

# The role of social dialogue for fairness and inclusion

## 1. INTRODUCTION <sup>(288)</sup>

### **Fairness relates to different aspects of the working life.**

Europeans agree that fairness combines merit and needs-based criteria to fairness. <sup>(289)</sup> In other words, a majority of the EU population considers a fair situation to be one where (i) hard work pays off and (ii) where everybody's basic needs are covered and there are similar opportunities for all. Merit-based criteria imply that investments into productivity, by both, workers and employers should be remunerated. Needs-based criteria imply that workers should be able to provide for themselves and their families and have equal opportunities at the workplace and in society. <sup>(290)</sup> The European social model, including the welfare state <sup>(291)</sup> and social partners participation in policy making contribute to reducing serious inequalities in society.

**The social partners contributed to fairness.** For instance, they are at the origin of most national social security systems and in many cases, are still involved in their management. <sup>(292)</sup> While the historic role of social partners in the development of the social security systems is undisputed (although often overlooked) the question arises whether and how social partners and social dialogue still contribute to a fair and

inclusive society today, beyond their involvement in the management of national social security systems.

**Wages are crucial for fairness.** Key issues are the individual income in absolute terms, how one person's income compares to others and the opportunities for upward social mobility. Social partners have an impact on these issues through wage bargaining and by ensuring that promotions happen in a transparent and fair way. <sup>(293)</sup>

**Fairness helps to achieve compromises and to make difficult situations acceptable.** Fairness requires constant improvements in working conditions and investment in the skills of the workforce, thus contributing to economic efficiency and productivity growth. Collective bargaining and social dialogue provide a voice to workers. It allows them to be participate in company decisions about the company and enables both workers and employers to be involved in policy decisions. Generally, people tend to feel they are treated more fairly, if they can express their views and can contribute to finding solutions. <sup>(294)</sup> This has been proved in restructuring processes, where the involvement of workers' representatives (works councils or trade unions) in the decision-making process - including decisions on who should be laid off, when and under which conditions - has helped to smoothen the process and contributed to the company's longer-term performance. <sup>(295)</sup> Wage bargaining and its impact on income distribution will be analysed in the first part of this chapter, for which the focus is on collective bargaining. The second part of the chapter looks at social dialogue and ways in which social partners contribute to social fairness and inclusion in their bi-partite interaction and in discussions with public authorities. In particular, social dialogue has proved to be a useful forum for tackling the COVID-19 pandemic.

<sup>(288)</sup> This chapter was written by Eva Dianišková, Argyrios Pisiotis and Joé Rieff.

<sup>(289)</sup> According to the European Social Survey, which surveys individuals older than 15 years, living in EU households. See also analysis in chapter 2.

<sup>(290)</sup> See chapter 2, in particular section 2 about the assessment of European citizens of what they perceive as fair.

<sup>(291)</sup> For a discussion about the inequality reducing effects of the welfare state, see European Commission (2018), chapter 4.

<sup>(292)</sup> A prominent example for this is the so-called Ghent system, which can be found in Denmark or Sweden, where the main responsibility for the welfare systems is delegated to trade unions.

<sup>(293)</sup> Clark et al. (2017) and Clark and Ambrosio (forthcoming).

<sup>(294)</sup> See Tyler (1997).

<sup>(295)</sup> Pfeifer (2007).

## 2. COLLECTIVE BARGAINING AND FAIRNESS OF WAGES

**In a fair and inclusive society, every worker should benefit from economic growth.** Chapter 2 has demonstrated that a majority of Europeans<sup>(296)</sup> considers a situation as fair if hard work is remunerated and merits are recognised. According to this view, workers should receive a fair share of an economy's gains. This relates for example to a companies' productivity gains, which are not only due to investments in technology, equipment or infrastructure. They are also due to investments in the skills of workers, which complement the physical capital, allowing it to render its full productive potential. Gains for companies and, more broadly, for the economy, also accrue from the workers' availability and willingness to work in sometimes difficult circumstances. For instance, during the outbreak of the COVID-19 crisis in Europe, in most Member States the retail sectors were shut down except for food retailing, considered an essential economic activity. Workers in that sector kept working, at a higher risk of infection, thus contributing to companies' volumes of sales and supporting the private consumption component of the economy. Risks and additional efforts should be remunerated as wages can motivate workers to increase their efforts at the workplace and also to invest in education and training.<sup>(297)</sup>

**Fairness and inclusiveness require workers to earn sufficient income to provide for themselves and their families.** Chapter 2 highlights that citizens across EU Member States consider situations where people cannot afford to satisfy their basic needs as unfair. Inclusive societies provide opportunities for everybody. However, serious income inequalities inhibit opportunities and prospects for social mobility.<sup>(298)</sup> Individual incomes are formed of wages, income from other sources, such as property rental and public benefits, such as social transfers.<sup>(299)</sup> Hence, fairness requires a moderation of serious income inequality as well as wage inequality across and within sectors.<sup>(300)</sup> In the context of collective bargaining, the following section will focus on the impact of collective bargaining on wage inequality.

<sup>(296)</sup> According to the European Values Survey, asking individuals across the EU older than 16 years of age.

<sup>(297)</sup> There are several approaches in economic theory explaining the relationship between wages and productivity. Some economists suggests that workers reciprocate the reward intentions of employers with higher efforts. Fehr et al. (1998).

<sup>(298)</sup> Darvas, Z., and Wolff, G. B. (2016). An anatomy of inclusive growth in Europe. Bruegel Blueprint Series 26, October 2016.

<sup>(299)</sup> Different incomes sources are taxed differently, by taxes such as property taxes or direct income taxes. Together, these taxes form the net disposable income.

<sup>(300)</sup> This is not to say that inequality should be entirely eliminated. Some wage inequality can give incentives to individuals to invest in skills for example.

**Collective bargaining provides a forum for workers and employers to balance their interests and achieve fair outcomes.** Collective bargaining can give workers a voice and secure a fair share of the benefits of training, technology and productivity growth.<sup>(301)</sup> Collective bargaining can also contribute to better wages for workers. It brings individual workers together collectively, thus strengthens their bargaining power and gives individual workers a stronger voice.

**In collective bargaining systems, there can be a trade-off between reducing wage inequalities and aligning wages with productivity.** This will be discussed in more detail in the next section. More decentralised wage setting systems, with company level pay setting, tend to result in aligning wages more closely with changes in productivity. More centralised and coordinated systems tend to produce more wage equality. Some of the more centralised and coordinated (mainly sectoral bargaining) systems, have tended to moderate wage growth in an endeavour to promote international wage competitiveness and to reduce unemployment after the financial crisis. A possible answer to this trade-off lies in the coordination of collective bargaining, for example through a wide coverage of sectoral agreements, with additional room and incentives for company level bargaining. This could draw on the advantages of both systems.

**Wage bargaining needs to be considered in the economic context.** Collective bargaining does not happen in a vacuum and is not isolated from external influences and public interventions. Wage developments are affected by price stability, levels of employment and unemployment including labour shortages. Other reasons for low wage growth after the recession included the wage moderation policies, such as minimum wage freezes, agreed in many Member States.<sup>(302)</sup> Recent comparative research found that for comparable levels of unemployment nominal wage growth remained below pre-crisis levels. This could be related to a higher number of workers employed within low pay jobs.<sup>(303)</sup> In the Netherlands, for example, the reduced bargaining power of the increasing proportion of non-standard workers and self-employed has been linked to the lower responsiveness of real wages.<sup>(304)</sup> In the EU-27, the wages of six out of ten workers employed in private sector establishments are regulated by collective bargaining agreements.<sup>(305)</sup> Hence, collective bargaining continues to be important in the EU; although trade union membership and collective bargaining coverage have tended to decline across the EU.

<sup>(301)</sup> Visser, (2016).

<sup>(302)</sup> Eurofound (2014).

<sup>(303)</sup> OECD (2018), p. 17.

<sup>(304)</sup> See International Monetary Fund (2018), p. 12. See also the European Semester Country Reports 2018 and 2019 on the Netherlands.

<sup>(305)</sup> According to the European Company Survey (2019). See also Eurofound and Cedefop (2020, forthcoming).

## 2.1. Collective bargaining systems and productivity

**Several features of the bargaining system play an important role in wage productivity alignments and wage inequality.** <sup>(306)</sup> The level at which collective bargaining takes place, i.e. company or sectoral level can affect socio-economic outcomes. Collective bargaining systems, where bargaining takes place at higher levels, are said to be more centralised. Systems in which collective bargaining takes place mostly at the company level are referred to as decentralised. <sup>(307)</sup> The reach and economic impact of collective bargaining agreements are determined by the collective bargaining coverage. <sup>(308)</sup> Another important factor is coordination of wage bargaining between different sectors. This can refer to coordination between various levels of bargaining (vertical coordination) or to coordination between different bargaining units at the same level (horizontal coordination). There are several coordination mechanisms, based on different aspects of the collective bargaining system. Higher-level agreements may have a regulatory capacity, for example, through norms set in these agreements. Higher-level organisations can also have the organisational capacity to exert control over lower level units. <sup>(309)</sup> The horizontal coordination between sectors can help to harmonise wage-setting and demands across the economy. It can bundle different demands and steer them towards macroeconomic goals.

**Wage and productivity growth tend to be more aligned where collective bargaining systems are less coordinated.** However, more coordinated systems have the advantage of lower wage fluctuations. <sup>(310)</sup> Examples of countries with less coordination between sectors are France, or Italy. In France for example, negotiated wage growth was mostly in line with productivity between 2000 and 2007, whereas actual wages lagged behind over that period. After the crisis, yearly growth rates of collectively agreed pay decreased, in line with productivity and actual wages. Taken together, over the period 2000 and 2017, actual wages and productivity were closely aligned. <sup>(311)</sup>

**In some countries, collective bargaining has contributed to wage restraint.** In a number of countries, such as Austria, the Netherlands and Germany, wage restraint has been the trend over the years before the crisis. <sup>(312)</sup> These countries are

<sup>(306)</sup> These features will be discussed in the following.

<sup>(307)</sup> In some systems, the levels are interlinked (vertically) with each other. So the higher level usually starts and local level negotiations top up. This is referred to 'articulation' between the levels or a weaker form of it is vertical coordination.

<sup>(308)</sup> The number of workers covered by an agreement.

<sup>(309)</sup> Eurofound (2015a).

<sup>(310)</sup> OECD (2018), p. 94. Sectoral coordination of collective bargaining aims to maintain the purchasing power of employees in the sector and to achieve a balanced participation in productivity increases.

<sup>(311)</sup> Eurofound (2018).

