics and venues. The majority of the project's participants recognised the impact of this training on their professional and trade union experience. They reported that their acquired leadership skills allowed them to better advocate for young workers' rights, and to emerge beyond trade unions' youth structures with a revitalised capacity for coordination at European level.

## Capacity-building initiatives at EU level

### European cross-industry social partners' integrated projects and the ESF

Since 2004, the four EU cross-sectoral social partner organisations – ETUC, BusinessEurope, CEEP<sup>3</sup> and SMEUnited (formerly known as UEAPME) – have jointly created, developed and run a number of activities under the programme Integrated Projects of the EU Social Dialogue (formerly known as Integrated Programme). Integrated projects include activities, research, expertise work, conferences, seminars, workshops and other types of meetings aiming to mobilise social partners at national and EU levels and to strengthen their cooperation across Member States and candidate countries. The objectives of integrated projects are to foster the effective participation of national social partners in EU social dialogue, as well as to address jointly identified challenges. Over the years, integrated projects have aimed to be a central tool for reinforcing the link between national and European social dialogues, and for identifying relevant issues for EU social partners, sometimes with a clear link to their autonomous work programmes (European Commission, undated-c). Co-financed by the European Commission, the projects take account of European social partners' joint work programmes and contribute to their effective implementation.<sup>4</sup>

In the context of integrated projects and building on previous training and mentoring programmes, in 2014 ETUC established the European Social Dialogue Academy (ESDA). This capacity-building initiative seeks to promote understanding of European social dialogue and to strengthen the link between national and European levels. The ESDA provides for a deeper understanding of the processes and actors involved in EU social dialogue and encourages the development of negotiation skills. Each year, the ESDA welcomes up to 20 trade union representatives from company, sectoral and/or national levels to Brussels for two sessions, with each session lasting three days. Participants receive a comprehensive overview of European social dialogue and the role of trade unions in European policymaking through presentations on policy areas, interactive skills-building sessions, and meetings with different actors and stakeholders (for example, visits to the European Parliament). The ESDA

<sup>3</sup> European Centre of Employers and Enterprises providing Public Services and Services of General Interest (Centre européen des employeurs et entreprises fournissant des services publics).

<sup>4</sup> More information is available from the Employers' Resource Centre <http://erc-online.eu/integrated-projects/> and the ETUC social dialogue resource centre <http://resourcecentre.etuc.org>

therefore plays a fundamental role in reinforcing the capacities of trade unions to engage in European social dialogue and, more generally, in European policymaking.

A stock-taking survey covering projects from 2004 to 2009 was disseminated among national social partners in the Member States and candidate countries. Interviewees stressed the supportive role of these instruments in their daily activities and influence in national policymaking (Voss and Homann, 2011). The survey identified the need for strengthening the capacity and competence of European social dialogue structures, as well as the need for capacity building, mutual learning and exchange of experience between national social dialogue institutions. According to the survey report, numerous respondents from central and eastern Europe emphasised the positive effects and the added value of European social partners' initiatives to strengthen social dialogue and support the capacity-building process.

The most recent cross-industry social partner project, implemented by BusinessEurope, ETUC, CEEP and SMEunited – *The role of the European Social Fund (ESF) in capacity building of social partners* – showed that social partners' needs for capacity building, financed through the ESF, are currently not met in a number of countries (Weber and Pavlovaite, 2018a). In the project's final report, the social partners presented proposals on how to improve ESF support in the next programming period. ESF-supported social partner capacity-building projects can be roughly divided in two categories.

- **Projects providing direct support to capacity building through research, training, networking and joint activities:** These aim to allow social partners to fulfil their role as partners in collective bargaining but can also include technical assistance projects aimed at building specific capacity among social partners involved in the governance process of the ESF.
- **Projects providing indirect support to the capacity building of social partners:** These allow social partners to deepen their work in specific policy areas, such as health and safety, digitalisation and lifelong learning.

The report also highlights that the capacity-building needs of social partners vary between countries, based on established industrial relations systems and linked organisational structures and strengths.

Finally, the 2019–2021 autonomous work programme of the European social partners confirms that capacity-building activities remain one of their priorities (ETUC et al, 2019). Within its renewed mandate, a subgroup of the Social Dialogue Committee will look into the issue of capacity building through new integrated projects and into ad hoc social dialogue activities between 2019 and 2020, which will be financially supported by a specific European Commission budget line, as described in the next section (European Commission, 2019c).

## European Commission support to social dialogue and capacity building

The European Commission has provided financial support to transnational projects, carried out by social partners and other active organisations in the field of industrial relations, through three social dialogue budget lines:

- information and training measures for workers' organisations
- industrial relations and social dialogue
- information, consultation and participation of representatives of undertakings

The aim of these EU-funded activities is to promote European social dialogue at cross-industry and sectoral levels, as well as at company level. The first two budget lines are considered key sources of funding for European social partners to develop their autonomous joint action and to respond to Commission consultations and initiatives through capacity-building activities (European Commission, undated-c). In addition to a direct grant to the ITCILO for capacity-building activities, the Commission signed a multiannual framework partnership agreement with the ETUI and the European Centre for Workers' Questions in 2006, 2010, 2014 and 2018. The agreement includes operating grants aiming to facilitate capacity building through training and research at European level, and to improve the degree of involvement of workers' representatives in European governance (European Commission, 2018a).

The call for proposals for projects to be financed by the social dialogue budget lines are issued yearly. They may differ slightly from one year to another depending on the annual priorities and topics of relevance. For example, the call for proposals 'Information and training measures for workers' organisation', published in March 2020, included some new topics for candidate projects, such as employment in SMEs, new forms of work and artificial intelligence. It also explicitly welcomed projects aiming to strengthen collective bargaining.

This report presents selected projects financed by the Commission's budget lines that support social dialogue and the capacity building of social partners.<sup>5</sup> The analysis and evaluation of these projects are beyond the scope of this report. Therefore, the descriptions of the selected call for proposals and related projects serve as examples of the capacity-building activities that have been implemented over the last few years by sectoral and cross-sectoral social partners, international organisations and academia. The report also presents some interesting sector-related capacity-building projects, financed by the Commission's budget line 'Industrial relations and social dialogue'.

All these projects have been carried out jointly by EU social partners in the areas of construction, education, hospitals, live performance and transport. The projects have been selected based on the following criteria:

- they are very recent or ongoing
- they build on results of previous capacity-building projects

<sup>5</sup> Unless stated otherwise, the project descriptions are based on information available on the Commission's and beneficiaries' websites.

- they provide key findings and recommendations
- they have available project-related information

### Support for social dialogue

The ‘Support for social dialogue’ call for proposals finances consultations, meetings, negotiations and other actions of social partners, including integrated projects of European social partners, such as the one reported on in the previous section. Actions are expected to contribute to the priorities and activities of European social dialogue, which the call for proposals VP/2020/001 defines as ‘discussions, consultations, negotiations and joint actions involving organisations representing either side of industry (employers and workers)’ (European Commission, 2020b).

The call for proposals relates to Principle 8 of the European Pillar of Social Rights – Social dialogue and involvement of workers – and has three main objectives:

- develop European social dialogue at sectoral and cross-industry levels in its different dimensions of information exchange, consultation, negotiation and joint action
- increase awareness of European social dialogue and improve the capacity to participate in it
- improve the preparation, monitoring, follow-up and/or implementation of joint texts agreed at sectoral and cross-industry levels

The call for proposals emphasises the following objectives:

- strengthen the involvement of social partners in the European Semester and enhance their contribution to EU policymaking
- further develop and strengthen the membership of EU social partner organisations
- build and reinforce the capacity of national (cross-industry and/or sectoral) social partners to engage in national and EU social dialogue

The last objective refers in particular to those Member States where social dialogue is underdeveloped. It includes information and training seminars, aimed at developing legal expertise and organisational/administrative skills, as well as expanding membership and representativeness.

The CEEP project ‘Social services in EU cross-industry social dialogue: Towards a strong and deeper involvement’ was selected and funded under the 2017 call for proposals and ran 2018–2019.<sup>6</sup> The project built on previous efforts undertaken by CEEP to foster an EU network of social service employers. The aim of this project was to provide a better understanding of how social dialogue is organised in social services with regard to the key actors involved – employees and trade unions on the one hand, and employer organisations on the other.

Building on previous CEEP research on the topic, the project focused on six countries: Bulgaria, Cyprus, Hungary, Lithuania, Malta and Romania. CEEP carried

out desk research and 60 face-to-face and telephone interviews with national stakeholders (representatives of national ministries responsible for social services, employer organisations and associations). The project also included a questionnaire-based survey aimed at gathering primary data from relevant employer organisations and associations in social services of general interest. As a result, CEEP identified more than 130 organisations and associations in the six countries. In addition, the project organised three round table meetings with its partner organisations: the Union of Employers in the Social Economy in France (Union des employeurs de l’économie sociale et solidaire, UDES), the Union of Social Profit Enterprises (Unisoc) in Belgium, and the Association of Local Authorities in Lithuania (ALAL). The final report, *Social services and their representation in social dialogue in Bulgaria, Cyprus, Hungary, Lithuania, Malta and Romania*, and a short political report, translated into five languages (Bulgarian, French, Hungarian, Lithuanian and Romanian), were disseminated at the final project conference in Brussels on 21 November 2019 (CEEP, 2019; CEEP undated).

At the conference, the project representatives presented key conclusions and some CEEP recommendations to support the development of a collective voice of social services of general interest at EU and national levels.

- The structure of private (not-for-profit and for-profit) providers of social services of general interest is fragmented, and the project observed a general lack of representative voice and involvement in social dialogue and collective bargaining.
- The situation in the targeted countries is in contrast to the situation in Belgium and France, where social partners’ strong role is the result of the existence of employer organisations and their integration into the national system of social dialogue and collective bargaining.
- The examples from Belgium and France also show the important and enabling role of the state in providing a suitable framework for social services of general interest.
- The European Commission should highlight the important contribution of social services of general interest to the development of active citizenship and common good, the promotion of the European social model, and to social and labour market inclusion.
- The following elements should be actively highlighted and promoted: the added value of social dialogue and the representation of social services of general interest in national tripartite and bipartite social dialogue and collective bargaining for achieving positive outcomes; improving the image of the sectors and making them fit to respond to the many future social, societal and other challenges.
- The development of employer organisations related to social services of general interest should be actively

<sup>6</sup> Information about this project is based on input from CEEP Project Manager Carlotta Astori from 17 October 2019, and on data gathered at the closing conference of the project on 21 November 2019.

promoted by EU-level and national-level political actors, as well as by cross-sectoral social partners.

### Information and training measures for workers' organisations

The call for proposals 'Information and training measures for workers' organisations' is used for financing conferences, seminars, round tables, studies, surveys, publications, training courses, development of training tools, the setting up of networks, and the development and exchange of best practices. It also relates to Principle 8 of the European Pillar of Social Rights and has two main objectives.

- **Stronger contribution by worker organisations:** This applies to the overarching challenges facing European employment and social policy to address the consequences of the economic crisis, in the context of the Europe 2020 Strategy and EU initiatives. The contexts of increasing involvement of social partners in the European Semester process and the European Pillar of Social Rights are also considered.
- **Improved skills for workers' representatives:** This includes skills for participation in European social dialogue, better understanding of issues discussed in European social dialogue, sharing of ideas and experience on European social dialogue, as well as improving the capacity of worker organisations.

The 2020 call for proposals (VP/2020/002) was published in March 2020. It reiterates its main objective of strengthening the capacity of worker organisations to address the employment and social dialogue challenges identified in the previous version of the call for proposals.<sup>7</sup> It also aims to address some new challenges: employment in SMEs, new forms of work and artificial intelligence, and sustainability and transition to a climate-neutral economy. The strengthening of collective bargaining is highlighted as one of the important expected outcomes of the projects, together with strengthening the involvement of social partners in the European Semester and enhancing their contribution to EU policymaking.

The ETUC project 'Capacity building for strengthening collective bargaining' was selected and funded under the 2017 call for proposals (VP/2017/002) and carried out in 2018–2019. The general aim of this project was to strengthen cross-sectoral and sectoral collective bargaining throughout Europe, by building the capacities of trade unions and providing them with concrete support and tools for overcoming the challenges they are currently facing at national level.

More specifically, the project had three objectives.

- Strengthen cross-sectoral and sectoral collective bargaining throughout Europe by developing a common and EU-wide strategy.

- Develop cross-sectoral and sectoral collective bargaining in countries where it is weak or close to non-existent (specifically through building the capacities of trade union officials in charge of political decisions, social dialogue and collective bargaining), and provide support for developing an enabling framework for cross-sectoral and sectoral collective bargaining at national level.
- Provide support for establishing a constructive dialogue with national governments and employer organisations by organising high-level discussions and support for follow-up activities.

These objectives were supported by a high-level conference – *A new start for collective bargaining in Europe* – that was held in Bucharest in June 2019 (Romanian Presidency of the Council of the European Union, 2019). The conference was co-organised by the Romanian Ministry of Labour and ETUC in the context of Romania holding the rotating Presidency of the Council of the European Union. The conference brought together social partners and governments to discuss how to better support collective bargaining. It provided a platform for EU governments and national social partners to better understand the added value of collective bargaining, and to move towards a European framework initiative, such as a European partnership, including a possible legal initiative.

This project also directly supported the capacity-building efforts of social partners through study visits, workshops and seminars on issues such as transnational negotiations with multinational companies, skills funds in collective agreements, and specific sectoral challenges for collective bargaining at national and European levels. These actions contributed to a deeper understanding of the capacity-building needs for collective bargaining at both cross-industry and sectoral levels.

### Improving expertise in the field of industrial relations

The call for proposals 'Improving expertise in the field of industrial relations' is used for financing research activities on industrial relations and social dialogue (such as studies, surveys and other forms of data collection, monitoring exercises, and action research) and actions to disseminate findings in publications, round tables, seminars, conferences, training measures and training tools. Therefore, it has two main objectives.

- Promote analysis and research in the field of industrial relations
- Promote the exchange of information and experience among the parties actively involved in industrial relations, in order to contribute to developing and reinforcing industrial relations structures in Europe

The overarching objective of the 2019 version of the call was to improve expertise and knowledge on industrial relations through analysis and research at EU level, as

<sup>7</sup> These challenges include the modernisation of the labour market, job creation and job matching, quality of work, anticipation, preparation and management of change and restructuring, digitalisation of the economy and society, the greening of the economy, flexicurity, skills, intra-EU labour mobility, migration, youth employment, health and safety at work, modernisation of social protection systems, reconciliation of work and family life, gender equality, action in the field of anti-discrimination, active ageing, healthier and longer working lives, active inclusion, and decent work.

well as in comparative terms (identifying convergences and differences in the industrial relations systems in the Member States and candidate countries). The call would thereby contribute to developing and reinforcing quality and effectiveness of industrial relations structures and processes in the Member States and in Europe as a whole.

This joint ILO and European Commission project ‘Enhancing social partners’ and social dialogue’s roles and capacity in the new world of work’ was carried out in 2019 in collaboration with the University of Salamanca. The project was selected and funded under the 2017 call for proposals (VP/2017/004).

This project built on earlier collaboration between the ILO and the European Commission in the field of industrial relations and social dialogue. It took a longer-term perspective with a view to strengthening social partners’ knowledge of long-term trends in the changing world of work, notably by facilitating mutual learning between them. The project’s aims included the following.

- Help social partners do a self-assessment of their needs.
- Identify the role and capacity of social dialogue and industrial relations in addressing transformations of the new world of work and in facing the following proposed four major challenges: digitalisation/robotisation; the emergence of non-standard forms of employment and interruption of career along working life; the development of outsourcing and subcontracting along supply chains; and development of the silver economy while ensuring intergenerational solidarity.
- Ensure the necessary training and capacity building for social dialogue actors that will help them to address the challenges ahead through effective policy concertation and dialogue.

The project sought to identify the many good practices of social dialogue that are emerging in various countries, as well as the actions of public authorities aimed at enhancing the role of social dialogue (including collective bargaining) in tackling the challenges and opportunities in the new world of work. It also aimed to support the autonomy of the social partners.

The project covered 34 countries (Member States, candidate countries and potential candidate countries), involving social partners in all stages of the project’s design and implementation. They selected the following main research topics:

- strengthening social partners’ representativeness and increasing their institutional capacity to shape labour markets through social dialogue and consultation
- supporting social partner autonomy
- the role of social partners in relation to digitalisation

The extensive national- and thematic-based research was complemented by a survey carried out among national social partners in selected European countries. The survey aimed to collect social partners’ opinions about the role, effectiveness and impact of national social dialogue institutions, including their capacity to stimulate autonomous social dialogue and to respond to the current and future challenges and opportunities brought about by the changing world of work.

The project results were discussed at the Joint EC–ILO conference, held on 3 March 2020. At the conference, project representatives presented several key findings.

- Topics originally selected by the social partners turned out to be at the core of their current priorities.
- Survey results confirmed the mixed feedback received by social partners about their national social dialogue institutions, and more generally about the role played by governments in encouraging autonomous social dialogue and enhancing their participation in decision-making.
- Social partners confirmed the need for sufficient space for autonomous social dialogue.
- Governments could promote autonomous social dialogue and collective bargaining by transposing the legislation or other policy measures of bipartite agreements concluded by social partners.
- The representation of new groups of workers related to the digital revolution (freelancers, dependent self-employed, subcontracted workers) remains a topical issue, while both sides of industry try to put new mechanisms in place to reach them.
- In a number of countries, social partners reported a number of other issues on which they try to focus their actions, such as migration, and how to employ migrant workers while ensuring decent wages and working conditions.
- Social partners confirmed the need for social dialogue institutions to be more inclusive and reflect the interests and concerns of all groups of workers and employers in the labour market.

### Industrial relations and social dialogue

The ‘Industrial relations and social dialogue’ budget line has financed many specific sector-related capacity-building projects over the years. This report presents some of the more recent ones.

#### *Construction sector*

The project ‘Towards a new start of industrial relations in construction in central and east European countries’ was carried out by the European Federation of Building and Woodworkers (EFBWW), the European Construction Industry Federation (FIEC) and the European Association of Paritarian Institutions (AEIP).<sup>8</sup>

<sup>8</sup> The information about this project is based on presentations by social partners (EFBWW and FIEC) at the Eurofound stakeholder meeting on capacity building for effective social dialogue, held on 25 October 2018 in Brussels; the EFBWW 2018 tender specifications for subcontracting; input from Christine Le Forestier, Director Social Affairs (FIEC), from 16 October 2019; and the information from the EFBWW and FIEC websites as of April 2020.

