Industrial relations

Involvement of national social partners in policymaking – 2019
Involvement of national social partners in policymaking – 2019
Contents

Executive summary 1
Introduction 3
Context of research 4
Methodology and analysis 4

1. Involvement of the national social partners 2018–2019 7
Countries with effective dialogue and involvement 7
Countries with potential for improvement 9
Countries with unresolved tensions in social dialogue 12

2. Reforms and policies with social partner involvement 13
Predominant forms of involvement 13
Reforms and policies in education, VET and training 17
ALMP reforms and policy initiatives in employment 18
Tax reforms and measures addressing wages and competitiveness 19
Reforms to reinforce financial sustainability of pension systems 22
Other reforms and policy initiatives adopted in relation to CSRs 22
Reforms and policies with no social partner involvement 26
Reforms addressing fair working conditions 26
Labour costs and taxation reforms 27

3. Variation in the quality of involvement of social partners 29
Level of satisfaction with outcomes 30

4. CSR-related reforms and policies not yet implemented 31
Obstacles to implementation of reforms or policies 33

5. Involvement of social partners in 2019 NRPs 39
Assessing the quality of involvement in 2019 39
Developments in relation to 2018 40
Degrees of influence 41
Reflection of social partners’ views in content of NRPs 42

6. Social partner agreement with country reports and CSRs 45
Role of social partners in other stages of European Semester 47
Relationship between national social dialogue practices and involvement in European Semester 47

7. Conclusions 49
Importance of political context and social dialogue institutions 49
Involvement in overall social and employment policymaking 49
Quality of involvement in elaborating 2019 NRPs 50

Bibliography 53

Annex: List of social partner organisations and national authorities contacted 55
Executive summary

Introduction

Social dialogue is enshrined in EU treaties. Social partners are core stakeholders who can assess policy needs and contribute to policy formation and to designing and implementing national reforms in the social and employment fields. Consequently, social partners should be involved in making and implementing policies. This role has been acknowledged in Guideline 7 of the Council of the European Union for the employment policies of the Member States, as well as in Principle 8 of the European Pillar of Social Rights (EPSR).

Policy context

In the last decade, the European Semester has shaped a comprehensive approach to national policymaking. Since the proclamation of the EPSR, social objectives have been made explicit in key policy documents issued along the Semester cycle, although better coordination with fiscal and macroeconomic objectives should always be possible and desirable. Member States have integrated reforms and policy initiatives into their national agendas, providing a framework for the involvement of social partners in policy design and implementation.

The quality of the involvement of the social partners in policy formation and policymaking is one key indicator of the quality of social dialogue at national level. Experience shows that the better the involvement of the social partners in policy formation, the more effective the social dialogue.

Political developments influence the involvement of social partners in policymaking, even in those countries with a solid industrial relations and social dialogue background. In these cases, social partner autonomy is challenged; this must be reinforced to enable independent contributions to national policymaking.

Key findings

- Countries can be categorised into three main groups in terms of practices involving social partners in policymaking.
- Countries in which well-established social dialogue structures involve the social partners and work effectively: the social partners are mostly consulted by government on social and labour issues (Austria, Belgium, Cyprus, Czechia, Denmark, Finland, France, Germany, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Sweden).
- Countries where social dialogue institutions exist, although the social partners are not fully satisfied with their involvement in policymaking: in regard to a number of issues, social partners have expressed dissatisfaction (Bulgaria, Croatia, Estonia, Ireland, Italy, Latvia, Lithuania, Poland, Slovenia, Spain and the United Kingdom).
- Countries in which the social partners feel they are not meaningfully involved in policymaking: here, any identified shortcomings remain almost unchanged and social dialogue itself appears to have stagnated (Greece, Hungary, Romania).
- Analysis shows that most social partners were involved in the elaboration of the National Reform Programmes (NRPs) in 2019. However, a few social partners, notably in Greece and Italy, stressed that they were not involved at all, and trade unions and employer organisations in Hungary were critical of the quality of involvement.
- Involvement usually comprises formal consultation on an institutional basis or via bilateral contacts. In some Member States, consultation relies on exchange of views with trade unions and employers, or the use of tailored national proceedings (specific procedures, not standardised through special working groups or committees). Often, a mixture of these schemes is applied.
- Most social partners considered the setting used for their involvement appropriate. However, social partners in some countries repeatedly said that the most important issue remains the lack of time allowed for consultation. In contrast, it was not reported as an issue in other countries. This difference of opinion should not be hard to resolve.
The majority of social partners and national authorities reported little change in the quality of their involvement in the NRPs between 2018 and 2019, with little variation in the four elements analysed (the setting; the form and content of the consultation; the time allotted; and the feedback provided as well as the visibility given to the social partners’ views). However, the social partners in some countries reported partial improvements in their participation in the consultation process, though often against a background of general deterioration.

Social partners in several countries remained dissatisfied that their views were not incorporated in the final NRP. This perception of being heard but not being listened to varies across countries and stakeholders.

There is some correspondence between the strength of the national social dialogue and the involvement of the social partners in policymaking. The same relationship can be identified in relation to the involvement of the social partners in the elaboration of the NRPs. In some countries, social partners use the Semester and the CSRs to promote their national concerns at EU level.

**Policy pointers**

- The European Semester provides not only a governance architecture for the EU to coordinate fiscal and economic policies, but also an arena for national social partners to exert influence over both economic and social agendas. More sectoral approaches and specific policy fields should be considered when the time comes to involve relevant social partners.

- Incorporating the objectives of the 2020 Annual Sustainable Growth Strategy (ASGS) and the Sustainable Development Goals into the European Semester will have implications for social, economic and employment policies. Proactive and meaningful involvement of the social partners in the European Semester would help in the progress towards these specific EU goals.

- Given the huge fiscal and economic implications of these changes in the European Semester, it may be worth expanding social partner involvement into other key policy areas, such as the Stability or Convergence programmes. Consideration should be given to ensuring that social partners have sufficient capacity to participate in these policy debates.

- Research reveals that social partner engagement in policymaking and in the European Semester is ineffective in some of the same countries year after year. More action should be taken to promote upward convergence of these countries with others where there is effective involvement of the social partners.
The role of social partners in improving social and economic progress is acknowledged in the latest update of the guidelines for the employment policies of the Member States (the ‘Employment Guidelines’), adopted by the Council of the European Union in July 2018. Guideline 7 (‘Enhancing the functioning of labour markets and the effectiveness of social dialogue’) establishes that 

**Building on existing national practices, and in order to achieve more effective social dialogue and better socioeconomic outcomes, Member States should ensure the timely and meaningful involvement of the social partners in the design and implementation of employment, social and, where relevant, economic reforms and policies.**

(Council of the European Union, 2018)

This statement is aligned with Principle 8 of the European Pillar of Social Rights (EPSR): ‘The social partners shall be consulted on the design and implementation of economic, employment and social policies according to national practices.’

This vision is put into practice via the European Semester, which provides an EU-level institutional framework for the coordination of EU Member States’ economic and social policies. Since its launch in 2011, the Semester process has consolidated into an annual cycle of monitoring, surveillance and reporting of Member States’ economic policies combined with the publication of country-specific recommendations (CSRs) by the European Commission. This annual process promotes close policy coordination among EU Member States and EU institutions.

The European Semester has evolved into a complex and multilevel process over the nine years since its introduction. In its earlier years, in the wake of the Great Recession, it focused on monitoring and consolidating fiscal public finances. Since then, however, the European Semester has added a more social focus to the CSRs, particularly during the last Commission’s mandate (2014–2019).

To combat allegations of ‘social deficit’ and to achieve better results from the implementation of the CSRs, social dialogue, as well as the involvement of the social partners, has taken on increased importance in the Semester. Although controversy still exists regarding a recognition of the social dimension being too dependent on macroeconomic policies having been fulfilled (Copeland and Daly, 2018), at least a partial shift to more social objectives has been acknowledged by some authors (Zeitlin and Vanhercke, 2018) in terms of both substantive content and governance procedures. Eurofound has reported that due to the ‘new start for Social Dialogue’ in 2015, the increased relevance of social objectives and social dialogue has been undeniable over the past few years, particularly in the last cycle of the European Semester (2019).

With the adoption of the EPSR in 2017, the European Semester was appointed to streamline its implementation. Thus, implementation of the whole package of deliverables in the European Semester, and the CSRs in particular, is closely monitored. Based on this monitoring, Eurofound has – since 2016 – produced a series of annual reports examining the role of national social partners in the European Semester process. Previous reports have acknowledged that the overall involvement of social partners in the implementation of economic and social reforms and policies has improved somewhat; however, Eurofound have also noted that serious deficiencies still exist in the effectiveness of social partner involvement and that there have been cases of dysfunction in a few countries.

A further institutional development was signalled in the presentation by President of the European Commission von der Leyen of her programme to the European Parliament on 16 July 2019. In addition to reinforcing the value of social dialogue, von der Leyen stated that the European Semester will be refocused ‘into an instrument that integrates the United Nations Sustainable Development Goals … [along with] an action plan to fully implement the European Pillar of Social Rights’ (Von der Leyen, 2019).

---

1 The monitoring and consolidation of fiscal public finances by the Semester was subject to strong trade union criticism focused on the decentralisation of collective bargaining and labour market flexibilisation.

2 Eurofound (2016); Eurofound (2017); Eurofound (2018); Eurofound (2019b).
Context of research

This report focuses on the involvement of social partners in the formation and/or implementation of employment and social reforms and policies, and relevant economic ones, mainly in the context of the CSRs. As described earlier, a close interrelationship exists between the Employment Guidelines and the EPSR, with the European Semester as a strategic tool for implementation. With this in mind, the analysis in this report concentrates on social partners’ involvement in tripartite social dialogue, examining national social dialogue practices and the extent to which social partner involvement in policymaking is present in specific reforms and policies related to the CSRs as part of the European Semester.

Complementing earlier work by Eurofound, the report also analyses the involvement of social partners in the elaboration of NRPs in the specific context of the European Semester. The settings and forms for consultation are described, and updates on changes to the procedures are provided.

Different studies have tried to measure the ‘weight’ of social measures in the CSRs by quantifying their relative importance and Member States’ compliance with these measures (Copeland and Daly, 2018; Efstathiou and Wolff, 2018; Al-Kadi and Clauwaert, 2019). This is an ambitious task. Methodological difficulties emerge when trying to isolate social recommendations within the CSRs or group them in homogenous policy fields. This is due to the relatively vague expression of recommendations and/or their interrelation in the drafting of CSRs. Apart from that, counting the number of social measures may be a useful monitoring exercise at EU level, but it does not say much about the implementation of reforms and policies in practice on the ground.

This report does not follow this quantitative approach. Neither does it offer an evaluation of the quality of national social dialogue or an assessment of the implementation of social and employment measures adopted in the Member States as a result of the CSRs. The research in this report is mainly qualitative, and the unit of analysis is each reform and policy where social partners were consulted.

The report covers consultations that mainly took place in 2019; these also concern reforms and policy initiatives that could have been started in 2018. Additionally, other relevant national reforms or policy initiatives, not necessarily related to CSRs, are described to provide a more complete picture. Likewise, reforms and policies where the social partners were not involved are also mentioned. In line with previous reports, analysis is included on the quality of the involvement of the social partners in elaborating the NRPs during the 2019 cycle of the European Semester.

Methodology and analysis

This report is based on information collected by the Network of Eurofound Correspondents via questionnaires eliciting the views of social partners and government representatives. The Eurofound team has provided comparative analysis and assessment based on the responses of the social partners.

The social partner organisations and national authorities contacted as part of the research are listed in the Annex to this report. The network collected 121 responses from these organisations: 54 from trade union representatives, 36 from employer organisation representatives, 27 from government representatives and 4 from other stakeholders.

Although the results are not statistically representative, the views gathered do offer an overall picture of developments in social partner involvement. Those who responded were mainly involved in the consultation and negotiation of national reforms. However, not all the social partners responded. It has been especially difficult to obtain responses from national authorities; this is because some have been, or still are, immersed in electoral processes and some have become more reluctant to share their opinions.

The report gives greatest weight to views that are shared by all stakeholders interviewed (from employer organisations, trade unions and national authorities). Those assessments shared by employer organisations and trade unions are also deemed worthy of attention. In the interests of brevity, views expressed by just one stakeholder are cited less often. In any case, caution is required as the results are based on subjective views.

This report uses the working definition of ‘involvement’ applied in previous reports: for consultation to be considered as involvement, it should be genuine, timely and meaningful. Minimum quality standards must be applied to the settings used for the consultation, covering the form, the time allotted and the opportunity...
to deliver effective contributions and feedback; also important is the transparency and visibility of exchanges. The degree of influence potentially exerted by the social partners throughout the involvement constitutes another part of the analytical framework applied.

