



# **The role of social partners in the design and implementation of policies and reforms**

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## **1 Background**

Social dialogue between workers' and employers' representatives (and in some cases public authorities) is a key component of the European social market economy. Such dialogue can promote agreements and policy measures that strike a balance between the interests of workers and employers, creating win-win solutions. The Treaty on the Functioning of the European Union states that the promotion of dialogue between management and labour is one of the common objectives of the European Union and the Member States (Article 151 TFEU).

While a core value of the EU, the practical manifestations of social dialogue are very diverse: social dialogue can be organised at the level of an establishment, a company, a given sector, or across industries; in a specific region, at national level or European level. The Treaty states that the Union '*recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy*' (Article 152 TFEU).

The diversity of national systems has increased substantially over subsequent enlargements of the European Union. The differences refer not only to the institutional frameworks, but also to differing levels of operational capacity of social partner organisations in different countries. Over the course of the recent economic crisis, employers and workers in many Member States found it difficult to agree on the correct policy mix to promote a recovery. Without consensus, governments and public authorities more frequently took unilateral decisions without social partner support.

In this difficult climate, and thirty years after the launch of EU-level social dialogue, the 'New start for social dialogue' (launched in March 2015) aims at improving the involvement of social partners in the European Semester as well as stepping up their contribution to EU policy- and law-making. The performance of EU social dialogue depends on the existence of a well-functioning and effective social dialogue at national level.

The European Commission in its Communication on steps towards completing the Economic and Monetary Union (2015b) calls for the Member States to pay greater attention to the contribution of national social partners, in particular to strengthen ownership of reform efforts, notably through stronger involvement in the elaboration of National Reform Programmes.

Guideline 7 for the employment policies of the Member States adopted by Council Decision on 5 October 2015 states '*In line with national practices, and in order to improve the functioning and effectiveness of social dialogue at national level, Member States should closely involve national parliaments and social partners in the design and implementation of relevant reforms and policies*'.

In view of the increased policy attention to social dialogue at European level, and given the large diversity in practices across different countries, this review aims at providing practitioners with detailed information on the channels and practices through which national social partners contribute to policy making in the EU Member States.

## **2 Introduction: National landscape of social dialogue**

In this overview report, the term social dialogue refers to interactions between or among organisations representing employers (employer associations) and workers (trade unions) to address broad issues concerning socio-economic and labour market policies (in this review focus is particularly placed on policies with a link to the European semester)<sup>1</sup>. Bi-partite social dialogue involves only organisations representing

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<sup>1</sup> In some Member States, third parties participate in policy dialogue. These include academics, civil society organisations (e.g. NGO's representing specific groups) or business organisations (not representing their members in their capacity of employers).

management and labour without direct government intervention or support. Tri-partite social dialogue involves both representation of management and labour and public authorities (this form can take place at national, European or International level). Most usual activities include negotiation (referring mainly to collective bargaining to reach binding agreements at enterprise, sector, regional, national, European, international level), consultation (structured process whereby public authorities invite social partners' views on policy orientations or implementation. Crucially, these views as such are not binding for public authorities), or simple information-sharing activities.

Social partners can play a role in policy formulation and design through a variety of processes (e.g. autonomous bipartite agreements, tripartite agreements or pacts with public authorities, formal or informal consultation, hearings, expression of views), and/or at the moment of policy implementation (e.g. via autonomous administration or collectively managed bodies).

Workers' and employers' representatives have often accompanied and supported fundamental reform and societal change. Social dialogue can help overcome class struggle and generate social peace. Already after World War I, and more so after World War II, the will to foster economic prosperity and social justice has in most European countries led to the development of a form of social partnership. Tri-partite social dialogue is a founding principle of the International Labour Organisation (ILO) since its creation in 1919. The role of social partners in EU Member States has developed historically as countries have overcome varying transitions and societal challenges. Even in countries that have experienced similar transitions, there remains a very large diversity in systems of collective labour relations. There is no single model of social dialogue in the EU.

In recent decades, social dialogue at national level also evolved with the increasing influence and appearance of other civil society organisations. The involvement of other civil society actors in policy making has enlarged to a broader process of "stakeholder consultation" and participatory governance forms. Still, employers' and workers' representatives in many cases and countries retain a specific status, linked to the fact they have a clear counterpart (the other side of industry), with which they can enter into exchanges and negotiations. Due to this specificity, it is argued that they can jointly help identify a 'general interest' on the labour market.

In many Member States, the share of workers who are union members has declined over recent decades. While the organisation rate of employers seems to have been relatively stable, the world of work has become more diverse, with a growing variety of employment relations and blurring boundaries between employers and employees. These developments have contributed to increasing attention being paid to the issue of representativeness. More generally, this growing diversity may complicate interest representation within peak level organisations, and in finding a common approach between workers and employers. The following section aims to first describe key historical events that have influenced early traditions of social dialogue in the EU Member States and in a second step refer to more recent events that influence the role of social partners in social dialogue today.

In general, collective interest representation of workers and employers has often been shaped by broader societal transitions, such as social movements in the Middle Ages the industrial revolution and emblematic events such as strike action (e.g. DK, SE, UK), the reconstruction post World War II (e.g. DE, BE, IT, AT, FI), democratic transitions in the 70s (e.g. PT, ES), independence (CY) or transitions towards a market economy (e.g. Central and Eastern European countries).

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These parties are not the main focus of this review. They are mentioned where relevant or represented in certain institutions, but the description of their role is not developed in detail.



In the **Netherlands**, the “partnership” model was rather derived from the practice of water management in the Middle Ages. To ensure the polders were not flooded, different parties had to work together maintaining dykes even when in conflict with each other. The so-called ‘polder model’ thus received its name from this collaboration. Later after World War II the Dutch social partners worked together to stimulate the economy and to recover from the damages of the war. The Labour Foundation (*Stichting van de Arbeid*), which is a consultative body, was created in 1945 with the aim to provide a forum to discuss relevant issues in the field of labour and industrial relations. Some of these discussions resulted in memorandums and statements in which the Foundation recommends directions for action in collective bargaining. One of the most influential examples of social dialogue was the Wassenaar Agreement of 1982 which was concluded in the period of the oil crisis resulting in high unemployment in the country. The agreement set out wage moderation for the next four years and a reduction of weekly working time. The agreement was concluded on the basis that the state authority would not interfere in the wage setting mechanism.

In **Denmark**, the 1899 September Compromise between LO (employees’ confederation) and DA (employers representations) set down basic principles of bi-lateral social dialogue and the resulting agreements between employers, workers and the government thus influencing social dialogue structures in the longer term (e.g. in 1910 the State established the first labour court as an institution for resolving industrial disputes, following recommendations of a commission including social partners, a first example of tri-partite negotiations). In **Sweden**, the historic agreement shaping social dialogue the ‘December Compromise’ was concluded in 1906 between LO (the employees’ confederation) and SAF (the employers confederation). The foundations of the Swedish social dialogue were further set in the 1938 Saltsjöbaden Basic Agreement laying out principles of the collective bargaining and dispute resolution. **Finland’s** social model found its base towards the end of World War II with the 1944 Basic Agreement laying down the basic principles of workers’ and employers’ interest representation.

In **Belgium** the “Social Pact” of 1944 established the foundations of a comprehensive system of social security with the common goal to improve the living conditions of the population as a whole through economic prosperity. On the other hand, it foresaw that sharing of productivity gains between wages and profits should be determined at sector level. Similarly in **Austria**, the first social partner agreements between 1947 and 1951 were aimed at the prevention of extreme inflation. Social partnership is characterised by the consensus among social partners and the public authorities that policy and social partner bi-partite collective agreements promote the common goal of economic prosperity and high levels of employment. Either the law, social pacts or the Constitution set out principles of the partnership, determining roles and responsibilities of the different actors. In **Austria**, the law established already in 1848 the chambers of commerce with obligatory membership and in 1920 the chambers of labour with an equal status. The approach to social partnership in Austria is also characterised by tri-partite or bi-partite management and administration of key labour market institutions (e.g. unemployment insurance, pensions, labour market services, and other social security bodies). The **German** social dialogue is based on the consensus and shared interest of a competitive German economy with its high export orientation in order to achieve a high level of employment. Collective bargaining autonomy (*Tarifautonomie*) has a long tradition in Germany and is enshrined in the constitution. This means a division of tasks between the state and the social partners: the social partners are responsible for regulating employment conditions (such as wages, working time). Collective agreements set standards and have a regulatory power. The principle of collective bargaining autonomy means that the State should not intervene in bilateral collective bargaining (unless the state is negotiating with trade unions as an employer).

Central and Eastern European countries were faced with a twin transformation after the 1990s: economic and political. Social dialogue in these countries has been shaped in particular in the early 1990s but countries have still developed later on differently. Yet, the formation of autonomous industrial relations and foundation of independent

collective representation of workers and employers took place in that period. Countries have enshrined the freedom of association and representation rights in their Constitution and new Labour Code. While trade unions had to reform structures or new unions were created, employers' associations had to be formed entirely new. Thus union density and employers adherence is lower than in Central Western European countries. The state continues to play an important role in setting the framework for social dialogue. Collective bargaining on wages has been limited in the periods of transformation and continues to be limited in order to fight inflation. Tri-partite social dialogue is of great importance as in comparison to the preceding regimes, the political power can legitimise economic and social policies.<sup>2</sup> Tri-partite bodies were also created with the aim to maintain social peace during the period of transformation of the economy. They are the main platform for social partner involvement in policy design. Countries that can be typically found within this category are Lithuania, Latvia, Slovakia, Czech Republic, Romania and Hungary.

The transition to a democracy (ES, PT) and state building (EL, CY) has influenced collective interest representation and building of social partner involvement in policy making and implementation. The following paragraphs discuss this in more detail.

In **Spain** social partners played a key role in the building of a national consensus that led the transition to democracy. This is reflected in the Moncloa Pacts (Pactos de la Moncloa) signed in October 1977 by the main political parties, business associations, employers' organisations and trade unions with the aim of promoting social and economic stability to ensure the success of the political transition. By then, the Spanish economy suffered from high inflation and a sharp rise in unemployment rates, influenced by the international economic crisis triggered by the petrol crisis in 1973. The Moncloa Pacts involved important steps in political openness and freedom, including the freedom of association, the limitation in the increase of wages and the devaluation of the national currency, among other points.

**Portugal's** tradition of collective interest representation of workers and employers goes back to the trade unions' struggles for autonomy under the dictatorship and to the construction of the democratic institutions (free trade unions and employers' associations, collective bargaining, works councils) during the revolution of 1974-75 and its aftermath. The most important collective agreements (a large part of them at sectoral level) were negotiated during these years and imposed a rigid regime of the use of the labour force.

When acceding independence in 1922, **Ireland** inherited the British adversarial and voluntarist style of industrial relations. Ireland's industrialisation during the 1960s and 1970s was accompanied by industrial conflict and strikes. During the economic crisis in the 1980s the government and social partners sought to centralise wage bargaining. The first social partnership Agreement for the economic recovery was entered in 1987.

The **United Kingdom (UK)'s** social dialogue differs from the continental European forms as it is less based on formal processes or tripartite institutions. Social partners have been consulted among other stakeholders on employment and social policy since the 1980s in view of establishing a dialogue.

Section 3 looks in more detail at some of the formal institutions and informal processes which have evolved in different Member States over time to provide a platform for social dialogue.

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<sup>2</sup> Bach, M. et al (2006), Europe in Motion, Social dynamics and political institutions in an enlarging Europe, Sigma editions

## **3 National Social Dialogue Institutions**

### **3.1 Introduction**

This section introduces the design of national social dialogue institutions with regard to their status (formal or informal; ad hoc or permanent) and their composition (i.e. whether workers and employers' representatives, are joined by, public authorities or other stakeholders). This section also considers the function of these institutions (negotiating binding agreements, or consultative and advisory roles). The final section provides an overview of the policy domain(s) in which these institutions are active<sup>3</sup>. Key information on each of the 115 institutions on which information is provided in the national reports is given in the overview table in Annex 2.

### **3.2 Design of institutions**

#### **3.2.1 Status**

This section analyses to what extent institutions are formal or informal, and permanent or ad-hoc. Across all Member States, the vast majority of institutions are formal in status, and are often established as part of legislative acts. Only 10 institutions are purely informal (BE, HU x2, FR, CY, AT x3, NL and SK).

Most informal institutions are consultative in terms of their role. In **Belgium**, the Group of 10 meets at least twice a year to negotiate bi-annual inter-professional agreements. In **Hungary**, the Permanent Consultative Forum of Industry and the Government (VKF) is consultative. It operates at two levels: the plenary session and the monitoring committee. The Monitoring Committee is the lower level, where negotiation takes place, and the higher is the Plenary Session, where the government would be represented by the prime minister. All the issues related to employment policy could be discussed at VKF, but its focus is mostly limited to annual negotiations over the minimum wages and proposed wage increases for the private sector. Also in Hungary, the National Public Service Interest Reconciliation Council (OKÉT) is a consultative forum where meetings are convened upon the initiative of a member trade union, and discussions focus on public sector wages, and other issues related to the state budget and tax allowances. There are three informal consultative institutions in **Austria** that all deal with general economic and social issues. The Parity Commission serves as a platform for institutionalised dialogue between the four social partners and the federal government, where matters of particular significance, common strategies and concerted action, as well as emerging conflicts, are discussed. The Advisory Council for Economic and Social Affairs issues studies and reports, which are agreed upon by all partners. Bad Ischler Dialogue is a common platform of the Austrian social partners. Policy papers, which define common positions of the social partners, are addressed to the government in order to stimulate the political debate. In **France**, the Social Dialogue Committee on International and European Questions is a consultative and informal body dedicated to social dialogue mainly on National Reform Programmes in the framework of the European Semester. In **Slovakia**, the Council of Solidarity and Development of the Slovak Republic is a new body serving as a wider platform for discussion and establishing joint positions between and among the government and social partners, professional institutions and churches. The council is more of an informal platform for irregular multipartite consultations, a government's initiative to win support for planned reforms. The actual impact of the council on policy developments has been rather symbolic so far.

Just two of the informal institutions have a mainly advisory role (provides input on own initiative as opposed to addressing non-binding requests from a public authority). In

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<sup>3</sup> This information is taken from Annex 2 of the country reports where experts summarised institutions. Based on interpretation of expert's information, each institution has been categorised according to one of the seven policy domains identified in the template for this request, with the addition of general social and economic issues.

**Cyprus**, the Labour Advisory Board advises on labour market issues, and in the **Netherlands** the Foundation of Labour, which is mainly engaged in wage-setting, informally advises on social-economic policy.

Only six institutions are classified as ad hoc, as opposed to being permanent. These mostly address issues of collective bargaining. This is the case with the **German** bipartite Collective Bargaining Committee and Collective Bargaining Commission. These two bodies become operational when agreements are being negotiated/renegotiated. Their agreements are binding in nature. In **Finland**, the Working Committee on Local Bargaining has a similar role. In **Luxembourg**, the National Tripartite Coordination Committee represents a national arena for negotiating agreements between the social partners, which if reached, are binding and enforceable through law or a series of laws and with a long-term impact on policy formulation. Bad Ischler Dialogue in **Austria** (see above) by contrast has a more general scope and is consultative in its role, and the same is true for the National Public Service Interest Reconciliation Council in **Hungary**.

### 3.2.2 Composition

Table 1 below shows the number of institutions for each country and the breakdown across each of the four composition categories. Bipartite bodies consist of workers and employers' representatives only. Tripartite bodies consist of these social partners, as well as public authorities. Where other stakeholders (such as academics, NGO's or business associations) are members of an institution, these are considered bipartite or tripartite 'plus'.

Public authorities have a seat on the majority of institutions: purely tripartite bodies represent 53% of institutions, with a further 20% of tripartite+ bodies. Purely bipartite institutions represent 16%, while bipartite+ is the smallest category (some 11% of institutions).

Most Member States (14) have a mix of bipartite (and +) and tripartite (and +) institutions (BE, BG, DK, DE, IE, ES, SK, EL, HU, NL, RO, AT, FR, IT). Twelve Member States feature only tripartite (and +) bodies (CY, CZ, EE, FI, HR, LT, LU, LV, MT, PL, PT, SI). Two Member States have only bipartite (and +) bodies (SE, UK) but no tripartite (and +) institutions. In the 'mixed' countries; there tend to be a larger number of tripartite (and +) institutions, except for Belgium where three of the four bodies are bipartite.

In nine Member States, other stakeholders are not represented in any of the bodies (DE, HR, IT, LT, LV, MT, NL, PL, SE). There are no countries where these other stakeholders have a seat in each of the institutions, although for UK, CZ, FI, RO and SI more than half of these countries' institutions are '+'. Across all institutions, some 70% are bipartite or tripartite without any other stakeholders, while 30 % are bipartite+ or tripartite+.

*Table 1. Number of institutions in each composition category*

Country	Bipartite	Bipartite+	Tripartite	Tripartite+	Total
AT		2	3		5
BE	3			1	4
BG		1	2		3
CY			1		1
CZ			1	3	4
DE	2		3		5
DK	2	1	3	2	8
EE			2	1	3
EL		1	4		5

Country	Bipartite	Bipartite+	Tripartite	Tripartite+	Total
ES	1		4	1	6
FI			1	2	3
FR	2	1	1	2	6
HR			8		8
HU		1	2		3
IE	1	1	1	1	4
IT	2		2		4
LT			6		6
LU			3	1	4
LV			1		1
MT			3		3
NL	1		1		2
PL			1		1
PT			1	1	2
RO		1	1	1	3
SE	2				2
SI			2	4	6
SK	1		3	3	7
UK	1	4			5
<b>Total</b>	<b>18</b>	<b>13</b>	<b>60</b>	<b>23</b>	<b>114</b>

Source: ICF, based on EEPO country reports

There are a range of third party organisations involved in institutions depending on the scope of activities, as follows:

- Unspecified NGOs or civil society organisations (BG, DE, HU, PT, RO, SK, FR),
- The National Bank (FI),
- Pensioners (BG, AT, SI),
- Women's groups (BG),
- Environmental groups (BG, EL, FR),
- Consumers (BG, EL),
- Voluntary organisations (IE),
- Academics/experts (IE, ES, HU, SK, FI, UK),
- Migrant representatives (IE),
- Disabled persons associations (EL, SI),
- Gender equality associations (EL),
- Religious bodies (HU, SK),

### **3.3 Function of institutions**

Beyond the status and composition of these institutions, it is important to understand their specific function and actual (potential) powers of decision making. This section therefore focuses on whether the institutions where social partners are represented (in different configurations) can negotiate binding agreements, or merely have a consultative, or an advisory role. When looking at this question, it emerges that the powers of social partners to reach negotiated settlements are largely present in bipartite fora ostensibly dealing with the 'core functions' of social partner organisations, i.e. wage setting and other employment related terms and conditions – be it through minimum wage mechanisms and/or collective agreements, and in their role as administrator of joint funds (for instance social insurance, unemployment benefit or training funds), joint programme managers or as representatives supporting arbitration and conciliation between employers and workers.

Consultative and advisory roles for social partners are more prevalent when it comes to law or policy making, including within the context of the European semester.

**More detailed information for each country is provided in the summary table in Annex 2.**

#### **3.3.1 Institutions with a role in negotiating binding agreements**

There are six countries in which social partners are involved in institutions charged with the binding negotiation of legislation and/or policy. These are tripartite in all cases and social partners do not have the ability to block decision making by the government by the token to the decision making rules of these bodies (e.g. BG - National Council for Tripartite Cooperation; DK - Regional Labour Market Councils; LU - Tripartite Coordination Committee; PL - Social Dialogue Council; PT - Standing Commission of Social Concertation; SK - Committees for Employment Issues).

For example, in **Bulgaria**, the National Council for Tripartite Cooperation discusses and gives opinions on draft regulations governing a range of economic and social issues. This can lead to binding agreements that are carried out by the state. In **Slovakia**, the Committees for Employment Issues negotiate local employment policy priorities and approve local labour market analyses and forecasts.

Institutions influencing wage setting and collective bargaining across the whole country (rather than only for specific sectors) are a feature in BE, DE, DK, HU and NL. For example, the **German** Tripartite Minimum Wage Commission determines the level and any increases in the national minimum wage. The Collective Bargaining Committee (bipartite), Collective Bargaining Commission (bipartite) and Tripartite Collective Agreement Extension Committee (tripartite) also work to negotiate collective agreements and to decide on their extension to other business and sectors respectively.

The National Labour Council in **Belgium** concludes (cross-) industry collective agreements, which can subsequently be declared universally binding.

Other countries also have bodies with a binding role in wage setting. Examples include HU - National Economic and Social Council – Bipartite+; and NL - Foundation of Labour - bipartite).

Social partners also have a role in decision-making structures in some countries, particularly in relation to joint policy/programme management. Here decision making largely focusses on implementation of policy rather than policy making. These are typically tripartite bodies, and are particularly common in EE, HR, LT and SI. **Croatia** has five such institutions governing the PES, Health Insurance Fund, Pensions, funds supporting the rehabilitation and employment of persons with disabilities, and workers' claims in cases of employer bankruptcy. There are four institutions in **Lithuania** with social partners having a decision making role in the State Social Insurance Fund; the Lithuanian Labour Exchange; a body making decisions on furthering employees' safety and health, and funds supporting workers' claims in cases of employer bankruptcy.

**Slovenia** also three bodies (all tripartite+) in relation to pensions, health insurance, and the PES. **Estonia** also has three such institutions governing the Unemployment Insurance Fund, the Health Insurance Fund, and qualifications. In **Italy**, the INPS and the INAIL Steering and Surveillance Council (bipartite) also provides a decision-making forum for social partners. Section 4.3.3 further discusses these processes in respect to Finland, France, Austria and Belgium.

Other countries with similar tripartite bodies more engaged in policy formulation or implementation in specific policy areas are: **Spain** (the General Council of VET) and **Germany** (the Tripartite Board of Governors of the Federal Employment Agency); similarly the **UK** (Health and Safety Executive) also have institutions performing a governing function in relation to joint policy/programme management, but these are bipartite.