Over the last 10 years, the EFBWW, the FIEC and the AEIP have implemented several projects targeting social partners in the construction sector in central and eastern European countries. The projects address paritarian social funds and issues such as health and safety, vocational educational training and pensions schemes. Unfortunately, it seems that little progress has been made so far in terms of achievement, follow-up and implementation of such initiatives by the concerned national social partners. At the same time, very little progress has been made to strengthen the capacity of both trade union and employer representatives in industrial relations.

This situation is seen as a threat to the development of a long-term sustainable industrial policy system in the construction industry, which faces many challenges, such as the greening of the economy, building a fair level playing field, attracting new workers, and ensuring high occupational safety and health standards. These transitions can only take place if there is a genuine and effective system of industrial relations.

In this context, the EFBWW, the FIEC and the AEIP set up a project in 2018 that did not aim to look at the past (causes and reasons), but instead focused on the future (challenges and opportunities) to build and strengthen a system of properly functioning industrial relations in the construction industry in central and eastern European countries. The project aimed at creating a stronger added value for the concerned organisations in the region, and strengthening the capacity of trade unions and the employer federations to enter in negotiations in a system of industrial relations.

The objectives of this two-year project were to:

- involve social partners' respective members in joint and separate capacity-building actions and projects aimed at promoting sectoral social dialogue, as well as their outcomes and actions, at all levels
- assess the needs for further actions in sectoral social dialogues in the construction industry to reach out to affiliates in the Member States not yet covered
- improve membership and representativeness of both trade unions and employer organisations
- ensure that there is capacity to enter into agreements with an appropriate mandate

The initial action focused on the following countries: Albania, Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Montenegro, North Macedonia, Poland, Serbia, Slovakia, Slovenia, Romania and Turkey.

In the first phase of the project (2018), a mapping exercise of the construction industry in central and eastern European countries provided an up-to-date picture of the national systems of industrial relations in the region. Following a SWOT (strengths, weaknesses, opportunities and threats) analysis of each target country, two regional

conferences were held to discuss the state of play and the SWOT analysis results.

The project identified the main common social partner priorities for effective social dialogue in the construction sector:

- health and safety (need for sharing best practices and methods to improve occupational health and safety measures)
- vocational education and training (VET) (lack of adequate training to attract workers in the construction industry)
- undeclared work (provide studies on the advantages of eliminating undeclared work and creating a level playing field)
- help/advice for members and recruitment of new members

The second phase of the project (2019) included four thematic seminars on the priorities identified in the first phase:

- Improving external and internal communication and attracting new members (Riga, March 2019)
- Implementing social paritarian funds in the construction industry (Bucharest, September 2019)
- Promoting good practices in public procurement (i.e. awarding the contract to the most economically advantageous tender) (Prague, October 2019)
- Organising communication campaigns on health and safety (Warsaw, January 2020)

At the end of the second project year, a one-day evaluation seminar was held, linked to a meeting of the European Sectoral Social Dialogue Committee. The aim of the seminar was to discuss how to strengthen the capacity of national social partners to be more involved within the respective European federations and the European Sectoral Social Dialogue Committee of the construction industry. This included discussions on European policy mechanisms, such as the European Semester and the Europe 2020 Strategy. At the time of writing of this report, the project's results were not yet available.

#### *Education sector*

The project 'European sectoral social partners in education striving for sustainable influence on European education policy building through successful social dialogue: The ESSDE capacity building project III' was carried out by the European Trade Union Committee for Education (ETUCE) and the European Federation for Education Employers (EFEE).<sup>9</sup>

This two-year project (2017–2018) wrapped up five years of national and European social dialogue capacity-building activities, jointly undertaken by the ETUCE and the EFEE. The promotion of social dialogue has been defined as a continuous task in the work programmes of the European

<sup>9</sup> The information about the three phases of this project is based on data from the ETUCE website, and presentations by the ETUCE and the EFEE at the Eurofound stakeholder meeting on capacity building for effective social dialogue, held on 25 October 2018 in Brussels.

Sectoral Social Dialogue in Education (ESSDE) since its launch in 2010.

The initial 2013–2014 project, ‘Promoting the potentials of the European sectoral social dialogue in education by addressing new challenges and exploring experience and knowledge’, included research on the ESSDE and six round table discussions between ESSDE delegates, organised in five newer Member States (Croatia, Lithuania, Romania, Slovakia and Slovenia) and one candidate country (Montenegro). The project conducted an online survey for ETUCE affiliates and ESSDE plenary delegates of the 27 EU Member States and the UK, followed by interviews with ESSDE delegates from Finland, the Netherlands, Portugal and Slovenia. The objective was to map the national affiliates’ current topics of interest, actions and organisation, to assess their knowledge of the European social dialogue in place, and to identify their needs and expectations towards the ETUCE and European social dialogue. The issues related to employment, remuneration and social protection, and job security were at the top of affiliates’ list of expectations towards the ESSDE. In addition, issues related to working conditions, job quality, workers’ health and job sustainability in the education sector were also identified as important. While the work undertaken within the ESSDE was largely viewed as positive, survey findings showed that there was a demand for increased exchange and sharing of experience, good practice, and solutions to problems (ETUCE and EFEE, 2014).

Drawing on the results above, the 2014–2016 project ‘European sectoral social partners in education promoting the potentials of their dialogue through knowledge transfer and training: The ESSDE capacity building project II’ focused on seven Member States (Bulgaria, Cyprus, Estonia, Hungary, Latvia, Poland and Spain) and one candidate country (Serbia). The discussions during the different round tables focused on trying to determine good practice in the sector and how existing practices could be enhanced (ETUCE and EFEE, 2016a). Three factors were identified to shape effective social dialogue: communication, capacity building and engagement. The joint EFEE and ETUCE statement, adopted in November 2016, highlighted the following.

*The joint capacity building actions aim to develop a strong and efficient social dialogue for the benefit of people working in education institutions at all education levels as well as for the benefit of pupils and students. Acknowledging the common challenge to promote social dialogue based on strong social partnership, EFEE and ETUCE agreed to focus specifically on enhancing the capacity of social partners in those countries with a weaker tradition of social dialogue, and/or where social dialogue in education had increasingly come under pressure, as a result of the economic crisis.*

(ETUCE and EFEE, 2016b)

The 2017–2018 project, ‘European sectoral social partners in education striving for sustainable influence on European education policy building through successful social dialogue: The ESSDE capacity building project III’, brought

together European and national social partners from 20 countries: Bulgaria, Croatia, Cyprus, Denmark, Estonia, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia and Spain. They discussed topics from the ESSDE work programme that were relevant to their national contexts. The debates identified the following policy outcomes of national and European interests, which needed to be further addressed:

- attractiveness of the teaching profession
- support to teachers, trainers and school leaders
- occupational health and safety
- equity and equality

The discussions made it clear that the need for capacity building and regular sharing of information from the bottom up and from the top down remains a high priority. Participants repeatedly emphasised trust as a key element, and the importance of regular exchange to build this trust.

ESSDE social partners, the ETUCE and the EFEE are committed to supporting capacity building not just through the implementation of these projects, but also through the organisation of working groups on specific subjects and other project-based activities that reflect common concerns (ETUCE and EFEE, 2018).

#### *Hospital sector*

The European Hospital and Healthcare Employers’ Association (Hospeem) and the European Federation of Public Service Union (EPSU) conducted two projects in 2008 and 2011, targeted at capacity building.<sup>10</sup>

The 2008 project ‘Strengthening social dialogue in the hospital sector in the new Member States and candidate countries’ had a particular focus on Czechia and Slovakia. The project partners produced a national overview report and a detailed report (EPSU and Hospeem, 2008). The outcomes of the project showed the added value of such capacity-building exercise and the learning added value that can be achieved by the transnational sharing of experiences.

The research showed that social partners in the hospital sector in the targeted Member States have common concerns and share important experiences from existing practices. This mutual learning forms an important part of the European social dialogue process. Building on these results, the project ‘Strengthening social dialogue in the hospital sector in the Baltic countries’ had a particular focus on Estonia, Latvia and Lithuania. The project, run jointly by national social partners from Austria, Denmark, Finland and Sweden, resulted in the *Riga declaration on strengthening social dialogue in the health care sector in the Baltic countries* and a project report (Hospeem, 2011). Recruitment and retention were identified as important issues, particularly as the sector faces challenges in attracting healthcare professionals. Other issues included wage and working time regulations. National social partners expressed their concern about the migration of

<sup>10</sup> The information about these projects is based on data from the Hospeem and EPSU websites, and input from Hospeem Policy Officer Simone Mohrs and EPSU Policy Officer Mathias Maucher from 14 October 2019.



healthcare workers to countries in western and northern Europe, as well as about the then-forthcoming key reforms in the healthcare sector. Shifting the focus from hospital based to primary care would equally bring changes in training and skills requirements. National social partners highlighted the important role of social dialogue in shaping such developments.

‘Strengthening social dialogue in the hospital sector in the east, south and central Europe’ is a joint project in the field of sectoral social dialogue capacity building that was launched in the beginning of 2019. This 2019–2020 project aims to provide an appropriate framework to continue addressing the capacity-building needs of social partners. The work will serve to help build the capacity of social partners in the hospital sector in 14 targeted countries (Bulgaria, Croatia, Cyprus, Czechia, Greece, Hungary, Italy, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain) by exchanging and collecting relevant topics and priorities in view of EU-level sectoral social dialogue. The project aims to identify core priorities and outcomes of the sectoral dialogue between EPSU and Hospeem for the three targeted regions. It also seeks to feed social dialogue interests and important topics into the Sectoral Social Dialogue Committee for the Hospital and Healthcare Sector in a bottom-up process to support capacity building. Project outcomes are expected by the end of 2020 (EPSU, 2019; Hospeem, 2019).

These capacity-building projects are supportive tools for creating and developing an enabling social and political environment aimed at improving social dialogue structures at national level and strengthening the cooperation with European institutions and agencies at EU level. The existence of independent employer organisations, which are still lacking in certain EU countries due to historical and organisational national structures, is the prerequisite for well-functioning relations with trade unions, and therefore an efficient social dialogue at national and EU levels. This is especially true in the context of implementing the principles of the European Pillar of Social Rights, including a reinforced social aspect within the European Semester.

#### *Live performance sector*

In February 2019, the European Arts and Entertainment Alliance (EAEA) and the Performing Arts Employers Associations League Europe (Pearle\*) launched the project ‘Mapping the situation of social dialogue in the commercial live performance sector’.<sup>11</sup> Its aim is to map and assess the situation of social dialogue in the commercial live performance sector. The project is financed by the budget line ‘Support for social dialogue’.

In the past, the European social partners in the live performance sector have addressed the challenge of enhancing social dialogue in Member States through several joint projects. Their previous joint work focused on the public sector, especially in central and eastern Europe. This is why the European social partners have now agreed

to map and assess the situation in the commercial sector, which remains largely unmapped in a significant number of EU countries, particularly in central and eastern Europe. This project will focus on Bulgaria, Czechia, Poland, Romania and Serbia.

As underlined in the EAEA–Pearle\* joint paper on the prime role of culture and arts in society, public funding and the primary role of state support are key for the live performance sector. In many EU countries, cultural institutions are either fully publicly funded or combine funds from public and private sources. There are very few examples in central and eastern Europe in which public and private money are combined to sustain cultural institutions or undertakings. On the contrary, there is a clear distinction between public and private sectors. Information on how the commercial side of this sector is set up is lacking in most of the countries from central and eastern Europe. According to the EAEA, employers are not very well organised in the commercial sector of these countries and they do not easily reach out to workers involved in it. Therefore, social dialogue is believed to be at a very low level, and the cultural ministers have very little statistical and qualitative information about the role played by social partners in the live performance sector of their respective countries (EAEA and Pearle\*, 2016).

The aim of the project is to identify key players in the commercial sector and to research the state of social dialogue in the commercial live performance sector in these countries.

#### *Transport sector*

The project ‘Social dialogue in the urban public transport sector in specific central and eastern European countries’ was implemented by the International Association of Public Transport (L’Union internationale des transports publics, UITP) and the European Transport Workers’ Federation (ETF).<sup>12</sup>

This joint project is one of many capacity-building projects covering the transport sector<sup>13</sup> which have been implemented since 2009. It was launched in 2018 and focused on the following central and eastern European countries: Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, Slovakia and Slovenia. The main objective of the project was to strengthen the capacity of social partners in the urban public transport sector, develop national social dialogue, and improve the knowledge of the European social partners about national concerns and demands in the targeted countries.

The project organised three country visits with a fact-finding mission and three workshops in Sofia, Prague and Warsaw between 2018 and 2019. The workshops, titled ‘Dialogue can shape the future of urban public transport’, allowed detailed information to be gathered on employment and industrial relations in the sector and experience to be exchanged on national and

<sup>11</sup> The information about this project is based on data from the social partners’ websites, and input from Pearle\* Director Anita Debaere from 2 October 2019.

<sup>12</sup> The information about this project is based on data from the ETF and UITP websites.

<sup>13</sup> The ETF project ‘Training to improve capacity building for trade union officers of new Member States and candidate countries’ ran from September 2009 to September 2010 and addressed trade unions representatives from new Member States and candidate countries.

European social dialogue in the sector. This kind of knowledge sharing between experts, urban public transport companies, employer associations and trade unions of urban public transport workers was highly praised by participants as very important for improving communication between employers' and employees' representatives. Participants debated the future of mobility in cities and the national social dialogue situation, focusing on issues such as working conditions, health and safety, labour shortages, attractiveness of the sector, wages, and training.

Additional country-specific information was gathered from representatives of national social partners for the project's final report, *Social dialogue in the urban public transport sector in central and eastern European countries* (EVA, 2019). It includes reports from companies and trade unions that confirm the diversity of industrial relations systems and social dialogue practices amongst the targeted countries, and the different capacity needs and priority topics identified in the sector.

A common trait of the social dialogue in urban public transport in many central and eastern European countries is the high level of decentralisation and lack of sectoral or national organisations and representation. Social dialogue in the region is organised predominantly in the tripartite body of the national social and economic councils. They make decisions about different topics at state, branch and company levels. Bipartite social dialogue between workers' and employers' representatives is not common at regional and national levels, and it often takes place at company level. Nevertheless, outputs of social dialogue in the region are often limited and not taken seriously enough. Social partners have not yet developed the necessary political will and spirit of partnership. They also need more intense preparation to negotiate professionally and to engage in responsible dialogue.

## Capacity building and the European Semester

The European Semester has evolved considerably since the first cycle in 2011.<sup>14</sup> Following the adoption of the employment guidelines for the Member States in 2015, the Council of the European Union stressed the involvement of social partners 'in order to improve the functioning and effectiveness of social dialogue at national level' (Council of the European Union, 2015).

In 2018, Employment Guideline 7 was further revised, stressing the need for more meaningful involvement of social partners and including the issue of social partners' capacity for the first time (see Chapter 1). This revision was followed by the 2016 quadripartite statement 'A new start for social dialogue', which was integrated almost word for word into the amended guidelines.

Principle 8 of the European Pillar of Social Rights also put a strong emphasis on both national social partners' involvement and capacity building:

*The social partners shall be consulted on the design and implementation of economic, employment and social policies according to national practices .... Support for increased capacity of social partners to promote social dialogue shall be encouraged.*

(European Commission, undated-e)

According to the analyses made by Eurofound since 2015, the involvement of social partners in the elaboration of national reform programmes and in overall national policymaking (mostly in the labour and social fields) has showed slight improvements in certain specific areas. Despite these positive developments (mainly related to more time added for consultation or better procedural organisation), social partners in a relatively large number of countries are still critical of their participation in the elaboration of national reform programmes.

Social partners in some Member States have complained about their lack of capacity and resources to make contributions and thus be properly involved in the European Semester. In these countries, it is not unusual to find some correlation between the alleged lack of capacity and poor or ineffective social dialogue frameworks and practices, particularly at bipartite level.

The social partners in these countries claim that their limited technical and analytical capacities and scarce financial and material means, including staffing, prevent them from participating in the demanding European Semester process. These can be considered internal factors that reduce social partners' capability to deliver and contribute through drafting positions and to provide feedback and comments to the various documents elaborated during the European Semester and, particularly, national reform programmes.

Even though the country-specific recommendations (CSRs) have been encouraging the smooth functioning of social dialogue since 2016, explicit recommendations to take further action to improve social partners' capacity appeared later.

Timely and meaningful social dialogue cannot take place without strong national social partners and in this regard, a broader approach to capacity building would include many other CSRs that make overarching recommendations on social dialogue and even collective bargaining.

Adopting a rather restricted perspective on capacity building, Table 2 below shows the recitals from 2018 and 2019 that refer to this issue.<sup>15</sup> However, the annual multilateral surveillance conducted by the EU's Employment Committee (EMCO) stresses that more countries have insufficient capacity to participate in the European Semester based on other recitals and recommendations on the quality of social dialogue.

<sup>14</sup> This chapter draws on two Eurofound reports: *Involvement of the national social partners in the European Semester 2017: Social dialogue practices* (2018) and *The involvement of social partners in national policymaking* (2019).

<sup>15</sup> The EMCO thematic review conclusions for the 2018–2019 CSRs and the country review process have added Greece and Romania as Member States whose social partners are in need of capacity building. Bulgaria, Croatia, Greece, Hungary, Poland and Romania also have recommendations or recitals concerning the need to reinforce social dialogue that are relevant for capacity building.

**Table 2: Recitals explicitly referring to capacity building in the EU's 2018–2019 CSRs with focus on 2019 recitals**

	2018	2019
	Croatia, Estonia, Latvia, Lithuania	Estonia, Latvia, Lithuania, Slovakia
<b>Estonia (2019)</b>	'Furthermore, engaging with the social partners and strengthening their capacity remain important in a broader context.'	
<b>Latvia (2019)</b>	'In a broader context, strengthening social partners' capacity is important in promoting the fair working conditions and delivering on the European Pillar of Social Rights.'	
<b>Lithuania (2019)</b>	'In a broader context, strengthening the capacity of the social partners is important to foster their engagement.'	
<b>Slovakia (2019)</b>	'Continued capacity building for employers and trade unions is needed to promote their more active involvement.'	

Source: *European Semester: Country-specific recommendations/Commission recommendations (2019b)*

Trade unions mostly concur about the lack of staff and resources to properly cover the consultation challenges during the European Semester process. These challenges include following and analysing economic, employment and social policy developments; producing contributions; and participating in exchanges and discussions in a relatively restricted time frame available for consultation. This issue is mainly attributed to the overall low union density and membership (both steadily declining over the past few decades), the consequences of the lack of representativeness that affect organisations' finances, and their ability to hire experts. Most unions are almost fully dependent on fees, so declining membership is a critical issue. In addition, it seems that very few think tanks or research institutions are in place to provide independent analyses that can be used by social partners, either individually or jointly.

