



# Social partners as beneficiaries

## European Social Fund support to social partners in the 2007-2013 period

### 1. Introduction

#### *Definition of Social Partners*

"Social partners" is a term widely used throughout Europe to refer to representatives of management and labour (employers' organisations and trade unions).

Social partners have a unique role in social and economic governance: they represent in all respects the interests and problems of the world of work, ranging from working conditions to the development of continuing training and including the definition of wage standards. In particular, they are entitled to conduct dialogue on behalf of their members which may culminate in collective agreements on all the issues they cover.<sup>1</sup> This means that they do not only voice the interests of management and labour. They can also commit their members to certain actions in negotiations. This distinguishes social dialogue, the broader process of collective bargaining and consultation, be it bi-partite between autonomous social partners or tri-partite with public authorities, from a wider civic dialogue with other interest organisations.

As a consequence, social dialogue can be a powerful instrument for joint problem solving. In addition to tri-partite consultation of social partners by the government on policy issues, bi-partite dialogue between representative social partners organisations can resolve many potential conflicts in the world of work autonomously that would otherwise have to be fought and settled in the political sphere. Social dialogue can provide companies and employees with a stable environment which they can thrive in, and it can contribute significantly to the anticipation and successful management of change. Tri-partite social concertation can engage trade unions, employers' organisations and the government in a process of deliberation, in which they can explain, give reasons and take a wider responsibility for their actions. Recent examples from several Member States have shown that tri-partite social dialogue contributes significantly to the successful modernisation of labour market policy. This new approach to tripartism can be developed at local, national and European level.<sup>2</sup>

#### *ESF support to social partners in 2000-2006*

Social partners participate as promoters in a very high number of projects financed by the ESF. In the period 2000-2006, social partners have been particularly visible in the adaptability of workers field, especially in the provision of training and lifelong learning. Through the social dialogue budget lines, the EQUAL initiative, and PHARE, projects have also supported social dialogue and improved social partners' skills in general.

1. Commission Communication COM(2002) 341 final, *The European social dialogue, a force for innovation and change*  
2. European Commission, *Report of the High-Level Group of Industrial Relations and Change in the European Union, 2002*

And experience shows that social partners have implemented successful actions. For example, in **Germany** the social partners play an important role in the field of lifelong learning (an estimated 8% of the global ESF envelope). Likewise, social partners have a key role in adaptability and entrepreneurship measures (an estimated 20% of the global envelope – vocational training for the youth, vocational training for employed and new working time arrangements).

In **Spain** some 80% of the continuing training actions co-financed by the ESF are managed by the social partners, representing approximately 14% of ESF support. Social partners also have a significant role in the domain of adaptability.

In **Belgium**, the social partners<sup>3</sup> are strongly involved in the implementation of three key priorities representing approximately 45% of the global ESF budget in Flanders – “Developing entrepreneurship,” “Encouraging flexibility business and their employees,” “Strengthening policies of equal opportunities for women and men”.

In the **Netherlands**, the measures in which social partners implement the bulk of projects represent 13% of the ESF budget. Measures regarding training for the employed are essentially implemented by O&O funds (“sector funds” which are managed by the social partners) and also by municipalities<sup>4</sup>.

## 2. Social Partners as Beneficiaries of ESF in 2007-2013

The European Social Fund (ESF) legislative framework in place for 2007-2013 reinforces both the importance and the responsibility of social partners in the accomplishment of the Lisbon Strategy objectives in the European Union (EU): **achieving growth and jobs**.

Article 3.1 (e) includes explicitly partnerships at the level of beneficiaries in the scope of ESF intervention:

*Article 3.1 (e)*

*“promoting partnerships, pacts and initiatives through networking of relevant stakeholders, such as the social partners and non-governmental organisation, at the trans-national, national, regional and local levels in order to mobilise for reforms in the field of employment and labour market inclusiveness”*

### *Social partners’ role in the delivery of Lisbon*

**Social partners** have a key role to play, with **Member States**, in implementing the objectives and priorities of the Lisbon strategy:

- *Full employment*: Achieving full employment, and reducing unemployment and inactivity, by increasing the demand for and supply of labour, is vital to sustain economic growth and reinforce social cohesion;
- *Improving quality and productivity at work*: Efforts to raise employment rates go hand in hand with improving the attractiveness of jobs, quality at work and labour productivity growth, and reducing the share of working poor. Synergies between quality at work, productivity and employment should be fully exploited;
- *Strengthening social and territorial cohesion*: Determined action is needed to strengthen social inclusion, prevent exclusion from the labour market and support integration in employment of people at a disadvantage, and to reduce regional disparities in terms of employment, unemployment and labour productivity, especially in regions lagging behind.