<sup>(312)</sup> Delahaie et al.(2015) p. 68. In most of its annual reports, both before and after the crisis, the German Council of Economic Experts (CEE) has emphasised the importance of wage moderation, i.e. that wages should grow below productivity increases in order to increase employment levels. Some researchers have argued that, in Germany's case, this trend is

characterised by intermediate degrees of centralisation and high degrees of coordination of collective bargaining. In Germany, the development of negotiated wages was found to be generally aligned with productivity. However, actual wages were mostly lower than productivity and collectively agreed wages. After the crisis of 2009, the growth rate of negotiated wages remained higher than that of productivity and actual wages. In the Netherlands, collectively agreed wages have been practically unchanged in real terms since the 1970s, but actual wages have grown in line with productivity over time. <sup>(313)</sup>

**In coordinated collective bargaining regimes, alignment of wages with productivity is weaker.** Wages and productivity tend to be more aligned in countries without wage coordination. <sup>(314)</sup> In countries with high degrees of wage coordination, increases in pay, resulting from increases in productivity, tend to be lower than in countries where coordination across sectors is less strong. One potential explanation is that norms intended to limit differences in pay across sectors in a system of collective bargaining also reduce the adaptability of pay to productivity. The impact of coordination depends on the degree of vertical coordination between the different levels of wage bargaining entities. Sector level agreements may include clauses allowing companies to implement wage-setting policies deviating from the sector level agreement. Most have mechanisms such as opening clauses or opt-out clauses for parts or the whole of upper level collective agreement, or inability-to-pay clauses for crisis situations. <sup>(315)</sup> Company-level wage bargaining allows different characteristics of the workers and the company, such as the applied technology, to be taken into account. This in turn adds to the alignment of wages with productivity across sectors. <sup>(316)</sup> Centralisation and coordination may affect how wages respond to individual company performance. Coordinated collective bargaining systems facilitate the implementation of deliberate policy choices, aimed at improving competitiveness for example. This explains why the misalignment of wages with productivity tends to be higher in countries with more centralised and coordinated wage bargaining regimes.

## 2.2. Collective bargaining for fairness and inclusiveness of wages

**The ability of collective bargaining to raise individual wages depends on the level of bargaining.** Chart 4.1 suggests that collective bargaining can improve workers' earnings potential. The chart shows that in countries for which data is available, those workers covered by a collective bargaining agreement tend, on average, to earn up to 10% more than workers not covered by an agreement. <sup>(317)</sup> This

truly macro-historical and linked to monetary policy pursued by the Bundesbank; see Bibow (2017).

<sup>(313)</sup> OECD (2018), Box 3.3 page 96. See also Eurofound (2018).

<sup>(314)</sup> OECD (2019a), p.123.

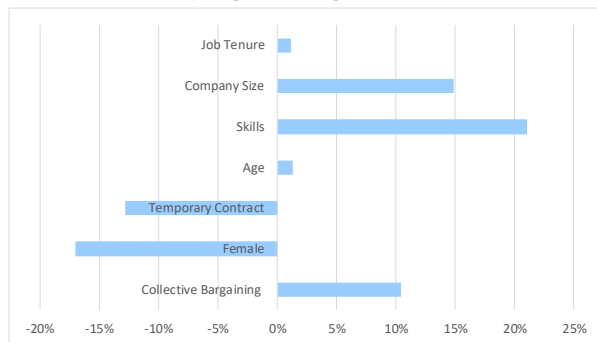
<sup>(315)</sup> Eurofound (2015a).

<sup>(316)</sup> As highlighted by the OECD (2019a).

<sup>(317)</sup> The estimation is based on a linear regression, using data from the European Structure of Earnings Survey 2014. The regression compares individual hourly wages of workers employed in Member States, for which data is available: BG, CY, EE, ES, FI, FR, LT, LU, LV, MT, NL, PL, PT, RO, SE, SI, SK, UK. The regression takes into account company size, skills (defined as the skills needed within a certain occupation), Furthermore, the

estimation takes into account individual characteristics of workers such as their gender, age, their level of education or the sector in which they are employed. However, it does not differentiate between different levels of collective bargaining, i.e. whether the workers are covered by a company or sector level agreement. Company-level bargaining results in higher collective bargaining wage premiums, i.e. higher wages due to a collective bargaining agreement as compared to sector level bargaining.<sup>(318)</sup> To allow for these higher wage premia, sector level agreements do not necessarily preclude the company level agreements. The application of the favourability principle allows companies to negotiate agreements, which make workers at least as well off as they would be under the relevant sectoral agreement.<sup>(319)</sup>

Chart 4.1  
Individual level factors impacting individual wages



Source: Own Calculations, based on the Structure of Earnings Survey 2014. Based on an OLS regression with hourly wage as explained variable. Regression corrects for age, job tenure, education, skills, NACE sectors, type of contract (temporary), company size, interaction between gender and bargaining.

[Click here to download chart.](#)

**The level of collective bargaining affects the dispersion of wages.** In Spain, the parts of the economy covered by company-level bargaining have higher wage dispersion than those covered by sectoral agreements. Over the time span 2007–2009 around the onset of the financial crisis, it is clear that sector level collective bargaining has led to wage compression.<sup>(320)</sup> In Italy for instance, a centralized system of collective bargaining entailed low flexibility to adapt wages at the company level. Between 1980 and 2000, the dispersion of wages earned in different sectors has increased. However, the dispersion of wages of similar jobholder in similar occupations has remained stable over this timespan.<sup>(321)</sup> In the Netherlands, for example, where coordination between different sectors is strong, overall wage inequality is lower. Accordingly, possibilities for collective bargaining to affect the

regression includes a dummy variable to differentiate between workers covered and those not covered by a collective bargaining agreement, and it corrects for gender. Coefficients for female and collective bargaining have been interacted. Chart 4.1 shows the total effect for female, which includes the interaction with collective bargaining. Country dummies strongly correlate with the dummy for collective bargaining. Collinearity issues between collective bargaining and country fixed effects mean that collective bargaining captures much of the country-specific differences. Therefore, no country fixed effects were included.

<sup>(318)</sup> Calmfors and Driffill (1988). Eurofound (2015b).

<sup>(319)</sup> According to the favourability principle, standards concluded at higher level can only be improved on for employees but not worsened at lower level.

<sup>(320)</sup> Domínguez and Rodríguez Gutiérrez (2016).

<sup>(321)</sup> Devicienti et al. (2019).

dispersion of wages and thereby equality of opportunities depends on the way collective bargaining is organized.

**More coordinated collective bargaining systems tend to reduce wage dispersion across sectors.**<sup>(322)</sup> Coordination of wages means that wage negotiation tend to be coordinated between companies (and sectors), thus partly decoupling wages from productivity.<sup>(323)</sup> This is for example the case of vertical coordination, where sector level agreements sets the precedent for company level negotiations. Less coordinated and less centralized collective bargaining systems allow to take individual company characteristics into account, and this explains why the alignment of productivity with wages and their respective growth is higher in such systems. While the references for company level collective bargaining is the company's performance, the sector's performance and the macroeconomic environment are the reference for sector level bargaining. Sector level bargaining can therefore increase the difficulty of taking account of individual company characteristics. By defining common criteria for all workers, it reduces wages dispersion within the sectors.<sup>(324)</sup>

**There does not have to be a trade-off between aligning wages with productivity and reducing wage inequality through collective bargaining.** Company level bargaining allows for better adaptation to individual characteristics, which is one explanation for a better wage productivity alignment in less coordinated and less centralised bargaining systems. At the same time, centralisation and coordination reduce wage dispersion. The flexibility to adjust wages according to productivity and reducing wage dispersion and inequality through collective bargaining can therefore seem like a trade-off. Organized decentralization of collective bargaining<sup>(325)</sup> can balance both goals. Within organised decentralisation, sector level bargaining agreements set a framework in which company level bargaining takes place. In this framework, essential features of working conditions can be negotiated at the company level. Collective bargaining systems in Denmark, Norway or Germany allow for such an approach.<sup>(326)</sup> In Denmark for example, sector level agreement set a broad framework, such as minimum standards, which have to be respected by the company level agreement. In addition, sector level agreements set boundaries, i.e. maximum terms, within which the company level agreements are negotiated. In Germany, opening clauses, introduced in the sector level agreements, stipulate the conditions under which company level agreements can deviate from the sector level agreements.<sup>(327)</sup>

**Collective bargaining can achieve fair and inclusive wage growth.** Wage dispersion tends to be smaller among workers who are covered by a sectoral agreement. At the same time, company level bargaining allows for a better alignment of wage growth with productivity growth. Hence, in coordinated bargaining, rules may be established to distribute competences to a lower level of bargaining, such as the company. Within

<sup>(322)</sup> Berlingieri, et al. (2017).

<sup>(323)</sup> OECD (2019a) p.126.

<sup>(324)</sup> OECD (2019a); p.115.

<sup>(325)</sup> This term has been coined by Traxler, F. (1995).

<sup>(326)</sup> Ibsen and Keune (2018).

<sup>(327)</sup> Schulten and Bispinck (2017).

such a framework of organised decentralisation, economy wide goals can be pursued, while taking into account companies' specificities. Such a bargaining structure makes it possible to balance inclusivity of wages with fair wage growth.

### 2.3. Strong social partner organisations – a condition for effective collective bargaining and social partnership

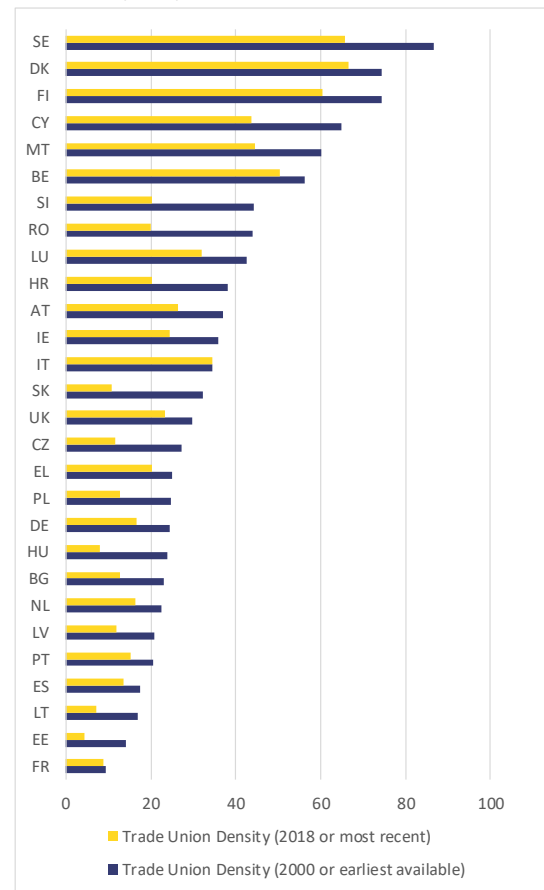
**The quality of collective bargaining depends on the number of workers covered by collective agreements.** It is important to highlight that while collective bargaining can induce lower wage dispersion, it does not affect income inequality resulting from higher unemployment. Accordingly, collective bargaining affects income inequality to the extent that it increases the incomes of those in employment. This depends on the number of workers covered by an agreement and its influence on non-covered workers. The representativeness of trade unions is determined by the total number of workers who are member of those trade unions. Trade union membership affects the capacity of trade unions to negotiate a collective bargaining outcome. Given that membership fees are a central source of income, membership also affects their financial capacity. Collective bargaining agreements can also cover workers who are not members of trade unions, or who work in companies, which are not party to the agreement. Collective bargaining coverage, the total number of workers covered by a collective bargaining agreement reflects the importance and strengths of collective bargaining within a country.