In the meantime, employer organisations report less concern about financial and human resources. However, they are worried about their own limited capacity to keep track of, and analyse, the multiple policy developments that directly (or indirectly) affect their activities. They also stress that it is complicated to organise micro and small companies, which is also a problem for trade unions.

The fragmentation of actors in some countries, both at sectoral and territorial level, represents a serious obstacle as it hampers joint action. In **Croatia**, for example, there are a total of 625 trade unions which are organised into, and represented by, three higher level confederations. This problem becomes more serious when multiple trade unions have to compete for the same budgetary resources, which makes cooperation and joint action even more difficult.

**Slovenia** also reports a high degree of trade union fragmentation, as there is strong competition between small trade unions that offer tailor-made services to their members and sectoral unions, and confederations that provide a wider range of services and contributions in the framework of economic and social policymaking. This competition weakens the capacity to fully participate in the European Semester, as it uses means and resources and limits scope to reach collective agreements. The Slovenian government has recently made attempts to modify the criteria for representativeness, in order to reduce the number of trade unions. On the employers'

side, the capacity of organised business is also limited by its fragmentation into associations and chambers and by its uneven representation at sectoral and territorial level. Employer organisations have reported that voluntary membership, with no distinction between the competencies of chambers and genuine employer organisations, is blurring the lines of tripartite social dialogue.

The capacity of social partners to be better involved in the various steps of the European Semester is also hampered by the weaknesses of social dialogue at bipartite level; poor collective bargaining coverage is a key factor behind their inability to participate more actively in social dialogue. Low collective bargaining coverage also has a negative impact on social partners' capacity to participate more actively in the implementation of policy reforms.

In the meantime, the national authorities in some countries also complain about social partners' lack of analytical expertise, which prevents them from giving qualified assessments of the proposed reform measures.

## Policy positions on capacity building at EU level

Below are the policy positions on capacity building at EU level of BusinessEurope, CEEP, ETUC and SMEunited.

### BusinessEurope statements

The implementation of social dialogue results requires enhanced capacity-building support for national social partners. Enhanced capacity is also important for social partners to be able to fully play their role in the European Semester process, particularly as it concerns the implementation of labour market reforms that result from CSRs. To make progress, the ESF should be better used to support social partners' capacity-building needs (BusinessEurope, 2018). Taking as a basis the work done by European social partners, this Eurofound project can be helpful in further identifying social partners' capacity-building needs and how they can be addressed through initiatives at EU and Member State levels.<sup>16</sup>

In its position paper of June 2019, BusinessEurope proposed the following:

<sup>16</sup> Statement by Robert Plummer, BusinessEurope Social Affairs Senior Adviser, at the 2018 Eurofound stakeholder meeting on capacity building for effective social dialogue on 25 October 2018.

*Increasing EU and member states' support for capacity building of social partners organisations, in those countries where they are weak, or where there is a lack of or insufficient capacity to get involved in the European Semester or European social dialogue.<sup>17</sup>*

(BusinessEurope, 2019)

In this context, the BusinessEurope document also proposed the following:

*The EU and member states, in line with the implementation of the quadripartite statement on reinforcing social dialogue, should develop further measures to support capacity building of national social partners, including facilitating exchanges of experience. The strengthening of social partnership across Europe requires in a number of countries a stronger use of European Social Fund resources on supporting social partners' capacity building. Together with our social partners, we call on the Commission and European Social Fund (ESF) managing authorities to foresee a dedicated track for social partners' capacity-building needs as regards their role in the European Semester process; to support better implementation of the outcomes of European social dialogue and to support social dialogue development at national and regional level.*

(BusinessEurope, 2019)

## CEEP statements

CEEP welcomes Eurofound's support to tackle the issue of capacity building and is thankful for the involvement of European social partners from the very outset of Eurofound's activity. CEEP particularly welcomes the bottom-up approach, i.e. the identification of capacity-building needs by national social partners.<sup>18</sup> CEEP has led various European social partner activities in this area (seminars in integrated projects for European social dialogue, informative events/exchanges on social dialogue between representatives from both sides of industry) with an increased focus on capacity-building needs.

CEEP is a cross-sectoral social partner with a long history of working on capacity building, particularly on strengthening the role of national social partners. It has worked together with other cross-sectoral partners and on its own – one example of that is CEEP's current project on social services. A key issue when discussing capacity building is how to reinforce the targeting of European structural and investment funds toward social dialogue. CEEP wants to assess the quality of its members' participation in the monitoring and evaluation of the funding, as it is concerned that many opportunities are lost for national social partners because of a lack of involvement.

For CEEP it is important to respect the autonomy of national social partners to be able to develop their own system that fits their national context. However, some Member States might need more assistance in achieving this than others. CEEP believes that national social

partners are at a point where they can start their own reflection process.

Against the backdrop of the subgroup social dialogue committee, CEEP started a process to better understand its members' capacity-building needs. Capacity building is an important question for the public sector. It takes a long time for public service employers to develop strong autonomous social dialogue, as they first need to separate themselves from their government. This process is still ongoing in many countries that joined the EU after 2004 and even in some older Member States. CEEP will continue to work with public services employers all across Europe to empower public sector social dialogue next to the private sector one, in order for all actors of the economy and society to be really impacted by the new start.

Key issues for CEEP are to assess the public sector, support the autonomy of public services as employers, and foster their representation at cross-sectoral level.

## ETUC statements

At the Tripartite Social Summit Brussels on 21 March 2018, ETUC General Secretary Luca Visentini discussed the future of European funding opportunities, and in particular the ESF, the European Globalisation Adjustment Fund and the Erasmus+ programme. He highlighted that it is important that 'the involvement of social partners in the governance of these funds is fully preserved and actually improved, including through dedicated action on capacity building'. He further added:

*Unfortunately, we see that very little has been done to follow up to the Quadripartite Declaration for the relaunch of social dialogue we signed two years ago. It's now our common responsibility of Commission, Member States and social partners to deliver. Of Member States, because the level and quality of social dialogue at national level is still too poor: we need more in terms of tripartite dialogue on reforms, of involvement in the Semester, of capacity.*

(ETUC, 2018)

ETUC aims to continue its work on capacity building together with the other European social partner organisations. This includes developing a better understanding of the needs at national level and linking them to funding opportunities and political initiatives at national and European levels. In this context, this Eurofound project is greatly welcomed, as it can provide a much-needed focus on how to approach the issue of capacity building for stronger social dialogue. ETUC looks forward to contributing to the project and will seek to incorporate the results into its ongoing work with its members and its joint work with European employers. The key issues that need to be considered are ensuring the involvement and support from national governments to develop social dialogue and collective bargaining structures at national, regional and sectoral level, as well as identifying the resources needed to achieve this.<sup>19</sup>

<sup>17</sup> A similar claim was made by the General Union of Romanian Industrialists.

<sup>18</sup> Statement by Guillaume Afellat, CEEP Social Affairs Policy Adviser, at the Eurofound stakeholder meeting on capacity building for effective social dialogue on 25 October 2018 in Brussels.

<sup>19</sup> Statement by ETUC Adviser Ruairi Fitzgerald at the Eurofound stakeholder meeting on capacity building for effective social dialogue on 25 October 2018 in Brussels.

## SMEunited statements

According to SMEunited, social dialogue needs to be further strengthened (UEAPME, 2018). European social partners have held a series of cluster seminars on social dialogue and mutual learning. While recovery is a reality, social partners have a crucial role in tackling multiple new challenges in a changing economy and in continuing to ensure competitiveness of the economy. They have to support adaptability and flexibility for companies and workers, but also to provide stability. Despite the diversity of national systems, social partners are confronted with similar issues, such as digitalisation, ageing workforce, pension adequacy, skills gaps and skills mismatch, and integration of refugees. They have agreed on the need for a common understanding at national level and/or sectoral level to find innovative solutions in a time of rapid change. In doing so, they will contribute to inclusive growth and jobs, and will ensure society's stability. This new paradigm and the need for their capacity building will be further discussed as part of the ongoing EU social dialogue activities. SMEunited welcomes this Eurofound project and social partners' involvement from the very outset. Based on their work, this project should bring something new and allow for better dissemination of results.<sup>20</sup>

SMEunited stresses the need for several actions:

- better highlight the role/absence of cross-sectoral social partners in the Member States
  - address the issue of the involvement of economic partners in the European Semester process, notably SME organisations, and the need for their capacity building
- Key issues for SMEs to be addressed are:
- decentralisation of social dialogue
  - the need for common collective bargaining above the company level (not necessarily national, but at regional/sectoral levels) to ensure a balanced and fair approach, while maintaining some flexibility
  - small business weaknesses (assisting SMEs and micro-enterprises to take advantage of digitalisation, greening the economy and accessing structural funds)
- In its position paper from 2019, SMEunited stated:
- In several Member States, social partners and SME organisations need support from public authorities for capacity building to actively contribute to reforms and enhanced social dialogue. The European Commission should strongly encourage Member States to dedicate an adequate part of the structural funds, in particular the European Social Fund, to provide this capacity building.*
- (SMEunited, 2019)
- map both positive and, possibly, less positive evolution/changes in social dialogue resulting from changes of government

<sup>20</sup> Statement by Liliane Volozinskis, SMEunited Social Affairs and Training Policy Director, at the Eurofound stakeholder meeting on capacity building for effective social dialogue on 25 October 2018 in Brussels.



# 3 Capacity building for effective social dialogue at national level

The findings of this chapter are based on national reports submitted by the Network of Eurofound Correspondents (see Annex for list). Input from the correspondents allows Eurofound to map and compare regulations, policies and practices in industrial relations, working conditions, labour markets and employment, as well as in other social policy-related areas. Full versions of the national reports can be obtained from Eurofound upon request.

## Barriers and gaps for capacity building

### Structural gaps in industrial relations systems

In 2006, an OECD report stated that ‘capacity is not only about skills and procedures; it is also about incentives and governance’ and according to Floridi et al, the environment in which capacity building takes place is of utmost importance: first, as a conditional factor (positive or negative) on the capacity-building possibilities and, second, as an element that capacity building can possibly transform (Floridi et al, 2009). Thus, industrial relations systems matter when it comes to capacity building for social partners.

#### Weakness of the social partners

Trade unions are very weak in **Estonia**. Employers tend to show limited interest in negotiating working conditions with trade unions; thus, employees do not see the positive impact of trade unions. As most of the agreements cover all employees working for the signatory company, employees lack the motivation to join trade unions. This results in low membership levels and a lack of finances. There is also a lack of sectoral-level collective bargaining. One of the main challenges for **Dutch** social partners is a trend of deunionisation at work; fewer people are joining unions for various reasons. Young people, entrepreneurs (notably solo entrepreneurs) and new forms of employment are not typically represented by the established social partners.

#### Fragmented landscape of actors

Half of the Member States report that a fragmentation of actors is a serious barrier to capacity building (**Bulgaria, Croatia, Cyprus, Germany, Greece, Hungary, Italy, Latvia, Luxembourg, Poland, Romania, Slovakia, Slovenia and Spain**<sup>21</sup>). Nevertheless, in some Member

States (such as **Germany**), a number of mergers of social partner organisations have taken place in recent years.

#### Business structure/predominance of SMEs

In **Bulgaria**, there are many micro and small enterprises which are a barrier for establishing employer and trade union organisations. In **Estonia** and **Latvia**, the segment of SMEs is not directly represented in the social dialogue, mainly because employees are not covered by trade unions.

### Limited social dialogue

#### Limited tripartism

Limited or declining tripartite social dialogue was mentioned in two Member States as a barrier to effective social dialogue (**Greece and Spain**).

In **Greece**, institutionalised tripartite social dialogue is scarce and limited. National tripartite social dialogue bodies, such as the National Employment Committee and the National Social Protection Committee, do not function in practice. Moreover, the multipartite social institution, Greece’s Economic and Social Council (OKE), is rarely consulted by the government. There is also an absence of tripartite social dialogue or similar bodies and mechanisms at the sectoral level. In recent years, the main responsibilities lie with the government.<sup>22</sup>

In **Spain**, tripartite social dialogue has shifted from being praised for its vitality in the years preceding the recession to being suspended under the pressure of fiscal consolidation policies during the economic crisis.<sup>23</sup> At the end of 2019, tripartite social dialogue was relaunched in Spain. The first effort was the Spanish government and representative partners (the Trade Union Confederation of Workers’ Commissions, CCOO; the General Workers’ Union, UGT; Spanish Confederation of Employers’ Organisation, CEOE; and the Spanish Confederation of Small and Medium-sized Enterprises, CEPYME) signing an agreement to raise the minimum wage.<sup>24</sup> The government and the social partners sought to continue renewing social dialogue but the scenario changed due to the COVID-19 crisis.

#### Lack of sectoral collective bargaining

In a number of Member States and the UK, the lack of sectoral collective bargaining/decentralised collective bargaining is identified as a barrier to effective capacity building (**Bulgaria, Croatia, Cyprus,**<sup>25</sup> **Czechia,**<sup>26</sup> **Estonia, Greece, Ireland, Luxembourg, Malta and Slovenia**).

<sup>21</sup> The Spanish employer association CEOE does not share this view.

<sup>22</sup> According to the Greek employer association SEV.

<sup>23</sup> Spanish employer association CEOE does not share this view.

<sup>24</sup> More information on the rise of the minimum wage is available at [www.lamoncloa.gob.es/lang/en/presidente/news/Paginas/2020/20200130minimum-wage.aspx](http://www.lamoncloa.gob.es/lang/en/presidente/news/Paginas/2020/20200130minimum-wage.aspx)

<sup>25</sup> Cypriot employer organisation OEB claims that it is not so much a lack of sectoral collective bargaining as a decrease in the trend.

<sup>26</sup> Czechian employer association SPCR states that the findings are coherent: insufficient capacity and a lack of experienced staff contribute to low interest on the part of employers in negotiating collective agreements (particularly at the sectoral level) and leads to the decline of collective agreements. In this light it is necessary to understand the conflicting view of social partners on the extension of collective agreements.

In **Bulgaria**, national cross-sectoral collective bargaining is not envisaged in the law. In some of the sectors there is either limited or no sectoral collective bargaining.

**Croatian** social dialogue suffers from insufficiently developed bipartite dialogue, poor social dialogue at sectoral level, a lack of capacity of social partners and the fragmentation of unions.

In **Cyprus**, strengthening sectoral-level collective bargaining would entail increased representativeness in various sectors and overcoming employers' unwillingness to engage in it.

In **Czechia**, company-level collective agreements form the basis of collective bargaining. Social dialogue at sectoral level does not take place in all sectors, usually because employer representatives are not interested in it.

In **Estonia** there are only a few sectoral-level employer organisations involved in collective bargaining. Most of the organisations are business organisations which do not negotiate working conditions.

In **Greece**, the legislative framework on collective bargaining radically changed during 2010–2015. The national social partners have not bargained minimum wages in the General National Collective Agreement (EGSSE) since 2012. As a result, the EGSSE lost its role and importance in shaping wages and working conditions at cross-sector level. However, the 2018 EGSSE provided 'guidelines for effective collective bargaining', an opportunity not yet taken up by the social partners at national and sectoral levels. The sectoral agreements bind only the signatory parties. The pre-existing extension mechanism and the favourability principle were suspended until the end of the Greek support programme. The extension mechanism and the favourability principle were then reinstated at the end of the adjustment programme (August 2018).

In **Ireland** there is no cross-sectoral collective bargaining in the private sector and social partners are reluctant to engage in it. Both partners prefer current enterprise-level bargaining. Sector-level collective bargaining is very limited.

In **Luxembourg** there are structural gaps at sector level. The gaps make it increasingly difficult to make sectoral agreements, even if the negotiation system still exists. There are many sectors that are not covered (for different reasons).

In **Malta**, the only sectoral-level collective agreement is the one signed by government officials and seven trade union officials representing different categories of employees in the public sector. All other collective bargaining processes are conducted at company level. Yet, the three social partners tend to be in favour of the decentralised system.

Since the economic crisis in 2008–2009, corporatism has been showing clear signs of its demise in **Slovenia**. The social pact signed by the tripartite Economic and Social Council in 2007 expired two years later. Afterwards, social partners needed more than six years to negotiate a new agreement, but the most important employer organisation, the Chamber of Commerce and Industry, failed to sign the pact in 2015.

The **UK** is characterised by a high level of decentralisation and a low level of coordination in relation to collective bargaining, with most of it taking place at the workplace or establishment level. There is no cross-sector bargaining in the UK. Sectoral bargaining is also very rare.

### Low collective bargaining coverage

Low or declining collective bargaining coverage and its negative impact on capacity building is reported in nine national contributions (**Bulgaria, Czechia, Germany, Greece, Ireland, Luxembourg, Latvia, Poland and Spain**). This issue was highlighted in **Latvia and Poland**. In some of these Member States (such as Germany), the level of collective bargaining is still very high (Eurofound, 2020).

In **Latvia**, the low collective bargaining coverage is recognised as a critical issue for social dialogue at sector level, as well as at national level. One of the reasons collective bargaining is low is the transformation of the national economy from being based on large-scale enterprises with almost 100% of trade union representation to being based on small and micro enterprises, where trade unions do not exist and collective bargaining does not have a place.

In **Poland**, collective bargaining is reported to be nearly defunct. Besides the weakness of social partners, other important reasons given for low collective bargaining coverage include the following: complicated conditions of retreating from the collective agreement, no 'derogation clauses', no option for differentiating entitlements for various groups of employees, and no option for concluding an agreement for a selected group of employees.

### Lack of interest in negotiating collective agreements

A lack of interest in negotiating collective agreements from the social partners is mentioned in the reports from **Czechia, Finland, Latvia, Malta, Poland** and the **UK**.

### Lack of social partners' autonomy

From 2008 onwards, the financial and economic crisis seems to have negatively impacted the autonomy of social partners, as reported in some Member States (**Belgium, Bulgaria and Cyprus**).

In **Belgium**, the introduction of the wage norm in 2008 and the policy of the current right-wing government has led to increased involvement of the government and decreased autonomy of social partners at national and sectoral levels.

In **Bulgaria**, according to some of the representatives of employer organisations, several attempts to interfere in their freedom of association took place. Preparing a law for sectoral employer/business associations has been discussed. However, representatives of other employer organisations do not share these views.