The role of the social partners is specially mentioned in the **employment guideline 21**: *Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners, through:*

<sup>3</sup>. Together with NGOs

<sup>4</sup>. See pages 10-12 for more examples and details

- the adaptation of employment legislation, reviewing where necessary the different contractual and working time arrangements,
- addressing the issue of undeclared work,
- better anticipation and positive management of change, including restructuring, notably changes linked to trade opening, so as to minimise their social costs and facilitate adaptation,
- the promotion and dissemination of innovative and adaptable forms of work organisation, with a view to improving quality and productivity at work, including health and safety,
- support for transitions in occupational status, including training, self-employment, business creation and geographic mobility.

A reference to the social partners is also made in **guideline 22: Ensure employment-friendly labour cost developments and wage-setting mechanisms**, with regard to social partners' responsibilities in the area of wage bargaining, including in avoiding gender pay gaps.

With reference to the above mentioned guidelines, the social partners are particularly well placed to bring a useful contribution in the following areas:

- developing the job-matching capacities of employment services
- developing policies to prevent skills shortages
- enhancing the functioning of labour markets by improving databases on jobs ad learning opportunities which should be interconnected at European level, making use of modern information technologies and experience already available at European level

In addition, social partners contribute to achieving the EU objectives through initiatives in the following fields of lifelong learning; increasing the employment rate; equal opportunities; enhancing access to employment and participation in the labour market; reinforcing social inclusion and fighting discrimination; reconciling work and family life; and developing **indicators** disaggregated by sex and **benchmarks** and supporting statistical data bases to measure progress in the actions for which they are responsible.

### *Enhanced support to social partners in Convergence Regions*

Despite the unquestionable positive developments, there is still scope for further improvement of the capacity of social partners to take part in social dialogue and in social, labour market and economic governance, notably in Convergence Regions. Comparative industrial relations research has its shortcomings and indicators on coverage do not give a complete picture of the quality of industrial relations. Nevertheless, recent research indicates a relative weakness of social dialogue in many Member States in Convergence Regions. Trade union density<sup>5</sup> is below EU-average in CZ, DE, EL, HU, PL, PT, LV, ES, LT, EE and FR. Representativeness of employers' organisations is the lowest in the East-Central European Member States that joined the EU in 2004 as well as in PT. In addition, in CY, SK, UK, CZ, EL, ES, PL, HU, PT, LV, EE, LT, MT less than 50% of workers are represented by a trade union and/or a workers council at the workplace level. In most new Member States tripartite concertation prevails while bipartite (sectoral) social bargaining is not always well developed<sup>6</sup>.

Moreover, social dialogue is an essential part of governance in Europe, and both EU and the Member States benefit from efficient social dialogue structures. Support to awareness-raising and capacity-building activities are therefore needed to encourage the setting-up and functioning of social dialogue structures at all levels (cross-industry and sectoral at national, regional and local levels). In respecting the right of freedom of association and the autonomy of the social partners, capacity-building is therefore a bottom-up process and depends largely on the efforts of the social partners themselves.

5. As a measure of the associational power or organisational representativeness, 'union density' is defined as the ratio of actual to potential membership.

6. European Commission (2006) *Industrial Relations in Europe*, Commission Staff Working Paper

For 2007-2013, Article 5.3 ESF Regulation is quite clear regarding the role of social partners in the Fund's implementation: *"The managing authority of each operational programme shall encourage adequate participation of the social partners in actions funded under Article 3 (Scope)"*.

It is therefore clear that social partners have been and will continue to be beneficiaries under all the ESF priorities in all Member States.

