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# Involvement of the National Social Partners in the European Semester 2017: Social Dialogue Practices

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# Involvement of the National Social Partners in the European Semester 2017: Social Dialogue Practices

## **Abstract**

The latest European Semester cycle, covering the period 2016–2017, has highlighted a range of issues regarding the quality of involvement by the social partners in the elaboration of the 2017 National Reform Programme (NRP), as well as in the implementation of the country-specific recommendations (CSRs). This report looks at the different social dialogue practices across Member States and at the role played by the national authorities in enabling the involvement of employer organisations and trade unions in policy reforms. While some improvements have been reported, the challenges and limitations faced – such as insufficient time allocated to consultation and lack of visibility – need to be addressed in order to enhance the effective participation of social partners in the European Semester.

## **Keywords**

social dialogue, social partners, employer organizations, trade unions, policy reform

## **Comments**

### **Suggested Citation**

Rodríguez Contreras, R. (2018). *Involvement of the national social partners in the European Semester 2017: Social dialogue practices*. Luxembourg: Publications Office of the European Union.

Industrial relations

# Involvement of the national social partners in the European Semester 2017: Social dialogue practices





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**When citing this report, please use the following wording:**

Eurofound (2018), *Involvement of the national social partners in the European Semester 2017: Social dialogue practices*, Publications Office of the European Union, Luxembourg.

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**Eurofound project:** Involvement of the social partners in the European Semester (170213)

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**Luxembourg:** Publications Office of the European Union

**Print:** ISBN: 978-92-897-1661-1      doi:10.2806/27775      TJ-04-18-340-EN-C

**PDF:** ISBN: 978-92-897-1662-8      doi:10.2806/17656      TJ-04-18-340-EN-N

This report and any associated materials are available online at <http://eurofound.link/ef18028>

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## Country codes: EU Member States

AT	Austria	FI	Finland	NL	Netherlands
BE	Belgium	FR	France	PL	Poland
BG	Bulgaria	HR	Croatia	PT	Portugal
CY	Cyprus	HU	Hungary	RO	Romania
CZ	Czech Republic	IE	Ireland	SE	Sweden
DE	Germany	IT	Italy	SI	Slovenia
DK	Denmark	LU	Luxembourg	SK	Slovakia
EE	Estonia	LT	Lithuania	UK	United Kingdom
EL	Greece	LV	Latvia		
ES	Spain	MT	Malta		

## Abbreviations used in the report

CSR	country-specific recommendation
EMCO	Employment Committee
EPSCO	Employment, Social Policy, Health and Consumer Affairs Council
NGO	non-governmental organisation
NRP	National Reform Programme

# Executive summary

## Introduction

This report presents Eurofound's analysis of the involvement of national social partners in the European Semester process in 2017, describing the main developments and changes in comparison to similar exercises carried out in previous years. Special focus has been put on the role of the social partners in the implementation of the reforms pinpointed in the country-specific recommendations adopted in 2016. This report also looks at the different social dialogue practices across EU Member States and at the role played by national authorities in enabling the involvement of employer organisations and trade unions in policy reforms. Following a request from the EU Employment Committee (EMCO), the report analyses the view of the social partners in 12 selected Member States where, for different reasons, it was concluded that social dialogue had further room for improvement.

## Policy context

Following the Commission-led initiative to relaunch social dialogue in March 2015 – 'A New Start for Social Dialogue' – political attention has been placed on the involvement of the European and national social partners in European Semester activities as part of reinforcing the social dimension in European economic governance. The proclamation of the European Pillar of Social Rights on 17 November 2017 has added more institutional weight to the role of social dialogue and the involvement of the social partners.

## Key findings

### Nature and extent of involvement

The social partner organisations in most EU Member States are in various ways formally involved in the elaboration of the National Reform Programme (NRP). This involvement takes place largely through institutional consultative bodies (most of them tripartite), although other forms of involvement are also frequent.

The intensity and effectiveness of the involvement varies greatly across Member States. In some countries with well-established social dialogue institutions and practices, the elaboration of the NRP forms part of the overarching industrial relations framework and is embedded in the day-to-day exchanges from each country.

In keeping with previous research, social partners in a relatively large number of countries are still quite critical of their participation in the elaboration of the NRP. The reported lack of effective involvement in several countries stems from the view that the process of consultation is purely formal, the time allotted for an exchange of views is insufficient and the ability to influence the final version of the NRP is limited. Social partners in some Member States also point to the inadequacy and inappropriateness of the procedures in place.

### Quality of involvement

In most Member States, the quality of the involvement of the social partners in the NRP 2017 remained similar to that of 2016. Some slight improvements were reported in a number of countries, mainly in terms of more time for consultation, better organisation of the process, and enhanced structure, visibility and influence. However, social partners in many countries still complain about the lack of time allotted to the consultation, the absence of feedback from the government and their perception of having little influence over the process.

Participation in European Semester activities and events organised by the European Commission, in particular the presentation of the country reports, are appreciated by the social partners, although many do not consider it to be full involvement – just a process of sharing information.

### Involvement in the implementation of reforms

The vast majority of social partners reported some degree of institutional involvement in all or some of the reforms in the social and labour fields included in the 2016 country-specific recommendations (CSRs). This involvement is strongly linked to the way that social dialogue functions in every Member State. It has been made clear from the social partners' perspective that being involved or consulted does not presuppose agreement with the final outcome. This statement has been stressed repeatedly, particularly by trade unions, with regard to structural reforms regarding the labour market, collective bargaining and pensions included in the CSRs over the past years.

Most of the social partners have been directly or indirectly involved in the implementation of reforms and some of these consultation processes reached total or partial agreement, contributing to legitimate the adoption of the reform. In other cases, the negotiations were not successful and the the government unilaterally implemented the reforms.

## Shortcomings in social partners' capacity to be involved

The self-assessment made by the social partners points to various gaps – related to internal weaknesses and structural factors – which undermine their potential participation and influence in the design and implementation of reforms. Internal factors include the lack of financial means and staffing, insufficient material resources and inadequate technical capacity to deliver and contribute to social dialogue processes.

Trade unions, in particular, report the impact of the trend towards declining membership in terms of lack of representativeness. In addition, low collective bargaining coverage and lack of sectoral levels of collective bargaining in some countries can impact negatively on their capacity to participate more actively in the implementation of reforms. On the employers' side, key factors mentioned are the fragmentation of associations and chambers and uneven representation at sectoral and territorial level.

Contextual factors in the functioning of social dialogue include weaknesses related to the lack of trust at tripartite level and lack of cooperative approach between the social partners. Inadequate tripartite dialogue was also reported as a relevant shortcoming, as well as the incidence of state intervention which tended to undermine the social partners' autonomy.

## Policy pointers

Implementation of the European Pillar of Social Rights – in particular, Principle No. 8 related to social dialogue and the involvement of workers – should support the effective consultation of social partners in European Semester activities. The Pillar represents an opportunity to align the involvement of the social partners across the Member States with quality social dialogue standards, which are widely accepted as part of the European social dimension.

The involvement of the social partners in the junctures of the EU semester is mostly dependent on the effective functioning of social dialogue in each country. While this involvement can be considered to be a specific process, different from the social partners' participation in the overall economic and social policymaking, there is a strong link in terms of practice and outcomes in both processes.

All the parties concerned should make more efforts to clarify from the beginning the approach to the elaboration of the NRP, its nature, content and expected implications. This common understanding would increase the social partners' ownership of the NRP and of the reforms included in it, either totally or partially.

National authorities should adapt and adjust the existing settings and procedures in those countries where an effective involvement of the social partners is not being facilitated.

Even in countries where there is a well-established institutional set-up for social dialogue, there is room to improve the quality of the involvement of the social partners, such as providing more time for consultation and feedback for contributions and giving explicit visibility to the social partners' views.

There are some issues concerning the functioning of social dialogue which reflect structural factors that prevent the deployment of its full potential in some Member States, such as the lack of mutual trust and other gaps related to the institutional frameworks for collective bargaining or representativeness. Social partners and governments should address these gaps and take action to support the contribution of social dialogue to fair, sustainable and inclusive growth within economic policymaking.

# Introduction

The European Semester is a key element of the European Union's economic governance aimed at coordinating the fiscal and economic policies of Member States. It sets up an annual cycle of economic policy guidance and surveillance whereby the European Commission undertakes detailed monitoring and analysis of Member States' plans for budgetary, macroeconomic and structural reforms. In turn, Article 152 of the Treaty on the Functioning of the European Union (TFEU) recognises and promotes the role of social partners at European level, taking into account the diversity of national systems, and facilitates dialogue between social partners while respecting their autonomy.

Eurofound is committed to regularly monitor and follow up the involvement of social partners in the European Semester and has recently published two comparative reports on the topic: one on the role of the social partners in the European Semester (Eurofound, 2016) in the period 2011–2014, and a 2016 update on the involvement of the social partners in the European Semester (Eurofound, 2017a). In the latter report, views from national authorities and from European Semester Officers were added to those of the national social partners concerning their involvement in the design and formulation of social and labour policies.<sup>1</sup>

The report covers developments in the European Semester cycle in 2016–2017 with regard to the involvement of the social partners in the elaboration of the 2017 National Reform Programme (NRP), according to the Employment Guidelines, as well as their participation at various key milestones: the Annual Growth Survey (AGS), country reports, and draft country-specific recommendations (CSRs). Furthermore, the report analyses the involvement of the social partners, typically undertaken through national social dialogue practices, in the implementation of the policy reforms and initiatives in the labour and social fields adopted in the NRPs and CSRs.

In addition, the report presents a more in-depth insight with regard to the involvement of the social partners in the implementation of the recommendations – or in the accompanying recitals – in 12 selected countries in the 2016 cycle. Finally, the views of the social partners regarding their capacity to be properly involved in social dialogue have been collected and are presented, with a view to shedding some light on the gaps and

shortcomings identified in the general process of involvement in the European Semester.

The information and findings of this report are based on an assessment by the Network of Eurofound Correspondents of the views of the representatives of the social partners and authorities at national level – with the latter expressing their opinions according to the side of industry they represent or the governmental perspective.<sup>2</sup>

## Consolidated process of coordination

The Member States coordinate their economic and social policies within the Council and the Eurogroup through the European Semester which was introduced in 2010. While the process has substantially evolved over the years, its main role remains the same: to provide guidance and surveillance on the economic trends and, in particular, to detect, monitor and forestall the incidence of excessive government deficits or public debt levels. Although it is largely an intergovernmental process, it is also a complex one in which the European Commission plays a critical role by analysing the NRP elaborated by the Member States for budget stability, macroeconomic and structural reforms, and proposing country-specific recommendations for the following 12–18 months. These, in turn, are discussed and endorsed by the Council.

While the role of social partners in the European Semester is not set out in the European economic governance provisions, their involvement is deemed to be crucial for enhancing the ownership of European policies and ensuring the meaningful implementation of the structural reforms. This role has been underlined in Employment Guideline No. 7 – ‘Enhancing the functioning of labour markets and the effectiveness of social dialogue’ – which is integrated in the package with the Broad Economic Policy Guidelines.

*In line with national practices, and in order to improve the functioning and effectiveness of social dialogue at national level, Member States should closely involve national parliaments and social partners in the design and implementation of relevant reforms and policies.*

(European Commission, 2015b)

1 European Semester Officers are economic policy experts (European Commission officials) based in the representation premises in the capital city of every Member State. Their role is to explain the details of European economic governance to national stakeholders and to obtain a balanced picture of the challenges faced by the Member State so that the annual CSRs will best reflect the realities on the ground.

2 For more information about the the Network of Eurofound Correspondents, see <https://www.eurofound.europa.eu/network-of-european-correspondents>

Since the relaunch of social dialogue in March 2015 (European Commission, 2016a), several developments have enhanced the involvement of social partners in European Semester activities, hence strengthening their role in economic governance at both European and national level. These developments range from operational measures – such as publishing the country reports earlier in order to give the social partners and governments more time to discuss the NRPs – to high-level political events, such as the quadripartite statement on 27 June 2016<sup>3</sup>, in which the presidency of the Council called on Member States to take the necessary steps to:

*ensure the timely and meaningful involvement of the national social partners, while fully respecting national practices, including throughout the European Semester, in order to contribute to the successful implementation of Country Specific Recommendations.*

(Council of the European Union, European Commission, BusinessEurope, CEEP, UEAPME and ETUC, 2017)

This high-level statement also stresses the importance of the engagement of the European Council's Presidency to ensure the involvement of national social partners in consultations, by calling on national governments to 'take the necessary steps to closely involve national social partners in the design and implementation of national reforms and policies' and to 'support the improvement of the functioning and effectiveness of social dialogue at national level, which is conducive to collective bargaining and creates an appropriate space for social partners' negotiations'.

On 24 October 2016, the Employment Committee (EMCO) of the Employment and Social Affairs Council (EPSCO) held its first multilateral surveillance review, focusing on the involvement of social partners in national European Semester processes. Among other key messages adopted in this meeting, it was recognised that 'the level and quality/impact/effectiveness of involvement of social partners in the European Semester varies considerably between countries' – the same point underscored in the most recent Eurofound report on the subject (Eurofound, 2017a). Furthermore, it was stated that:

*an appropriate institutional space and framework is generally conducive to effective social dialogue in the context of the European Semester. Time is important as well: successful social dialogue cannot be built overnight.*

(EMCO, 2016)

On 2 June 2017, the EMCO agreed to propose a list of countries, selected on the basis of the CSRs and the accompanying recitals, to follow up on the review with social partners and asking Eurofound to contribute by providing research (as with the previous report). Subsequently, on 22 November 2017, the EMCO concluded a new multilateral surveillance review focusing on the process of consolidating the cooperation and involvement of social partners in the 12 selected Member States, as the previous analysis pointed to the need for a further reinforcement of involvement. At this meeting, Eurofound gave an preliminary presentation of the key findings drawn from the information gathered in the selected Member States, as well as the other countries.

It must be acknowledged that the European social partners have devoted considerable efforts to supporting their national affiliates by monitoring their involvement in the European Semester. In particular, ETUC has set up a group of Trade Union Semester Liaison Officers (TUSLO), aimed at increasing coordination and information gathering from their national affiliates, the results of which are fed into an index measuring the involvement of trade unions at the milestones of the European Semester cycle at national level (ETUC, 2014).

More recently, the European Union's proclamation of the Pillar of Social Rights at the Social Summit for Fair Jobs and Growth in Gothenburg on 17 November 2017 has added more institutional relevance to the role of social dialogue and the involvement of the social partners. This set of principles is intended to provide a framework for the European Semester and the CSRs which will support them in achieving their objectives.

Specifically, apart from the reference to social dialogue in Recital No. 20<sup>4</sup>, Principle 8 of the Pillar of Social Rights (Social dialogue and involvement of workers) establishes that 'The social partners shall be consulted on the design and implementation of economic, employment and social policies according to national practices.' The Pillar of Social Rights confirms the key role that the social partners play in developing social dialogue outcomes to deal with challenges that have arisen from the effects of the crisis in labour markets and collective employment relations. Connected with these developments, the capacity-building of social partners has recently received greater policy attention at EU level within the context of the relaunch of social dialogue announced in 2015. Social dialogue institutions, practices and social partners' capacities need to be reinforced in those Member States where

<sup>3</sup> The quadripartite statement was signed by the EU cross-industry social partners (European Trade Union Confederation (ETUC), Confederation of European Business (BusinessEurope), European Association of Craft, Small and Medium-sized Enterprises (UEAPME) and European Centre of Employers and Enterprises (CEEP)), the European Commission, and the Dutch presidency of the Council.

<sup>4</sup> Recital No. 20: 'Social dialogue plays a central role in reinforcing social rights and enhancing sustainable and inclusive growth. Social partners at all levels have a crucial role to play in pursuing and implementing the European Pillar of Social Rights, in accordance with their autonomy in negotiating and concluding agreements and the right to collective bargaining and collective action.'

their full potential has not been fully developed. In order to do so, more action needs to be taken to enable social partners to be constructively involved in social and economic policymaking.

## Methodology and information analysis

This report presents Eurofound's follow-up and analysis on the involvement of the national social partners in the European Semester, describing the main developments and changes compared with previous reports. Covering the most recent cycle of the European Semester in 2017, the main focus is on social partners' involvement in the elaboration of the NRPs submitted by Member States, while reviewing their participation in other junctures in the cycle. These include the AGS, country reports, draft CSRs for 2017–2018 presented by the European Commission on 22 May 2017, and the final CSRs that were endorsed by the European Council on 22–23 June 2017 and legally adopted by the Economic and Financial Affairs Council (ECOFIN) on 11 July 2017.