**In many Member States, trade union membership is declining.** In particular, the proportion of employed workers who are members of a trade union is decreasing. In all Central and Eastern European countries trade union membership has shrunk massively between 2000 and 2018 (or the latest available observation), as shown in chart 4.2. <sup>(328)</sup> In Hungary, trade union density decreased from 23.8% to 7.8% and in Lithuania from 16.8% to 7.13%. In other European countries, union density has also declined from 2000 to 2018. This decline has been less dramatic in Italy, for example, where collective bargaining is characterised by a high collective bargaining coverage, despite generally lower trade union density.

**There are different reasons for declining trade union membership.** Jobs which are the most likely to be unionized are industrial jobs – deindustrialisation is hence one explanation for declining membership. Changes in production technology and related reduction of routine task jobs are further reasons for these developments. Such jobs were often concentrated in larger companies and these were labour intensive and required similarly skilled workers. In occupations with routine tasks, such as manufacturing or clerical work, workers often have had a similar skill level. The tasks in these occupations have required a large number of workers. A similar skill level and bargaining ability of these workers provides for a common interest to support trade unions. With declining routine task jobs, the competition in low skill job market has increased. Therefore, together with a lower suitability of low skilled workers for high skilled jobs, the strong collective

position of trade unions gets lost with declining routine task employment. <sup>(329)</sup> The changing world of work, with a more individualised way of living and working including the emergence of new forms of employment, makes it difficult for trade unions to recruit new members. They in particular lack young members. <sup>(330)</sup> In addition, migrant workers are less likely to be unionized. <sup>(331)</sup>

Chart 4.2  
Trade Union Density - Comparison between 2000 and 2018



Note: Data for 2000 and 2018 or closest available year.

Source: ICTWSS Database (2019)

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**In the period 2000 - 2018 collective bargaining coverage also decreased (chart 4.3), although to a lesser extent than trade union density.** In Austria and Italy, collective bargaining coverage remained stable. In France, the Netherlands, Spain, and Sweden, bargaining coverage decreased only slightly. In Bulgaria and Greece, coverage decreased more substantially. Collective bargaining agreements may apply to entire sectors, using erga omnes clauses or administrative extensions, a collective bargaining agreement may apply to all workers within a company or within a sector, or to non-unionised workers or companies which are not members of an employer organization. <sup>(332)</sup> While many countries have a legal framework to apply extensions, the right to extend a collective agreement may be subject to specific requirements (relating to the minimum

<sup>(329)</sup> Section 4.2 in Meyer (2019).

<sup>(330)</sup> Vandaele, K. (2019). Bleak Prospects: Mapping Trade Union Membership in Europe Since 2000.

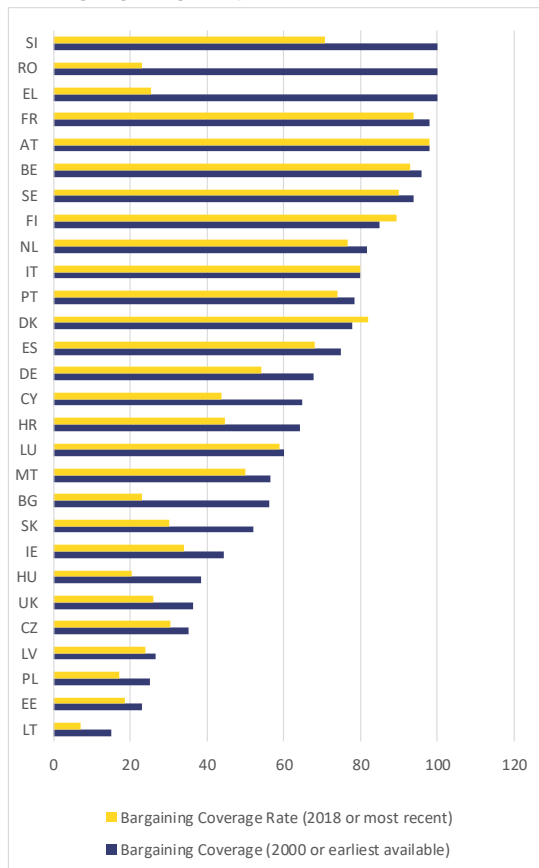
<sup>(331)</sup> Meyer (2019), Gorodzeisky and Richards, (2013).

<sup>(332)</sup> In legal parlance, erga omnes means a right or obligation extends to all.

<sup>(328)</sup> For some countries, no observations on trade union density are available for 2018, so the observation of the closest available year was used.

coverage rate of the agreement or the representativeness of the signatories) or to state authorities being involved. In contrast, there are also countries where collective agreements are automatically or almost automatically extended.<sup>(333)</sup> The agreements then also apply to workers who are not member of the trade unions, who can enjoy the benefits of the agreement. This lowers the incentives to join a trade union.

Chart 4.3  
Collective bargaining coverage - Comparison between 2000 and 2018



Note: Data for 2000 and 2018 or closest available years.

Source: ICTWSS Database (2019)

[Click here to download chart.](#)

**Trust in trade unions and trust between the social partners are a key component of good industrial relations and ensure well-functioning collective bargaining systems.** Research suggest that trust in trade unions and the quality of labour relations go hand in hand with better labour market outcomes, i.e. lower unemployment.<sup>(334)</sup> In countries where unemployment and inequality are low, trust in trade unions tend to be higher. Cooperation and interaction among the social partners may enhance trust. Therefore, it is important that public authorities enhance and enable possibilities for exchange among social partners.<sup>(335)</sup>

**Trust in trade unions varies across Member States.** Chart 4.4 shows the percentage of people who responded positively when asked whether they have confidence in trade unions.<sup>(336)</sup> In Hungary and Italy, trust in labour unions has remained relatively stable over the last decade. In some of the Member

<sup>(333)</sup> Such as Austria, Belgium; France or Spain. Eurofound (2015a).

<sup>(334)</sup> Blanchard and Philippon (2004).

<sup>(335)</sup> OECD (2017), p. 159.

<sup>(336)</sup> European Values Study Longitudinal Data File 1981-2008 (EVS 1981-2008) – Variable E069\_05: Confidence: Labour Unions

States, where trade union density fell strongly over the last two decades - Czechia, Slovak Republic, Poland or Germany - trust in trade unions increased. Similarly, in the Lithuania, trust has steadily increased. In Denmark and Sweden, both trade union density and trust in trade unions are high. In other Member States, trust in trade unions has decreased, for example in Spain after the recession of 2008/9 affected relations between the social partners. In some countries the decrease in trust resulted from prolonged and difficult negotiations about specific policy issues<sup>(337)</sup> However, other country-specific events may have contributed to the loss of public image of trade unions and, consequently, to membership decline. However, country-specific events may have contributed to trade unions' loss of public image and to membership decline. High trust in the trade unions shows that high collective bargaining coverage is still justified. In spite of low membership rates, young workers show a high level of trust in trade unions. However, trade unions need to increase membership, especially among younger workers to remain representative in the future.

### Social solidarity entails representation beyond workers employed in traditional sectors.

Even if trade union density is low, unions negotiate for a considerable proportion of the work force beyond their membership. A potential danger is therefore that trade unions represent solely the interests of those workers within the labour market employed in the sectors where trade unions are strong. This could come at the cost of social solidarity between these workers and other groups, such as unemployed workers or workers from the digital economy, who are not represented by trade unions.<sup>(338)</sup> However, in Italy for example, solidarity of trade unions goes beyond traditional limits. Since the great recession in 2008, Italian trade unions appear to have widened their representational focus beyond their traditional clientele by advocating of more universalistic social protection policies.<sup>(339)</sup> In some Member States, the social partners are also adapting to the platform economy. At least two types of approaches by national stakeholders have been observed to attract platform workers: (i) expansion of existing trade unions to include platform workers or (ii) creation of new organisations for them.<sup>(340)</sup> German trade unions, such as IG Metall or ver.di or the French Confédération Générale du Travail (CGT), have taken the first approach. In France a labour law from 2016 gives platform workers the right to constitute a trade union.<sup>(341)</sup> Delivery workers in Paris founded a new organization, the Collectif de Livreurs Autonomes de Paris. In Belgium a particular model excelled - SMart, a cooperative for self-employed. SMart acts as an intermediary between the self-employed worker and their customers, by employing the workers and ensuring that these are covered by social protection. In 2016, SMart had 424 riders on their books and negotiated hourly wages for these workers with delivery rider

<sup>(337)</sup> Eurofound (2020d).

<sup>(338)</sup> Fleckenstein and SoohYun (2017).

<sup>(339)</sup> Durazzi et al. (2018).

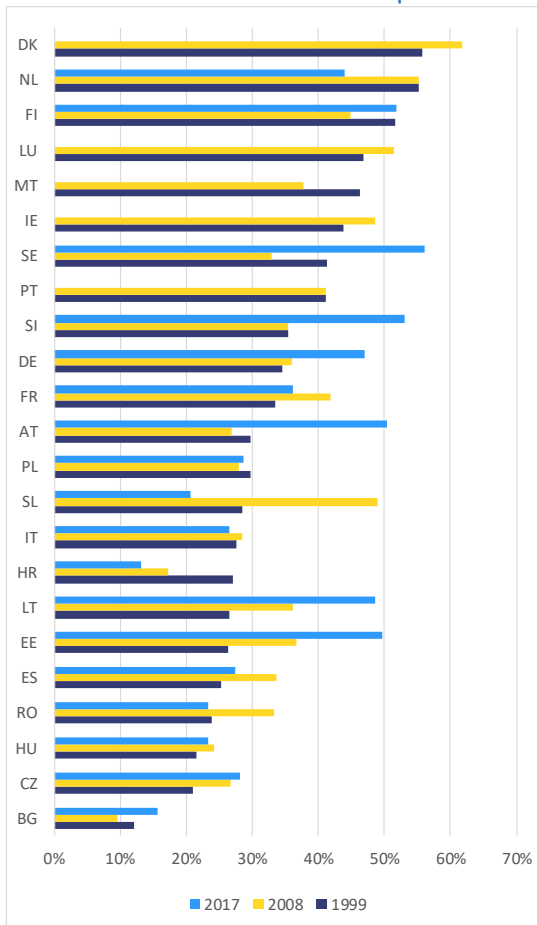
<sup>(340)</sup> Akguc et al. (2018).