Pursuant to article 3.1 (e) of the ESF regulation, specific support will be provided to the **improvement and development of partnerships and pacts in order to mobilise for reforms** in the area of employment and social inclusion. As these activities are particularly important for improving the labour market situation and promote good governance, constitute a new and separate priority for future ESF interventions – the so-called, *"mobilising for reforms in the fields of employment and inclusion"* priority.

There is yet another **new ESF priority**, article 3.2 (b), **which has the potential to provide support for the creation of partnerships**: the *"strengthening institutional capacity and the efficiency of public administrations and services"* priority.

The development and implementation of effective policies requires the involvement of other actors and the strengthening of networking and co-operation between these stakeholders. Thus, the institutional capacity may support the development of partnerships in a wide range of policy areas and at all territorial levels. In particular, support should be provided to the dialogue between public and private entities including socio-economic partners and non-governmental organisations. For effective dialogue, both structures and systems may need to be reinforced. Where relevant, the ESF could support this development of partnerships.

### *Specific support to capacity building and joint actions*

Acknowledging that more needs to be done, the ESF Regulation (EC) No 1081/2006 for the 2007-2013 programming period not only continues to emphasize the need for the active involvement of relevant stakeholders, and in particular the social partners, in programming and implementing of ESF programmes, but makes specific reference to the partnership and capacity building in a number of new instances.

To take account of the greater needs of the convergence regions and Cohesion countries, under the Convergence objective, and with a view to increasing economic growth, employment opportunities, and quality and productivity at work, the ESF provides for increased support to help these MS and Regions to reach the EU common objectives

#### *Article 5.3§2*

*"Under the Convergence objective, an appropriate amount of ESF resources shall be allocated to capacity-building, which shall include training, networking measures, strengthening the social dialogue and activities jointly undertaken by the social partners, in particular as regards adaptability of workers and enterprises referred to in Article 3(1)(a) (Scope)"*

Thus for Convergence regions, **Article 5.3 § 2** foresees that an appropriate amount of resources, shall be allocated to support social partners in two kinds of activities:

- **Capacity building activities**: to enable social partners to effectively play their role as foreseen in Title XI of the Treaty (consultation on proposals in the social policy field as well as European Social Dialogue) and in the achievement of ESF objectives; this includes training, networking measures, strengthening the social dialogue;

**AND**

- **Actions jointly undertaken by social partners**: in particular in the activities related to adaptability of workers and enterprises.

The support to social partners can, therefore, take the form of support to individual social partner's organisations as well as to actions jointly undertaken by organisations representing both sides of industry.

Capacity building is a process of developing organisational, financial and personnel capacities of trade unions and employer organisations and enhancing their contribution on both national and regional level. Actions to enhance the capacity as regards 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, consolidate sectoral structures, improving the link between the national and EU-level social dialogue and others.

Examples of possible measures can be found in the page 10-12.

### 3. Approaches to Programming

#### *Methods to address support to social partners in the Operational Programmes*

When programming any type of support under ESF programmes, a number of general principles should be kept in mind:

- For any action, the **legal basis** in the ESF Regulation must be clearly identifiable. When justifying the selection of a priority axis of the Operational Programme concerned, a labour market linkage should be established, and the ESF priority to which the activity contributes should be identified.
- Actions related to the support to social partners' capacity building and joint actions (Article 5.3. and Article 3.1.a) or to the promotion of partnerships, pacts and initiatives (Article 3.1 e) should form an integral part of the **strategy** set out in the **National Strategic Reference Frameworks**. The strategy should explain the rationale behind and the support to and its potential contribution to promote employment and economic development. If and when actions are supported both by the ERDF and ESF, the strategy should elaborate on the complementarity between the Funds and exploit potential synergies. It is appropriate for managing authorities to get in contact with social partners in order to discuss their particular needs so that they can be reflected in the programming documents;
- Operational Programmes should flow from the strategy, and contribute to the objectives identified in the National Strategic Reference Frameworks and National Reform Programmes.

#### *Operational Programme*

The regulatory framework for 2007-2013, which reflects a more strategic approach to programming, brings about numerous changes to the content and structure of the future **operational programmes** (OP). With the adoption of the Community strategic guidelines, programming focuses on EU priorities and operational programmes become strategic documents. They no longer contain descriptions of measures. Instead, the main focus is placed on the strategy and priorities.