In five countries, institutions with the involvement of social partners play a role in industrial and employment arbitration. In **Greece**, the Organisation for Mediation and Arbitration (tripartite) is an independent organisation for dispute resolution in contract negotiations. In **Ireland**, the Labour Court (tripartite) operates as an industrial relations tribunal. **Spain** (Inter-confederal Service of Mediation and Arbitration – tripartite) and **Sweden** (Labour Court – bipartite) have similar bodies, and in the **UK**, as mentioned above, the Northern Ireland Labour Relations Agency (bipartite +) and the Central Arbitration Committee (bipartite +) play a key role in employment relations and the resolution of disputes.

### **3.3.2 Institutions with a consultative role**

Many countries have institutions with social partner representation that play a consultative role. In some cases there is a statutory clear basis for these institutions providing formal inputs into policy making and discourse. In **Lithuania**, the Government has committed itself to adopting resolutions on relevant economic, employment, labour and social issues only after they have been analysed at the Tripartite Council of the Republic of Lithuania (TCRL) at the request of the parties. This agreement of the social partners is legally regulated and, therefore, is binding to all governments irrespective of which political party is in power. This commitment can be presumed to be fulfilled – issues relevant to the social partners are indeed considered at the TCRL. However the future of the joint positions reached at the TCRL depends on a number of circumstances, and there is no guarantee that such positions (or individual positions of the social partners) will be taken into account in final decision-making. In **Romania**, the Economic and Social Council (bipartite+) has a legal mandate to issue opinions on various matters of social and economic interest to the national. The National Tripartite Social Dialogue Council (tripartite) in Romania also provides an organised forum of dialogue between the social partners and the government. In **France**, the Economic, Social and Environmental Council (bipartite +) allows social, economic and environment stakeholders to participate in the definition and evaluation of public policies. **Portugal** (Economic and Social Committee - tripartite +) and **Slovenia** (Economic and Social Council - tripartite) have similar bodies.

Others focus on specific issues, where there is also a clear legal basis for this input. Most commonly, the focus is on employment. Institutions contribute to the development of employment policies in **Bulgaria** (National Council for Employment Promotion - tripartite), **France** (National council for employment, training and career guidance - tripartite +), and **Luxembourg** (Conjuncture Committee - tripartite+).

Other issues where institutions play a clear consultation role are collective bargaining (FR, ES, FI, LV), training and education (SI), and minimum wage (IE, UK). The **Czech Republic** also has three bodies that each identify policy issues and actions, evaluate reforms, formulate strategies, coordinate policies and cooperate with the NGO sector (Council for Equal Opportunities for Women and Men; Council for Safety; Hygiene and Health at Work; The Government Council for Older Persons and Population Ageing).

In **Denmark**, three different councils each advise the government and comment on proposals on issues of working environment, vocational training, and adult and further education. For example, the social partners are given substantial influence on the system of VET. An Advisory Council for Initial Vocational Training is appointed by the Minister of Education and provides guidance, for example, on the structure of routes, framework for content and assessment, and accreditation of vocational colleges.<sup>4</sup> The Council is made up of industry sector experts nominated by social partners, and representatives of employers, teachers and students. The Ministry of Education is responsible for approving new programmes on the basis of recommendations from the Council, and for approving colleges that provide 'basic' and 'main' VET courses.

In other countries the role of some institutions is less clear, in the sense that it is not clear to what extent the institution is consultative or advisory. This is the case for a number of general social and economic councils/forums, which are both bipartite (BE, BG, EL, FR and NL) and tripartite (CZ, IE, EL, ES, HR, IT, MT, AT, PT, SK, FI).

The **Dutch** Social-Economic Council (SER), for example, has responsibility for advice and consultation in social-economic policy-making. The SER is frequently asked to provide advice on new reforms on regulation, mostly related to the labour market and social security. The government hopes that by consulting the social partners the social validity of their reforms is higher and there will be less social problems during the implementation of the regulation. There is no legal obligation for the government to ask the SER for advice and the advice of the SER is also never binding. However, the advice of the SER is rarely ignored, since by ignoring an advice, the government risks the threat of public conflict. **Ireland** has a number of consultative bodies with social partner members. Most recently, in 2015 the Irish government created a structured forum for 'National Economic Dialogue'. This does not take the form of traditional tripartite negotiations but instead is designed to listen to the views of various stakeholders. This dialogue involved a structured two day event which occurred before Budget 2016 and involved the usual mix of unions and employer groups.

It is also the case for a number of tripartite institutions with a more specific policy focus. For example, in **Greece**, the National Committee of Employment and the National Social Protection Committee have a consultative/advisory role to the government and the parliament. In **Spain** the Council of the National Employment System makes proposals about employment policies, coordination between central and regional PES, evaluation mechanisms and follow-up of reforms. In **Malta**, the Employment Relations Board makes recommendations to the Minister regarding national minimum standard conditions of employment and sectorial conditions of employment, and advises the Minister on any matter relating to the conditions of employment or on any matter referred to the Board by the Minister. Although the legal remit of the ERB is restricted to consultation, during the EU accession process, after the new regulations based on the 'acquis communautaire' were discussed in the ERB, the Minister issued such legislation without discussion in parliament. The government is currently working on wide-ranging changes to the Employment and Industrial Relations Act (EIRA, 2002), Malta's main employment law. Among others, it is considering the proposal of changing the formal function of the ERB from just an organ for consultation to one with an administrative role.

Both **Lithuania** and **Slovakia** have bodies that advise authorities on issues relating to vocational education and training.

Institutions may also have a role which is more focused on providing technical expertise. The **Danish** Economic Council (tripartite +) provides independent analysis and policy advice to Danish policy makers and monitors the budget law. The reports to the Economic Council always contain short and medium term forecasts of the Danish

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<sup>4</sup> See <https://www.uvm.dk/Uddannelser/Erhvervsuddannelser/Ansvar-og-aktoerer/Raad-og-udvalg/REU/Om-REU>



economy, and typically another one or two special topics on e.g. fiscal policy or labour market issues. The Economic and Social Committee (tripartite) in **Luxembourg** produces assessments either on its own initiative or commissioned by the government, and the **French** Tripartite Information Committee on Cost and Income Developments (tripartite +) produces information for the State Council and the collective agreement preparation process. In **Spain**, the Sectoral Joint Committees (bipartite) conduct forecasting and definition of skills needs and labour market demands to guide skills training provision.

### **3.3.3 Institutions with a largely advisory role**

Relatively fewer countries have institutions that are closer to a solely advisory role, whereby the institution provides input on its own initiative. In relation to general social and economic issues, this is the case for Bad Ischler Dialogue (tripartite) in **Austria** for example, which involves two-day meetings of social partners and produces a policy paper which defines the common positions of the social partners to the respective topic of the platform. They can be seen as tools to communicate positions, to set momentum for political action, to formulate political demands and proposals for reforms. These declarations and policy papers are addressed to the government in order to stimulate the political debate. In addition, these papers reflect the framework for negotiations on political reforms.

Other countries have such institutions in relation to specific issues. For example the Joint Cross Industry Council for Employment and Training in **France** (bipartite), which defines and coordinates orientations of social partners' policies in relation to training and employment. The **Austrian** Advisory Council for Economic and Social Affairs (bipartite +) issues studies and reports on economic and social policy issues containing joint - therefore unanimous - recommendations from these four bodies, addressed to the federal government and the other economic and social policymakers.

## **3.4 Scope of social dialogue institutions**

This section summarises information on the policy domain(s) in which institutions are active. This information is taken from Annex 2 of the country reports, where experts summarised institutions.

Based on our interpretation of the expert's information, each institution has been categorised according to one of the seven policy domains identified in the template for this request, with the addition of a category for 'general social and economic issues'.

Most countries have at least one institution that deals with general social and economic issues. In total, there are 40 institutions dealing with such issues. Eleven countries have one such institution: CZ, DK, IE, ES, IT, LV, LT, HU, MT, PL, and SI. Eleven countries each have two or three such institutions: BE, LU, AT, PT, RO, BG, EL, FR, HR, NL, SK, and FI.

Only CY, DE, EE, SE, and the UK do not have an institution that discusses general social and economic issues. Instead they have a number of institutions dealing with more specific policy domains. Furthermore, dialogue is taking place through other channels.

In all but two countries which have such generalised institutions, there are also a number of institutions dealing with more specific policy domains. In **Latvia** and **Poland** the generalised institution is the only social dialogue institution identified.

The table below summarises the countries which have institutions relevant to each of the policy domains.

Table 2. Institutions within each policy domain

Policy domain	Total number of institutions	Countries with institutions focusing on policy domain
General social and economic issues	40	AT, BE, BG, CZ, DK, IE, EL, ES, FI, FR, HR, IT, LV, LT, LU, HU, MT, NL, PL, PT, RO, SK, SI
Active labour market policies	21	AT, BG, CY, CZ, DE, DK, EE, EL, ES, FR, HR, HU, LT, LU, SE, SI, SK
Labour law, including EPL	17	DK, EL, ES, FR, HR, HU, IE, IT, LT, MT, SE, UK
Education and training systems	11	DK, EE, ES, FR, LT, SI, SK
Social security systems	10	AT, EE, EL, HR, IT, LT, SE, SI
Wage setting institutions and dynamics	10	BE, DE, ES, FI, FR, IE, UK
Occupational health and safety	9	BE, CY, DK, HR, IT, LT, LU, SK, UK
Work-life balance and gender equality	2	CZ, IT

Source: ICF, based on EEPO country reports

For the vast majority of institutions it is possible to categorise them into one policy domain. For some of them, they cut across two different domains, and therefore there is some double counting of institutions in the table above.

Each country's institutions taken as a whole tend to cover multiple different policy domains. Indeed, the set of institutions involving social partners active in DK, ES, FR, HR, IT, and LT together each cover more than four different domains.

However, in three countries institutions cover only one specific domain: active labour market policies for **Bulgaria** and **Cyprus**; and wage setting institutions and dynamics for **Finland**.

At the same time, in some countries there are multiple institutions dealing with the same policy domain: **Germany** has four institutions in the domain of wage setting institutions and dynamics; **Spain** has three institutions in education and training systems; and the **UK** has three institutions addressing issues linked to labour law and working conditions. In each case, these institutions have distinct functions. For instance in the UK, ACAS is an advisory and conciliation service for employers and employees, CAC (Conciliation and Arbitration Committee) has statutory powers over the recognition of trade unions, the disclosure of information for collective bargaining, applications and complaints related to information and consultation arrangements (both in relation to national and transnational information and consultation, among other things). The third body, the Northern Ireland Labour Relations Agency (NILRA) is responsible for promoting the improvement of employment relations in Northern Ireland.

Beyond the formal (or informal) establishment and composition of social dialogue bodies, it is important to understand the role played in practice by social partners in decision making, the basis of this role (in legislation or otherwise), how this has evolved over time and the factors shaping the importance accorded to social partner institutions and positions. These are discussed in more detail in the subsequent section.

## **4 Processes: Which role(s) for social partners?**

### **4.1 Introduction**

This section discusses the processes through which social partners are involved in decision making processes around social and employment legislation and policies in the EU Member States. More specifically, it assesses to what extent legislative and policy making in these areas primarily fall into one of the patterns outlined below; the extent to which this is true in respect of different policy areas; and whether there has been a significant change in the role played by the social partners in recent years:

- Autonomous bi-partite action by social partners; e.g. do social partners have an (implicit or explicit) prerogative to jointly regulate (certain aspects of) employment and social affairs, without (direct) involvement of the government or public authorities?
- Tripartite co-decision; e.g. does the state routinely engage in direct negotiations with social partners to jointly regulate (certain aspects of) employment and social affairs? Is this based on legislation or simply custom and practice?
- Consultation and advisory roles; e.g. is there a legal obligation or custom and practice on the part of the public authorities to seek (non-binding) input from social partners when taking policy initiatives in the field of employment and social affairs?; or
- Governmental Unilateralism; e.g. does the government routinely take initiatives to regulate employment and social affairs, without involving the social partners).

It is worth noting from the outset that it can be difficult to determine which form of decision making is dominant and that this can vary from one policy domain to another. Within the context of the above discussion on the institutional set up for decision making involving social partners, it is also important to bear in mind that the 'formal' role played by social partners on such bodies does not necessarily tell the full story with regard to their actual influence on decision making processes, as this can be more informal (and partly linked to the traditional/historical relationship between employer and worker representative organisations and political parties, for instance). This section should be read in conjunction with the information provided above on the institutions in which social partners play a role. However, in doing so, it is important to bear in mind that where, for instance, tripartite bodies (established in law) exist, they do not necessarily have a co-decision function.

The role of social partners in formulating legislation and in policy making at Member State level is a complex one which varies not only from country to country, but also from policy area to policy area (and indeed over time).

### **4.2 Overview**

This section seeks to take a 'hierarchical' approach in assessing the role of the social partners in decision making, starting with a discussion of the areas where social partners have a prerogative to regulate autonomously, over fields where they are routinely engaged in decision making (on a tripartite level) to areas where government unilateralism is the overwhelming form of decision making.

The judgements summarised in this report are based on national level assessments provided by Member State experts. However, in looking at these, it must be borne in mind that these judgements are based on varying levels of information and despite the definitions provided for the different forms decision making listed above, may not always draw on precisely the same interpretation of these definitions. Aggregate tables in the Annex summarise the assessment provided by experts for each individual policy area. These are in turn drawn together in the table below, which seeks to assess the dominant form of decision making in different policy areas and thus the role of the social partners within them.

At the end of this section, we discuss in particular the role of the social partner within national European semester processes (e.g. drafting of National Reform Programmes and responses to Country Specific Recommendations).

*Table 3. Dominant forms of decision making in different policy areas and the role of the social partners within them*

<b>Dominant form of decision making in different policy domains<sup>5</sup></b>	<b>Autonomous social partners action</b>	<b>Tripartite decision</b>	<b>co-Consultation and advisory</b>	<b>Government unilateralism</b>
Labour law, including EPL	1	5	6	14
ALMPs	2	3	7	18
Social Security Systems	1	3	5	18
Work Life Balance and Gender Equality	3	3	3	18
Education and Training systems	2	1	7	17
Labour taxation	0	1	3	23
Wage setting institutions and dynamics	17	3	3	9
Occupational health and safety	4	3	5	15

*Source: ICF, based on EEPO Country reports*

The table above appears to indicate that across almost all policy domains (except wage setting institutions and dynamics), **government unilateralism** is the dominant approach identified by the Member States; for example, 23 countries identify this approach as being the dominant one used in the area of labour taxation. It is also the dominant approach used in 18 countries in the area of active labour market policy making, social security systems and work life balance and gender equality policy domains. However, as will be discussed in greater detail below, the perception this creates of social partners playing a rather limited role in decision making can be somewhat misleading, as even in situations where the government is considered to have the final decision-making authority with regard to a policy or legislative measure, the structure for decision-making and the level of influence wielded by social partners in the process of reaching a decision varies significantly from country to country. It is rare for social partners to have no role at all in the policy making process (this is for instance indicated with regard to decisions on active labour market policy in the UK, social security systems in Malta and labour taxation in Cyprus, among other things – see Annex I for more details). In most countries, social partner play at least an advisory or consultative role in the policy making process (often mediated via formal institutions), although their level of influence tends to depend both on their organisational strength, the tradition of such involvement and the ‘colour’ of the party in power, as well as

<sup>5</sup> Please note, we have not included Belgium in this analysis, because the response given was ‘yes’ rather than D or X.

surrounding economic circumstances. This will be discussed in more detail later in this report.

Unsurprisingly it is in term of wage setting that **autonomous social partner action** is the dominant form of decision making (identified by 17 countries).

### **4.3 Autonomous bi-partite action by social partners**

#### **4.3.1 Collective bargaining**

As identified above, autonomous bi-partite action among social partners primarily exists in the area of the setting of wages and working conditions through collective bargaining. This is unsurprising as this is traditionally the key role of employer and trade union organisations, whether it be at national cross-sectoral sectoral, regional and company level. However, collective bargaining traditions vary significantly between Member States in relation to a number of key factors, including among other things:

- The main level at which collective bargaining takes place (national, regional level, cross-industry, sectoral or company level);
- The extent to which collective agreements are binding (e.g. for all employers or workers in the sector or only for member of the negotiating parties); the extent to which they can be rendered universally binding - either based on a decision by the social partner or by a public authority;
- The level of coverage (organisational density of social partner organisations).

While all these questions are relevant in influencing wage levels and certain terms and conditions linked to employment, it is not a key goal of this overview to characterise collective bargaining arrangements in different Member States. The key models are referred to in the introduction to this report and this is an issue which is extensively covered elsewhere in the literature. The main interest here is whether social partners have the power to regulate autonomously key aspects of employment and social affairs without the involvement of the government in a way which could be considered comparable with the powers given to social partners at the European level (see above).

Nonetheless, it is instructive to discuss a number of changes which have occurred in the structure of collective bargaining in recent years, including in response to the crisis, as this does provide some lessons regarding the key direction of decision making and the influence exerted by the social partners more generally.

Overall, what is observable is a notable trend towards key collective bargaining decisions being devolved (or with greater autonomy for higher level discussion to be modified at) at firm/enterprise-level. While in some countries (such as many Central and Eastern European Countries, Ireland and the UK) the main locus of setting wages and terms and conditions has long been the company or indeed the individual (contract of employment) level, even countries with traditionally strong national or regional collective bargaining frameworks have seen a trend towards the greater devolution of some decision making powers in setting wages and terms and conditions to the company level.

For example, in **Germany** cross-sectoral collective bargaining takes place only for public employees at the federal or regional level (Vogel, Krämer, 2014). Sectoral collective agreements are the dominant form of agreements in the private sector (often negotiated at the regional level). However, even here a key feature of recent development has been the possibility – and the use of so-called ‘opening clauses’ in such collective agreements, which give greater leeway for adaptations to such accords being made at the company level.

In **Spain**, two important reforms have been passed that reduce the coverage and importance of national collective agreements in favour of more local flexibility. The Royal-Decree 7/2011 of 10 June, introduced opt-out clauses, i.e. the right for companies to not apply the conditions of prevailing collective agreements based on economic reasons. Moreover, it also revoked the continuation of collective agreements beyond expiry (the so-called *ultraactividad*). Before the reform, a collective agreement was

derogated only with the signature of a new one; now, one year after its expiration, the agreement is derogated, which means that the labour conditions of the hierarchical superior agreement prevail, which some companies have interpreted to be the Workers' Statute<sup>6</sup>.

Similarly, social partners are considered to have played a diminishing role in wage setting in recent years in EL, ES, PT and BE. In **Greece**, for the first time in 2013, the National General Collective Employment Agreement (EGSSE) did not include reference to the country's national minimum wage (previously negotiated by social partners within this body). According to the new procedure, the minimum wage is set by the government after consultations with and advice from social partners and independent experts. In other countries governed by Memoranda of Understanding negotiated with the Troika, it is also generally considered that the role of the social partners in wage setting and other areas previously governed by collective bargaining have also diminished as decisions have increasingly be taken unilaterally by the government without taking on board the views of the social partners in order to meet the requirements of specific austerity packages.

In **Belgium**, the State has played a major role in collective bargaining since 1996, when a Law has allowed the State to link pay increases to the forecast pay trends in Belgium's immediate neighbours, Germany, France and the Netherlands, in order to maintain the country's wage competitiveness<sup>7</sup>. The national level negotiations take place in the context of an official technical report prepared every two years by the Central Economic Council, which sets out the forecasts, whilst the government has the power to intervene if the two sides cannot agree on a figure within this limit. In recent years the room for negotiation on pay at national level has become increasingly limited. Since 2011 no collective inter-sectoral has been signed by all the social partners. As a result the government usually decides to implement by law the text that was negotiated, but not signed or only signed by one of the two main trade unions. The impossibility to reach an agreement on the wage increase has been the stumbling block of the negotiations.

Even in countries where traditions of collective bargaining persist there have been some changes limiting the influence of the social partners. For example, in **Slovenia**, according to recent qualitative research (Mrčela, 2014), a number of recently changed collective agreements cover a narrower scope of topics than before. For example, topics such as education and training or work-life balance are reported not to be included any more.

A trend towards a decline in the coverage of collective agreements was observed in the country reports for DK, DE, RO and SI. In **Lithuania**, although the legal framework provides for many opportunities for social partners to reach an agreement, these opportunities remain underused in practice.

Another feature of the crisis highlighted in an example of public sector negotiations in **Ireland** is 'bargaining in the shadow of the law'. In 2010 the government and public sector trade unions negotiated a bilateral collective bargaining agreement for the public sector which became known as the 'Croke Park Agreement'. The agreement was an attempt by government to initiate social dialogue in the public sector<sup>8</sup> following the

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<sup>6</sup> However recent decisions of Supreme Courts do not agree with this interpretation. The Supreme Courts of the Balearic Islands, Basque Country and Valencia have interpreted the elimination of "ultraactividad" principle in a spirit of continuity regarding labour conditions of workers affected by the expired collective agreement. As a result, following these interpretations, former labour conditions prevail for workers having been hired before the expiration of the agreement until a new agreement is reached.

<sup>7</sup> Loi du 26 juillet 1996 relative à la promotion de l'emploi et à la sauvegarde préventive de la compétitivité

<sup>8</sup> Three key public sector industrial relations agreements in Ireland include the Croke Park Agreement 2010, Haddington Road Agreement 2013, and Lansdowne Road Agreement, 2015

collapse of social partnership in 2009 (Regan, 2015).<sup>9</sup> Savings of EUR 7.8 billion over the period 2010-2014 were agreed upon. The Croke Park Agreement was accepted and implemented in its entirety. The public sector unions accepted the terms of the agreement in exchange for the government not acting unilaterally to cut public sector pay. The agreement was seen as a quid pro quo between the government and public sector unions (Regan, 2015).

#### **4.3.2 Involvement of social partners in drafting legislation**

Only one country has been identified where social partners have a prerogative to jointly regulate (certain aspects of) employment and social affairs, without (direct) involvement of the government or public authorities. This is **Estonia**, where the social partners have the right to regulate the national minimum wage, without (direct) involvement of the government or public authorities. This role has evolved over time as initially, the national minimum wage was fixed annually by tripartite agreement during the period 1992-2002. Since then, it has been negotiated between the Estonian Trade Union Confederation (EAKL) and the Estonian Employers' Confederation (ETTK). Based on their agreement, the government enacts a regulation that puts the national minimum wage into effect<sup>10</sup>. These bipartite agreements are transposed into national law and are extended to the whole economy, including to those parties not directly affiliated to the signatory parties.