<sup>(341)</sup> The so-called El Khomri law (or 'loi travail') of 8 August 2016, introducing several rights for platform workers beyond the right to form union, such as the right to strike or the right to social security. For more details, see Lambrecht, M. (2016). L'économie des plateformes collaboratives. *Courrier hebdomadaire du CRISP*, (26), 5-80.

companies.<sup>(342)</sup> In other countries, such as Hungary or Slovakia, the development of the platform economy is closely followed by the government and social partners, although without much concrete action.<sup>(343)</sup>

Chart 4.4

#### Confidence in trade unions at different points in time



Source: European Values Survey Longitudinal Data File 1981 - 2008 (EVS 1981 - 2008) and European Values Survey 2017: Variable E069-05 - Confidence in Labour Unions

[Click here to download chart.](#)

**A large membership strengthens the representativeness and bargaining power of trade unions.** Membership numbers strengthen the legitimacy of their mandate and their potential to act in solidarity with the entire workforce. In a changing world of work, trade unions need to adapt to remain attractive, particularly to the young generations just about to enter the labour market. Membership ensures that trade unions have sufficient resources to negotiate. It strengthens their capacity to negotiate with public authorities in times of crises. Trade union membership and collective bargaining coverage affect the potential of collective bargaining to limit wage dispersion. The more workers are represented, the higher the potential for fair outcomes.

<sup>(342)</sup> Drahokoupil, J., & Piasna, A. (2019). Work in the platform economy: Deliveroo riders in Belgium and the SMart arrangement. ETUI Research Paper-Working Paper.

<sup>(343)</sup> Akguc et al. (2018).

## 3. FAIRNESS OF WORKING CONDITIONS AND WORK-LIFE BALANCE

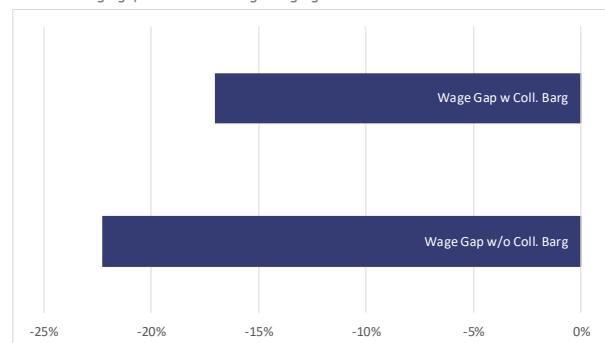
**Fairness at the work relates to different aspects.** It relates to non-discrimination, to being treated with dignity, and also to the possibility to reconcile work with private life. The reconciliation of family and work life thereby concerns men and women. It should give both the opportunity to share family responsibilities, while pursuing their career. The following sections give an overview over the contribution of social partners to this aim.

### 3.1. Social dialogue and the gender pay gap

**Collective bargaining tends to reduce the wage gap between men and women.** Across Member States, women earned on average 14.8% less than men do in 2018.<sup>(344)</sup> Chart 4.5 shows that for women covered by a collective bargaining agreement, the gender wages gap is about 5 percentage points smaller compared to women who are not covered by a collective bargaining agreement.<sup>(345)</sup> However, this is likely to vary across sectors.<sup>(346)</sup> Research indicates that for developed economies encompassing collective bargaining arrangements (using collective bargaining coverage, union density, centralization and/or coordination as indicators) are associated with less wage inequality, on average, across the population.<sup>(347)</sup> This results mainly from raising the wage floor, thereby reducing inequalities within sectors, although inequalities between sectors may widen.<sup>(348)</sup>

Chart 4.5

#### Gender Wage gap – Collective bargaining agreements



Source: Own calculation based on the Structure of Earning Survey 2014. Based on the regression of chart 4.1.

[Click here to download chart.](#)

**Social partners are active in tackling differences between the remuneration for men and women.** Actions range from targeting overall gender discrimination, violence and harassment at work, enhancing women's representation in decision-making to introducing specific work-life balance measures. There are also specific gender pay equality measures where social partners play a crucial role. Examples are setting policies to raise pay in female-dominated occupations or sectors, establishing gender-sensitive job

<sup>(344)</sup> Eurostat statistics, variable earn\_gr\_gpgr2.

<sup>(345)</sup> This result is based on the regression of chart 4.1 and has been calculated based on the interaction effect between gender and being covered by a collective bargaining agreement.

<sup>(346)</sup> Elvira, and Saporta. (2001).

<sup>(347)</sup> Blau and Kahn (2003).

<sup>(348)</sup> Haiter and Weinberg (2011), p. 10.

grading or implementation of action plans to remedy gender pay gaps revealed by company-level gender pay audits. Social partners are involved in monitoring standards to increase gender equality. In Sweden, sector level bargaining agreements contain rules on gender pay auditing. <sup>(349)</sup> Collective bargaining agreements aim to improve gender equality through work-life balance measures. For example, in 2017, France Télévision and Confédération générale du travail (CGT FTV) negotiated a comprehensive 'Collective agreement on gender equality covering multiple aspects of work-life balance including reduction of working time, paternity leave, access to childcare services, part-time work, time off for care' for the French media sector. The agreement includes provisions about the duration of paternity leave (minimum 12 consecutive days) and foresees a full pay for ten days. Furthermore, the agreement includes a right to 10 paid leave days to take care of a family member with a terminal disease; and a right to take 44 saved-up days to take care of a sick family member; and supports the uptake of teleworking for all workers. <sup>(350)</sup>

### 3.2. Social Dialogue and work-life balance

**Reconciling work and family life is increasingly important for both, men and women and it can contribute to raising individual productivity.** While improved childcare facilities and better professional care offers for the elderly have unburdened the active population from some of their care responsibilities, the reconciliation of these different tasks is still a major challenge. <sup>(351)</sup> A large proportion of women traditionally has to cope with these multiple roles and obligations. If employers do not allow for this reconciliation, they might find it more difficult to recruit new employees or to keep their employees. In particular, women might drop out of the labour market for some time or permanently. The total cost of women's inactivity in the workforce is estimated at around €361.9 billion/year across the EU, including loss of tax revenues and payment of benefits. Therefore, setting work-life balance policies, e.g. flexible working arrangements, provisions of paternity leave and shared parental leave, <sup>(352)</sup> family related economic incentives, childcare arrangements and long-term care and parental leave is important. <sup>(353)</sup> Such policies should enhance possibilities for both, men and women, to take leave time and to improve their work life balance. The Work Life Balance Directive introduced in 2019 to encourage a more equal sharing or caring responsibilities between men and women. <sup>(354)</sup> The Directive provides for more flexibility and ensure the right for paternity leave. The amended Directive provides that two out of four months of parental leave are non-transferable between men and women, to encourage fathers to take advantage of parental leave. Although work-life balance is often discussed in relation to care responsibilities, work-life balance is about balancing private and professional commitments, also beyond family related issues. In many Member States, working times

are set by statutory law. However in some Member States, such as Denmark and Italy, sector level collective bargaining agreements play an important role for setting working times. <sup>(355)</sup>

**Work-life balance has become important for EU as well for national social partners.** Collective bargaining agreements on work-life balance are more common in Member States with high collective bargaining coverage (80% and above), and less common or non-existent in countries with collective bargaining coverage below 80%. <sup>(356)</sup> Collective bargaining agreements tackle the issues from different angles. Some agreements aim to increase possibilities for fathers to take up caring responsibilities.

**Collective bargaining agreements on work-life balance deal with caring responsibilities and with flexibility of working time arrangements.** Employers and trade union from the Finnish technology industries concluded a 'Collective agreement on paternity leave and temporary care leave' in 2017. According to the agreement, an employee whose employment has started at least six months before the beginning of paternity leave will be paid for his paternity leave. An employee is also entitled to receive a paid temporary leave (up to 4 times a year) to take care of a child under ten years of age, who is permanently residing in the same household. <sup>(357)</sup> The German IG Metall and Gesamtmetall signed a Collective agreement on flexible working arrangements and economic benefits 'Together for tomorrow-my life/my lifetime: Rethinking work' in 2017.

Figure 4.1  
Prevalence of work-life balance topics in collective agreements

Degree of prevalence	Countries
(relatively) widespread	<b>BE, DK, FI, FR, IT, NL, NO, SE, SI</b>
Existing in several (sectoral) agreements	<b>AT, DE, MT</b> (only public sector)
Existing, but prevalence limited	<i>CZ, EL, ES, HU, LV, PT, RO, SK, UK</i>
Existing, but prevalence unknown	<u>BG, EE</u>
No clauses	<i>CY, HR, LI, LU, PL</i>
No information	<u>IE</u>

Note: Countries in bold: high collective bargaining coverage (80% and higher); countries in italics: medium collective bargaining coverage (40-70%); countries underlined: low collective bargaining coverage (10-35%).

Source: ETUC (2019) and Eurofound (2017)

[Click here to download figure.](#)

<sup>(349)</sup> Rubery & Johnson (2019).

<sup>(350)</sup> ETUC (2019).

<sup>(351)</sup> Eurofound (2020c).

<sup>(352)</sup> Eurofound (2019).

<sup>(353)</sup> Eurofound (2016) Estimate updated by Eurofound for 2018..

<sup>(354)</sup> Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU.

<sup>(355)</sup> See database on wages, working time and collective disputes: <https://www.eurofound.europa.eu/data/database-of-wages-working-time-and-collective-disputes>

<sup>(356)</sup> ETUC (2019), p. 11.

<sup>(357)</sup> The compensation for short temporary absences is paid from sickness pay.



The agreement foresees the possibility to trade part of the wage for free days to fulfil care responsibilities. This option is also available for employees doing shift work. In addition, the agreement also establishes the right to reduced full-time work, to no less than 28 hours per week, for a period of up to 2 years with reduced pay and a right to return. Italian social partners of the transport sector (FIT-CISL, FILT CGIL, UILTRASPORTI, UGL TAF and the National Railway Company) negotiated a 'Collective agreement on flexible working' in 2018. The social partners agreed that employees, supported by the trade unions, and the companies, could conclude individual agreements on working times (Smart Working scheme). These individual agreements enable flexibility in working hours and working place, while the employment contract stays the same. The European Public Service Union (EPSU), together with IndustriALL, negotiated a 'Transnational group agreement with SUEZ/ENGIE on gender equality in the workplace'. The agreement sets out key principles of gender equality such as prevention of harassment, non-discriminatory hiring practices, support for women's professional development, parity in career progression or equal pay. There are also provisions improving work-life balance of employees. <sup>(358)</sup> Companies also provide training to the employee before this working scheme starts, e.g. on health & safety and on ICT tools. <sup>(359)</sup> The respective agreements and discussion aim at accommodating family life, but should also be understood as improving the opportunities for any worker, independently of family status, for a better work life balance.