The report covers all Member States, with the exception of Greece – this country is still undergoing its third economic adjustment programme (scheduled to run until 20 August 2018) and has received a general recommendation to implement the Memorandums of Understanding signed with the three institutions (International Monetary Fund (IMF), European Central Bank (ECB) and European Commission). Member States that receive financial support associated with macroeconomic adjustment programmes are not required to submit stability programmes and national reform programmes, and therefore do not receive country-specific recommendations. In this framework, there is no institutional provision for the involvement of the social partners in the drawing up of the NRP.<sup>5</sup>

The report is mainly based on the assessment by the Network of Eurofound Correspondents of responses to a questionnaire that elicited the views of social partners and other stakeholders at national level. The Network collected 148 responses, distributed as follows:

- 43 from employer organisations;
- 55 from trade unions;
- 44 from government representatives;
- 6 from European Semester Officers.

Although the results do not claim to be statistically representative, the number of views gathered give a concise picture of developments in the involvement of the social partners in the 2017 European Semester.

Contacts were mainly made with peak-level social partners, that is, those that are required to be involved in the European Semester process.

The information gathered has been analysed and grouped following the assessment by the Network of Eurofound Correspondents. To this extent, most of the information presented in the report is directly based on the social partners' replies, although correspondents have provided their own assessment – and the latter does not always coincide with the social partners' views.

The tables in the report group the different approaches of countries and the social partners' views and help to visualise the bigger picture, although there is a risk of simplification and misleading interpretations, as not all the social partners or the national authorities replied to all the questions. Furthermore, as it is a qualitative study, the replies may be influenced by the subjective opinions of interviewees, their different levels of knowledge on the details concerning past developments, or by the current state of social dialogue in that Member State. Thus, the analysis offers more nuanced assessments to flesh out and explain the succinct information in the tables.

To this extent, the report presents a pattern of analysis based on the aforementioned tables, presenting those replies in which all stakeholders interviewed (employers' organisations, trade unions and national authorities' representatives) agree with the same assessment of the situation, assuming that this sharing of views may imply a validation of the reply. Equally, it is assumed that those replies in which there is a consensus between both sides of the industries' representatives deserve attention and validation. Isolated or non-shared views coming from just one stakeholder are cited less often in the analysis, as it is not possible to show or share in the report all the opinions gathered during the research.

## Definition of involvement

The definition of involvement may be controversial, as it can be interpreted in different ways and there are diverse understandings at national level. Involvement can be seen as synonymous with consultation or participation, as it is usually understood in national social dialogue practices.

Moreover, the specific involvement in the European Semester may range from social partners being heard and consulted in the elaboration of the NRP – and, in a broader sense, their general participation in the

<sup>5</sup> Greece submitted the NRP in 2016 in order to participate actively in the procedures of the European Semester. However, no NRP has been submitted to the European Commission for 2017. According to the Greek Ministry of Finance, there was a preliminary draft, but without the consultation/contribution of the social partners.

Semester activities (being informed of the AGS, the country report or the CSRs) – to their involvement through established institutional consultative bodies or through bilateral negotiations with the government in the implementation of the policies and reforms adopted in the CSRs. Ultimately, the notion of involvement is embedded into the overarching framework of social dialogue and its varied expressions at national level.

As part of a political and social construction, the notion of involvement is related to the players’ expectations – for example, their willingness to transform the dialogue into negotiations or for their views to influence the final output – and therefore the role they want to play in the industrial relations arena, as well as the attention, relevance and value they provide to the European Semester process – namely the NRP.

For this study, as a working definition of involvement that encompasses as much as possible the social partners’ engagement in the European Semester activities, the authors consider that to ensure proper and effective involvement, social partners should be provided with meaningful and timely consultation that allows them to exercise influence and give visibility to their views. For example, ‘effective’ involvement could be all the quality standards applied to the settings used for the consultation – the form, the time allotted and the possibility to deliver effective contributions and feedback, as well as transparency and visibility of exchanges – that highlight the players’ different positions.

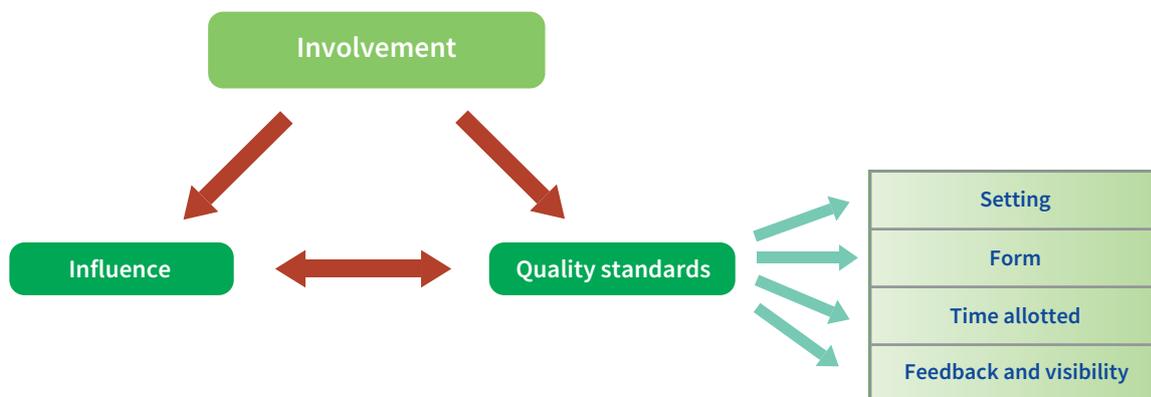
These minimum standards should be based on facts that can be measured – number of meetings, whether or not social partners delivered contributions and received

feedback – and should lead to a meaningful process of involvement. They are also usually recognised in typical social dialogue practices, although not always fulfilled, as reported in this study. Along with these quality standards, the degree of influence potentially exercised by the social partners throughout the involvement, particularly in the final version of the NRP, constitutes another part of the ‘effectiveness test’ applied in this analytical framework.

All these standards should be applied to measure the participation of the social partners in the elaboration of the NRP and – setting aside differences – some of them might also be applied in the future to other key milestones of the European Semester.

In this regard, it must be stressed that national social partners are not directly involved in the elaboration of the AGS, the country reports or the drafting of CSRs, as these key policy documents are prepared by the European Commission, not by the national authorities in the Member States. Nevertheless, national social partners may play a role in the European Semester sequence of activities by being heard and their views collected in the run-up to the CSRs through regular exchanges of information, before and after the adoption of the CSRs. This has started to be carried out by the active role developed by the European Commission, mainly through the European Semester Officers contacting the national social partners and presenting the key European Semester documents. As previously reported by Eurofound, this proactive function has introduced an interesting new element in the playing field of the social dialogue at national level (Eurofound, 2017a).

Figure 1: Involvement in the elaboration of the NRP: analytical framework



In this report, the notion of involvement also incorporates the role of social partners in the implementation of policies and reforms related to the European Semester output, namely the CSRs. Due to the significance of the reforms to be adopted, which often require complex negotiations and long political discussions through the national policy framework, the social partners' involvement usually has a multiannual timespan. In this case, the process is fully protected and embedded in the national social dialogue practices. Its analysis must take into account the running of the social dialogue mechanisms and channels to facilitate the participation of the social partners.

This report is made up of four main chapters. As with Eurofound's 2016 update report (Eurofound, 2016), Chapter 1 addresses the involvement of the social partners in the elaboration of the NRPs, as instigated by the Employment Guidelines. It also aims to provide an assessment of the engagement in the overall European Semester cycle.

Chapter 2 analyses the involvement of social partners in the implementation of reforms mainly adopted in the 2016 CSRs. This analysis, as well as the one in the following chapter (Chapter 3), focuses on the process of involvement and not on the policy content of the reforms implemented.

In light of the EMCO review into 12 selected Member States in November 2017, Chapter 3 examines in more detail the progress of the involvement of the social partners in these countries with regard to the implementation of relevant reforms and policies – in particular but not exclusively – in the context of the European Semester.

Chapter 4 provides conclusions and comments concerning the social partners' capacities to be properly involved in the implementation of reforms and to participate in social dialogue requirements.



# 1 Social partners' involvement in the 2017 NRP

## Main features of involvement

Overall, the involvement of social partners in the elaboration of the NRP 2017 remained stable, as compared to previous years. In the majority of EU Member States, social partner organisations are formally involved in most stages of the process, particularly in the elaboration of the NRP by the government and are, to some extent, informed by the European Commission regarding the content of the country reports.

This implies that in many countries, involvement is undertaken following tripartite social dialogue standards, which ensures a smooth application and consolidated process. In these countries, the elaboration of the NRP could be said to be integrated into the national social dialogue mainstream, in terms of social partner participation. That being said, it has also been acknowledged that the degree of involvement of social partners in some Member States is still insufficient, while in other cases it is considered to be purely a formal exercise and not wholly satisfactory. Moreover, according to the assessment made by the social partners, the degree of influence of their participation in the final version of the NRP submitted to the European Commission is assessed as being 'limited' in many cases, their views being only cursorily acknowledged, if at all.

In this overall assessment, some divergent views may be identified. For example, the social partners in the Nordic countries agree that their involvement in the European Semester is limited when it comes to the elaboration of documents, although this is not seen as a problem by the social partners themselves or by their respective governments. This is because the involvement of the social partners in regular policymaking is much greater and is considered to be more important by all parties. The social partners continuously participate and have a significant influence over national policymaking, particularly in the labour market model, where they enjoy a high degree of autonomy and any reform requires their involvement. In Denmark, Finland, and Sweden, the most direct involvement of the social partners takes place in special committees and through ad hoc discussions. In Finland, relevant ministries discuss the European Semester and related policies with the social partners through subcommittees devoted to EU matters; it has been reported by the social partners that national policies and the Commission's recommendations have so far been converging.

At the other end of the scale, there has been no positive development reported in Hungary with regard to the participation of social partners in the European Semester compared to 2016. Social partners complain of only being informed and due to the general nature of the information provided, and the limited time available, they are not in a position to develop and put forward their views and thus make a meaningful contribution. By way of contrast, the social partners in the Czech Republic are generally satisfied with the degree of participation throughout the European Semester process. Thanks to their experience in recent years, they are better positioned within the system – and this makes the whole process more efficient.

Finally, it should be stressed that the involvement of the social partners is highly dependent on the effective running of the social dialogue in the given country. Even though the participation of the social partners in the junctures of the European Semester can be considered a specific process, relatively different from the social partners' participation in the overall economic and social policymaking, there is a strong link in terms of practice and outcomes in both processes. Thus, the more effective the social dialogue and its implementation at national level is, the better and more effective is the involvement of social partners in the consultation process of the NRP.

## Appropriateness of the institutional settings

As discussed in earlier reports (Eurofound, 2016; Eurofound, 2017a), the involvement of the social partners in the elaboration of the NRP 2017 takes place through a variety of settings, institutions and procedures. There is a wide range of consultation practices between social partners and governments on matters related to the elaboration of the NRP: from well-established social dialogue tripartite or bipartite institutional frameworks to specific procedures and, occasionally, ad hoc structures. In essence, this involvement may take place through a combination of diverse structures and settings, supplemented by further procedures, such as parliamentary debates and informal exchanges, which in the end results in a complex, multifaceted and even multilevel form of involvement.

Social partners in Estonia reported on the complexity of the process: the social partners are engaged in many working groups when different acts and development plans are being drafted, as well as in other forums.

However, as all these engagement processes are held separately, it is difficult to get an overall picture of the reforms due to the different activities being dispersed between different institutions. In Italy, there is no government coordination of activities that involve the social partners, as there are different agencies and institutes involved in the process: the National Agency for Active Labour Market Policies (ANPAL), the National Institute for Social Security (INPS), and the Ministry of Labour and Social Policies.

According to the responses to the questionnaire received by the Network of Eurofound correspondents, most of the social partners and government representatives agree (either 'totally' or 'partially') that the current setting is institutionally appropriate to hold the consultation process. This includes the overall participation in economic and social committees (or equivalent bodies), either through specific discussion involving only social partners in committees, working groups, or through general procedures open to all civic representatives, as in the Czech Republic, Denmark, Finland, France, Latvia, Lithuania, Malta, the Netherlands, Slovakia and Slovenia.

In Austria, Cyprus, Finland, France, Italy, Malta, Latvia and Lithuania, national authorities, trade unions and employers' organisations declare themselves satisfied with regard to the appropriateness of specific ad hoc structures: for example, in working groups or impromptu tripartite meetings (such as in Finland, Italy, Latvia, Sweden and Slovenia) or bipartite meetings (in Finland and Malta).

Nevertheless, the appropriateness of the settings does not necessarily imply that the procedure works well, as there are other factors influencing the process of involvement, such as the quality of the exchanges and time allotted for discussion. In Croatia, Hungary, Romania and Spain, the social partners strongly disagreed (in contrast to the national authorities), deeming the current structures and practices not appropriate for an effective involvement in the elaboration of the NRP.

In Ireland, the prevailing practice is that social partner organisations are formally invited by the Department of the Taoiseach (Prime Minister) to set out their views on the challenges identified in the country report and on the efforts to address them. Social partner organisations are also invited to comment on a full draft of the NRP before it is submitted to the European Commission. This central engagement is complemented by ongoing bilateral engagement with relevant government departments on policy issues relevant to the NRP.

There are no formal mechanisms in place in the UK for the tripartite or social partners' discussion of economic policy, even if the Trades Union Congress (TUC) reports that they sometimes meet ministers on an ad hoc basis.

Although negotiations on the UK's unprecedented exit from the European Union began on 19 June 2017, no information has been transmitted by the government nor has it been possible to identify whether the UK's social partners were consulted by the government regarding the European Semester. Only one response from the TUC was received to the questionnaire and this identified a considerable deterioration in the consultation arrangements since 2016, pointing to deficiencies in the process and a lack of government commitment to such social partner involvement.

## Changes in comparison to previous European Semesters

Overall, there were no major changes in the institutional structures and practices during the European Semester 2017 cycle compared to previous years when the social partners were involved. There were some exceptions: for example, the NRP 2017 in Lithuania was drafted and approved exclusively by the government, after the arrangement for NRP drafting was changed in 2016. Following this institutional amendment, the social partners are no longer directly informed and/or consulted during the drafting of the NRPs, although they do participate in all processes (indirectly) through the discussions taking place at the tripartite Council.

Likewise, the social partners in Luxembourg, for the first time in 2017, decided to organise bilateral meetings within the Economic and Social Committee to raise a common view between the peak-level employers' organisation, the Union of Luxembourg Enterprises (UEL), and the three national representative confederations – the Confederation of Independent Trade Unions of Luxembourg (OGBL), the Luxembourg Confederation of Christian Trade Unions (LCGB), and the General Public Sector Confederation (CGFP) – to prepare for the adoption of an opinion of the Committee, which includes their respective positions. In France, unlike the previous year, the social partners' representatives were also indirectly consulted during the 2016–2017 discussions through the Environmental, Economic and Social Council, which includes NGO representatives and civil society.

In Slovenia, new rules of operation for the Economic and Social Council were signed in December 2016, establishing an important basis for enhancing social dialogue and allowing work to flow more efficiently. In Portugal, similarly, the government made a substantial improvement in the articulation of national social dialogue (especially the tripartite agreement signed in January 2017) and the measures included in the draft NRP, although social partners still complained about their limited involvement in the definition of strategic priorities and goals. In Spain, the national authorities highlighted that the existing twofold consultation mechanism of tripartite meetings and written

consultation has improved the way social partner involvement takes place.

In Ireland, social partners' engagement in the NRP was reported to be more extensive in 2017 than in 2016, due to the formation of a new government taking place following elections in 2016. A similar situation occurred in the Netherlands in 2017 due to national elections in March 2017, following by negotiations over the formation of a new government.

In contrast, there has not been any change in Bulgaria, where a Decision of the Council of Ministers sets the procedures and respective deadlines for the elaboration of the NRP (subject to periodical modifications), or in Poland where the social partners are of the opinion that the coordination between the work of the Europe 2020 team – the only institutional platform dependent on the Ministry of Development involving social partners in the European Semester and the NRP – and the activity of the Social Dialogue Council, established in the end of 2015, remains challenging.

