

## Trade union participation in the EU Semester and in reinforcing capacity building for social dialogue and industrial relations

Resolution adopted at the Executive Committee of 16-17 December 2015

---

### Introduction

The ETUC regrets that the **role** of the social partners and social dialogue is not sufficiently and effectively addressed in the European Commission's Communication *On steps towards Completing Economic and Monetary Union*, nor in the EC Work Programme 2016. No reference to the recently adopted '2015-2017 Social Dialogue Work Programme' is included in either document, despite the EC announcement on the need for a 'new start' for social dialogue.

The Commission took on board some of the ETUC's suggestions in terms of social partners' involvement in the elaboration of National Reform Programmes (NRPs) and in revising the format and scope of the Tripartite Social Summit and Macroeconomic Dialogue. Nevertheless, the approach is still fragmented. It does not ensure full involvement at all stages of the Semester, both at EU and national level, and, at national level in particular, implementation is still very poor. The entire stage 1 of *Completing Monetary Union* should draw on trade unions' and employers' involvement.

This is also in line with the ongoing process launched by the European Commission's '**new start**' for social dialogue in March 2015. Two parallel working groups, comprising the European Commission, social partners' and Member States' representatives have been addressing the following issues:

- a) Thematic Group 1: Social dialogue, economic governance and capacity building
- b) Thematic group 2: Social dialogue, law-making and policy-making

The results of this exercise will be known in February 2016.

Furthermore, the EU social partners signed a declaration on their '**Involvement in the European Economic Governance**' on 24 October 2013, putting forward several proposals for enhancing trade unions' and employers' involvement in the EU Semester process at all levels. Although some of these proposals have been followed up at EU level, many others have not been implemented and social partners' involvement and influence have not improved, particularly at national level. Furthermore, the EU Semester process has changed slightly since the signature of the declaration, both in terms of timing and content.

Within this context, the ETUC makes a number of proposals:

### Strengthening social dialogue at all levels

Social partners are uniquely placed to address work-related issues through the dialogue and negotiation process that characterises their relationship. With their knowledge and experience of the employment and social situation, social partners can help to improve governance and policy-making. Social partners should therefore be systematically involved in policy-making on issues that have a direct and indirect impact on economic and social matters, including in setting regulation and in legislative initiatives linked to these matters.

In the framework of the EU Semester, social dialogue can be a driving force for successful, sustainable and inclusive economic, employment and social reforms. Social partners at all levels should agree with the relevant public authorities on a real, timely and meaningful involvement in the EU Semester (drafting the AGS, discussion of Country Reports, preparation of NRPs as well as assessing, designing, implementing and monitoring of relevant reform measures stemming from Country Specific Recommendations (CSRs)). Exchange of practices can be used to identify the criteria for an effective involvement of social partners in the EU Semester. As an example of best practices, in Austria, Belgium, Sweden and Slovenia this process is already in place.

### **Reshape the Macroeconomic Dialogue and look at the Euro area as a whole.**

In a monetary union and a marketplace as integrated as the European internal market, the risk is that 'flexible national economies' will mean squeezing wages and increasing labour market flexibility at the expense of workers. If a majority of Member States decide to play against each other on wage policies and social dumping, the result will be disastrous for all.

To look at the Euro area and the internal market as a whole, the ETUC proposes transforming the Macroeconomic Dialogue into a forum where an in-depth discussion on the Euro and Europe-wide consequences of European economic governance and economic policies of individual Member States can take place.

This would imply moving from a general discussion of the macroeconomic situation of Europe and 'structural reforms of the labour market' to a more focused agenda assessing the impact of the reforms undertaken in the framework of economic governance in the Euro area; a broader participation of national social partners' representatives (to balance Member States' participation) and, above all, enhancing the relevance and impact of the discussions in the Macroeconomic Dialogue by systematically linking these up with relevant steps of the EU Semester and the decision-making bodies' meetings.

The latter could be done by organising top-level hearings of social partners with the Euro-group and the European Council of finance ministers, in particular in the context of the Commission's proposal to reinforce the social dimension of the Semester.

### **Make the Tripartite Social Summit really effective.**

To make the Tripartite Social Summit more effective in linking tripartite dialogue between social partners, EU institutions and Member States to the decision-making process at EU and national levels, the TSS should be reshaped according to the discussion that took place during the last TSS meeting on 15 October 2015.

