

“How to promote a fit for purpose European sectoral social dialogue”

industriAll Europe & CEEMET views on the Commission initiative to relaunch European Social Dialogue

Brussels, September 19th 2016 - From its start, the Juncker Commission has highlighted the importance of a well-functioning Social Dialogue and took an initiative to relaunch Social Dialogue. Following a high-level conference in March 2015, which led to the adoption of a quadri-partite statement on “A New Start for Social Dialogue” on 27 June 2016. CEEMET and industriAll Europe are in general supportive of that statement.

In this context, CEEMET and industriAll Europe, representing the biggest industrial sector, want to set out our views about *sectoral social dialogue* and what we consider are the pre-requisites for a well-functioning, efficient, value-adding sectoral social dialogue at EU level.

industriAll Europe and CEEMET consider the following criteria indispensable for an efficient, value-adding Social Dialogue contributing to internationally competitive companies providing good jobs:

- A clear understanding and strict application of the concept of ‘social partner’ based on the Commission Decision on sectoral social dialogue committees of 20 May 1998 (*relating to specific sectors; consist of organisations which are themselves an integral and recognised part of Member States’ social partner structures and have the capacity to negotiate agreements, and which are representative in several MS; having adequate structures to ensure their effective participation in the work of the Committees*)
- Full respect of Social Partner autonomy
- Solid mandate, from recognised national social partners, to ensure legitimacy of actions
- Clear joint Rules of Procedure for European social dialogue
- Representativeness of the industry and capacity to drive a value adding social dialogue

Relaunch of Social Dialogue has to get basics right

Social dialogue at European level can be a forceful instrument. It can take different forms - from exchange of good practice to binding agreements. It can be cross-sectoral and sectoral; it can be bi- or tri-partite.

Social partner dialogue and consultation at EU level are enshrined in Articles 154 and 155 of the Treaty on the Functioning of the European Union (TFEU). It is a privilege and responsibility for social partners to have this standing and role in the Treaty, which ultimately means that European Social Partners can act as co-legislators and quasi-legislators. This type of responsibility, however, must be supported by legitimacy and capacity to realise any outcomes reached, from ensuring joint statements are evidence-based to being able to implement agreements. Social dialogue without a social mandate will undermine social partnership at both European and national level. And of course social partners have to respect the provisions of the TFEU.

So far the focus for the relaunch initiated by the European Commission has been on cross-sectoral dialogue at EU level. We believe that the role of sector social dialogue differs from the cross-sectoral dialogue in that it is closer to the industry and therefore addresses more specific issues. There is genuine added value to a well-functioning sectoral social dialogue at European level, but we believe there is room and need for improving the efficiency of organising this dialogue, both on the side of the European Commission as well as on the side of social partners.

For social dialogue at EU level to live up to expectations, the relaunch has to get the basics right. As a starting point, it should be made clear throughout the EU institutions what the concept 'social partner' actually means and what can and cannot be delivered by European sector social dialogue.

Mandate, representativeness and capacity

To understand European social dialogue, the respective national structures have to be clearly understood and respected.

The European Commission correctly recognises that there is no uniform definition of social dialogue at national level. It points to each Member State's respective own rules, customs and practices¹.

Accordingly, national member organisations of industriAll Europe and CEEMET members show large differences in roles and capacities across the European Union. These differences have increased with the enlargements of the European Union since 2004.

Nevertheless, CEEMET's and industriAll Europe's members are the recognised social partners for the sector in their respective countries. In general, our members have a specific mandate and responsibility for determining working conditions for the manufacturing industries. Membership in these organisations is voluntary. According to both law and tradition, CEEMET and industriAll Europe' members have the mandate and capacity to collectively bargain and to reach (pilot-) collective agreements on behalf of the companies and workers they represent.

Dialogue has also developed on non-traditional issues and topics, such as Sector Skills Councils, Sector Skills Alliances, CSR platforms, Cars21, LeaderShip 2020, Energy Package and, not to forget the European Semester. As to the latter point we appreciate a better structured and timelier involvement of national and European level social partners, which will help developing value-adding recommendations and their implementation at national level.

As possible and appropriate, CEEMET tries to coordinate and cooperate on such non-traditional issues, tapping on the expertise of European sister organisations.

To ensure a fit-for-purpose sector social dialogue at EU level, it is central that EU level sector social partners have a membership of representative organisations with a social mandate. It is mandate, representativeness and capacity that enables social partners at both European and national level to take responsibility for the outcomes reached in social dialogue.