In **Cyprus**, a strong connection with political parties can be observed.

### Lack of social partner representativeness

Issues linked to the representativeness of social partners as an obstacle to capacity building was highlighted in four national reports (**Bulgaria, Cyprus, Greece and Romania**).



In the **Bulgarian** labour code there are criteria for the representativeness of social partners. There are five nationally representative employer organisations and two trade union confederations. According to the employer organisation representatives, the procedure of determining the representativeness of social partners is too complicated.

There is a low degree of representativeness in both trade unions and employer organisations in various sectors in **Cyprus**.

In **Greece** there is an important issue of social partner representativeness, as the tools for assessing it are missing, and the topic is taboo for some social partners on both sides of industry at national, sectoral and company levels.<sup>27</sup>

In **Romania**, according to the national report the new bargaining threshold is extremely difficult to achieve in practice and does not meet the requirements of the ILO's Committee on Freedom of Association. As a result, unions that traditionally represented employees in collective bargaining cannot do so anymore because they no longer fulfil the current representativeness criteria at the unit level. This view is not shared by the Romanian employer association Concordia, which states that trade unions that do not reach the threshold, when affiliated to a representative federation at sector level, can participate in collective bargaining, meeting the requirements of the ILO Committee on the Freedom of Association. The Romanian employer association CNIPMMR also claims that this statement is not completely accurate. At company level the trade union participates in collective bargaining and is therefore considered sufficiently representative to negotiate for all members of the unit. If there is no such representative trade union, the employees choose their representatives to negotiate for them.

### Lack of trust between social partners

Prompted by the economic crisis, trust levels between the social partners have declined dramatically in recent years. In some countries there is strong disagreement concerning particular policies, mainly those linked to severe measures (**Bulgaria, Croatia, Cyprus,**<sup>28</sup> **Finland, Luxembourg, Slovakia** and the **UK**). An interesting example was reported in **Finland**. The prolonged and difficult negotiations leading to the tripartite Competitiveness Pact in 2016 involved government threats of unilateral action. This strained relations with social partners and the situation has only moderately improved. Some unions have raised concerns about the government's policies overly favouring the interests of business, while SMEs have criticised the government for not taking sufficient steps in disputed matters, such as local bargaining and the applicability of collective agreements.

### Lack of social partner capacity/mandate to negotiate

The issue was only raised in **Bulgaria** and **Czechia**.

According to trade union representatives in **Bulgaria**, in the process of sectoral-level negotiations some sectoral

employer associations declare that they do not have a mandate to negotiate, or to only negotiate with regard to particular steps or subjects of collective bargaining.

In some sectors in **Czechia**, employers are reported to be uninterested in collective bargaining, or to lack the personnel capacity that would allow them to ensure collective bargaining at sectoral level.

### Dominant role of the state

The autonomy of social partners is an important prerequisite for effective social dialogue. Yet, a number of reports raise concerns about an increasing dominance of the state in social dialogue and collective bargaining (**Belgium, Bulgaria, Italy** and **Poland**).

In **Belgium**, the current government has a tendency to favour centralisation as it is increasing its involvement at national level. This is demonstrated by the increasing dominance of the wage norm in wage bargaining. Both employer federations and trade unions are critical parts of this evolution as it reduces their autonomy.

According to some of the employer organisation representatives, in **Bulgaria** the dominant role of the state still exists in the public sector and in the sectors where public-owned companies (such as railways, postal services, water supply and road maintenance) still exist.

In **Italy**, the governments in office during the last decade opted to unilaterally undertake major policy reforms, despite the opposition comprising a mixture of social partners. The Italian employer association Confindustria stresses that it is important to distinguish industrial relations from labour market and welfare reforms. There has been no increase in the dominance of the state in industrial relations during the last decade and the social partners have signed a number of milestone agreements with full autonomy. Italy is among the few countries in Europe where the minimum wage is set by collective bargaining and where collective agreements are negotiated with full autonomy by social partners. While it is true that, during previous years, labour market and welfare reforms were designed by the government in office without consultation with social partners, social partners had the chance to express their views on draft reforms.

Finally, the **Polish** system of industrial relations is often described as state centred. This thesis echoes, to some extent, earlier diagnoses formulated by western scholars in the early 2000s and upheld in the 2010s.

### Role of extension procedures

Extension mechanisms were mentioned in a few countries as a barrier to capacity building (**Cyprus, Czechia, Denmark, Finland, Greece** and **Romania**).

In **Cyprus**, a legislative change allowing extension procedures is a united trade union demand to improve capacity building for social dialogue, as it will strengthen tripartism and increase the stakes in collective bargaining. Yet, employers were able to resist the change with success to date. The Cyprus Employers and Industrialists

<sup>27</sup> According to the Greek employer association SEV.

<sup>28</sup> The Cypriot employer organisation OEB argues that it is not so much a lack of trust between the organisations but rather a difference of opinion and approach.

Federation (OEB) rejects the attempt to make collective agreements legally binding as this fundamentally changes the voluntary system that has succeeded in maintaining industrial peace for decades. According to the OEB, taking away the flexibility of the system would hinder growth and productivity and jeopardise all that was built by the social partners over the years.

In **Czechia**, the views of the social partners are conflicting. While employees find the role of extension procedures sufficient, employers find it too restricting and see it as a barrier to capacity building.

The Confederation of **Danish** Employers and the Danish Trade Union Confederation have issued a statement of intent to make collective agreements the primary framework for regulating the relationship between employees and employers and stating that it is inconsistent with the Danish model to legislate on minimum wage, chain liability or the universal application of collective agreements.<sup>29</sup>

The **Finnish** collective bargaining system is characterised by a principle of general applicability. Trade unions defend the system, stating that it guarantees minimum conditions for employees and provides predictability and long-term stability in the labour market. Critics argue that the principle of general applicability hinders the flexibility and competitiveness of the Finnish labour market and that the system makes it harder for companies to recruit new employees due to high labour costs. The employer organisation Confederation of Finnish Industries (EK) advocates more flexibility in the labour market and increased local bargaining. However, according to EK, local bargaining should be increased within generally binding collective agreements. The Finnish employer association FFE expressed concern in this context. According to the law, an employer who is obliged to comply with generally applicable collective agreements may not use the collective agreement's opportunities for local bargaining if it is not a member of the organisation that negotiated the agreement. This implies that those employers cannot use the flexibility of the collective agreement. Furthermore, if a generally applicable collective agreement contains other opportunities for local bargaining separate to those explicitly mentioned in labour legislation, all employers, irrespective of memberships, may use local bargaining on those provisions.

Until the end of the **Greek** adjustment programme (August 2018), extension mechanisms of collective sectoral agreements were legally suspended, but they now have been reinstated.

In **Romania**, the optional extension of collective labour agreements at sector level was introduced with the current Social Dialogue Law of 2011. Before the introduced law, the extension was automatic, since the collective labour agreement concluded at national level was mandatorily

applicable to all employers in the national economy regardless of sector and in addition to the provisions of the labour code. However, the mechanism has not been applied in the last seven years. Extensions are hampered by the low levels of sectors: only 30 sectors are defined in the whole economy.

### Role of the favourability principle

According to national reports from **Greece** and **Portugal**,<sup>30</sup> the suspension/suppression of the favourability principle weakened sector-level collective bargaining and constitutes a gap for capacity building.

### Role of ultra-activity procedures

Ultra-activity procedures were reformed in **Portugal** and **Spain**. The views of the social partners on these reforms are mixed.

While this limitation has been welcomed by the **Portuguese** employer confederations, the trade union confederations are divided on the issue. UGT considers the present system to weaken collective bargaining and believes that it should be modified to a certain extent, while CGTP calls for the full reinstatement of ultra-activity procedures.

In **Spain**, the 'ultractividad' of collective agreements was reformed in 2012 by establishing a one-year limit to negotiate a new agreement. If an agreement is not signed, workers of the companies involved are covered by a higher-level agreement and if there is no agreement, by the terms established in the law.

### Role of opening clauses and opt-out clauses

It is mainly employer confederations that maintain that the non-existence of these mechanisms in their national systems are an obstacle to effective social dialogue. In **Belgium**, on the other hand, some employers and employer federations complain that the lack of opt-out clauses makes the system too rigid. In **Spain**, several reforms during the crisis have enhanced the capacity of company collective agreements to opt out of higher-level agreements on wages and other working conditions. The 2012 reform is particularly relevant as it prioritises company-level agreements over sectoral ones and empowers employers to opt out or even non-apply collective agreements under certain conditions (CCOO, 2019). These changes have significantly enhanced wage flexibility. In **Slovakia** employers consider the lack of opening clauses and opt-out clauses barriers at cross-sector and sector levels.

## Representation gaps due to new forms of work and changes in the labour force

One-third of Member States and the UK identified representation gaps due to new forms of work and changes in the labour force as gaps for capacity building

<sup>29</sup> According to the Danish employer association DA.

<sup>30</sup> The Confederation of Portuguese Business (CIP) disagrees with this assessment. The general negotiating principle introduced in the 2003 Portuguese Labour Code (PLC) along with the end of ultra-activity of collective agreements has allowed the negotiation of modern and innovative solutions in collective agreements. The general negotiating principle has proven its merit in many sectors. The favourability principle still has its place in PT labour law, since no. 3 of Article 503 of the PLC clearly states that 'rights provided by a collective agreement may only be reduced by a new agreement that explicitly states that it is overall more favourable to workers'.

(**Austria, Croatia, Denmark, Finland, Greece, Ireland, Slovakia, Spain, Sweden**, and the **UK**).

If people performing any of the new forms of work do not legally qualify as workers or employees, they are not covered by either employee protection legislation or collective agreements in **Austria**. Nevertheless, they are entitled to join a trade union. If they are self-employed, they are members of the Austrian Federal Economic Chamber (Wirtschaftskammer Österreich, WKÖ), the legal representation of all private businesses in Austria.

The new forms of work have been significantly neglected in the industrial relationship and collective bargaining at cross-sectoral level in **Croatia**. There are almost no activities regarding representation in the new forms of work.

In **Denmark**, there is an ongoing debate about how to categorise platform workers, including crowd workers, with a view to determine if there is an employer–employee relationship or not. The platforms see themselves as ‘providers’ and not employers. Thus, they do not organise in employer organisations and subsequently the ‘workers’ are not employees, but self-employed. According to the Confederation of Danish Employers (DA), the matter was discussed with the social partners within the Danish Disruption Council, as documented in the OECD report *Policy responses to new forms of work*. It was ‘widely acknowledged within the council that the existing classifications were fit for embracing new ways of working, including platform work’. Two platforms have signed a collective agreement covering the platform workers that meet the criteria of employees. Those who choose not to be employees and remain self-employed are not covered by the collective agreement.

In **Finland**, many trade unions find it difficult to attract members from groups such as youth and immigrants.

In **Greece**, there is lack of representation of workers with unstable and flexible forms of work, such as employees with bogus self-employment, agency workers, platform employees and crowd employees, among others (this refers to cross-sector and sector levels).

In **Ireland**, competition law prevents self-employed workers from engaging in collective bargaining, but the 2017 Competition (Amendment) Act exempts certain groups of self-employed workers from these restrictions.

From the perspective of employers and trade unions in **Slovakia**, representation gaps particularly concern new forms of work. From the employers’ perspective, the lack of social partner representativeness emerges at cross-sector and sector levels while uneven structures, lack of negotiation partners and the fragmented landscape of actors emerge mainly at cross-sector level.

Trade unions in **Spain** have encountered difficulties in organising workers with non-standard contracts or under new forms of employment. These problems are common in all sectors.

There is an ongoing debate in **Sweden** regarding new forms of work, especially with regard to crowd and platform employment. In some cases, trade unions and the ‘Swedish model’ have been criticised for not being able to cope with the rapid developments. The trade unions have proposed tripartite talks between the employer organisations, trade unions and the Swedish government.

In the **UK**, crowd employment/platforms exist across a wide range of sectors. Union recognition and collective bargaining for crowd workers is scarce. However, a number of trade unions have challenged the legal employment status of crowd/gig workers who are designated as self-employed by the platforms/employers.

## Need for capacity-building initiatives

### Institutional capacity

#### Legislative

Legislative reforms to promote capacity building for effective social dialogue are proposed in eight national reports (**Bulgaria, Germany, Greece, Luxembourg, Malta, Portugal, Romania** and **Slovakia**).

In **Bulgaria**, the employers ask for more flexible frameworks for labour relations at EU and national levels. The trade unions argue that the rights to participate in social dialogue at EU level should be better promoted.

To stabilise the industrial relations institutions, some labour law experts in **Germany** advocate legal sanctions in case of breaches of the works constitution and labour law; introducing a right for association/trade unions to initiate proceedings on behalf of their members (*Verbandsklagerecht*).

The **Greek** report stresses the importance of strengthening the operation of the tripartite social dialogue bodies and the participation of the national social partners in decision-making at national, cross-sector and sectoral levels, particularly in matters relating to industrial relations and social policy.

The **Luxembourg** report argues that there is a need to strengthen the right to strike and, according to the trade unions in **Malta**, there needs to be a provision in the law that creates a mechanism that promotes sector-based agreements.

Establishing the favourability principle in relation to law and collective agreements and agreements at all levels and ensuring collective agreements only expire due to a joint decision would enhance trade unions’ capacity to negotiate at sector level in **Portugal**.<sup>31</sup>

In **Romania**, trade unions advocate a change in social dialogue legislation, allowing cross-sector negotiation and strengthening bargaining at sector level, while employer

<sup>31</sup> The Confederation of Portuguese Business (CIP) strongly disagrees with this assessment. According to the CIP, some left-wing parties unsuccessfully proposed the re-establishment of the favourability principle in parliament without consultation with the Standing Committee for Social Concertation. Adopting the proposal would place Portugal, once again, in the list of countries of the European Union with the most rigid labour legislation.

organisations consider the legislation adequate for real and effective social dialogue processes.

In **Slovakia**, from the employer point of view, national labour legislation should be modified in order to equally protect employees and employers and the state would need to play a more supportive role.

### Collective bargaining

Stronger support for collective bargaining to foster the capacity of social partners was an issue raised in nine national reports (**Bulgaria, Estonia, Germany, Greece, Malta, Poland, Romania, Slovakia and Slovenia**).

In **Bulgaria**, the employers' representatives mentioned that amending the framework for collective bargaining is necessary. According to the trade unions, the main agreements at EU level are known, but they are still not as popular and not all of them are implemented. The trade unions also regret that collective bargaining does not take place at cross-sector national level and that there are few municipal cross-sectoral agreements.

In **Estonia**, legislation does not entirely support the aims of the trade unions as it promotes the termination of collective agreements and states that the agreements are extended to the entire company rather than exclusively to trade union members.

The **German** report states that public awareness campaigns on the use of and need for collective bargaining are of importance, particularly in private and public services.

In the **Greek** report, the following needs are highlighted: the need to reinstall the method social partners use to determine the minimum wage, the obligatory extension mechanism of sectoral collective agreements and the principle of favourability.<sup>32</sup>

According to **Maltese** employers, the model collective agreement of 1967 between the Malta Employers' Association (MEA) and the General Workers' Union (GWU) has formed the basis of existing collective agreements and needs to be updated to be in line with the exigencies of the current labour market.

In **Poland**, there is a strong need for action to improve the capacity of social partners at sectoral level.

In **Romania**, the industrial relations system does not prevent collective bargaining at any level. The regulation establishes either representative negotiation (recognising agreements concluded as a source of law and the *erga omnes* effect at enterprise level), or the negotiation of agreements on the basis of mutual recognition (Article 153 of Law 62/2011). This results in *inter partes* agreements applicable to the members, without interdiction of

voluntary affiliation. However, the absence of collective agreements at cross-sector level (national) and the impossibility of its negotiation is a recurrent theme of the trade unions organisations. The return to cross-sector (national) negotiations has been on the trade union agenda for the past eight years while the employers support redefining the sectors of activity to make them more relevant to the economy, with a clear distinction between private and public sectors.

In **Slovakia**, many employer organisations are missing from the respective EU-level employer organisations.

In **Slovenia**, there is a need to strengthen the capacity of social partners for social dialogue via collective agreements and dispute settlement mechanisms.

### Supportive role of the state

In **Bulgaria**, both social partners voice the importance of increased state support for their participation in EU-level social dialogue.

In **Denmark** there is an agreement (statement of intent of 2 September 2015) that the government and parliament should continue to assign social partners' decisive influence on legislation concerning labour market policy and on frameworks concerning the relationship between employees and employers.<sup>33</sup>

In **Germany**, some academic research and the German Confederation of Trade Unions (DGB) identify the need for structural capacity building and for an active role of the state with regard to more frequent applications of extension mechanisms. Other academic experts, however, suggest that the application of extension mechanisms should remain the exception so as to maintain collective bargaining autonomy.<sup>34</sup>

In **Greece**, the reduced interventionist role of the state in labour relations and in strengthening the collective autonomy of social partners is voiced time and again.

In **Ireland**, little or no support is provided by the state to social partners to negotiate at national level. Since the end of national bargaining, there is no national bargaining forum outside of the public service.

There is a need for initiatives to reinforce **Luxembourg's** social dialogue within foreign firms. The state could also be more supportive of this, for example, in promoting better coverage of collective labour agreements.

In **Poland**, there is a need for the state to support social dialogue, particularly at cross-sector level. As far as building institutional capacity is concerned, the state has recently made efforts to support this: the attempted reform of the labour law and amendments to the tripartite legislation may serve as proof.<sup>35</sup>

<sup>32</sup> According to the Greek employer association SEV, the issues are not agreed by the social partners and they do not reflect SEV's views. SEV, on the contrary, highlights the following needs: wage formation should be based on company-level bargaining in the modern business sectors; the determination of minimum wage at national level must take into consideration national growth, competitiveness and productivity of the economy as a whole and of the individual sectors; and the extension mechanism should be implemented according to criteria set by the law.

<sup>33</sup> According to the Danish employer association DA.

<sup>34</sup> According to the German employer association BDA.

<sup>35</sup> Polish Confederation Lewiatan does not agree with the view that the state has done much recently in building institutional capacity. There is a growing view among social partners that the social dialogue in the current institutional form may be reaching its limits, since the state does not want to enter into genuine dialogue with social partners.

Representatives of the **Romanian** trade unions criticise the lack of support from the state.

## Structural capacity

### Membership and representativeness

In **Bulgaria**, some sectoral employer associations are still not members of the EU or national umbrella organisations. The large number of SMEs is seen as a barrier for organising employer organisations. The two trade union confederations and most of the sectoral trade unions are already members of European organisations. Trade unions in general need better representation, especially in the private services and in new forms of employment.