Improvements and changes to be considered should include:

- c) Preparatory meetings between social partners and relevant institutions at political and technical level during days/weeks preceding the TSS and the Council;
- d)
- e) A background document to be circulated to the social partners linked to some points of the agenda of the Council, in order to enable constructive feedback and in order to influence the draft conclusions of the Council;
- f)
- g) Drafting joint declarations (bipartite and/or tripartite) on relevant topics of common interest, to be endorsed by the TSS and presented to the Council;
- h)
- i) Bringing forward the TSS meetings to the day before Council meetings, while maintaining the joint press conference on the day of the Council;
- j)

- k) Organising bilateral meetings between social partners and relevant leaders before and during Council meetings;
- l)
- m) Organising social partners' hearings at the beginning of the Council plenary, to present the above-mentioned joint declarations and/or to discuss specific topics of common interest.

**Introduce national tripartite dialogue bodies, or strengthen tripartite dialogue where it exists.**

The European Semester urgently needs to rebalance its economic and social pillars. This is mentioned in the Five Presidents' report, but no concrete recommendations and decisions for implementation have been issued by the European Commission so far.

The ETUC rejects the Commission proposal to establish National Competitiveness Boards since they would introduce unwanted and unacceptable interference in social partners' autonomous prerogatives on collective bargaining and wage-setting, or in setting statutory minimum wages.

ETUC position on National Competitiveness Boards, 28-29/10/2015 (<https://www.etuc.org/documents/etuc-position-national-competitiveness-boards>)

The ETUC would instead propose to establish national tripartite dialogue bodies, with social partners fully involved. These national tripartite dialogue bodies should evaluate the ex-ante, as well as ex-post, impact of the NRPs and CSRs on any social issues, as well as analysing the current state of a core of social rights and standards.

The national tripartite dialogue bodies should also support social partners' capacity building for social dialogue and industrial relations; ensure proper social partner involvement in economic governance and all steps of the Semester process; and support social partners' contribution to investment, internal demand, competitiveness and productivity, as factors boosting economic growth.

The establishment of such bodies should be recommended to countries where they do not exist, or where social dialogue, tripartite dialogue and social partners' involvement in economic governance and the Semester process are not effectively implemented. In those countries where tripartite bodies, with equivalent roles and prerogatives, or proper tripartite dialogue already exist, such recommendations are not needed.

In any case, such bodies should be established with full respect for social partners' autonomy and wishes, and for national practices and traditions, in line with art.153 of the Treaty.

**Strengthen trade union coordination for more effective participation in economic governance and the European Semester.**

To cope with the above-mentioned challenges and ensure effective implementation of the proposals, the ETUC and its affiliates are committed to reinforcing and deepening their internal coordination, at the European, national and sectoral levels.

The Toolkit launched in 2012 for coordination in the field of collective bargaining and wages has to be used in a coherent way by all sectors and ETUC committees involved in economic governance and the Semester process.

This objective will be addressed through the EU-funded specific project reinforcing trade union influence in the EU Semester (October 2015 – March 2017). The project aims at enhancing trade union capacity to make an impact in both early-stage and ex-post consultations on strategic documents during the main phases of the EU Semester.

The ETUC and its affiliates should be in the position to raise their priorities for policy/reforms, whether technical or political, at both European and national levels. Early-stage consultations should take place at least on the AGS, Country Reports and NRPs.

This requires:

- n) a) Coordinated work by the permanent committees of the ETUC, especially preparing consultation on the AGS in September;
- o) b) More intensive exchange between EU social partners in preparing for the TSS and Macroeconomic Dialogue;
- p) c) Coordinated work between the ETUC and its affiliated organisations, especially preparing consultations on Country Reports;
- q) d) Establishment of the above-mentioned national tripartite dialogue bodies, or strengthening of equivalent bodies, to ensure the timely and meaningful consultation of social partners, namely in the preparation of NRPs and implementation of CSRs at national level.

Ex-post assessment will be a task for the ETUC Secretariat and permanent committees of the ETUC. The assessment of the AGS will be submitted to EMCO, SPC and during informal consultation sessions with EPSCO.

To ensure consistency between the European and national levels, the ex-post assessment of Country Reports should be made available to national ETUC affiliates in preparation for the national consultations on NRPs.

Once the CSRs have been published, the only way to influence the process is to propose amendments. Amendments from ETUC affiliates will be collected in a single document and submitted to EMCO and SPC (meeting in May).

The assessment of Country Reports should be submitted to the TSS during its spring meeting before the draft CSRs are issued.

The ETUC methodology will lay down standards for ETUC documents/reports issued during the key stages of the Semester in order to create greater consistency at both technical and political levels of consultation.

Permanent committees of the ETUC should coordinate to create a platform for identifying trade union priorities to be put forward during the Semester, starting from the definition of the broad economic and social guidelines (and updated every year in the month of July).

ETUC national affiliates should identify a person/office in charge of the coordination of the European Semester. ETUFs should ensure that a sector perspective is always present in the ETUC positions.

The ETUC Secretariat will build an ETUC Semester 2.0 webpage. In order to enhance capacity building for trade union members, training courses will be organised each year.