### 3.3. Discrimination and harassment at the workplace

**Social partners at the national level and EU level are combatting discrimination, harassment and violence at work.** Actions against discrimination and harassment at the workplace are taken at cross-industry, sectoral or company levels across member states. Initiatives against discrimination on the grounds of age and disability are most at cross-industry level. Other initiatives, to fight racial, religious or sexual orientation/gender identity discrimination are also on the agenda of social partners, albeit to a somewhat lower extent. <sup>(360)</sup> Discrimination and a lack of workplace diversity bring with them significant human and economic costs. Social partners have a key role to play in combatting discrimination at work (as well as in wider society). They can do so by helping to shape relevant legislation and policy, raising awareness of rights and obligations of workers and employers, monitoring workplace practices, concluding collective agreements and codes of conduct, undertaking research, supporting their members in litigation concerning equal treatment and/or engaging in strategic litigation. <sup>(361)</sup>

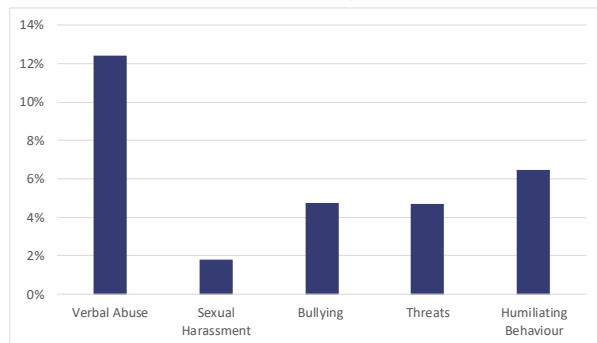
<sup>(358)</sup> The provisions include a career follow-up for women during and after their maternity leave, training after maternity leave, a guarantee of being able to return to the same position/job after maternity, parental or adoptive leave and rights to enjoy any benefits and improvements in working conditions that may have been made during the women's leave of absence. <https://www.epsu.org/article/epsu-signs-european-agreement-reinforcing-gender-equality-work-suez> (last accessed 05.03.20)

<sup>(359)</sup> ETUC (2019), p. 29, 34, 38, 44.

<sup>(360)</sup> Eurofound (2020): Ad-hoc request on the role of social partners in tackling workplace discrimination.

<sup>(361)</sup> Eurofound (2020): Ad-hoc request on the role of social partners in tackling workplace discrimination

Chart 4.6  
Incidence of different forms of abuse at the workplace



Source: Own Calculations, based on the European Working Conditions Survey.

[Click here to download chart.](#)

**The incidence of different forms of abuse differ across workplaces.** According to the European Working Conditions Survey, verbal abuse is one of the most common form of abuse, with 12% of workers reporting having been abused verbally. In addition, many workers have reported humiliating behaviour. Actual threats, bullying and any form of sexual abuse have been reported less often (Chart 4.6). The European trade union federation in the transport sector (ETF) surveyed women working in different transport sectors. <sup>(362)</sup> According to this survey, women working in the transport sector identified in almost 50% of the cases customers as perpetrator. In 22% of the cases a colleague and in about 17% of the cases a superior is identified as the culprit.

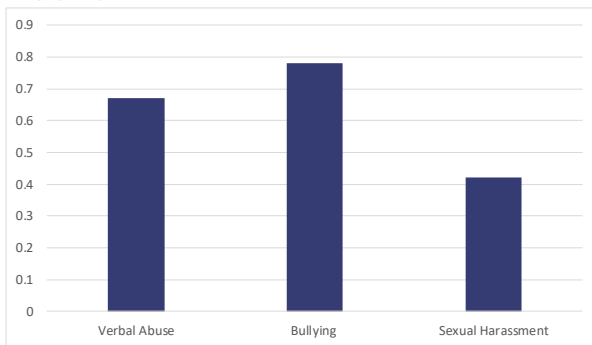
**Social dialogue tends to reduce violence and harassment at the workplace.** At company level, workers are less likely to have been subject to verbal abuse, sexual harassment or bullying, if there exists a workers' representation. <sup>(363)</sup> According to chart 4.7 the presence of a trade union is related to lower incidences of bullying and verbal abuse, and even more so to sexual harassment. The main reasons for women not to report acts of harassment are that similar cases were mishandled or that there is a lack of support. <sup>(364)</sup> Social partners lead various campaigns and initiatives within companies in order to reduce abuse at the work place.

<sup>(362)</sup> Such as maritime, road or railway transportation.

<sup>(363)</sup> The estimation are based on a logit regression, taking into account company size, contract type of the worker/ employee, education, age, occupation, and country fixed effects.

<sup>(364)</sup> ETF (2017).

Chart 4.7  
Employee representation associated with less abuse



Note: The estimation are based on a logit regression, taking into account company size, contract type of the worker/ employee, education, age, occupation, and country fixed effects. The chart shows the likelihood of having been a victim of a harassment in companies with a workers' representation compared to companies without representation. Values below 1 indicated that in companies with a workers' representation, workers encounter harassment less frequently as compared to workers in companies without a representation.

Source: Own Calculations, based on the European Working Conditions Survey.  
Click here to download chart.

**Social partners at national level fight violence and harassment at work.** An Agreement on sexual harassment in the woodworking sector in Italy was signed by three sectoral unions (FENEAL-UIL, FILCa-CISL, FILLEA-CGIL) and one employer (FEDERLEGNOARREDO) in 2015. The agreement considers any sexual harassment or mobbing unacceptable. The annex to the agreement - Code of Conduct on sexual harassment and mobbing - contains definitions and possible solutions, including the establishment of workplace committees consisting of union and employer representatives responsible for awareness-raising.<sup>(365)</sup> In Spain Vodafone and trade unions signed an agreement on a Workplace Equality plan in 2015. The plan sets out measures to address violence at work. It also suggests ways of reconciling work and family life, prevention of any form of discrimination and harassment. A part of the Equality plan is a Protocol on sexual harassment and harassment for sexual reasons, which sets out measures to be taken if harassment or discrimination at work occurs. The protocol also describes also disciplinary measures.<sup>(366)</sup>

**Social partners at the EU level provide a framework for national and company level initiatives.** The European Community Ship Owners' Associations and European Transport Workers' Federation issued Guidelines to shipping companies on eliminating workplace harassment and bullying in 2014 (an update of the original Guidelines from 2004). The authors showed that the possible results of harassment and bullying such as stress, lack of motivation, reduced work performance and absenteeism had high costs. The guidelines aim to help companies to recognise examples of harassment or bullying, to identify incidents through the use of effective complaint procedures and to eliminate harassment and bullying.<sup>(367)</sup> In 2020 ETF and UITP, the EU social partners for urban public transport renewed their recommendations on '*Combating Violence and Insecurity on Urban Public Transport*'. Uni global, representing workers from service sectors in more than 150 countries launched a campaign in March 2020 to fight against harassment and violence at work. This campaign aims to negotiate better regulation in the Global Framework

<sup>(365)</sup> ETUC (2017), p.30.

<sup>(366)</sup> ETUC (2017), p.34.

<sup>(367)</sup> ECSA, ETF, 2014, Guidelines to shipping companies-Eliminating workplace Harassment and Bullying

Agreements, support UNI global commerce affiliates to run national campaigns and identify and share best practices.<sup>(368)</sup>

**Social partners also focus on third-party violence and harassment.** This is violence and harassment emanating from people not working for the company, such as customers, clients, or patients. Third party violence appears to be more prevalent in some sectors than in others. Workers in the transport sector and sectors with predominantly female employees appear to be particularly exposed to third-party violence.<sup>(369)</sup> The EU level social partners from the commerce, private security, local and regional government administration as well as central governments, health and education sectors (EPSU, UNI Europa, ETUCE, HOSPEEM, CEMR, EFEE, EuroCommerce, CoESS) agreed 'Multi-sectoral guidelines to tackle third-party violence and harassment related to work' in 2010. The guidelines aimed to address concerns about the impact of third-party violence on workers' health and dignity and reduce related absenteeism and staff turnover. They have led to further projects, and awareness-raising campaigns. For example, the local and municipal government in Denmark signed an agreement on third-party violence.

**Trade union have launched campaigns against workplace violence and harassment.** Danish trade unions established a task force on fighting sexual harassment in 2016.<sup>(370)</sup> The aim of this task force is to create a common trade union strategy to raise awareness about sexual harassment at work, including improving litigation and representation of the victims in court. The Bulgarian trade union for the transport sector (FTTUB) and the municipal authorities in Sofia, Varna, Burgas and Gabrovo signed agreements on the prevention of violence against women at work. After the agreement was signed, a related survey revealed a high level of risk of physical and psychological violence, mostly from third parties. FTTUB also produced a brochure 'No to violence against women at work!' recommending prevention and subsequent mechanisms related to violence against women at work. A public awareness-rising campaign in urban transport was launched in all four Bulgarian cities in 2015.<sup>(371)</sup>

**Domestic violence is also becoming one of the social partners' points of interest.** In Northern Ireland, for example, unions were very active in negotiating workplace policies on domestic violence at work. National guidance from the Northern Ireland Office and the Department of Health, Social Services and Public Safety on 'developing a Workplace Policy on Domestic Violence and Abuse: Guidance for employers' (2008) is built on social partners' cooperation to prevent violence and abuse in the workplace. The Catalanian trade union (CCOO) guide on violence against women is

<sup>(368)</sup> <https://www.uniglobalunion.org/news/no-store-violence-and-harassment-commerce> (last access: 21.02.2020).

<sup>(369)</sup> The transport sector comprises, among others, bus drivers, ticket collectors, air stewards. On third party violence see also EU-OSHA: infographic, third party violence in the workplace (<https://osha.europa.eu/en/tools-and-publications/infographics/third-party-violence-workplace>) (last accessed 06.02.20).

<sup>(370)</sup> The Danish trade unions are: 3F, HK, Serviceforbundet, Teknisk Landsforbund and Faengselsforbundet

<sup>(371)</sup> ETUC (2017), p.38-39

another example. It provides practical information on the legal framework on violence against women and shares best practices for trade union action and collective bargaining. The guide builds on CCOO's work to eliminate direct or indirect discrimination against women at work, including the fight against sexual harassment and gender-based violence. The guide considers trainings, awareness raising for union representatives, internal discussions and proposals for collective bargaining, brochures, specific campaigns to sensitize workers and union representatives about gender-based violence, to be important tools for addressing the issue.<sup>(372)</sup> The aim of the agreement is to increase employers' and workers' awareness and understanding of employers and workers in this area.