One feature of the **Croatian** trade union scene is a large number of unions and relatively weak confederations. The weakness of the confederations is due to the ‘cracking’ of ties between confederations and their membership base, as leaders in trade union confederations often fail to represent their members.

In **Cyprus**, trade unions need to increase their representativeness in some sectors, especially in the private services sector.

In **Hungary**, the representativeness of employer organisations is low, and the government should encourage employers to join employer organisations. There are sectors with very low levels of membership. The representativeness of trade unions is low because of their fragmentation.

Over the previous decades, the labour movement has gradually eroded in **Italy**, including declining memberships, declining mobilisation capacity and increasing membership heterogeneity. The trade unions need to relaunch their representation strategies by organising the unorganised segments of the labour market, in particular the new emerging ones. They need to expand their membership to include young workers, non-standard workers, migrant workers and the self-employed.

In **Luxembourg**, the number of seats in trade unions in some institutions (such as the European Economic and Social Committee or Eurofound) is not enough to allow an equal representativeness of the three trade unions with national representativeness.

While low membership is an issue for both sides of the industrial relations landscape in **Poland**, representativeness has been discussed largely in the context of trade unions. Union membership is a case of strategy and, in particular, organisation. As for employer organisations, the problem of low membership has also been observed.

In **Slovenia**, as in many Member States, a stronger membership base would automatically contribute to more solid funding of social partners.

There is a consensus among scholars and practitioners in **Spain** that the main capacity-building need for trade unions is membership. Even though the low membership levels do not imply less representativeness of trade unions, it nonetheless has a negative effect on trade union legitimacy and resources.

### Capacity and mandate to negotiate at national and EU levels

In **Bulgaria**, employer organisations (especially at sectoral level) need better preparation and a clear mandate to negotiate at EU level.

Trade union representatives in **Croatia** believe that they do not have enough staff and general skills, language skills (at EU level) and analytical, research and negotiation skills. Therefore, trade union capacity to negotiate at national and sectoral levels is insufficient in some cases.

In **Hungary**, employer organisations do not have a proper mandate to negotiate and are not interested in concluding collective agreements.

In the **Netherlands**, the mandate to negotiate is not yet broadly recognised. There is a need for national level social partners to adjust their approach to their negotiation positions and membership recruitment in order to improve their mandate to negotiate.

### Financial resources

In its guidance note on social dialogue, the European Commission states that ‘while social partners’ capacity building in terms of members’ recruitment and organisation remains their own responsibility, public authorities can provide technical, financial and/or other support to their functioning’ (European Commission, 2018d). This need for technical and financial assistance was echoed in the vast majority of the 28 national reports. Social partners in a large number of Member States claim that they need more financial resources for capacity building in view of an effective social dialogue (**Austria, Bulgaria, Cyprus, Czechia, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Slovenia and Spain**).

The financing of trade unions is unequal (vertically: huge gaps at sectoral and confederal levels; horizontally: political preferences influence the distribution of state support) in **Hungary**. Trade unions should be independent of the state and employers, but their operation cannot be maintained merely by membership fees, donations and voluntary work. Therefore, the state or the employers should contribute to the maintenance of the trade unions. Such an arrangement, however, may endanger their independence.

An interesting example is **Poland**. Both employer organisations and trade unions have long been struggling with insufficient financial resources. The trade union situation is aggravated by two factors: membership fees are not tax deductible (unlike employer organisation fees) and pensioners (who make up a growing proportion of unionists) are exempt from paying.

### Sufficient staff

In addition to finances, some national reports point out that many social partner organisations also lack sufficient and qualified human resources (**Bulgaria, Czechia, Estonia, Greece, Italy, Lithuania, Latvia, Malta, Poland and Spain**).

This problem is heavily focused on in the **Lithuanian** contribution. The most important areas where capacity building is extremely important for trade unionists are finances and human resources. The shortcomings in these areas limit the unions' opportunities to receive qualitative analytical and research services or support from experts during preparation for and participation in collective bargaining and negotiation processes. This limits the opportunities for trade unions to efficiently participate in national cross-sector and sectoral collective bargaining, as well as in EU-level social dialogue. This problem is also underlined by Lithuanian employers, the Lithuanian Confederation of Industrialists (LPK). Without human resources, employer organisations cannot adequately represent the interests of their members at EU and national levels.

### Required skills

According to Floridi et al (2009), one of the prerequisites of capacity building is that 'there must, above all, be a core of skills that can be reinforced'. Yet, as the national reports show, skill shortages among social partners are common at Member State level. This is true for skills in general (**Croatia, Greece, Romania and Slovakia**), but even more acute with regard to language, analytical/research and negotiation skills.

#### Language skills for EU level

The lack of sufficient language skills, particularly when it comes to participating in European social dialogue, is voiced in seven national reports (**Bulgaria, Croatia, Hungary, Latvia, Poland, Slovakia and Spain**). This need seems to be more explicit among trade unions (**Bulgaria, Croatia, Hungary, Slovakia and Spain**) than employers. The European Commission, however, provides interpretation for EU-level meetings in up to six different languages.

#### Analytical skills

Both employers and trade unions need to increase their research and analytical skills, particularly at EU level. Enhanced research and analytical skills can contribute to better comprehension of the issues at hand and more informed and nuanced approaches to them. Improving these skills by means of capacity building is called for in six national reports (**Bulgaria, Croatia, Cyprus, Latvia, Poland and Slovenia**).

#### Negotiation skills

Further training in negotiating skills is mentioned as a field of capacity building by seven Member States (**Bulgaria, Croatia, Latvia, Luxembourg, the Netherlands, Slovenia and Spain**). Interestingly, the **Slovenian** report links this need to the culture of peaceful resolution of conflicts.

### Capacity-building needs of selected members of BusinessEurope and SMEUnited

Improving the capacity of national social partners is particularly relevant in the context of their increased workload in the European Semester and their contribution and implementation of CSRs. In the second quarter of 2019, BusinessEurope conducted a survey to identify the

needs for capacity building in selected Members States (**Bulgaria, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia**). The selection of countries reflects the depth and urgency of capacity-building needs to ensure meaningful and timely involvement of employer organisations in national policymaking and their contribution to the European Semester.

With regard to the shared needs for capacity building, the survey identified several ways to address capacity-building needs.

- **Long-term comprehensive support:** Members would like to be supported in creating and accumulating knowledge to ensure sustainable development of the organisation.
- **Hiring and training programmes for staff:** Members need to finance longer (three to four years) training programmes to develop the necessary skills of their staff, which would have a positive impact on staff retention.
- **Staffing needs:** Members stress the skill shortage of staff. This shortage is even more important within the framework of the European Semester process and other regular contributions of social partners throughout the year.
- **Appropriate conditions for support:** Members point out that often capacity building or the conditions to fund capacity building are defined in a way that makes access impossible or too difficult.
- **Hiring additional experts:** The workload relating to the European Semester is increasing every year to a point where additional experts are needed (noted by Estonian Employers' Confederation (ETTK), Confederation of Hungarian Employers and Industrialists (MGYOSZ), Lithuanian Confederation of Industrialists (LPK), Polish Confederation Lewiatan and Slovakian National Union of Employers).
- **Forming a special thematic study group:** The group could be focused on training and increasing knowledge on the European Semester (noted by ETTK and LPK).
- **Raising public awareness:** There is a need for greater public awareness on social dialogue issues (noted by Employers Confederation of Latvia (LDDK) and Romania's employer confederation Concordia).

Survey respondents also mentioned many country-specific capacity-building needs as listed below (with the social partner that noted the need in brackets):

- to create sectoral social dialogue committees (Bulgarian Industrial Association, BIA)
- to activate measures for member organisations (MGYOSZ)
- to reach out to potential new members (MGYOSZ)
- to diversify offers, as well as offer new services (MGYOSZ)
- to have the capacity to participate in the legislative process, in the preparation and implementation of reforms and in economic development (LDDK)

- to strengthen employer organisations and worker organisations as part of civil society (LDDK)
- to increase membership and the impact of social partners (LDDK)
- to share experience and knowledge with other employer organisations and pass this on to regional and sectoral members (LPK)
- to organise training sessions in sectoral and regional associations (LPK)
- to better define capacity building, which usually has a very narrow definition and excludes long-term activities and programmes that would make a change (Polish Confederation Lewiatan)
- to monitor, research and analyse policy in order to develop the monitoring mechanisms of important policy fields; undertake scientific research on social and economic issues; develop mechanisms for economic and social foresight; and foster specific issues, such as skills at local and sectoral levels (Romania's employer confederation Concordia)

Similar needs were also expressed by a selection of SMEunited members:

- long-term comprehensive support for accumulating knowledge in the organisation to ensure sustainable development
- staff needs for the European Semester and other regular contributions of social partners for the different policy fields
- staff for participation in social dialogue
- hiring and training programmes for staff, needed to finance longer training programmes
- hiring and training of more expertise to participate in the different institutional structures and legislative process including at European level
- need to attract more members

These needs were, in particular, voiced by the Polish Crafts Association (ZRP), the Hungarian Associations of Craftsmen's Corporations (IPOSZ), the Romanian National Council of Small and Medium Enterprises (CNIPMMR) and the Chamber of Crafts and Small Businesses of Slovenia (OZS).

## Examples of good practice for capacity building

**'Capacity building needs sufficient time to have an impact.'**

(Floridi et al, 2009)

The material below is presented in two broad categories:

- examples relating to institutional capacity (and the properties of the industrial relations system as such)

- examples relating more directly to social partners and their structures

The examples in the first section point to the importance of the links between the different elements of national industrial relations systems. In the examples provided, clear role divisions between actors at different levels of the system, and articulation of these levels, supports and is supported by the autonomy and representative strength of the actors. The role of the state is perceived as supportive, not threatening.

In the second section, a number of examples of the structures are cited which provide training or expertise to social partners, even if the information is far from comprehensive. Perhaps the most striking element is the frequency with which external support from European-level actors is central – whether European social partners, ESF resources or project funding from the EU. This might be a point for further discussion.

### Institutional capacity

#### Legislative

**Austria's** extensive collective labour legislation is a paradigm case of an industrial relations model based on very strong institution capacities: it vests the labour market parties with far-reaching regulatory power with binding legal effect. Clear precedence is given to the multiemployer (associational) bargaining level, with all aspects of the employment relationship placed unconditionally within the regulatory scope of collective agreements. In turn, the regulatory scope of co-determination at company level covers a relatively narrow range of issues. The Austrian Labour Constitution Act (Arbeitsverfassungsgesetz, ArbVG) ensures the coherence and integration of this dual system of industrial relations (collective labour relations at company and multicompany level) by defining the regulatory scope of the two levels in a complementary manner.

In **Belgium**, social dialogue is well defined and embedded in law. In particular, in the law of 1968 that arranges the system of joint committees and collective agreements. Sectoral collective bargaining is thus organised in structured and statutory recognised joint committees.

New legislation was introduced in **Latvia** to support the expansion of sector-level social dialogue.

From as early as 1950, the law of workers' councils in the **Netherlands** has institutionalised the importance and role of workers in any negotiation with employers, as well as general representation of workers. In this way, it legally enshrines the capacity for company-level social dialogue in the Netherlands.

In **Spain**, a new law passed in 2017 established clear objective criteria for the representativeness of organisations representing the self-employed.<sup>36</sup>

<sup>36</sup> According to the Spanish employer association CEOE, in Spain one differentiates between social dialogue, institutional participation bodies or civil society consultations, i.e. depending on whether the actors involved are social partners, social agents and civil society. Henceforth, the only legitimate national social partners for participating in social dialogue are the most representative employer associations and the most representative trade unions.

## Tripartism

An example of good practice is the tripartite tradition of **Cyprus** in which social dialogue for labour and social policy issues has a long history and a shared evaluation of historical success.

In May 2018, the **Estonian** government and social partners re-established tripartite social dialogue by gathering together and discussing topics relevant to labour and social policy. The last similar tripartite meeting had taken place more than a decade earlier, in 2002.

Existing legislation in **Lithuania** has created favourable conditions for the active and efficient operation of the Tripartite Council of the Republic of Lithuania in making decisions that are important for social and working life.

The social partners in **Malta** are consulted on major economic and social policy initiatives, including an annual pre-budget consultative meeting (since 2004) at Malta Council for Economic and Social Development (MCESD) level with the direct involvement of the finance minister. The social partners have often claimed that their views and proposals were taken into consideration. The MCESD members are also consulted before the National Reform Programme is presented to the European Commission.

The **Polish** tripartite social dialogue was relaunched in 2015. The draft legislation based on the consensus was devised by social partners themselves and eventually adopted.

## Collective bargaining

In **Austria**, bargaining capacity is granted almost exclusively to employee and employer organisations above company level. This means that in terms of organised labour, neither company unions nor works councils and, in terms of business, no individual employers (with very few exceptions specified by law) are authorised to conclude collective agreements. Practically, this means that the capacity of the social partners (above company level) to undertake binding obligations cannot be threatened by divergent pay policies within companies. This capacity is also safeguarded by the peace obligation for the duration of a collective agreement.

In recent years in **Denmark** the social partners have entered into a number of important agreements with the government and, depending on the issue, other key players such as local councils (for example on the integration of refugees into the labour market).<sup>37</sup>

On 28 February 2018, the three major union confederations – the **Italian** General Confederation of Labour (CGIL), the Italian Confederation of Workers' Unions and the Italian Union of Labour – and the employer confederation, Confindustria, reached an industry-wide agreement on the collective bargaining system, covering: the certification of representativeness; the collective bargaining system and bargaining issues. The Italian General Confederation of Enterprises, Professions and

Self-Employment, Confcommercio, signed an agreement on representativeness with the trade unions in 2015 and a second one on labour relations and collective agreements in 2016.

Sectoral-level collective agreements (in healthcare, social work and education) were signed in **Lithuania** in 2017. According to trade unions, the signing of these agreements should stimulate collective bargaining processes at the sector's company level as well.<sup>38</sup>

In **Luxembourg**, there is an obligation to negotiate and autonomy of negotiation. The existence of the favourability principle and tripartite institutions (such as the Conseil économique et social and the Comité permanent du travail et de l'emploi) are also conducive to capacity building.

In **Portugal**, within a tripartite agreement, the social partners committed to transmitting an orientation to suspend any unilateral action or denouncement of collective agreements for a period of 18 months to their affiliated members.

In May 2013, trade unions and employer organisations in **Spain** committed to speed up the process of renewing collective agreements and agreed to negotiate extensions of collective agreements whilst talks to renew them were still ongoing. In this way, trade unions and employers tried to avoid the conflicts around the renewal of some sectoral collective agreements.

## Supportive role of the state

**Austria** records a high collective bargaining coverage rate for several reasons. First, Austrian labour law stipulates an automatic extension of collective agreements to cover non-unionised employees provided that they are employed by a company which is a member of a signatory party on the employer's side. Second, as a matter of principle, collective agreements remain valid, even after their expiration, as long as no new collective agreement (or individual contract with the employees concerned) has been concluded. Third, the principle of obligatory membership of the WKÖ and its sub-units work as a functional equivalent to mechanisms extending collective agreements.

In **Denmark**, the government and parliament have agreed (statement of intent of 2 September 2015) to continue to assign social partners decisive influence on legislation concerning labour market policy and on frameworks concerning the relationship between employees and employers.

Following the relaunch of central tripartite institutions in 2015, in **Poland** the state has remained supportive of the institutional dimension of social dialogue in the context of the draft on new labour codes in 2016.

The Centre for Labour Relations (CRL) in **Portugal** is a tripartite body with technical functions, administrative autonomy and legal personality, which operates under the Ministry of Labour, Solidarity and Social Security. It was

<sup>37</sup> According to the Danish employer association DA.

<sup>38</sup> According to the Lithuanian Trade Union Confederation (LPSK), there is a lack of quality collective agreements in the private sector. Most collective agreements in the private sector are declarative and have no real impact.



established in 2012 to support collective bargaining and monitor developments in employment and professional training.

In **Slovakia**, the state has supported social partners' access to expertise and from 2010–2014, social partners, in cooperation with the government, prepared the National Centre for Social Dialogue project, which was realised with support from the ESF.

Until 2007, those paying trade union fees in **Sweden** could deduct the cost on their tax declaration. When the Swedish government removed this opportunity in 2007, trade union membership fell from 77% to 71%. To counteract this decline, the government chose to reintroduce the right to deduct membership fees on tax declarations from 1 July 2020. The hope is that this will encourage more workers in Sweden to join a trade union and that the rate of organisation in all sectors will increase.

## Structural capacity

### Membership and representativeness

The **Bulgarian** trade unions received support from the ETUC and European sectoral federations for organising campaigns.

In 2017, the **Estonian** Trade Union Confederation (EAKL), together with its member unions, organised a recruitment campaign for trade unions. An important development was the signing of a good practice agreement on extending collective agreements. The agreement set a representativeness criterion for social partners.

The **Romanian** IT union SITT (Sindicatul IT Timisoara) received a 'Breaking Through' award after its campaign to help technology workers organise gained over 1,100 new members in less than six months. The Timisoara IT trade union has been attracting new members by offering advice and legal assistance provided by well-known law firms for any labour dispute. It also provides professional training for members and cooperation with student organisations. UNI Global Union also gave a 2017 Breaking Through award to the Trade Union Federation of Commerce Romania to honour outstanding membership growth. The trade union increased their membership in Carrefour by over 70%, bringing in 4,000 new members within nine months.

### Capacity and mandate to negotiate

Despite the centralisation trend in **Belgium** in recent years, the strong capacity to negotiate and high degree of autonomy of social partners is shown by the fact that an agreement between social partners is still required (or sought after) if significant changes are proposed by the ministers of labour.

In **Cyprus**, employers remain highly representative and trade unions have maintained their capacity to negotiate even amidst declining collective bargaining.

### Financial resources

The **French** law of 5 March 2014 established a new fund taking effect from 1 January 2015, to support the social democracy work of employer and trade union

organisations. The fund is managed by a bipartite non-profit organisation (Association de gestion du fonds paritaire national, AGFPN) created in March 2015.

The EU and the government fund projects aimed at strengthening the capacity of social partners in **Greece** (for employers and employees cross-sector). The government provides financial support for the institutes and training structures of the social partners.

The **Latvian** state institutions agreed to incorporate a capacity-building programme into the EU Social Fund.

An example of good practice in **Romania** is the way trade unions access European funds which are designed to strengthen the capacity of social actors. The support European trade unions provided to Romanian trade unions, with a view to consolidate their organisation, proved to be fruitful. This is the case for unions supported by UNI-Europe, such as Romania's Trade Union Federation of Assurance and Banking.