Following this Introduction, the remainder of the report comprises seven chapters. Chapter 1 provides an overview of the main changes in social partner involvement in the design and implementation of reforms in the context of the European Semester and CSRs for 2017 and 2018. Chapter 2 sets out examples of specific reforms since 2018 that have taken place with the involvement of social partners. These are outlined and grouped by main field, with some general content of the reforms included along with the respective positions of the stakeholders. It then goes on to provide similar analysis with regard to policies and reforms adopted without the involvement of social partners. Chapter 3 assesses the evolution of the quality of social partner involvement over the 12 months prior to the time of writing. Chapter 4 lists and describes some of the recommendations included in the CSRs but not yet implemented, according to the social partners. Chapter 5 analyses the main changes in social partner involvement in elaborating NRP 2019, as instigated by the Employment Guidelines. This analysis focuses on the process of involvement rather than the policy content of the reforms being implemented. Chapter 6 examines the extent of social partners’ agreement with country reports and CSRs. Finally, some conclusions and policy pointers are provided in Chapter 6.
As a rule, the national social partners are usually involved in the formation of social and labour policies and reforms in the majority of countries. This statement is consistent with previous Eurofound findings, although the degree and quality of involvement vary significantly among countries given the various institutional settings, procedures and practices applied in tripartite social dialogue.

Having said that, social partners in some countries do not consider their involvement in policymaking to be effective. The level of dissatisfaction also varies among countries and among social partners in the same country, as the practice of being ‘involved’ in policymaking may have different meanings among different countries and social partners depending on national traditions and industrial relations frameworks. In addition, the notion of involvement may also echo divergent expectations between social partners and governments.

Involvement in policy formation mostly revolves around diverse forms of consultation and participation, which may range from an exchange of views to formal negotiations; simply receiving information from the national authorities about future or ongoing reforms cannot be considered proper involvement. For consultation to be considered as proper involvement, it should be genuine, timely and meaningful.

It should be noted that the degree of involvement of social partners in social dialogue procedures may be influenced by the number of reforms and new policy and legislative initiatives adopted by the government or by the social partners themselves – for example, through bipartite cross-industry agreements (as in the case of Belgium) or through political developments, such as electoral processes and changes of government in 2019 (Austria, Italy and Spain).

Based on the information collected by the Network of Eurofound Correspondents, the main developments in the involvement of social partners in the design and implementation of national policies and reforms can be grouped as shown in Table 1 (more detailed explanations follow).

### Countries with effective dialogue and involvement

A first group of countries show solid and well-established social dialogue structures and frameworks where the involvement of social partners works effectively. The social partners are regularly consulted by the government, mostly on social and labour issues, although in some cases the consultation may include other economic policies.

No significant changes have taken place since 2018 and the quality of involvement has remained stable over the year prior to the time of writing, even though some remarks and details can be nuanced regarding recent developments in 2019.

The Nordic countries head this group with a long history and experience of social dialogue in employment, social and economic policy. In these countries, the social partners are involved in the design and implementation of employment and social reform policies in a timely and meaningful way. In Sweden, for example, it is hardly necessary to give examples of reforms in which social partners have been involved, since they are continually involved in all labour market policy design, as well as much social policy design. In Finland, the type of the involvement depends on the issue at hand, including both formal and non-formal involvement. The starting point for the new government’s labour market policy is that reforms are drafted in a tripartite setting.

<table>
<thead>
<tr>
<th>Social partner involvement</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective social dialogue practices involving social partners are evident</td>
<td>Austria, Belgium, Cyprus, Czechia, Denmark, Finland, France, Germany, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Sweden</td>
</tr>
<tr>
<td>Social dialogue practices involving social partners exist but show gaps and room for improvement</td>
<td>Bulgaria, Croatia, Estonia, Ireland, Italy, Latvia, Lithuania, Poland, Slovenia, Spain, United Kingdom (UK)</td>
</tr>
<tr>
<td>The involvement of social partners is ineffective, and social dialogue practices require further action</td>
<td>Greece, Hungary, Romania</td>
</tr>
</tbody>
</table>

Source: Unless otherwise indicated, the tables are the authors’ own compilation based on information provided by the Network of Eurofound Correspondents and interviews with national social partners.
In general, the social partners have been satisfied with the fact that they are expected to play a key role in achieving the government’s key goal: a 75% employment rate. Trade unions, in particular, have welcomed the government’s commitment to tripartite cooperation, especially after a period of strained industrial relations during the previous government. In Denmark, the social partners are involved in consultations with the government about the labour market, although such consultations are infrequent regarding economic issues that might appear in the CSRs. In this regard, no new policy reform proposals have referred to the content of the 2019 CSRs. However, the government invited the social partners to a tripartite discussion about a new reform that aims to provide earlier retirement for workers in demanding jobs.

Other countries sharing the social partnership regime within industrial relations systems also provide suitable settings and procedures for the involvement of the social partners. Thus, the Netherlands has an established negotiation procedure between the national authorities and several national-level social partners. As a rule, legislative initiatives are developed and then put before the relevant national trade unions and employer organisations for consultation, where relevant specific sectoral social partners or interest representations are also included. The views of the social partners and sectoral organisations are heard and discussed by the government, and negotiations are made to adjust the law in question. This is a matter of national institutional habit, and this approach of negotiating between relevant stakeholders to arrive at a decision is often referred to as the ‘Poldermodel’. For example, in the case of law making, procedures are more structured and to some extent regulated. For example, in the case of the Balanced Labour Market Act (Wet Arbeidsmarkt in Balans, WAB), all relevant national social partners were involved in tripartite discussion through the national Social and Economic Council and were facilitated by the Labour Foundation (StvdA). While the involvement of social partners has been consistently high, the outcomes of the social dialogue for some of the reforms relating to the CSRs suggest a certain amount of disagreement still persists.

Social partners in Belgium are generally involved in a timely and meaningful way in reform policies. They have a strongly institutionalised role and, despite a sometimes difficult relationship at the political level, they maintain a significant degree of autonomy. It has been reported that the position of the social partners, and especially the trade unions, is in fact deteriorating and the ideological stance of recent governments on cooperation with social partners has been unfavourable compared to the past. Employer organisations in Luxembourg consider that they are not sufficiently heard by the public authorities, while trade unions have more weight with the government. Thus, the quality of social dialogue is judged to be decreasing for employer organisations, and stable for trade unions. In the last few years, there has been a widening gap between employers and trade unions, and both are finding it increasingly difficult to reach agreement.

Opposite views among the social partners themselves emerge in Austria. According to the Austrian Federation of Trade Unions (ÖGB), since the formation of a conservative/right-wing government in late 2017, social partner influence on the design and implementation of employment, social and economic reforms and policies has been drastically sidelined. Trade unions stress that, while they still enjoy formal consultation rights, in practice their involvement is neither timely nor meaningful. In contrast, the Federal Economic Chamber (WKO), representing organised business, claims that it is still involved in a timely and meaningful manner. Trade unions claim that, at least until May 2019, employer organisations had a stricter, closer relationship with the government than they did.

Typically, the social partners in France are involved in the design of employment and social policies and, selectively, of economic policies. However, social partners signalled that the government seems to neglect their views and to reduce their role through different reforms. The government may invite them to negotiate a reform, but it stipulates the specific issues and financial framework they may discuss. For example, in the case of unemployment insurance (see Chapter 2), the social partners felt they had no room to reach an agreement, but when the government drafted its bill, it consulted the social partners as usual. Otherwise, the main reforms adopted (vocational training, unemployment insurance, labour market reform) have reduced the role of social partners in the management of the vocational training system, in the unemployment regime and probably also within the companies given the merging of numerous information and consultation bodies in the new Social and Economic Committee (CSE).

Germany has an established social dialogue tradition and the forms of consultation depend on the institutional framework rather than on the ideological considerations. The trade unions and the employer organisations represent the insured workers and the employers on the boards of the social security and vocational training system institutions, respectively. For these reasons, they are typically consulted in the formation of policy for employment, social and (selectively) economic issues. A tripartite social dialogue institution is not in place and the consultation procedures differ depending on the issue. Consultation procedures are more structured and to some extent regulated. For example, in the case of law making, parliamentary committees may stage hearings on the issue and invite experts - representatives of the employers or trade unions - to give their opinion.
Belonging to a different industrial relations tradition and with diverging social dialogue practices, the social partners in Cyprus and Malta are generally satisfied with their involvement in policymaking. Even though the social partners in Cyprus are involved in the design and implementation of almost all employment and social reforms and policies, they report that their involvement in economic reforms and policies is not fully satisfactory. In contrast, social partners in Malta have developed meaningful employment, social and economic reforms: while, in the year prior to the time of writing, there have been instances in which the social partners would have liked a greater say on particular government policies, they are satisfied with the current situation overall.

Social partners in two other countries that joined the Union in 2004 seem satisfied with their involvement. As in previous years, the social partners in Czechia report effective involvement in policy formation and social dialogue. They acknowledge that their suggestions are not always accepted and that the views of the various social partners often differ – however, the government usually tries to compromise.

According to the information collected, there has been moderate improvement in the involvement of social partners in policymaking in Slovakia since 2016, and the government’s approach to social dialogue has played a role in that improvement. National-level trade union and employer organisations have been meaningfully involved in the design and implementation of employment, social and economic reforms and policies proposed by the government via ‘Multisectoral commenting’ and consultations at the national tripartite Economic and Social Council. Procedures were standardised in 2019, and so the quality of the involvement of social partners remain largely unchanged from 2018.

Interestingly, the social partners in Ireland – a country without structured tripartite social dialogue – also seem satisfied with the conditions under which they are consulted in policymaking. Through 2018 and 2019, there was much engagement with the social partners on employment, social and economic reforms, with some legislation passed and other proposals in development. Regarding domestic reforms, it appears there is meaningful involvement and the quality of that involvement remains stable.

In Portugal, social dialogue related to the European Semester is embedded in consultation and tripartite institutions that regularly address economic, labour market and social policies.

Countries with potential for improvement

In several countries, the involvement of social partners in policy formation could be improved. In these countries, there is a stable social dialogue framework, but it is not perceived as working properly (for a variety of reasons) and the social partners are therefore not fully satisfied with the quality of their involvement in policymaking.

In some cases, political or electoral developments have limited a fuller involvement of the social partners. This is the case in Italy, where the general trend of maintaining limited involvement of the social partners in the design of employment, social and economic reforms continued in 2019. Policy initiatives remained firmly in the hands of the government, which essentially acted unilaterally; social partner involvement was restricted to parliamentary committee hearings on draft bills. The few meetings that were held between the social partners and the government were mostly for social partners to state their position on government initiatives, notably on the introduction of a legal minimum wage, which was already under discussion in parliament. Effectively, social partners were not consulted or invited to negotiate at the start of the policy process, although exchanges between the social partners, especially the unions, and the government intensified before the change of government in 2019. The new government declared the importance of involving the social partners and invited them for meetings with the President of the Council of Ministers. As a result, social partners are expecting a significant change in attitude and approach, although it is too early to tell what will happen in practice.

In Spain, the complex political situation in 2019 – the parliament dissolved in March, new elections being held in June and November, and difficulties in appointing a new government – restricted opportunities for social partners to engage in meaningful social dialogue on policy issues. Nevertheless, the social partners have been involved in different forms and varying degrees in all reforms in social policy and the labour market since September 2018. The government accordingly made an effort to strengthen social dialogue and improve its quality, although agreement was not always reached. The social partners were particularly disappointed at the government’s unilateral decision regarding an increase in the minimum wage, without consultation in the social dialogue framework.
In Italy, the involvement of social partners in policymaking has remained fairly stable since 2016, with a couple of qualifications. During the Gentiloni government’s administration (December 2016 to June 2018), social dialogue practices were somewhat restored, especially through separate bilateral consultations between the government and the trade union and employer confederations; however, there was no systematic tripartite social concertation over employment and social policies. Furthermore, the current Conte government (in office since September 2019) has declared it wants to reinforce the involvement of social partners in policymaking; no actual developments had taken place at the time of writing.

As a result, the political orientation of the various governments has influenced the approach to social dialogue, but without any significant change. Both centre-left and centre-right coalitions have maintained a relatively low level of involvement with the social partners (a little more involvement in the case of certain centre-left governments). The recent change in the government’s coalition has not yet had any concrete effects on the approach to and practice of social dialogue.

At the time of writing, a number of policies with some connection to the CSRs are being discussed. These include those aimed at promoting the use of electronic payments (‘Fight tax evasion, especially in the form of omitted invoicing, including by strengthening the compulsory use of e-payments including through lower legal thresholds for cash payments’ – European Commission, 2019a). Others are those that entail shifting taxation away from labour (‘Shift taxation away from labour’ – European Commission, 2019a). Moreover, there is discussion within the government about the possible repeal (or retrenchment) of the temporary anticipation of retirement introduced in 2019 (known as ‘Quota 100’). This could be seen as being connected to the CSRs (‘Implement fully past pension reforms to reduce the share of old-age pensions in public spending and create space for other social and growth-enhancing spending’ – European Commission, 2019a). However, any discussion has thus far been solely among the government coalition partners, without any social dialogue, although the social partners may have an opportunity to get involved later.