**European cross-industry social partners signed a framework agreement on harassment and violence at work in 2007.** BUSINESSEUROPE, UEAPME, CEEP, ETUC and the liaison committee EUROCADRES/CEC agreed to cooperate on identification, prevention and management of harassment and violence at the workplace, irrespective of the size of the company, field of activity, or form of employment contract. The social partners agreed to implement this agreement autonomously.

**The EU framework agreements was also implemented through national legislation.** In Slovenia, for example, the social partners have worked with the government to implement the 2007 agreement by amending national legislation. The Safety and Health at Work Act and the Employment Relationships Act were amended in 2007 and in 2013 to include provisions on harassment and violence in accordance with the autonomous agreement. In Cyprus, the social partners and the government signed a tripartite framework agreement on stress at work in 2008. In Luxemburg, the main implementation instrument of the 2007 European autonomous agreement is the Joint Agreement on Harassment and Violence at Work signed by the cross industry the social partners in 2009. Upon the request of the social partners, the government implemented the agreement into national legislation.<sup>(373)</sup>

**The cross-industry framework agreement had an impact in some Member States.** In Cyprus, Spain and France for example enterprises introduced new company-level measures to prevent violence and harassment at the workplace. In some companies, health and safety representatives reported improvements. In some Member States, the implementation of the Framework Agreement was considered to have had a positive impact on awareness raising.<sup>(374)</sup> In Germany on the other hand, existing national legislation and guidance was considered to be sufficient, so there was no need to change legislation or adopt national collective agreement, but different actions have been taken at sectoral and company level.<sup>(375)</sup>

<sup>(372)</sup> ETUC (2017), p.49, 57, 63.

<sup>(373)</sup> Grand Ducal regulation of 15th December 2009, published in the Official Gazette in January 2010.

<sup>(374)</sup> European Commission (2016), p. 4 to 5. The study covers 50 companies of different sizes and in different sectors each in ES, FR, HU, IT, NL, PL, SE and the UK Within the framework of this study, company health and safety representatives have been interviewed.

<sup>(375)</sup> For example, after the translation of the Agreement into German, in 2008 German social partner Zentralverband des Deutschen Handwerks (ZDH) drew its partners attention to the

**Trade unions can improve the work environments of workers and ensure that everyone is treated fairly and with dignity.** The social partners' initiatives contribute to awareness-raising about harassment and violence as well as to a better understanding of the incidence of harassment at the workplace. These activities support workers who are treated unfairly at the workplace by customers, colleagues or superiors. Moreover, trade unions are in a position to improve the work environment of all the workers and by negotiating the necessary means with employers to do so. However, in the transport sector, trade unions report that women are most likely to report incidences of harassment to employers, to colleagues and family and only then to trade unions. Hence, it is important for trade unions and workers' representatives to build trust among their members and take harassment cases seriously.

### 3.4. Social dialogue and generational fairness at the workplace

**One of the main current EU demographic challenges is aging of population.** Older workers often face discrimination and negative stereotypes. Perceptions of discrimination due to age are very common. 47% of respondents to a 2019 Eurobarometer survey thought that an older age is a factor that puts job applicants at a disadvantage.<sup>(376)</sup> Directive 2000/78/EC prohibits discrimination on the grounds of age in employment and occupation. Despite this, direct and indirect discrimination against older workers and negative stereotypes portraying them as less productive, less adaptable and more prone to sickness remain a concern in many Member States, even in those with a relatively high level of employment of older workers.<sup>(377)</sup>

**European cross-industry social partners (BusinessEurope, ETUC, UEAPME, CEEP and the liaison committee EUROCADRES/CEC) joined efforts to adopt an 'Autonomous framework agreement on active ageing and inter-generational approach' in 2017.**<sup>(378)</sup> They agreed on a need for measures to facilitate participation of older workers in the labour market and to enable them to stay in the labour market until the legal retirement age. The agreement aims to accommodate different national contexts in EU Member States. It provides definitions of active ageing as well as an inter-generational approach.<sup>(379)</sup> The main aim of the agreement is to create a general framework, for increasing the awareness and understanding of employers, workers and their representatives of the challenges and opportunities deriving from demographic change and to provide them with practical measures to promote and manage active ageing in an

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agreement's recommendations and guidelines to ensure that all handicraft organizations at federal, provincial and local level were aware.

<sup>(376)</sup> Eurobarometer survey 2019, Discrimination in the EU

<sup>(377)</sup> Eurofound (2013), p. 36.

<sup>(378)</sup> See also chapter 5 in European Commission (2017).

<sup>(379)</sup> 'Active ageing is about optimizing opportunities for workers of all ages to work in good quality, productive and healthy conditions until legal retirement age, based on the mutual commitment and motivation of employers and workers.' An 'inter-generational approach means building on the strengths and the objective situation of all generations, improving mutual understanding and supporting cooperation and solidarity between generations at the workplace.'

effective manner. It aims to ensure a healthy, safe and productive working environment; foster innovative life-cycle approaches with high quality jobs and to promote concrete actions to transfer knowledge and experience between generations at the workplace. <sup>(380)</sup>

**European employers consider flexible work practices crucial for facilitating active ageing.** In the EU, access to gradual transition to retirement is still limited and an 'early retirement culture' still prevails. <sup>(381)</sup> Flexible work practices can be of geographical, temporal or functional nature. The implementation of such measures can be particularly helpful in achieving a flexible transition from work to retirement. For instance, ŠKODA, a vehicle manufacturer in the Czechia, ensures that every worker, who has been with the company for more than 30 years, can stay within the company. To this end, the company guarantees either that their workplace will be adapted to meet their needs or (wherever possible) they will be moved to another job inside the company. If an employee is no longer able to perform their job due to health restrictions, the employee will be moved to another job inside the company. Furthermore, 'protected workplaces' have been created, which offer an adjusted working environment to meet the special needs of older workers. These measures are designed to allow employees to extend their working lives up to retirement. <sup>(382)</sup>

**Social partners in the EU have developed different measures to fight age discrimination.** Their role and involvement differs considerably across countries. Trade unions often oppose an automatic increase in the statutory retirement age and they stress importance of individual, sectoral and occupational factors, particularly for professions which make heavy physical and psychological demands. Employers are more concerned with measures, which remove barriers to the participation of older workers in the labour market. Most initiatives are taken by national governments following consultation with the social partners. <sup>(383)</sup>

**Countries with well-established tripartite structures at national level are more likely to have developed joint national strategies to deal with demographic change.** In these countries sectoral bargaining at national level is crucial these countries, where only limited strategies exist in relation to active ageing. Germany, for example, is one of the countries, where sectoral collective agreements respond to demographic changes. The employers' association of the German steel industry (Arbeitgeberverband Stahl) and German Metalworkers' Union (Industriegewerkschaft Metall, IG Metall) adopted a collective agreement on 'demographic change' in 2006. This agreement deals with a number of issues, such as occupational health and safety, training, changing workloads due to job rotation, establishment of mixed-age teams, adjustment of working time schedules, and the use of long-term working time accounts for earlier retirement. Another German collective agreement on working life and demography

(Tarifvertrag Lebensarbeitszeit und Demografie, 2008) was concluded between the Mining, Chemicals and Energy Industrial Union

**An integral component of the social partners' response to population ageing is promoting the health and safety of older workers and improving their working conditions.**

In France, a law came into force in 2012, based on a national collective agreement, introducing compulsory company bargaining on health and safety for companies with at least 50 employees and where most of workers are exposed to difficult working conditions, such as hard physical work or atypical working hours. This law aims at creating work environment for longer careers, in the context of debate about pension reforms. The social partners are also active in preparing related non-binding measures. The bipartite Foundation of Labour in the Netherlands or the tripartite Centre for Senior Policy in Norway created guidance to improve working environment of older workers. <sup>(384)</sup>

**Constructive and informed social dialogue has a key role to play in improving recruitment practices.**

Its importance lies in ensuring that within organisations employers as well as workers can represent workers' interests. Only through social dialogue and cooperation between both parties in workplaces recruitment issues such as age discrimination can these issues be highlighted and resolved. <sup>(385)</sup> Discrimination against older candidates in the hiring process can arise from a perceived or actual gap between the cost of employing older workers and their productivity. It would be helpful if negotiations between the social partners on pay and working conditions placed more emphasis on actual skills and productivity than age or length of service. For instance, in Hungary, even though the principle of seniority continues to exist in the public sector, newly established career schemes emphasise personal competencies and efficiency rather than age, time served or wage progression. <sup>(386)</sup> An agreement between IG BCE and the German Federation of Chemicals Employers' Associations (BAVC) includes measures, such as long-term working time accounts, partial retirement or pension schemes, pension plans based on the corresponding collective agreements or additional disability insurance for example. Most of the measures are intended to extend the working lives of older employees. <sup>(387)</sup>

<sup>(384)</sup> Eurofound (2013), p. 29, 31.

<sup>(385)</sup> Arenas et al. (2017), p. 98.

<sup>(386)</sup> OECD (2019b), p. 55.

<sup>(387)</sup> Eurofound (2013).

<sup>(380)</sup> European social partners' autonomous framework agreement on active ageing and inter-generational approach.

<sup>(381)</sup> Eurofound, ad hoc request on the role of social partners in tackling workplace discrimination.

<sup>(382)</sup> BusinessEurope, UEAPME, CEEP, 2012, *Employers' practices for Active Ageing* - final synthesis paper of the European Employers' organisations project on age management policies in enterprises in Europe, p.ii, 12

<sup>(383)</sup> Eurofound (2013), p. 42.

## 4. SOCIAL DIALOGUE AND MANAGING CRISES

**The involvement of Social Partners in managing crisis has had positive socio-economic outcomes.** This was the case during the economic crisis in 2008 and the resulting recession especially in those countries where social partners are strong at the sectoral level. The cooperation between social partners and the government was most fruitful in those countries, with a strong social dialogue tradition and well-established consultation practices. The extent and quality of social partners involvement in public policy has differed across Member States. Their involvement depends on the existing social dialogue structures in the Member States. In countries with a well-established social dialogue, i.e. with established practices and a legal framework promoting social dialogue, social partners are frequently involved in policy-making. In other Member States, social dialogue structures exist, but social partners are not entirely satisfied with their involvement in initiatives they consider relevant to them.<sup>(388)</sup> A strong social dialogue improves the cooperation between the state, the employers and the employees. The intervention of social partners ensures that the impact of economic shocks is cushioned.<sup>(389)</sup> In many Member States, social dialogue has also proven to be a useful tool in managing the COVID-19 pandemic.