Autonomous bi-partite action by social partners in **Luxembourg** has resulted in binding agreements (*accord interprofessionnels*) that have been enforced by law. There have been three bi-partite agreements based on European agreements between the social partners: the interprofessional agreement stipulating access to lifelong learning between the *Luxembourg Union of Enterprises* (UEL) and the Independent Trade Union of Luxembourg (OGB-L), and the Luxembourg Confederation of Christian Trade Unions (LCGB) unions in 2003; the interprofessional agreement on violence and mobbing at the workplace between the UEL, the OGB-L, and the LCGB in 2009; and the interprofessional agreement on teleworking between the UEL, the OGB-L, and the LCGB in 2011.

In **France**, social partner agreements have to be discussed in Parliament prior to transposition. Many agreements forming the basis of new legislation have been modified by the Government following discussion in Parliament with some new changes. However, there is an exception to this usual practice: the national cross-industry agreement (accord national inter-professionnel, ANI) on modernisation of employment signed on 11 January 2013, which is considered by observers as the flagship agreement because the government asked the Parliament to make the transposition directly, without any changes, or very marginal ones. Members of the Parliament complied with these requirements when they voted on the enacting employment law in May 2013. Furthermore, there have been agreements reached by social partners which have been transposed by public authorities without passage into law. One such example is the 'Youth ANI' aimed at supporting the inclusion of young people into the labour market which arose from a national cross-industry agreement signed on 7 April 2011. The measure was implemented by the different public employment operators (Pôle Emploi, Missions locales and APEC) with some good results. After an extension for a few more months of the pilot approach (working with only small numbers of young people), the main ideas of the social partners' measure have been captured in the 'garantie jeunes' measure.

Social partners have a right to initiative with regard to the drafting of legislation on working conditions in AT, BG and HU. In **Austria**, social partners have among others

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<sup>9</sup> See

[https://ecampus.itcilo.org/pluginfile.php/24929/course/section/3451/Ireland\\_Final%20Chapter\\_030516\\_FORMATTED.pdf](https://ecampus.itcilo.org/pluginfile.php/24929/course/section/3451/Ireland_Final%20Chapter_030516_FORMATTED.pdf)

<sup>10</sup> Töötasu alammäärä kehtestamine (Establishment of minimum salary rate), Government regulation, 18.12.2015. <https://www.riigiteataja.ee/akt/122122015051>

the right to submit proposals and draft legislation on central policy issues in the sphere of interest of the social partners (e.g. labour law). Whether or not such proposals are taken on board depends on the government of the day. In the recent past there have been some periods in the political development in Austria, where government have been less inclined to take on act upon the wishes and initiatives of the social partners. In **Bulgaria**, social partners also have the right of initiative, for example to request the extension of collective agreements (containing also provisions on working conditions) to a whole sector. However, again it depends on the will of the respective government whether such requests are ultimately implemented. Similarly, according to **Hungarian** law, social partners have the right to initiate regulatory changes, and, in the case of initiatives supported by two thirds of the members of National Economic and Social Council (*Nemzeti Gazdasági és Társadalmi Tanács*, a bipartite+ body not involving the government) it is mandatory to discuss it. However, recent initiatives, even the few that were jointly proposed by the two sides of the NGTT, have been routinely rejected by the government and there is therefore no requirement for the government to accept or enact such proposals.

Social partners do not have a right to initiative in CZ, EE, LV and PT. In **Estonia**, social partners do not have a direct right to initiative (i.e. initiate new legislation) according to rules of procedure of the parliament<sup>11</sup>. However, social partners have used the opportunity to address certain topics commonly and submit their proposals to the government or parliament with the aim to impact on policy processes to raise public awareness of their views.

#### **4.3.3 Autonomous bi-partite management or administration**

This section highlights examples from the country reports of social partner involvement in the management or administration of various bi-partite funds (see also the section on institutions above). In relation to the management of these funds, it must be borne in mind, however, that the 'rules of engagement' (e.g. overarching legislation governing their financing) is generally governed in law passed by governments, so the role of the social partners is often more of an administrative one rather one significantly influencing policy.

With regard to the management or administration of funds, examples were found in **Finland**, where the labour unions maintain the unemployment funds<sup>12</sup> and **France**, where there is a joint representation management system for unemployment insurance, social security, pensions and training systems. The joint system for managing training is implemented through 50 joint bodies for financing training (*Organismes paritaires collecteurs agréés*, OPCA)<sup>13</sup>. There are also other joint bodies like the Association for executives' employment and the Association for the inclusion of the disabled.

In **Italy**, social partners also oversee institutions administering unemployment insurance schemes<sup>14</sup> and training funds. Such paritarian institutions have become more important in recent years, and "social partners established new bilateral bodies which aimed to provide income support to workers in sectors not covered by public income support schemes (i.e. solidarity funds)"<sup>15</sup>, as required by Law 28 June 2012, No.92. Another Law, no. 388 of 23 December 2000, "introduced the possibility for employers to allocate a share of the social security contributions to sectoral bipartite bodies with

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<sup>11</sup> Riigikogu Rules of Procedure and Internal Rules Act, for an English version see <https://www.riigiteataja.ee/en/eli/509052016001/consolide>

<sup>12</sup> With the exception of the General Unemployment Fund (YTK)

<sup>13</sup> Organismes paritaires collecteurs agréés

<sup>14</sup> In Italy there are neither unemployment assistance nor social assistance schemes at the end of 2015.

<sup>15</sup> <https://www.eurofound.europa.eu/it/observatories/eurwork/comparative-information/national-contributions/italy/italy-working-life-country-profile>



the objective of financing company, territorial, sectoral or individual training plans agreed upon by social partners (i.e. vocational training funds)".<sup>16</sup>

In **Austria**, social partner organisations play an important role in the social security system by maintaining representatives in the social insurance institutions, which are organised as self-administrating entities under public law. In **Belgium**, the social partners are associated in the Management Councils of the different branches of the social security administration.

#### **4.4 Tripartite co-decision**

This section presents an overview of the extent to which tri-partite co-decision is employed in the Member States. Its goal is to assess the extent to which:

- Such tripartite arrangements are based on legislation or simply on custom and practice (see also section on institutions above);
- Whether negotiations in these bodies can and have led to binding agreements ;
- Whether the subject matters discussed (and their composition) are largely cross-sectoral and all-encompassing or mainly sectoral and focussed; and
- Any trends in the organisation of such bodies and their influence over time.

##### **4.4.1 'Formal' tripartite arrangements and their outcomes**

Some countries have tripartite bodies in place which are able to reach binding agreements in a variety of different areas (see section 3.3.1). Also, tripartite pacts or agreements are, or have been, used in Spain, the Netherlands, Germany and Portugal. These pacts / agreements can be wide-ranging or focus on a specific policy area. They can also vary in terms of the level of impact they can have, which can be influenced by external factors, as shown in the Portuguese example given below.

For example, in the **Netherlands**, a Social Pact was signed in April 2013 with the broad aim to create common ground and policy guidance on the future of the labour market and social security. The Agreement contains a set of socio-economic measures to address growing unemployment and to prevent far-reaching cuts in public finances: ongoing tax agreements on pension adjustment and the bridging of early retirement are not as of such primary importance as some central principles about the labour market. There was going to be more focus on actively addressing unemployment and to assist people from work-to-work, while taking a preventive approach before social benefits are needed. The agreement covered employment protection legislation and active labour market policies focussed on the prevention of having to claim unemployment benefits<sup>17</sup>

In contrast, in **Germany**, a pact focusing specifically on vocational training (the Allianz für Ausbildung) was reached in 2014, replacing the previous training pacts which included employer organisations and the Chambers but not the trade unions<sup>18</sup>.

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<sup>16</sup> Ibid.

<sup>17</sup> A more active approach will thus be taken to prevent unemployment and to help people into new jobs, preferably before they have to claim unemployment benefit. The measures amount to the following: simplification of dismissal laws (the route through the sub-district courts is to be abolished, the route through the Employee Insurance Agency (UWV) remains). Employees threatened with redundancy will be entitled to compensation that can be used for training for a new job. A similar transition payment exists for employment contracts of at least two years. The money can be used for (re)training or outplacement. The amount of compensation will depend on past employment: employees will receive a third monthly salary in compensation for every year they have worked; if they have worked somewhere for longer than ten years, from the tenth year on, they will be paid a half monthly salary for each year of service. A transitional arrangement will apply to people over the age of 50.

<sup>18</sup><http://www.bmwi.de/DE/Themen/Ausbildung-und-Beruf/allianz-fuer-aus-und-weiterbildung.html>

In **Spain**, tripartite social pacts are said to be one of the most important instruments of tripartite co-decision. These have often been translated into laws, although the most recent ones, including the examples described below in Section 4.2.2, have been rather mere joint declarations.

Another example from Spain is the Toledo Pact, signed in 1995, which relates to retirement pensions and is based on a formula that combines tripartite agreements between social partners and the Government with parliamentary consensus. There have been several consensus-based reforms, although there has also been disagreement with regard to the last pension reform, which led to a general strike on 27 January of 2011.

In **Portugal**, the five tripartite agreements achieved by the Socialist government under Prime Minister José Sócrates and Minister of Labour José Vieira da Silva (2006, 2007 and 2008) are said to represent the most advanced period in the history of social concertation since 1984. The Socialist government, despite its absolute majority in Parliament, successfully sought social partner support to legitimise controversial reforms across multiple policy areas. At the brink of the crisis, social concertation demonstrated its capacity to effectively shape the future evolution of the industrial relations system and employment-related policies. However, the fall of the Socialist government as a result of general elections in June 2011 resulted in the de facto termination of the agreement signed three months before. In the years that followed, tripartite negotiations broke down and until now, social concertation has not recovered its earlier role. Only two specific agreements were signed in 2014 and 2016, both essentially limited to the increase of the mandatory national minimum wage.

#### **4.4.2 'Informal' tripartite arrangements and their outcomes**

Examples of countries where informal tri-partite negotiations can lead to legislation or regulations are the CZ, LV, AT and FI. These processes and agreements generally operate outside of the confines of established institutions, and therefore the discussion in 3.2.1 on formal and informal institutions identifies a different set of countries with informal institutions.

In **Finland**, the central trade unions and employers have had much negotiation power concerning social issues, i.e. pensions, unemployment insurance, parental leave.<sup>19</sup> These are regulated in the legislation and the labour and employer organizations have been trusted experts and not only interest groups when developing legislation. In the **Czech Republic**, the state routinely engages in direct negotiations with social partners to jointly regulate many aspects of employment and social affairs.

The negotiations on amendments to the **Latvian** Labour Law which came into force in 2015 represent an example of largely successful tripartite co-operation. Out of 37 amendments proposed by the Employer Confederation (LDDK), 35 were eventually agreed on by the government and social partners. In the initial stage the proposed amendments were discussed in the NTCC Labour Affairs sub-council where social partners are represented and the Ministry of Welfare represents the government. Many proposed amendments were accepted right away, others were subject to some debate in the Labour Affairs sub-council with initial disagreement among the social partners (Ministry of Welfare, 2013).

**Austrian** social partners were involved in the negotiations regarding the 2016 tax reform, with changes regarding income tax at the core of the reform. Initially a political reform group was set up and in a second step, experts, including representatives from social partner organisations, were nominated by two governing parties for a Tax Reform Commission. At the same time, social partners had contrasting interests and business and labour organisations presented their own proposals.

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<sup>19</sup> Bergholm, T. (2012). The Country Report of Finnish Trade Unions 2012. Strong Trade Union Movement in Gradual Decline.

A specific example from **Greece** relates to tackling undeclared work. In April 2015, the Greek Secretary of the Labour Inspectorate (SEPE) met with all the national social partners, representing both employers and unions, to discuss how the inspectorate's methods could be improved. A draft bill based on the meeting has been drawn up by the government. It includes proposals to reorganise and strengthen the inspectorate and was expected to become law during autumn 2015. Nonetheless, the initiative was postponed after a new third loan agreement was signed on 12 July 2015 between Greece and its creditors. The agreement foresees that the new draft bill will be introduced only after new consultations and negotiations take place between the Greek government and the four creditor institutions.

Another example of the impact of tripartite negotiations can be found in **Lithuania**. In 2009, after several months of negotiations, the Lithuanian Government and the social partners – the national peak trade union and employer organisations – signed a National Agreement (NA) to combat the crisis. Crisis-related unemployment growth and reduction of wages and social guarantees were accompanied by the growing dissatisfaction felt by the Lithuanian people. In order to stabilise the situation, the Government and social partners agreed to sign a tripartite national agreement whereby the parties agreed to abstain from organising protest campaigns for the sake of social and economic stabilisation (budget balancing), whereas the Government committed itself not adopting any decisions having effects on the social and economic condition of the population without prior consultation of the social partners. Even though the NA and its impact have been viewed very controversially in Lithuania, it can be said that it ensured a certain degree of social peace in the country during the most difficult period of managing the crisis in Lithuania.

Examples of ad-hoc tripartite negotiations or decisions in the area of social and employment policies can be found in **Estonia**. These do not involve regular negotiations; tripartite consultations are initiated depending on the topic and on the level of pressure exerted by the social partners. For instance, in 2009 representatives of several Estonian ministries, trade unions and employer organisations reached a tripartite agreement on principles for maintaining employment levels and helping more effectively people who are registered as unemployed (Nurmela, Karu 2009a). Several measures in the areas of lifelong learning, social security and flexible employment possibilities were proposed establishing further cooperation between parties to develop the topics further.

In **Spain**, as mentioned above, tripartite social pacts are said to be one of the most important instruments of tripartite co-decision. The two examples below took the form of 'joint declarations' however, rather than being translated into law.

- The tripartite agreement of 29 July 2014 covered several initiatives relating to employment and social inclusion policies. The agreement was also considered to strengthen permanent dialogue between social partners and the European Council, Commission and Parliament. Although positive in terms of reaching an agreement after several years, this pact was rather vague and has not been significantly implemented, which reduces its importance in practice.
- In December 2014, a tripartite agreement, 'Agreement on the Extraordinary Activation for Employment Programme'<sup>20</sup>, was signed by the government and the most representative social partners at national level (CEOE, CEPYME, UGT and CCOO). The pact agreed on a temporary programme of last resort addressed to the long-term unemployed who were no longer eligible for unemployment benefits, not covered by other support programmes, and have dependents, conditional upon the participation of the beneficiaries in ALMPs.

In **Austria**, the evaluation of mental workload, anchored in the context of a reform of the Occupational Safety and Health at Work for Employees law in 2013, was based on an agreement of the social partners.

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<sup>20</sup> "Acuerdo sobre el Programa Extraordinario de Activación para el Empleo".

Proposals submitted or requested from the social partners have led to reforms in Austria and Finland. In **Austria**, the new criteria-based new immigration scheme for third country nationals (red white red card) was based on proposals of the social partners and was largely taken over by the government (cf. Krings 2013). One of the latest large reforms in **Finland** was the pension reform implemented in a tripartite way with a strong influence of the government in 2014. The labour organisations were tasked to produce a satisfactory proposal, under the threat of the government taking action in case the common proposal should fail.

#### **4.5 Consultation and advisory roles**

In this section we discuss the extent to which social partners are invited to fulfil consultation or advisory roles in employment and social policy and further discuss the impact of such a role.

##### **4.5.1 Requirement to seek input from social partners**

There is a (legal) obligation to seek input from the social partners in AT, CZ, DE, EL, FR, HR, LT, HU, PL, PT, RO, SK, SI and FI. In some of these countries, this only applies to certain policy areas, e.g. AT, DE, HU and FI.

In **France**, since the January 2007 Larcher Act, it is recognised that the government must, before preparing any draft law on labour legislation, have a dialogue with the social partners and if they wish to negotiate an agreement, the latter will feed the draft project given to the parliament. Social partners now play a greater role in preparing Laws impacting on labour market reforms, training reforms and Unions representativeness.

The **Slovenian** public authorities are obliged to seek inputs from social partners on most legislative matters. The country has a strong tradition of corporatism, as well as government consultation with interest groups more generally. There are guidelines setting out how the public and civil society representatives can be consulted in relation to laws, regulations, rules, as well as the various development and strategic documents.

In **Poland** the European affairs consultation mechanism has been in force since November 23, 2004, i.e. through the introduction of the Act of October 8 2004 *amending the Act on the Tripartite Commission for Social and Economic Affairs and regional social dialogue commissions and some other acts* (Journal of Laws. No. 240, item. 2407). In accordance with Art. 19 of the amended *Act on Trade Unions*, a trade union organisation has the right to present opinions on EU consultation documents, in particular white papers, green papers and communications, as well as legislative proposals for the European Union which fall within the remit of trade unions. The bodies of the state administration direct EU consultation papers and the above-mentioned draft legislation to the relevant statutory authorities of trade unions, determining a deadline to submit their comments. Similarly, in accordance with Art. 16 of the amended *Act on Employers' Organizations*, employers' organisations also have the right to issue opinions on EU consultation documents.

Only one country report referred to an obligation on the government to respond to the input from the social partners; the **Czech Republic**. In the area of social policies and workplace relations, employer's associations and trade union represent obligatory points of reference for new proposed legislation. Specifically, they must be consulted in writing by any ministry proposing new legislation before that legislation is voted on by the government and the response of the proposing ministry to objections raised by the social partners is thus part of the official documentation that enters government deliberations. The proposing ministry can easily disagree with the objections raised, but

the objections are noted. The objections may include a reformulation of a given legislative proposal, but this is rarely the case.<sup>21</sup>

Other countries noted that the conclusions of consultation processes are not legally binding. For example the **Croatian** Economic and Social Council (ESC) has a consultative role, however its conclusions are not legally binding for the government and in practice it means that government sometimes will proceed with their legislative proposals even when worker's and/or employers' representatives are firmly against it.

#### **4.5.2 Informal consultation**

Countries where there is no legal obligation to consult with the social partners include BG, DK, EE, ES, IE, IT, LV, LU, MT, NL, SE and the UK. Nevertheless, in many of these countries, although there is no obligation, consultation still does take place and in the cases of Denmark and Sweden, has a long tradition and is well-established.

In **Estonia** for example, in general, there is no legal obligation for public authorities to seek (non-binding) input from social partners when taking policy initiatives in the field of employment and social affairs. Nevertheless, in December 2011 government approved good engagement practices, which aim to provide guidelines for planning and implementing inclusion, consultation and engagement in the public sector (the practices were first introduced in 2005)<sup>22</sup>.

Even though no legal obligation prevails in **Sweden** regarding consultations between the government/public authorities and the social partners, social dialogue in Sweden has a long tradition and is well developed; regular consultations are held with the social partners and are considered a key element in the government's actions on issues related to employment and social policies. Social partners, both employer and trade union organisations are usually represented on commission inquiries<sup>23</sup>, parliamentary and government committees responsible for drawing up employment and social policies. For example, in autumn 2011 the Swedish government initiated tripartite talks with the social partners to find solutions to the high youth unemployment. The tripartite talks were conducted with the social partner organisations at the central level (Confederation) and since January 2013 with contracting parties at industry level. These talks resulted in the setting up of the so called Vocational Introduction Employment Contracts, which are regulated by collective agreements. The target group for the agreements is young people with no relevant job experience and they combine work with training/education<sup>24</sup>. A second example is the so called 'fast-track' measures for easing the integration of newly arrived immigrants/refugees in the labour market, which were also the subject of tripartite talks. The purpose of the talks was to work with the social partners and the Swedish Public Employment Service (*Arbetsförmedlingen, AF*) in order to identify and assess the skills of newly arrived immigrants with education or experience in shortage occupations so that they could be matched more quickly with the needs of industries and companies.

#### **4.5.3 Social partners provide advice on their own initiative**

Countries where social partners provide advice on their own initiative include, among others, BG, ES, EE, FR, DE, HU, AT, MT and SI. This section discusses the issue in

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<sup>21</sup> For example, when the Social Democrats recently proposed to re-introduce sickness insurance payments for the first three days of sickness leave (in accord with coalition agreement), the employer associations were able (so far) to prevent this from happening, in large part thanks to negotiating within the Council.

<sup>22</sup> Available online at <https://riigikantselei.ee/et/kaasamise-hea-tava> (in Estonian)

<sup>23</sup> When the inquiry has submitted its report, the final report is sent to the social partners, government agencies, legal bodies. to give them an opportunity to express and submit their views throughout consideration and comments (*remiss*).

<sup>24</sup> The education component is restricted to a maximum of 25 per cent of working hours). The education can be either at the workplace or supplied by an external provider. The education period does not give any wage entitlement, (See Swedish Government, 2015 NRP).

respect to general processes, while Section 3.3.3 discusses the issue in respect to specific established institutions.

This might be in the form of statements, analyses and resolutions that are put to table for expert discussions (Bulgaria), reports, events, press releases or comments of their high board members (Spain) or through channels such lobbying as well as personnel ties with political parties (Germany).

In **Slovenia**, if formal consultation does not take place the social partners usually demand to be included and spread this message with the help of media pressing on the government. A recent example is the drafting of a healthcare reform where seven trade union confederations demanded during a press conference to be included in the drafting of changes to healthcare and health insurance legislation, a key piece in the emerging reform, as their representatives were not included in the working group established at the Ministry of Health.

**Estonian** social partners have recently become more active in voicing their priorities through public manifestos to draw attention to the main challenges that need to be tackled. For instance, employers have published their manifesto since 2011 at four-year intervals (most recently published in 2014<sup>25</sup>) and the Estonian Trade Union Confederation submitted their policy suggestions in 2010<sup>26</sup>.

The impact of these actions varies. In **Bulgaria**, governmental representatives are invited to attend the expert discussions organised by the social partners. After adoption of the respective documents, large expert and/or public fora are organised to present and promote the documents. At a later stage, social partners' positions are accepted by the government and taken into account in designing strategic documents, as was for example the case in the education sector.

The **Maltese** social partners regularly issue their own proposals, which the government often takes into consideration in the final budget document. This process has helped to reduce the tensions that used to accompany the formulation of annual government budgets.