Member States may choose to have an **Operational programme**, or a separate **priority axis** dedicated to "**adaptability of workers and enterprises**" (as defined in Article 3.1.a of the ESF regulation).

*Article 2 of the General Regulation*

1. "**Operational programme (OP)**": document submitted by a Member State and adopted by the Commission setting out a development strategy with a coherent set of priorities to be carried out with the aid of a Fund, or, in case of the Convergence objective, the Cohesion Fund and the EARDF,
2. "**Priority axis**": one of the priorities of the strategy in an operational programme comprising a group of operations which are related and have specific measurable goals;

Ideally, one thematic priority axis should correspond to no more than one priority as identified in the ESF Regulation. In other words, it is not recommended to merge the priorities identified in the ESF Regulations when translating

these into OP priority axes. On the other hand, for specialised OPs, a particular ESF Regulation priority may be translated into more than one OP priority axis.

*Article 37 (1) of the General Regulation*

*Operational programmes relating to the Convergence and the Regional competitiveness and employment objectives shall contain:*

*c) an information on the **priority axes** and their specific targets. Those targets shall be quantified using a limited number of indicators for output and results, taking into account the proportionally principle. The indicators shall make it possible to measure the progress in relation to the baseline and the achievement of the targets of the priority axis*

Any MS may thus programme support to capacity building of social partners through an OP or priority axis on adaptability and training of entrepreneurs, restructuring; or reinforce social dialogue structures as part of their basic capacity building actions.

However, in ESF OPs in convergence regions, article 5 of the ESF Regulation (Good governance and partnership) requires that an appropriate amount of ESF resources is provided for support of social partners. Consequently, the fact that some regions of one MS are not convergence regions is by no means a barrier for the support of social partners.

### **Implementation of actions**

ESF assistance takes the form of non-reimbursable individual or global grants, reimbursable grants, loan interest rebates, micro-credits, guarantee funds or the purchase of goods and services in compliance with public procurement rules (tenders).

In implementing an ESF operational programme, the managing authority must determine the most appropriate method of providing financial support. This could be, for example, through calls for grants or calls for tender. In all cases, the general principles of transparency, equality of treatment and non discrimination apply.

While Article 5.3 does not establish any individual right for financing of capacity building and joint measures of social partners a specific amount must be allocated for this purpose and the Managing Authority should facilitate the adequate use of these funds by the social partners.

Further, Member States with the assistance of the Commission where appropriate, must ensure that the ESF does not support specific operations being concurrently supported through other Community trans-national programmes, in particular in the field of education and training.

### **The different roles of the social partners in the funds' implementation**

In 2000-2006, social partners were effective members in many of the Operational Programmes' Monitoring Committees.

The same situation will occur in 2007-2013, since Article 11 (Partnership) of the General Regulation (EC) N° 1083/2006 states that each Member State shall organise, where appropriate and in accordance with current national rules and practices, a partnership with authorities and bodies such as: the competent regional, local, urban and other public authorities; the economic and **social partners**; any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies for promoting equality between men and women.

According to Article 5.2 (Good governance and Partnership) of the ESF Regulation, Members shall ensure the involvement of the **social partners** and adequate consultation and participation of other stakeholders, at the appropriate territorial level, in the **preparation, implementation and monitoring of ESF support**.

In addition, within the implementation of the funds social partners may act as beneficiaries or intermediate bodies, which responsibility is clearly defined in the General Regulation<sup>7</sup>.

These multiple roles place social partners at the heart of the implementation of the ESF. In each of these functions, social partners play distinct roles:

- Both the General and the Implementing Regulation set out clear rules for the implementation of the Funds in terms of responsibility, **governance**, and transparency.
- The General Regulations in its Articles 63 and 64 clearly identify and describe both the composition and the **tasks of the monitoring committee**, in addition to Articles 59 to 61 on designation and functions of authorities.
- As members of the monitoring committee, social partners shall satisfy themselves as to the effectiveness and quality of the implementation of the operational programme, which includes considering and approving the criteria for selecting the operations financed. In this respect, members of the monitoring committee must ensure that criteria are transparent, open and reflect the representativeness of social partners in the Member State and region. Further, the managing authority must publish a description of the procedures for examining applications for funding and of the time periods involved.
- Moreover, pursuant to Article 7 (d) of the Implementing Regulation, managing authorities are responsible for the publication of the list of beneficiaries, the names of the operation and the amount of public funding allocated to the operations.