**Social partners at various levels took action to mitigate the negative consequences of COVID-19.** During the initial phase of the epidemic, governments locked down large parts of the economy. Many workers were prevented from working, and demand for certain goods and services collapsed. Social partners at both, EU and the national level launched reflections and took actions on how to reduce the negative economic impact of the pandemic and to identify ways towards a recovery. The involvement of the social partners goes from developing best practices to ensure health and safety at work to advising national authorities in the designing of macroeconomic stabilisation measures, such as short-time work benefits and other state aids. Figure 4.2 shows that out of a total of 413 legislative policy responses contained in Eurofound's COVID-19 EU Policy Watch database which covers the period up to May 2020, social partners have been consulted in 30% of the cases.<sup>(390)</sup> In about 15% of the cases the social partners have been informed about the initiatives and in about 5% of the cases, they actively negotiated and agreed on specific measures with the public authorities. In more than half of the cases where new or amended legislation was drafted, the social partners were neither involved nor consulted. Social partners have been more frequently involved in countries with traditionally high levels of social partner involvement and in political areas where their inputs tends to be greater, such as employment protection and the evolution of short-time working schemes.<sup>(391)</sup>

<sup>(388)</sup> Eurofound (2020a).

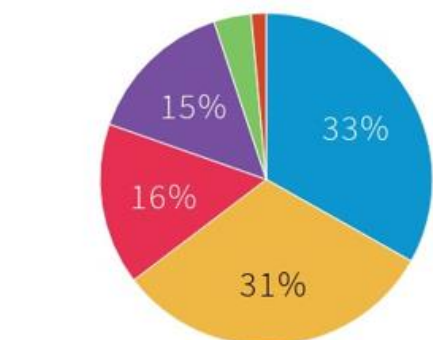
<sup>(389)</sup> Eurofound (2012).

<sup>(390)</sup> The chart is based on Eurofound's COVID-19 EU Policy Watch database.

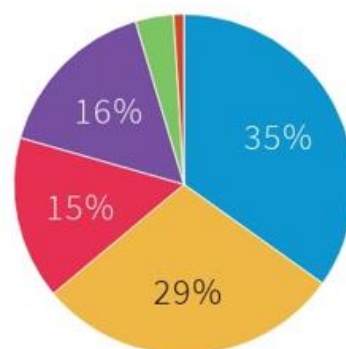
<sup>(391)</sup> Eurofound (2020b).

Figure 4.1

Types of social partner Involvement in COVID-19 policy responses.



Employers' organisations



Trade unions



Source: Eurofound EU Policy Watch database, N = 413 legislations and other statutory regulations Data

[Click here to download figure.](#)

**EU social partners called for policies to stabilize the economy.** The EU cross industry social partners highlighted the need for fiscal policy intervention at the EU level, including a flexible application of the stability and growth pact.<sup>(392)</sup> They urged Member States to introduce measures, such as short-time work schemes, to support businesses. The social partners from the financial sector signalled that they have a shared responsibility to support the economy, together with the governments and regulators. To remain operational, the work of the banks has had to be restructured, European social partners from the financial service industry campaigned for appropriate safety measures at the work place, and that for everyone in the financial industry to follow the

<sup>(392)</sup> The Stability and Growth Pact limits the amount of existing and new public debt. However, the pandemic imposes the need for public interventions, burdening the public budgets and increasing then need for new debt.

recommendation by national public authorities.<sup>(393)</sup> The EU social partners from the transport sector called the EU institutions to safeguard essential transportation channels across the EU, by ensuring smooth border crossings for freight for example.

**In some Member States, social partners and governments reached tripartite agreements on measures to protect jobs and safeguard incomes.** In Denmark, for example, a tripartite agreement ensured that the employees are paid during times of low demand related to the COVID-19 pandemic. Companies, which would have to dismiss more than 30% of their employees, or more than 50 employees can, apply for wage compensation. From 75% to 90% of the value of the wages are reimbursed, up to a threshold of the wages, which depends on the situation of the worker.<sup>(394)</sup> On March 20, the Finnish government adopted a package of measures, negotiated by the social partners, to safeguard incomes of people and liquidity of businesses. The Finnish Prime Minister's Office appointed a working group, in which the social partners participated in order to develop an exit strategy from the COVID-19 crisis and to deal with its economic impacts.

**Social partners were consulted on labour market measures in several Member States.** In Belgium the 'Conseil national du travail' representing workers and employers, advised the Minister for employment, economy and consumers on temporary measures to ensure that all workers at risk of becoming unemployed received sufficiently high unemployment benefits. The Maltese government took note of social partners' criticisms of its proposed measures for economic recovery, avoiding redundancies and helping companies to cover their wage bills, and presented a revised, more ambitious social pact for Malta including additional support for salaries and for the industries hardest hit. On 11 May, the Spanish Government, the main trade unions (UGT and CCOO) and the main employers' associations (CCOO and CEPYME) signed a tripartite agreement to extend the short-time work agreements (ERTEs) by force majeure from the state of emergency and extend the former at least until 30 June. The agreement also envisages the creation of a follow-up tripartite commission to analyse the situation in each economic sector and decide possible sectoral extensions beyond this date. On 17 March, the Romanian government initiated consultations with representatives of trade unions and employers' with the National Tripartite Social Dialogue Council on the economic and social measures necessary to reduce the effects of the COVID-19 outbreak and consultations continued, resulting in a package of measures to support jobs, increase social protection and ensure access to liquidities for companies.<sup>(395)</sup> In Luxembourg on March 18, trade unions and employer organisation on the 'Comité de Conjoncture' decided on short-time work measures to accommodate the drop in economic activity.

<sup>(393)</sup> <http://www.uni-europa.org/2020/03/30/covid-19-uni-europa-finance-signs-joint-statement-with-our-european-social-partners-in-the-banking-and-insurance-sectors/>. (last accessed: 07.04.20)

<sup>(394)</sup> <https://fho.dk/blog/2020/03/25/fact-sheet-tripartite-agreement-aims-to-help-employees/> (last accessed: 07.04.20).

<sup>(395)</sup> <https://gov.ro/ro/stiri/premierul-orban-in-edinta-de-maine-vom-adopta-un-prim-set-de-masuri-pentru-reducerea-efectelor-covid-19> (last access: 14.05.20).

**Social partners actively supported governments in evaluating and implementing policies.** In Austria, the government and the social partners (WKÖ, ÖGB, AK and IV) negotiated a new short-time work scheme to adapt to the economic situation triggered by the pandemic. The social partners help to monitor applications for short-time work. Employers and work councils (or in the absence of these, individual workers) have to sign the social partners agreements, specifying the specific arrangements on the short-time work, including on working times and payment of social security contributions.<sup>(396)</sup> The Belgian Federal Government put in place an 'Economic Risk Management Group, composed of representatives from the Central Bank and leading organisations representing employers and employees. This group is tasked with monitoring the impact of the COVID-19 pandemic on businesses, to make sure that essential businesses and infrastructures can continue to operate and to propose and coordinated further measures to combat the economic impacts.<sup>(397)</sup>

**Social partners provide information to public authorities, workers and companies on workers' well-being and raise awareness of potential dangers at the workplace.** The Dutch trade union FNV provided information about health and safety at work, and about the measure taken by the government on working times and part time work arrangements.<sup>(398)</sup> In France, the CFDT union calls for the negotiation of sector or company protocols in preparation for the partial lifting of the lockdown on 11 May. In the public sector, unions are not only seeking organisational health and safety protocols, but also want more social dialogue. In France, the social partners and the Minister for Labour and the minister for the economy and finance, had a meeting in the first half of March to discuss part-time work and initiative to support working parents caring for their children during the school shut down.<sup>(399)</sup> In Belgium, the 'Group of Ten', which regroups the 10 major trade unions in Belgium, has developed a guide for companies, proposing measures to halt the contagion of the COVID-19 infection while reopening economic activities after lockdown.<sup>(400)</sup>

#### 4.1. Sectoral social partner's reactions to the crisis

**The EU sectoral social partners have called for measures to ensure the health and safety of workers.** During the earlier stages of the pandemic in March and April 2020, EU social partners were particularly concerned about the health and safety of workers in sectors which were not closed down, and which required workers' physical presence. The social partners from the food and drink industry, for example, called for support of the workers, to recognize their essential

<sup>(396)</sup> <https://www.wko.at/service/aenderungen-corona-kurzarbeit-ab-1-6-2020.html> (last access: 16.09.20)

<sup>(397)</sup> <https://www.nbb.be/en/combating-economic-consequences-work-economic-risk-management-group#who-are-members-of-the-economic-risk-management-group>

<sup>(398)</sup> <https://www.fnv.nl/corona> (last access: 20.04.20).

<sup>(399)</sup> <https://travail-emploi.gouv.fr/actualites/presse/communiqués-de-presse/article/declaration-presse-reunion-avec-les-partenaires-sociaux-sur-le-coronavirus> (last access: 10.04.20).

<sup>(400)</sup> <https://emploi.belgique.be/fr/actualites/guide-generique-pour-lutter-contre-la-propagation-du-covid-19-au-travail> (last access: 20.04.20)

roles and provide for their health and safety. The EU social partners from that industry, FoodDrinkEurope and EFFAT, published joint guidelines for the protection of food workers. These guidelines cover the introduction of new hygiene practices, the review of work procedures to ensure the health and safety of workers in light of the threats posed by the epidemic. The employers of the industrial cleaning industry asked the public authorities for the recognition of their industry as an essential sector, in particular the part of the sector providing disinfection and sanitizing services. <sup>(401)</sup>

**The national social partners from different sectors informed the workers about health and safety at work and public initiatives.** The Portuguese Commerce and Service Federation, CCP, has published a best practice guide on dealing with COVID-19 in the sectors. <sup>(402)</sup> The Confederation of Portuguese Farmers, CAP, advises workers on how to reduce the spread of the disease and on adapting the European Common Agricultural policies to accommodate the circumstances of the pandemic. The Confederation of Portuguese Businesses (CIP) provided information for businesses on official recommendations and legislation related to the COVID-19 pandemic. With schools closed and switching to distance teaching and learning, Romanian trade union are offering psychological support and free counselling to teachers, students and parents. <sup>(403)</sup> In Luxembourg, trade unions demanded protective equipment for workers in essential sectors and exemptions from working for those at high risk of severe health damage from COVID-19. <sup>(404)</sup>

**Social partners have provided information and support for workers whose work takes them across EU borders, from both, within and outside the EU.** <sup>(405)</sup> Due to the closing of borders, migrant workers in agriculture during harvesting periods, had difficulties reaching their destination countries and problems with their permits to stay. Romanian trade union organisations provided consultancy and information services to seasonal migrant workers in difficulty. <sup>(406)</sup> In Italy trade unions supported a decree adopted in May 2020, to regularise undocumented migrant workers employed in, among others, the agriculture sector. <sup>(407)</sup> The

DGB, a German trade union association, published information on migrant workers' rights in different languages and set up a multi-lingual hotline. <sup>(408)</sup> The French trade union, CGT, advocated for greater rights for migrant workers in France without a regular visa and demanded access to health services for migrant workers in need. <sup>(409)</sup> The French CFTD demanded compensation for people infected by the coronavirus while working or during their commute to work. They asked for a Fund to be created to provide cover for potential pathological longer-term health issues. The European social partners from the agricultural sector published a common position paper in which they advocate for minimum standards of protection for seasonal workers. <sup>(410)</sup>

**The social partners also helped to implement teleworking measures to avoid the risks of infection during the Covid-19 pandemic.** Over a third (37%) of those working in the EU began to telework as a result of the pandemic. <sup>(411)</sup> Social partner helped to ease the adoption of these measures. In Austria, the chamber of labour of the region of Styria (AK Steiermark) with the government of the region of Styria launched a promotion campaign to promote teleworking. This initiative supports investments in information and communication technology for small and medium enterprises. The costs covered investments into software as well as down payments for the rent or lease of the equipment up to €50.000 per company or €5.000 per worker. <sup>(412)</sup> The Maltese social partners were consulted on a government financial support package to help employer to invest in technology teleworking requires.