Indeed, the previous government introduced reforms in several key aspects of employment, including: fixed-term employment and temporary agency work (the so-called ‘Dignity Decree’, August 2018); citizenship income (January 2019); anticipation of retirement (Quota 100, January 2019); introduction of a legal minimum wage (under parliamentary discussion at the time of writing); and an income tax reform (also known as the ‘flat tax’, which was still being finalised in August–September 2019, the time of the Conte government crisis). However, all these reforms were introduced unilaterally, without any substantial involvement of the social partners.

The most important ways in which trade union and employer confederations had the opportunity to provide their analyses were the parliamentary hearings held by the relevant commissions in the preparatory process. These take place before bills are discussed and voted on in the plenary sessions. Meetings between the government and the social partners were held occasionally in different settings – with the President of the Council of Ministers, with the Deputy Prime Minister and Minister of Labour and Social Policies and Minister of Economic Development or with the Deputy Prime Minister and Minister of the Interior – usually bilaterally, without any specific programmatic schedule and without opening consultation or negotiation tables on specific reforms. The most relevant form of involvement concerned discussion over the introduction of a legal minimum wage. Several technical meetings were held with the social partners, especially the unions, at the Ministry of Labour and Social Policies so that the government could get their feedback on the draft bill under discussion and take their views into consideration in finalising the measure.

The social dialogue in Bulgaria is well structured in terms of levels and strands, facilitating active participation of the social partners in the formulation and implementation of policies. There are formal consultations, negotiations at national level, participation in tripartite bodies for management, in groups with different formats, guiding discussion and preparation of reforms and legislative changes. There are examples of meaningful and timely involvement of the social partners; however, this does not mean that the situation is completely satisfactory.

There is therefore no substantial change in the situation compared to 2018, and social partner involvement remains unpredictable. Furthermore, even though the National Council for Tripartite Cooperation (NCTC) has five thematic committees that discuss specific problems areas, branch councils for tripartite cooperation tend not to function effectively or to meet at all. Hence, the social partners question the formal way in which social dialogue is conducted and the government’s tendency to impose its own decisions.
In Croatia, the trade unions decided not to participate in the activity of the working group for pension reform and almost completely halted the functioning of the Economic and Social Council. Following a government reshuffle in July 2019, a new Minister for Labour and Pension System took office and social partners are expecting more involvement in discussions and compromise.

There are similarities and differences in the involvement of the social partners in policymaking among the three Baltic states. Formal involvement practices in place in Estonia ensure that social partners (and other interest groups) are always involved to some extent in policymaking. According to the social partners, the quality of involvement depends on a number of factors: the topic and its importance, the time frame, the capacity of the social partners, and the government’s level of willingness (which can fluctuate). Nevertheless, involvement overall has improved in recent years as a result of social partners pursuing their interests and a change in the government’s approach to social dialogue, including implementing new forms of involvement (re-establishing tripartite meetings and establishing the Economic Development Committee) and new involvement practices (earlier and more frequent discussions). However, the quality of involvement is still far from perfect and the social partners claim that involvement is still often rather formal. There is an ongoing discussion on changes in the second pension pillar planned by the government, but the experts, interest groups and social partners feel that they are not sufficiently involved.

Social partners in Latvia continue to be involved in elaboration of new reforms and in policy formation, and mention three reforms in which they are actively involved: fiscal and tax reform, reform in vocational education and reform of the healthcare sector. The social partners and government both report that social partner involvement has neither improved nor deteriorated significantly compared to 2018. The same applies to Lithuania, where there are two main channels of social partner participation in policy formation or implementation of employment, social and relevant economic reforms: the Tripartite Council and some other tripartite councils and commissions, and working groups (unique, temporary bodies, created by different public institutions) and task forces. There have been some minor variations but, overall, the situation has been stable since the establishment of the Tripartite Council in 1995.

According to the social partners in Poland, the government’s social policy reforms prevented them from having any real impact on the introduced changes. In particular, the social partners feel that some changes were implemented hastily and motivated solely by upcoming elections (local government, European Parliament, Polish parliament). Social partners cite the following as such changes: extending eligibility for the ‘500+ benefit’ to the first child without an income criterion, adding a one-off payment to the minimum retirement allowance for retired pensioners and pensioners with disabilities, and abolishing income tax for people up to the age of 26. The social partners do however confirm that they were consulted comprehensively on one reform: introduction of the Employee Capital Plans (a form of retirement savings, separate from the social insurance system). Overall, according to the social partners, the quality of the legislative process (including the process of consulting social partners), when compared with 2018, had not improved in 2019.

The social partners in Slovenia have been more meaningfully involved in policymaking since the new rules of the Economic and Social Council were adopted in 2017. The new rules oblige the government to discuss important economic and social policy measures with social partners before proceeding to the National Assembly. Nevertheless, the trade unions have some concerns about the quality of their involvement in 2019; while employer organisations report that involvement has improved in recent years and that their proposals are considered at least to some extent, trade unions report improvement in some areas but deterioration in others. Overall, involvement is uneven, depending on the ministries involved. In addition, political developments pose some risks to the quality of involvement by affecting the approach to social dialogue. The 2019 left-wing ruling coalition (a minority government) proposed changes to social and labour legislation (minimum wage, student work, abolishment of additional health insurance) without engaging in social dialogue. Although trade unions support the majority of proposed changes, they do not agree with how the changes have been made. Indeed, the President of the Economic and Social Committee resigned in September 2019, alleging that social dialogue in the institution had been undermined.

The UK’s exit from the EU dominated the political and legislative landscape throughout 2019; over the course of the year, there was little room on the domestic policy and legislative agenda for issues other than Brexit. Hence, there was little to discuss with regard to employment and labour market policy. Nevertheless, the uniqueness of the UK’s industrial relations system makes involvement of the social partners in policy formation complex: in a national context where there are few institutionalised forums for social dialogue activity, there is little incentive for government to engage in such practice.

On the basis of previous research, and given the dearth of institutionalised national social dialogue structures, the answer to the question of whether all British social partners are meaningfully involved in a timely fashion in the design and implementation of such policies has
to be, ‘no’. However, business associations constitute far more of an ‘insider’ group, privy to high-level and private consultation with government. Given the lack of transparency over lobbying, such interactions are not in the public domain; significant business groups indicate that they participate in meetings with government, but the details are not provided. Certainly, any party may present proposals to public consultations and parties frequently do so. However, it should be noted that trade union bodies often express frustration over the lack of consultation, especially when the country potentially faces economic upheaval in addition to the constitutional and political crisis in 2019. Interestingly, the Brexit negotiations have revealed some unity between the major social partners, with the Trades Union Congress (TUC) issuing several joint statements with the Confederation of British Industry (CBI) and the manufacturers’ organisation Make UK (formerly EEF). All sides are vehemently opposed to the prospect of a ‘No deal’ Brexit, citing the devastating impacts on trade, jobs and standards in such an event.

Countries with unresolved tensions in social dialogue

A third group of countries are characterised by ineffective involvement in the formation of social and labour policies and reforms, according to the social partners. The gaps identified have remained unchanged in these countries without any significant progress and the effectiveness of social dialogue itself seems to have stagnated in recent years.

In line with findings from previous years, the social partners in Romania remained dissatisfied with the level of involvement in government reforms in the year prior to the time of writing. According to the social partners, the meetings organised by the government were more focused on providing information rather than consultation. For example, negotiations to amend the Law on Social Dialogue were delayed due to the divergence of views between employers and unions and because of the government’s lack of political will.

Involvement of national social partners in policymaking – 2019

After the failure of the first draft law, new drafts came under discussion and the process was ongoing at the time of writing. Other pensions or administrative reforms were adopted in the absence of effective social dialogue. Nevertheless, the government representatives interviewed in this study said that there was an improvement in the overall quality of involvement and social dialogue.

As reported previously, the suitability and adequacy of social dialogue structures and processes are weak in Hungary and existing institutions do not adequately involve the social partners. Government social and policy issues are presented in various forums without timely and meaningful involvement of the social partners. The lack of effectiveness of social dialogue is a lasting problem with little if any change noted in recent years.

In Greece, as in previous years, representatives from employer organisations and trade unions reported that they have had no influence on the main recent reforms, either on the basis of the three memoranda (2010–2018) or those initiated by the Greek government (mid-2018 onwards), such as the revision of the active labour market policies (ALMPs) in 2018 or the review of the minimum wage scheme at the beginning of 2019. While regular dialogue between social partners and the government took place – through public consultations, parliamentary hearings or other informal settings – workers and employers felt they were only allowed to present their opinions rather than exert any significant influence. As of July 2019, the new government announced reforms. These reforms would abolish previous legislation that obliged employers to give ‘well-founded’ reasons for workplace dismissals; and they would also reform the sanctions system in cases of undeclared work, reducing the fines imposed on employers for regularising workers with an employment contract of at least 12 months. The government argued that deregulation and simplification of employment rules would encourage employers to create more jobs and enhance labour market legality.
This chapter outlines some specific examples of reforms between 2018 and 2019 in which the social partners were, or are still, involved. Reforms are grouped in similar categories to the former Eurofound report on the involvement of social partners in policymaking (Eurofound, 2019b). Most of the reforms relate to the labour and social fields. Involvement in other economic and fiscal areas has been reported, although it is much less common. However, it should be noted that the grouping varies, since reforms can be hard to classify and may overlap where common goals exist; for example, labour market reforms often overlap with measures addressing employment policies.

This chapter describes social partner involvement in policymaking for the reforms and policy initiatives described. However, this does not necessarily mean effective involvement, as the quality, type and depth of the involvement vary according to traditions, institutional frameworks and specific national circumstances. Examples of reforms in which the social partners were not consulted or were not properly involved have also been outlined (see also Chapter 3).

Table 2 shows the main fields of social and labour reforms in which social partners were, or are still, involved in 2019. Some reforms or policies may have been discussed before 2018, but in those cases the national social partners have stressed their relevance in 2019. The list of reforms described in Table 2 is not exhaustive, but rather illustrative: more discussions on policies and reforms have taken place with different intensity and outcomes. The reforms and policies described have been mentioned in relation to either the 2018 or the 2019 CSRs, where other reforms and policy initiatives are not related, at least directly, to the CSRs. As much as possible, some basic content of the reform and the stakeholder positions is provided to give a taste of the relevant debate.

### Predominant forms of involvement

As previously reported (Eurofound, 2016, 2017, 2018, 2019b), social partners are involved in social and employment policymaking in different ways, closely related to the national setting, the specific procedure involved and industrial relations traditions. The form and setting for the involvement play an important role within the tripartite social dialogue framework, giving opportunities to the social partners to share their views with government. In this regard, a ‘proper’ consultation process is defined as a meaningful exchange in which there is enough time for discussion. Here, ‘time’ is important in that it refers not only to the duration of the consultation but also the legislative period in which the consultation takes place, relative to the parliamentary process. Additionally, the specific policy or reform under consultation may follow a specific procedure in which other stakeholders are consulted, for example in pension reforms.

### Table 2: Reforms and policies with social partner involvement, by country, 2018 and 2019

<table>
<thead>
<tr>
<th>Main policy areas</th>
<th>Related to CSRs</th>
<th>Not related to CSRs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour market participation, labour law and social dialogue</td>
<td>France, Ireland, Lithuania, Netherlands, Portugal, Slovenia</td>
<td>Belgium, Estonia, Malta, Portugal, Spain, Sweden, UK</td>
</tr>
<tr>
<td>Education, vocational education and training, lifelong learning, training and apprenticeships</td>
<td>Croatia, Czechia, Latvia, Poland</td>
<td>Germany</td>
</tr>
<tr>
<td>Active labour market policies (ALMPs), public employment services reforms</td>
<td>Belgium, Bulgaria, Finland, Slovenia, Spain</td>
<td></td>
</tr>
<tr>
<td>Wages, competitiveness, tax reforms</td>
<td>Austria, Belgium, Bulgaria, Cyprus, Italy, Poland, Romania, Slovakia, Slovenia</td>
<td>Belgium, Cyprus, Luxembourg</td>
</tr>
<tr>
<td>Social protection</td>
<td>Croatia, France, Romania, Spain</td>
<td>Austria, Luxembourg</td>
</tr>
<tr>
<td>Pension reforms, financial sustainability of pension systems</td>
<td>Croatia, France, Ireland, Italy, Netherlands, Slovenia</td>
<td>Estonia, Luxembourg, Poland</td>
</tr>
<tr>
<td>Other reforms and policies</td>
<td>Cyprus, Latvia</td>
<td>Czechia, Denmark, UK</td>
</tr>
</tbody>
</table>

**Source:** See Table 1
In recent years there have been some improvements in the involvement of national social partners in some countries. As previously reported by Eurofound, these positive developments are mainly related to the institutionalisation of the form of consultation as well as certain partial improvements in practice. Nevertheless, in other countries, hardly anything has changed, challenging the effective implementation of the Employment Guidelines regarding the convenience (or otherwise) of meaningfully involving the social partners in policymaking.