### Required skills

The **Croatian** project EDUCA supported the training of trade union and workers' representatives and shop stewards, members of shop stewards' committees, members of works councils and other representatives of the trade unions affiliated with the Union of Autonomous Trade Unions of Croatia (SSSH).

In 2011, the **Estonian** Transport and Road Workers Trade Union, in cooperation with other organisations including the EAKL, released the *Practical collective bargaining handbook*. It was co-financed through the ESF. The handbook provides thorough explanations of collective bargaining legislation, processes and collective disputes. It serves as a guiding tool for social partners, particularly for trade unions.

In **Greece**, social partner training centres develop various training projects designed to enhance skills in all categories (general, negotiation, numeric/ICT and soft skills).

A considerable number of capacity-building projects financed by the European Commission were implemented in **Italy**.

In **Latvia**, national-level social dialogue organisations have produced numerous publications about the role of collective agreements, explanations and interpretations of legislation and its amendments, local and EU policy regarding social dialogue and instructions and handbooks aimed at improving the negotiation skills of their members and providing necessary basic knowledge.

In the **Netherlands** it is quite common to send individuals (workers or employers) on training courses on collective labour market agreements. Some of the major social partners (such as the Dutch employers' association AVWN, one of the largest employer unions) offer training and provide activities to help employers with social dialogue. There are various organisations in the Netherlands that provide training for workers entering the works council, designed specifically to help with collective labour agreement negotiations.

Both of the **Portuguese** trade union confederations include regular specific actions tailored to improve negotiation skills in their training plans. Since 2017, the UGT has been involved in an EU-funded project to create an e-learning training platform aimed at improving negotiation skills in the domain of collective bargaining.

One of the most interesting skill-development initiatives has been the **Spanish** trade union CCOO's 'School of Work'. The school was created in 2017 and aims to build skills within the trade union. Its objective is to provide skills, such as communication and leadership to union members. The School of Work targets high-level union officers. It is the last step of the training process for these officers. It provides more than just technical skills. The broader aim of the project is to provide capacity building to deal with the most pressing issues relating to the changing world of work, such as digitalisation, demographic changes, European governance, social inequalities, gender dimension and ecological crises.

### Access to expertise

Some of the national **Bulgarian** employer associations have special resource centres. The trade unions use information from the European Economic and Social Committee, the ETUI and the Bulgarian Economic and Social Council to try to establish their own information banks. The Confederation of Independent Trade Unions of Bulgaria (CITUB) has a resource centre (both at the institute and online). The CITUB supports access to expertise via research institutes, seminars with international experts and partnerships with other academic institutions and NGOs and makes these mechanisms available to sectoral federations. Bulgarian trade unions organise training courses and improve the research capacity of the institutes through: courses to improve research skills; exchange of experience with the research institutes; and participation in the Trade Union Research Institute and other networks of the ETUI.

In **Finland**, social partners on both sides have extensive research and analytical resources in the form of affiliated research institutions and think tanks, among others. These provide a foundation of knowledge for their initiatives and policy debates.

The **Irish** employer organisation, Ibec, maintains a permanent office in Brussels and also has a Dublin-based research arm. Ibec has its own head of education and social policy, as well as a labour market and skills forum. The Irish Congress of Trade Unions (ICTU) has its own director of union learning. Ibec's research unit engages in the systematic collection of data on rates of pay and conditions of employment and surveys members on policy issues. It also conducts annual and one-off surveys on a broad range of issues. Ibec also has an economic policy unit. ICTU benefits from the trade union-funded Nevin Economic Research Institute, which conducts economic and social research, as well as research on pay and conditions and wider issues, such as Brexit.

## Policy debates on capacity building

By and large, capacity building does not appear to be a major issue in policy debates at national level. A few interesting examples are reported below.

In **Bulgaria**, the main debate concerned the labour code in general and the place and role of trade unions and employer organisations. The following are aspects of capacity building: employers often comment on the density and influence of trade unions; the views concerning social dialogue are rather positive but often criticised by some groups (mainly business representatives and think tank groups; there have been attempts to underestimate the role of trade unions both in general and concerning particular issues.

In **Cyprus**, during the past 10 years there has been no policy debate about coordinated and comprehensive capacity building to make social dialogue more effective. An important development was the establishment of the Institute of Labour by the Pancyprian Federation of Labour (PEO) in 2002 with its yearly reports on economy and employment and its status as Eurofound's national correspondent.

In **Czechia**, the debate on capacity building is linked mainly to the declining membership of the trade unions. While a wide range of projects supported by the ESF have been implemented over the past decade at central trade union confederation level, the sectoral level (with exceptions) continues to lack sufficient staffing capacity.

In **Greece**, the policy debate over the past 10 years about building capacity has been greatly affected by the economic and financial crisis. The social partners' capacity for effective social dialogue has been considerably weakened by the crisis.

After 22 years of social partnership in **Ireland**, both of the main social partners, Ibec and ICTU, were faced with the collapse of tripartite structures. The views of commentators and general media on the role of social dialogue was markedly shaped by the strong public and political reaction to the perceived role of social partnership in Ireland's economic collapse in 2008–2009. Social partnership, and in particular aspects of public service pay formation, was regarded as over-indulging trade unions and paying 'too high a price' for industrial peace. The views of various political parties in respect of the social partnership period differ to the extent that the Fianna Fail government acknowledged the role it played in overcoming a previous economic crisis (of the 1980s). The Fine Gael political party would regard it as having overreached as early as 2002. ICTU has a far more benign view of the social partnership period than Ibec, although the employer body is tempered in its critique.

In **Latvia**, the capacity-building debate is about:

- how to increase membership (typically for trade unions)
- how to involve SMEs, independent workers and those who are in new forms of employment

- how to expand collective bargaining that is considered a background for social dialogue

Until 2018 there was no policy debate directly addressing the issue of capacity building in **Lithuania**. It was only at the beginning of 2018 that the Ministry of Social Security and Labour initiated meetings of trade unions, employer organisations and researchers. Minister Linas Kukuraišis intends to identify the needs of social partners in relation to strengthening their organisations. According to the Lithuanian Trade Union Confederation (LPSK), capacity building remains a priority. There is a need to educate more trade unionists to make them more competent in collective bargaining at different levels (especially at enterprise level).<sup>39</sup>

One of the main recent policy debates in the **Netherlands** regarding capacity building centres largely on the representativeness of social partners (notably worker organisations), and on the gridlock which national level negotiations seem to reach between the main social partners, triggering the question of whether the Dutch consensus model, the ‘polder model’, is still relevant to the current economy and labour market.

In **Portugal**, all of the labour reforms, starting with the 2009 labour code and continuing with the amendments during the Troika period (2011–2014), and recent debates implicitly addressed the problem, in particular the debates about the extension of collective agreements and ultra-activity.

The requirements of the social partners for the improvement of their capacity for more effective social dialogue have been discussed for a long time in **Slovakia**. The government decided to assist the national social partners and the Ministry of Labour, Social Affairs and Family implemented the National Centre for Social Dialogue in 2010–2014. Since 2016, activities have continued through the implementation of the ‘National project centre for social dialogue II’, of which the first project activity is aimed at the capacity building of social partners.

The Economic and Social Council of **Slovenia** (ESS) discussed the issues of capacity building. Trade unions and employer organisations tried several times to open debates on the regular co-funding of social partners but had little success. The basic question was around the financing of activities, carried out by (representative) social partners on behalf of all employees, not only their members.

The main debates around capacity building in **Spain** over the last 10 years have shifted to focus on the membership of trade unions. The issue of membership is closely linked to other trade union capacity to effectively negotiate and implement collective bargaining and social dialogue agreements. The other important debate has been around the capacity of social partners to manage certain services, in particular training.<sup>40</sup>

## Academic research on capacity building

In the academic debate, capacity building does not appear to be a major topic of research at national level.

In **Belgium**, the ISO-AO study (Work and Social Economy Department, 2013) was aimed at providing advice and guidance for trade unions (representatives, secretaries, militants) within companies that are innovating their labour organisation. The study attempted to develop tools that could assist trade unionists at company level if they are faced with innovative labour organisation. The tools that were developed in the study have been implemented in a few cases that participate in a learning network.

There is not any recent research on capacity building in **Cyprus**.

An interesting finding in an article from 2017 about employer organisations in **Denmark** (Navrbjerg and Ibsen, 2017) is that the employer organisations have succeeded in adapting to meet the challenges coming from new types of member companies emerging from rapidly changing technology and sharp international competition. An important measure has been to introduce different types of memberships and thus offer differentiated services. Furthermore, it is the first time in more than a decade that the employer organisations, in terms of their self-perception of their place in the world and their adjustment strategies, have focused on research.

As agreed in the 2014 National General Collective Employment Agreement (Article 1), the national social partners in **Greece** developed a joint action plan with the participation of the ILO ‘to restore confidence and strengthen their effective participation in the social dialogue’. In this context, from 2014 to 2015, four studies were carried out with the cooperation of all of the national social partners. The results of all of the above studies were also incorporated into the policy document on ‘enhancing the effectiveness of the tripartite social dialogue’, which is the product of an agreement between the five national social partners. In the 2018 EGSS national general collective agreement, the social partners agreed an agenda with joint initiatives and projects.

A striking feature of the post-social partnership period in **Ireland** has been the relative silence of the employer body Ibec and the trade union body ICTU on the decline of social partnership. Neither party has committed resources to researching a process that they were directly engaged with for 22 years. On an industrial relations level, however, the government remains reluctant to accommodate Ibec and ICTU calls for an informal dispute resolution mechanism, as was used in the social partnership period to tackle high-profile industrial disputes.

In **Italy**, the Union for Workers in the Communication Sector (SLC) affiliated with the CGIL, together with the CGIL research centre Giuseppe di Vittorio, launched a project called ‘Artists’ life’. The project’s goal is to map

<sup>39</sup> More information on collective bargaining in Lithuania is available at [www.lpsk.lt/2019/02/01/collective-bargaining-in-lithuania-current-situation-and-priorities](http://www.lpsk.lt/2019/02/01/collective-bargaining-in-lithuania-current-situation-and-priorities)

<sup>40</sup> The Spanish employer association CEOE does not agree with this assessment.

an online survey on the working conditions of workers involved in the artistic sectors and their needs in terms of employment protection and social security. The survey suggests relaunching the collective representation by focusing on the provision of ad hoc services such as legal, administrative and fiscal assistance on the one hand, and the collective negotiation of fair wages, unemployment benefits and social protection on the other.

The **Latvian** 2017 contribution reported that a lack of resources makes it difficult to engage in meaningful social dialogue or negotiations in Latvia.

There are few academic sources in **Poland** reporting on the research focused specifically on capacity building. The most meaningful ones were published a number of years ago and are a product of the largest research project thus far launched by the government using ESF funding (2008–2009). Outputs from the project, ‘Improving functioning of the social dialogue system in Poland and enhancing institutions and participants in social dialogue’,

produced a series of publications dealing with diagnoses and needs of social dialogue in various dimensions (central, sectoral and regional).

As for **Romania**, a study by Aurora Trif (2015) was dedicated to the capacity building of social partners in the context of the economic crisis. In its conclusions, the study stated that before the economic crisis there was a balance of power between trade unions and employers sustained by labour law. These legislative changes have led to an imbalance of forces to the advantage of employers. In this context, the number of employees covered by collective bargaining agreements has dropped dramatically. At national level, trade unions and employers are no longer entitled to negotiate intersectoral collective agreements. At sector level, only a third of the branches that had collective labour agreements before 2011 had them in 2014. Legislative changes along with the economic crisis have made collective bargaining more difficult for unions at unit level.<sup>41</sup>

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<sup>41</sup> The Romanian employer association CNIPMMR does not share the views expressed in these conclusions.

# 4 Findings from the stakeholder seminars in Riga and Gdansk

In 2019, Eurofound implemented a two-part exchange seminar on capacity building for social dialogue, aiming to exchange information on the capacity needs of social partners, how to address them and on how Eurofound research can be used to support social partners' work in this regard. Accordingly, the seminars aimed to produce a joint commitment among participants to follow up actions in the light of Eurofound's objective (as described in the Founding Regulation) 'to provide the Commission, other union institutions, bodies and agencies, the Member States and the social partners with support for promoting the dialogue between management and labour' (Regulation (EU) 2019/127).

The first seminar, held in Riga on 2–3 July 2019, focused on sectoral collective bargaining and bipartite dialogue; the second one, held in Gdansk on 18–19 September, focused on tripartite governance and public policymaking (including the European Semester).

## Riga seminar

### Objectives

The main objectives of the Riga seminar were:

- to provide a forum to national actors to exchange on their capacity needs for sectoral collective bargaining and ways to address them
- to share experiences with regard to the development of strategies and actions to address sectoral social dialogue issues at national level
- to provide ideas for possible solutions
- to feed into the working paper prepared by Eurofound exploring how to support capacity building for effective social dialogue

### What was discussed?

The gaps, constraints and challenges for effective sectoral collective bargaining in selected countries, capacity-building needs and initiatives, good practice and possible solutions were discussed in an opening session.

Līga Mengelšone (Director-General, Employers' Confederation of Latvia) welcomed the participants by stating that the seminar is the fulfilment of dreams. The way in which industrial relations had developed in Latvia since the first exchanges with Eurofound on the issue in December 2018 were stunning. Nevertheless, different issues needed to be addressed such as the government's need for information and education, from fact-based exchanges to results. It was also important to invite government representatives to join the platforms for exchange in order to share good ideas.

Irena Liepina (Free Trade Union Confederation of Latvia and Eurofound Management Board member) also welcomed the participants in the name of the Free Trade Union Confederation of Latvia (LBAS). Following the meeting in December, six recommendations were taken on board and one general agreement was expected to be adopted in November 2019. The intellectual support from Eurofound was crucial for providing good and positive examples from EU level.

Ilona Kuikicane (Employers' Confederation of Latvia and Eurofound Management Board member) referred to collective bargaining in Latvia and was surprised by the fact that all social partners stressed the importance of giving trust and good rights to the social partners. Sectoral collective bargaining in Latvia was slowly moving towards the Scandinavian model.

The representative from Hospeem (speaking on behalf of CEEP) reminded the seminar participants that capacity building was a European concept and that it would be good to see how the national level intertwined with the EU-level concept of capacity building.

The representative from EPSU stressed that sectoral collective bargaining in the UK public sector (health, education and local administration) was still functioning. The involvement of national governments was linked to problems within the legislation.

The representative from the LDDK discussed the joint ILO and European Commission project – 'Enhancing social partners' and social dialogue's roles and capacity in the new world of work' – and suggested taking this document into account when drafting the report.

The representative from SMEunited highlighted the need for governmental support of social partners to be able to negotiate, including financial support.

### European social partners' panel

The representative from SMEunited welcomed the Eurofound project as timely in view of European social partners' work programme priorities. The governments should foster the practical, organisational and political capacities of social partners. It was useful that the Eurofound research included a discussion on the concept of capacity building at national level in which the governments have a key role (direct or indirect). Regarding the draft working document, the introductory part was done well while the second part still needed to be improved by including written comments from the European social partners' affiliates. Capacity building should not be regarded as means in itself but as an instrument to build trust, enable dialogue and embed SMEs. The complexity of the concept also had to be shown, as well as the notion of 'trust' as a key for a dialogue to take place.

The issue of capacity building for strong and representative social partners was a high priority of the European social partners' work programme and for SMEUnited. European support for capacity building through the ESF was a pressing requirement for a number of Member States and in particular SME organisations, especially in central and eastern European countries. It was noted that it was necessary to strengthen social dialogue benefiting employers and workers in order to achieve greater competitiveness, fair competition and more democratic societies. Well-developed industrial relations bring about a better balance between the role of the state and that of social partners, facilitating adaptation to quickly evolving labour markets. Capacity building needs to have more pro-active social partners involved in the European Semester, to design and implement the structural reforms set out in the yearly CSRs. The outcome of the project should be a tool for the members to facilitate mutual learning drawing on solutions that work in neighbouring countries.<sup>42</sup>

The representative from BusinessEurope reminded participants that real progress takes time and that we must be ambitious and aim for a dedicated approach to social partners' capacity building in countries where this is needed. The speaker greatly appreciated Eurofound's role as a partner in this important project, serving the needs of its constituencies by providing research, in particular sound analytical frameworks for both EU-level and national-level social partners. A good example in this context was the Eurofound work on key dimensions of industrial relations, which the representative considered an important report. It offered good recognition of the diversity of industrial relations, balancing different interests and including the important key dimension of industrial competitiveness. Collective bargaining and social dialogue were tools for the management of change. It would be useful to have a secondary analysis stemming from Eurofound research that would analyse the way in which different collective bargaining systems deal with different issues and how social partners in different countries address issues such as working time, pay, flexible work options, gender equality and work-life balance including the way this relates to the autonomy they have in the law. When doing so, it was important that Eurofound made good use of the information gathered as part of its representativeness studies. The representative recalled the work related to the capacity building of the subgroup of the Social Dialogue Committee and the objective to achieve a better implementation of social dialogue instruments at national level.

The representative from ETUC mentioned that the Eurofound work on capacity building was excellent, timely and innovative in its understanding of the capacity-building concept. The lack of the implementation of EU agreements at national level was raised by sectoral social partners and the national social partners often link implementation difficulties to capacity issues: lack of resources and management of the resources; the role of social partners in the management of EU funds; and lack of government capacity in funds management, among others. The current

work in the subgroup of the Social Dialogue Committee has been focused on nine countries; however, the need to develop stronger social dialogue and collective bargaining is felt across Europe. For the current project, 'Capacity building for effective social dialogue', a broad definition should be used. Once the objectives are identified, the tools to develop the required capacities can be developed, such as legislative changes to support and protect collective bargaining at cross-industry and sectoral levels, proper involvement of social partners in policymaking, funding and training measures, including awareness raising, to reinforce the role of social partners and collective bargaining. The autonomy of the social partners needs to be respected and this requires a deeper understanding from governments and policymakers. The speaker cautioned participants not to mix social dialogue with the involvement of the social partners in the European Semester, since there was no real social dialogue in the latter. He also drew the attention to ETUC's call for a framework initiative, including the possibility of a framework directive, on collective bargaining, as highlighted at the last congress, which could reinforce multiemployer bargaining at cross-industry and sectoral levels.