## 4. Specific issues

### *Multi-objective programmes*

Article 32 paragraph 1 of the General Regulation reads as follows: “[...] An Operational programme shall cover only one of the three objectives referred to in article 3, save as otherwise agreed between the Commission and the Member State”.

Several Member States have shown interest in using the option provided for in the above article, and consider establishing Operational Programmes covering both “Convergence” and “Regional competitiveness and employment” objective (i.e. multi-objective programmes).

One of the most important aspects relating to multi-objectives programmes (MOPs) is to ensure that Article 22 (**the non-transferability of Funds between Objectives**) is fully respected and thus that the funds allocated to the Convergence regions are used only for the benefit of these regions while the resources allocated to Competitiveness and Employment regions Objective are only used for these regions.

Implementation of multi-objective projects raises questions on how to establish a rate of contribution of each of the objectives. Two levels of such calculation should be distinguished;

1. the calculation relating to the overall budget of the OP i.e. how much the Convergence Objective will contribute to the OP and how much the Competitiveness and Employment Objective
2. the calculation relating to the contribution of each Objective to particular operations (e.g. needed for multi-objective projects)

In relation to the first calculation this is mainly done by political decision of the government. The general split is decided already during the NSRFs negotiations. The MOPs should refer to it and inform about the underlying assumptions leading to the decision for the particular MOP.

In relation to the second calculation relating to the contribution to particular operations two main approaches can be identified at this stage;

7. Article 2 of the General Regulation 1082/2006 - 'beneficiary': an operator, body or firm, whether public or private, responsible for initiating and implementing operations. 'intermediate body': any public or private body or service which acts under the responsibility of a managing or certifying authority, or which carries out duties on behalf of such authority vis-à-vis beneficiaries implementing operations;

- OPs which clearly establish the *pro-rata* calculation (or *pro-rata* calculations which will apply to different groups of projects) and intend to apply these *pro-rata* to the particular group of multi-objective projects within the lifetime of a programme
- OPs where information on the methodology is provided. The information explains how the *pro-rata* for different operations will be established. Such approach is applied by programmes where only a limited number of multi-objective projects is foreseen

In any case, the calculation (or methodology) must be done in a transparent and logical way, respecting the likely impact of the relevant ESF financing to a particular objective.

**The system of division of Funds between objectives must apply to social partners' projects as well.** In other words it is not possible to finance joint actions of social partners which cover the whole territory of a country only by the Convergence Objective. The actions which are of benefit for the Convergence Objective would come from the special allocation for social partners actions in Convergence regions (in line with Art.5.3) but the part of operation which is of benefit for Competitiveness and Employment regions must be financed by the Competitiveness Objective or by the national budget (not under the ESF OP). It is also important to notice that it is not the physical place of the headquarters of the social partners which counts but the benefit the particular operation has on Convergence and Competitiveness and Employment regions respectively.

### *Financial issues*

**1. According to the Article 34 of the Regulation No 1083/2006, the ESF may finance actions falling within the scope of assistance from the ERDF, subject to a limit of 10% of Community funding for each priority axis of an operational programme. What would be the suggested practical application of the Article 34 (2) could the 10% limit be exceeded in one project/activity at the expense of others?**

Article 34 (2) (GR) allows that actions falling within the scope of assistance from the other fund (i.e. ERDF) which are necessary for the satisfactory implementation of the (ESF) operation and are directly linked to it, are eligible and may be paid for by ESF money. The financial limit of 10% is to be applied at the level of the priority axis and not at the level of the operation. Thus, for some operations this limit can be exceeded provided that at the level of the priority axis, a maximum of 10% is respected.

**2. If an enterprise receives support (e.g. to fulfil safety requirements at work) through the project implemented by social partners, could this support be classified state aid?**

To be able to answer in an accurate form, the Commission would need a more concrete question. Nevertheless, there are some general elements that should be taken into consideration where state aid is concerned.