In Hungary, there is no positive development, the social partners reporting that there are still no specific arrangements in place for meaningful discussions on European Semester related activities. The members of the National Economic and Social Council, including some selected national social partners, have been informed about the development of the NRP. However, according to the social partners, the government did not properly discuss the NRP as they received invitations to only some of the ad hoc working groups, similar to previous years. According to the government, the involvement of the social partners in 2017 took place in two stages, following the practice of previous years. In the first stage, ministries responsible for the measures involved their own partners in the preparation and planning of individual laws,

programmes and other measures. In the second stage, the Ministry for National Economy organised professional workshops.

Similarly, in Romania, the social partners are sceptical about the consultative process, widely regarding it as a 'formal, last-minute mechanism of information, rather than a substantive process of cooperation'. According to the social partners, they have no role in any of the actions taken or planned by the national authorities. Nevertheless, the Ministry of Foreign Affairs, which is responsible for the European Semester cycle, in 2017 delegated responsibility for consulting the social partners to the newly established Ministry for Public Consultation and Social Dialogue.

## Form and timing of social partners' involvement

According to the information received, in the vast majority of Member States the social partners received a complete draft of the content of the NRP, either at the beginning of the process – as in Austria, Bulgaria, the Czech Republic, Greece, Germany, France, Luxembourg, Malta, the Netherlands, Poland, Romania and Slovakia – or throughout the process of consultation (see Table 1).

In Cyprus, Denmark, Hungary and Spain, the content provided by the national authorities was partial, related only to employment and social topics. Furthermore, successive draft versions of the NRP were delivered during the consultation process in the Czech Republic, Italy, Latvia, the Netherlands, Slovenia and Slovakia. In Italy the exchanges took place from the beginning of the preparation of the NRP, with some draft versions of the document (or part of it) being submitted to the social partners for consultation; the latter considered this process to be very fragmented.

**Table 1: Form and content of NRP circulated to the social partners**

NRP and related documents provided by the government for consultation	All agree (employers, trade unions and national authorities)	Employer organisations and trade unions	Employer organisations	Trade unions	National authorities
A first complete draft of the NRP presented by the government	BG, CZ, EE, DE, FR, LU, MT, NL, RO, SK	AT, PL	BE, IE, SK	CY (*) DK, PT	FI, PT
Partial content of the NRP related only to the employment and social chapters	DK, HR	CY	PT	ES	AT, ES
Successive draft versions of the NRP provided during the consultation	CZ, IT, LV, NL, SI, SK			BG, IE	PL
Other documents such as the Stability or the Convergence programme	CY (**), CZ, FR, LU, LV, LT, SI		BE, PT, SK		PT
No written document provided, only working materials	SE	HU			
No content transmitted by the national authorities	LT	FI		UK	

**Notes:** One or more answers are allowed (multiple choices). Greece was not included in the study as it was exempted from NRP obligation, therefore it is not included in this or in subsequent tables. Organisations in some Member States did not answer this question or did not answer clearly enough.

\* Cyprus: PASSYDP; \*\* Cyprus: SEK, PEO

**Source:** Author's own elaboration based on responses to the questionnaire

In other cases, the national authorities delivered different working material, such as slides and figures. These practices, in Finland and Sweden, follow national processes traditionally accepted by the social partners, although this is not the case in Hungary.

Interestingly, relevant key documents, for example the Stability or the Convergence programmes, were also delivered to the social partners in Cyprus (according to SEK and PEO), the Czech Republic, France, Latvia, Lithuania, Luxembourg, Slovenia and Portugal.

## Changes in time allocated to consultation

From the responses received, only in France and Sweden did all parties concerned in the process of involvement agree that there was sufficient time in 2017 to participate efficiently in the assessment of the NRP. On the contrary, many social partners reported that deadlines were very tight compared with usual social dialogue practices. The allocation of time for each party is presented in Table 2.

Some progress was reported in the area that is one of the most frequent source of complaints on the part of the social partners, that is, the lack of time to properly analyse the content of the NRP. A longer time for consultation was reported in the Czech Republic, France, Italy, Poland, Slovenia and Slovakia. For example, the social partners in Poland got slightly more time to submit written comments to the draft NRP, taking into account that four meetings took place. The same assessment is made in Italy and Slovenia with regard to the quality of the timing. This represents a slight improvement on previous years, although the social partners still deem it unsatisfactory. In Slovakia, slight improvements were reported by the Association

of Towns and Communities of the Slovak Republic (ZMOS) – the government shares this view, but not the trade unions.

Similarly, some improvements may be observed in Spain compared to 2016. According to the trade unions, a tripartite meeting – called at their request – was organised more than one month before NRP was due for submission. However, the main criticism levelled by the Spanish trade unions is not the time allotted to consultation, but rather the lack of information shared, as only a superficial outline of the structure of the programme was given. Thus, the specific measures to be included could not be discussed in the meeting. As they did not have sufficient information, the trade unions prepared a joint document which, in the absence of the draft NRP 2017, was based on the country report published by the European Commission in February 2017. Accordingly, the trade unions consider that the existing practice is not sufficient to facilitate their contribution in the elaboration of the NRP.

Despite certain improvements in Croatia, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Poland, Portugal, Romania and Slovenia, the lack of sufficient time for consultation is still an issue acknowledged by both social partners and national authorities. In Croatia, for example, according to the social partners, the consultation period was two to four days. However, representatives of the Croatian government believe that there was enough time allotted to analyse the documents and provide feedback, as the term for the comments of the social partners was extended in an effort to collect more opinions.

Differing opinions between social partners and the government also feature in Estonia and Romania, where the social partners were not in a position to develop an argument for their position as they were given a mere

**Table 2: Time allotted to the involvement of social partners**

	All agree (employers, trade unions and national authorities)	Employer organisations and trade unions	Employer organisations	Trade unions	National authorities
Sufficient time to analyse the documents and provide feedback	FR, SE		BG, MT, NL	CZ, DK, FI	AT, DK, EE, ES, FI, HR, NL, PT, RO, SK
Frequent provision of information throughout the year in advance of key dates	CZ, LT, LU	FI			AT
Information on NRP submitted with very short deadlines for consultation	HU, LV, LT	DE, EE, HR, PL, PT, RO, SI	BE, FI	AT, CY, SK	
Tight deadlines compared with national social dialogue practices, but sufficient		AT, IE	BE, CY, CZ, DK, NL	ES, MT	CY, CZ, DE, FR, MT, PL, SI, SK
More time added compared to 2016	DE, IT, SI	CZ, PL	BE, SK	FR	FR, PT

**Note:** One or more answers are allowed (multiple choices). Organisations in some Member States did not answer this question or did not answer clearly enough.

**Source:** Author's own elaboration based on responses to the questionnaire

**Table 3: Feedback and visibility of social partners' contributions**

	All stakeholders agree	Employer organisations and trade unions	Employer organisations	Trade unions	National authorities
Government replied in writing to the contributions submitted	EE, HR, LV		CZ*		AT, MT, PL
National authorities acknowledged and reflected the social partners' views in the NRP	CZ, FR, (EE), IT, LV MT	BG	CY, NL, SK	AT	AT, CY, DE, DK, LT, NL, PT, SI, SK
Social partners' views were annexed to the NRP	BE, ES, FR, NL, PL, SE			BG	AT
Contributions from social partners were made visible	BE, FR, DE, IE, LU, SK	DK	BG, PT (CCP*)	NL	PT
Neither feedback nor acknowledgement from the government	HU			PT (UGT), SI, UK	RO

**Note:** One or more answers are allowed (multiple choices). Organisations in some Member States did not answer this question, or did not answer clearly enough. Individual names of specific social partner organisations are cited in the table to highlight when they were the only employer or trade union organisation giving a particular view. \*Employers' organisations in Czech Republic and Portugal agreed only partially.  
**Source:** Author's own elaboration based on responses to the questionnaire

six days over the Easter break for consultations. Employers' organisations considered the timeframe reserved for consultations to have been narrower than last year. However, the government believed there was sufficient time to analyse the documents and provide feedback.

While the feedback from the social partners in Ireland indicates general satisfaction with their involvement in the European Semester, they did raise some concerns around issues such as deadlines. Direct participation in the European Semester in Latvia is limited to a debate on the near-completed NRP, with insufficient time for discussion and internal capacity problems identified as the main obstacles for better participation.

In Portugal, the General Confederation of the Portuguese Workers (CGTP-IN) complained of the lack of sufficient time for the social partners in the process. Portuguese national authorities also point out that the schedule of the European Semester cycle should be expanded in order to improve the involvement of social partners.

Divergent views can be found in Bulgaria, where the Bulgarian Industrial Association (BIA) declared that there was sufficient time to express their opinions and concerns. Trade unions, however, considered that the time allotted for consultation was tight. Employers' organisations in Belgium and Finland criticised the lack of time, while trade unions in Austria, Cyprus and Slovakia were similarly critical.

## Feedback and exchange of views

The social partners' involvement is reflected, in practice, through their explicit contribution to the elaboration of the NRP, as shown in Table 3. These contributions are usually provided in writing and separately by each social partner in Austria, Croatia, Cyprus (SEK), the Czech Republic, Denmark, France, Germany, Greece, Italy, Latvia, Malta, the Netherlands, Poland, Portugal (CCP and CGTP-IN), Slovakia, Slovenia and Spain; on the other hand, sending a joint contribution is less widespread in Belgium, Lithuania, Portugal (except CGTP), the Netherlands and Sweden.

In Italy, the social partners provided written contributions, in some cases, and these were taken into account by the national authorities in the final version of the NRP. The social partners in Slovakia state that they received sufficient feedback to their proposals of the NPR and that their comments were partially accepted and included in the final version. In addition, their contributions were made visible.

The Employers' Confederation of Latvia (LDDK) submitted a written contribution containing its own views and these suggestions were partly taken into account. However, the government did not inform them about the corrections made and the proposals were not annexed to the NRP. The Free Trade Union Confederation of Latvia (LBAS) did not submit its written opinion to the NRP 2017, but participated in the meetings.

One exception was reported in Hungary where, according to the social partners, no preliminary draft NRP was received beforehand, and a presentation of the government document took place in some of the ad hoc working groups. For this reason, the social partners did not submit any contribution as they consider that the consultation set-up and procedure of consultation does not provide them with any opportunity to contribute to the process, as it currently stands. Trade unions in Bulgaria take the same view but employers' organisations claimed to have submitted their own contribution. Furthermore, no written contribution was submitted either in Finland – following the usual consultation practice in the Nordic countries – or in Romania.

One of the common complaints from social partners relates to the lack of response or feedback with regard to their submitted views. Many put forward the view that their involvement appears to be limited to an information role rather than participating in a consultation and exchange process.

There are still a few cases – Croatia, Estonia and Latvia – where some feedback was received by the social partners (in writing) from the government to their submitted contributions, as well as in the Czech Republic (as reported by employers' organisations), and in Austria, Malta and Poland (according to national authorities).

For instance, the government in Croatia collected all written opinions and proposals by the social partners and posted them online for the ministries to comment, extending the time period for comments and feedback from the social partners in an effort to garner more opinions. The comments were then collected and sent to the social partners.

In Lithuania, there is no specific system of information exchange during the process of elaboration of the NRP. Nevertheless, it should be noted that the positions and views of the social partners are in some way reflected in the NRP, as large reforms related to the new social model, actively debated by the social partners at the sittings of the Tripartite Council (TCLR) in 2016–2017 were included.

Acknowledging the social partners' views in the final version of the NRP can be considered an indicator of the effectiveness of the process. According to all parties involved, the final version of the NRP acknowledged and reflected (to some degree) the social partners' contributions and views in Bulgaria, the Czech Republic, France, Italy, Latvia, Malta and Spain. It is worth noting that the national authorities in Austria, Cyprus, Denmark, Germany, Lithuania, the Netherlands, Portugal, Slovakia and Slovenia are more open to acknowledging that social partners' views were to a certain extent reflected in the final version of the NRP.

As stated in previous reports, giving full visibility to the social partners' contributions is a good practice for highlighting the transparency of the process.

Nevertheless, there are a few examples where social partners' views were annexed to the NRP – in Austria (where only the activities carried out by the social partners are annexed, not the social partners' views), Belgium, France, the Netherlands (the Labour Foundation views, not separate ones), Poland, Spain and Sweden – or made visible (usually in institutional websites): in Belgium, Bulgaria, Germany, Denmark, France, Ireland, Luxembourg, the Netherlands and Slovakia.

Social partners' contributions in Spain were incorporated into Chapter 6 of the NRP, an improvement compared to 2016. Although some social partners, as is the case in France, may be satisfied overall with the way the public authorities involved them in the European Semester, they also state that the NRP does not take into account their views or even their position reflected in the annex of the NRP. According to the social partners in Bulgaria, there was good communication during the elaboration of the NRP 2017, but this dialogue ended in the final stage and the final version was not discussed with them.

In Romania, the government offered to include the social partners' input as an annex to the NRP 2017. However, they did not forward any such documentation (on their own or together) as the government adjudged that the institutional structure does not facilitate the input of social partners at any stage of the European Semester process beyond the public consultations presenting the final draft of the NRP each year.

## Degree of influence in the final version of the NRP 2017

The degree of influence measures the perceptions of the social partners with regard to one output and not about the process of involvement. It reflects largely the need of the social partners to have more influence over the final result of the NRP and the priorities in the reforms to be adopted at national level. However, this assessment could be misleading due to factors influencing the running of the social dialogue at national level.

Therefore the approach to the nature of the NRP – within the national context of policymaking – also determines the strategies of each social partner organisation to participate in its elaboration. The frustration reflects, in many cases, the disenchantment of a process that is deemed to be rather formal, consequently limiting the possibilities for having any real influence and their views taken into account.

**Table 4: Social partners' perceptions regarding their influence over the NRP**

Organisation influence	Significant			Limited			None		
	2016–2017	2015–2016	2011–2014	2016–2017	2015–2016	2011–2014	2016–2017	2015–2016	2011–2014
Employer organisations	BE			CY, IE	BE, BG (BIA), CY, LV, SK, UK	DE, ES	AT, DK*	AT, RO	
Trade unions				DK, EE, FR, ES	AT, DE		BE, CY, FR, DE	BE, CY, LV, UK	CY, DE, ES
Employer organisations and trade unions			BE, FI, MT, NL, SE	AT, BG, DE, LV, LT, PT, RO, SI	CZ, DE, EE, FI, FR, IE, LT, PT	AT, CZ, EE, FR, IT, LT, LV, LU, SI, PL		DK, ES, HU	BG, DK, UK
National authorities	AT, CY, LV, LT, SI, RO, ES, SI	CY, EE, FI		DK, FR	BE, LV, RO, SK				
All parties agree	MT	MT		CZ, FI, HR, IT, LU, NL, PL, SK, SE	HR, LU, SE, SI		HU		

**Note:** Organisations in some Member States did not answer this question, or did not answer clearly enough. \*DK: in the understanding that the employers' organisations intervene much more in the national policymaking

**Source:** Author's own elaboration based on responses to the questionnaire and previous reports

In contrast, the national authorities' approach highlights that the NRP is not considered to be a joint document: it is clearly a government document describing the situation, along with the challenges and the reforms proposed to address them. According to some national authorities, and also some social partners, the latter should be consulted if they consider the proposed description adequate and agree with it, including the representation of data, policies and actions undertaken, but not necessarily their content.

Table 4 shows a comparative evolution of the social partners' views with regard to their assessment on the degree of influence they have over the final version of the NRP. These assessment and views should be taken cautiously, as they may reflect subjective expectations. Consistently, as with previous findings, it is widely acknowledged (by both the social partners and national authorities) that in most Member States they have limited influence.

Malta is the only Member State where all stakeholders agree that they have a significant influence in the elaboration of the NRP. But a few national authorities recognise they have significant influence in the final version of the NRP 2017, which is quite a divergent view from the social partners in the those countries. In contrast, all parties in Hungary, including the national authorities, concur that they have no influence at all.

The unsatisfactory level of influence is stressed by employers' organisations in Austria and Denmark, although in the latter country it must be acknowledged that the social partners intervene considerably in national policymaking; the opposite view is expressed by employers' organisations in Cyprus, France and Germany.