**Maltese** social partners are also involved in campaigns meant to put pressure on the government to implement (or change) specific policies. For example, over the years, the GWU has organised several national campaigns to promote the well-being of employees and their families. One of the most successful and recent campaigns concerned precarious employment.

In contrast, in **Spain**, the advice of social partners has been largely disregarded in the recent years of economic crisis. Thus, either the extraordinary economic situation or the recommendations of the EU institutions have been used to unilaterally adopt decisions, regardless the point of view of other agents.

#### **4.6 Government unilateralism**

The country reports consider government unilateralism to be the dominant form of decision making, but also suggest that the extent to which this is prevalent – and the precise form it takes very much depend on the government in office and other surrounding (economic or institutional) circumstances. Therefore, while in some cases the label 'government unilateralism' may mean that social partner views are not sought or taken into account at all, in others it may mean that while social partners are consulted (and their views may have a certain influence on policy or legislative decisions reached) it is ultimately the positions of the government of the day which hold sway.

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<sup>25</sup> Manifesto of employers. Suggestions of Estonian Employers' Confederation to the state, employers and working population. In Estonian: [http://www.employers.ee/wp-content/uploads/images\\_pdf\\_Tandjate\\_Manifest\\_2015.pdf](http://www.employers.ee/wp-content/uploads/images_pdf_Tandjate_Manifest_2015.pdf)

<sup>26</sup> Suggestions of Estonian Trade Union Confederation for policy development in 2011-2015. In Estonian: <http://www.eakl.ee/failid/7b6adea00cefd386d76e2579ffca613d.pdf>

This is therefore likely to depend significantly on the political 'colour' of the government and its respective majority in parliament.

This section therefore discusses patterns and trends in the extent of governmental unilateralism across the 28 EU Member States. In a number of countries, although unilateral governmental intervention is possible, it is not usually used (e.g. AT, DK, DE, EE, LU, MT, NL, SK and SE). For example, the long-lasting **Danish** tradition for social dialogue means that governmental unilateralism is not the dominant form of regulation of the labour market and for designing labour market reforms. This does not preclude that reforms can be introduced against the wish of one or both of the social partners. An example is the change to the unemployment insurance system in 2010 (implemented from 2013). The reform shortened the duration of benefits from four to two years and also tightened the access to regaining the right to benefits once it had been lost. This move was strongly opposed by the trade unions, but was supported by employers. Some observers have argued that over the last 3-4 decades there has been a gradual reduction in the influence of social partners, when it comes to drafting labour market legislation<sup>27</sup>. However as illustrated by the example of the latest reform of the benefit system in 2015 (which was the outcome of a tripartite commission with a strong representation of the social partners), this tendency can in some cases be reversed if the political situation calls for it.

In **Luxembourg**, the government can decide unilaterally at any given moment on policy formulation without consulting social partners. Social partner involvement is therefore not legally binding at the national level. If the government decides to act unilaterally, a draft legislation or draft grand-ducal legislation is introduced in Parliament. Nonetheless, it is especially the case for social and employment policies that social partners are widely consulted within the various bargaining arenas (i.e. the Permanent Committee of Work and Employment). Expertise is shared and potential conflictual elements often removed. Draft legislation is to some extent impacted by the assessments put forward by the social partners in the course of the legislative procedure: here, the government or the respective parliamentary committee are entitled to decide if proposals from the assessments are integrated into the final draft text that is put to the vote in Parliament. Government unilateralism has for example been applied in the context of a modulation of the wage indexation system in 2011.

Similarly in **Slovakia**, development and implementation of employment and social policies is usually the result of consensual processes agreed between the government and social partners (and/or other stakeholders). Unilateral action by the government is used merely as a fallback option for specific policy decisions when social partners fail to bilaterally agree (e.g. minimum wage increase) and/or when tripartite (or tripartite plus) consultations are concluded with unresolved disputes.

In **Malta**, over the last 25 years, successive governments have normally involved social partners and other relevant stakeholders when taking important policy decisions regulating employment. Manifest unilateralism has tended to be used infrequently, as a last resort in cases of lack of consensus among social partners. However, social partners are still quite dissatisfied with the quality of consultation. Over the years there have been a number of much publicised instances in which the government made significant policy changes without even consulting social partners. One of the most recent examples of this took place in 2015, when the Minister for Social Dialogue changed the way trade union membership verification takes place. She established a new committee to conduct verification exercises in cases of dispute over union recognition, without consulting the social partners. This move was harshly condemned by the MEA.

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<sup>27</sup> Mailand, M. (2011): *Trepartssamarbejdet gennem tiderne – hvordan, hvornår og hvilke udfordringer*, Notat FAOS

On the other hand, there have been instances where the government decided not to make any changes in employment policy and regulations when there was no consensus among social partners. For example, while several parties including the Maltese employers' association have over the years urged successive Maltese governments to link mandatory wage increases (through modifications of what is known as the 'Cost of Living adjustment' (COLA) mechanism) to increases in productivity, governments have resisted such requests in particular due to the strong resistance from trade unions<sup>28</sup>. During collective bargaining, trade unions normally make wage demands over and above COLA.

The current government is being increasingly accused of lacking transparency in the way it operates, especially with regards to its major decisions that involve large sums of money and the potential to affect Maltese workers. Decisions regarding Malta's power station, the future of the national airline, and the setting up of new higher educational institutions are some examples in which important decisions were taken behind closed doors and social partners were not sufficiently involved in the process.

In other countries, governmental unilateralism is described as the leading action in terms of decision-making but it is preceded by consultation with the social partners. For instance, in **Germany**, as little binding formal consultation procedures exist and tripartism has traditionally not played a big role, this would suggest that the government is taking decisions unilaterally. However this is mostly not the case, as (informal) consultation procedures do exist, and informal channels of influence are important. In the fields of employment and social affairs consultation generally takes place. In the **Czech Republic**, governments are not bound to reflect the views of the social partners. The political reality is that governments tend to at least formally present their decision-making as taking the input of social partners into account. The extent to which this is the case depends on the nature of the government in power.

Certain circumstances may lead a government to take a unilateral approach. In **France**, government unilateralism can be underlined in two kinds of context: first of all, if the social dialogue is unsuccessful and does not lead to the conclusion of a formal agreement; secondly, in case the government decides on its own to change some legal points. For instance, it can be underlined that recent laws regarding gender equality were decided and managed entirely by the unique will of the government, without any intervention of the social partners. Apart from these occasional examples, government unilateralism is strong in relation to the minimum wage. Even if the government receives advice from an expert committee, it will take the final decision.

In **Croatia**, the Government generally tends to involve social partners during the development of regulations in the area of employment. However, the experience with the recent reform of the labour law indicates that social partners can disagree between themselves, leading the government to make the ultimate decisions. Namely, trade unions and representatives of employers have distinctly opposite opinions on different issues regulated by the Labour Law, such as the level of flexibility needed on the labour market. This disagreement usually prevents a consensus from being reached amongst the parties involved during the development of regulations. For example, social partners have been included in the consultations during the consultations of the second phase of the labour market reform. However, the process did not end in reaching consensus and the Government took the responsibility to define the final proposal of the Labour Law.

Other, broader factors that can influence whether government unilateralism is used include the nature of the political party in power and the economic context. For instance, in **Finland** the Government has typically consulted the social partners in relation to large-scale reforms and also other issues relating to labour policies and working life developments. Unilateralism has traditionally not been the way of Finnish Governments.

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<sup>28</sup> Malta has received country specific recommendations within the European Semester on wage setting until 2012



However, after the 2015 Parliamentary elections the new Centre-Right Government took power, the way of leading Finland through the economic tremble marked also a change in the tradition of consensual policies guided by social dialogue.

The country reports for Hungary and Portugal refer to the influence of the political party in power on whether governmental unilateralism is used. In **Portugal** for example, the forms and effectiveness of social partners' involvement in employment and social policies varied according to the political priorities of the governments in power. Periods of considerable achievements in tripartite negotiations (1985-1992, 1996 / 2002 and 2006-2008) alternated with periods of direct dialogue between the government and some of the social partners (2002-2004) and periods of unilateralism (2013-2015). However, due to the existence of the Standing Committee for Social Concertation (CPCS) as a platform for regular tripartite conversations, a certain level of mutual information and exchange of opinions was constantly maintained, even if there was no possibility to reach a common understanding or if government opted for a unilateral approach. The unilateralism of the Barroso government (backed up by direct conversations with selected social partners) was a clear political option in order to ensure a swift and profound change in labour legislation. It was strongly related to the general strategy of the governing political parties. The same applies to the unilateralism of the cabinet under Prime Minister Passos Coelho (non-compliance with the tripartite agreement signed in 2012). The implementation of the Memorandum of Understanding and the economic and financial crisis made any tripartite consensus difficult, but not impossible.

In some instances, unilateral governmental intervention occurs, or may occur, if the government has sufficient political support to push through its proposals on its own. This was mentioned in the country reports for Bulgaria and Spain. In **Spain**, for example, the government has varied in recent years the level of attention paid to social partners in terms of consultation. Although a permanent organisation for consultation does exist (the Economic and Social Council), documents that set up the guidelines for key reforms, such as the National Reform Programme (NRP), have not really considered the view of social partners. Thus unilateral government intervention has been both a fall-back option, when facing lack of consensus among social partners, and direct without even consultation in other cases.

In perspective, unilateral government intervention is somehow influenced by absolute majorities in the Parliament by the government in office, as well as situations of emergency and economic and social crisis. In previous periods, governmental unilateralism was less frequent and dialogue efforts were much higher. Thus over the last years several important reforms have been passed without consensus of the social partners, although, as mentioned above regarding the NRP, the opinion of employers' organizations was rather favourable while trade unions have mostly opposed. Examples of this are the mentioned Royal-decree 7/2011, which gave priority to company-level agreements over sectoral multi-employer agreements; the Law 3/2012 (labour market reform), which introduced important changes regarding the relevance of collective agreements and involved a decentralization of collective bargaining; the pensions' reform (2010); and the budgetary cuts taken as austerity measures.

A last example of the recent trend towards more government unilateralism can be observed with regard to the minimum wage setting. From 1980 to 2010 the minimum wage was set by government, but after non-binding tripartite consultations; however, since 2011 the minimum wage has been set by the government, without following a fixed rule<sup>29</sup>.

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<sup>29</sup> ICTWSS (2015). University of Amsterdam, Amsterdam Institute for Advanced Labour Studies. Data Base on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts, 1960-2014.

Governmental unilateralism was used during the economic crisis to push through reforms in a number of countries, notably EL, CY, IE, PT and SI. In **Cyprus**, once the crisis came to a head in 2012, leading to the request for financial aid, the situation was deemed to be so severe that the next government took a number of measures unilaterally, securing the passage of measures that were either explicitly demanded by the Memorandum of Understanding (MoU) or at the government's initiative as they appeared to make sense at the time. Among these were the freezing of wages from 1 January 2011 to 31 December 2016, the suspension of wage indexation for the same period, and the reduction of gross monthly wages, salaries and pensions, initially for the period 1 December 2012 to 31 December 2014. .

In **Greece** measures unilaterally imposed by the authorities have been the dominant form of policy making since the start of the crisis. The Government has adopted an ambitious set of labour market measures, including a variety of measures linked to the economic adjustment programme currently under implementation and have radically altered the scene regarding collective bargaining.

However, it may be worth noting that a new third loan agreement was signed on 12 July 2015 between Greece and its creditors – the European Commission, the International Monetary Fund (IMF), the European Central Bank (ECB) and the European Stability Mechanism (ESM). The agreement foresees that the new draft bill [on undeclared work] will be introduced only after new consultations and negotiations take place between the Greek government and the four institutions. In this frame, the government agreed to launch by October 2015 a consultation process led by a group of independent experts to look at a number of existing labour market frameworks, such as collective dismissal, industrial action and collective bargaining, taking into account best practices internationally and in Europe.

The pressure on government to cut the public sector wage bill ultimately led to the collapse of **Ireland's** 22 year old system of tripartite social partnership, on 4 December 2009, when the government announced that talks with public sector trade unions on negotiating a EUR 1 billion reduction in pay had failed.<sup>30</sup> The Irish government subsequently took unilateral action to implement wage cuts across the public sector. Further unilateral action was taken in subsequent years by the Irish Government in relation to public sector wages (see the Croke Park Agreement 2010, Haddington Road Agreement 2013, and Lansdowne Road Agreement, 2015).

In **Germany**, the economic crisis seems to have had the opposite effect. Informal social concertation has taken place in the context of overcoming the crisis in 2008 and 2009. Thus, in a way the crisis has strengthened social partnership in Germany.

A number of countries noted a trend towards governmental unilateralism, including some of those already mentioned above. These include CY, IE, EL, ES, IT and RO.

**Italy** serves as a good example. The unilateral approach to policy making has progressively been replacing consultation with social partners. Throughout the 1990s the government's room for manoeuvre was strictly residual and limited in case of failed agreement as a last resort. Article 8 of the Law 148 of 2011<sup>31</sup> represented a turning point in the history of Italian social bargaining, giving more relevance to company level bargaining and moving away from sectoral-level bargaining for the first time: it entitled company-level bargaining to derogate law and sectoral collective bargaining with effect on all the concerned workers. This represented a significant change in the power relationship between the social partners, now marked by a strong interventionism. The consultation with Social Partners during the drafting phase of the Jobs Act was a further step in this change of approach: the government invited the Social Partners and both

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<sup>30</sup> <http://www.eurofound.europa.eu/observatories/eurwork/articles/industrial-relations/end-of-social-partnership-as-public-sector-talks-collapse>

<sup>31</sup> <http://www.uniba.it/ricerca/dipartimenti/scienze-politiche/docenti/prof.ssa-lauralba-bellardi/bellardi-a.a.-2012-2013/art.-8-l.-148-2011.pdf> .

parties had a one-hour meeting together, reaching a new low-point in the once essential concertation approach.

Nevertheless, the Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS) considers the government intervention in specific sectors very limited. This reflects the strong importance that social bargaining still has in the Italian system, in stark contrast to the loss of relevance concerning the concertation.

In **Romania** there have been significant changes to the Labour Code, eliminating the very provisions that made national collective bargaining mandatory. The social dialogue law has also been changed, diminishing social partnership as both the employers as well as the trade unions now have to prove their representative character in order to designate their representative into the new Social and Economic Council as well as into the Tripartite Social Dialogue Council. These changes have allowed even more unilateral action as the Government may now at its discretion establish the national minimum salary, a matter on which, before 2011, it was bound to accept a certain type of co-decision with the social partners.

In **Slovenia**, it is interesting to note that a period of unilateralism due to the economic crisis is now being reversed. The government's unilateral policy-making is said to have had devastating political repercussions. Persisting in promoting reforms which did not have public support and were not coordinated with the social partners resulted in a fall in support for every government (four successive governments over five years). Moreover, the trust between social partners was so low (with sometimes totally opposite and extreme standpoints towards the governmental proposals) that in the period 2009-2015 no social agreement was signed.

Eventually, the social partners reached agreement on the importance of maintaining social dialogue in seeking a way out of the crisis, while achieving a compromise on urgent structural reforms on employment, pensions, and austerity measures. This compromise resulted in a better coordination of the actors in the implementation of the reforms.

Social partners, especially unions with their mobilising capacities for social and industrial actions (strikes and referendums<sup>32</sup>), forced the government to withdraw from unilateral formation and implementation of governmental policies.

The social partners continue to follow carefully the government initiatives and European policies in purpose to be always included. However unilateral government actions are still sometimes taken, as a result of a deadlock in negotiations and lack of consensus between all three parties (or unions and employers).

#### **4.6.1.1 Trends**

Some countries noted that the level of involvement of social partners in decision making has changed over time, often dependent on the political party in power, or if a relevant issue arises, or as a consequence of the economic crisis (e.g. Austria, Estonia, Germany, Spain, Ireland, Lithuania, Portugal and France).

For example, research results in **Austria** show substantial changes in the involvement of social partners over time (e.g. Karlhofer / Tálos 2006<sup>33</sup>). Up to the 1990s,

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<sup>32</sup> Under the Referendum and Popular Initiative Act, they had to collect determined number of signatures on the proposal for the referendum.

<sup>33</sup> Karlhofer, Ferdinand / Tálos, Emmerich, , *Social partnership on descent* ('Sozialpartnerschaft am Abstieg'), in Tálos, Emmerich (ed.): Schwarz-Blau. Eine Bilanz des „Neu-Regierens“, Vienna, 2006, p.102-116.

*Akkordierung*<sup>34</sup> between the social partners and governments was dominant in many policy areas. During the 1990s, Karlhofer/Tálos (2006) refer to noticeable changes in that way that *Akkordierung* happens less often and within less reform measures. But most significant changes can be observed during the right-wing coalition government of FPÖ and ÖVP. The general integration of the social partners was replaced by a more selective integration, even in 'core' areas of social partners like the labour law (cf. ebd.). But even under this period governmental unilateralism was not the dominant pattern. As Karlhofer/Tálos (2006) state: the substantive negotiations were not entirely abandoned, but lost in importance. With the SPÖ/ÖVP government (since 2007) observers speak of a 'revival' of the social partnership, marked through a renewed strong involvement of the interest associations in the policy making process (cf. Tálos 2008<sup>35</sup>). This is also expressed amongst others in the government programme 2013-2018<sup>36</sup>, where social partnership is characterised as a model for the European Union and *Konzertierung* and *Akkordierung* of interests are addressed in various proposed reforms.

In **Spain**, the engagement of the state in direct negotiations with social partners to jointly regulate certain aspects of employment and social affairs has also varied across time. From 1997 to 2008 different tripartite agreements were reached on several topics, such as employment promotion, training or youth employment. Afterwards, a period of no tripartite agreements took place, until the last social pacts concluded in 2014.

In some countries, tri-partite co-decision is said to be uncommon. This includes Germany, Lithuania, Hungary, Malta, Romania and the UK. In some of these countries, the level of tripartite engagement has changed over time, for example in Hungary there has been a decline in tripartite negotiations since 2010, whereas in Germany tripartite co-decision has been introduced with the newly adopted national minimum wage.

In **Hungary**, unlike before 2010, tripartite negotiations are at present entirely *ad hoc* and no routine has evolved for the selection of what is and what isn't on the agenda. Negotiations are mostly limited to minimum wages and wage increase recommendations; these are the only issues concerning which negotiation has any practical implication. Some technical issues related to implementation occasionally come up, but, on the whole, social partners are mostly excluded from the mechanism of policy making.<sup>37</sup> A revealing case is that, in 2011, the concept of social insurance (*társadalombiztosítás*) was left out of the new Constitution of Hungary without discussing this with the trade unions.

A similar trend is noticed in **Romania**, where as of May 2011, with the elimination of this level of collective bargaining and its associated provisions, tri-partite co-decision effectively disappeared. Government unilateralism, always strong especially in matters of labour law, had thus become even stronger.

It was notable in a number of countries that there is no obligation for the government to take account of social partners' inputs (e.g. BG, CY, CZ, EE, ES, HU and SI). See

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**34** Austrian social partners are involved in most policy areas by *Konzertierung* or *Akkordierung*, which defines two distinct processes of the involvement of social partners in policy making in Austria: *Konzertierung* refers to the participation of the four interest associations in governmental policy formulation. *Akkordierung* refers to the participation of the interest associations in the search for, and realisation of, compromises between either the government and the interest associations (tripartite) or between the interest associations alone (bipartite).

**35**Tálos, Emmerich, *Social Partnership. A central factor in policy-making in the Second Republic* ('Sozialpartnerschaft. Ein zentraler politischer Gestaltungsfaktor in der Zweiten Republik'), Vienna, 2008.

**36** Cf. *Work programme of the Austrian Federal Government 2013–2018* ('Arbeitsprogramm der österreichischen Bundesregierung 2013 – 2018'); online: [www.bka.gv.at/DocView.axd?CobId=53264](http://www.bka.gv.at/DocView.axd?CobId=53264)

**37** Scharle and Szikra (2015) *ibid.*

Sections 3.3.2 and 3.3.3 for a fuller discussion from the perspective of established institutions.

In **Slovenia**, trade unions or employer organisations often complain that the government did not take their positions or negotiations seriously or did not respect already agreed issues. In **Portugal**, tripartite agreements are not binding on government.

In RO, LT and LV, the extent of the impact of the national tripartite councils is said to be quite limited, as outlined below. In **Romania**, the National Tripartite Council is said to provide a forum for consultation and debate but limited tripartite decision in fact takes place there. In **Lithuania**, although the legal framework provides for a broad range of opportunities for social partners to participate in tripartite co-decision making through the means of tripartite agreements, only a few tripartite national agreements were signed by the social partners over the last decade. In **Latvia**, the National Tripartite Cooperation Council (NTCC) is the only platform for tripartite co-decision in the country. The Latvian state routinely engages in negotiation with the social partners in the area of employment law. Most of the debates in the NTCC in 2015 concerned potential tax policy changes, the minimum wage and the budget for 2016. However, the decisions of the NTCC, which are binding, have to be adopted by consensus. The NTCC could not reach a consensus on any of the aforementioned issues in 2015; discussions on these issues continued in the Cabinet of Ministers meeting.

#### **4.7 European Semester**

Social partners are involved in European Semester activities - namely in the drafting of the National Reform Programme (NRP) - to different degrees, which often reflects their overall involvement in the decision making process. Having said that, in a number of countries, the role of the social partner has arguably been strengthened by their more formal involvement not only in the European semester, but also in the implementation of European level social partner agreements (e.g. Central and Eastern European countries).

In **Austria** social partners are *de facto* involved in the development of the NRP in an institutionalised way, but they have limited influence on its content. Indeed the content comes mainly from the relevant ministries, but it can be assumed that the relevant ministry will not include any content which is against the consensus of the social partners. In the **Czech Republic** social partners are actively involved in the drafting of the NRP. More broadly, social partners are involved (informally, but actively) in all stages of the policy process, from early drafts onwards. They also comment on the country's response to EC's recommendations and participate in several Round Table negotiations organised by the EU section of the Office of the Government.

