

POSITION PAPER 15/03/2023

Ceemet position paper on the proposal for a Council Recommendation on strengthening social dialogue in the European Union

Preliminary remarks

Ceemet welcomes the Commission proposal for a Council Recommendation on strengthening social dialogue in the European Union, released on 25 January 2023, as it proposes for the first time a series of concrete measures on how Member States can, after consultation and in close cooperation with social partners, further strengthen social dialogue and collective bargaining at national level while fully respecting the autonomy of social partners and their role in regulating the labour market. The measures set out in the Council Recommendation are in particular important for Member States with limited or non-existing social dialogue. It is, however, equally important that the Council Recommendation is not framed in such a way that it undermines well-functioning labour market and social dialogue models.

We also share the Commission analysis of the challenges that social dialogue and collective bargaining systems face today, amongst which the fast transformation of the world of work and the decline of the number of workers covered by collective bargaining in some Member States.

Against this background, Ceemet would like to recall that, in many circumstances, sectoral social partners are closer to the needs of workers and employers and are thus best placed to deal with emerging challenges, such as the ongoing digitalisation of the world of work. They have the possibility to offer innovative tailor-made solutions that fit the rapidly changing world of work, and bargain around new challenges such as labour shortages.

The tech and industry employers would also like to highlight that, in line with the Commission's and OECD's findings, they believe that countries with strong social partners and higher prevalence of collective bargaining tend to have more resilient labour markets with lower numbers of low paid workers and lower levels of unemployment. It is well proven that a well-functioning social dialogue contributes to competitiveness and quality jobs. Likewise, we can also underscore the critical role that sectoral social partners play at national level in shaping the world of work in the frame of collective bargaining.

As a matter of fact, collective agreements continue to be an important tool to deal with the rapid transformation that the world of work is undergoing due to multiple structural factors including the twin transition, the shortage of labour and skilled workforce, the ageing of the workforce etc.

In view of the above, Ceemet and its member associations would like to put forward the following remarks on the proposed Recommendation:

General remarks

- Despite the fact that we welcome the Commission's proposal and in particular its aims, we consider that some of the recommendations give a prominent emphasis to "public intervention" with a top-down approach and are thus too far reaching. We would like to recall that industrial relations are characterised by many different models across Europe. In several of those, social dialogue and collective bargaining systems play a prominent role in determining working conditions and regulating the employment relationship. Therefore, Ceemet calls on the Council to insist on the need to implement these recommendations in line with national labour markets and industrial relations systems.
- Ceemet also calls on national and EU policy makers to fully respect the autonomy of social partners and to refrain from interfering with a core competence of representative national social partners when it comes to determining the organization, parties and functioning of the collective bargaining systems at national level in the frame of labour law. This increasing interference is yet another hindrance to well-functioning collective bargaining systems.
- The Commission rightly highlights that whereas employers' density has remained relatively stable, trade union density has diminished (on average) across all EU Member States over the years. In the Commission's opinion, the changing world of work, including the emergence of new forms of employment (such as platform work) makes it difficult for trade unions to recruit new members. We would like to insist on the fact that it is up to representative and autonomous social partners at national level to decide whether and how to discuss and agree on how to best attract and represent the "new actors of the platform economy". The EU and the national policy makers must respect the diversity of industrial relation systems and national labour markets as well as the autonomy of social partners. We also believe that representative and autonomous social partners are best placed to discuss and agree on how to attract and better represent the new actors of the platform economy and start-ups. EU or Member State intervention should be avoided.
- It is indeed key that social dialogue relies on strong and representative national organisations to ensure its proper functioning. EU and national policy makers should, thus, establish the adequate framework conditions in order to develop and support a stronger social partnership at all appropriate levels. This should also include capacity building of social partners that should be boosted where necessary, with the aim to improve its representativeness always in line with national traditions while respecting social partners autonomy. In this regard, Ceemet is fully committed to play its part when it comes to developing employers' organisations in countries where employers' representation is weak.

Ceemet views on concrete Council recommendations

In line with the above considerations, Ceemet would like to express its concerns on the following recommendations:

Bipartite and tripartite social dialogue

- **Paragraph 1:** Whereas Ceemet agrees with the Commission proposals to the Member States to ensure that an enabling environment for bipartite and tripartite social dialogue is put in place, we consider that the wording should be nuanced by adding *“in line with national labour markets and industrial relations systems”*.

Collective bargaining systems:

As mentioned above, mandated, representative and autonomous social partners play a critical role at national level in shaping the world of work in the frame of collective bargaining. As a matter of fact, the flexibility of collective bargaining, in comparison to legislation, leaves a larger room for manoeuvre for social partners at national level to negotiate customised agreements that provide with flexible solutions to a rapidly changing world of work. For this reason, we consider that:

- **Paragraph 7:** The role of public authorities is overemphasized in this point, as it will not always be up to the legislator to decide whether to encourage or not the coordination between the different collective bargaining systems. Indeed, this will depend on the national systems and the role that social partners play in those systems. In many cases the initiative for well-functioning collective bargaining takes place at grass root level between company and employees with no intervention from the government. For this reason, we call on the Council to contextualise this paragraph by adding: to encourage coordination *“when needed and always in line with national labour markets and industrial relations systems”*.
- **Paragraph 8 c) and Annex paragraph 4:** As regards derogation from collective agreements, we consider that the role of public authorities, as laid down in the text, goes beyond its competence, as in many countries social partners can deviate from national collective agreements in the way they find it feasible. The Commission text limits, by introducing a requirement on justification when derogation is allowed, the room for manoeuvre for social partners as well as social partner autonomy in an unacceptable manner. Therefore, we call for the deletion of the phrase *“limited with regards to the conditions under in which it can apply”* in paragraph 8 and *“where justified”* in Annex paragraph 4.

Capacity building of social partners

- **Paragraph 10:** The recommendations to Member States on how to support social partners to successfully participate in social dialogue, including collective bargaining, without considering the differences between national labour markets and industrial relations systems are too detailed. Likewise, regulating the capacity building in such a detailed manner may be counter-productive and result in a diminished capacity of social partners in some systems. For these reasons, we would like to insist on the Council to contextualise this paragraph and its sub-points and add where appropriate *“in line with national labour markets and industrial relations systems”*. As regards capacity building, we refer to our opinion under general remarks. We agree however to the Commission recommendations (item i) to make the best use of available funding at national and EU level. Indeed, as mentioned in our response on the review of EU sector social dialogue, Ceemet has long been calling on the Commission to allocate the adequate funds to boost capacity building of social partners.

Monitoring the implementation of the recommendation

- **Paragraph 13:** The text proposes that the Commission develops commonly agreed indicators to monitor the implementation of the Recommendation jointly with the Employment Committee and with relevant social partners (...). Again here, Ceemet considers that commonly agreed indicators are not suitable nor feasible to take into account the peculiarities of the many different national labour systems and social dialogue models across Europe. For this reason, we call on this point for a more flexible wording, and we thus seek further clarification of the paragraph and propose to add: commonly agreed indicators *“as possible and always taking into account the differences in national labour market models and industrial relation systems”*.