The social partners in Poland reported that the operational and organisational constraint that limits their influence on the contents of the NRP is the small number of meetings of the Europe 2020 team and the lack of smaller sub-groups dealing with individual areas analysed in subsequent editions of the NRP. The relevance of such influence should be put into the national context. For example, even though the social partners in Sweden state they believe their influence to be limited, they also acknowledge that the structures and practices for social partner involvement in the elaboration of the NRP is characterised by mutual understanding and a willingness to cooperate. And while the content, as such, is not adapted according to the views of the social partners, in their opinion the meetings leading up to and following the NRP are very useful and highly valued by the social partners as these meetings give them the opportunity to discuss current and important matters with the government.

Equally, according to the social partners in Luxembourg, their views are neither annexed to the NRP nor quoted in the document. However, in terms of the reforms themselves, these are always discussed in the framework of the national tripartite social dialogue and have an influence on the reforms proposed.

## Overall assessment in comparison to 2016

Based on the assessment framework created for this study, Table 5 summarises the developments with regard to the involvement of the social partners according to the different indicators created.

According to the application of the analytical framework (see the Introduction on methodology), in most Member States the situation regarding the social partners' involvement in the elaboration of the NRP has remained unchanged, whether it be in terms of good or bad quality; in some specific countries, however, a slight improvement has been noted.

For example, the social partners in Latvia recognise that more important issues were discussed within the NRP and that the organisation of separate meetings for discussion with the government and representatives of the European Commission was beneficial. According to the social partners in Slovakia and Slovenia, slight improvements in the quality of the involvement can be reported in comparison with the previous European Semester cycle, as more time was given to assess the NRP. The same was found in Spain with regard to the visibility and the time allotted for review. Nevertheless, Spanish trade unions do not report substantial improvements, as they stress that the information provided by the government is still limited and leaves little room for discussion and consultation. They criticise what they consider as to be a 'poorly institutionalised consultation process', mostly due to the lack of information on the draft NRP shared by the government.

Social partners' views on both sides of the industry, as well as government representatives' opinions, tend to differ when comparing the situation in relation to the 2016 European Semester cycle. Although there were no

changes identified in the process of elaboration of the NRP, in comparison to 2016, the Confederation of Estonian Trade Unions (EAKL) assessed that the involvement has 'slightly worsened'. They feel that there are many processes going on at the same time, but the time to react, participate and give feedback has remained the same – and this hinders their ability to be involved.

It is worth mentioning that a slight deterioration was reported by trade unions in Portugal and Belgium due to the divergent views collected from the social partners and the national authorities. The situation in Portugal should be nuanced as the alleged reduced time for the formal discussion in the Economic and Social Council of the draft NRP was compensated for by a significant improvement in the articulation between the contents of the NRP and the regular mechanisms of dialogue between the social partners and the government, such as the process leading up to the tripartite agreement of 2017.

Divergent views from the social partners and national authorities in Slovenia and Spain reflect a strong optimism in their assessment. Due to different reasons, a slight overall improvement was reported in Italy (more influence), Latvia and Luxemburg (improvement in the settings but no improvement in getting feedback or visibility).

According to the social partners in Hungary, the government did not properly or effectively involve the social partners in the elaboration of the NRP and they are very critical of the process. Apart from considering the existing institutional bodies to be inappropriate for meaningful discussions, the social partners only receive limited information. Due to the general nature of the information provided, and the short time available for proving contributions, social partners are not in a position to develop or put forward their views and hence are unable to make a meaningful contribution.

**Table 5: Social partners' involvement in the NRP 2017 – comparison with the previous cycle**

	Quality standards				
	Suitable setting	Form/content	Time allotted	Feedback/ visibility	Influence
<b>Slight improvement</b>	CZ, ES, HR, IT, SK, SI, LV, LU	BG, CZ, IE, LV, PT, SK, SI	BE, CZ, ES, FR, IE, MT, SK, SI	CZ, ES, IE	CZ, ES, IT, LV, SI
<b>No change</b>	In all other Member States, no relevant changes in comparison to the 2015–2016 cycle				
<b>Slight deterioration</b>		BE	EE, PT	PT	

Source: Based on social partners' views and author's own elaboration

## Involvement in other key stages of the European Semester

In addition to their involvement in the elaboration of the NRP, the social partners reported varying degrees of participation in other relevant stages of the European Semester. Following an established practice over the past few years, social partners in most Member States took part in activities organised by the European Commission in order to present key documents, such as the AGS, country reports and draft CSRs. These activities followed varied formats and events – including fact-finding missions, contacts and country visits – and ranged from less-frequent early involvement to the formal presentation of the AGS, a specific event presenting the country reports (either through joint or separate meetings with social partner organisations) or broader events, along with other civil society organisations and meetings with experts.

The vast majority of social partners welcomed this dissemination of information and particularly the presentation of the country report, although they do not consider it to constitute proper involvement in the European Semester. In fact, hardly any further discussions on the content of the documents took

place. Likewise, the active role of the European cross-sector social partners BusinessEurope and ETUC, who monitor progress in the European Semester – providing technical assistance, collecting information and encouraging involvement – is very much appreciated by their respective affiliates.

In addition, some social partners reported specific national practices that foster involvement in European Semester affairs. Consequently, the overall involvement has improved – for example in Spain – where the bilateral consultation between the European Commission and the social partners that was initiated in 2016 continued in 2017. In addition, the government has extended this consultation by setting up meetings prior to the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) meetings. Similarly, the social partners in Sweden meet jointly with the Prime Minister's Office, shortly after the draft country-specific recommendations have been published, in order to discuss the potential effects of the upcoming autumn budget.

According to some views collected, the country reports are seen now by the social partners as significantly influential documents for the CSRs, much more so than the NRP.



## 2 Social partners' involvement in the 2016 CSRs

The European Semester formally ends with the adoption of the country-specific recommendations. The reforms and actions recommended in this policy document are then required to be implemented by the Member States through the appropriate national mechanisms. Once adopted, the national reforms in the CSRs should form part of the national agenda, which in turn may be broader or have different priorities.

As mentioned in a previous Eurofound report (Eurofound, 2017a), when the social partners feel more engaged in the elaboration of the NRP and the different stages of the European Semester, this can facilitate their ownership of the reforms and measures adopted in the CSRs. As has been acknowledged, the involvement of social partners in the implementation of the reforms adopted in the CSRs is strongly linked to the way that social dialogue operates in every Member State.

Much has been written about the way in which the reforms are presented in the CSRs. Some researchers and scholars (for instance, Clauwaert, 2017; Sabato et al, 2017) have discussed the difficulties in correctly disentangling or decoupling the reforms adopted in the CSRs. This is due to a number of reasons.

- The increasingly important role played by the recitals in the CSRs, acting as a narrative, and the justification of the more succinct reforms cited in the recommendations section.
- The interdependence between the labour and social reforms and other broad economic reforms, which makes it difficult to track the former as purely social and labour measures; this happens with regard to the reforms proposed in the areas of labour market, wage-setting mechanisms and collective bargaining. All these topics are strongly connected with reforms in the budgetary and fiscal fields.
- National implementation mechanisms and traditions may vary considerably and are significantly influenced by political priorities in the national agendas; this makes it complicated to discern whether some reforms result from the CSRs, or are linked to other structural reforms.
- Many structural reforms in the social and labour fields – for example, labour market or pensions reform – take time to be negotiated with all the stakeholders, not only through social dialogue, but also in the political and parliamentary arena. This means that the long-term reform process makes it difficult to assign the reform to one specific CSR period.

### Overview of the involvement in the implementation process

As a rule, the social partners in the European Union are involved, directly or indirectly, in the implementation of the national reforms in the social and labour fields. The degree of involvement certainly varies across countries, as well as the degree of satisfaction of the social partners with regard to the way and intensity in which the engagement takes place.

Depending on the issue under examination, the involvement takes different forms. Typically, on labour and social policy matters, the process is institutionalised through consultations taking place in mainly tripartite bodies and standing committees in charge of discussing and issuing opinions on different legislative initiatives proposed by governments. According to the European Commission (European Commission, 2016b), research in the Member States identified 115 institutions that bring together social partners with the aim of influencing policymaking. Additionally, the social partners' involvement in certain matters takes place through specific ad hoc committees or other national social dialogue practices and negotiations.

The form and level of involvement is related to the complexity of the national social dialogue institutions and practices – the legislation and the nature of each topic under examination. This complexity may be observed, for example, in France, where the social partners' involvement depends on the issues dealt by the government. In some cases, government consultation is compulsory. In some cases, the social partners (by themselves) have to or may negotiate collective agreements to implement a reform; in other cases, the government can implement the reforms without any consultation with the social partners.

The vast majority of social partners reported some kind of institutional involvement in all or some of the reforms included in the 2016 CSRs – as shown in Table 6. This involvement does not indicate the way or the outcome in which the implementation finally took place, sometimes in disagreement with (some of) the social partners. It must be stressed that the social partners' complaints are due either to the fact that the involvement is formal rather than effective or because they do not agree with the content of the reform proposed.

**Table 6: Policies and measures involving the social partners to a limited degree through discussion and consultation**

Country	Policies and measures
<b>Austria</b>	Budget, fiscal relations, health system sustainability Sustainability of the pension system by linking the statutory pension age to life expectancy Improvement of the labour market participation of women Improving the educational achievements of disadvantaged young people, in particular those from a migrant background
<b>Belgium</b>	Implementation of employment policies and vocational training changes by regional agreements (agreement) Law on flexible and workable work (no agreement)
<b>Bulgaria</b>	Minimum statutory wage and minimum insurance thresholds Integration of labour market branches and the social welfare services
<b>Croatia</b>	Wages and salaries of public servants (unachieved) Professional rehabilitation and employment of persons with disabilities
<b>Cyprus</b>	Modernisation of public administration Active labour market policies Enhancing the public and private employment services
<b>Czech Republic</b>	Labour law and flexible form of work, regional mobility, legal migration, pension system, healthcare system, education
<b>Estonia</b>	Public administration and business environment policy area (employers' organisations only)
<b>Ireland</b>	Childcare, job support services, apprenticeships, future skills needs
<b>Italy</b>	Implementing the Jobs Act and the pension reform (informal meetings)
<b>Latvia</b>	Pension reform Reform in the healthcare sector Tax reform – reduction of the tax wedge for low-income earners Set up a common legal framework for all public employees
<b>Lithuania</b>	Amendments to legislation related to the labour market at the tripartite institutions operating under the Ministry of Health, State Social Insurance Fund Board and PES. Amendments to the Labour Code
<b>Luxembourg</b>	Long-term sustainability of public pensions (participation of social partners in the working group on pensions) Removal of barriers to investment and innovation that limit economic development in the business services sector
<b>Malta</b>	Increased participation in lifelong learning National Skills Council (skills card)
<b>Netherlands</b>	Self-employed, second pillar pensions and the housing market, as well as permanent contracts
<b>Poland</b>	Ensuring the sustainability and adequacy of the pension system Removing obstacles to more permanent types of employment
<b>Portugal</b>	Minimum wage (agreement) Fiscal measures for SMEs (agreement) Extraordinary programme of regularisation in public employment Contract employment, premium employment, qualifications programme
<b>Romania</b>	Minimum wage Subsidies for labour mobility
<b>Slovakia</b>	Activation of long-term unemployed Reform of education system Regulation of social services and development of Roma strategy Legislation concerning public procurement procedures Improvements in the healthcare system Measures ensuring responsible financial policy (employers' organisations only)
<b>Slovenia</b>	Long-term care and healthcare systems reform Pensions reform Older workers, lifelong learning and activation measures Mini labour market reform Apprenticeship bill
<b>Spain</b>	Activation for the employment programme Renovation of the PREPARA (social protection) programme Implementation of the law to reform the vocational training system for employment

**Note:** This list is not comprehensive.

**Source:** Author's own elaboration based on responses to the questionnaire

The social partners in Austria were heavily involved in policy reforms in the labour and social fields, as is common practice in the Austrian system of social partnership. In Croatia, the social partners were consulted through the National Economic and Social Council, although they deem the social dialogue to be relatively weak in spite of the efforts of the government.

The same assessment is made by the social partners in Lithuania, even though all reforms included in the NRPs or implementing the CSRs are discussed beforehand by the social partners at the Tripartite Council. Trade unions in Poland point out that it is difficult to talk about any particular involvement of the social partners in the implementation of the CSR, as this participation consists of the standard procedure of issuing opinions – the social partners' right under the Trade Union Act – and of the work within the Responsible Development Strategy (RDS) problem-focused teams.

In Bulgaria, the social partners' involvement took place through the Ministry of Finance's 'Working Group 31': they were consulted on topics such as wages, skills and lifelong learning, and labour market policies, including the protection of employment. In the Czech Republic, the social partners were involved in discussing the 2016 CSRs through the Council of Economic and Social Agreement, specifically in the context of Council working groups where they discussed labour legislation and flexible forms of work, the pension system, the healthcare system, regional mobility, education (high school legislation, vocational training and work-based education with dual elements) and legal migration (FastTrack system for Ukrainians).

All public consultation procedures in Estonia stem from good engagement practices (GEP): when developing drafts, the government authority has to consult with interest groups and the public at the earliest possible stage of proceeding and during the whole process. In this way, social partners have opportunities to participate and express their opinion about all major reforms. However, most of the reforms related to CSRs are prepared by different ministries and the social partners have difficulties identifying which of the different engagement events they participate in are directly involved with reforms related to CSRs.

In Ireland, the social partners were consulted on topics such as childcare, job support services, apprenticeships and future skills needs. In Italy, informal meetings with the social partners were held with regard to key issues such as pension schemes, the unemployment system,

productivity and firm-level bargaining agreements, and vocational training. Latvian legislation provides that social partners are permanently involved in the elaboration and implementation of economic and social policies and reforms, using a wide spectrum of instruments.

The same is the case in Luxembourg, where all draft regulations are submitted to professional chambers where representative trade unions and employers' organisation may give their point of view. Additionally, bipartite discussion is also common between each social partner and the government. The social partners were recently involved in the elaboration of two important reforms: the new parental leave that came into force in December 2016 (Eurofound, 2017b) and the new law to make working time more flexible (Eurofound, 2017c), adopted in 2016 after the social partners failed to reach an agreement on the organisation of working time.

Social partners in Malta recognise that they are strongly involved in the implementation of reforms and policy initiatives related to the NRP and CSRs. As they are represented in tripartite bodies, they contributed in several ways to measures related to the 2017 CSRs on increasing the participation of low-skilled persons in lifelong learning. The social partners feel that the government involves them in most of the relevant reforms and believe that they make significant contributions to the elaboration of government policy and its implementation. However, they are aware of their limitations, notably due to insufficient time and resources.

Social partners in Romania were involved – once again unsuccessfully – in the discussion of the minimum wage,<sup>6</sup> the subsidies for labour mobility<sup>7</sup> and public sector wages (related to the 2016 CSRs, Article 18 on public sector reform). However, they complained about the lack of involvement in other relevant reforms in which they should have been consulted. For example, employers' organisations were not involved in the discussion about the mandatory payment by part-time workers of social contributions equivalent to the minimum salary, or in the measure targeting the stimulation of employment such as the 'first salary'.

Social partners in Slovenia were involved in discussions regarding the long-term care and healthcare systems reform, pension reform, older workers, lifelong learning and activation measures, mini labour market reform and the apprenticeship bill.

6 Government Decision No. 1/2017, related to the 2016 CSRs for Romania, Article 12.

7 2016 and 2017 amendments to Law No. 76/2002 related to the 2016 CSRs for Romania, Articles 10 and 17.

The social partners in the Netherlands were involved in the discussion of CSRs and the design of measures regarding:

- facilitating the transition from temporary to permanent contracts (flexibility and security);
- making the second pillar of the pension system more transparent, inter-generationally fairer and more resilient to shocks (affordability of pensions, intergenerational solidarity);
- addressing the high increase in self-employment (without employees), including reducing tax distortions favouring self-employment and by promoting access to affordable social protection;
- reducing the remaining distortions in the housing market and the debt bias for households.

The social partners are involved in policy development regarding self-employment, second pillar pensions and flexibility versus permanent contracts, as well as the housing market. However, many initiatives – new legislation or other measures – following this agreement were already taken by the end of 2015. For this reason, and because the government had been a caretaker cabinet since March 2017, there were no major reforms that year.