According to our research, the social partners are mostly involved through consultations. These consultations have different scopes and intensities, ranging from formal institutional consultation in tripartite bodies to more bilateral meetings or exchanges of views with national authorities. It should be noted that the quality of social partner involvement – meaningful and timely – does not necessarily reflect their satisfaction with the outcomes.

Eurofound has reported extensively on the various forms and settings through which the social partners are commonly involved. Social and economic councils or functional equivalent bodies represent the usual institutional setting for discussions related to social and employment policymaking. There is a wide range of tripartite and bilateral mechanisms between social partners and national authorities. Specific forums, ad hoc committees or working committees may have been set up to discuss concrete reforms or policies, and social partner participation in parliamentary hearings related to specific legislative processes is also quite common. However, these forms or mechanisms are frequently combined and are not exclusive; unsurprisingly, they are all influenced by, and themselves affect, the political environment, as social dialogue forms part of the whole policymaking system.

There are some peculiarities in countries with a strong bipartite tradition of social dialogue. For example, on the basis of the highly coordinated centralised industrial relations system in Belgium, the social partners took an initiative autonomously to prevent burnout (not included in the CSRs) and they themselves have managed its implementation within the National Labour Council.

In the Nordic countries, working groups are assembled specifically for the reforms or elaboration of policy. For example, in Finland, the reform process on ALMP measures runs through tripartite working groups drafting concrete measures, as the rather formal institutional consultation usually takes place when legislative proposals are in progress. Likewise, consultation may include negotiations, although this can be controversial for social partners in some countries or in some specific reforms, as one party may interpret ‘negotiation’ as a simple exchange of views where the other party interprets it as in-depth discussion. For example, the social partners in Sweden report that they actively negotiated the reform to integrate people with a migrant background into the labour market; in contrast, the trade unions in Austria state that their involvement in the reforms mentioned above went no further than providing written statements.

Apart from institutional forms of involvement, consultation in social and employment policymaking may additionally involve ad hoc bodies. For example, in Luxembourg, in addition to the Economic and Social Council, the Chamber of Wage Earners (Chambre des salariés) – comprising several unions – played an important role: the government acknowledged and reviewed its opinion before voting on the dependency insurance reform project in the Chamber of Representatives. Other examples of bodies providing specific focus in reforms processes are a cross-sectoral commenting committee (MPK) in Slovakia, providing views before consultation in the tripartite Economic and Social Council, or the Pension Guidance Board (Conseil d’orientation des retraites) in France, where the government, the trade union and employer organisations held exploratory discussions prior to the pension reform (French social partners have a seat on the board, which was asked to provide a report on the sustainability of the pension system).

Other countries provide specific or more complex forms of involvement. For example, while there is no national tripartite social dialogue body in Germany, elaboration of the Access to Further Training Act (Qualifizierungschancengesetz) followed an institutional pattern involving the social partners in policy formation. The involvement included multistakeholder consultation, formal consultation in writing, hearings by parliament and ad hoc trilateral practice (issue-related meetings). Involvement in the consultation process for the National Further Training Strategy was unusual because employers and trade unions are both represented in the public institutions of the vocational training system and on the board of the Federal Employment Agency. It should be noted that the social partners are typically involved in designing these national strategy programmes; however, within the context of the European Semester (see Chapter 6) the National Reform Programme (NRP) follows a different logic as it is considered a government report rather than a strategy.

Other peculiarities include broader forms of involvement and additional stakeholders. For example, consultation on pension reforms in Ireland comprised several steps including public seminars, pre-legislative scrutiny, focus groups and parliamentary committee hearings. The social partners were involved throughout the process. Parliamentary hearings and technical
meetings are both commonly used in some countries to hear the positions of social partners, as was the case in **Italy** when discussing the establishment of a statutory minimum wage.

In summary, according to the information collected in specific cases of reforms and policy formation, each Member State applies either formal or informal frameworks involving the social partners. Combining forms of engagement, bipartite or tripartite, is common. The specific policy under discussion and the embeddedness of the procedure in either previous or parallel legislation both influence the setting and the timing of social partner involvement.

**Reforms and policies in labour market participation and labour law**

At the beginning of 2019, the French government published details of a new measure aimed at reducing the gender pay gap (the so-called Equality Index). The measure was included in Law 2018-771 passed on 5 September 2018 and is based initially on an employer’s self-assessment using an equal pay index. This index is based on five criteria, each with a value expressed in points:

- the elimination of wage gaps between women and men in comparable positions and of comparable age (40 points)
- gender equality with respect to salary increases (20 points)
- gender equality with respect to promotion (15 points)
- female employees receiving any increases awarded in their absence upon return from maternity leave (15 points)
- at least four women and at least four men occupying the 10 highest-paying positions (10 points)

The employer must evaluate its own performance according to these criteria, publish the results on its website, forward the results to employee representatives and give itself an overall score.

If the score is less than 75 points, corrective measures must be implemented. Companies that have not achieved satisfactory results by 1 March 2022 (or 1 March 2023 for companies with 50–250 employees) will risk a penalty of up to 1% of the payroll. The social partners have widely welcomed this measure.

There is a discussion in **Ireland** on ways to tackle disguised and false self-employment. The Department of Employment Affairs and Social Protection (DEASP) has made the following proposals to address the issue.

- Establish a dedicated team to deal with social insurance inspection work involved in large companies.
- Provide for deciding officers in the DEASP Scope Section to make determinations on the employment status of groups or classes of workers (without having to process complaints individually).
- Put the code of practice for determining employment status on a statutory basis.
- Implement anti-victimisation measures for workers seeking a determination of their employment status.

Several legislative initiatives have been taken in **Lithuania**. One initiative concerns a draft law on the promotion of social dialogue, which aims to foster higher-level collective bargaining, provide various forms of incentives to social partners and establish representativeness criteria for national-level social partner organisations. In June 2019, all parties approved the preparation of a draft and agreed to submit it to parliament for consideration. Furthermore, from the second half of 2018 to mid-2019, social partners at the Tripartite Council focused on continuing improvement of labour legislation, particularly the Labour Code.

In the **Netherlands**, more people are working on temporary contracts, undermining job stability for an increasing proportion of the workforce. Expected to come into force in January 2020, the Balanced Labour Market Act (**Wet arbeidsmarkt in balans**, WAB) contains a series of packages and changes designed to balance the proportion of temporary, non-permanent contracts with the proportion of permanent contracts. Opinion is divided: some national-level social partners like the changes and some do not, which is not surprising given the breadth of the draft act. Many social partners maintain that the Act on Security and Employment (**Wet Werk en Zekerheid**), which the WAB partially replaces, has not been properly evaluated and that this should happen before the WAB is implemented.

Connected to the measures in the labour market discussed above, reforms in Portugal have focused on combating precarious work. In January 2017, negotiations took place in the framework of social concertation and resulted in a commitment to a medium-term agreement, which was signed by the government and the majority of the social partners. In June 2018, the process culminated in the signing of an agreement to combat precariousness, reduce labour

4 The Portuguese Confederation of Farmers (CAP), the Confederation of Portuguese Industry (CIP), the Confederation of Portuguese Tourism (CTP), the Confederation of Portuguese Commerce and Services (CCP) and the General Workers’ Confederation (UGT).
segmentation and promote greater dynamism in collective bargaining. The whole process took place within institutional consultation tripartite bodies such as the Economic and Social Council or the Standing Committee of Social Concertation (CPCS).

Social partners in Slovenia are involved in two intensive processes for harmonising legislative changes in the labour market (Labour Market Regulation Act) and within the pension insurance system (Pension and Disability Insurance Act). The key objectives are faster activation of unemployed persons and raising the level of work activity of older and low-skilled workers.

Labour market reforms not specifically related to CSRs
Within the National Labour Council, the social partners in Belgium have developed a global approach and a framework for setting up pilot projects for primary prevention of burnout. It exemplifies the social partners’ own initiative, implementing the 2017–2018 interprofessional agreement that included a commitment to work on the problem of burnout.

As part of a 2018 political agreement on a simpler labour market policy, the social partners in Denmark have been asked to form a working group to: contribute proposals for the implementation of a digital administration of schemes with, for example, wage subsidies; to look at whether a transition to digital administration will change the proportionality between ordinary employed and people in subsidised employment; and to look at how employee representatives are involved. The parties to the agreement must subsequently approve the final implementation.

In July 2018, the Ministry of Social Affairs in Estonia announced its plans to change the labour law on employment contracts to offer more flexibility to employees and employers. It was justified as existing regulations are rather strict in terms of working time and place and are not easily adaptable to new situations that in practice have already emerged (e.g. telework and platform-based work).

Different reforms concerning working time have been adopted both in Portugal and Spain. In Portugal, a new regime of ‘working time accounts’ has been approved, eliminating the former regime on individual working time accounts. This regime can be decided at company level by a referendum organised by the employer. In Spain, the Royal Decree-Law 8/2019 on urgent measures for social protection and the fight against job insecurity in the working day, approved in March 2019, contained several measures, including a new regulation on registering working time. The Royal Decree-Law gives companies two months to create records with the start and end times of the working day of each employee. Companies must keep records dating back four years at the disposal of employees, their representatives or the Labour Inspectorate. Implementation of the registration system is left to collective bargaining between companies and unions or, failing that, is at the discretion of the employer.

In Sweden, according to the Employment Protection Act (1982), an employer who wants to terminate the employment of an employee must be able to show objectively justifiable reasons for the termination, either due to redundancy or due to personal reasons. Employers have long felt that these restrictions are too harsh, and instead seek a more flexible system. Trade unions have warned this would weaken employment security. As part of the new collaboration with two liberal parties, the government (a Social Democrat–Green Party coalition) agreed to commission an inquiry into how the Employment Protection Act should be reformed. A legislative proposal is expected in the first half of 2020. Commissioning an inquiry is a way for the government to put pressure on the social partners to reach a bipartite agreement – generally seen as the more favourable option. Bipartite negotiations between the social partners to reach a bipartite agreement are ongoing, laying the foundation for any legislative reform.

Box 2: New forms of involvement in Estonia

Several new forms of involvement were used in the process of assessing employment contract reforms. First, in addition to the usual involvement practices (written feedback, etc.), the planned reform was discussed in the new Economic Development Committee led by the Prime Minister (established in 2017). The committee comprises ministers and gathers once per month to gain an overview of the state of the economy, find solutions for issues requiring coordination across ministries, involve experts and interested parties, and develop the economic environment. Within the framework of the committee, experts and stakeholders, including social partners, have the opportunity to present their proposals and views on specific topics.

Under the committee, an advisory expert forum has been formed, comprising 55 organisations including national and sector-level social partners. As the planned reform was discussed in the committee, it was also introduced to the social partners as part of the expert group and they therefore had the opportunity to discuss it and give feedback. In addition, a seminar involving around 60 people from different organisations was organised to discuss the planned changes and introduce their views and ideas.
Reforms and policies in education, VET and training

Over the past few years, the CSRs have emphasised the need for education reform as well as better training for adults and young people. Interestingly, more and more countries have applied reforms to the education system, as well as vocational education and training (VET) and training policies, many of them related to active labour market measures.

Thus, amendments to the Primary and Secondary School Education Act were adopted in Croatia, introducing changes following the curricular reform of primary and secondary school education. Furthermore, certain procedures related to the adoption of modifications of the school network and programmes have been simplified.

Box 3: The UK Good Work Plan

The Good Work Plan is the UK government’s response to the Taylor Review of Modern Working Practices, published in December 2017, and the four consultations that were launched following publication of that review (UK Government, 2017). The consultations related to recommendations made by the Taylor Review in four areas: employment status, enforcement of employment rights, increasing transparency in the labour market and agency workers. Following the evidence and submissions gathered, the Good Work Plan thus sets out the government’s intended labour market reforms.

The Taylor Review looked at issues such as the implications of new forms of work, the rise of digital platforms and the impacts of new working models, making 53 recommendations. The plan sets out what the government describes as ‘ambitious’ proposals for employment law reform. Informed by feedback from the four consultations, the government stated that it has accepted the vast majority of the Taylor Review recommendations and proposes legislative changes

to ensure that workers can access fair and decent work, that both employers and workers have the clarity they need to understand their employment relationships, and that the enforcement system is fair and fit for purpose.