Two principles apply.

First, **state aid rules apply** according to article 87 of the Treaty **to commercial operations**. The objective of the exercise is to ensure that there isn't any distortion in the market by virtue of granted support coming from the Government (be it regional or national Government). So it really only applies in a market situation. Therefore, the first issue to look at and to ask is: are the social partners who are the recipients of financial support actually in a competitive market for the services they provide? If they aren't in a competitive market then they cannot distort the market. That is the first issue to look at in terms of support to social partners.

Second, state aid rules have specific exemptions for support for training and for employment. These exemptions are designed to facilitate both of those actions, and in many instance the kind of support that would be given to social partners would easily fall within the scope of this exemption and therefore the regulations would not apply. So, it would still be state aid but the regulations would not apply because the actions supported would be exempted.



In addition, any state aid amount less than 100.000 € is automatically exempted. Thus, it all depends on the size of the project and the actions that are being undertaken. These three elements combined in the context of social partners make difficulties or problems of state aid support very rare. Moreover, the Member States can notify certain schemes to the Commission and receive exemption from them.

**3. The actions foreseen under article 5 §3 are not of exhaustive nature, i.e., they are just examples, what it is of course logical. Nevertheless, actions towards the capacity-building of the social partners are specifically mentioned.**

**Considering that those actions will influence the eligibility of the respective expenditure we want to know if costs with structures and operational/current expenditure of the SP are eligible or not?**

**For instance, can expenditure with salaries be co-financed? Are Social Partners' and experts' travelling expenses, "per diem", eligible? Is expenditure related to depreciation of equipment of the SP structures eligible? Should MS determine the eligibility (or non-eligibility) of these expenses?**

ESF support is directed to finance operations/actions – following a call for proposals or a tender (i.e. under the terms of a grant or a contract) and not running costs, subventions or infrastructures as such. The costs of an operation have to be defined in accordance with the ESF scope and have to be directly linked to the operations and eligibility according to national rules and article 11 of the ESF Regulation.

One of the principles for 2007-2013 that the Commission would like to see manifested on the ground is the approach of simplification. For example, "Should the support to social partners be awarded in the form of a grant?" This will allow the option of having a percentage of indirect costs which will be allowed on a flat-rate basis.

It is also possible that if the award to social partners is done in the form of a tender where there are specific services to be delivered against the tender, then a pre-determined agreement as to what the costs are going to be and as to what the milestones of payment will be can be drawn, and this can (should) be set in the contract.

In both cases "*per diem*" can be eligible. For instance, if social partners are going to run training courses a "*per diem*" can be defined on the basis of the national eligibility rules.

In terms of depreciation, national rules should be applied as well. Some national rules might depreciate computers on an annual basis others on three yearly bases. If the ESF support to social partners regardless whether it is a grant or a tender is going to finance an 18 months project, then *pro-rata* depreciation for the infrastructure that is being used over the period of 18 Months should apply. What the ESF cannot do is cover normal running costs.

If a social partner's organisation has three employees, the ESF cannot substitute the salaries of the people who were already there and who will continue to do a normal functioning. The ESF funds the salaries of the people who are doing the project as agreed under the call either for the grant or for the tender. In that sense, the ESF can support salaries but not the ongoing running costs.

**4. Are "phasing-out" and "phasing-in" regions covered by Article 5?**

First, according to Article 8 GR we may precise that the **phasing-out regions** are considered as Convergence regions (Art. 8.1). The **phasing-in regions** do refer to Regional Competitiveness and Employment Objective (Art. 8.2). However, in terms of priorities for action, a division has to be done.

First, for the Cohesion states - that is to say, SP, PT, GR and all new MS - including transitional regions, ESF Regulation may apply to the whole states, including Competitiveness regions (Art.3.4 ESF Regulation).

However, regarding the budget, even if phasing-in regions may apply all priorities, this will be the Competitiveness resources that will be used.

Second, apart from the cohesion countries, another split needs to be done. **Phasing-out regions** are Convergence regions. So they obviously may apply the two priorities of ESF Regulation in this respect.