Similarly, the social partners in Slovakia are usually involved in the design of national reforms responding to the CSRs through two mechanisms of social dialogue: cross-sectoral commenting, in which, in addition to the social partners, the state administration bodies and other stakeholders are involved; and consultations at the tripartite Economic and Social Council. Specifically, the social partners were consulted in 2016 on the activation of long-term unemployed and the reform of the education system.

## Involvement through other social dialogue practices

As previously discussed, the social partners in many Member States were also involved through bilateral national social dialogue practices and negotiations, including broad concertation processes such as social pacts and collective bargaining. It has been reported in Austria, Belgium, Cyprus, the Czech Republic, Finland, France, Latvia, Portugal, Romania and Slovenia that in many or some of these processes an agreement was reached to implement the reforms.

### Portugal: Social partners' involvement in the implementation of reforms

There was a continuous and regular process of consultation of social partners represented at the Standing Committee for Social Concertation regarding the reforms and policy measures related to CSR recommendations. The government consulted the social partners in the following reforms and policy initiatives related to recommendations raised by the 2016 CSR:

- a) a minimum wage increase of 5% in 2017;
- b) a measure comprising the progressive reduction of the special advance tax payment aimed at preventing possible negative impact of minimum wage increase on employment in SMEs;<sup>8</sup>
- c) labour market segmentation and precarious work: an extraordinary programme of regularisation of precarious employment relationships in public administration and publicly owned companies;
- d) contract employment: a new measure to support employment creation (Ordinance No. 34/2017) consisting of state subsidies to firms employing long-term unemployed, young people, older workers or disadvantaged groups gives priority to permanent contracts (subsidies for permanent contracts are higher than subsidies for short-term contracts) and only subsidises short-term contracts of more than 12 months duration;
- e) premium employment: a new incentive for the conversion of internship contracts into permanent contracts (Ordinance No. 131/2017);
- f) the Qualifica programme: active labour market policies on education and training that focuses on adult education and training, complementing a process of certification with training.

<sup>8</sup> The measures regarding the minimum wage update and monitoring, and the fiscal measure supporting SMEs, were part of the Tripartite Commitment for a mid-term concertation agreement signed on 17 January 2017 with the Amendment of the Tripartite Commitment signed on 3 February 2017 by all social partners, with the exception of CGTP.

Some non-exhaustive examples include Austria, where national authorities reported the social partners' involvement in the implementation of the following CSRs:

- the Pension System Commission (related to CSR 1b) – a tripartite commission whose task it is to provide assessments on the public management of the pension insurance, and the long-term development and financial feasibility of the statutory pension insurance;
- CSR 2b through the participation in the government's integration summit in spring 2016: the social partners' suggestion to extend the 'service cheque' to asylum seekers was implemented, as well as participation in the elaboration of the Act on Integration and the participation in elaboration of education reform.

The social partners in Cyprus were involved in the labour reforms raised explicitly in the common reporting standard (CRS) for 2016, with respect to unemployment and the implementation of universal health coverage through the formation of the National

Health Scheme. In addition, they were involved in the implementation of other relevant policy initiatives and reforms, such as amendments in labour law, the social protection policy in the form of a guaranteed minimum income (GMI), active labour market policies and incentives to work, and job creation policies in the form of schemes for targeted categories of unemployed persons. According to the trade unions, the most important national dialogue agreements signed concerned the automatic mechanism to set a ceiling for wage increases in the semi-public and public sector, and the amendment of the Cost Of Living Allowance (COLA) – the indexation system in the private sector.

In the Czech Republic and Lithuania, the social partners were involved in the amendments to the Labour Code. In Luxembourg, with regard to the recommendation on innovation and businesses, the OGBL was consulted on the possible revision of the legislation on opening hours of the retail sector at national level (derogation adopted in 2016 by the government to the opening of shops on Sundays only for the City of Luxembourg). According to the OGBL, the union was not consulted on this local derogation agreed by the government.

## Poland: Social dialogue and negotiations on labour market and wage setting

In order to reduce illegal employment in Poland, an agreement was reached to eliminate the 'first working day syndrome': a law amending the Labour Code was adopted, introducing an obligation to provide written confirmation to the employee of the basic arrangements related to the conclusion of the employment contract before the employee is allowed to commence work.

The social partners were also engaged in talks with the government and reached agreement (totally or partially) on a number of topics.

First, to improve the standards of temporary workers' employment: although consensus was not reached on all topics, the law that has eventually been adopted – amending the Act on employment of temporary workers – contains some of the provisions agreed by the social partners. The changes include setting the maximum period for performing temporary work by a worker for a given user employer, regardless of whether he or she is deployed to work there by one or several temporary work agencies; increasing the protection of pregnant temporary workers; and providing greater protection for people performing temporary work on the basis of civil law contracts.

Another provision was to extend the period to 21 days (and aligning the time limits) for the worker to appeal against dismissal. This is after agreement between the social partners who submitted to the government a joint legislative proposal for amendments to the Labour Code. The social partners were also engaged in the scope of the statutory minimum wage, which was extended.

The social partners were also involved in amending the Act on the minimum wage. This introduced a guarantee of the minimum amount of remuneration, which applies to some specified civil law contracts (Act of 22 July 2016). The minimum hourly rate has been in place since 1 January 2017.

Moreover, the social partners were consulted in the Responsible Development Strategy (RDS) Social Security team in reference to the recommendation 'Ensure the sustainability and adequacy of the pension system'. As a consequence, legislation adopted on December 2016 amended the act on old age and disability pensions from the Social Insurance Fund and certain other acts, such as introducing an indexation mechanism into the farmers' social security system, the same as in the system for employees.

Likewise, the Act on the promotion of the labour market and on labour market institutions, and the Act on pre-retirement benefits have been amended after consultation with the social partners, with the changes coming into force on 1 January 2017. With regard to recommendations improving the labour market relevance of education and training, the social partners were involved in the work on implementing the Polish Qualification Framework, linked to the heading 'Skills and lifelong learning'.

In contrast, completely divergent opinions have been presented in the RDS by trade unions and employers' organisations concerning the issue of lowering (returning to the previous regulation) the national retirement age. The discussion within the RDS has not led to any convergence of positions.

## Implementation of reforms unilaterally applied by the national authorities

Negotiations aimed at implementing reforms included in the CSRs in Austria, Belgium, Cyprus (PEO and SEK), the Czech Republic, Finland, Hungary, Latvia, the Netherlands, Slovakia and Spain were not successful. In these cases, the government unilaterally implemented the reforms. One example can be found in Austria, where trade unions reported not to have been involved in the implementation of an 'employment bonus' (employer subsidy) for the creation of job positions (CSR2a) and with no agreement on working time flexibilisation (CSR 2a). Similarly, in early 2017, the Belgian government adopted the Law on workable and flexible work, after having adopted a new system of flexi-jobs in the hotel, restaurant and catering sector.

Both measures were undertaken largely without the social partners' involvement due to trade union protests and their rejection. In the framework of the competitiveness and labour market reforms in Belgium, the NRP mentions the particular involvement of the social partners in the implementation of the revised 1996 law by signing a new inter-sectoral national wage agreement and refers to the 'pacts' that have been signed on (parts of) these measures at the regional level in 2016–2017. However, the revision has been evaluated very critically by the unions.

Trade unions in Spain reported that they were not involved in the elaboration of the Joint Action Programme for the Long-term Unemployed (CSR 2) and the plan was approved without the involvement of the UGT and CCOO. When the measure started to be discussed, both trade unions sent observations in the framework of the General Council of the Employment System (November 2015 and April 2016), where they are represented, which were not taken into consideration. It is noted that the trade unions were not called to discuss the measure.

As previously discussed, the involvement of the social partners is strongly dependent on the effectiveness of social dialogue at national level. To this extent, serious

complaints have emerged in Hungary and Romania with regard to the functioning of social dialogue. It has been reported that some labour and social reforms in Romania were the result of unilateral government action taken without consulting the social partners – for example, the Emergency Government Ordinance No. 96/2016 amending the National Education Law (relating to the CSR14); the Youth Guarantee Scheme (relating to the CSR10); and the Law No. 225/2016 regarding provisions on community-level public services (relating to CSR15); and the mandatory payment by part-time workers of social contributions.

### Other specific forms of involvement

Apart from institutional involvement and the specific engagement in negotiations, other forms of involvement have been reported, either because of a special format or due to consultation on broader policy areas.

For example, in Austria, the social partners were involved in the framework of parliamentary consultation of draft bills. Along with involvement in institutional settings, social partners in Belgium collaborated with the High-Level Group on financial reforms, contributed to reports and joint discussions on youth employment and the digitalisation of the economy, and to the evaluation of the national collective agreement.

In Cyprus, the social partners participated in the adoption of legislation for a hospital reform and the planned the implementation of universal healthcare coverage, as well as in the legislative reform on undeclared work.

In Ireland, the social partners were consulted on housing and childcare policies (related to the CSR No. 2) within the framework of the National Collaborative Forum for the early years care and education sector, as well as giving advice to the Labour Market Council in relation to the posting of workers.

Consultation with the social partners in the Czech Republic took place in the areas of regional mobility, legal migration, the pension system, healthcare system and education (with regard to improving the labour market relevance of education and training).

## Reforms not implemented

In the Czech Republic, Germany, Hungary, Romania and Slovakia, according to the information received, other recommended policy reforms in the social, labour and education fields included in the 2016 CSRs were not implemented.

According to the German Trade Union Confederation (DGB), there were no major initiatives in labour market reforms aimed at cutting back 'mini jobs', as outlined in the CSRs. The German Confederation of Employers' Associations (BDA) stated that no significant progress has been made and no initiatives had been taken in the CSRs for 2016 to increase the incentives for later retirement and to reduce disincentives for second earners.

In Estonia, one of the 2016 CSRs addressed the adoption and implementation of measures to narrow the gender pay gap. According to the Welfare Plan, one of the activities to narrow the gender pay gap is to give the Labour Inspectorate a monitoring role to check company-level pay and detect unequal treatment in salary levels. Social partners have been involved in the design of this measure; however, due to strong opposition from employers who see it as an additional and unnecessary administrative burden, the reform has been stopped. Another CSR was related to the implementation of the local government administrative-territorial reform. As employers have constantly emphasised the need to decrease the number of staff in the public sector and make it more efficient, they were keen for the reform to be carried out quickly and effectively. Thus, they initiated the State Reform Radar (SRR) jointly with Estonian think-tank Praxis with the main objective of motivating politicians to address the need to reform governance issues in a consistent manner.

The employers' organisations in Poland indicated that Recommendation No. 2 – 'removing the obstacles to more permanent types of employment' – has not even been addressed in the legislative activity since there have been no measures promoting or encouraging parties to conclude contracts of indefinite duration (CIDs). Furthermore, they are very critical about the return to the previous retirement age regulations, stating that it is contrary to CSR No. 2, 2016. Therefore, they state that this Recommendation is not being implemented.

No policy reforms were adopted in the CSRs in Denmark. In Sweden, albeit not being an explicit recommendation, the social partners were involved in discussions related to the labour market integration of refugees and the reduction of household debts. For both Denmark and Sweden, the European Semester conclusions, as such, are not the prime driver of reforms.

## Involvement in selected Member States

Eurofound was asked to contribute to the EMCO review (EMCO, 2017) which analysed the developments in 12 identified Member States regarding the involvement of the social partners in the implementation of relevant reforms and policies, in particular (but not exclusively) in the context of the European Semester. The EMCO selected the countries based on 2016 and 2017 CSRs and accompanying recitals in which social dialogue or consultation with social partners was recommended in order to implement the adopted reforms in the social and labour fields, taking into consideration (for this selection) the European Commission country reports, as well as two Eurofound reports (Eurofound, 2016; Eurofound, 2017). The Member States selected were Bulgaria, Croatia, Estonia, France, Hungary, Italy, Latvia, Lithuania, Romania, Slovakia, Slovenia and Spain.

This specific review supplements the description of the developments and the analysis made in the previous chapters. Even though it is closely related to the CSRs and the European Semester, the review aims to expand the scope of the exercise to further fields and policies, thus covering a broad perspective of social dialogue performance at national level.

This section focuses more on the involvement in the implementation of reforms and the social dialogue practices applied to it, and less on the participation in the European Semester, although both aspects may be – and usually are – strongly linked.

According to information received on the implementation of reforms of the 2016 CSRs, the situation of social dialogue in relation to the participation of social partners in the implementation of reforms can be put into three distinct groups.

In the first group of countries – **France, Italy, Spain and Slovakia** – the social partners were involved by following well-established social dialogue, institutional mechanisms and national practices or traditions. The degree of satisfaction for this participation was noted to be higher in France than in the other countries, where there is still room for improvement.

The double participation of the social partners in the Economic and Social Council and the cross-sectoral commenting in Slovakia allows them to be involved in the national reforms. In Italy, although involvement takes place in a number of informal occasional channels (and not in a systematic way), there are also more formal and institutional procedures for exchanges. For example, the NRP is approved by the parliament after hearings in which social partners may participate. However, it seems that the existing institutional body for exchange of opinions, the National Council for Economics and Labour (CNEL), is not currently able to properly perform its functions. Social partners,

## France: Involvement of social partners in the implementation of reforms

The social dialogue mechanisms and procedures in France work well, according to all stakeholders. They follow the national practices, which look at different possibilities depending on the topics to be discussed. In general, all representative social partner organisations are consulted within the framework of tripartite bodies at the National Council of Collective Bargaining or within the social security bodies (for example, the labour law reform of 2016 (Loi Travail) or the adoption of the occupational personal accounts in 2017) and also through bilateral and informal discussions with the government on almost all policies, such as the reform of the law to provide more incentives for employers to hire staff on open-ended contracts. This involvement is explicitly established in Article 1 of the Labour Code which states that:

*any reform project envisaged by the Government, which deals with individual and collective labour relations, employment and vocational training and which falls within the scope of national and inter-professional negotiations, is subject to prior consultation with the trade union and employers' organisations at national and inter-professional level with a view to the possible opening of such negotiations.*

Additionally, the social partners themselves (in some cases) can directly manage the implementation of reforms through a national collective agreement, which is what happened with the reform of the unemployment benefit. This involvement does not prevent unilateral implementation by the government, as with the extension of the 'Employment bonus' (*Prime à l'emploi*), the adjustment of the minimum wage, or the scheme to boost employment, even if the social partners are consulted.

Developments in the second half of 2017, with regard to the adoption and implementation of five ordinances to reform labour law, need more time to be analysed for further implications for social dialogue. As is well documented, the new government adopted 20 implementation decrees to come into force on 1 January 2018, related to collective bargaining, employee representation bodies (as well as negotiation in SMEs), termination of employment for economic reasons, compensation ceilings for unfair dismissal, among others. The adoption of these reforms followed an intensive consultation period in the summer of 2017 with social partners and stakeholders.

particularly trade unions, are demanding more structured and operational measures to increase their involvement. They believe that social dialogue would be strengthened by creating a regulatory framework establishing representative status for the social partners by means of elections at company level and territorial level (following the principles and techniques related to the 2011 intersectoral agreement).

In 2017, social dialogue on employment policies in Spain has been revitalised with the creation of different tripartite bargaining bodies. Although social pacts or agreements have yet to be achieved, they constitute a deliberate attempt to come back to negotiations and they have been able to incorporate some of the social partners' proposals in policy reforms. However, the trade unions stress that the main change is related to the fact that the government has started to take into consideration some of their proposals and contributions. The social partners were involved in the implementation of the activation and elaboration of the employment programme (CSR 2), the renovation of the PREPARA retraining programme (CSR 2), and the implementation of the law reforming the vocational training system for employment (CSR 3).

In summary, in this group of countries, the social dialogue institution frameworks and traditions (more recently in Slovakia) work to integrate the social partners in consultations with regard to the

implementation of social and labour policies and legislations. In spite of the ups and downs in their relationship with the national authorities, social partners are actually engaged in policymaking. In 2017, such improvements have been noticed in Italy and Spain. Further consolidation of the dialogue should be expected, particularly related to the involvement of the social partners in the elaboration of the NRP in Spain, while more regular, stable or even formal involvement would be desirable in Italy.

### Improvement needed beyond the formal involvement

In the second group of countries, the involvement of the social partners follows relatively similar lines. In **Bulgaria, Croatia, Estonia, Latvia, Lithuania and Slovenia**, institutional participation takes place through tripartite consultative bodies, following standard mechanisms that allow for formal consultation.