(UK Parliament, 2018)

The planned reforms include:

- the composition of detailed proposals to align the employment status tests used in the employment law and tax contexts
- legislation to improve the clarity of employment status tests to tackle the problem of businesses misclassifying their staff; providing all workers with the right to request a more stable contract after 26 weeks on a non-fixed pattern
- repeal of the ‘Swedish Derogation’, which, at the time of writing, allows agency workers to be paid less than if they were directly hired provided they have a contract of employment with the agency and are paid between assignments
- an increase in state enforcement protection for agency workers when they have pay withheld or unclear deductions made by an umbrella company
- legislation to ban employers from making deductions from staff tips
- an increase in the maximum level of penalty that an employment tribunal can impose in instances of aggravating conduct by employers from GBP 5,000 to GBP 20,000 (£5,807 to €23,228 as at 2 March 2020)
- and bringing forward of proposals in early 2019 for a new, single labour market enforcement agency.

Both the TUC and the CBI submitted responses both to the initial Taylor Review and the subsequent four consultations.

Reforms and policies with social partner involvement

A reform of the funding system for regional education has been approved in Czechia. Current funding of the regional education system is derived from the number of students (‘per capita’ method) with financial resources provided from the budget of the governing bodies (mostly regions) and the state budget. Since 1 January 2020, the newly proposed funding system sets the normative parts of teacher salaries while considering average class size and the share of students with special educational needs. The specified coefficients will reflect not only increasing teacher workload with a growing number of students in the classroom but also a higher participation of students with special educational needs.

In Latvia, vocational education has been reformed, aiming to better prepare students for work by aligning vocational education with the skills requirements in the contemporary labour market.
In **Poland**, the amendment of the Education Law Act on the system of education and other acts (dated 22 November 2018) has been amended. The main goal of the changes introduced with the amending act is to restore the prestige of vocational education by improving the quality and effectiveness of education in schools and training institutions. The adopted solutions contain the mechanisms to include all the key vocational education partners in the actions aiming at systematic adjustment of this type of education to the needs of the labour market. The existing vocational education provisions have been verified by all the stakeholders in the education process, including schools, their leading bodies, employers and the ministers with jurisdiction over particular occupations. A detailed analysis has been conducted of possibilities to enhance the influence of companies and organisations, grouping them on the basis of how they function in the vocational education system, for example on preparing the vocational education offer, launching training in particular vocations, ensuring students undergo practical vocational training in real work conditions and professional development of vocational education teachers.

The draft amending act was sent for review to, among others, all seven social partners represented at the time on the Social Dialogue Council and to trade union Solidarity (NSZZ Solidarność) and the Polish Teachers’ Trade Union (ZNP), with a 30-day time limit. As part of the public consultation, the draft was sent to 186 additional organisations. Among the organisations represented on the Social Dialogue Council, two trade union organisations (the National Branch Section of Education and Training of Solidarity and the Trade Unions Forum) and two employer organisations (Polish Craft Association (ZRP) and the ‘Lewiatan’ Confederation), together with the Polish Teachers’ Trade Union, several organisations, institutions and individual citizens submitted their comments.

**Other reforms in education and training not specifically related to the CSRs**

Although the 2018 CSRs for **Germany** contain the recommendation to ‘improve educational outcomes and skills levels of disadvantaged groups’ (European Commission, 2019a), the reform providing further access to training (Qualifizierungschancengesetz) is neither directly related to the CSRs nor mentioned in NRP 2019. The reform provides financial support for further training or re-training measures for employed workers, for workers at risk of unemployment and for unemployed workers. ‘Disadvantaged groups’ as such are not a priority. The new act emphasises the rights that workers and employers have to access information and guidance by the Federal Employment Agency.

In 2019, the Federal Ministry of Labour and Social Affairs (BMAS) and the Federal Ministry of Education and Research (BMBF) released a National Further Training Strategy (Nationale Weiterbildungsstrategie) designed in cooperation with the social partners. Raising the skills level of disadvantaged groups is one of its objectives, while the priority is on further training of employed and unemployed workers.

**ALMP reforms and policy initiatives in employment**

**Belgium** has implemented labour market measures aiming at removing disincentives to work and to strengthen the effectiveness of ALMPs. **Bulgaria** has done much the same by adopting the National Action Plan for 2019. Here, the active measures offer personal services and consultations to the unemployed, better synchronisation of the Ministry of Labour and Social Policy support agencies, a stronger accent on the regionalisation of projects and priority inclusion of high-risk groups in the labour market, such as the long-term unemployed, Roma, people with disabilities, etc.

One of the government’s main goals in **Finland** is to reach a 75% employment rate. Several reforms are proposed in the government programme such as ALMP measures, reforming the services provided for people who are unemployed and the unemployment benefits system, and developing the administrative capacity and remit of the public employment service. To achieve this target, social partners are invited to play a major role in the process. Working groups have been set up and proposals on measures are expected in autumn 2019.

Social partners in **Slovenia** are involved in two intensive processes for harmonising legislative changes in the labour market (Labour Market Regulation Act) and within the pension insurance system (Pension and Disability Insurance Act). The key objectives are faster activation of the unemployed and raising the level of work activity of older and low-skilled workers.

A comprehensive plan, Shock for Youth Employment 2019–2021, in **Spain** aims to promote the employment of young people, committing the social partners and the government to the issue. The plan has two main objectives: to improve the competitiveness of Spanish production and to increase labour market integration.

---


6 Previously the Polish Confederation of Private Employers Lewiatan.
by strengthening young people’s employability. Among the 50 measures foreseen in this action plan, the hiring of 3,000 additional job counsellors is one of the most important, together with new education and training programmes to ensure that young people acquire key digital competencies.

**Tax reforms and measures addressing wages and competitiveness**

On 30 April 2019, the then coalition government in **Austria** presented its plans for a tax reform, including several measures planned to come into force over several stages until 2022. Overall, annual tax cuts of €8.3 million by 2022 (including measures that have already been implemented) are foreseen. The envisaged tax reform includes a planned reduction in social security contributions for employees, pensioners, the self-employed and those working in agriculture and forestry, as well as a reduction of progressive income tax rates, which are to contribute towards reducing Austria’s relatively high tax burden on labour. The draft bill was sent for the formal consultation procedure on 7 May, with the end of the period marked as 28 May. However, in the meantime, the coalition government collapsed, and the bill was not endorsed in parliament. Nevertheless, it is expected that parts of the planned reform will still proceed through parliament in the next parliamentary sessions.

In **Bulgaria**, a Social Enterprises and Solidarity Economy Enterprises Act, and regulations for its implementation, have been adopted. The reform focuses on the legal status of the social economy and of social enterprises. A register has been created, which enables the development of social entrepreneurship to be tracked. As it develops, the register facilitates the employment of people with disabilities, the socially excluded and the long-term unemployed. In addition, it provides services to such citizens. The aim is a social effect rather than profit for the enterprises.

Governments have presented and adopted a number of fiscal and tax modifications. For example, the income tax reform in **Italy** aims to reduce the tax burden for medium income earners by setting proportional tax at 15% for incremental earnings (i.e. the increase in income over the previous year) up to an annual income threshold (€55,000 has been suggested).

In **Latvia**, a tax reform was implemented in 2017–2018. Taxation for low income earners was reduced by implementing a differentiated non-taxable minimum of the personal income tax. However, the process of financial reforms continues with monitoring of the impact of new taxation norms and elaborating corrections and improvements. Practical discussions about tax systems are ongoing, especially during periods of budgeting, and the social partners are active partners in those discussions.

In **Poland**, the draft of the new Public Procurement Law (January 2019) was sent for review to, among others, all eight social partners represented on the Social Dialogue Council, with a 30-day time limit for presenting their feedback. In addition, as part of the public consultation, the draft was sent to 101 additional organisations.

All three trade union organisations – Solidarity, the All-Poland Alliance of Trade Unions (OPZZ) and the Trade Unions Forum (FZZ) – and two employer organisations (ZP Business Centre Club and the Lewiatan Confederation) returned their comments. On the basis of all the feedback received from the process mentioned above, a new version of the draft act was prepared, dated 4 April 2019, and sent for review to the Social Dialogue Council. The Council of Ministers adopted the final draft of the act on 9 July 2019.

In **Slovakia**, changes in legislation on the use of electronic cashiers by employers were introduced, aiming to reduce the administrative burden for employers and create a more transparent and effective accounting and tax collection system. All entrepreneurs had to be linked to the central e-Cash system by 1 July 2019, at the latest.

A mini tax reform (minor legislation amendments) was adopted in **Slovenia** aimed at redistributing tax burdens between income from labour and capital gains to maintain tax neutrality.

**Minimum wage setting**

**Bulgaria** is still elaborating and adopting a clear and transparent minimum wage setting mechanism. According to the acting mechanism, the minimum wage is determined by a decree of the Council of Ministers after consultation with the social partners in the NCTC. In practice, consultations are formal, and the opinions of the social partners are not always taken into consideration. The government decides the minimum wage for the next year unilaterally. As a rule, in the NCTC the trade unions insist on a higher minimum wage and the employers press for a moderate increase. Constant disputes forced the European Commission to make a special recommendation to agree on a common mechanism with criteria, indicators and procedure, including the social partners. However, a compromise decision has not yet been reached and no new mechanism has been adopted. For that reason, the government continues to set the minimum wage in line with its mid-term budget prognosis.
Cyprus does not pursue a national statutory minimum wage policy. However, according to the Minimum Wage Law, the Council of Ministers may fix by decree minimum wage rates for occupations in which wages are deemed unreasonably low. At the time of writing, a minimum wage applies to the following occupations: shop sales assistants, general office clerks, childcare assistants in nurseries, childcare assistants in kindergartens, teachers’ aides, healthcare assistants, cleaners and patients’ carers in private clinics and hospitals. As a result of a growing number of workers and employees not covered by collective agreements in the last 10–12 years, various stakeholders have pressed for the introduction of a statutory national minimum wage covering all economic activities. The Ministry of Labour, Welfare and Social Insurance has commissioned a study with the ILO in this regard.

Italy intends to introduce a legal minimum wage. The legal minimum wage shall be set by the relevant collective agreements, but cannot be lower than €9 per hour, including all economic elements. According to estimations prepared by the National Institute of Statistics, some 2.9 million workers, including apprentices, receive a wage lower than the prospective €9 per hour.

In Lithuania, social partners at the Tripartite Council have discussed and agreed on two occasions to increase the minimum monthly wage: to €555 on 1 January 2019 and to €607 on 1 January 2020. Establishing a transparent mechanism for minimum wage setting, in consultation with social partners, is a recurring CSR for Romania. However, the government itself traditionally determines any increase in the national minimum wage, which, since 2015, has almost doubled the number of employees earning the minimum wage (about 40% of the workforce at the time of writing). Although some social partners were involved, the new minimum wage was not based on a fully transparent, objective and predictable mechanism. Some unions described the measure as ‘rushed’ and some employer associations described it as ‘populist’.

Other wage and competitiveness reforms not specifically related to CSRs

The reform of the social minimum wage (salaire social minimum) was adopted in Luxembourg. The 2018–2023 coalition agreement provides that the net salary received by beneficiaries of the minimum social wage will be increased by €100 retrospectively from 1 January 2019. To achieve this objective, draft law No. 7416, submitted by the Minister of Labour to the Chamber of Representatives on March 2019, provides first for an increase in the minimum social wage of 0.9%. This increase is in addition to the 1.10% already achieved by the law of December 2018 amending article L. 222-9 of the Labour Code. The gross cumulative increase in the minimum social wage will thus reach €41.21 for unskilled employees and €49.45 for skilled employees (retrospectively to 1 January 2019).

In Belgium, some measures to reduce the regulatory and administrative burden were adopted along with other measures to incentivise entrepreneurship and increase competition in the retail, construction and professional services. Measures aimed at tackling growing mobility challenges were addressed; for example, instead of receiving a budget specifically to lease a car, the employee receives a budget that can be spent on different transport methods.

Following the return of Cyprus to positive growth rates and improvement of public finances, the government started negotiations with trade unions aiming at restoring pay levels in the broader public sector.
Box 5: The reform of the unemployment system in France

The proposed reform tightens the rules for obtaining compensation and strengthens support for the unemployed. It defines the compensation arrangements for workers who are dismissed, measures to promote return to employment and to secure career paths, rules on unemployment contributions and measures to coordinate with other unemployment insurance or benefit schemes. Specifically, it does the following:

- increases the minimum period of membership required to qualify for unemployment benefits and the threshold for recharging those benefits
- modifies the duration of the reference period and the calculation reference period
- defines the procedures for applying and coordinating the new compensation rights available to employees who resign and to self-employed workers
- sets the rate and procedures for applying degressively large amounts of assistance for returning to work
- modifies the methods for calculating the reference of the daily wage that must be taken into account when calculating the amount of allowance for assistance to return to work (the average of the previous earnings received over the reference period)
- modulates employer unemployment contributions for companies in an industry with very high separation rates

The unemployment scheme will also cover employees who resign to pursue a professional project. A decree adopted in July 2019 specifies the criteria by which the regional interprofessional joint committees will certify the real and serious nature of the project, the procedure for examining the project and the penalties applicable in the event of insufficient implementation procedures once the right to the insurance allowance has become available. It also sets out the conditions for resources, the previous duration of activity and the income from previous activity, which together determine the allowance that may be available to self-employed workers.