On the contrary, **phasing-in regions**, as included in the Competitiveness Objective cannot, by definition, be financed at all under Art. 3.2 ESF Reg. This only applies to priorities contained in Art. 3.1 ESF Reg.

### **5. What actions and expenditure can be co-financed in the framework of the action “strengthening institutional capacity of SP” and what’s the difference between that type of actions and the ones foreseen in Art° 3 (2) (b)?**

Article 5 (3) refers to the tools that might be used to strengthen social partners’ capacity: training, networking measures, activities jointly undertaken by trade unions and employers’ organisations

Article 3 (2) (b) is more focused on the objectives of the institutional capacity priority and how the social partners may contribute to those objectives, by being promoters or providing delivery in actions aiming at: reforms, better regulation and good governance especially in the economic, employment, education, ...

## **ANNEX**

### *Examples of capacity building and joint actions*

The Commission has already been financing trans-national projects involving both EU15 and new Member States social partners (through the social dialogue budget lines, the Equal initiative, and Phare). Some new Member States dedicated a part of their ESF budget up to 2006 to actions to promote the capacity building of national social partners. In the programming documents they included measures for the reinforcement of social dialogue structures as part of their basic capacity building actions, or under actions related to restructuring and to adaptability and training of entrepreneurs.

For example, in **Poland**, the following projects have been running.

- NSZZ Solidarność Gdańsk launched a training programme for trade unionists and potential worker’s representatives due to the re-introduction of the institution of Works Councils in Poland. Main activity of the project are trainings of the future members of works councils including an introduction to the new Polish Works Council law, methods and instruments of economic and financial analysis, methods of a constructive and sustainable social dialogue, instruments for increasing of workers adaptability and developing interpersonal competencies and innovative methods of conflict management. As an additional instrument for obtaining knowledge on financial and economic analysis, an internet portal was created. The project results will be presented at the international conference and published. Additionally a leaflet will be released in order to help with establishing new works councils and to inform about rights and duties of their members.
- FPPZ (Western Poland Employers Federation) started a project “Partnership as a form of an active labour market policy” involving different partners such as local labour agencies and local administrative authorities, lobbying organisations, universities, information centres for unemployed workers and social partners. The main objective is to develop the social dialogue through the development of different mechanisms of consultation and the setting of concrete strategies for the support of the local labour market within the social partnership. At the end, a Centre for Social Dialogue will be established to coordinate future common actions of the social partners in the region.
- The cross-regional project “Partnership und co-operation for a modern labour market” is coordinated by a private university Academy of Management (SWSPiZ) in Lodz. The main objective is to strengthen the efficiency of labour market institutions and their better functioning through developing the whole system of regional and cross-regional social partnership and strategies of a better cooperation. In addition to the social partners, the project beneficiaries are also employees of regional and local labour agencies and representatives

of NGOs active on the local labour market. Main activity is the establishment of a Regional Forum of Public Labour Services and other Labour Market Institutions for each region for the development of an innovative labour market based on a partnership of the public authorities and the social partners. Furthermore an internet platform for information exchange among the project beneficiaries and other national and international labour market institutions will be created.

However, as seen above, a lot remains to be done. Evaluations of Phare projects showed that the transposition of the labour market *acquis* and the establishment of an institutional basis for autonomous dialogue have often been achieved; but that the sustainability of the results will depend upon how legal and financial conditions can be stabilised. Structural capacity-building projects under the ESF can help in this respect.

Some possible measures and outcomes are described below. Actions depend on the needs assessment in the MS which the social partners should be involved in. These are only some of a wide variety of possible measures and the list is not exhaustive.