Slight improvements have been observed in recent years in the development of national social dialogue practices. However, the social partners would like to be more actively involved because they believe their current participation is rather formal and that there are limited possibilities for them to have any real influence over the outcomes. Hence, there is room for improvement and further fine-tuning of the mechanisms and involvement procedures.

In Bulgaria, the involvement of the social partners takes place mainly through a number of different bodies such as the Economic and Social Committee, the National Council for Tripartite Cooperation, and 'Working Group 31' under the umbrella of the Ministry of Finance. The government consulted the social partners on a number of issues, such as wages, skills and lifelong learning, labour market policies and social protection. Specifically, they have been involved with regard to the VET reform in numerous ways. The social partners have been unsuccessfully debating the minimum statutory wage-setting mechanism for at least two or three years – outlined in several CSRs – and this lack of achievement points to a significant failure in social dialogue. Generally speaking, although the institutional framework for social dialogue is accepted by the social partners and the involvement officially takes place, there are some concerns regarding the effectiveness of the consultation procedures.

According to the social partners in Croatia, the past few years have seen an improvement in consultation procedures: several tripartite meetings have been held and the most relevant reports were discussed, as well as agreement arrived at over future cooperation. The CSRs in 2016 and 2017 recommended the harmonisation of wage-setting frameworks across the public administration and public services, in consultation with the social partners. Although there was a government initiative for the Act on wages and salaries of public servants, this did not go ahead and was postponed until 2018. Employers' organisations are involved in the education reform, but the trade unions claim they are not. In contrast, the social partners participated in the process of amending the Law on Professional Rehabilitation and Employment of Persons with Disabilities.

In Estonia, the social partners are normally consulted and engaged in working groups when different draft acts and development plans are elaborated. However, the social partners find that this engagement is formal, as all the processes are held separately and do not represent the full view of the reforms, with the different activities dispersed between different institutions. In fact, the social partners say they are not sure if they have been involved in activities related to the aims set out in the NRP. They state that their organisations are too small and their capacity to participate in all relevant developments is limited. Ideally, they would like to see the creation of a suitable platform that would allow for discussion and negotiation on different reforms, also to understand what changes and initiatives are necessary, and how they influence each other. There were no reforms in the 2016 CSRs where social dialogue with the social partners was specifically recommended. The employers' organisations were involved in reforms aimed at creating a bureaucracy-free business format for small businesses, as well as in the 'zero bureaucracy' programme on relations between employers and the

state, and within the public sector. Trade unions pointed out that they are not involved in reforms in other policy areas except for labour and social policy fields.

As in all Member States, legislation provides that the social partners in Latvia are involved in the elaboration and implementation of economic and social policies and reforms, as well as in other important reforms. A wide range of instruments may be applied, including specific bipartite or tripartite negotiations on particular items, which are a standard practice in the policymaking process. The social partners were involved in the reform of the healthcare system and, in particular, in work-based learning – as recommended in the CSRs – in which they finally reached an agreement on pay issues, as well as tax reform. However, these reforms have been ongoing for several years and some of them were already in place before 2017, although they were intensified and made more active. Generally, the social partners recognise some improvement in their participation in the design and implementation of reforms in fields where they are traditionally active (education, healthcare and taxation).

In Lithuania, social partners' involvement is reported as being rather formal. As all reforms included in the NRP (or reforms implementing the CSRs) are previously discussed and approved by the social partners at the Tripartite Council, they are able to indirectly influence most reforms planned in the state. Following the CSRs, the social partners institutionally participated in reforms linked to the following areas: fiscal and budgetary policies (in relation to the pension reform); labour market, education, skills and human capital; active labour market policies; coverage and adequacy of unemployment benefits; and social assistance and the healthcare system.

Tripartite social dialogue in Slovenia came under heavy pressure during the financial and economic crisis. As the crisis receded, a more collaborative model was established and the improved economic situation helped to facilitate social dialogue within the Economic and Social Council. As the scope of the Council's competencies is very wide, practically all reforms and legislative proposals are discussed jointly. In 2016–2017, the social partners were involved in areas such as taxation, labour, healthcare and pensions, preparing documents and views on many specific topics and proposals. Nevertheless, fragmentation and tensions between the social partners result in challenges regarding social dialogue and tend to undermine their contribution to the implementation of reforms. At times, unilateral government actions are the result of being 'stuck' in negotiations and the lack of consensus between all three players (or between unions and employers). Although they recognise that the situation has improved, the social partners are still unhappy with their level of influence over the content of the NRP.

In conclusion, institutional frameworks for consultation with social partners exist in all the aforementioned Member States. In Croatia, Latvia and Slovenia, partial improvements have been identified in 2016–2017 with regard to the participation of the social partners. Despite these achievements, social partners in all three countries aspire towards a better quality of engagement and more effective involvement. Additionally, government representatives, as well as the social partners themselves, have stressed that the main issue is their capacity and ability to participate in the process of involvement. There is major consensus concerning two main issues: the absence of a fully developed social dialogue tradition and their relatively weak capacities (especially human resources).

### Reinforcing social dialogue and the involvement of social partners

In the third and final group of countries – **Hungary and Romania** – the levels of involvement of social partners in the implementation of reforms mentioned in the CSRs are unsatisfactory. Social dialogue is not performed effectively and the social partners have serious criticisms regarding the practices and procedures needed to allow them to participate actively in social and economic developments.

The social partners in Hungary generally feel aggrieved over not having been consulted on labour and social reforms. They consider the multipartite structure of the National Economic and Social Council (NGTT) as too formal and far too large for meaningful consultation (involving civil organisations, churches, and representatives of science and culture). National authorities acknowledge that many partners are involved in the NGTT, as the government favours a wider range of partners, rejecting the tripartite-only cooperation. As regards the Permanent Consultative Forum of the Competitive Sector and Government (VKF), both the employers' organisations and trade unions have agreed that some social partners are excluded unnecessarily from its framework. Along with the unsuitable current settings and procedures involving the social partners, they claim that the main problem is a lack of substantive and constructive discussion on policy issues. In line with the description in previous chapters, both employer organisations and trade union confederations agree with the assessment made in the 2017 CSRs regarding the social partners' limited involvement.<sup>9</sup> Compared to 2016, there have been no positive developments in either the participation of social partners in the NRP or in the social dialogue practices to implement policy reforms.

## Hungary: Examples of opposing views and disagreements in social dialogue

Regarding the lack of involvement of social partner organisations in the process, employers' organisations cited the example of the National Competitiveness Council (NVT) set up by the government in October 2016. The NVT deals with competitiveness issues, including business environment, public services and the cutback on bureaucracy. So far, no employers' organisation has received an invitation to NVT. A number of large companies, chambers and some academics are involved and their proposals are submitted to the parliament by the respective ministries or the Prime Minister's Office. Additionally, as the Permanent Consultative Forum of the Competitive Sector and Government (VKF) includes only large national social partners, smaller employer/worker organisations are not represented, hence are unable to express their interests or ideas directly at national fora.

Trade union representatives cited their experience with public education reform as an example of non-involvement, highlighting how difficult it is to get into a dialogue about this with the government. Eventually, discussions about the reform took place in three bodies simultaneously, instead the available and established structures of social dialogue being used. One of these bodies was the Strike Committee, set up by public education unions when public outcry and the disagreements had reached the level of announcing strike action. At the same time, another body was formed by the government involving professionals and NGOs selected exclusively by them. NGOs who had not been invited to the forum, as well as trade unions, formed the third body and they organised public protests for a more meaningful and feasible public education reform. They were, however not acknowledged by the government as being a legitimate body for discussion.

The government refers to the National Economic and Social Council (NGTT) as the major multipartite consultative body, within which social partners provide information on the transformation of both vocational training and the public education systems. Furthermore, as a positive example, the increase of the minimum wage for 2017–2018 was widely discussed with and accepted by social partners – despite the fact that the minimum wage adjustment is not linked to the CSRs and, more importantly, it does not affect the tax wedge for low-income earners, the reduction of which has been specifically recommended.

<sup>9</sup> In the 2017 CSRs for Hungary, there is a general assessment stating that 'the participation of social partners in policymaking is limited. Since the 2011 reforms, social dialogue lacks a formal feedback mechanism for government proposals'. In addition, it is mentioned that 'tripartite negotiations are mostly limited to the minimum wage and wage increase recommendations.'

Following Recommendation No. 2 in the 2016 CSRs ('Establish, in consultation with social partners, objective criteria for setting the minimum wage'), both sides of industry in Romania were involved in public consultations on the minimum wage ceiling last year. Although coming from different perspectives, they both supported the provisions of the subsequently adopted legislation. Employers' organisations and trade unions were also informed of the 'mobility package' subsidies, which were drafted and adopted partially in response to the CSRs regarding active labour market measures and social exclusion (Recitals 10, 11 and 13), while having no active involvement in the drafting or implementation process of this measure. Trade unions were involved in multiple rounds of negotiations for the reform on the framework legislation regarding public sector wages, reaching an agreement, with Law No. 153/2017 on public sector wages being passed successfully in July 2017. This reform aims to partially respond to the 2016 CSR on the reform of the Romanian public administration (Recital 18). In spite of these developments, social partners are still struggling to build genuine social dialogue and the situation has not substantially changed over the past year. In the 2017 CSRs, it is stated that 'social dialogue remains characterised by low collective bargaining at sector level and by institutional weaknesses that limit the effectiveness of reforms' (Recital 17). As stressed in previous chapters, the social partners in Romania complain that, as in 2016, they have not been meaningfully involved in the elaboration of the NRP.

The widespread consensus is that the consultation process is purely formal. According to the Romanian authorities, some recent developments may positively influence the social dialogue performance. As opposed to 2016, the national Economic and Social Council has recently emerged from a long period of 'institutional blockage' due to internal conflicts. Additionally, a new Ministry of Public Consultation and Social Dialogue has been entrusted to organise consultations with the social partners, including the development of the CSRs for 2017 and the means to implement them.

Consistent with the findings in previous reports, the involvement of the social partners in the design and implementation of the reforms and policies is unsatisfactory and needs further improvement. This gap affects the overall performance of the social dialogue framework as well as the existing practices. As with the second group of countries, the social partners acknowledge the challenge of capacity constraints in preventing proper involvement, and trade unions particularly stress the lack of expertise due to a limited number of staff.

## Factors constraining effective involvement of the social partners

This chapter has examined the reasons that restrict the appropriate involvement of social partners in selected countries in the implementation of policy reforms and measures. Based on the self-assessment questionnaire provided by the social partners, and the author's own analysis, some interesting findings can help to identify the factors constraining their engagement.

Some factors are linked to the contextual institutional framework in the industrial relations system of each country analysed, including the lack of appropriate settings and procedures to conduct social dialogue. This aspect was examined earlier in this report, but it has been explicitly stressed by the social partners in Estonia, Hungary, Italy and Romania.

Other variables influencing the functioning of the social dialogue are more related to the process rather than the contextual framework itself. Especially relevant are the weaknesses of some pre-requisites to conduct social dialogue at bipartite or tripartite level, as mutual trust between both sides of industry has been mentioned as an issue in Croatia, Hungary and Slovenia, although Spain and Romania could be easily added to the list and, albeit to a lesser extent, Slovakia. This gap relates to the difficulty in engaging in solution-oriented approaches and getting compromises which, in the end, may mask a sense of joint responsibility.

Furthermore, the inability to adopt joint views from each side of the industry during the consultation processes could weaken the role of social partners in the implementation of reforms. Unilateral actions by each side of industry may put feelings of trust under stress and strain relations between the social partners – if there is not consensus on the ground rules preserving the autonomy of each side.

Another reason limiting the possibilities of involvement for social partners is that social dialogue practices are perceived neither as genuine involvement nor conducive to effective participation. This issue has been mentioned by the social partners in Croatia, Estonia, Hungary and Romania, and by the employers' organisations in Slovakia, and may be a factor leading social partners who are frustrated with the poor quality of the social dialogue climate to narrow their agenda and become more involved in urgent matters on the domestic front and their sector-specific issues.

As stated in the previous section, with the exception of France, Italy and Spain, most of the social partners in the selected Member States admit that they face serious problems regarding their capacities to properly and effectively participate in day-to-day policymaking.

Trade unions concur about the lack of staff and resources to cover the social dialogue challenges.<sup>10</sup> Density is low and membership (overall) declining, which affects the means of financing efforts and their ability to hire experts. Most are almost fully dependent on paid fees, so therefore membership is a critical issue. They claim to have no staff (or the financial means to acquire additional expertise) available to closely follow all major economic, employment and social policy developments, produce contributions on all related issues, or provoke meaningful discussions within the available framework for consultation. In addition, very few think tanks or research institutions are in place that would provide independent analyses that could be used by the social partners, either individually or jointly.

Employers' organisations are also worried about their own limited capacity to keep track of and analyse the multiple policy developments that affect directly (or indirectly) their activities, although some of them consider that it is mainly an internal problem and should be solved by attracting new members. In some countries, there is also the problem of fragmentation, both at sectoral and territorial level. Furthermore, the majority of micro and small enterprises are not involved in employers' associations. In Slovenia, employers' organisations have reported that voluntary membership in employers' organisations, with no distinction between the competencies of chambers and genuine employers' organisations, is blurring the lines of tripartite social dialogue.

Finally, another factor influencing the lack of involvement is that the social partners might not always agree with the reforms or policies that are proposed, whether recommended in the CSRs or in the national agenda. This disagreement covers both sides of industry, depending on the specific reform and how it is implemented, although trade unions in Bulgaria, Croatia, Estonia, Hungary, Italy, Slovenia and Spain show greater discrepancies and express more critical views on the CSRs addressing labour market and collective bargaining reforms, most of them unilaterally implemented by the governments.

The lack of trust in the government or strong disagreement with the current situation of social dialogue has been reported in Hungary. According to the social partners, the government, in power since 2010, does not consider them to be worthy partners and resorts to cherry-picking when inviting partners for consultation. They do recognise that the government consults with many partners, but these are essentially not the national social partners, and moreover the consultation mostly takes place outside the formal social dialogue structures.

According to the social partners, the government favours economic chambers over employer organisations, some trade union confederations over others, professional/occupational organisations over social partners in general, and so on. In the rather sophisticated legal and institutional setting for consultation, gradually being established by the government, social partners are just one of the many civil society partners.

<sup>10</sup> As an example, the capacities of social partners in Hungary seem to be especially limited if the high activity of the parliament is taken into consideration. In 2016, close to 200 bills were adopted, including more than 50 new ones. Additionally, parliamentary ministers and committees have the same right to table a bill as the government, but the former are not legally obliged to carry out prior public discussions and consultation according to the Act CXXI of 2010. Social partners find it very difficult to get timely information about these legislative initiatives, amounting to just over 40 in 2016.

### 3 Shortcomings in social partners' capacity to be involved

Over the past few years, the capacity to meet the challenges raised by social dialogue has been highlighted as one of the variables influencing the social partners' involvement in policy reforms. As stated in previous chapters, the social partners in some Member States have complained about their lack of capacities and resources to produce contributions and to be properly involved in the implementation process of the reforms. Therefore, social dialogue may be hampered from realising its full potential to shape the reforms to be adopted due to both internal and external (or structural) handicaps.

In some Member States, the social partners claim to be small organisations in comparison to other countries, with somewhat limited resources, especially with regard to finance, staffing, materials, and technical/analytical capacity to deliver and contribute to social dialogue processes and negotiations. Equally, low trade union density (which has been steadily declining over the past few decades), the consequences of the lack of representativeness (Eurofound, 2016) and poor collective bargaining coverage have been argued as key factors behind their inability to participate more actively in social dialogue.

On the employers' side, key factors such as fragmentation in associations and chambers, uneven representation at sectoral and territorial level, and the lack of interest in membership have been mentioned in some countries. National authorities are used to complaints about serious problems in the lack of analytical expertise of social partners, which prevents them from giving a qualified assessment of proposed reform measures.

In this debate, national authorities tend to accept responsibility for providing an appropriate framework (institutional and legislative), facilitating and reinforcing dialogue among the social partners themselves and with the government. This assumption acknowledges the value of social dialogue as an element that contributes to enhancing economic and social progress, while conceding its potentially disruptive function – in other words, when it is not working well, not positively contributing to social and economic development and ultimately leading to a social peace breakdown. Nevertheless, it is not unusual to find government's views stating that it is up to the social partners to remedy the gaps they face (lack of resources and declining membership), while acknowledging that this in practice would require more funding.