According to the government, the reform aims to cut unemployment by up to 250,000 people and reduce the debt of the unemployment insurance system, saving €3.4 billion by the end of 2021. According to the Prime Minister, the current system is dysfunctional because it provides incentives for hiring under short-term contracts and alternating spells between activity and unemployment.

Social protection reforms and policies

Since 2014, the CSRs for Croatia have contained the need for adjustment and better targeting of benefits in the social welfare system. The action plan for improving the efficiency of the social security benefits system for the period 2018–2020 was adopted in January 2018, and applications are being monitored and discussed. Several projects were initiated to implement the measures of the action plan and establish the prerequisites for the creation of an efficient social policy, a transparent system of social welfare benefits and better distribution of available funds, all of which aim to reduce regional social inequalities.

In Romania, Law No. 196/2016 on minimum income inclusion, which should have been applied since 1 April 2018, was extended to 2021, by Government Emergency Ordinance No. 96/2018. Therefore, the measure will not be implemented until 2021.

The ‘Get Yourself Back to Work Plan’ (Plan Reincorpora-T) in Spain aims to tackle job insecurity and long-term unemployment and assist those at risk of in-work poverty. It seeks to do this in the shortest time possible and with an optimal use of resources. It is an ambitious plan that requires the adoption of a comprehensive approach to labour market policies.

Other reforms in social protection not specifically related to CSRs

In May 2019, Austria’s coalition government, composed of the centre-right Austrian People’s Party (ÖVP) and the far-right Freedom Party of Austria (FPÖ), broke down. Just prior to this, parliament had passed a Framework Act on Social Assistance (which reformed minimum income schemes). Replacing the former means-tested minimum income scheme, this was due to be implemented by the federal provinces via their regional legislation by the beginning of 2020. Instead of a minimum standard of financial assistance (as in the minimum income scheme), the new scheme now provides maximum benefit levels (equivalent to €885 per month for a single-person household in both schemes). The coalition government had put it in place with the explicit aim of reducing the overall costs of the scheme and – in particular – limiting the entry of refugees into Austria’s social security system. Thus, eligibility for full benefits are to be based on applicants having adequate German-language skills (B1 level), English-language skills (C1 level), or a compulsory school-leaving qualification with German language education; otherwise, benefits will be reduced by €300 a month. Because this Act affects people with a migration
background, the European Commission and the Court of Justice of the European Union (CJEU) decided to assess whether the scheme was discriminatory. The Act also means that people with subsidiary protection status will also be exempt from social assistance (they had previously been eligible for the minimum income scheme in five of the nine federal provinces). And it introduces a flexible ceiling for families, with reduced supplementary allowances for children compared to the old scheme (only single parents with children are exempt).

The reform of dependency insurance (assurance dépendance) in Luxembourg aims to specifically support home care for dependent people. The long-term care insurance provides group care, which is provided if the dependent person faces, among other things, a risk of harmful social isolation. On this subject, the reform stresses that only qualified personnel should supervise these activities. Group day care is supported for a maximum of 40 hours per week, depending on the needs of the dependent person. If the dependent person is entitled to hours of activity to support their independence, the 40-hour limit is reduced by the number of hours worked per week.

Reforms to reinforce financial sustainability of pension systems

A former government in Croatia passed a new Pension Insurance Law in 2013, which stipulated that a gradual phasing in of a harmonised male and female statutory retirement age would be completed by 2038. Therefore, the current statutory retirement age for men (65 years old) and women (62 years and 4 months old in 2019) will increase to 67 years old in 2038. The government proposed acceleration of the mentioned process until 2033, which caused huge resistance in the trade unions.

In France, pension reform is a systemic reform, which proposes a gradual harmonisation of the rules for calculating the various pension schemes on the principle that €1 in contributions will confer the same rights to a pension (a pension will then be calculated based on the number of points obtained by each worker).

One of the major social and employment policy reforms in 2019 in the Netherlands was the development and acceptance of the new pension accord (Pensioenakkoord) in June of 2019. Discussions on how to reform the pension system in the Netherlands have been taking place for over a decade. A new pension accord was reached between the government and social partners. Though still non-binding, the accord will be implemented through legal and regulatory changes. The main changes include a different mechanism for building up pensions (moving away from a situation where all employees pay the same rate to a system where pension contributions are more tailored to the individual worker), but precisely how this will work in practice is a subject for further development. The aim is to prevent young people from bearing too much of the costs of providing a pension for an aging society, especially at a time when people change jobs more frequently and build up the private portion of pensions at different rates across different employers. Another key change is that the legal retirement age has been frozen at 66 years and 4 months old until 2022, after which time it will rise to 66 years and 7 months old, and then to 66 years and 10 months old in 2023, reaching 67 years old by 2024. Exceptions have been incorporated for individuals in labour-intensive sectors, where working until that age would be untenable.

Social partners in Slovenia are, at the time of writing, involved in two intensive processes for harmonising legislative changes in the labour market (Labour Market Regulation Act) and within the pension insurance system (Pension and Disability Insurance Act). The key objectives are faster activation of unemployed persons and raising the level of work activity of older and low-skilled workers.

Other reforms in pension system sustainability not specifically related to the CSRs

Due to an ageing and shrinking population in Estonia, it has become evident that the current pension system will not be sustainable in the long run. Plans to reform the system started in 2015, followed by several discussions and debates among the interest groups. The reform was approved by parliament in December 2018, entering into force gradually as of 2021. The main changes include linking the retirement age to life expectancy and having a more flexible retirement process.

The introduction of Employee Capital Plans has been negotiated and agreed in Poland, with the involvement of the social partners. Even though the system is not related directly to the CSRs, it emphasises the issue of low future retirement pensions.

Other reforms and policy initiatives adopted in relation to CSRs

The new health scheme in Cyprus seeks to introduce full healthcare coverage for all citizens through compulsory health insurance with tripartite funding. The General Health Scheme has been introduced through legislation adopted in 2017. The reform is being implemented in two phases: Phase 1 begins in June 2019 and covers only primary healthcare services; the scheme is due to be fully operational with the beginning of Phase 2 in June 2020, which also covers secondary healthcare services (operations and hospitalisation of patients). The social partners in Latvia have also been involved in the reform of the healthcare sector.
Migration policies and measures not specifically related to CSRs

Czechia has sought to support the inward migration of foreign workers mostly from Ukraine, India and Mongolia. It has done so by adopting both legislative measures (permanent residence for qualified workers, working visas for workers, etc.) and non-legislative measures (reducing the administrative burden).

Also in the field of migration, the social partners and the government in Denmark decided in spring 2019 to prolong the country’s basic training programme for integration. Set up in 2016, this programme aims to get refugees into jobs faster, using different support measures. A central measure is that the wage given in a first job for a refugee is the same as the wage for apprentices.

The UK government commissioned the Migration Advisory Committee (MAC) to create an evidence base on the impacts of EEA migration on the UK labour market in 2017–2018. The MAC’s final report, published in September 2018, made a series of recommendations for a new immigration system:

- ending EU freedom of movement and preferential access for EEA nationals seeking to work in the UK; curbing low-skilled migration
- prioritising high-skilled, high-salary migration
- retaining international students within the net migration figure
- preventing the creation of any sector-based schemes, with the exception of seasonal agricultural workers
- opposing the re-introduction of a post-study work visa
- avoiding any regional variation in the system

The UK government’s White Paper on Immigration, published in December 2018, adopted the majority of the MAC proposals, the main exception being a new plan to create temporary low-skilled migration routes to the UK.

The MAC’s recommendations, and subsequent White Paper on Immigration, have been criticised by public, private and third-sector organisations across the UK. The CBI, Federation of Small Businesses, British Chambers of Commerce and other business organisations have argued that any restrictions on low-skilled labour from the EU will likely lead to job losses and businesses going bankrupt due to labour shortages. Both the TUC and the CBI submitted responses to the formal consultation and call for evidence, run by the MAC on EEA and non-EEA migrant workers, as well as on Brexit’s potential impact on the UK labour market. In addition, on the trade union side, The Teachers’ Union (NASUWT), Workers Union (UNITE), the Union of Shop, Distributive and Allied Workers (USDAW), Prospect and Unison also submitted responses, while for business, the British Chambers of Commerce, the Scottish Chambers of Commerce, the Institute of Directors, the Association of Labour Providers and the Chartered Institute of Personnel and Development all submitted responses.

Table 3 shows the aforementioned reforms and policies implemented with the related CSRs since 2017.

---

### Table 3: Reforms and policies with social partner involvement: Correspondence to CSRs

<table>
<thead>
<tr>
<th>Reforms and policies</th>
<th>Related CSRs*</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Austria</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax reform</td>
<td>CSR Recommendation 2, 2018 and 2019: ‘Shift taxes away from labour to sources more supportive for inclusive and sustainable growth.’ (European Commission, 2019a)</td>
<td></td>
</tr>
<tr>
<td><strong>Belgium</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active labour market policies</td>
<td>CSR Recommendation 2, 2018 and 2019: ‘Remove disincentives to work and strengthen the effectiveness of active labour market policies, in particular for the low-skilled, older workers and people with a migrant background.’ (European Commission, 2019a)</td>
<td></td>
</tr>
<tr>
<td>Reduction of administrative burden</td>
<td>CSR Recommendation 4, 2018 and 2019: ‘Reduce the regulatory and administrative burden to incentivise entrepreneurship and remove barriers to competition in services, particularly telecommunication, retail, and professional services.’ (European Commission, 2019a)</td>
<td></td>
</tr>
</tbody>
</table>

---

7 At the time of writing, the UK operates two immigration systems: one deals with freedom of movement for EEA nationals, guaranteed by the Treaty of Maastricht since 1992; and the other is a five-tier points-based visa system for non-EEA nationals, in operation since 2008.
<table>
<thead>
<tr>
<th>Reforms and policies</th>
<th>Related CSRs*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bulgaria</strong></td>
<td></td>
</tr>
<tr>
<td>Social economy and entrepreneurship</td>
<td>CSR Recital 12, 2018; CSR Recital 19, 2019: ‘There is scope for greater consensus about an objective and transparent wage setting mechanism.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td>Elaboration and adoption of clear and transparent mechanisms for setting the</td>
<td>CSR Recital 10 and Recommendation 3, 2018: ‘Increase the employability of disadvantaged groups by upskilling and strengthening activation measures.’ (European Commission, 2018a)</td>
</tr>
<tr>
<td>minimum wage</td>
<td>CSR Recital 17 and Recommendation 4, 2019: ‘Address social inclusion through improved access to integrated employment and social services and more effective minimum income support.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td>Active measures in the labour market</td>
<td></td>
</tr>
<tr>
<td><strong>Croatia</strong></td>
<td></td>
</tr>
<tr>
<td>Pension reform</td>
<td>CSR Recommendation 2, 2018: ‘Discourage early retirement, accelerate the transition to a higher statutory retirement age and align pension provisions for specific categories with the rules of the general scheme.’ (European Commission, 2018a)</td>
</tr>
<tr>
<td>Reform of education and active labour market measures</td>
<td>CSR Recommendation 2, 2018 and 2019: ‘Deliver on the education reform and improve both access to education and training at all levels and their quality and labour market relevance.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td>Consolidation of benefits in the social welfare system</td>
<td>CSRs in the last five years</td>
</tr>
<tr>
<td><strong>Cyprus</strong></td>
<td></td>
</tr>
<tr>
<td>Introduction of the National Health System</td>
<td>CSR Recital 17 and Recommendation 5, 2018; Recital 12 and Recommendation 3, 2019: ‘Take measures to ensure that the National Health System becomes fully functional in 2020, as planned, while preserving its long-term sustainability.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td><strong>Czechia</strong></td>
<td></td>
</tr>
<tr>
<td>Reform of the funding system for regional education</td>
<td>CSR Recommendation 2, 2019: ‘Increase the quality and inclusiveness of the education and training systems, including by fostering technical and digital skills and promoting the teaching profession.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td>Education of pupils with special educational needs and talented pupils</td>
<td>CSR Recital 13 and Recommendation 2, 2018: ‘Strengthen the capacity of the education system to deliver quality inclusive education, including by promoting the teaching profession.’ (European Commission, 2018a)</td>
</tr>
<tr>
<td><strong>Finland</strong></td>
<td></td>
</tr>
<tr>
<td>Active labour market policy measures</td>
<td>CSR Recommendation 2, 2019: ‘Improve incentives to accept work and enhance skills and active inclusion, notably through well-integrated services for the unemployed and the inactive.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td></td>
</tr>
<tr>
<td>Pension reform</td>
<td>CSR Recommendation 1, 2018 and 2019: ‘[P]rogressively unify the rules of the different pension regimes, with the view to enhance their fairness and sustainability.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td>Unemployment reform</td>
<td>CSR Recommendation 2, 2019: ‘Foster labour market integration for all job seekers, ensure equal opportunities with a particular focus on vulnerable groups including people with a migrant background and address skills shortages and mismatches.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td>Equality Index</td>
<td>CSR Recommendation 3, 2017, and Recommendation 2, 2018: ‘Foster equal opportunities and access to the labour market.’ (European Commission, 2018a)</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td></td>
</tr>
<tr>
<td>Pension reform</td>
<td>CSR Recommendation 1, 2018 and 2019: ‘Address the expected increase in age-related expenditure by making the healthcare system more cost-effective and by fully implementing pension reform plans.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td>Upskilling for the adult working-age population</td>
<td>CSR Recommendation 2, 2018 and 2019: ‘Provide personalised active integration support and facilitate upskilling, in particular for vulnerable groups and people living in households with low work intensity.’ (European Commission, 2019a)</td>
</tr>
</tbody>
</table>
### Reforms and policies with social partner involvement