**Denmark** has established formal structures for consultation between social partners and governments on matters associated with the Europe 2020 strategy. A special Contact Committee for the Europe 2020 Strategy was established in 2001 as the focal point for national actions around the Europe 2020 Strategy and the European Semester. The Committee consists of approximately 30 members representing regional and local authorities and a wide range of organisations (including the social partners and regional and local authorities).

**Swedish** past and present governments have set up reference groups with representatives from the ministries concerned and the social partners. Consultation meetings take place at different official levels and the social partners are invited to contribute to the National Reform Programme.

In some countries the involvement of social partners is formalised but they do not have a central role in the process. In these cases the social partners usually have a limited impact and their role is purely consultative (rather than being more formalised).

In **Estonia** social partners are included in the European Semester process through participation in discussions and in written feedback. In **Hungary** social partners have

at most a consultative role. Formal institutions exist, but their powers are limited in terms of allowing social partners to shape the actual response or policy agenda.

In **Latvia** the government has discussed the NRP with the social partners in one meeting of about half a day, and their influence on the design and content of the NRP was limited.

Similarly in the **UK**, the NRP is discussed in the annual informal tripartite meetings with government, which are *ad hoc*. Where the NRP is discussed at such meetings, this is an occasion where government informs the social partners of its intentions, rather than seeking any input and so the social partners can be considered to have no substantive contribution to the shape of the NRP.

The **Lithuanian** social partners are generally satisfied about their involvement in the EU semester. They appreciate that the Ministry of Economy drafts the NRP and then presents it for social partners' consideration, since they believe that the involvement of the social partners at earlier stages of NRP preparation would only create more confusion and be less efficient. Since social partners usually dispose of scarce financial and human resources (especially trade unions), they would not be able to be more involved.

In some countries the involvement of social partners is not yet clearly established, but the direction of travel is towards greater and more formalised involvement.

In **Croatia** social partners hold weekly meetings on the proposed topics of common interest, and the involvement of social partners is consultative so far. However their role may evolve, since according to government proposals, which were accepted at the Croatian Economic and Social Council meeting on 9 March 2016, social partners will participate in the drafting of the action plan which will address the CSRs.

In **Luxembourg** the procedure for the involvement of social partners has changed since the beginning of the EU2020 strategy. The role of social partners in the elaboration of NRPs and response to CSRs was limited in the past, but has increased in relation to their involvement in the implementation of social policies. A change at the level of national social dialogue occurred in October 2014: on the basis of a social partner initiative, the government decided to implement a more coherent framework for social partner involvement with four meetings to be organized in the European Semester of 2015, two on the invitation of the government and two on the invitation of the Economic and Social Council. This procedure should be perceived as a first step in the direction of more social partner involvement.

In **Slovakia** representation in governing and advisory bodies of public institutions enables social partners to influence policy making. However, their impact in practice is difficult to establish. The formal involvement of social partners and other interest groups in the NRP process has increased since the introduction of the European Semester. Whether involvement has also become more effective and/or productive remains unclear.

## **4.8 Success factors and obstacles**

### **4.8.1 Success factors**

The key success factors for social partner involvement in policy making vary depending on the role of the organisation. In this respect, countries can be grouped into two categories<sup>38</sup>:

- **solid organisation:** DK, DE, AT, SE, ;
- **relying on relationships with the government:** BG, CY, CZ, EE, IT, LT, LV, LU, HU MT, PT, UK.

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<sup>38</sup> No relevant data from: Spain; Croatia; Netherlands; Poland; Romania; Slovakia; Slovenia.

#### **4.8.1.1 Solid organisations**

Countries where social partner organisations can be characterised as 'solid' include DK, DE, FI, AT and SE.

In the **Austrian** social partnership system the interests of workers and employers are represented by comprehensive and representative organisations. The representative basis of the social partners is very wide. The social partner institutions have sufficient organisational and operational capacity. Both sides of industry can draw on internal and external experts who provide evidence-based analysis and arguments in the process of the formation of political positions.

Success factors of the **German** social partnership model are acknowledged to rest on a basic consensus about shared interests of employers and employees, that is, a sound economic development and an export-based economy. Social partners have strong institutional capacities: both employer organisations as well as trade unions have their own research centres and have a sound knowledge about economic development.

In **Denmark** social partners are able to have a significant influence on policy in cases, where they can coordinate their interests and proposals. The strengths of the **Finnish** system lie in the negotiating tradition and e.g. the joint working life development practices. In **Sweden** the bipartite and contractual nature of labour market regulation coupled with the high union density and high coverage rate of collective bargaining create a favourable institutional environment for the emergence of negotiated flexibility and flexicurity arrangements. Social dialogue is institutionalized and also well developed; regular consultations are held with the social partners and are considered a key element in the government's actions on issues related to employment and social policies.

#### **4.8.1.2 Relying on relationships with the government**

Strong relationships with the government are an important success factor of social partners in BG, CY, CZ EE, IT, LT, LV, LU, HU, MT, PT and the UK.

The **Bulgarian** social dialogue received a strong boost after 2008. A reasonable balance of relationships has been reached and social partners now have closer links to government, partly because of an enhanced degree of organisation and partly because of the greater importance accorded to them as part of the European semester and the implementation of European social partner agreements. In **Cyprus** enough political support was found to make reforms possible. In the **Czech Republic** the practice of drafting the NRP has improved during the last two years under the current government so that actual reform plans being designed in particular areas (with the involvement of social partners) are well reflected in the NRP.

In **Estonia** the main success factors/strengths in the development of involvement and consultation practices are the presence of good codes of conduct (as previously mentioned) for involvement (also approved by the government as an example in the public sector). There have been several training sessions on the topic for government officials as well as social partners, organised by private consultancies and NGOs.

A few **Hungarian** employers' organisations have the ear of the government, mostly due to their political loyalty to the political party in power and to the fact that the economic, political and ideological world view of the government and these organisations as far as social and employment policies are concerned coincide to a large extent. In **Italy** social partners are recognised by the government as organisations that are able to provide technical expertise and consistent feedback with regards to possible initiatives. In **Portugal** the key success factor for the involvement of social partners is the political will of the government and its capacity to engage into a process of political exchange, with some substantial concessions in favour of employers and unions.

The **Lithuanian** social partners are quite successful in tackling the lack of resources (with strong support from national authorities) by delegating their representatives to all

key tripartite commissions, committees and working groups engaged, as a rule, in the development of legal drafts, their amendments and projects on new initiatives. In **Latvia** social partners have the right to participate in meetings of the State Secretaries and meetings of the Cabinet of Ministers. In **Malta** one of the main success factors contributing to the role of social partners in the design of policies is a favourable political context in which successive governments have facilitated the involvement of social partners on formal consultation and policy-making boards.

The **UK** has been particularly effective in setting up bodies, to some extent controlled by the relevant government departments, that guide and implement policy, including health and safety, equality of opportunity, and the National Minimum Wage.

Finally, one key success factor of **Luxembourg's** social dialogue model identified by the EEPO expert is the consensus-seeking nature. If a policy issue is not discussed at the national level (tripartite), there seems to be a tendency to resort to bipartite agreements and meetings as they function as a 'paving the way' generator in the collective bargaining framework.

#### **4.8.2 Obstacles**

The obstacle for social partners to participating in policy making varies depending on different issues. In particular, obstacles can be grouped into three categories<sup>39</sup>:

- **lack of representation:** BG, DK, ES, FI, HU, NL, PT;
- **limited capacity:** HR, LT, LV, MT, SK;
- **structural problems:** CY, EE, IT, LU, PL, RO.

##### **4.8.2.1 Decline in membership/density**

A number of countries report declining membership in social partner organisations, or a fall in trust in these organisations. In **Denmark** for example, there is a tendency to a declining membership of the trade unions. The traditional unions also face stronger competition from the new so-called "yellow" trade unions, which mainly offer individual services to their members and do not enter into collective agreements. There is a declining reputation also of **Spanish** social partner representatives. There is a general lack of trust in employers' organizations, trade unions and the government.

The main obstacles for the future social dialogue in **Finland** lie in the increasing global competitiveness pressures as well as in the cracks in the image and reputation of mainly trade unions and mutual trust among the partners. In the **Netherlands** it is difficult to predict how the practice of social dialogue will continue given the processes of internationalization of political and economic processes and the wider differentiation of labour markets and society. Interest associations have lost position, the unions have difficulties to attract new members whereas employers' association need to find out new communicative roles to address their preferences in a network economy that is increasingly diverse and international in composition.

In **Hungary** the most important obstacles regard the political/legal/institutional context. The level of commitment by public authorities to involve workers' and employers' organisations is low. Social partner representatives have a mixed image and tarnished reputation among their constituencies. Trade unions are in crisis, and their social legitimacy is declining or stagnating at best. Union density is critically low. In **Portugal** the degree of consensus among the different parties on basic policy orientations is only partial, and the level of commitment by public authorities depends to a large extent on their political orientation.

Finally, in **Bulgaria** there is a well outlined risk of unwillingness of social partners to participate in social debate and in relation to certain policies, to revert to lobbying. For

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<sup>39</sup> No relevant data from: Austria; Germany; Ireland; Sweden; UK.



example, this kind of lobbying was demonstrated from the side of employers' organisations when the tax rates are discussed.

#### **4.8.2.2 Limited capacity**

A number of countries report limited resources as a barrier to greater action by the social partners. For example, in **Croatia**, due to limits in organisational and operational capacity, policy dialogue is sometimes restricted to discussion of basic economic interests of social partners. The involvement of workers' and employers' organisations is often formal, which is both due to the lack of strong interest of social partners in a variety of policy issues (often due to the lack of capacity outlined above) and due to lack of engagement of public authorities.

In **Lithuania** scarce resources restrict, to a certain extent, the "weight" of the social partners in decision making in general. The lack of human and financial resources often prevents the social partners from carrying out more extensive situation analysis which is necessary in order to provide grounds for one or another decision, measure or initiative they propose. In **Latvia** there has been a lack of both capacity and capability in the administration but this gap has not been filled by the social partners because they too lack capacity.

Trade unions in **Malta**, especially smaller ones, are clearly under resourced. Unions and employers' associations need to increase social partners' technical capacity and access to relevant information (such as foreign and local examples of good practice). Social partners also need to find ways of pooling their resources.

In **Slovakia** the impact of social partners in the policy process is limited by their organisational, personal and financial capacities to effectively engage in social dialogue at various levels. Social partner organisations are centralised and lack established regional structures (and also regional institutions) to participate in social dialogue at regional level where policies and projects are implemented. There is an insufficient number of qualified experts who could professionally cover particular policy domains.

The lack of resources is linked to a decline in membership in **Slovenia**. After the 2008 crisis union membership declined. As a consequence, membership fee receipts have fallen significantly, leading to a loss of staff and professional capacity. The consequences of these developments is a reduction in the associations' ability to hire experts along with a decline in their membership. Employers' organizations also have issues of representativeness and fragmentation. The transition to voluntary membership thus negatively affected both employers' and workers' representative organisations.

#### **4.8.2.3 Structural problems**

**Estonia** does not have a long history in social dialogue. Trade union membership and collective agreement coverage are low and social dialogue has not been a common/regular practice in Estonian policy development. The trust and cooperation between government and social partners has had a negative impact by some government decisions made during the economic crisis and after that. The inclusion and consultation practices are still relatively diverse between and within public institutions. Similarly, the level of social dialogue culture in **Poland** is still low. The greatest challenge in collective agreements policy is to reinforce autonomous dialogue between employers and trade unions, without participation of the government. In order to do that the rule of representativeness of employers needs to be changed thoroughly.

In **Italy** the direct and joint involvement of workers' and employers' representatives in the policy discussions with the government has partially disappeared. In **Luxembourg** the largely neo-corporatist model of social relations has been vulnerable when the socioeconomic environment has changed: it has been harder to achieve consensus by the social partners. The risk of a different analysis of the crisis and resulting antagonistic positions put a strain on social partner relations and the overall model, in the view of the EEPO expert.

Finally, social dialogue in **Romania** looks currently weak and rather disarticulated due mainly to the reforms of 2011 which have eliminated its 20 years long mainstay, the national collective labour agreement. Consultation with social partners, while existing, was never the priority.

## **5 Outlook**

This section highlights likely trends in social dialogue processes identified in the country reports, as well as drawing brief overall conclusions on the developing role of social dialogue at the national level.

### **5.1 Transformation of social dialogue**

As specified above, social dialogue and social partner involvement in policy making and design is often dependent on a number of factors. The following factors specifically played a role in transforming historic origins of social dialogue and social partner involvement in policy design and implementation. These factors can be mutually reinforcing and can also play a role in one country at different times:

- **Economic transitions and changes in economic policy conceptions and ideology**

In the early 1990s **Finland** experienced a strong recession, more pronounced than in other EU countries. There is evidence that social dialogue during the 1990s was one of the main factors contributing to Finland's recovery from the recession. Social pacts and government cooperation with the social partners in order to achieve wage restraint and solve questions related to the functioning of the labour market, helped maintain competitiveness and stability.<sup>40</sup> The Finnish social dialogue has produced several national level tripartite agreements since 1968, so called national incomes agreements (TUPOs). For a long time these maintained the predictability of the national economy and they also had a role in wider consensus building in the industrializing society. This has further reinforced the role of social partners in dealing with an economic crisis.

In **Germany** the balance of power between trade unions and employers depends on the macro-economic climate and unemployment level. In the context of currently comparatively low unemployment rate, the power of trade unions in wage negotiations has increased, while it previously had declined for the past two decades in a context of rising and persisting unemployment as well as in a context of industrial restructuring.

- **Adherence to the European Union single market and to the European Semester processes**

Whilst the basis and the institutions of the system remain largely unchanged in **Belgium** since the fifties, its functioning has considerably changed following socio-economic and demographic changes, and under the pressure of the economic crisis of the 1970s and more recently. Having been a system based on bi-partite dialogue, intervention by the state has considerably evolved towards more government implication and intervention, mostly in the context of international competitiveness and of the growing role of European integration, notably the European Semester, where several country specific recommendations addressed to Belgium's concerned cost competitiveness and notably the labour cost.

In **Denmark** the social dialogue model rests also on leaving the regulation of the labour market to the social partners through their collective agreements. This goes for a wide range of issues like wages, working time, pensions and dismissal protection. However, in recent decades the influence of EU-regulation has been felt and a number of European directives have been implemented thus leading to more influence of state intervention. However, the social partners are deeply involved both in the formulation and implementation for policies in the areas of labour market policy and labour market

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<sup>40</sup> Ibid. 7.

education and training. Social partners are involved in specifically set up committees and are thus involved in close consultation.

- **Political coalitions and changes in underlying ideology of labour market policy**

From the late 1990s on, the social corporatist model began to erode in **Finland** and the social issues were put aside of more liberal ideas. The flexicurity model adopted in Finland paved the way for more liberal thinking with employees participating to boosting of the overall economy without direct compensation or 'social packages' (TUPO agreements, see above) from the Government.

In **Austria**, changes in the dialogue pattern were more strongly influenced by political power relations than by economic developments. During the government of the conservative People's Party (ÖVP) (2000 until 2007) the traditional process of consensual policy making was severely challenged and some observers even called it the 'end of the social partnership'. The relations between the government and interest associations (especially those of the employee organisations) were more tense and conflictual. Some political parties such as the FPÖ, but to some degree also the Green Party and the Neos Party, criticise the rather large influence of social partners on policy-making, often prejudicing parliament and characterise the social partnership as a 'second government' without election-based legitimacy and control.

In **Romania**, a change of environment occurred in 2005 when a centre—right government won elections after a long period of left wing politics. The political ideology at the time was inspired by voluntarist liberal type of involvement of the state in the economy. Thus reforms were introduced to lower pressures on employers and the state withdrew from the tri-partite social dialogue, e.g. the state no longer appointed the president of the Social and Economic Council.

The conservative parties CDU/CSU in **Germany** were opposed to intervening in autonomous collective bargaining for a long time. However, when in 2013 the conservative party entered into a coalition with the social democrats (SPD) the coalition agreement foresaw the introduction of minimum wage legislation. Thus, the minimum wage legislation was regarded as an infringement of the principle of *Tarifautonomie* (autonomous collective bargaining) and non-intervention of the state. However, it was backed by the trade-unions as they saw the effectiveness of *Tarifautonomie* in ensuring decent wages at the lowest end of the wage ladder eroding. It has changed the original tradition of social dialogue. The nation-wide minimum wage has been implemented since January 2015.

With regard to impact in cases of changes in political coalitions it shall be noted as well that in some countries (e.g. mentioned by experts in AT, BE, DE and FR) members of social partners are also members of political parties and other bodies closely tied to political institutions. This also often has an impact on overall policy making and reform and can influence dynamics of social partner involvement.

- **Institutional and legal framework**

In **Romania**, when a labour law reform was passed in 2011 (change of Articles 238 to 247 of law no. 53/2003) the national level of collective bargaining effectively disappeared. Many enterprises withdrew from participation in the national level employer's federation and confederation. Even recent reforms to revive dialogue within the tri-partite body Social and Economic Council by the socio-democratic government in place since 2013 did not succeed to revive national level social dialogue. Employers' organisations did not succeed to increase their membership in particular with regard to foreign based multinational companies thus can no longer be regarded as representative organisations. This development has further reinforced the dominant role of the state in socio-economic policies, labour law and social security.

In **Portugal**, the re-regulation of collective bargaining carried out in 2003 and 2009 did not result in the collapse of the system but in the rationalisation of its structures and in the adaptation of its contents to companies' needs. This successful reform of collective bargaining had been made possible by a tripartite agreement signed in 2008 by the government and all social partners represented at the CPCS<sup>41</sup>, with the exception of the trade union confederation CGTP-IN. The signing of the agreements had been preceded by the preparation of a green paper (2006) and a white book (2007) on the reform of labour relations. The liberal-conservative government under PM José Manuel Barroso (2002-2004) created the Labour Code that was strongly opposed by trade unions. No tripartite agreements were achieved by Barroso or his successor Pedro Santana Lopes (2004-2005). During its first term (2005-2009), the Socialist government under PM José Sócrates achieved five specific agreements (old age pensions, minimum wage, VET and labour legislation). The latter one on labour legislation (signed in 2008) was the first of its kind that triggered important changes at the core of industrial relations.

- **Degree of consensus among social partners**

The ability/ or inability to reach agreement when social partners are in a dialogue with government for policy making and reforms can foster national consensus to accelerate difficult reform processes but can also result in deadlocks and limiting reform possibilities for governments. A number of examples were reported by the country experts underlining such an effect.

In a number of areas of socio-economic policies, e.g. income, setting of minimum wage, minimum social income, pension reform; social partners in **Bulgaria** have conflicting positions. However, thus far this has not led to long-lasting confrontations or industrial conflict. Reactions of social partners are often influenced by the government in place.

The amendments to the Labour Law negotiated in 2014 in **Latvia** illustrate both the degree of agreement/disagreement and also the main causes of disagreement. As indicated above, the negotiation of this law, is an example of largely successful tripartite co-operation. During the process of the 'modernization' of the Labour Law undertaken in 2014, 35 amendments were adopted. However, two of the proposals made by the national employers association did not pass negotiations in Parliament. One concerned a proposal to reduce the rate of overtime pay from a premium of 100% over standard pay to just 50% and a second amendment concerned the possibility to dismiss union members without the agreement of the trade union. Bipartite social dialogue on these measures resulted in deadlock as the trade union confederation categorically refused to discuss the two proposals coming into force.

Disagreements among social partners and public authorities represented in the tripartite Social and Economic Council (MCESD) and other fora are common in **Malta**. Some of these disagreements led to historic deadlocks, such as the inability to conclude a social pact in 2005. Such disagreements on national policy do not lead typically to industrial action, but have in recent years led to broader public protest. For example, unions have organised mass protests against the increase in utility tariffs.

Sometimes disagreement can occur within one organisation leading to a longer-term disruption of consensus finding and external unity in national policy negotiations. The **Dutch** largest national trade union FNV has seen such an internal conflict since the failed pension reforms of 2010. This internal conflict has also led to broader labour conflict in sector/enterprise level collective bargaining and an increasing number of strikes.

The role of social partners in **Lithuania's** socio-economic policy remains rather limited and greatly dependent on the level of activity, initiative and effort of the social partners themselves. This is inter alia illustrated by this year's active debate in the country regarding the new Lithuanian social model which is a regulatory project to reform

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<sup>41</sup> See list of CPCS-members on p. 2 of this report.

current provisions of labour law towards the implementation of a flexicurity type legislation. Despite nearly a year of negotiations with the social partners about the principal provisions of the social model at the tri-partite social and economic council (TCRL), final decisions are up to the Parliament of the Republic of Lithuania. The influence of the social partners on final decisions is more a matter of their lobbying skills mechanisms of social dialogue and their capacity to agree on common policy orientations.

To react to economic downturn in 2010–2013 a return to centralized agreements in **Finland** can be noted. The new national level agreements were no longer called 'TUPOs' as national incomes agreements but rather 'framework agreements'. The employers continuously maintained the view that the time of the centralized agreements was over but due to partly political pressure they engaged in the framework agreements again from 2011 on.

The dialogue between social partners and public authorities does not appear to have been substantially affected over the course of the recent international economic crisis in MT, BG, SE and DK.

The role of social partners has rather been enhanced and social partner involvement was used to further enhance consensus finding and to adopt reform even though only temporarily in BG, DK, CZ, LV, ES and PT.

In a number of countries the economic crisis had rather the impact to decrease trust among social partners and governments. This has been mentioned in BE, EL, IT, LU, NL, SI and SK. This has led to either longer processes of consensus finding or low ability to conclude agreements or led to further governmental unilateralism. Also in **Ireland** the social partnership model was considerably altered after the economic crisis and led to a rather 'voluntarist' type leading to rather non-binding type of agreements.

Also in **Bulgaria**, social dialogue was preserved and could demonstrate its ability to avoid deep negative impacts resulting from the economic downturn on living standards and quality of life, similar to during the period of transformation between 1991-1992 and 1996 -1997. In the years of crisis, trade unions and employers have demonstrated certain constructivism in their relations with the state, without being detrimental to their interests. This approach gives them much greater opportunities to balance the government's views regarding implemented policies and ultimately to improve policy effectiveness. The development of the social dialogue institutions, the larger number of joint decisions for the implementation of policies, the legislative changes leading to strengthening the role of the social dialogue are real proofs of the positive changes. In this sense, today it seems easier than ever before for trade unions and employers' organisations to pose questions to the government.