This section aims to investigate these shortcomings in order to facilitate further capacity-building initiatives.

#### Capacity-building initiatives

Actions on capacity-building addressed to overcome shortcomings in social partners have been funded over the past few years through Operational Programmes under Article 6 of the European Social Fund (ESF). Member States may use the Technical Assistance budget to co-finance activities mainly focused on different types of training.

Views collected from the social partners in this report – with regard to the effectiveness of these actions – are mixed, although most of them acknowledge their positive impact in supporting them to do their daily work. Furthermore, there was unanimous agreement that these initiatives should continue and be further improved to support social partners in their financial, analytical and institutional capacities at different levels.

National authorities in Cyprus stated that each social partner organisation should be more involved in the design of such initiatives and mould them according to its own particular needs. Trade union PEO, for example, considers there is scope for greater and more improved involvement in capacity building projects. Although SEK and PASYDY did not have the opportunity to participate in such initiatives, they view the funding of capacity-building initiatives positively.

Both the social partners in Hungary agree that there have been capacity-building initiatives, but these have not resulted in tangible improvements in any respect. Instead of providing access to all national social partners equally, the NRP included only one project, run formally by a consortium of some social partners, while the lion's share of the funding (amounting to around €5 million at the time) went to one particular trade union organisation. There are currently police investigations in connection with the programme, due to the alleged misuse of EU funds and accountancy problems. This has had a negative impact on the image of social partners in general.

The underlying issue in this particular case seems to be related to internal financing. Employer organisations and trade unions alike are able to finance only a limited number of experts at confederation level. As for building an expert team, social partners would be better receiving on-going operational support from public

## Estonia: Capacity-building programmes

In 2008–2013, both social partners in Estonia carried out ESF-financed projects (totalling more than €500,000) aimed at analysing their capacity, studying other countries' practices, compiling training and information materials, developing strategies, and training their leaders, key persons and employees. According to EAKL, during the planning phase of the last period, they made a proposal that the budget should be given to cooperation projects between EAKL and ETKL in order to enhance national-level social dialogue and partnership between the two national-level social partners, not to each social partner individually. This proposal was made because during the previous period, social partners spent the money on actions that worked against each other's objectives. For example, EAKL used the money allocated to them to train their members on how to conclude collective agreements, while ETKL used theirs to train members on how to desist from signing the collective agreements.

During the period 2014–2020, one ESF-financed measure is aimed at increasing the capacity of the labour market parties. EAKL has focussed on three activities: a) increasing the quality of their participation in decision-making processes by training trade union employees and employees' trustees, and by developing an information system for draft acts and collective bargaining to be used by EAKL and its affiliates; b) strengthening their inner structure, concentrating especially on affiliates; c) increasing their capacity for tripartite social dialogue by developing their analytical skills and capacity.

In turn, ETKL has set their focus on: a) increasing their capacity to participate in decision-making by training key persons in ETKL and their affiliates, and developing their engagement processes; b) improving their analytical capacity by developing a cooperation network with policy study centres/think tanks and conducting studies/analysis for finding solutions to problems related to the economy and competitiveness.

The budget for both was around €235,000 and through these programmes ETKL has been able to improve their analytical capacity by hiring an analyst.

sources, instead of project-based financing (as in the case of EU funds and some domestically targeted projects). Furthermore, the trade unions state that they also have to face the consequences of the internal distribution of financial resources derived from membership fees where resources are captured by the sectoral or company-level trade unions. Sectoral trade unions only transfer a small amount of their income to the confederation to which they belong.

In Latvia, the effectiveness of capacity-building initiatives for the employers' organisation LDDK (implemented in the past) could be assessed as high. LDDK states they were able to increase their analytical capacity, as well introducing measures that made it visible and usable for its members, as well as many other assistance tools for working environment risk assessment and useful interactive games aimed at carrying out training in working conditions and tax discipline issues. They also organised and financed a working condition and risk survey – an analytical report that would not otherwise have been published. Improving analytical capacity is the most important issue for participation in the design and implementation of reforms, while visibility is useful for increasing membership. In future, more attention should be paid to the capacity-building of lower-level employers' organisations. Trade union LBAS also participated in capacity-building projects, focusing on the elaboration of analytical reports on labour legislation, the practice

of trade union's work, socioeconomic and other issues, as well as on informative papers regarding labour legislation.

In contrast, in Lithuania, according to the social partners themselves and experts evaluating the outcomes of the projects implemented in recent years, they did not play an important role in the capacity-building or fostering of social dialogue. Projects aimed at the development of social dialogue implemented during the 2007–2013 programming period were focused on companies, organisations, and sectors where social dialogue had already taken place. As a result, a number of sectoral, regional, and local collective agreements were signed. However, the content of these agreements was deemed as rather weak and had little impact on the social dialogue practices. In the 2014–2020 programming period, ESF support was directed to different training and education activities. Some social partners expressed doubts regarding the possible impact of the funded activities on the improvement of the capacities of social partners.

The quality of social dialogue in Slovakia was supported by the National Project Centre of Social Dialogue I in 2007–2013. The social partners were indirectly involved in activities based on their planned content (designed in the initial stage of the project), but found it difficult to modify them during the implementation phase. The outcomes of the project pointed to the necessity for

further capacity-building of social partners now that the social partners are involved and supported by the National Project Centre of Social Dialogue II based on the partnership principle.

Social partners propose activities matching their needs, and they are responsible for their implementation and the utilisation of available financial resources. After one year of implementation, this model of support to social dialogue seems to be more effective, although it is too early to make a comprehensive assessment of its strengths and weaknesses. The current approach allows the social partners to modify their activities in relation to changes needed during the implementation phase of the project, in order to be able to respond better to the problem(s) and more effectively utilise their professional and personal capacities.

## Self-assessment of internal shortcomings

The self-assessment made by the social partners with regard to their shortcomings in participating and influencing the design and implementation of reforms shows dispersed and scattered views, with no clear patterns or coincidences (Table 7 overleaf).

It is worth noting that Slovakia (and to a lesser extent Cyprus) are the only Member States where there is complete concurrence of views between employers' organisations and trade unions, both sides declaring weaknesses in financial, human and technical capacity in economic and social analysis as relevant gaps that prevent them from developing their full capacity in the implementation of reforms and social dialogue.

Social partners' views overlap on just one aspect in Latvia (and to a lesser extent in Estonia, Portugal and Romania): financial means; in Lithuania (and to a lesser extent in Portugal): shortage of staffing resources; and in the Czech Republic (and to a lesser extent in Croatia): analytical and technical capacity. This highlights that there are different views between both sides of industry with regard to these matters.

For example, the employer organisation BIA in Bulgaria expresses the view that capacity is not only a matter of financial resources, but more a matter of policy priorities. In Slovenia, employers' organisations perceive that they have sufficient organisational and operational capacity. They can draw on internal and external experts – in particular, the Slovenian Chamber

of Commerce (GZS) with its own research centre – who provide evidence-based analysis and arguments in the process of the formation of political positions. However, employers' organisations recognise the issues of representativeness and fragmentation. The transition to voluntary membership is negatively affecting them, especially those representing small and medium-sized companies. For smaller organisations, it is also a challenge to gain the interest of their members in the processes of the European Semester.

In Slovenia, confederation trade unions report declining membership and low density. Additionally, they face strong competition from specialised trade unions that can offer individual services to their members, supporting the interests of small target groups (for example, cross-border workers). This situation increases union fragmentation, as small trade unions can offer tailor-made services for their members without having a wider and more general view. This creates competition and weakens the capacity to reach agreements, and it may also affect the image and reputation of the main trade unions. According to them, the government has changed its position on the issue and has started activities aimed at modifying the criteria of representativeness in order to reduce the number of trade unions and to facilitate smoother dialogue.

There is also the perception of the lack of influence due to declining or weak membership, as highlighted by trade unions in Bulgaria, Latvia, Slovakia and Slovenia, and also – but with less intensity – in Croatia, Hungary, Lithuania and Spain. This perception is shared between employers' organisations and trade unions in Italy, Poland and Romania. Unlike the trade unions, the employers' organisations in Romania seem to be very concerned by the gaps in financial and human resources, and technical capacity. Furthermore, stark differences can be seen between the social partners with regard to the assessment of the issues concerning low membership in Estonia and Slovakia.

Opposing views between the sides may prevail in other Member States: for example, employers in the Czech Republic appear to be more concerned than trade unions with regard to the influence of membership in the involvement in social dialogue. However, the social partners show less concern about their capacities regarding organisation and negotiation, and do not consider that they prevent them from getting more involved in the implementation of reforms.

**Table 7: Social partners' self-assessment of their capacities to participate in social dialogue**

Internal factors	Employer organisations and trade unions			Employer organisations			Trade unions		
	High	Medium	Weak	High	Medium	Weak	High	Medium	Weak
Weak membership		HU, IT, PL, RO	AT, BE, CY, PT	CZ	BG, DK, FI, LV, NL, SI	DE, EE, HR, IE, LT, MT, SK	EE, SI, SK, BG, LV	ES, HR, LT	CZ, DK, FI, NL
<b>Weaknesses in:</b>									
Financial means	LV, SK	CY (SEK), EE, PT, RO	AT, BE, DE, FI, NL,	CZ, RO	BG, LT, SI,	HR, HU, IE, PL, MT	LT, MT, PL, SI	HR, HU	CZ, ES
HR and material resources	LT, SK	CY (PEO, SEK), FI, PT	AT, DE, DK, NL,	RO	BG, CZ, EE, LV, MT, PL	BE, HR, HU, IE, SI	BE, BG, EE, LV, MT, PL	ES, HU, SI	CY (PASDY), CZ, RO
Technical capacity	CZ, SK	CY (PEO), HR	AT, BE, DK, NL, PT	RO	BG, FI, LV, PL	DE, EE, HU, IE, LT, MT, SI	EE, ES, BG, LV, PL	HU, LT, MT	CY (PASDY, SEK), FI, RO
Organisation		BG, RO	AT, CY (PEO, SEK), DK, FI, LT, MT, NL, PT		CZ, EE, LV, SK,	BE, DE, HU, IE, PL, SI	BE, LV, PL, SK	CY (PASDY), EE, ES, HU, SI	HR
Negotiation skills		SK	AT, CY, DK, FI, LT, MT, NL, PT	CZ	BG, EE, LV	BE, DE, HU, IE, PL, SI	LV	CZ, EE, ES, HR, HU, PL, SI	BG

**Note:** The questions in the table were posed according to the following logic: 'Is the effect of the factor X on your capacity to participate high, medium or weak?' For example, a response of 'weak' implies that the factor has a weak effect and is not regarded as a problem or obstacle for participation. One or more answers are allowed (multiple choices). It should be noted that not all the social partners replied to all topics.  
**Source:** Author's own elaboration based on responses to the questionnaire

### Structural factors hindering social partners from involvement in social dialogue

Structural and cultural factors influence the role and strength of social partners and their participation in the implementation of reforms and policymaking, as shown in Table 8.

From the replies received, there is a high coincidence of views between employers' organisations and trade unions in Croatia, Italy and Romania (and to a lesser extent Slovenia) recognising insufficient tripartite dialogue as a relevant shortcoming. With less intensity, the same assessment is made jointly by the social partners in Croatia, the Czech Republic, Latvia, Slovakia and Slovenia, with trade unions and employers' organisations having similar, although not identical views, in Romania.

There is also a high coincidence of views between employers' organisations and trade unions when assessing the lack of social partners' autonomy and the possible excessive role of state legislation in Romania and Latvia (and to a lesser extent in Croatia and Slovenia). However, this assessment is quite divergent in the Czech Republic and Hungary (and to a lesser extent in Belgium). Social partners in Croatia, Hungary,

Latvia, Portugal, Slovakia and Slovenia share the perception that limitations in the bilateral social dialogue represent a relatively important weakness.

Not surprisingly, the lack of trust and cooperative approach between the social partners is shared by both sides in Belgium, Croatia and Slovenia (and to a lesser extent in Bulgaria, Poland, Portugal and Romania)<sup>11</sup>, which may undermine their ability to conclude agreements, and also to come to joint bilateral positions and proposals in dialogue with the government, even though it may be difficult to elaborate joint opinions due to conflict of interests. Nevertheless, the lack of cooperation in those countries does not prevent them from presenting their own agreed opinions, for example, if they were able to share well-founded positions on the analytical basis.

Interestingly, in Finland, the Confederation of Finnish Industries (EK) is in the midst of a transformation process. As part of this process, collective bargaining is increasingly transferred to the sectoral and local levels, and this may have affected EK's membership to some extent. In addition, the Finnish Forest Industries Federation (FFIF) left the Confederation in January 2017, thus weakening EK's role as a representative of the entire export industry.

<sup>11</sup> All countries, except for Belgium and Portugal (to a lesser extent), show a relatively poor score according to the Executive Opinion Survey (World Economic Forum, 2012) in measuring the cooperation in labour-employer relations: Belgium (43), Croatia (135) Bulgaria (111), Slovenia (62), Poland (79), Portugal (46) and Romania (99). Ranking of the 137 countries is available at [http://www3.weforum.org/docs/CSI/2012-13/GCR\\_Pillar7\\_2012-13.pdf](http://www3.weforum.org/docs/CSI/2012-13/GCR_Pillar7_2012-13.pdf).

**Table 8: Structural factors influencing social partners' capacities to be involved in social dialogue**

External Factors	Employer organisations and trade unions			Employer organisations			Trade unions		
	High	Medium	Weak	High	Medium	Weak	High	Medium	Weak
Structural gaps in national industrial relations systems	HU	CZ, HR, PT, RO, SI	AT, BE, CY, DK, LV, MT, NL	BG	BG	EE, DE, FI, IE, PL, SK	EE, LT, PL	BG, ES, FI, SK	PT
Limited bipartite social dialogue		CZ, HR, HU, LV, PT, SI, SK	AT, BE, CY*, DK, EE, LT, MT, NL	RO	PL	EE, DE, FI, IE	ES	CY**, RO	BG, FI
Limited tripartite social dialogue	HR, IT, RO	CZ, SI	AT, CY, DK, FI, LT, LV, MT, NL, PT, SK	BE, HU	EE, IE, PL	DE	EE, ES	BG, EE, HU	BE
Lack of social partners' autonomy	RO, LV	HR, SI	AT, CY, DK, FI, PT, SK	CZ, HU	BE, BG, LV, LT, MT, NL	DE, EE, IE	ES, BG, LT	EE, PL	BE, CZ, HU, MT, NL,
Low collective bargaining coverage	HU	HR, SI	AT, BE, CY, DK, FI, NL, PT		BG, IE, LV, RO	CZ, DE, EE, IE, LT, MT, PL, SK	BG, LV, PL, RO, SK	CZ, EE, ES, LT, MT	
Lack of representativeness		PL	AT, BE, CY, DK, EE, FI, LT, PT, SI	NL, RO	CZ, HU, LV	BG, DE, HR, IE, MT, SK	BG, CZ, RO, SK, LV	HR, ES, MT	HU, NL
Lack of trust between social partners	BE, HR, SI	PL, PT, RO, BG	AT, CY*, DK, EE, LT, LV, MT, NL		CZ, HU	DE, FI, SK	SK	CY**, FI	CZ, ES, HU, PT

**Note:** Not all the social partners in all Member States replied and not to all the topics., One or more answers are allowed (multiple choices).; CY\*: shared responses from trade unions PAO and SEK; CY\*\*: response from trade union PASDYD;

**Source:** Author's own elaboration based on responses to the questionnaire

Additionally, the relative lack of trust reported by trade unions may have been in relation to certain developments during spring 2017, where EK unilaterally terminated a series of bipartite agreements, hence resulting in a more limited bipartite social dialogue than ever before. With regard to human, material, analytical and technical resources, both sides carried out a restructuring of their organisations in 2016–2017, leading to a reduction in the number of staff. Social partners in Hungary highlight the weaknesses created by structural shortcomings in the national industrial relations systems – a view shared albeit to a lesser extent in Croatia, the Czech Republic, Romania and Slovenia. These gaps may be related to institutional and legislative frameworks affecting collective bargaining or the measurement of representativeness.