<table>
<thead>
<tr>
<th>Country</th>
<th>Reforms and policies</th>
<th>Related CSRs*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Latvia</strong></td>
<td><strong>Fiscal and tax reform</strong></td>
<td>CSR Recitals 6, 7, 8, 2017 and Recitals 7, 8, 9, 2018 and 2019; Recommendation 1, 2017, 2018 and 2019: ‘Reduce taxation for low-income earners by shifting it to other sources, particularly capital and property, and by improving tax compliance.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td></td>
<td><strong>Reform of vocational education</strong></td>
<td>CSR Recital 11, 2018 and Recital 13, 2019; CSR Recommendation 2, 2017, 2018 and 2019: ‘Increase the quality and efficiency of education and training in particular of low-skilled workers and jobseekers, including by strengthening the participation in vocational education and training and adult learning.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td></td>
<td><strong>Reform of the healthcare sector</strong></td>
<td>CSR Recommendation 2, 2018 and 2019: ‘Increase the accessibility, quality and cost-effectiveness of the healthcare system.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td><strong>Lithuania</strong></td>
<td>Drafting the Law on the Promotion of Social Dialogue</td>
<td>CSR Recital 11, 2018 and 2019: ‘[St]rengthening the capacity of the social partners is important to foster their engagement.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>Pension system reform</td>
<td>CSR Recommendation 2, 2018; CSR Recommendation 1, 2019: ‘Ensure that the second pillar of the pension system is more transparent, inter-generationally fairer and more resilient to shocks.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>Amendment of the Act on the System of Education and Other Acts</td>
<td>CSR Recommendation 2, 2018 and 2019: ‘Take steps to increase labour market participation [by fostering] quality education and skills relevant to the labour market, especially through adult learning.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td></td>
<td>Combat precarious work</td>
<td>CSR Recital 13 and Recommendation 2, 2018: ‘Promote an environment conducive to hiring on open-ended contracts, including by reviewing the legal framework in consultation with social partners.’ (European Commission, 2018a)</td>
</tr>
<tr>
<td><strong>Portugal</strong></td>
<td>Minimum wage</td>
<td>CSR Recommendation 2, 2018; CSR Recommendation 3, 2019: ‘Ensure minimum wage setting based on objective criteria, consistent with job creation and competitiveness.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td></td>
<td>Minimum income of inclusion</td>
<td>CSR Recommendation 2, 2018; CSR Recommendation 3, 2019: ‘Increase the coverage and quality of social services and complete the minimum inclusion income reform.’</td>
</tr>
<tr>
<td><strong>Romania</strong></td>
<td>Changes in the use of electronic cashiers by employers</td>
<td>CSR Recommendation 1, 2019: ‘Safeguard the long-term sustainability of public finances’ and the business environment. (European Commission, 2019a)</td>
</tr>
<tr>
<td></td>
<td>Increase in wages</td>
<td>CSR Recommendation 1, 2018: ‘Implement measures to increase the cost effectiveness of the healthcare system and develop a more effective healthcare workforce strategy.’ (European Commission, 2018a)</td>
</tr>
<tr>
<td><strong>Slovakia</strong></td>
<td>Pension system legislation changes</td>
<td>CSR Recommendation 1, 2018 and 2019: ‘Ensure the long-term sustainability and adequacy of the pension system, including by adjusting the statutory retirement age and restricting early retirement.’ (European Commission, 2019a)</td>
</tr>
<tr>
<td></td>
<td>Labour market legislation amendments</td>
<td>CSR Recommendation 1, 2018 and 2019: ‘Increase the employability of low skilled and older workers by improving labour market relevance of education and training, lifelong learning and activation measures.’ (European Commission, 2019a)</td>
</tr>
</tbody>
</table>
Reforms and policies with no social partner involvement

Primarily in central, eastern and southern European countries, a number of reforms have been enacted with no social partner involvement. These reforms are in fields in which, according to national practices, trade unions and employer organisations should have been consulted before any changes were implemented in legislation.

Reforms addressing fair working conditions

According to the trade unions in Austria, the former government – which took office in December 2017 and collapsed in May 2019 – adopted a restrictive approach to social dialogue, limited to essential formal procedures and disagreements. In this context, two relevant issues influencing working conditions and working time were addressed: the reorganisation of the Good Friday holiday (following the CJEU judgment C-193/17 Achatzi), and the full crediting of wage increases for parental leave.

A new regulation was needed after the CJEU declared the Good Friday holiday to be an act of direct discrimination on the grounds of religion, thus infringing EU law. The former government had addressed the issue unilaterally, providing all employees with a general legal claim for a day off to be chosen at one’s own discretion, and to be deducted from the regular annual leave entitlement. Trade unions criticised the government’s behaviour, saying that – despite having found a practical solution – the government had nevertheless interfered unilaterally in a matter that had been regulated by general and other collective agreements since 1952.

A similar approach was taken regarding the full legal crediting of parental leave. In autumn 2018, the government invited the social partners to implement and regulate parental leave through collective bargaining. However, the end of the government coalition in summer 2019 represented a change in this approach to social dialogue, since new majorities formed a new coalition government that was more favourable towards social dialogue and trade unions.

According to the new law, periods of parental leave will be determined by full years of service, up to 24 months for each child. In the former regime, periods of service only allowed for up to 10 months’ (maximum) maternity leave for the first child and were only taken into account for calculating notice periods, paid vacation and continued remuneration in the event of sick leave (unless other, more advantageous, regulations approved in collective agreements applied). The trade unions appreciated the parental leave crediting reform (which was one of their long-standing demands), while employers criticised the new law, saying that it generated higher costs for business.

---

Note: Only ongoing reforms or those already implemented with the involvement of the social partners are included. Where the same recommendations from more than one year are quoted, this represents the most recent wording.

Source: See Table 1
Reforms addressing fair working conditions not related to the CSRs

Several reforms promoting fair working conditions have been enacted without proper involvement of trade unions. In early 2019, Greece addressed two reforms concerning enhanced protection of workers against dismissal. Without consulting the social partners, the reforms now oblige employers to specify the reasons for the laying off of people hired with an indefinite employment agreement and raise the minimum wage from €586 to €680, abolishing the sub-minimum for workers under 25 years old.

Slovenia also modified the minimum wage regime in 2019 without involving worker associations and employer organisations, as had been the practice beforehand. Therefore, from 2020, no allowances (e.g. for seniority, work and business performance, difficult working conditions) are to be paid (apart from the minimum wage, which will increase). Although trade unions appreciated the substance of the proposal, employer organisations felt that adopting the amendments to the Minimum Wage Act disrespected social dialogue, declaring that the cost pressures driven by the rise in compensations are to be reflected in higher prices for consumers.

The effort to reduce income inequalities in Poland focused instead on retired people and people with disabilities, who were granted a one-off allowance equal to the amount of the minimum retirement pension, regardless of their income. The social partners contested the absence of a proper consultation process and the lack of time to analyse the governmental bill and propose meaningful modifications.

Labour costs and taxation reforms

As highlighted by the CSRs for 2018, simplification of the tax system remained a central issue in Hungary. In order to simplify the tax system, the government, together with the Permanent Consultation Forum of the Private Sector (VKF) involving social partners, approved a 2% reduction in social security contributions for 2019 and reduced the contribution by 1% in 2019, but increased the tax on ‘cafeteria elements’ (the non-wage income of wage earners) over the same period.

Labour costs and taxation reforms not related to CSRs

Some countries addressed the issue of reducing labour costs outside the CSRs.

In the taxation field, Poland abolished personal income tax for people on an employment contract or a ‘contract of mandate’ who are up to 26 years of age, as a measure to improve the financial situation of young citizens. The reform was approved by utilising the so-called ‘fast track procedure’, which the social partners criticised as lacking a proper consultation process. The main unions also contested the substance of the intervention, urging the cabinet not to focus on the tax issue but rather to remove the exemption from paying social insurance contributions for people up to 26 years of age who are still in education, claiming that this would discourage the use of employment contracts (where the social insurance contribution is required) and address the issue of low future pensions.9

---

9 Some employers prefer to hire young people up to the age of 26 instead of using (standard) employment contracts – paying full social insurance contributions – to hire people older than 26.
In 2019, Hungary autonomously promoted a wide plan of tax cuts named the ‘Economy Protection Action Plan’, not contained in the CSRs. Although the employer organisations sent the government a paper suggesting ways to reduce administrative burdens, the government had not replied at the time of writing.

Taxation reforms have also been debated in Italy. The previous government had aimed to introduce a flat taxation rate of 15% for incremental earnings – that is, increases of income compared to the previous year – up to a proposed threshold of €55,000. Apparently, the reform was abandoned following the change of parliamentary majority that took place in August 2019. The new government has put reduction of taxes on labour at the top of the agenda for the 2020 budget and set up a consultation with the most relevant social partners.
More detailed insight into the involvement of social partners in national reforms may be gained by analysing their own assessments of the evolution of the quality of their participation in national policymaking relative to previous years. Table 4 provides an overall assessment of the addressed social partners and national authorities. It should be noted that social partners may provide more than one view in the same country.

Table 4 shows that the national landscape remains largely unchanged compared to recent years. It should be noted that most of the social partners and even national authorities in Bulgaria, Cyprus, Czechia, Denmark, Germany, France, Croatia, Ireland, Italy, Lithuania, Latvia, the Netherlands, Romania and Slovakia, and employers and trade unions in Austria, Belgium, Portugal and Sweden all agree that the situation remained stable over the year prior to the time of writing.

However, closer inspection suggests that employer organisations in Hungary and Luxembourg are more pessimistic about the evolution of involvement of social partners in national policymaking in the period 2018–2019, although trade unions and national authorities are more positive in Estonia and Malta.

Employers and trade unions report deterioration of the involvement of social partners in national reforms in Greece and Poland, but improvement in involvement in Slovenia and Spain.

The main trade unions and employer organisations in Spain acknowledge the commitment of the government, notwithstanding its minority status, to involve them in social dialogue. Employers in particular emphasise that there has been an improvement regarding the number of issues submitted for negotiation, while the quality of the involvement, and its impact, remain weak. In turn, trade unions share the employers’ view that social dialogue has improved, but are more critical of labour market reforms and the NRP. For this reason, despite some improvement, trade unions feel that the effectiveness of social dialogue remains limited.

Trade unions and employer organisations in Slovenia underline the improvement in the quality of national social dialogue. More meaningful involvement was registered in the discussion of the most relevant economic and social policy issues within the Economic and Social Council. According to the social partners, the new rules adopted in 2017 limited the Economic and Social Council’s competences to strategic topics and systemic legislation, which improved its effectiveness and hence produced positive outcomes. This process, together with a new government in September 2018, led to a revival of social dialogue, which had been on hold because of an institutional crisis.

Trade unions and national authorities in Estonia report an improvement in social dialogue, while employers are more cautious. As reported by the government, new forms of involvement were used in 2018, lengthening the time allotted for consultation via the new Economic Development Committee and tripartite meetings, and improving exchanges in the field of employment relations. The main trade union confirms that this approach increased opportunities for social partners to present their views and give feedback, and favoured the introduction of reforms based on previous arrangements with worker and employer representatives. Employers are more critical, questioning the timeliness of consultations, while confirming that the process for involvement is at least in place and is functional.