In **Sweden**, the ability of social partners to unite and to conclude agreements on wage moderation has been part of the success in dealing with the recent economic crisis and to a more balanced share of the cost of the impacts of the crisis.

While the economic crisis since 2008 had a strong impact on the labour market and caused a large decline in employment and a similar rise in unemployment in **Denmark**, the role of social partners has become more important to deal with effects. For example the labour market reform of 2015 implied a stronger role for the social partners with respect to the implementation of active labour market policy.

The social dialogue and bargaining system (being mainly bi-partite) in **Belgium** has increasingly seen challenges in its foundations in particular by the recent economic crisis. The multi-layered state interventions also on recommendation by the European Union has led to a relative blocking of the system and no significant inter-sectoral collective agreement has been signed since 2011. More recently, the trade unions are considering that they are less and less associated in the decision-making process and that negotiation and concertation has given place to consultation or negotiation on secondary aspects, giving the impression that the social concertation has lost its

substance. This has led to a number of public protest actions steered by the trade unions questioning the government's policies in reaction to the crisis more generally.

The importance of tri-partite concertation in the **Czech Republic** for policy formation may have increased in importance in recent years since the government coalition is relatively heterogeneous: it includes the Social Democrats (a labour-type party), a centre-left party (ANO), and the Cristian Democrats (traditionally more conservative). The coalition parties may then disagree on policy priorities and use the social partners to support their case within the coalition. On the other hand, trade unions and employers' associations tend to disagree on a number of dimensions related to labour market flexibility. Such disagreements between the trade unions and the government were particularly visible during the crisis and austerity years (in particular years 2010-2013) when tri-partite dialogue was least functional and when demonstrations organized by the trade unions were both large and frequent.

To the contrary, in **Estonia** the crisis has been leading to more severe disagreement among government and social partners. The most serious disagreement, regarding the reserves of the Unemployment Insurance Fund and Health Insurance Fund, led the employers' representatives to leave the supervisory bodies of both of the Funds. Social partners are more and more consulted within separate meetings rather than organising joint discussions.

In the case of **Greece**, social partners have been mainly involved in the late 2011 and early 2012, however, the agreement reached between the social partners' representatives was not commensurate with the needs of the Greek economy, and did not deliver a strategy to quickly address the large challenges Greece is faced with. Social partners were mainly against strict austerity measures. Trade union representatives in particular have repeatedly submitted complaints to both national and international judicial authorities, questioning whether the imposed measures were compatible with the Greek constitution and international labour agreements.

In **Italy**, the crisis has also led to more governmental unilateralism, altering the phase of concertation established since 1993. Social partners, more particularly trade unions have play more a role of a veto function.

The dialogue between social partners and public authorities has changed substantially over the course of the recent economic crisis, shaped by structural reforms and austerity measures in **Spain**. Two important labour market reforms affecting the social dialogue have been approved without consensus of trade unions in 2011 and 2012 by the social democrat (PSOE) and the conservative (PP) parties respectively. In a climate of confrontation, no social pacts were reached between 2011 and 2013 and three general strikes were organized. However once economic recovery could be felt, social dialogue has been renewed. In July and December 2014 tripartite social pacts were signed, and later in June 2015 a bipartite Agreement for Employment and Collective Bargaining for 2015-2017 has been signed by the main representative trade unions (CCOO and UGT) and employers' organizations (CEOE, CEPYME). This last agreement includes a wage setting deal for the next years that foresees a rise of real wages, thus changing the pattern of salaries reduction of previous years.

As mentioned previously, following the onset of the **Irish** recession, social partnership, along with cross-sectoral national bargaining collapsed. Furthermore, the national employers' association (IBEC) withdrew from participation in the country's private sector pay agreements due to a collapse of talks between themselves and private sector unions affiliated to ICTU to agree a set of amendments to the original pay agreement. The Irish Department of Public Expenditure and Reform (DPER) which was established in 2011, has responsibility for the development and implementation of Government public service pay policy. DPER has now negotiated three important public sector industrial relations agreements (Croke Park Agreement 2010, and Haddington Road Agreement 2013, and the Lansdowne Road Agreement, 2015) with the public services committee of the ICTU and the assistance of the Labour Relations Commission since the social partnership

model collapsed. These agreements were bipartite collective agreements to facilitate the implementation of fiscal adjustment during the crisis and post-crisis. In contrast, collective bargaining has been decentralised to the enterprise level in most of the private sector. Furthermore, they agree with the 'voluntarist' approach of industrial relations in Ireland in that they are not strictly legally binding or enforceable. The recent crisis has transformed the social partnership model.

While tripartite or bipartite bargaining agreements usually (though not always) are enforced through laws (*loi tripartite*) at the national level in **Luxembourg**, it can however depend on the socio-economic environment, the political climate, as well as the bargaining elements at stake: during the recent crisis, for example, collective bargaining halted or became more difficult with the result that a tripartite agreement similar to the major 2006 pre-crisis agreement was unnegotiable with the result that only a series of bipartite agreements were negotiated with only one social partner and the government. Similar to developments in other EU countries as a crisis effect there has been a decentralization from state-centric bargaining to either the sector (i.e. collective labour agreements) or to the company level. Agreements between governments and social partners<sup>42</sup> were signed in 2010<sup>43</sup> and more recently in January 2015 in which the links between the PES and the employers were reinforced to combat unemployment<sup>44</sup>. Recently, the government has announced its intentions to implement reforms with regard to family allocations, tensions between the social partners became again visible due to different positions, so that a tripartite agreement is unlikely to be negotiated in the short run. It seems that the after crisis context has considerably brought to the forefront disagreement between social partners, making consensus finding more difficult.

The crisis had a negative impact on collective agreements in **Latvia** due to the instable economic context, limiting the engagement of employers. At same time the national level social partners gained in recognition for the constructive role they played in dealing with the budget crisis of July 2009 when they were able to quickly agree on the details of budget cuts demanded by Latvia's international lenders at the time.

In the **Netherlands**, the economic crisis has resulted in a lower degree of trust and consensus between the social partners, causing more conflict and delay in negotiations, among others on topics such as employment policies for the low-skilled, flexibilisation of labour, the strong increase in the usage of self-employed, bogus self-employment constructions, labour migrants, seniority clauses in collective bargaining agreements. Nevertheless, the crisis did not alter in general the social dialogue model but increased the number of parties involved in policy making processes. During this time, a number of novel 'ad hoc' agreements have been negotiated.

In **Portugal** the Eurozone crisis since 2009 led to a complete change in the dynamics of tripartite negotiations at macro-level. In 2011 and 2012, social partners (with the exception of the CGTP-IN) signed two broad agreements in order to strengthen the respective government *vis-a-vis* its international partners. These accords were signed shortly before and after the signing of the Memorandum of Understanding. They represented a new type of 'emergency agreements' with an essentially defensive character against the worst consequences of the crisis and they were not designed to shape the future in an autonomous way. Both employers and unions experienced the following years of reduced sovereignty as a period of unilateralism on the part of the government under the MoU signed with the international lenders. The recent elections

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<sup>42</sup>In the specific Luxembourg social dialogue context, it is important to underline that these agreements between the government and social partners are considered as bi-partite agreements, while tripartite agreements are reached within the National Tripartite Coordination Committee and then enforced by law.

<sup>43</sup><https://www.gouvernement.lu/742636/15-uel>

<sup>44</sup><http://www.uel.lu/images/stories/Documents/AccordentreleGouvernementetUELdu14janvier2015.pdf>

(October 2015) brought a profound political change bringing a socialist minority government into power. The new government is strongly committed to social dialogue and its programme is suited for providing the basis for a set of new specific agreements.

In **Slovenia**, the tri-partite dialogue has functioned to the extent the economy was growing. It however has not addressed structural reform needs in the areas of tertiary education, health care, pensions, family benefits and pensions. In addition, political instability leading to four successive governments within five years after the crisis has caused less social partner involvement. The crisis has further adversely impacted on the ability to negotiate and to find agreements.

On the other hand in **Slovakia** social dialogue has temporarily intensified on the onset of the economic crisis. A high-level multipartite temporary Economic Crisis Council formed in January 2009 enabled broader discussions among a larger number of stakeholders for reform to mitigate the impacts of the economic and financial crisis. In the later stages of the crisis social partners found it increasingly difficult to agree on a proper mix of consolidation and structural measures.

- **Representativeness; involvement of other experts and civil society organisations**

Already in the 1990s the effectiveness and legitimacy of the polder model in the **Netherlands** has been brought into question. Actors of the polder model, both governmental and the social partners, were criticised for their lack of transparency and with seemingly endless conversations and seeking for consensus slowing down necessary reforms. Some political parties (e.g. VVD and D66, sometimes supported by CDA) regularly question the democratic legitimacy due to the fact that employers' associations and trade unions are not democratically elected. As a consequence they should not play a key role in designing and executing social-economic policy. Some consider that trade unions lack representativeness, defend the interests of smaller groups instead of the common employees' interests and ignore those with less bargaining power in society. On the other side employers' organisations are considered by some to defend the interests of larger corporations more than those of SMEs. This debate influences tri-partite dialogue and consensus building. A recent example to further demonstrate this impact is the Mondriaan Agreement (a Social Pact on labour market reform) which was closed in April 2013. The Social Pact of 2013 was followed by a series of 'ad hoc' domain pacts discussing government reforms in the area of pensions, health care, the housing market, education policy and industrial policy (called: technology pact). Each of these agreements included a large variety of stakeholders. For instance the Technology Pact<sup>45</sup> is executed in five different regions in collaboration with educational institutions, local governments and businesses (Triple Helix). In the Energy Pact more than 40 organisations participated to achieve the ambition of turning the economic process in terms of ecological and environmental capacities. In the Health Care and Education Pact, sectoral employers' associations and sectoral trade unions have been part of the negotiations.

The ability of trade unions and employers' organisations to impact on policy making and design may depend also more and more on their capacity to provide arguments that can convince, meaning providing information that has been further researched in-depth, evaluations and impact assessments, and showing alliance with other experts on a specific issue. For example in **Germany**, for the introduction of legislation on minimum wages the opposing arguments of trade unions and employers had been demonstrated in different studies conducted by research institutes on behalf of powerful workers and employers.

In order to ensure involvement of the most relevant stakeholders in the policy making process, larger processes of stakeholder consultation are put in place. For example in

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<sup>45</sup>(<http://www.techniekpact.nl/>)



**Estonia** a Code of 'Good Practice of Involvement'<sup>46</sup> has been developed in 2011, as mentioned above. The main idea of the document is that the wider public, interest groups and social partners should be engaged in the process of drafting legislation or developing strategic documents and action plans. Such a process should follow principles of transparency and in a flexible manner meaning that government will decide which organisations should be involved on a specific issue (case by case basis) and that consultation and information will follow from the early stages of drafting to stages of finalisation. Nevertheless, such processes may create imbalances and new alliances in forming consensus for reform in which social partners may play a more or less important role.

In particular, when taking into account these new developments of involving a wider base of stakeholders in policy making, the question of representativeness will be of importance. Representativeness criteria can be established either by mutual agreement between government and the main social partners in place without concrete criteria, or by law setting out specific quantitative criteria according to which representativeness can be measured. It is not clear how many Member States have legally set out representativeness criteria as the experts did not report in all cases but in LU, PL, SK and RO laws regulating this aspect have been mentioned. Laws in general set out a quantitative criterion (e.g. number of members, outcome of elections) and a capacity criterion certifying their presence at national and cross-sectoral level (e.g. proof of geographic activity and sectoral activity). Also in **Germany** a law on the capacity of collective bargaining exists, determining rather the capacity of social partners to enter in representative collective bargaining agreements. However, this law does not mention to what extent social partners are considered as representative in a national social dialogue context. This problem has also been discussed in **Estonia**, as the legal framework currently only sets out criteria to form a trade union. In a number of countries no specific criteria for representativeness exist according to the country reports, such as in FI, IT, LT, MT and PT. Representativeness criteria further may play an important role in cases of extension of agreements to the whole economy. However in the case of **France** for example where a majority of inter-sectoral/inter-professional agreements are extended by law only very few criteria on representativeness exist, thus impacting indirectly on the number of membership (workers do not see a need to become a member). Membership in tri-partite bodies seems to be in most cases based on mutual agreement rather than on specific representativeness criteria. Thus in case of absence of legally defined representativeness criteria it may impact on the way social partners are consulted. In **Italy** for example, trade unions encourage reform to set more formal criteria to make roles and power relations of social partners clearer in case of consultation for reform. On the other hand such criteria may limit thus smaller unions to be involved in reform in which their voice may be relevant.

## **5.2 Likely trends in social dialogue**

In most Member States, the role that social partners play in the design and implementation of policies and reforms is expected to evolve in the near future. No general trend is recognizable however, with different directions identifiable. The responsible drivers vary by country and range from recent or anticipated shifts in political power, to changes in national legislation and responses to EU recommendations, to the changes resulting from broader social and economic developments (impacting the nature of employment relationships and the organisational density of the social partners).

### **5.2.1 Towards a more prominent role of social partners**

In countries, where social partner are expected to play a more prominent role in future, different reasons for this trend development can be identified:

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<sup>46</sup> Available online at <https://riigikantselei.ee/et/kaasamise-hea-tava> (in Estonian)

- Increasing maturity of institutions

For example, in the **Czech Republic**, the outlook for the involvement of national social partners in policy reforms is considered to be good thanks to an increasing embeddedness of the Tripartite Council in the political traditions of the country. The actual implementation of policy reforms still requires multiple improvements in relation to the use of evidence, impact evaluations and timely implementation however. This is an aspect in which social partners are also considered to have the potential to assist.

- The development of new institutions and processes

In the **Netherlands**, additional structures for information sharing and joint decision-making have emerged in the past few years. In several policy areas, such as pension policy and taxation, stalemates have successfully been overcome and breakthroughs realised. New forms of consultation are therefore also expected to emerge in other policy fields.

The previous Trilateral Commission in **Poland** was deemed ineffective and has recently been replaced by a new Council for Social Dialogue. The new Council has more means to encourage dialogue and reach agreements and is therefore expected to reduce unilateral government decision making and allow for a more dynamic social dialogue.

- Political change/change in government

The recent change in government for example in **Ireland**, which saw a defeat of the establishment of the Fine Gael / Labour coalition, in combination with strong economic growth, may lead to a resurrection of social dialogue. However, given the previous collapse of social partnership, and discord between government and trade unions, it is not expected to reach the same levels of consensus as had been established in the past.

### **5.2.2 Towards a less prominent role of social partners**

The reasons for a perceived likely decline in the future role of social partner also revolve around the dominance of different political parties/governments, but are also considered to be influenced by trends in membership density.

In **Austria**, past changes in the pattern of social dialogue have been influenced more strongly by shifts in political power than by economic developments. The current increase in the number of political parties in parliament may decrease the influence of the two current government parties (Social Democratic Party and the People's Party) which both have close ties to the social partners. At the same time, the persistent criticism of the compulsory membership of employers in the Chamber of Commerce and of dependent employees in the Chamber of labour may gain weight in the case of a shift of political power and further contribute to a reduced influence of social partners.

In **Finland**, there has been a change of emphasis by the government from consensus-driven and joint adaptation to austerity policies, discourse and confrontation between the government, employers, and employees. The resulting restructuring of social dialogue and industrial relations has reduced the influence of social partners in policy making.

In **Slovakia**, for instance, both employers' and workers' associations are facing a persistent decline in membership and coverage (see Section 5.3.2 below for a more detailed discussion of the decline in social partners' membership). This has much to do with general trends such as the ongoing individualisation of employment relations, the absence of social dialogue in small and medium enterprises as well as the centralised structure of social partners. New trade unions are being formed at company level due to workers' dissatisfaction with the existing cross-sectoral unions. This however reduces the influence of broader social dialogue.

### **5.2.3 Change expected, direction uncertain**

In other countries, the future role of social partners is uncertain. Changes in the nature of the **German** labour market such as an increased segmentation and the increasing

proliferation of 'atypical' forms of work are expected to pose challenges to trade unions and their organisational density. At the same time, an ageing population and skills shortages are expected to lead to a scarcity of labour, which may in turn maintain the importance of trade unions, meaning that their future level of influence remains a little unclear.

In **Spain**, social partners face challenges that threaten their role in the political process such as economic globalisation, institutional deregulation or the rise of the collaborative economy. At the same time, these developments provide a chance for internal reform and increased influence by becoming more inclusive and taking into account the diversity of the groups they represent.

The drafting of a new **Lithuanian** Labour Code is expected to have a significant impact on the development of social dialogue. Opinions are split however. The government considers that the Labour Code consider that it increases the social partners' ability to gain influence in the policy process while the trade unions see it as limiting their capacities.

In **Romania**, the National Social Dialogue Strategy of 2015 highlights the need to adapt the structures of social dialogue to the new political realities. Originally, the structures were tailored to respond to the change from plan to market economy and encouraged government unilateralism. Recent grass-roots movements in the Romanian society as well as the emphasis of social dialogue in the CSR provide a positive outlook for social dialogue. At the same time, the heavy reliance of the Romanian economy on small and medium enterprises gives employers the incentive to avoid moves towards collective bargaining.

#### **5.2.4 No significant changes in influence currently expected**

Finally, there are a number of countries where no change is anticipated in the level of influence held by the social partners. In **Bulgaria** the existing trends of social dialogue development are not expected to change significantly. The European principles of building relationships between labour and capital have been accepted and trade unions and employer's organisations have increased their capacities to influence policy-making in the past years. Social partners have, among other things, drafted amendments to legislation, showing an increased effectiveness of their work.

The institutional involvement of **Hungarian** social partners in policy making has traditionally been low and has become even more limited since 2011. Consequently, different kinds of capacity have become relevant such as the ability to voice resistance via demonstrations and industrial action, as well as the use of informal channels of influence. Since social partners have not yet proved successful in accumulating such capacity, their influence is not expected to increase.

In **Sweden** the well-established system of social dialogue in which both partners play a central role at industry and company level is not expected to change. The system showed strong resilience during the economic crisis and is also seen as having contributed to Sweden's rapid recovery. After a dip in union density and membership numbers during the 2006 Centre Right government, reforms by the 2014 Social-Democratic Green coalition Government are bringing the system back to its previous coverage.

Significant changes in the way social dialogue is conducted at the political level in the **UK** are unlikely, although legislation is being enacted which has been seen to further limit the powers of trade unions on the ground (e.g. making it more difficult to take legitimate industrial action). Political parties of all sides have come to value the freedom to govern that an informal consultations approach allows and claim that it also offers a more inclusive approach than limiting inputs to the traditional social partners.

## Annex 1 – Social partner roles across different policy domains

**Table A1.1 Labour law, including EPL**

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Austria	X	D		X	NA
Belgium	Yes (National Labour Council by collective agreements)	NA		Yes ( National Labour Council)	Yes
Bulgaria <sup>i</sup>	X	X		D	X
Croatia	NA	NA		D	D
Cyprus	NA	NA		X	D
Czech Republic	NA	NA		D	NA
Denmark	X (Labour law is mainly regulated in the collective agreements)			D (Social partners are always consulted concerning legislation related to the labour market)	X
Estonia	NA	NA		D	X
Finland <sup>ii</sup>	X	D		X	D
France	X	X		X	X (for the current draft act)
Germany				X	X
Greece	X			X	D
Hungary					D

*The role of social partners in the design and implementation of policies and reforms*

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Ireland <sup>iii</sup>	NA	NA		X	D
Italy	X			X	D
Latvia		D (Negotiation of amendments to the Labour Law in 2014)		X	
Lithuania	NA	NA		X	D
Luxembourg <sup>iv</sup>	X	X		X	D
Malta	X	NA		D	X
Poland <sup>v</sup>		D			X
Portugal		X <sup>vi</sup> (non-binding)			X
Netherlands				X	D
Romania	X (only previous to 2011 through the process of national collective bargaining), now absent;	NA		X  (through the Economic and Social Council which has to state its opinions on the various acts on the matter; however opinion only consultative; also through the National Tripartite social dialogue council, the sector and the 'judet' county social dialogue commissions)	D
Slovakia				X	
Slovenia	X	D		X	X

*The role of social partners in the design and implementation of policies and reforms*

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Spain				X Economic and Social Council; social partners initiatives	D Law 3/2012 (Labour Market Reform).
Sweden	D via the optionality of labour law through collective agreements at the industry/ or/and company level	NA		X	D
UK	NA	NA		X	D
Not applicable in this particular policy domain	7	11		0	2
Exists, but secondary role in this policy domain	11	4		18	9
Dominant in this policy domain	1	5		6	14
Did not answer	8	8		3	2
<b>Total</b>	<b>28</b>	<b>28</b>		<b>28</b>	<b>28</b>

*Please note, we have not included Belgium in the totals, because the response given was 'yes' rather than D or X.*

Source: EEPO country reports

**Table A1.2 Active Labour Market Policies**

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Austria	NA	D	X	NA
Belgium	NA	NA	Yes (through PES)	Yes (Federal and Regional levels)
Bulgaria <sup>vii</sup>	X	X	D	X
Croatia	NA	NA	D	D
Cyprus	NA	X	D	D
Czech Republic	NA	NA	D	NA
Denmark			D (Advisory roles in the national Employment Council)	X
Estonia	NA	X	D	X
Finland <sup>viii</sup>	X	X	X	D
France	X but mainly when impacting employees	X	X	X
Germany		X (tripartite administration council of the PES)	X	D
Greece	X		X	D
Hungary				D
Ireland <sup>ix</sup>	NA	NA	X	D
Italy	X		X	D

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Latvia			D	X
Lithuania	NA	NA	X	D
Luxembourg <sup>x</sup>	D	D	X	D
Malta	NA	NA	X	D
Netherlands			X	D
Poland <sup>xi</sup>				D
Portugal		D <sup>xii</sup> (non-binding)		
Romania	NA	NA	X same as above with the addition that social partners are getting involved for this remit also through the social dialogue commission of the Ministry of labour, through county ('judet') social dialogue commissions as well as through their membership into the broad of administration of the National Agency for Employment	D
Slovakia		X	X	
Slovenia		X	X	D
Spain		X Tripartite Agreement December 2014	X	D Annual Employment Policy Plan (PAPE)