Autonomy of social partners

Any sustainable social dialogue, irrespective of the level, is based on trust. CEEMET and industriAll Europe consider this the main factor for their successful social dialogue and joint lobbying activities. Trust between partners is necessary for constructive dialogue on potentially difficult issues. To facilitate a well-functioning social dialogue, CEEMET and industriAll Europe have set up clear joint rules of procedure for their European social dialogue committee. Our social dialogue focuses on topics chosen by us after thorough consultation of our members' priorities. CEEMET and industriAll Europe consider it a success that we have reached joint papers on adaptability at company level, flexible forms of employment and on the importance of work-based learning in VET recognising a shared responsibility for this. Our joint work in the social dialogue has also permitted us to work

¹ European Commission, May 2014, Vademecum – A Practical Guide for European Social Partner Organisations and their National Affiliates.

together on selected legislative dossiers, such as the proposal on introducing own-fund requirements to systems of voluntary, company level supplementary pension systems (IORP II).

We, like our national members, consider the exchange of good practice and joint analysis an important and valuable outcome. We regret that the European Commission does not rank this as useful an outcome as binding agreements. We consider this to be in conflict with Social Partner autonomy.

We have with dismay noted an increasing general tendency at EU level to encroach on the very core of social partner autonomy and responsibility.

CEEMET and industriAll Europe therefore continue to call upon the Commission and the European Council to refrain from increasingly interfering with our members' core competences, including wage setting, through new procedures within Economic Governance or the Social Dimension of the Economic and Monetary Union², including through the macro-economic imbalances procedure and the setting up of national competitiveness boards.

The Commission and other European institutions need to recognise that respecting social partner autonomy, at both European and national level, is key to a successful and valuable social dialogue.

Consultation of social partners

industriAll Europe and CEEMET consider it worrying and eventually not constructive that trade associations and civil society organisations at EU level are increasingly being consulted by the Commission on initiatives in the remit of social partners, i.e. industrial relations, employment and social affairs. The TFEU recognises the important role that social partners play in employment and social affairs and the expertise they have in these areas. We are therefore concerned about the trend to replace and dilute social partner consultations by inappropriate new types of consultations. CEEMET and industriAll Europe do not consider that the Commission's box-ticking consultation exercises, open public consultations (written statement directive, social pillar) and/or dedicated social partner hearings (e.g. skills agenda, social pillar) guarantee solid social partner involvement, in employment and social policy initiatives that is indispensable for seizing the full potential of European (sector) social dialogue.

This does not promote a relaunch of social dialogue.

Proper consultation also deserves a look into procedures. From this perspective, social partner consultation has to entail a proper, timely involvement of mandated social partners on the one side. On the other side this means that if a dialogue between mandated European social partners results in agreements that have direct effects, in particular if these go beyond the signatory parties' membership, this has to be in line with existing laws. This would also facilitate implementation of agreements in accordance with national practices, systems and legal frameworks.

Finally, we note that over the past few years, which is that the role of social partners at European level has broadened, with European cross-sectoral and sectoral social partners becoming involved in non-traditional areas across a range of Commission Directorates General, such as on the Energy Package and China MES. industriAll Europe and CEEMET have started addressing the important issue of properly and effectively managing these relatively new processes and will drive a continued discussion between all stakeholders in order to get the basics right for a relaunch of an -increasingly political- social dialogue.

² COM(2015)600 final



Council of European Employers
of the Metal, Engineering and
Technology-based industries



EUROPEAN TRADE UNION

Planning ahead

industriAll Europe and CEEMET have a forward looking work programme, looking to offer companies and workers a perspective to manage the upcoming challenges and seize them as opportunities. The topics we deal with are the projects on 21st century challenges, ranging from internationally competitive, efficient company environment (project) to the effects of digitalisation on the world of work in the manufacturing industries. All these topics are based on members' needs, focused having added value for both sides.

Strong industrial relations will be central in fostering (cost and non-cost) competitiveness of European industry, investment, job creation and skills development in times of vast structural change in our economy and society. The pressure is on for the EU to deliver the right framework conditions for industry. A fit for purpose European sectoral social dialogue would be an important factor in achieving this.

About

[CEEMET](#)

The **Council of European Employers of the Metal, Engineering and Technology-based industries** is the European employers' organisation representing the interests of the metal, engineering and technology-based industries. Through its national member organisations it represents 200 000 companies across Europe. The vast majority of them are SMEs, providing over 35 million jobs of direct and indirect employment.



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