**For teleworking to be sustainable, the challenges of telework must be addressed.** While pandemic-related restrictions were in place, it was commonly thought that telework would soon become the 'new normal' for most workers. However, for it to be sustainable, various challenges must be addressed – such as what to do about overtime, when ICT enables work to be done 'anytime, anywhere'? Social partners are aware of such issues and dealt with them in common guidelines and agreements. The European social partners from the telecom sector, UNI Europa, ICTS (EU trade unions of the ICT sector) and ETNO (the European employer organisation of incumbent telecom operators) investigated the impact of digitalisation and related new challenges for the health and safety of workers in the sectors. They published guidelines to improve the mental health of workers in the sector. These guidelines provide for advice in the event of stress caused by being expected to be available for work at any time. The social partners from the banking sector signed a joint declaration on telework in November 2017, agreeing on

<sup>(401)</sup> [https://www.efci.eu/wp-content/uploads/2020/03/2020\\_03\\_17-EFCI-Statement-Coronavirus-Safety-and-Free-Movement.pdf](https://www.efci.eu/wp-content/uploads/2020/03/2020_03_17-EFCI-Statement-Coronavirus-Safety-and-Free-Movement.pdf) (last access: 22.04.20)

<sup>(402)</sup> [https://www.dropbox.com/s/xf9m3e3dq62mccp/Guia%20de%20Boas%20Pr%C3%A1ticas%20Com%C3%A9rcio%20e%20Servi%C3%A7os.docx?dl=0%3E%3Cb%3E%3Cspan%20style="](https://www.dropbox.com/s/xf9m3e3dq62mccp/Guia%20de%20Boas%20Pr%C3%A1ticas%20Com%C3%A9rcio%20e%20Servi%C3%A7os.docx?dl=0%3E%3Cb%3E%3Cspan%20style=) (last access: 12.05.20)

<sup>(403)</sup> <https://www.csee-etu.org/en/policy-issues/covid-19/294-latest-updates/3654-romania-s-fsli-offers-psychological-support-to-teachers> (last access: 14.04.20)

<sup>(404)</sup> <http://www.ogbl.lu/de/blog/pour-proteger-les-salariees-il-faut-agir-maintenant/>

<sup>(405)</sup> See in particular support organised by ETUC under the framework Union Migrant Net since 2015 <https://www.etuc.org/en/publication/unionmigrantnet-brochure>.

<sup>(406)</sup> <https://bns.ro/info-bns/550-comunicat-de-presa-bns-lucratorii-romani-aflati-la-munca-pe-teritoriul-germaniei-pot-solicita-srijin-in-caz-de-dificultate-folosind-reteaua-de-cooperare-sindicala-romano-germana> (last access: 14.05.20) See also statement from ETUC about overlooked migrants workers during COVID 19 crisis: <https://www.etuc.org/en/document/overlooked-migrant-workers-covid-19-crisis>

<sup>(407)</sup> <https://effat.org/in-the-spotlight/italys-amnesty-for-undocumented-migrants-an-important-step-forward-achieved-thanks-to-effat-affiliates-tireless-fight/>

<sup>(408)</sup> <https://www.faire-mobilitaet.de/informationen/+ +co++5d213068-69a7-11ea-93e9-52540088cada> (last access: 14.05.20).

<sup>(409)</sup> <https://www.cgt.fr/comm-de-presse/coronavirus-travailleurs-et-travailleuses-migrants-en-premiere-ligne> (last accessed: 27.04.20).

<sup>(410)</sup> <https://effat.org/in-the-spotlight/european-social-partners-in-agriculture-sign-joint-declaration-on-the-protection-of-seasonal-workers/> (last accessed: 02.06.20)

<sup>(411)</sup> Eurofound (2020b).

<sup>(412)</sup> Eurofound (2020), SME subsidy for teleworking - region of Styrian and Chamber of Labour, case AT-2020-10/790 (measures in Austria), COVID-19 EU PolicyWatch, Dublin, <http://eurofound.link/covid19eupolicywatch> (last access: 22.05.20)

some minimum standards and best practices to ensure a healthy work environment for the employee.

**A strong social dialogue helps in times of crisis.** <sup>(413)</sup> National and European social partners took various actions in areas such as health and safety at work and developing and implementing short-term work schemes. At the national level, social partners were particularly involved in measures related to employment retention, employment protection and supporting workers' income beyond short-time work schemes. <sup>(414)</sup> The social partners were particularly involved in developing the first emergency measures in high-income countries with well-developed social dialogue structures. In previous economic downturns, social dialogue has been an effective tool for managing crises and shows to continue to be an effective tool for policy-makers, employers and workers to overcome difficult economic times.

**The effectiveness of social partners in managing the crisis, and more generally in improving policies, depends on how they get involved.** Some Member States, such as Belgium and France, have well-functioning social dialogue structures in place, which ensure an effective involvement of social partners. While there is no single model that serves as a reference, in some Member States there is clearly room for social dialogue to function better and for social partners to be more involved in policy design and implementation. In Member States, such as Bulgaria and Spain, social dialogue structures exist, but social partners expressed dissatisfaction about their involvement in policy making in 2019. <sup>(415)</sup> Hungary and Poland, in particular, received Country Specific Recommendations, urging both countries to improve consultations and involvement of social partners. <sup>(416)</sup> Only when a transparent involvement and sufficient time to react to consultations are given, social partners can support governments and make a meaningful contribution to policies.

<sup>(413)</sup> OECD (2012) finds that coordinated collective bargaining arrangements contributed to resilience during the great recession

<sup>(414)</sup> <http://eurofound.link/covid19db> (last access: 16.06.20) and Eurofound (2020b).

<sup>(415)</sup> Eurofound (2020a).

<sup>(416)</sup> See Recommendation for a Council Recommendation on the 2020 National Reform Programme of Hungary and delivering a Council opinion on the 2020 Convergence Programme of Hungary and Recommendation for a Council Recommendation on the 2020 National Reform Programme of Hungary and delivering a Council opinion on the 2020 Convergence Programme of Poland.

## 5. CONCLUSION

**Collective bargaining can contribute to a fair and inclusive wages.** In countries with high collective bargaining coverage, collective agreements contribute to lower wage inequality. At the same time, collective bargaining promotes a fair wage growth, in line with the growth of the productivity of workers. It can improve wages of workers and reduce wage differentiation due to gender.

**Achieving fair outcomes depends on the institutional structure of collective bargaining systems.** Wage bargaining, which is coordinated within and between sectors reduces unfair wage dispersion. Wage bargaining at the company-level leads to more accurate compensation of the efforts of workers. To enable collective bargaining systems to achieve a fair wage growth, while moderating wage inequality to socially desirable levels, collective bargaining needs to exploit coordination of bargaining, while conceding some freedom to take company-level characteristics into account. Agreements should cover a large number of workers and companies.

**Social partners need to ensure that the social dialogue remains inclusive.** Overall, trust in trade unions remains high among Europeans. The potential of social partners to contribute to fair outcomes depends on the number of workers and companies represented by the social partners. To remain representative in future, trade unions need to attract also younger workers, which are currently underrepresented within the unions. In some Member States, social dialogue has adapted to the changing world of work, including new technologies and new labour market realities. Flexibility to adapt to new realities will remain an important requirement also in the future.

**Social dialogue limits discrimination and harassment and improves fairness at the workplace.** Social dialogue and collective bargaining provide a forum for workers and employers to exchange views. It gives workers a voice to express their concerns about their working conditions. Having a voice and a structure allows workers to be heard if they are treated unfairly and contributes to protection of workers in distress. This can reduce harassment at work in particular. To be effective in the fight against harassment, employers and trade unions need to gain and keep the trust of the workers by treating each individual case of harassment with care. To support workers who have been harassed, social partners need to provide a trusted contact point having the right structures in place and providing information to workers. Social partners' initiatives contribute to a better work-life balance for men and women and promotes fair opportunities at the workplace for all. By their initiatives, social partners support older workers and promote their inclusion into the labour market. Social dialogue promotes a fair work environment for both, men and women and increase fairness of opportunity.



**Social dialogue is a valuable tool for managing crises fairly.** During the Covid-19 crisis, the social partners have contributed their expertise to the development of initiatives to tackle the economic and social consequences of the pandemic. In many Member States, they are advising governments and highlighting, where public support is most urgently needed. In some Member States, the social partners have been actively involved in implementing the measures put in place to safeguard employment. They developed guidelines to ensure the health and safety of workers and helped to protect them from the virus. Trade unions in different Member States have advocated the provision of protective equipment for workers. Social partners have also provided information to workers about the current measures put in place by government. Trade unions at the national as well as EU level have supported migrant workers and spoken out for their protection.

**Social partners can have a meaningful impact in times of crisis only if public authorities allow them to be involved.** Strong social dialogue structures are pre-condition for a meaningful involvement of social partners in crisis management. The economic recession of 2008 demonstrated that social partners can be an important source of support in times of crisis. Member States where a strong social dialogue prevails have shown to overcome economic shocks more easily, compared to Member States with a weaker social dialogue. During the Covid-19 pandemic, the involvement of the social partners has been most meaningful in Member States with well-established social dialogue structures. Having in place tripartite social dialogue committees, and a framework for social partner consultations enabled social partners to make a meaningful contribution. To exploit the benefits of social dialogue – and enable it to help cushion economic shocks, frameworks still need to be established in some Member States, while in others they need to be reinforced and maintained.

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