	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Sweden	D see for ex job security council's agreement (See Table 2, below)	NA	X Important, regarding the design of various ALMP measures such as training, Labour market integration of vulnerable groups.	D Throughout Public Employment Services (State agency) and budget appropriation in the Budget Bill
UK	NA	NA	NA	D
Not applicable in this particular policy domain	10	8	1	2
Exists, but secondary role in this policy domain	5	9	16	5
Dominant in this policy domain	2	3	7	18
Did not answer	11	8	4	3
	28	28	28	28

*Please note, we have not included Belgium in the totals, because the response given was 'yes' rather than D or X.*

Source: EEPO country reports

**Table A1.3 Social Security systems**

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Austria	X	D	X	NA
Belgium	NA	NA	Yes (through Social security Management Committees and Public Interest Organisations - OIP) Yes through consultation	Yes (depending on the results of consultation)
Bulgaria <sup>xiii</sup>	X	X	D	X
Croatia	NA	NA	X	D
Cyprus	NA	NA	X	D
Czech Republic	NA	NA	D	NA
Denmark			D (Consultation on an ad-hoc basis)	X
Estonia	NA	X	D	X
Finland <sup>xiv</sup>	X	X	X	D
France	X	X	X	X
Germany		X (can candidate for the being member of elected administration councils)	X	D
Greece	X		X	D

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Hungary				D
Ireland <sup>xv</sup>	NA	NA	X	D
Italy	X		X	D
Latvia			X	D
Lithuania	NA	NA	X	D
Luxembourg <sup>xvi</sup>	X	D	X	D
Malta	NA	NA	NA	D
Netherlands			X	D
Poland <sup>xvii</sup>		X		D
Portugal		X <sup>xviii</sup> (non-binding)		X
Romania	NA	NA	X through the Social and Economic Council, the Tripartite Social Dialogue Council, the sector and the county social dialogue commissions;	D
Slovakia		X	X	
Slovenia		X	D	X
Spain		D (Toledo Pacts)	X (Economic and Social Council; social partners initiatives)	D Pension Reform 2010
Sweden	D	NA	X	D

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
	Important for instance regarding occupational pensions**, but also unemployment insurance (Ghent system)			
UK	NA	NA	X	D
Not applicable in this particular policy domain	9	9	1	2
Exists, but secondary role in this policy domain	7	9	18	6
Dominant in this policy domain	1	3	5	18
Did not answer	11	7	4	2
	28	28	28	28

*Please note, we have not included Belgium in the totals, because the response given was 'yes' rather than D or X.*

Source: EEPO country reports

**Table A1.4 Work-life balance and gender equality**

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Austria	X	D	X	NA
Belgium	Yes (collective bargaining, National Labour Council)		Yes	Yes
Bulgaria <sup>xix</sup>	X	X	X	D
Croatia	NA	NA	X	D
Cyprus	NA	NA	X	D
Czech Republic	NA	NA	D	NA
Denmark			D (Consultation on an ad-hoc basis)	X
Estonia	NA	NA	D	X
Finland <sup>xx</sup>	X	D	X	X
France	X on work balance	X on gender equality	X	X
Germany			X	D
Greece	X		X	D
Hungary				D
Ireland <sup>xxi</sup>	X	NA	X	D
Italy	X		X	D
Latvia			X	D

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Lithuania	NA	NA	X	D
Luxembourg <sup>xxii</sup>	D	X	X	D
Malta	X	NA	X	D
Netherlands	D		X	D
Poland <sup>xxiii</sup>			X	D
Portugal			X	X
Romania	X through negotiations at enterprise, groups of enterprise and if the case according to conditions imposed by law 62/2011 at sector level; previous to 2011, also at national level through the national collective bargaining process;	NA	X also through the Economic and social council, the Tripartite Social dialogue council, the social dialogue commissions, both at sector and at county ('judet') level;	D
Slovakia	X		X	
Slovenia		D	X	X
Spain			X	D
Sweden	D regarding wage setting (gender wage gap) but also collective agreement regarding for example income replacement rate	NA	X	D Via anti discriminatory law, Parental leave law Also gender mainstreaming

*The role of social partners in the design and implementation of policies and reforms*

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite co-decision (binding)</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
of the Parental leave system				
UK	NA	NA	X	D
Not applicable in this particular policy domain	6	10	0	2
Exists, but secondary role in this policy domain	10	3	23	6
Dominant in this policy domain	3	3	3	18
Did not answer	9	12	2	2
	28	28	28	28

*Please note, we have not included Belgium in the totals, because the response given was 'yes' rather than D or X.*

Source: EEPO country reports

**Table A1.5 Education and training systems**

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite decision (binding)</b>	<b>co-</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Austria	X	X		D	NA
Belgium	Yes (apprenticeships)				Yes (but several levels)
Bulgaria <sup>xxiv</sup>	X	X		D	X
Croatia	X	NA		D	D
Cyprus	NA	X		X	D
Czech Republic	NA	NA		D	NA
Denmark				D (Consultation in the council for initial vocational training and the trade committees)	X
Estonia	NA	X		D	X
Finland <sup>xxv</sup>	X	X		X	D
France		X		X apprenticeship system	X general education
Germany	X (collective agreements for apprentices)			X	D
Greece	X			X	D
Hungary				X	D
Ireland <sup>xxvi</sup>	X	NA		X	D
Italy	X			X	D



	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite decision (binding)</b>	<b>co-</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Latvia				X	D
Lithuania	NA	NA		X	D
Luxembourg <sup>xxvii</sup>	X	X		X	D
Malta	X	NA		X	D
Netherlands	D				D
Poland <sup>xxviii</sup>					
Portugal		X <sup>xxix</sup> (non-binding)			X
Romania	X through negotiations at enterprise, group of enterprise and, with limitations at sector level; previous to 2011 also at national level through the national collective bargaining process;	NA		X same as above plus through the sector committees of the National Authority for Qualifications as well as through the Social Dialogue Commission of the Ministry of Education;	D
Slovakia	X	X		X	
Slovenia		X		D	X
Spain	D Sectoral Joint Committees	D		X	D Organic Law 8/2013 (LOMCE) (Education Reform) <sup>xxx</sup>
Sweden	X	NA		X	D

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite decision (binding)</b>	<b>co-</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
	vocational training and apprenticeship				
UK	NA	NA		X	D
Not applicable in this particular policy domain	5	8		0	2
Exists, but secondary role in this policy domain	13	10		17	6
Dominant in this policy domain	2	1		7	17
Did not answer	8	9		4	3
	28	28		28	28

*Please note, we have not included Belgium in the totals, because the response given was 'yes' rather than D or X.*

Source: EEPO country reports

**Table A1.6 Labour taxation**

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Austria	NA	D		X	NA
Belgium	NA	NA		Yes	Yes
Bulgaria <sup>xxx1</sup>	X	X		X	D
Croatia	NA	NA		D	D
Cyprus	NA	NA		NA	D
Czech Republic	NA	NA		D	D
Denmark				D (Consultation on an ad-hoc basis)	X
Estonia	NA	NA		X	D
Finland <sup>xxxii</sup>	X	X		X	D
France		X			X
Germany				X	D
Greece	X			X	D
Hungary				X According to interviews with social partners, this is strictly <i>pro forma</i> consultation, unlikely to influence policy. (Interviews,2016)	D
Ireland <sup>xxxiii</sup>	NA	NA		X	D

*The role of social partners in the design and implementation of policies and reforms*

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Italy	X			X	D
Latvia				X	D
Lithuania	NA	NA		X	D
Luxembourg <sup>xxxiv</sup>	X	X		X	D
Malta	NA	NA		X	D
Netherlands				X	D
Poland <sup>xxxv</sup>					D
Portugal					D
Romania	NA some involvement previous to 2011 through the national collective bargaining process;	NA		X only at times through the Economic and Social Council which has to state its opinion on the matter as well as through the National Tripartite Social Dialogue Council, the sector and the county ('judet') social dialogue commissions;	D
Slovakia				X	
Slovenia		X		X	D
Spain				X	D
Sweden	NA	NA		X	D
UK	NA	NA		NA	D

*The role of social partners in the design and implementation of policies and reforms*

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Not applicable in this particular policy domain	11	10		2	1
Exists, but secondary role in this policy domain	5	5		19	2
Dominant in this policy domain	0	1		3	23
Didn't answer	12	12		4	2
	28	28		28	28

*Please note, we have not included Belgium in the totals, because the response given was 'yes' rather than D or X.*

Source: EEPO country reports

**Table A1.7 Wage setting institutions and dynamics**

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite decision (binding)</b>	<b>co-</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Austria	D	X		NA	NA
Belgium	Yes but under "control" of the government ( Intersectoral Agreement, Sectoral agreement, Firm agreements			Yes ( trough Economic Central Council)	Yes, when no agreement reached
Bulgaria <sup>xxxvi</sup>	X	X		D	X
Croatia	D	NA		D	D
Cyprus	D	NA		NA	X
Czech Republic	X	NA		D	NA
Denmark	D (Collective agreements				X (examples of legislation to end industrial conflicts)
Estonia	D	NA		X	X
Finland <sup>xxxvii</sup>	D	D		X	X
France	X at sectorial level	The government can ask for revalorization		X	X in case of minimum salary but with a college of experts
Germany	D	X		X	

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite decision (binding)</b>	<b>co-</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
		(tripartite minimum wage committee and tripartite collective agreement extension committee)			
Greece	X	X Arbitration and Mediation Organisation (OMED).		X	D
Hungary	X	X		X	D
Ireland <sup>xxxviii</sup>	D	NA		X	X
Italy	D				X
Latvia				X The social partners are consulted on the level of the minimum wage but the final decision is with the government.	D
Lithuania	NA	NA (except minimum monthly wage, MMW <sup>xxxix</sup> )	X		D

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite decision (binding)</b>	<b>co-</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Luxembourg <sup>xi</sup>	D	D		X	D
Malta	D	NA		X	X
Netherlands	D				D
Poland <sup>xli</sup>		D			X
Portugal		X <sup>xlii</sup> (non-binding)			X
Romania	X <i>Before 2011 significant role via the binding branch and national collective labour agreements; Weak after the 2011 reforms which have eliminated the binding character of national and branch collective labour agreements. Currently only via negotiations at enterprise, group of enterprises and sector level</i>	NA <i>currently as a result of the 2011 reforms; Significant before 2011 in the context of the national collective bargaining processes, which made it for the only policy field where actually a degree of tripartite co decision existed;</i>		<i>Through the Social and Economic Council, the Tripartite Social Dialogue Council, the sector and the county ('judet') social dialogue commissions</i>	D <i>especially after 2011 reforms which have eliminated the mandatory character of the national collective labour agreement;</i>
Slovakia	D			X	X
Slovenia	D	X		X	X
Spain	D Collective Agreements				D Regulations; Labour Inspectorate
Sweden	D	NA		NA	NA



	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite decision (binding)</b>	<b>co-</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
UK	D	NA		NA	X
Not applicable in this particular policy domain	1	10	1	4	3
Exists, but secondary role in this policy domain	6	7		13	14
Dominant in this policy domain	17	3		3	9
Didn't answer	4	9		8	2
	28	29		28	28

**Table A1.8 Occupational health and safety**

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Austria	NA	D		X	NA
Belgium	Yes	Yes			
Bulgaria <sup>xliii</sup>	X	X		D	X
Croatia	X	NA		D	D
Cyprus	X	NA		X	D
Czech Republic	X	NA		D	NA
Denmark				D (Consultation in the council for working environment)	X
Estonia	NA	NA		D	X
France	x	X		x	
Finland <sup>xliiv</sup>	X	X		X	D
Germany	D (can be an issue of collective agreements and works council agreements)			X	X (D=Corresponding laws and national agency for health and safety)
Greece	X	X Labour Inspectorate (SEPE).		X	D
Hungary					D

*The role of social partners in the design and implementation of policies and reforms*

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
Ireland <sup>xiv</sup>	X	NA		X	D
Italy	X			X	D
Latvia				X	D
Lithuania	NA	NA		X	D
Luxembourg	X	X		X	X
Malta	X	NA		X	D
Netherlands	D				D
Poland		D			X
Portugal		X <sup>xlvi</sup> (non-binding)			X
Romania	X through negotiations at enterprise, group of enterprises and, with limitations, at sector level;	NA currently; previous to the 2011 reform some sort of co decision existed through the national collective bargaining process;		X through the Economic and Social Council as well as through the Tripartite Social Dialogue council and the social dialogue commissions at sector and county ("judet") level	D
Slovakia	X			X	
Slovenia	X	D		X	X
Spain	D Collective Agreements				D Regulations; Labour Inspectorate
Sweden	D	NA		X	D

	<b>Autonomous social partners action (bipartite)</b>	<b>Tripartite (binding)</b>	<b>co-decision</b>	<b>Consultation and advisory (non-binding)</b>	<b>Governmental unilateralism</b>
					Throughout Swedish Work environment authority ( <i>Arbetsmiljöverket</i> ).And Work environment Act.***
UK	X	NA		X	D
Not applicable in this particular policy domain	3	10		0	2
Exists, but secondary role in this policy domain	15	6		17	8
Dominant in this policy domain	4	3		5	15
Did not answer	6	9		6	3

## Annex 2 - Summary table of institutions' function, scope composition, status

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority)	Scope (broad policy domain)
		Formal	Informal		
BE	Group of 10 ( <i>Bipartite</i> )		✓	Negotiates bi-annual inter-professional agreements; negotiates agreements on key policy questions (e.g. harmonisation of labour law for blue collar and white collar workers).	General social and economic issues
	National Labour Council ( <i>Bipartite</i> )	✓		Consultative/advisory role to social partners and Federal Government and Parliament; concludes (cross-) industry collective agreements, which can be declared generally binding (advisory role on conflicts of competence between sectoral social dialogue committees)	General social and economic issues
	Central Economic Council ( <i>Bipartite</i> )	✓		Consultative/advisory role (in particular on wages, with preparation of a technical report on wage developments in neighbouring countries).	Wage setting institutions and dynamics
	High Council for Prevention and Protection at Work ( <i>Tripartite+</i> )	✓		Consultative/advisory role.	Occupational health and safety
BG	Economic and Social Council ( <i>Bipartite +</i> )	✓		Advisory and consultative. Produces resolutions and opinions on government policy. The decisions are taken by consensus.	General social and economic issues
	National Counsel for Tripartite Cooperation ( <i>Tripartite</i> )	✓		Negotiation on economic and social policies and binding agreements. The fulfilment of the agreements shall be performed by the state.	General social and economic issues
	National Council for Employment Promotion ( <i>Tripartite</i> )	✓		Consultative and advisory role on employment policy. The Council organises discussions and provides opinion on the development and implementation of employment policy and the National Annual Employment Plan. Also suggests the list of professions for vocational training of unemployed.	Active labour market policies

*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority))	Scope (broad policy domain)
		Formal	Informal		
CZ	The Council of Economic and Social Agreement ( <i>Tripartite</i> )	✓		An advisory consultative body where the views of social partners are heard. The goals include reaching an agreement on fundamental economic and social development issues.	General social and economic issues
	Council for Equal Opportunities for Women and Men ( <i>Tripartite +</i> )	✓		An advisory body to government. Identifies related policy issues, evaluates reforms, formulates strategies, coordinates policies, cooperates with the NGO sector, and suggests new policy actions.	Work-life balance and gender equality
	Council for Safety; Hygiene and Health at Work ( <i>Tripartite +</i> )	✓		An advisory body to government. Identifies related policy issues, evaluates reforms, formulates strategies, coordinates policies, cooperates with the NGO sector, and suggests new policy actions.	Occupational health and safety
	The Government Council for Older Persons and Population Ageing ( <i>Tripartite +</i> )	✓		An advisory body to government. Identifies related policy issues, evaluates reforms, formulates strategies, coordinates policies, cooperates with the NGO sector, and suggests new policy actions.	Active labour market policies
DK	Employment Council ( <i>Bipartite +</i> )	✓		Assists in the management of employment through counselling the Minister of Employment	Active labour market policies
	National Cooperation Council ( <i>Bipartite</i> )	✓		The National Cooperation council administers the Cooperation Agreement (2006) between the Danish Confederation of employers (DA) and the Danish Confederation of Trade Unions (LO)	Other - Issues related to the functioning of the local cooperation councils.
	Regional Labour Market Councils ( <i>Bipartite</i> )	✓		The eight regional councils monitor regional labour market policy, supports cooperation between different actors and also has some executive power.	Active labour market policies
	Working Environment Council ( <i>Tripartite</i> )	✓		Advises the Minister on issues concerning the working environment, and comments on proposals for new legislation. The council also recommends the use of fund for research and preventive activities.	Labour law, including EPL; Occupational health and safety
	Council for initial vocational training ( <i>Tripartite</i> )	✓		Advises the Minister of Education on issues concerning initial vocational training. Issues concerning the structure of routes, framework for content and assessment, and accreditation of vocational colleges.	Education and training systems

*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority)	Scope (broad policy domain)
		Formal	Informal		
	Council for adult and further education (Tripartite)	✓		Advises the Minister of Education on issues concerning adult and further education.	Education and training systems
	The Economic Council (Tripartite +)	✓		Provides independent analysis and policy advice to Danish policy makers and monitors the budget law. Reports contain economic analyses and policy recommendations and always contain short and medium term forecasts of the Danish economy, and typically another one or two special topics on e.g. fiscal policy or labour market issues.	General social and economic issues
	The Environmental Economic Council (Tripartite +)	✓		Provides independent analysis and policy advice to Danish policy makers on environmental issues. Reports contain economic analyses and policy recommendations focused on environmental issues.	Other – environmental
DE	Tripartite Minimum Wage Commission (Tripartite)	✓		Fixes the level of the minimum wage; evaluation.	Wage setting institutions and dynamics
	Collective Bargaining Committee (Bipartite)	✓		Deal with extension of collective agreements.	Wage setting institutions and dynamics
	Tripartite collective agreement extension committee (Tripartite)	✓		Deals with extension of collective agreements in the context of the Posted Workers Act.	Wage setting institutions and dynamics
	Collective bargaining Commission (Bipartite)	✓		Collective bargaining and concluding collective agreements.	Wage setting institutions and dynamics
	Tripartite Board of Governors of the Federal Employment Agency (Tripartite)	✓		Central board of the self-governing of the Public Employment Service.	Active labour market policies
EE	Supervisory board of Unemployment Insurance Fund (Tripartite)	✓		Advisory body making policy suggestions, and also binding decisions concerning supervision of management of UIF.	Active labour market policies

*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status	Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority)		Scope (broad policy domain)
			Formal	Informal	
	Supervisory board of Health Insurance Fund (Tripartite +)	✓		Advisory body making policy suggestions, and also binding decisions concerning supervision of management of HIF.	Social security systems
	Supervisory board of Estonian Qualifications Authority (Tripartite)	✓		Advisory body on qualifications, skills demand and supply.	Education and training systems
IE	National Economic and Social Council (Tripartite +)	✓		Gives non-binding advice and consultancy to government on economic, social and environmental policy issues, and produces technical policy papers for government departments.	General social and economic issues
	Low Pay Commission (Bipartite +)	✓		Non-binding advice and consultancy relating to the national minimum wage and related issues.	Wage setting institutions and dynamics
	Labour Court (Tripartite)	✓		An industrial relations tribunal. It is not a court of law. Recommendations regarding the investigation of disputes under the Industrial Relations Act are not legally binding. Determinations under the Employment Rights enactment are legally binding.	Labour law, including EPL
	Workplace Relations Commission (Bipartite)	✓		Promotes and maintains good workplace relations as well as encouraging and monitoring compliance with codes of practice approved under the Workplace Relations Act 2015.	Labour law, including EPL
EL	National Committee of Social Dialogue (Tripartite)	✓		Consultative/advisory role to the government and the parliament.	General social and economic issues
	National Committee of Employment (Tripartite)	✓		Consultative/advisory role to the government and the parliament.	Active labour market policies
	National Social Protection Committee (Tripartite)	✓		Consultative/advisory role to the government and the parliament.	Social security systems
	Economic and Social Council of Greece (Bipartite +)	✓		Consultative/advisory role to the government and the parliament. The objective of the OKE is to promote the social dialogue and through it to formulate (if possible) mutually acceptable positions on issues of concern to society as a whole or specific social groups.	General social and economic issues



*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status	Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority)		Scope (broad policy domain)
			Formal	Informal	
	Organization for Mediation and Arbitration ( <i>Tripartite</i> )	✓		Mediation/arbitration: an independent organisation for dispute resolution in contract negotiations (interest disputes).	Labour law, including EPL
ES	Economic and Social Council ( <i>Tripartite +</i> )	✓		Consultative body for the government on socio-economic and labour matters.	General social and economic issues
	Spanish General Council of VET ( <i>Tripartite</i> )	✓		Development and organisation of the VET system, adapting the existing qualifications to labour market demands and to technological changes and creating new ones.	Education and training systems
	Sectoral Joint Committees ( <i>Bipartite</i> )	✓		Forecasting and definition of skills needs and labour market demands to guide skills training provision. Training for Employment and Vocational Training; Sectoral.	Education and training systems; Active labour market policies
	Inter-confederal Service of Mediation and Arbitration ( <i>Tripartite</i> )	✓		Extrajudicial resolution of labour conflicts through mediation and arbitration procedures.	Labour law, including EPL
	Council of the National Employment System ( <i>Tripartite</i> )	✓		Makes proposals about employment policies, coordination between central and regional PES, evaluation mechanisms and follow-up of reforms.	Active labour market policies
	National Commission on Collective Bargaining ( <i>Tripartite</i> )	✓		Consultative regarding the issue of collective bargaining, including an observatory on this topic. Mediation between employers' and workers' representatives regarding the non-application of the agreements reached.	Wage setting institutions and dynamics
FR	Economic, Social and Environmental Council ( <i>Bipartite +</i> )	✓		Consultancy and advice body that allows social, economic and environment stakeholders' participation to define and evaluate public policies.	General social and economic issues
	Tripartite National Collective Bargaining Commission ( <i>Tripartite</i> )	✓		A consultative body on collective bargaining. Its main goals are to make proposals for facilitating development of collective bargaining, advise on draft acts and legal texts relating to work relations (individual or collectives), notably collective bargaining.	Wage setting institutions and dynamics