- Creation of national centres for training of social partners might be created to offer courses to social partners' representatives and government officials. The centres could also provide language courses to help social partners to fully participate in EWC and EU activities.
- measures for the dissemination of information on existing legislation and institutions for social dialogue with the aim to recruit more employers and employees to participate in social dialogue
- forums of representatives from central unions, local shop stewards of companies/representatives of works councils and of representatives from central employers' organisations and local companies in order to encourage employers and employees at enterprise level to establish systems of employee representation
- Promotion activities on the importance and advantages of social partnership
- training sessions on information and consultation processes, collective bargaining, mediation & arbitration, participation to European Works Councils (EWC)
- setting-up and re-enforcement of mediation systems to assist the settling of collective labour disputes,
- training and training materials for public conciliators,
- web-based databases of collective agreements and labour law,
- toolkits and manuals for sectoral and company levels,
- Actions aiming to set up/reinforce sectoral social dialogue Actions aiming to establish and reinforce bi-partite sectoral social dialogue and support the setting up of sector structures.
- Actions aiming to establish and reinforce tri-partite social dialogue which includes the strengthening of the public authorities' administrative capacity. Special sessions might be organised to train the officials who are involved in industrial relations (especially as regards to the contribution they can make in the European Employment Strategy).
- Reinforcing the structures for the involvement of social partners in the National Reform Programmes
- training courses on social dialogue mechanisms at EU level
- Projects facilitating the implementation of EU labour law
- Projects concerning the implementation of European social dialogue agreements (for example, framework agreement on stress at work) at national and/or regional level.

### *Examples of joint actions during the past programming period*

- In the **Netherlands**, measures regarding training for the employed are essentially implemented by O&O funds ("sector funds" which are managed by the social partners) and also by municipalities. The O&O funds are sector organisations grouping employers and labour unions and providing/organising training for employees.
- Bipartite or tripartite sectoral training funds such as the ones existing already in for instance **Belgium** and in **The Netherlands. Employers' organisations** and trade unions set up training bodies, jointly or with the national authorities concerned, in order to help the undertaking of actions under the EES guidelines (and notably under

adaptability of workers and enterprises). Such joint training funds would be of special importance in new MS, where a large number of sectoral restructuring programmes are currently under way. The functioning of such funds must include financial contributions of the social partners, in line with Article 11 of the ESF Regulation

- **Workway** is an **Irish** partnership initiative designed to tackle the unacceptably high levels of unemployment among people with disabilities by raising awareness and addressing barriers to increase the employment opportunities for people with disabilities. Workway is led by IBEC and ICTU and involves local employers, people with disabilities, union representatives and all relevant partners including Service Providers, Government Departments and State Agencies. (Joint Actions)
- The **Irish National Centre for Partnership and Performance** (NCPP) has been established by the Government to support and drive change in the Irish workplace. The Centre's remit is to enable organisations in the private and public sectors, through partnership, to respond to change, to build capability and to improve performance. The NCPP strategy involves creating a vision for workplace change, developing models of good practice, developing tools for workplace change, and developing networks. (Capacity Building/Joint Actions)
- **Wales** has established a "Social Partners Unit" (a limited company jointly owned by the main employer and trade union organisations) to provide the social partners with the capacity to input to the policy work of the National Assembly. This unit receives grant funding from the Welsh Assembly Government (Capacity Building/Joint Actions) but, in principle, similar bodies could be set up with ESF support in Convergence regions.
- In **Wales**, the Welsh Assembly Government launched in 2003 a "Partnership at Work Action Plan" to raise awareness and understanding amongst employers and employees of the benefits of partnership approaches at work; to strengthen support to organisations in developing new or existing partnership arrangements which improve business performance and increase job satisfaction; and to facilitate the spread of best practice. The Action Plan contains a wide range of actions, including research, networking, dissemination, training and business support. (Capacity Building/Joint Actions)
- **England** has the "Union Learning" which builds the capacity of trade unions to support learning in the workplace on the basis of partnerships between employers, trade unions and learning providers. (Capacity Building/Joint Actions). Its mission is to increase workers life chances and strengthen their voice at the workplace through high quality union learning (<http://www.unionlearn.org.uk/>).
- The **UK** had a "Partnership at Work Fund" to encourage businesses to modernise working methods and organisation on the basis of partnership approaches in the workplace (Joint Actions).
- In **England**, "Regional Skills Partnerships" are being developed, involving RDAs, LSCs, Jobcentre Plus, training providers and social partners. (Joint Actions/Capacity Building)

The above text is available at:

[http://ec.europa.eu/employment\\_social/esf/fields/partnership\\_en.htm](http://ec.europa.eu/employment_social/esf/fields/partnership_en.htm)



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