



Towards a European Pillar of Social Rights

SOCIAL DIALOGUE AND INVOLVEMENT OF WORKERS

At EU level social dialogue was launched in 1985 since then it has been considered a building block of the European social model, and essential to promote competitiveness and fairness and a well-functioning social market economy. It refers to discussions, consultations, negotiations and joint actions involving organisations representing the two sides of industry: employers and workers. Social dialogue is a major influence building mutual trust and shaping European workplaces, with the aim of ensuring fair treatment and reward for workers while at the same time supporting businesses to grow and adapt to the changing economic environment.¹ European social dialogue complements and supports national social dialogue.

Challenges

The involvement of social partners in the design and implementation of economic and social policies differs strongly across Member States, both in its extent and its form. Structural changes in production processes and in the world of work and the growing numbers of self-employed people have an impact on social partners' role and capacities. Trends towards decentralisation of collective bargaining raise challenges for adequate coordination.

Currently, rights to information and consultation of workers may be unevenly defined or enforced, depending on the sectors or type of undertakings or on the nature of employment relationships. Digitalisation can further challenge the workers' capacity to participate in information and consultation processes.

Situation at EU level

The promotion of dialogue between management and labour is enshrined as a common objective of the Union and the Member States in Article 151 of the Treaty on the Functioning of the European Union (TFEU). The EU recognises and promotes the role of the social partners, taking into account the diversity of national systems and their autonomy (Article 152 TFEU). Before the Commission submits a proposal in the social policy field (Article 153 TFEU), it consults social partners (Article 154 TFEU). Social partners can also negotiate agreements between themselves. These agreements can then be applied by the social partners themselves across the EU or can be transformed into EU legislation. Subsequently social partner agreements² have been implemented by EU law.

EU legislation in the field of information and consultation of workers mainly aims at ensuring their involvement ahead of decision-making by management, notably if restructuring is envisaged.³ EU law also addresses the need for proper information and consultation processes in the case of companies operating in several Member States

¹ <https://www.eurofound.europa.eu/news/spotlight-on/social-dialogue/overview-social-dialogue-in-europe>.

² Four at cross-industry level and six at sectoral level.

³ Directive 2002/14/EC.

through the setting up of European Works Councils to deal with transnational issues that could affect workers. Additional safeguards are provided by the maintenance of pre-existing rights to participation in the company board, in companies adopting the European Company Statute or the European Cooperative Society Statute⁴; or else, in undertakings deriving from a cross-border merger. Also, the Directive on transfers of undertakings⁵ goes beyond ensuring the information and consultation of workers' representatives. It guarantees the safeguard of workers' rights when a business is transferred from one employer to another: it stipulates for example that such a transfer does not in itself constitute valid grounds for dismissal.

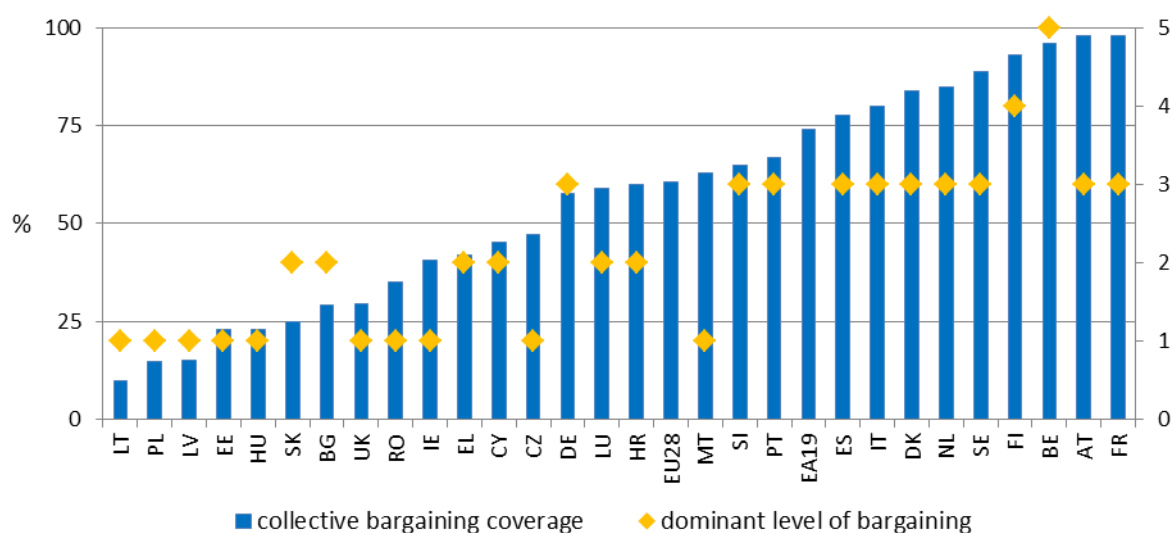
The Charter of Fundamental Rights of the European Union recognises the right to form and join trade unions (Article 12), the right of workers to information and consultation within the undertaking (Article 27) and workers' right of collective bargaining and action (Article 28).

The EU Guidelines for the employment policies of the Member States⁶ call to closely involve social partners in the design and implementation of relevant reforms and policies in line with national practices.