*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority)	Scope (broad policy domain)
		Formal	Informal		
	Tripartite High Council of Social dialogue (Tripartite +)	✓		Consultative body on social dialogue; defines the list of representative trade unions each four years by branch and at national level.	Labour law, including EPL
	Social dialogue Committee on international and European questions (Bipartite)		✓	Consultative body dedicated to social dialogue on international questions in the field of employment, consultation on programmes like NRP and all strategic documents coming from European institutions.	General social and economic issues
	National council for employment, training and career guidance (Tripartite +)	✓		Consultative body on projects, drafts acts, and legal texts and regulation. It is a consultative, monitoring, coordination and assessment body for employment and training policies. It produces three yearly priorities and shares concerted strategy for favouring implementation of orientations in the field of career guidance, apprenticeship, integration, employment and maintaining in employment.	Active labour market policies; Education and training systems
	Joint cross industry council for employment and training (Bipartite)	✓		Defines and coordinates orientations of social partners' policies in training and employment.	Active labour market policies; Education and training systems
HR	Economic and Social Council (Tripartite)	✓		Advisory body, monitors changes and provides opinions on key policy questions.	General social and economic issues
	National Council for Protection at Work (Tripartite)	✓		Advising the Government on occupational safety policy and promoting the harmonisation of relevant legislation.	Occupational health and safety
	National Competitiveness Council (Tripartite)	✓		Advising the Government on competitiveness.	General social and economic issues
	Governing Council of Croatian Employment Service (Tripartite)	✓		Governing of the Croatian Employment Service.	Active labour market policies

*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority)	Scope (broad policy domain)
		Formal	Informal		
	Governing Council of Croatian Health Insurance Fund (Tripartite)	✓		Governing of the Croatian Health Insurance Fund.	Social security systems
	Governing Council of Croatian Pension Insurance Institute (Tripartite)	✓		Governing of the Croatian Pension Insurance Institute.	Social security systems
	Governing Council of the Institute for Expertise, Professional Rehabilitation and Employment of Persons with Disabilities (Tripartite)	✓		Governing of the Institute for Expertise, Professional Rehabilitation and Employment of Persons with Disabilities.	Labour law, including EPL
	Governing Council of the Agency for Insurance of Workers Claims in Case of Employer's Bankruptcy (Tripartite)	✓		Governing of the Agency for Insurance of Workers Claims in Case of Employer's Bankruptcy.	Labour law, including EPL
IT	National Economic and Labour Council (Tripartite)	✓		Consultative/advisory roles	General social and economic issues
	INPS Steering and Surveillance Council (Bipartite)	✓		Monitoring role	Social security systems
	INAIL Steering and Surveillance Council (Bipartite)	✓		Monitoring role	Occupational health and safety

*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority))	Scope (broad policy domain)
		Formal	Informal		
	National Equality Committee (Tripartite)	✓		Advisory role	Work-life balance and gender equality; Labour law, including EPL
CY	Labour Advisory Board (Tripartite)		✓	Has a strong advisory role. Matters brought to it by the minister or members relating to the functioning of collective bargaining and the labour market.	Active labour market policies
LV	National Tripartite Cooperation Council (Tripartite)	✓		Coordinates and organises tripartite social dialogue between organisations of employers, state institutions and trade unions.	General social and economic issues
LT	Tripartite Council of the Republic of Lithuania (Tripartite)	✓		Analyses social, economic and labour market issues as well as related legislation and makes proposals and recommendations to the Parliament, the Government, other institutions. Negotiates and sign tripartite agreements concerning social, economic and labour market issues.	General social and economic issues
	The Council of the State Social Insurance Fund (Tripartite)	✓		Monitors the progress of implementation of legislation governing social security, considers and issues opinions for the Ministry of Social Security and Labour on the draft budget of the State Social Insurance Fund and monitors implementation thereof.  Analyses and draws up recommendations on reforms, finance management, rates applicable in the social insurance system, and deals with other relevant issues	Social security systems
	The Tripartite Commission of the Lithuanian Labour Exchange (Tripartite)	✓		Make proposals regarding priority trends in the activities of the Lithuanian Labour Exchange, feasibility of employment support programmes, implementation of measures of support for employment, provision of labour market services, and improvement of the effectiveness of future activities	Active labour market policies
	The Commission on Employees' Safety and Health (Tripartite)	✓		Formation and implementation of policy on occupational health and safety, considering and making proposals related to laws and other	Occupational health and safety

The role of social partners in the design and implementation of policies and reforms

<b>Name of institution (and composition)</b>		<i>Status</i>	<b>Function</b> (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority))	<b>Scope</b> (broad policy domain)
		<b>Formal</b>	<b>Informal</b>	
			regulations governing OHS related issues, and analysing the situation in this area.	
	The Lithuanian Council of Vocational Training ( <i>Tripartite</i> )	✓	Advises national authorities on strategic issues in the field of vocational education and training.	Education and training systems
	The Council of the Guarantee Fund ( <i>Tripartite</i> )	✓	The Council manages the resources of the Guarantee Fund (i.e. funds assigned for benefits paid to employees of bankrupt companies).	Labour law, including EPL
LU	Tripartite Coordination Committee ( <i>Tripartite</i> )	✓	Negotiates binding agreements enforced by law.	General social and economic issues
	Economic and Social Committee ( <i>Tripartite</i> )	✓	Advisory or consultative role: produces assessments either on own initiative or commissioned by the government.	General social and economic issues
	Conjuncture Committee ( <i>Tripartite +</i> )	✓	Control and monitoring role for overall employment market /advisory function, producing assessments.	General social and economic issues
	Permanent Work and Employment Committee ( <i>Tripartite</i> )	✓	Advisory, negotiating role, producing assessments.	Active labour market policies; Occupational health and safety
HU	National Economic and Social Council ( <i>Bipartite +</i> )	✓	Consultative; binding in wage settling	General social and economic issues
	Permanent Consultative Forum of the Industry and the Government ( <i>Tripartite</i> )		✓ All the issues related to employment policy could be discussed at VKF but its focus mostly narrows down to annual negotiations over the minimum wages and proposed wage increases for the private sector. Thus in practice real negotiations and agreements with involvement of	Active labour market policies; Labour law, including EPL

*The role of social partners in the design and implementation of policies and reforms*

<b>Name of institution (and composition)</b>		<i>Status</i>	<b>Function</b> (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority))	<b>Scope</b> (broad policy domain)
		<b>Formal</b>	<b>Informal</b>	
			the government are reached at VKF. Procedurally: the government obliges itself that the results of negotiations at VKF will be translated into governmental regulation.	
	National Public Service Interest Reconciliation Council ( <i>Tripartite</i> )	✓	Consultative	Active labour market policies; Labour law, including EPL
MT	Malta Council for Economic and Social Development ( <i>Tripartite</i> )	✓	Issues opinions and recommendations to the Maltese government on matters of economic and social relevance.	General social and economic issues
	Employment Relations Board ( <i>Tripartite</i> )	✓	Makes recommendations to the Minister regarding national minimum standard conditions of employment and sectorial conditions of employment, and advises on any matter relating to the conditions of employment or on any matter referred to the Board by the Minister.	Labour law, including EPL
	Building Industry Consultative Council ( <i>Tripartite</i> )	✓	Advises the government on construction issues and also to assist the government in implementing the EU legislation and directives to ensure that Malta satisfies the commitments towards the 2020 energy targets.	Other – building industry
NL	The Social and Economic Council of the Netherlands ( <i>Tripartite</i> )	✓	Advisory board for social-economic policy in a broad sense.	General social and economic issues
	Foundation of Labour ( <i>Bipartite</i> )	✓	Coordination of wage-setting; informal advice on social-economic policy.	General social and economic issues
AT	The Parity Commission ( <i>Tripartite</i> )	✓	Institutionalised dialogue between the four social partners and the federal government. Economic and social policy strategies and measures and drawing up collective recommendations by the Social Partners.	General social and economic issues
	Advisory Council for Economic and Social Affairs ( <i>Bipartite +</i> )	✓	Issues studies and reports on economic and social policy issues containing joint - therefore unanimous - recommendations from these	General social and economic issues

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority))	Scope (broad policy domain)
		Formal	Informal		
				four bodies, addressed to the federal government and the other economic and social policymakers.	
	Tripartite public employment service (Tripartite)	✓		Implementing active labour market measures; paying wage-compensation benefits in the event of unemployment (Unemployment Insurance Act – AIVG); providing vocational training options through placement in apprenticeships.	Active labour market policies
	Bad Ischler Dialogue (Tripartite)		✓	Central annual event of the social partners, located at Bad Ischl. Platform for discussion of future-oriented topics. Development of joint declarations of the social partners and their communication to the government.	General social and economic issues
	Tripartite Main Association of Austrian Social Security Organisations (Tripartite +)	✓		Public representation of social insurance institutions	Social security systems
PL	Social Dialogue Council (Tripartite)	✓		A platform for tri-partite dialogue (negotiation, co-decision and consultation) in Poland and cooperation of employees, employers and the government at central level.	General social and economic issues
PT	Standing Commission of Social Concertation (Tripartite)	✓		Increases the political legitimacy of certain measures by regular consultations and negotiation of non-binding tripartite agreements.	General social and economic issues
	Economic and Social Committee (Tripartite +)	✓		Increase the political legitimacy of government strategy by regular consultations. Regular arbitrations regarding the definition of mandatory minimum services in the case of strikes. Mandatory arbitration in collective bargaining (extremely rare).	General social and economic issues
RO	The Economic and Social Council (Bipartite +)	✓		A consultative body, legally mandated to issue opinions on various matters of social and economic interest to the national. It operates its own technical secretariat. It serves also as the main body for dialogue between unions, employers and the civic society.	General social and economic issues

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority))	Scope (broad policy domain)
		Formal	Informal		
	The National Tripartite Social Dialogue Council (Tripartite)	✓		The main tripartite social dialogue body after the 2011 reform. It provides the forum for dialogue and debate at high level (prime minister, minister of labour, secretaries of state representing the line ministries and presidents of trade unions and employers federations) between unions, employers and the Government.	General social and economic issues
	Ministry of the Romanian Government or central agency) and county ('judet', prefect headed) level (Tripartite +)	✓		Social dialogue bodies between representatives of the government at various levels (ministry, agency, judet/county) employers, trade unions and the civic society. Provides a forum for debate and dialogue on matters of interest. Commissions may issue position documents which are then forwarded to the Economic and Social Council (CES) and substantiate its own opinion documents.	General social and economic issues
SI	Economic and Social Council (Tripartite)	✓		Main consultative and coordinative institution for social dialogue in Slovenia.	General social and economic issues
	Institute for Pensions and Disability Insurance (Tripartite +)	✓		Managerial and consultancy role: monitoring the economic situation of pensioners and disabled workers; establishing and publishing indexation percentage of pensions and other benefits; determining the payment dates of pensions and other benefits; deciding on the method of fund use, write-offs, sales and disposal of assets, and adopt inventory reports; deciding on the measures for providing funds and possibilities for occupational rehabilitation and employment of disabled workers; adopting the Statute of the Institute, general acts on insurance implementation, the general act on internship and other general acts of the Institute.	Social security systems
	Health Insurance Institute of Slovenia (Tripartite +)	✓		Managerial and consultancy role: allocating public funds in order to guarantee quality healthcare to the Slovenian population, decides on the scope of <a href="http://www.zzzs.si/zzzs/internet/zzzseng.nsf/o/DF851AAD119C45F6C1256E89004861AC">http://www.zzzs.si/zzzs/internet/zzzseng.nsf/o/DF851AAD119C45F6C1256E89004861AC</a> financing the rights established under the compulsory health insurance scheme.	Social security systems
	The Employment Service of Slovenia (Tripartite +)	✓		Managerial and consultative role, execution of active employment policies, unemployment benefits, develops regional policies. The social	Active labour market policies



*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority))	Scope (broad policy domain)
		Formal	Informal		
				partners' influence on the Employment Service is much smaller, because all financial resources are managed at Ministerial level.	
	Council of the Republic of Slovenia for Vocational and Professional Education ( <i>Tripartite</i> )	✓		Consultative and regulatory: determining all the matters concerning vocational and professional training (programmes, exams, books, requirements.).	Education and training systems
	Council of the Republic of Slovenia for Adult Education ( <i>Tripartite +</i> )	✓		Consultative and regulatory: determining all the matters concerning adult education (programmes, exams, books, requirements.).	Education and training systems
SK	Economic and Social Council of the Slovak Republic ( <i>Tripartite</i> )	✓		Consultative/advisory role to the government. Consultations on new legislation and policies, exchange of opinions, presentation of standpoints and recommendations on economic and social issues.	General social and economic issues
	Council of Solidarity and Development of the Slovak Republic ( <i>Tripartite +</i> )		✓	Consultative/advisory role to the government. Platform for multilateral discussion and agreements on key economic and social reforms.	General social and economic issues
	Council for Economic and Social Partnership of the Slovak Republic ( <i>Tripartite +</i> )	✓		Consultative role. National partner for the European Economic and Social Committee, promotion and realisation of goals set out by the EESC.	General social and economic issues
	Industrial Bipartism ( <i>Bipartite</i> )	✓		Autonomous bipartite consultations, coordination of bipartite interests with regard to tripartite consultations.	General social and economic issues
	Council of the Government of the Slovak Republic for vocational education and training ( <i>Tripartite</i> )	✓		Advisory role to the government in the area of VET. Assessment of key policy documents and state education programmes, proposals on inclusion/exclusion of fields of study.	Education and training systems
	Committees for Employment Issues ( <i>Tripartite</i> )	✓		Negotiation of local employment policy priorities, approval of local labour market analyses and forecasts, assessment of applications for non-mandatory ALMPs.	Active labour market policies

*The role of social partners in the design and implementation of policies and reforms*

	Name of institution (and composition)	Status		Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority))	Scope (broad policy domain)
		Formal	Informal		
	Coordination Committee for occupational safety and health (Tripartite +)	✓		Advisory role to the Ministry of Labour, Social Affairs and Family.	Occupational health and safety
FI	Economic Council (Tripartite +)	✓		Advisory - strengthens wide and analytical discussion on long-term economic structure and balance issues.	General social and economic issues
	Tripartite Information Committee on Cost and Income Developments (Tripartite +)	✓		Advisory - produces information for the State Council and the collective agreement preparation process. Supports integrating of economic and labour policies.	General social and economic issues
	Working Committee on Local Bargaining (Tripartite)	✓		Legislative development - prepares legislation proposal for acceptable norms for regulations which allow local agreements on working time and wages.	Wage setting institutions and dynamics
SE	Job security Councils (Bipartite)	✓		Helps displaced workers to find new jobs quickly, by way of adjustment measures and financial support.	Active labour market policies; Social security systems
	Labour Court (Bipartite)	✓		The Swedish Labour Court primary task is to hear and rule on labour-related disputes.	Labour law, including EPL
UK	Health and Safety Executive (Bipartite +)	✓		To regulate health and safety across a range of sectors and industries. The role ranges over shaping and reviewing regulations, producing research and statistics and enforcing the law working in partnership with local authorities.	Occupational health and safety
	Advisory, Conciliation and Arbitration Service (Bipartite +)	✓		To provide free and impartial information and advice to employers and employees on all aspects of workplace relations and employment law.	Labour law, including EPL
	Northern Ireland Labour Relations Agency (Bipartite +)	✓		Responsible for promoting the improvement of employment relations in Northern Ireland. Provides impartial and confidential employment relations services to all sectors and advises on good employment practices. Also a key role in the resolution of individual and collective disputes through its conciliation, mediation and arbitration services.	Labour law, including EPL

The role of social partners in the design and implementation of policies and reforms

Name of institution (and composition)	Status	Function (description and distinction between negotiating binding agreements, advisory (provides input on own initiative); consultative (non-binding requests from public authority)	Scope (broad policy domain)
	Formal		
Central Arbitration Committee (Bipartite +)	✓	Statutory powers over the recognition of trade unions, the disclosure of information for collective bargaining, applications and complaints related to information and consultation arrangements.	Labour law, including EPL
Low Pay Commission (Bipartite)	✓	An independent body that advises government on the National Living Wage. To advise on the levels of the NMW/NLW by carrying out research and consultation.	Wage setting institutions and dynamics

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<sup>i</sup> The real processes in sectors of the table are a special mix between the second and third columns.

According to recent regulations the government takes final decisions after consultations with social partners. In the last 2-3 years, however, it has tried to maintain a certain level of stability in society and complies much more with their suggestions and opinions than before. The National Council for Tripartite Cooperation (NCTC) is the most important social dialogue body at national level, but the social partners may propose changes in labour and social legislation and policies, may execute agreements in regard to the adoption of normative acts on issues associated with industrial relations and living standards. This recent trend of transfusion of processes of decision-making by a third in the second column seems to be provisional. It is still not fixed/stimulated by the legislation.

<sup>ii</sup> In Finland, all interactions are valid but the dominance is at stake at the moment. Traditionally, labour law and employment protection issues have been a field of tripartite agreements, but after the new Government (2015) the role of the state has increased radically. It was long possible that Government would introduce forceful legislation which overrides the tripartite social agreement concerning labour issues. In this case, also the wage negotiations will take place on the sectoral level, not in tripartite negotiations. Concerning the labour law and EPL, the main legislation consists of the Employment Contracts Act, the Working Hours Act and the Annual Holidays Act. Laws governing labour market organisations and collective bargaining include the Collective Agreements Act and the Act on the Labor Court for settling of disputes. Labour market legislature is drafted in a tripartite manner, and e.g. the pension system is based on legislation. However, the recent trend is, that this drafting takes place with heavy hand of the Government. In the wake of competitiveness contract, the threat by the Government was that if it was to fail, the Government would weaken the employment conditions for unilaterally.

<sup>iii</sup> **Autonomous social partners action:** Following a period of governmental unilateralism, public sector wage setting in Ireland now takes the form of bipartite agreements. Examples of this include the 'Croke Park Agreement', 'Haddington Road Agreement' and 'Lansdowne Road Agreement'. **Tripartite co-decision (binding):** Binding tripartite agreements no longer exist in Ireland following the collapse of social partnership in December 2009. **Consultation and advisory (non-binding):** The 'National Economic Dialogue' introduced in 2015 provides a forum for various stakeholders to provide input regarding economic and social policies. The government is not bound by the inputs to this consultation process. Other agencies also provide policy advice and consultancy services to the Irish government (e.g. the Economic and Social Research Institute (ESRI) and the Low Pay Commission). **Governmental unilateralism:** Following the collapse of social partnership in 2009, government unilateralism became the dominant force in public wage setting. Several pieces of legislation were introduced to provide for a reduction in public sector wages. More recently bipartite arrangements have replaced government unilateralism. These bipartite agreements typically operate as a form of bargaining in the shadow of the law.

<sup>iv</sup> Indications in this table should be cautiously used and a generalisation is not always possible as the parental leave reform clearly illustrates. The modulation of indexation of wages (2010) could be both a dominant item on a tripartite agenda, or negotiated predominantly at the bipartite level, or applied unilaterally by the government if an agreement is not reached (i.e. in times of crisis). Many imbrications exist when it comes to policy formulation with multi-layered social partner involvement. The role of social partners depends on the policy area, their interests and expertise, as well as on the socio-economic environment. Government unilateralism, for example, is applicable at all times to all employment and social measures: the impact of social partners is of a secondary role in this scenario although that input from their assessments could impact on final draft legislation in Parliament. For Luxembourg, in particular, it is significant to apply a case-to-case analysis to study social partner involvement.

<sup>iv</sup>An ongoing policy example is the reform of parental leave. For this reform, bipartite agreements with the government paved the way for the final reform to proceed. Additional assessments have been introduced in the legislative process. For other modifications of labour law (i.e. single status), a different *modus operandi* was applied.

<sup>v</sup> The table and assessment is based on the legal position on the newly established Social Dialogue Council. It reflects the new division of responsibilities and influence. However, the Council has been functioning for a rather short time now – so there are no examples of the effects of their work.

<sup>vi</sup> This refers to non-binding tri-partite agreements

<sup>vii</sup> See note i

<sup>viii</sup> See note ii

<sup>ix</sup> See note iii

<sup>x</sup> See note iv

<sup>xi</sup> See note v

<sup>xii</sup> This refers to non-binding tri-partite agreements

<sup>xiii</sup> See note i

<sup>xiv</sup> See note ii

<sup>xv</sup> See note iiiii



- xvi See note iv
- xvii See note v
- xviii This refers to non-binding tri-partite agreements
- xix See footnote i. Involvement in this policy domain depends on the concrete issue, where for example working time is a 'core' area of tripartite co-decision, while in the context of the provision of childcare places social partners have a more consultation and advisory role.
- xx See note ii
- xxi See note iii
- xxii See note iv
- xxiii See note v
- xxiv See note i. Social partners have a central position in the field of dual VET.
- xxv See note ii
- xxvi See note iii
- xxvii See note iv
- xxviii See note v
- xxix This refers to non-binding tri-partite agreements
- xxx Organic Law on the Improvement of the Quality of Education (LOMCE) was approved by the government in 2013 without social dialogue consensus and despite several series of demonstrations organized across the whole country (*Ley Orgánica 8/2013, de 9 de diciembre, para la mejora de la calidad educativa*).
- xxxi See footnote i
- xxxii See footnote ii
- xxxiii See footnote iii
- xxxiv See footnote iv
- xxxv See note v
- xxxvi See note i
- xxxvii See note ii
- xxxviii See note iii
- xxxix According to Lithuanian legislation, 'The Government, upon the recommendation of the Tripartite Council, shall determine the minimum hourly pay and the minimum monthly wage'
- xl See note iv
- xli See note v
- xlii This refers to non-binding tri-partite agreements
- xliii See note i
- xliv See note ii
- xliv See note iii
- xlvi This refers to non-binding tri-partite agreements