The CEEP representative claimed that a key issue of capacity building was how to reinforce the targeting of ESF funds toward social dialogue. This claim had been made in a letter to the Romanian Presidency. A reflection process had also started in the subgroup of the Social Dialogue Committee via a short survey to some Member States.

### Session on mutual learning and good practices

Following the social partner panel, the seminar continued in break-out sessions examining the gaps, constraints and challenges for effective sectoral collective bargaining in selected countries, capacity-building needs and initiatives, good practice and possible solutions. Among the topics discussed in the break-out sessions were examples of good practices learned from other national social partners, the extent to which European social partner agreements have prompted negotiations at national level and what support has been available for capacity building.

The group were asked the following questions.

- What are some examples of good practices learned from other national social partners?
- To what extent have the European social partner agreements prompted negotiations at national level?
- What support is available and/or needed?

### What are some examples of good practices learned from other national social partners?

The representative from EPSU opened the session and noted that implementing good practices takes time. He expressed his keenness to learn more about the ongoing process in Romania that makes collective bargaining and negotiation compulsory at company level and was interested to hear more about how collective agreements in Lithuania would apply to members of trade unions but not to workers that were not affiliated with a union.

<sup>42</sup> More information on the Riga exchange seminar is available at [smeunited.eu/news/eurofound-and-social-partners-join-forces-for-capacity-building](https://smeunited.eu/news/eurofound-and-social-partners-join-forces-for-capacity-building)

**Bulgaria** highlighted the need for a minimum wage setting mechanism. The social partners are currently working on this issue. The fact that collective bargaining depends on trade union membership and the economic situation was also mentioned.

**Greece** was using a labour market diagnosis system that predicted and recorded the skill needs of the labour market.

**Latvia** explained that the trade union took part in an exchange visit to Finland, where it informed the participants about three different forms of regulations: 1) regulations that cannot be derogated from; 2) regulations that can be derogated from depending on the sector; 3) regulations that can be derogated from company level. Latvia has set up the Tripartite Council, which discusses, among other issues, the minimum wage setting mechanism. The social partners, together with the government, chambers and civil society organisations, are part of the council.

**Lithuania** noted that the agreements in the public sector are renegotiated at national level each year. Lithuania informed the participants about their Tripartite Council that operates on a national level. It had to be noted that if the parties involved in the council disagreed, the government had the executive power to decide on the final solution.

**Romania** informed the participants that it was inspired by Germany's minimum wage setting mechanism which involves trade unions, employers, the government and experts.

#### **To what extent have the European social partner agreements prompted negotiations at national level?**

**Romania** reported that some negotiations in the banking sector have been based on European social partner agreements, particularly on the topic of digitalisation and telework, as well as upskilling of workers for digitalisation. Romania also noted that some regulations and directives were only copied and pasted into national law. This means that there will need to be a systematic review of the information and consultation of social partners, and of how their opinion has been weighed against that of civil society organisations (differences of definition between the Member States).

Generally, there was a positive influence from European social partner agreements on a national level. The relationship between European social dialogue and social partners has been perceived as helpful as it provides the opportunity to exchange good practices and leverage for national social partners in working with their government.

#### **What support is available and/or needed?**

**Bulgaria** noted that VET and dual education was important as they were lacking workforce (brain drain).

**Latvia's** social partners were involved in several working groups dealing with the ESF. However, it was noted that there was a lack of capacity to go through all the required and relevant documents associated with the application and implementation of the funds.

**Romania** is part of the 2020–2027 funding programming period monitoring committee in Romania; however, there has not been a clear evaluation or assessment process to determine which organisation is qualified to be on the committee (first-come, first-served basis).

## Gdansk seminar

### Objectives

The main objective of the Gdansk seminar was to discuss and analyse the following questions.

- What are the main elements of more effective tripartite governance at Member State level and what are the priority issues to be addressed in the Member States?
- What are the main elements of more effective involvement in public policymaking (including the European Semester) at Member State level and what are the priority issues to be addressed in each Member State?
- Which capacities are needed for effective participation of the social partners in the processes mentioned above?
- What actions can be taken by the organisations present?
- What would have to happen at European and national levels?

### What was discussed?

Ewa Zydorek (NSZZ Solidarność), Magdalena Gryciuk (Social Dialogue Council) and Andrzej Rudka (Polish Confederation Lewiatan) welcomed the participants and raised a number of issues in the context of the current state of play of social dialogue and tripartism in Poland. Unfortunately, the developments in social dialogue in Poland were not positive. Andrzej Rudka (Polish Confederation Lewiatan) congratulated Eurofound for this initiative, the recently published report *Measuring varieties of industrial relations* and the industrial relations index, which allows for cross-country benchmarking and mutual learning in this field. The project and seminar came at a timely moment for Poland and the hosts were looking forward to the discussions as social dialogue and tripartism were on a downward trend.

Christian Welz (Eurofound) presented the report's state of play, which had been revised in light of the written comments received from the social partners and the discussions during the Riga seminar.

Maxime Cerutti (BusinessEurope) welcomed the presentation as it took the Riga discussions on board.

#### **Involvement and capacity of the social partners in tripartite governance and public policymaking**

Youcef Ghellab (ILO) presented the ILO's approach to tripartism and the recent ILO project on capacity building financed by the European Commission. Tripartism has been in the ILO's genetic code since its inception 100 years ago. According to the ILO, there were a number

of preconditions for effective bipartite social dialogue: freedom of association; strong, independent and representative social partners; an appropriate legal and institutional framework; political will and commitment from both sides of the industry; practice and experience; and the governments' trust and respect for the role of the social partners. Effective bipartism was the precondition for effective tripartism. Effective tripartism was also contingent upon independent actors on an equal footing. The ILO convention C 144 has been the key convention in this context. Currently, social dialogue and tripartism are confronted with a number of serious challenges: widening inequalities, the weakening of labour market institutions including labour administrations and doubts about the effectiveness of social dialogue and tripartism in delivering sustainable outcomes. In light of these challenges, a new era of partnership is needed. For this to happen, the capacities of employers, trade unions and labour administrations need to be strengthened. This is the goal of the current ILO project on capacity building, aimed at strengthening labour relations, processes and administration in a number of Member States. Promoting the autonomy and legitimacy of social partners as well as the renewal of the tripartite commitment are among the key objectives of this project.

Jörg Tagger (European Commission) stated that the Commission was pleased with Eurofound's project. A stronger emphasis on capacity building of the national social partners was one of the four priorities of the 2015 New Start Initiative.

**Table 3: Capacity building at EU level**

2015→ New Start Initiative – One of four priorities	
1. Closer involvement of the social partners in the European semester.	2. Increased involvement of the social partners in EU policy and law-making.
3. Stronger emphasis on capacity building of the national social partners.	4. Clearer relations between social partners' agreements and the better regulation agenda.

Source: Authors' own compilation, based on 2015 New Start Initiative

It will be necessary to identify real gaps and needs knowing that one solution does not fit all. It was also necessary for the social partners to identify their own needs, an exercise which would reinforce the European Semester process. Capacity is an important element of the overall functioning of social dialogue and was addressed by four Member States (Estonia, Latvia, Lithuania and Slovakia) in the 2019 European Semester. Hungary and Romania received CSRs on the functioning of social dialogue.

#### Comments from the European social partners

The representative from BusinessEurope opened by saying that the seminar in Gdansk was organised in a symbolic place at a symbolic time: Europe was about to enter a new political cycle, which was an opportunity to take stock of the progress made following the new start of the social dialogue initiated in 2016 and to take further

steps forward. There is added value in organising a space for informal exchanges between tripartite institutional actors. The representative welcomed the presence of the ILO as it was working on similar issues and can bring a useful international perspective when considering the most appropriate ways to support some of the countries aiming to improve their collective bargaining frameworks. BusinessEurope welcomed this Eurofound exercise while at the same time expressing a certain degree of regret that only a few national government representatives were present. Unfortunately, tripartism has been rather dysfunctional in some Member States, such as Hungary and Romania, and bipartite collective bargaining at the sectoral level has been rather weak in a number of Member States. Hence, the Eurofound initiative came at the right moment in time. Eurofound's role in this exercise has been to provide solid research and networking fora on which the seminars could build. A further output could be a web tool to facilitate access to information which would be helpful for mutual learning exercises.

Together with ETUC, CEEP and SMEunited, BusinessEurope was focusing on capacity-building activities in nine Member States: Bulgaria, Croatia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia. Furthermore, BusinessEurope had recently proposed to create two tripartite advisory committees on employment policies and social protection. Autonomy was the main motivation for the social partners to engage in collective bargaining. In light of the practice in well-developed industrial relations systems, an essential requirement for employers to invest in social dialogue is to make sure that their engagement could lead to arrangements that positively support the competitiveness of the companies they represent. The way forward is to move in the direction of solution-oriented social dialogue, whereby social partners come forward with solutions to the labour market challenges facing employers and workers in a way that can deviate from the labour law codes, as long as these solutions are jointly agreed by the social partners. In most countries, the state should create an autonomous space for the social partners to engage in. Autonomy is a key motivation for social dialogue and collective bargaining has to serve the needs of industry. In terms of future Eurofound activities, it could provide a space for regular interaction between governments, employers and workers via tripartite mutual learning seminars. An interesting theme for a future Eurofound mutual learning seminar with only national social partners and without governments could be to explore the different ways in which national social partners coordinate collective bargaining in different industrial relations systems.

The representative from ETUC said that it was important to clarify who played which role in the capacity-building process. The participants agreed that capacity building needed to be strengthened in some sectors and countries. EU-level social dialogue could set good examples as to how to assist national social partners: social dialogue does not need to be renewed, but it has to deliver. As for the legal framework, it needs strong social partners but it should not be too institutionalised. In line with the views expressed by the ILO, the ETUC representative emphasised



that well-functioning bipartism is the precondition for effective tripartism.

The representative from CEEP was delighted to attend the seminar and thanked Eurofound and Solidarność for the initiative. CEEP sensed a common understanding among the participants to deepen the knowledge of national issues and the multilevel challenges involved. According to CEEP, capacity building is a multilayered challenge. Having institutions in place is not the only prerequisite for fostering an enabling framework for social dialogue. It requires appropriate capacity building and mutual trust between governments and social partners. In particular, in view of the forthcoming challenges of adaptation to change, digitalisation, climate change and demographic ageing, the role of social partners will be critical and their empowerment a condition for success.

In the subsequent discussion, the following issues were raised. The representative from the ILO stressed the importance of the role of government in creating an enabling environment when it comes to effective social dialogue, such as effective and efficient dispute resolution mechanisms. It is important to draw a clear border between bipartite and tripartite governance of social dialogue. The state should create legal frameworks and should not decide everything but leave room for the autonomy of the social partners. Tripartism should only complement bipartism.

The European Commission added that it is important to clarify what defines functioning social dialogue and which indicators should be used to assess and benchmark this. Formal social dialogue was not sufficient. It is necessary to identify real gaps and needs knowing that one solution does not fit all. It is also important that the social partners identify their own needs, an exercise which would also reinforce the European Semester process.

The representative from NSZZ Solidarność asked how to define an employer organisation as they do not have the capacity to negotiate collective agreements in Poland. Against this background, there is no sectoral collective bargaining, not even coordination of collective bargaining.

### **Break-out sessions – Experiences of social partners' involvement in tripartite institutional governance and European Semester governance**

The first break-out session addressed the following questions.

- What are elements of more effective tripartite institutional governance at Member State level?
- What are the priority issues to be addressed in the Member States?
- Which capacities are needed?

The **Croatian** government member stated that there needs to be more trust and respect among the social partners. The trade union member said that the government did a good job in promoting social dialogue and tripartism, yet better support for sectoral-level collective bargaining is needed.

The **Estonian** trade union member underlined the necessity to make the benefits of trade union membership and tripartism clear. In Estonia, the sectoral level needs to be strengthened.

The **Latvian** representative of the employers regretted that many of the sectoral employers were not members of European employer organisations because of the elevated membership fees.

The government representative from **Lithuania** remarked that there is a fine line between autonomy and interference. Social partners need to be strong and incentives alone are not enough. In Lithuania, over 80% of the labour code provisions, including the criteria of representatives (regarding participation in the Tripartite Council), had been agreed upon by the social partners in the Tripartite Council.

The **Polish** trade union member stated that bipartism is a rational choice of governance, whereas tripartism is often a power game in which the two sides of the industry are inclined to seek alliances with the government at the expense of bipartite social dialogue. Unfortunately, there was no good platform for bipartite social dialogue in Poland. The sectoral level also needs to be strengthened. The Polish employers' representative agreed that solid bipartism is the precondition for effective tripartism. Often the government has used the fragmentation of social partners for its own political purposes. The Polish employers' representative was also clear in his statement that he was against compulsory membership and that he considered civil society and social partnership complementary.

The **Romanian** employers' representative insisted that the social partners had to build stronger institutions, invest more in bipartism and that the employers had to deliver more.

Ricardo Rodriguez Contreras (Eurofound) gave an introduction into the second break-out session based on former research on capacity needs identified by the social partners within the context of their involvement in the European Semester, as well as by the replies to the survey prepared for the seminar.

The second break-out session addressed the following questions.

- What are the elements of more effective involvement in public policymaking and the European Semester process at Member State level?
- What are the priority issues to be addressed in the Member States?
- Which capacities are needed?

In **Bulgaria**, the labour code only lightly regulates collective bargaining and there is not a separate piece of legislation.

The **Croatian** social partners agreed that social dialogue and tripartism is well regulated. Sectoral collective bargaining, however, has been mainly limited to tourism,

catering and construction and the minimum wage at sectoral level has not been sufficiently controlled by the labour inspectors.

In **Estonia**, the labour code is rather neutral about social dialogue and there have been many unsuccessful attempts to reform Estonian labour law, such as including a definition of worker as strived for by the trade unions.

The trade unions from **Poland** answered by saying that the labour code does not cater for enough incentives to bargain at sectoral level, instead of company level. Unfortunately, the redraft of the labour code had been blocked, despite the fact that the Polish social partners had agreed upon several proposals in the codification committee, such as new mediation procedures. These uncontroversial proposals should be picked up again. The Polish employers, by and large, agreed with the trade unions and put forward the view that the blocking actor was the government.

The **Romanian** employers argued that the labour code was too prescriptive and did not leave sufficient room for negotiations. The representativeness criteria were far too strict, to the extent that sectoral collective bargaining only happened in 7 out of 30 sectors.<sup>43</sup> Mutual recognition could be a way out of this impasse.

The third break-out session addressed the following questions.

- What actions can be taken by the organisations present?
- What would have to happen at European level and national level?
- What would be the future role for Eurofound in assisting the social partners?

There was a general call on the European Commission to continue to support bipartite social dialogue as a precondition of effective tripartism. At the same time, the benefits of social dialogue and tripartism need to be made more visible.

Furthermore, several issues on the social partners' side were acknowledged such as the lack of expertise and know-how to engage in a real dialogue, limited human

resources at national and regional levels and the difficulty of fully understanding the European Semester process. This showed a strong need for further capacity-building measures, especially in central and eastern European countries. Good industrial relations require strong, autonomous and representative social partners that are able and ready to take on responsibilities and contribute to economic and social development. With regard to the European Semester, the proposal to have two separate meetings during the country visits was made: an initial meeting between only the European Commission and the national partners and a second exchange including the governments.

The **Bulgarian** employers stated that they were heavily over-consulted. The **Polish** employers agreed with the finding that meaningful bipartism is a precondition for effective tripartism but asked what would happen if the governments ignored this premise.

### Conclusions drawn from the Gdansk seminar

In the conclusions drawn from the Gdansk seminar, the European Commission insisted on the past and future importance of social dialogue, and on the need to have a good bipartite social dialogue to reinforce tripartism. Capacity building is important and will continue to be important, but it is more crucial than ever to make use of all the existing EU-wide tools, particularly during the current ESF programming period. The European Commission will continue to support the capacity building of the social partners. Yet, the concrete needs for capacity building still need to be clarified. There is a huge expectation from the European Commission that social partners will come up with concrete proposals. In parallel, the social partners need to further identify the gaps in the operational level of social dialogue.

The exchange of practices was particularly relevant for mutual learning not only for the social partners but also for public authorities. This is something that the European Commission has been promoting in the Employment Committee (EMCO). The Gdansk seminar clearly showed the added value of joining the forces of the ILO, European Commission, Eurofound and national social partners and governments.<sup>44</sup>

<sup>43</sup> According to GD no. 1260/2011 and GD no. 13/2017 there are 30 sectors defined in which collective bargaining can take place.

<sup>44</sup> More information on involving social partners in tripartite governance is available at [smeunited.eu/news/tripartism-better-involving-social-partners-at-national-level](https://smeunited.eu/news/tripartism-better-involving-social-partners-at-national-level)

# 5 Policy pointers and further steps

As noted in the introduction, the context in which this research was undertaken has been changed by the COVID-19 pandemic, with long-term consequences which are unknowable at the time of writing. We have already seen that social dialogue has contributed to responding to the crisis – in shaping the measures taken to support business continuity, to extend social protection to previously uncovered groups, to ensure the protection of the workers who must continue to attend their normal workplace and to reorganise the work of those now working remotely. But it is also clear that there will be consequences for the resources and tools available for capacity building and for social dialogue itself. With this caveat, the following remarks still stand.

Social dialogue and well-functioning industrial relations serve the general interest and as such should be supported by public policy. This should be reflected not only in the actions of social partners but also in the allocation of public monies and in the actions of public authorities to advocate effective social dialogue.

In light of the findings of this report, the stakeholder consultations and the discussions at the Riga and Gdansk seminars, Eurofound is proposing the following policy pointers for further discussion.

## Definition and scope of capacity building

Eurofound proposes the following definition for the purpose of the report.

Capacity building is the enhancement of skills, abilities and powers of the social partners to engage effectively at different levels (EU, national, regional, sectoral, company and establishment) in:

- social dialogue
- collective bargaining
- (co)regulating the employment relationship
- tripartite and bipartite consultations
- public policymaking
- influencing public policymaking via advocacy

This definition was broadly shared and supported by the participants of the Riga and Gdansk seminars, as well as during the consultation process. The ETUC representative stated that for the current project, ‘Capacity building for effective social dialogue’, a broad definition should be used addressing the following issues.

- What is the capacity for?
- What are the objectives?
- What do we want to achieve through those objectives?

- How can better social dialogue be established at national and sectoral levels?
- How can a top-down and bottom-up approach be implemented to enhance the relationship between social partners themselves and with the government?<sup>45</sup>

A common understanding was also reached that capacity building must occur through direct participation (on all levels) with the people and organisations involved and that the concept of capacity building must not be considered an end in itself.<sup>46</sup>

The importance of the environment, in the first instance as a conditional factor (positive or negative) on capacity-building possibilities and, in the second, as an element that one can hope to transform was also stressed in the course of the exercise.