There appears to be greater divergence in Croatia, Hungary and Slovenia as to what extent low collective bargaining coverage represents a factor that weakens social dialogue and participation in the implementation of reforms. However, although it constitutes a relevant factor for trade unions in Bulgaria, Latvia, Poland, Romania and Slovakia, this seems to be less important for employers' organisations in the same countries, with the exception of Slovakia. Such concern could be connected to the issue of lack of representativeness on the side of the trade unions, although it does not seem

to be very relevant for employers' organisations. The risks associated with insufficient representativeness are shared by both sides in Romania, and to a lesser extent in Poland.

There are divergences in the views of the two social partners regarding the assessment of structural weaknesses concerning topics that they usually discuss and address within the context of industrial relations, for example, the role of state legislation.

In Member States with well-established social dialogue practices, it is usual for the social partners to agree with most of the issues raised. However, in a few cases, slightly different perceptions are evident in the case of specific topics such as issues derived from the lack of representativeness. Employers' organisations in the Netherlands claim that the low organisation rate of trade unions could imply a weakening of political support for social dialogue.

Far more divergent views between both sides are expressed with regard to the importance of low collective coverage (Poland and Slovakia), structural gaps in national industry relations systems (Estonia and Poland) and issues related to lack of representativeness (Slovakia).



## 4 Conclusions

According to the replies received, the vast majority of social partner organisations in most Member States are to some degree formally involved in the elaboration of the NRP. This involvement takes place through institutional consultative bodies, most of them tripartite, which allow for the exchange of information and the participation of social partners in the policymaking of relevant reforms. Additionally, other forms of involvement include, for example, special committees, bilateral discussions and consultations, working groups, and parliamentary hearings.

Although social partner involvement does indeed take place, to a greater or lesser degree, its intensity and effectiveness varies greatly across Member States. In countries with well-established social dialogue institutions and practices, the elaboration of the NRP naturally forms part of the overarching industrial relations framework and tends to run smoothly, being embedded into regular exchanges from each country.

However, social partners in a relatively large number of countries are still quite critical both of their participation in the elaboration of the NRP and, generally speaking, with their involvement in the design and implementation of policy reforms at national level. The alleged lack of effective involvement comes from considering the process of consultation as purely formal – very limited in the time allotted for exchanges and interaction and no influence over the final version of the NRP. In turn, the alleged lack of sufficient involvement refers to the inadequacy and inappropriateness of the mechanism and procedures set up to exchange with the social partners, which are also related to the willingness and approach to participation.

### Quality of social partners' involvement

Overall, there were no major changes in these institutional structures and practices during the 2017 European Semester cycle compared to previous years. Positive developments have, for a variety of reasons, been reported in France, Ireland, Luxembourg, Portugal and Slovenia, in terms of improving the coordination of the process. Interestingly, along with the NPR, other relevant key documents such as the Stability and Convergence programmes were also delivered to the social partners for information in Cyprus, the Czech Republic, France, Luxembourg, Latvia, Lithuania and Slovenia.

An increase in the time allotted for consultation was reported in the Czech Republic, France, Italy, Poland, Slovakia, Slovenia and Spain. Nevertheless, the lack of sufficient time for consultation is still an issue and has been acknowledged by both the social partners and national authorities in Hungary, Ireland, Latvia, Lithuania, Germany, Croatia, Poland, Portugal, Romania and Slovenia.

Only in Croatia, Estonia and Latvia was written feedback received by the social partners from the national authorities for contributions made to the NRP, even though this exchange depends on the form and features of the consultation process and the national practices.

It is not always easy to monitor and to agree to what extent the social partners' contribution is taken into account in the final content of the NRP. According to all parties involved in the process, these views were acknowledged and reflected (to some extent) in Bulgaria, the Czech Republic, France, Italy, Latvia, Malta and Spain. Even though it is likely this view could be nuanced, it leaves a large number of countries where social partners' contributions were apparently not taken into account. In Austria, Cyprus, Germany, Denmark, Latvia, the Netherlands, Portugal, Slovakia and Slovenia, national authorities are considerably more open to acknowledge the contributions that are reflected somehow in the final version of the NRP.

There are relatively few examples – just in Austria, Belgium, France, the Netherlands, Poland, Spain and Sweden – where the social partners' views were annexed to the NRP. Additionally, these views were made somehow visible, usually on institutional websites, in Belgium, Bulgaria, Denmark, France, Ireland, Luxembourg, the Netherlands, Portugal and Slovakia.

Consistent with findings in previous reports, it is widely acknowledged by the social partners (and even the national authorities in most of the Member States) that their participation and contributions have had a limited influence in the elaboration of the NRP. Malta is the only Member State where all stakeholders agree that the social partners have had a significant influence in the elaboration of the NRP. In contrast, all parties (including national authorities) in Hungary agree with the opinion that the social partners have had no influence at all.

## Overall comparison to the previous European Semester cycle

Generally speaking, and compared to 2016, the involvement of the social partners in the NRP 2017 has remained unchanged in most Member States. Some slight improvements have been reported in a few countries: mainly related to more time added for consultation, the organisation of the process, settings, visibility and influence. The opposite is observed, however, by the social partners in a number of countries: these continue to complain about the lack of time allotted for the consultation process, the absence of feedback from the government and, particularly, their limited influence.

All these criticisms reflect a degree of frustration, which is counteracted by the national authorities that claim their full responsibility to draft the NRP. For example, no substantial change took place in Hungary or Romania and therefore the social partners criticised their level of involvement, considering it to be unsatisfactory.

With regard to the overall participation by the social partners in European Semester activities, the vast majority were aware of different events and meetings held by the European Commission that were organised to address key policy documents. The dissemination of information, particularly the presentation of the country report, is highly appreciated by the social partners, although they do not consider it to be appropriate involvement, just the sharing of information. Likewise, the active role of BusinessEurope and ETUC in monitoring progress in the European Semester, providing technical assistance, collecting information and encouraging involvement, has been very much welcomed by their respective affiliates.

## Involvement in the implementation of the CSRs in social and labour fields

The vast majority of social partners reported some kind of institutional involvement in all or some of the reforms included in the CSRs. As a rule, the social partners in the European Union are involved directly (or indirectly) in the implementation of the national reforms in the social and labour fields.

Following national institutional frameworks and practices, this usually takes place through consultative bodies, social dialogue practices or bilateral negotiations. As previously discussed, the degree of involvement varies between Member States, as well as the degree of satisfaction of the social partners, as being involved or consulted does not presuppose agreement with the final outcome.

The vast majority of the social partners were involved in the implementation of reforms included in the 2016 CSRs, with some of the consultation processes reaching total or partial agreement, contributing to legitimate the adoption of the reform. However, in Austria, Belgium, Cyprus (PEO and SEK), the Czech Republic, Spain, Finland, Hungary, Latvia, the Netherlands and Slovakia, negotiations aimed at implementing reforms were unsuccessful, with implementation taking place unilaterally by the government. As reported, other recommended policy reforms in the social, labour and education fields were not implemented in the Czech Republic, Germany, Hungary, Romania and Slovakia.

While not the object of an explicit recommendation in the CSRs, the social partners in Sweden were involved in discussions related to the labour market integration of refugees, as well as in the reduction of household debts. Apart from the strong form of involvement of the social partners in policymaking in Nordic countries, the European Semester conclusions – CSRs – as such are not the prime driver of reforms.

## Involvement of social partners in the implementation of reforms

Following a requirement from the EMCO, the situation of some of the Member States regarding the involvement of social partners in the implementation of reforms have been carefully reviewed.

In France, social dialogue institution frameworks and traditions that integrate the social partners in consultations on the implementation of social and labour policies and legislation are well-established and quite successful. Likewise, in spite of the ups and downs of their relationship with the national authorities, or between the social partners themselves, social partners through social dialogue practices and institutions in Italy, Slovakia and Spain are engaged in policymaking and the implementation of policy reforms in the labour and social fields. Further consolidation of these practices and more regular and stable dialogue in these countries should contribute to reinforcing the positive outcomes of social dialogue.

In Bulgaria, Croatia, Estonia, Latvia, Lithuania and Slovenia, institutional participation exists through tripartite consultative bodies, following standard mechanisms that allow for formal consultation. In spite of some slight improvements in the development of national social dialogue practices, social partner involvement has yet to be deemed fully effective as they feel their current participation is rather formal.

Concerns have been raised regarding the relatively weak level of capacities, especially in terms of staffing and technical means, that hinder the social partners – particularly unions – from participating more in the involvement processes.

Social partners in Hungary and Romania claim that social dialogue is not carried out effectively in their countries – and this affects their lack of involvement in the implementation of reforms in their countries. Both Member States have raised serious criticisms regarding the procedures and practices that allow them to participate actively in social and economic developments.

### Review of social partners' capacities to be involved

The self-assessment made by the social partners show diverse gaps related to internal weaknesses and others related to structural factors that undermine their potential participation and influence in the design and implementation of reforms.

Among the internal factors, some social partners claim to be small organisations compared to those in other Member States and their capacities somewhat limited, especially with regard to financial means, staffing, material resources and the technical and analytical capacity to deliver and contribute to social dialogue processes and negotiations. Trade unions especially report declining membership (and the subsequent consequences) in terms of lack of representativeness. Low collective bargaining coverage negatively influences their capacity to participate more actively in the implementation of reforms.

On the employers' side, key factors such as fragmentation in associations (and chambers), uneven representation at sectoral and territorial level and a lack of interest in membership have been mentioned. Moreover, other factors can be linked to industrial relations and the functioning of social dialogue. Thus, the weakness of some prerequisites to conduct social dialogue at bipartite or tripartite level may affect relationships among the parties involved.

The lack of trust at tripartite level was mentioned in Croatia, Hungary, Romania and Slovenia; in particular, the lack of a cooperative approach between social partners has been shared by both sides in Belgium, Croatia and Slovenia. There is a certain consensus in Croatia, Italy and Romania (and to a lesser extent in Slovenia) that insufficient tripartite dialogue is a relevant shortcoming.

There is also high unanimity in Romania and Latvia (and to a lesser extent in Croatia and Slovenia) regarding the lack of social partner autonomy and the potentially excessive role of state legislation. However, the assessment of this factor between the social partners is seen to be quite divergent in the Czech Republic and Hungary (and to a less extent in Belgium). Social partners in Croatia, Hungary, Latvia, Portugal, Slovakia and Slovenia share the perception that limitations in the bilateral social dialogue represent a significant weakness.



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# Annex

## Social partner organisations contacted as part of the research

Member State	Employer organisations	Trade union organisations
<b>Austria</b>	Federal Economic Chamber (WKO)	Austrian Trade Union Federation (ÖGB) Chamber of Labour Vienna (AK Wien)
<b>Belgium</b>	Federation of Enterprises in Belgium (VBO-FEB)	Confederation of Christian Trade Unions (ACV-CSC)
<b>Bulgaria</b>	Bulgarian Industrial Association (BIA)	Confederation of Labour Podkrepa (CL Podkrepa)
<b>Croatia</b>	Croatian Employers' Association (CEA)	Union of Autonomous Trade Unions of Croatia (UATUC) Independent Trade Unions of Croatia (NHS)
<b>Cyprus</b>	Employers and Industrialists Federation (OEB) Cyprus Chamber of Commerce and Industry (CCCI)	Cyprus Workers' Confederation (SEK) Pancyprian Civil Servants Trade Union (PASYDY) Pancyprian Federation of Labour (PEO)
<b>Czech Republic</b>	Confederation of Industry of the Czech Republic (SP ČR)	Czech-Moravian Confederation of Trade Unions (ČMKOS)
<b>Denmark</b>	Confederation of Danish Employers (DA)	Danish Trade Union Confederation (LO)
<b>Estonia</b>	Danish Trade Union Confederation (LO)	Estonian Trade Union Confederation (EAKL)
<b>Finland</b>	Confederation of Finnish Industries (EK)	Central Organisation of Finnish Trade Unions (SAK) Finnish Confederation of Professionals (STTK) Confederation of Unions for Professional and Managerial Staff in Finland (Akava)
<b>France</b>	Movement of the Enterprises of France (MEDEF)	General Confederation of Labour - Workers' Force (FO) French Confederation of Management – General Confederation of Executives (CFE-CGC) General Confederation of Labour (CGTU)
<b>Germany</b>	German Confederation of Employers' Associations (BDA)	German Trade Union Confederation (DGB)
<b>Hungary</b>	National Association of Employers and Entrepreneurs (VOSZ) National Trade Association (OKSZ)	Hungarian Trade Union Confederation (MASZSZ) Forum for the Co-operation of Trade Unions (SZEF)
<b>Ireland</b>	Irish Business and Employers Confederation (IBEC)	Irish Congress of Trade Unions (ICTU)
<b>Italy</b>	Confederation of the Craft Sector and Small and Medium Enterprises (CNA) General Confederation of Italian Industry (Confindustria)	Italian Labour Union (UIL) Italian Confederation of Workers' Unions (CISL)
<b>Latvia</b>	Employers' Confederation of Latvia (LDDK)	Free Trade Union Confederation of Latvia (LBAS)
<b>Lithuania</b>	Confederation of Lithuanian Industrialists (LPK)	Lithuanian Trade Union 'Solidarumas' (LPSS) Lithuanian Trade Union of Food Producers Lithuanian Trade Union Confederation (LPSK)
<b>Luxembourg</b>	Luxembourg Trade Confederation (CLC)	Luxembourg Confederation of Christian Trade Unions (LCGB)
<b>Malta</b>	Malta Employers' Association (MEA)	General Workers Union
<b>Netherlands</b>	Confederation of Netherlands' Industry and Employers (VNO-NCZ) Royal Association MKB-Nederland	Netherlands Trade Union Confederation (FNV)
<b>Poland</b>	Polish Confederation Lewiatan Polish Craft Association (ZRP) Employers of the Republic of Poland (Pracodawcy RP)	All-Poland Alliance of Trade Unions (OPZZ) Solidarity (NSZZ Solidarność)

Member State	Employer organisations	Trade union organisations
<b>Portugal</b>	Confederation of Portuguese Industry (CIP) Portuguese Trade and Services Confederation (CCP)	General Confederation of Portuguese Workers - National Trade Unions (CGTP-IN) General Union of Workers (UGT)
<b>Romania</b>	General Union of Romanian Industrialists (UGIR) Romanian Association of Building Entrepreneurs (ARACO) Employers' Confederation (Concordia)	National Trade Union Confederation (Cartel ALFA) Meridian National Trade Union Confederation (CSN Meridian) Engineering Trade Union Federation/ (FSLCPR), member of Democratic Trade Union Confederation of Romania (CSDR)
<b>Slovakia</b>	Association of Cities and Municipalities of Slovakia (ZMOS)	Confederation of Trade Unions of the Slovak Republic (KOZ SR)
<b>Slovenia</b>	Chamber of Commerce and Industry of Slovenia (GZS) Association of Employers of Slovenia (ZDS) Employers' Association of Craft and Entrepreneurs of Slovenia (ZDOPS)	Association of Free Trade Unions of Slovenia (ZSSS) Confederation of Trade Unions of Slovenia PERGAM (KSS PERGAM) Confederation of New Trade Unions of Slovenia (KNSS)
<b>Spain</b>	Spanish Confederation of Employers' Organizations (CEOE)	Workers' Commissions (CCOO)
<b>Sweden</b>	Confederation of Swedish Enterprise Swedish Association of Local Authorities and Regions (SALAR) Swedish Agency for Government Employers (SAGE)	Swedish Trade Union Confederation (LO) Swedish Confederation of Professional Employees (TCO) Swedish Confederation of Professional Associations (SACO)
<b>United Kingdom</b>		Trades Unions Congress (TUC)

**Notes:** The social partners listed above were contacted in order to elicit their views on the topic in the preparation of the report. Other social partners were contacted but declined to participate in the study. In some cases, more than one person per organisation was interviewed. In addition, other government representatives, European Semester Officers and experts were also interviewed.



The latest European Semester cycle, covering the period 2016–2017, has highlighted a range of issues regarding the quality of involvement by the social partners in the elaboration of the 2017 National Reform Programme (NRP), as well as in the implementation of the country-specific recommendations (CSRs). This report looks at the different social dialogue practices across Member States and at the role played by the national authorities in enabling the involvement of employer organisations and trade unions in policy reforms. While some improvements have been reported, the challenges and limitations faced – such as insufficient time allocated to consultation and lack of visibility – need to be addressed in order to enhance the effective participation of social partners in the European Semester.

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**The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social, employment and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75, to contribute to the planning and design of better living and working conditions in Europe.**