Situation in the Member States

There is a large diversity of national industrial relations systems, reflecting Member States' different economic and political situations. Collective bargaining has been characterised by a shift towards decentralised bargaining at company level. This trend was not always supported by company level structures or mechanisms to coordinate bargaining across levels and units. Collective bargaining coverage tends to be higher where bargaining is more centralised, where employers' organisation rates are higher (workers tend to be covered regardless of their membership of unions) and where the extension of agreements to non-signatory parties is practiced.

Figure 1: Collective bargaining coverage rate (% employees) and dominant level of bargaining, 2014



Coverage: Share of employees covered by collective (wage) bargaining agreements (excluding sectors or occupations that do not have the right to bargain). Dominant bargaining level: 5 = central or cross-industry; 4 = intermediate or alternating between central and industry; 3 = sector or industry; 2 = sector/company; 1 = local or company. Data years: dominant level: 2014 for all Member States; collective bargaining coverage: 2014 for

⁴ Directives 2001/86/EC, 2003/72/EC and 2005/56/EC.

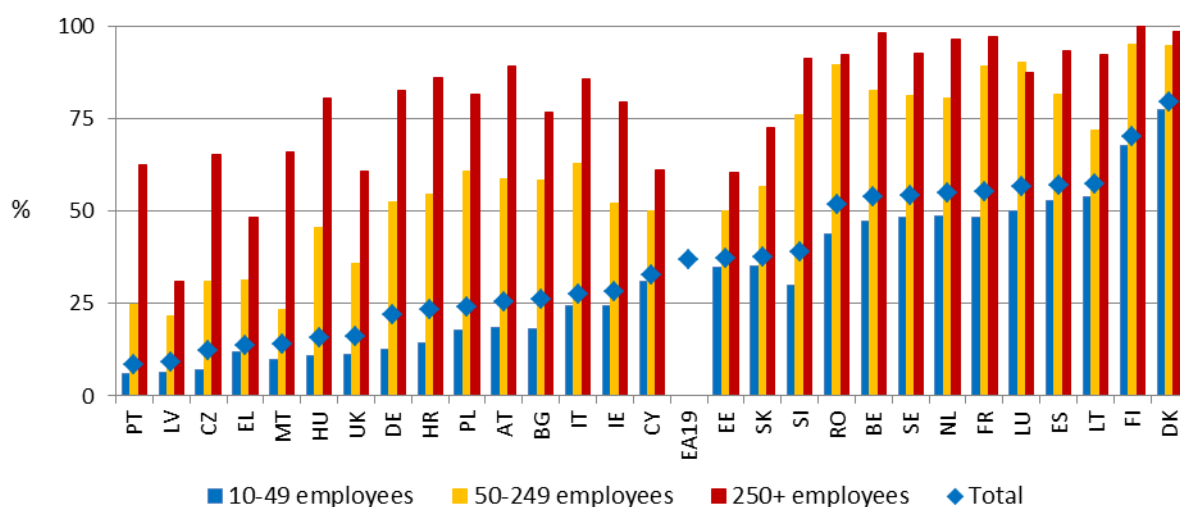
⁵ Directive 2001/23/EC.

⁶ Council Decision (EU) 2015/1848 of 5 October 2015.

Finland and Portugal; 2013 for Austria, Belgium, Cyprus, Czech Republic, Germany, Denmark, Greece, Spain, Hungary, Latvia, Netherlands, Romania, Sweden, Slovenia, Slovakia and United Kingdom; 2012 for Bulgaria, Estonia, France, Lithuania, Luxembourg, Malta and Poland; 2010 for Italy; 2009 for Croatia and Ireland. Source: Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts (ICTWSS) (2015).

The diversity of national industrial relations systems across the EU is also reflected in the variety of ways in which the rights to information, consultation and participation are implemented. In several Member States with strong traditions of social dialogue, for instance in the Nordic countries, management and labour assume a leading role in defining the arrangements for informing and consulting employees. Workers may also be represented in the board of their company and thus be directly involved in its management, as is the case in eighteen Member States – albeit to varying degrees.

Figure 2: Official structure of employee representation at establishment (%), by establishment size, 2013



Source: Euro found, European Company Survey 2013. Notes: Share of establishments (with 10 employees or more) where an official structure of employee representation (trade union representation or shop steward; works council; joint platform; non-union employee representation, or other sector specific) is present.

The overall self-employed category is not naturally represented by most of the current social partners' organisations. Only in a few Member States, representation has been devised by employers' and/or trade unions' organisations. The liberal professionals are often organised in independent interest associations.

International dimension

Freedom of association, organisation and collective bargaining are recognised as ILO core Labour Standards⁷ and are considered as Human Rights. These core Labour Standards are incorporated in EU international trade agreements and are binding for the EU and its partner countries. In addition, several ILO Conventions have been adopted in relation to tripartite consultations, the right of rural workers, of persons employed by public authorities, of homeworkers and domestic workers to organise, as well as for the protection and facilities of workers' representatives in the company. Those Conventions have been ratified by a majority of Member States. The revised European Social Charter⁸ refers to rights related to the functioning of social dialogue - including rights to worker

⁷ Two ILO Conventions (C87 and C98 both ratified by all EU Member States).

⁸ The European Social Charter is a Council of Europe treaty which was adopted in 1961 and revised in 1996.

representation and to bargain collectively. It also further protects the right to information and consultation, including in collective redundancy procedures.