Finally, participants agreed that adapting to the local context and flexibility are essential: there is not a single formula for capacity building (Floridi et al, 2009).

## Structural gaps in national industrial relations systems

Attempts to close structural gaps within the national systems of industrial relations should be supported in order to arrive at more effective social dialogue at national level while respecting the principle of subsidiarity and autonomy of the social partners.

In 2006, an OECD report stated that ‘capacity is not only about skills and procedures; it is also about incentives and governance’ and, according to Floridi et al (2009), the environment in which capacity building takes place is of utmost importance: first, as a conditional factor (positive or negative) on the capacity-building possibilities and, second, as an element that capacity building can transform. Thus, industrial relations systems matter when it comes to capacity building for social partners.

Well-developed industrial relations are likely to bring about a better balance between the role of the state and that of social partners, facilitating adaptation to quickly evolving labour markets. Capacity building is also needed to have more proactive social partner involvement in the European Semester process, to design and implement structural reforms as explained in the yearly CSRs. Legislative reforms to promote capacity building for effective social dialogue were proposed in eight national reports by the Network of Eurofound Correspondents in 2019 (Bulgaria, Germany, Greece, Luxembourg, Malta, Portugal, Romania and Slovakia).

The ILO stressed the need of strengthening labour relations, processes and administration in a number of Member States. Promoting the autonomy and legitimacy

<sup>45</sup> According to the ETUC representative at the Riga seminar.

<sup>46</sup> ‘Capacity building should not be regarded as “means” in itself but as an instrument to build trust, enable dialogue and embed SMEs’ according to the SMEUnited representative at the Riga seminar.

of social partners as well as the renewal of the tripartite commitment are among the key objectives of the current ILO project on capacity building.

The ETUC representative drew attention to the confederation's call for a framework initiative, including the possibility of a framework directive, on collective bargaining, as highlighted at the last congress. The initiative could reinforce multiemployer bargaining at cross-industry and sectoral levels.

According to SMEUnited, capacity building is a must and needs to be better defined considering the weaknesses of the national institutional frameworks to achieve good bipartite and tripartite social dialogue.

The Estonian trade union representative emphasised the need for structured, regular and institutionalised social dialogue (as opposed to ad hoc). The Polish trade union representative stressed the necessity of a proper legislative framework for collective bargaining in Poland.

### Ringfencing the autonomy of the social partners

The autonomy of the social partners in the framework of capacity building for effective social dialogue should be respected and reinforced.

At the Commission conference for the relaunch of social dialogue in 2015, then President Juncker stated that tripartism does not work without well-functioning bipartism. It is because of social partners that bipartism is advancing. Well-functioning bipartism is deeply rooted in the autonomy of the social partners.

The principle of 'autonomy of the social partners' is embedded in most of the EU's legal systems, as well as in texts of international and European organisations. It has been recognised as one of the general principles of EU law according to Article 152 of the Treaty on the Functioning of the European Union. However, Eurofound research has shown that one of the impacts of the crisis on industrial relations was an increasing trend toward unilateral decision-making by governments at the expense of the autonomy of the social partners, especially in the public sector. The autonomy of the social partners is particularly at stake when it comes to wage-setting mechanisms. The EU social partners stressed the importance of their collective bargaining autonomy and trade union representatives, in particular, they voiced their concern about what they see as interference from EU institutions in national-level wage determination and wage policy.

The importance of the autonomy of the social partners as a *conditio sine qua non* of a true social dialogue was also flagged by participants at the first brainstorming seminar: they stressed the importance of autonomy, mutual trust and equitable power relations between the two sides of industry in the context of capacity building (European Commission, 2009; Wild, 2009). The autonomy of the social partners is an important prerequisite for effective social dialogue. Yet, a number of reports raised as a concern the increasing dominance of the state in social dialogue and collective bargaining. Member States have reported that from 2008 onwards the financial and economic crisis

seems to have had a negative impact on the autonomy of the social partners.

As noted previously, BusinessEurope argued that the state should create an autonomous space for the social partners to engage in. Autonomy – for example, social partners being able to deal with issues without government interference or to negotiate arrangements that are different to the legal requirements in the labour code in accordance with clearly agreed rules – was the main motivation of social dialogue and collective bargaining to serve the needs of industry. In some western European countries, collective bargaining frameworks are set by the social partners themselves, which could inspire social partners in other countries where social partners want to evolve towards a more autonomous approach.

For CEEP, it was important to respect the autonomy of national social partners to be able to develop their own system that fit the national specificities. However, it needs to be acknowledged that some Member States might need more assistance than others in achieving that. CEEP believed that the national social partners were at a point where they were able to start their own reflection process.

The ETUC representative stated that the autonomy of the social partners had to be respected and that this required a deeper understanding from governments and policymakers.

The lack of an autonomous space, which negatively impacted the quality of social dialogue, was also mentioned by the trade union representative from Bulgaria. This view was echoed by the Polish (Social Dialogue Council) and Romanian government representatives, who argued that the governments and labour legislation should encourage constructive collective bargaining (win-win solutions) and autonomous initiatives leaving sufficient space in this regard. However, this approach should be adapted to the national realities and industrial relations systems. The employers from Romania added that, in this context, it was important to create room for social dialogue by reducing the influence of the governments in the decision-making process and by simplifying legislation. This could be fostered by providing incentives to social partners to improve the quality of social dialogue by offering them joint decision-making powers in specific areas (such as defining professional competencies, professional development planning for industries, and so on).

### Increased membership, representativeness and capacity to negotiate

Social partners should be supported in their efforts to increase their membership representativeness and capacity to negotiate and implement agreements.

On 16 June 2016, the Employment, Social Policy, Health and Consumer Affairs Council (ESPCO) adopted conclusions on 'A new start for a stronger social dialogue' at its 3,474th meeting. The conclusions stress the importance of capacity building of social partners at the national and sectoral levels, 'which could contribute – amongst other things – to improve representativeness of European social partners in negotiating their agreements'.

In this context, emphasis is put on representativeness and capacity to negotiate as objectives in a number of projects. Examples of project objectives include:

- building and reinforcing the capacity of national social partners to engage in national social dialogue and to participate in and contribute to European social dialogue through expanding membership and representativeness<sup>47</sup>
- improving membership and representativeness of both trade unions and employer organisations and ensuring that there is a capacity to enter into agreements with an appropriate mandate<sup>48</sup>
- increasing the representativeness of social partners and strengthening their operational, analytical and legal capabilities to engage in social dialogue and collective bargaining as well as to contribute to policymaking<sup>49</sup>

According to the Romanian government, independent, strong and representative organisations must be legitimate, act responsibly and initiate autonomous actions. Fragmentation of the organisations and challenges induced by changes in the labour markets negatively affect the capacity of social partners. New solutions are necessary to attract new members and the role of representative organisations should be reconsidered in order to promote proactive attitudes. To achieve this, the negotiating capacity of the parties and the constructive role of collective bargaining needed to be strengthened.

### Strengthening bipartite social dialogue and collective bargaining

National-level bipartite social dialogue and collective bargaining is the core of national industrial relations systems and should be underpinned by an appropriately supportive legal framework while respecting the principle of subsidiarity and the autonomy of the social partners.

There was a common understanding at the Riga and Gdansk seminars that well-functioning bipartism is the precondition for effective tripartism, which led to a general call on the European Commission to continue to support bipartite social dialogue. Youcef Ghellab (ILO) also stated that there were a number of preconditions for effective bipartite social dialogue: freedom of association; strong, independent and representative social partners; an appropriate legal and institutional framework; political will and commitment of the two sides of industry; practice and experience; and governments' trust and respect for the role of social partners. Effective bipartism was the precondition for effective tripartism. Effective tripartism was once again contingent upon independent actors being on an equal footing.

The Latvian employers' representative stressed the difficulty of identifying the value added by bipartite social dialogue, as almost everything was regulated in the labour

code and there was little space for collective bargaining. The representative also called into question the exemplary role of multinationals in negotiating collective company agreements in the countries with weak or non-existent sectoral collective bargaining, which stands in contrast to their behaviour in the headquarter countries. The Polish employers' representative raised the question as to how to strengthen the importance of bilateral dialogue, in particular in cases where an agreement was reached by employers and trade unions which was then ignored by the government. Would it be possible to create appeal institutions or foresee other steps? According to the Romanian government representative, effective bipartite dialogue, based on mutual trust, willingness and voluntary actions, was the key precondition for an effective tripartite dialogue, which also required political will and commitment.

### Strengthening skills and human resources

Developing the skills and expertise of the two sides of industry in relation to specific skills (such as industrial relations, negotiation, research and analysis, policymaking, advocacy, and soft and digital skills) should be supported.

According to Floridi et al (2009), one of the prerequisites of capacity building is that 'there must, above all, be a core of skills that can be reinforced'. Yet, as the national reports show, skill shortages of the social partners are commonplace at Member State level. This is true for skills in general (Croatia, Greece, Romania and Slovakia), but even more acute with regard to foreign language, analytical/research and negotiation skills as this report has put forward.

The Romanian government representative stressed the need for improving the analytical and institutional capacity of the parties for better representation and increased legitimacy.

The findings of the Eurofound study on articulation between EU- and national-level social dialogue pointed to huge gaps as regards human resources and capacities of national social partners. Generally, social partners within the Member States with well-established and well-functioning social dialogue reported much better working conditions and more resources than social partners in countries where such framework conditions are not in place (Eurofound, 2018a).

### Building or rebuilding trust among the social partners

Social partners should invest in building or, when necessary, rebuilding trust for a more effective social dialogue.

At the first brainstorming seminar in Brussels (2018) participants stressed the importance of autonomy, mutual trust and equitable power relations between the two sides of industry in the context of capacity building.

<sup>47</sup> Support for social dialogue as per call for proposal VP/2018/001.

<sup>48</sup> EFBWW and FIEC project Tansirc (Towards a new start of industrial relations in construction in central and east European countries).

<sup>49</sup> ETUC project CB4CB (Capacity building for strengthening collective bargaining).

The Eurofound study on articulation between EU- and national-level social dialogue stressed that trusted personal relationships are crucial for effective social dialogue and that the opportunities for both employers and trade unions to meet should be enhanced at national and EU levels (Eurofound, 2018a).

A regular and permanent dialogue based on bilateral meetings and personal relationships among social partners, including at the highest level, is the basis for mutual respect, knowing each other, gaining trust and forming a common understanding. This might also involve disagreements that do not undermine constant dialogue. The social dialogue is first and foremost a dialogue between the parties forming the basis for collective bargaining and agreements.

Prompted by the crisis, trust levels between the social partners have declined dramatically in recent years. In some Member States and the UK there is strong disagreement concerning particular policies, mainly linked to austerity measures (Bulgaria, Croatia, Cyprus,<sup>50</sup> Finland, Luxembourg, Slovakia and the UK).

Capacity building should not be regarded as means in itself but as an instrument to build trust, enable dialogue and embed SMEs.<sup>51</sup> Representatives from Bulgaria, Croatia, Estonia and Romania stated that there needed to be more trust and respect among the social partners. There was a need to increase the motivation of tripartite representatives to listen and outline common values that might be turned into effective decision-making. The key element of trust and the importance of regular exchange to build such trust was repeatedly emphasised and therefore clearly remains an important theme in the ESSDE work programme.<sup>52</sup>

## Better links between levels

Better links between the EU and national levels of industrial relations, including better implementation of the European autonomous agreements at national level, would foster more effective social dialogue.

As a practical tool to improve these links, Eurofound proposes the creation of subgroups for capacity building within national tripartite bodies or similar institutions which could monitor and foster capacity building at national level. These national subgroups could improve the vertical links between different levels by liaising with the subgroup of the European Social Dialogue Committee. These national subgroups could also improve horizontal links between different levels by cooperating with their counterparts in other Member States.

A crucial dimension of social dialogue concerns the relationship between the European social partners and their national affiliates. Social dialogue at EU level is dependent on the social partners' capacity to increase the articulation between EU level and national level. If the European social dialogue is to operate to the fullest, the EU and its Member States must support not only the

European social dialogue itself but the national players and structures pursuing social coordination.

Degryse and Clauwaert (2012) concluded that 'if European social dialogue is to operate to the full, therefore, the EU and its Member States must support not only European social dialogue itself but also the national players and structures pursuing social coordination'. The most effective way that the European Commission can promote horizontal dialogue between management and labour at EU level is to provide balanced support for vertical dialogue between organisations at EU and national levels. In 2010, the Commission recognised 'that there is a direct correlation between the effectiveness of national social dialogue and effectiveness at European level and that each engenders the other' (European Commission, 2010).

The Eurofound study on articulation between EU-level and national-level social dialogue (Eurofound, 2018a) shows that the factors influencing articulation are complex and relate to both organisation-specific aspects (such as motivation, expectations about engaging in social dialogue, capacities and expertise), as well as structural framework conditions at national level (such as the role of social dialogue and collective bargaining, the industrial relations framework and relationships between the social partners). The report also found that both challenges and framework conditions are more complex and difficult than with horizontal articulation. The most important challenge concerns integrating social partners from countries where there is no tradition of bilateral social dialogue at sectoral level into EU-level social dialogue. As well as capacity-building measures that target social partners, there is a need to develop a long-term perspective that also fosters institution building within sectoral social dialogue.

## Dedicated finances

In the course of the two seminars, BusinessEurope, SMEunited, CEEP, the ETUC and national representatives called on the Member States, the Commission and the ESF to:

- foresee dedicated funding track for social partners' capacity-building needs
- support better implementation of the outcomes of European social dialogue (particularly autonomous agreements)
- support social dialogue developments at European, national, regional, sectoral, company and establishment levels

In its 2019 position paper, *Strengthening crafts and SMEs for the future of the European Union*, SMEunited stated:

*In several Member States, social partners and SME organisations need support from public authorities for capacity building to actively contribute to reforms and enhanced social dialogue. The European Commission should strongly encourage Member States to dedicate*

<sup>50</sup> The Cypriot employer organisation OEB argues that it is not so much a lack of trust between the organisations as a difference of opinions and approach.

<sup>51</sup> According to the SMEunited representative at the Riga workshop.

<sup>52</sup> European Sectoral Social Partners in Education (ETUCE and EFEE) 'ESSDE Capacity building project III'.

*an adequate part of the structural funds, in particular the ESF, to provide this capacity building.*

(SMEunited, 2019)

According to the SMEunited representative at the Eurofound Riga seminar, we must push Member States to better finance capacity-building activities via the ESF and overcome the resistance of ESF managing authorities to do so. The outcome of the project should be a tool for the members to facilitate mutual learning, drawing on solutions that work in neighbouring countries.

BusinessEurope claimed that ‘together with our social partners, we call on the Commission and ESF managing authorities to foresee a dedicated track for social partners’ capacity-building needs as regards their role in the European Semester process; to support better implementation of the outcomes of European social dialogue and to support social dialogue development at national and regional level’ (BusinessEurope, 2019)

The CEEP representative at the Riga seminar argued that a key issue regarding capacity building is targeting ESF funds toward social dialogue. This claim had been made in a letter to the Romanian Presidency.

According to the Bulgarian employers’ representative, there should be appropriate funding opportunities at national and EU levels for capacity building in the broad understanding of the term.

### Better promotion of social dialogue

In light of the discussions at the Riga and Gdansk seminars and the answers to the feedback forms, more awareness-raising campaigns and promotion could be undertaken about the meaning of social dialogue and its potential for improving working conditions and boosting the competitiveness of the economy.

This was emphasised by the SMEunited representative, who suggested focusing on what social dialogue is in concrete terms and what potential it has when the social partners are strong, autonomous and representative.

The Polish representatives from trade unions and the Polish member of the Social Dialogue Council mentioned the necessity of raising awareness among young members of trade unions, employer organisations and civil servants. The Romanian representative pledged to create more awareness in society, informing people that social dialogue is about rights and that companies and employees need to actively ask for a better social dialogue.

### Possible next steps and tools

Eurofound could further examine and develop ideas for possible new dedicated instruments and practical tools for the European social partners’ members to facilitate mutual learning exercises, drawing on solutions that work in neighbouring countries for more effective social dialogue.

Some of the possible tools mentioned in the seminars and feedback forms included:

- a web platform addressing capacity-building needs, activities and developments

- a tripartite summer school or similar training activity focusing on capacity building
- further capacity-building seminars on more specific topics
- a manual highlighting good practice disseminating successful experiences in capacity building
- a tool to facilitate mutual learning
- a set of relevant criteria to better assess capacity needs and structural gaps in national industrial relations systems
- a database containing examples of collective bargaining provisions on specific topics (such as work-life balance)
- further research on:
  - how the functioning and financing of social partner organisations and social dialogue are directly or indirectly supported by the Member States (this is a broad and a strategic topic such as social partners’ role in managing unemployment benefit schemes and other social protection schemes, training funds, involvement in public employment services, dispute resolutions and comparing tax deductions of membership contributions)
  - the scope of collective bargaining in the Member States
  - what defines effective social dialogue based on the existing industrial relations index and its analytical framework
  - possible future scenarios, needs and challenges

Previous interviews with protagonists of EU-level interest organisations have corroborated the thesis that ‘mutual learning’ is a key factor in the process of European social dialogue: the intimate involvement in policy networks results in a revised definition of interests and preferences. Thus, socialisation is an important factor in understanding EU social dialogue, as a multilevel and multi-actor policy.

A survey carried out by Voss and Homann (2011) identified the need for strengthening the capacity and competence of European social dialogue structures as well as the need for capacity building, mutual learning and exchange of experience of national social dialogue institutions. According to the report, numerous respondents from central and eastern European countries emphasised the positive effects and the added-value of the European social partners’ initiatives to strengthen social dialogue and support the capacity-building process. Further mutual learning exercises, such as the bipartite and tripartite Riga and Gdansk seminars, may prove effective tools for further capacity-building exercises by Eurofound or other actors directly involved in social dialogue.

Eurofound stands ready to further assist capacity building in the framework of its mandate and resources.





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The aim of this report is to add to the discussion on how Eurofound can contribute to supporting capacity building of social partners for effective social dialogue. The report includes a review by Eurofound aimed at identifying the capacity-building needs and initiatives of social partners in relation to national frameworks for autonomous collective bargaining, involvement in European social dialogue and the European Semester, and the development of membership and services for members. It also includes the results from stakeholder consultations and two exchange seminars held in 2019, along with a set of policy pointers for further discussion.

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