### Table 4: Evolution of the quality of social partner involvement in reforms and policies adopted, 2018–2019

<table>
<thead>
<tr>
<th></th>
<th>Significantly improved</th>
<th>Improved</th>
<th>Worsened</th>
<th>Significantly worsened</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employer organisations</strong></td>
<td></td>
<td></td>
<td></td>
<td>Hungary, Luxembourg</td>
</tr>
<tr>
<td><strong>Trade unions</strong></td>
<td>Finland*</td>
<td>Estonia, Malta</td>
<td></td>
<td>Belgium*</td>
</tr>
<tr>
<td><strong>Employer organisations and trade unions</strong></td>
<td>Finland*, Slovenia, Spain</td>
<td></td>
<td></td>
<td>Greece, Poland</td>
</tr>
<tr>
<td><strong>National authorities</strong></td>
<td>Portugal, Spain</td>
<td>Estonia, Malta</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:** Austria, Belgium, Finland, Greece, Poland and Sweden: national authorities did not provide a reply. UK: this country was not covered.

*Countries where social partners provided multiple points of view.

**Source:** See Table 1
The social partners in Malta are meaningfully involved in the reform process on the basis of consultations held through two tripartite bodies, the Employment Relations Board and the Malta Council for Economic and Social Development. In this positive context, one specific improvement concerns the exchange of information between government and social partners: an IT platform has been developed for every ministry to upload information that can now be more easily shared and viewed by all parties involved.

Finland is also notable in this context, where the social partners and the trade unions report satisfaction with the level of involvement in social dialogue reached in 2018. Trade unions have welcomed the new government’s commitment – stated in the Government Programme – to tripartite cooperation, especially after strained industrial relations dominated the period before the change in parliamentary majority in June 2019.

Although national authorities in Portugal consider that there were improvements over the period 2018–2019, worker associations and employer organisations consider the framework unchanged. To strengthen the involvement of social partners in the national reform process, the government is relying on the four-year strategy adopted in 2016 and on the ad hoc working group for the implementation of the EPSR, created in 2018 within the CPCS. While the CPCS coordinates tripartite bodies dealing with the government’s most relevant area of competency, the working group focuses on the effects of decisions taken by the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO), or of the legislative initiatives adopted by the European Commission, in the national policymaking process. The aim is to involve the social partners in the related national implementation process as early as possible. In this framework, the reason for the less-than-enthusiastic reaction of social partners might be due to the introduction of the working group, which could produce relevant results only in the mid-term, and not swiftly enough for the social partners’ liking.

In a number of countries, Eurofound’s correspondents reported a worsening of the quality of involvement of social partners in national reforms. In Greece, the participation of trade unions and employer organisations is still limited by the long period spent under the European stability support programme. Social partners are also dissatisfied with the quality of social dialogue in Poland, where workers and employers are only partially represented in policymaking proceedings. Social partners claim the legislative process is too hasty, and that the government’s use of the private member’s bill procedure (initiated by members of the ruling party) limits the scope of obligatory consultation. Employers highlighted the difficulty of running a business when modifications are made to the legal framework unexpectedly.

Level of satisfaction with outcomes

The involvement of the social partners in national policymaking may be embedded in the institutional social dialogue framework – either in the institutional setting or bipartite or tripartite consultations. Nevertheless, it is primarily an outcome-oriented process. Consultations are normally aimed at improving the content of reforms and policies by receiving input from the social partners. Negotiations are designed to reach a compromise between the parties involved, and this compromise, even if only partial, helps to legitimise the outcome (policy or reform adopted). Therefore, the involvement of the social partners in policymaking aims to deliver a result in the form of a reform or a policy.

Additional analysis has been conducted to identify the social partners’ level of satisfaction with the outcomes of the consultation process in the reforms mentioned above. This report assumes that the greater the social partners’ satisfaction with the consultation process, the greater the agreement on the outcome. However, it has been difficult to make the link between the outcome of the consultation – or negotiation in some cases – and the implementation of the reforms or policies. There are several reasons for this difficulty. First, at the time of writing, many negotiations or consultations are still ongoing (as is the implementation of the outcomes), as in many cases the agreement with the social partners follows a legislative procedure. In these cases, social partners tend to be cautious until they cross-check the final outcome with the discussions and agreement held with the government.

Second, the views from the social partners on the outcomes are not always entirely clear. This is due to the complexity of the negotiations and the very nature of the social dialogue process. While social partners may agree with the quality of the process of involvement, if they feel that their claims have not been adequately considered they may not agree with the outcome. Similarly, trade unions may support the outcome of the consultation process – for example, an increase in the minimum wage – but criticise the lack of involvement of the social partners or the poor quality of the process. Furthermore, the replies collected provide many details showing satisfaction, partial satisfaction or dissatisfaction with some or all aspects of the outcome.

10 The Employment Relations Board advises the government on any national minimum standards and sectoral conditions of employment. The Malta Council for Economic and Social Development is the highest tripartite body that advises on matters of economic and social relevance.
4 CSR-related reforms and policies not yet implemented

Social partners were asked about those reforms and policy initiatives included in the CSRs that, in their opinion, have not been implemented yet. These reforms and policies, mainly in the social and labour fields, are listed in Table 5. The table also indicates the relationship between the policies, reforms and specific recommendations, citing CSRs in some cases. The analysis primarily covers the period 2017–2018, although in some cases the related 2019 CSRs have been included. The CSRs have been tracked back until 2017, as the same (or very similar) recommendations are replicated in some countries from one year to the next.

The table should be read with caution. First, the listing of reforms and policies is not exhaustive. Second, the listing is based on the views of the social partners (although national authorities have provided their views in some cases). The social partners' views on this matter cannot be considered as anything more than supplementary information, likely useful for an overall assessment of their involvement in policymaking or to indicate their priorities in the implementation of social and labour CSRs. Therefore, the results cannot be contrasted with the scoring applied and the assessments made in the country reports for 2019.

Furthermore, tracking the implementation of the recommendations and comparing them with the corresponding reforms at national level may be difficult, since the wording of the policy content of the CSRs is sometimes difficult to isolate. Similarly, reforms or policies initiated at national level might only be relevant to one specific recommendation.

Finally, some of the recommendations may have been started and the social partners may have been involved in those reforms, but at the time of writing they had not yet been realised.

Table 5: Relevant reforms and policies related to the CSRs but not yet implemented, 2017, 2018 and 2019

<table>
<thead>
<tr>
<th>Member State</th>
<th>Reform or policy</th>
<th>CSRs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>1. Increase statutory retirement age/restrict early retirement</td>
<td>CSR Recommendation 1, 2018</td>
</tr>
<tr>
<td></td>
<td>2. Tax reform</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td></td>
<td>3. Incentives for boosting female employment</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td>Belgium</td>
<td>1. Remove historical salary cost handicap in the private sector</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td></td>
<td>2. Reduce impact of automatic wage increases, especially for older workers</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td></td>
<td>3. Establish a time limitation for entitlements to unemployment benefits</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td></td>
<td>4. Improve sustainable mobility, upgrade basic rail and road transport infrastructure and eliminate missing links between the main economic hubs</td>
<td>CSR Recommendation 1, 2017 CSR Recommendation 3, 2018 and 2019</td>
</tr>
<tr>
<td></td>
<td>5. Implement a ‘green’ tax shift away from, for instance, the favourable tax treatment of company cars and fuel cards</td>
<td>CSR Recital 20, 2017 CSR Recital 24, 2018 CSR Recital 19, 2019</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>1. Introduce a transparent revision scheme for the minimum income, improving coverage and adequacy</td>
<td>CSR Recommendation 3, 2018</td>
</tr>
<tr>
<td>Croatia</td>
<td>1. Reform the pension system</td>
<td>CSR Recommendation 2, 2017 and 2018</td>
</tr>
<tr>
<td></td>
<td>2. Reform the functioning of the labour market, including education</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td></td>
<td>3. Consolidate benefits in the social welfare system</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td>Cyprus</td>
<td>1. Privatisations</td>
<td>CSR Recommendation 4, 2017</td>
</tr>
<tr>
<td></td>
<td>2. Public administration reform</td>
<td>CSR Recommendation 1, 2018</td>
</tr>
<tr>
<td></td>
<td>3. Educational system reform</td>
<td>CSR Recommendation 5, 2018</td>
</tr>
<tr>
<td>Member State</td>
<td>Reform or policy</td>
<td>CSRs</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------</td>
<td>------</td>
</tr>
<tr>
<td>Czechia</td>
<td>1. Improve the long-term fiscal sustainability of the pension system</td>
<td>CSR Recommendation 1, 2018</td>
</tr>
<tr>
<td></td>
<td>2. Encourage the employment of women with young children (including via improved access to affordable childcare) and of disadvantaged groups</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td></td>
<td>3. Increase the quality and inclusiveness of the education and training systems, including the fostering of technical and digital skills and the promotion of the teaching profession</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td></td>
<td>4. Sustainable investment in infrastructure, particularly transport, energy efficiency and ecosystem innovation</td>
<td>CSR Recommendation 3, 2018</td>
</tr>
<tr>
<td>Estonia</td>
<td>1. Supervision mechanism over equal pay for equal work</td>
<td>CSR Recommendation 1, 2018</td>
</tr>
<tr>
<td></td>
<td>2. Financing of science</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td>Finland</td>
<td>1. Social and healthcare reform</td>
<td>CSR Recommendation 1, 2017 and 2018</td>
</tr>
<tr>
<td>France</td>
<td>1. Ensure that minimum wage developments are consistent with job creation and competitiveness</td>
<td>CSR Recommendation 3, 2017</td>
</tr>
<tr>
<td></td>
<td>2. Set up implementation of the reform of active labour market policies to ensure equal access to effective job-search assistance and training</td>
<td>CSR Recommendation 4, 2018</td>
</tr>
<tr>
<td></td>
<td>3. Encourage labour market participation of women through a comprehensive strategy, including rationalising family support policies and increasing the coverage of childcare facilities</td>
<td>CSR Recommendation 4, 2018</td>
</tr>
<tr>
<td>Germany</td>
<td>1. Accelerate public investment at all levels of government, especially in education, research and innovation; focus investment-related economic policy on education</td>
<td>CSR Recommendation 1, 2017, 2018 and 2019</td>
</tr>
<tr>
<td></td>
<td>2. Reduce disincentives to work for second earners and facilitate transition to standard employment; reduce disincentives to work more hours, including the high tax wedge – in particular, for low-wage and second earners</td>
<td>CSR Recommendation 2, 2017, 2018 and 2019</td>
</tr>
<tr>
<td></td>
<td>3. Strengthen the conditions that support higher wage growth while also respecting the role of social partners</td>
<td>CSR Recommendation 2, 2017, 2018 and 2019</td>
</tr>
<tr>
<td>Hungary</td>
<td>1. Take measures to improve educational outcomes</td>
<td>CSR Recommendation 3, 2017 and 2018</td>
</tr>
<tr>
<td></td>
<td>2. Increase the participation of disadvantaged groups (in particular, the Roma community) in inclusive mainstream education</td>
<td>CSR Recommendation 3, 2017 and 2018</td>
</tr>
<tr>
<td></td>
<td>3. Improve the adequacy and coverage of social assistance and the duration of unemployment benefit</td>
<td>CSR Recommendation 3, 2017 and 2018</td>
</tr>
<tr>
<td>Italy</td>
<td>1. Shift taxation away from labour, including by reducing tax expenditure and reforming the outdated cadastral values [] (on which is then payable an annual property tax)</td>
<td>CSR Recommendation 1, 2018</td>
</tr>
<tr>
<td></td>
<td>2. Set up implementation of the reform of active labour market policies to ensure equal access to effective job-search assistance and training</td>
<td>CSR Recommendation 4, 2018</td>
</tr>
<tr>
<td></td>
<td>3. Encourage labour market participation of women through a comprehensive strategy, including rationalising family support policies and increasing the coverage of childcare facilities</td>
<td>CSR Recommendation 4, 2018</td>
</tr>
<tr>
<td>Latvia</td>
<td>1. Reduce income disparities by restructuring the tax base</td>
<td>CSR Recommendation 1, 2017, 2018 and 2019</td>
</tr>
<tr>
<td>Lithuania</td>
<td>1. Broaden the tax base: consider implementing property (real estate and/or car) taxes</td>
<td>CSR Recommendation 1, 2017, 2018 and 2019</td>
</tr>
<tr>
<td></td>
<td>2. Education reform</td>
<td>CSR Recommendation 2, 2017, 2018 and 2019</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1. Reform of the pension system</td>
<td>CSR Recital 13, 2018</td>
</tr>
<tr>
<td>Netherlands</td>
<td>1. Reduce bogus self-employment</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td>Poland</td>
<td>1. Comprehensive labour law reform</td>
<td>CSR Recommendation 2, 2017, 2018 and 2019</td>
</tr>
</tbody>
</table>
Obstacles to implementation of reforms or policies

Social partners were also asked to elaborate on why some CSRs have not been fully realised. Although replies have not been conclusive, some assumptions can be made, based on social partners’ views. In some cases, reforms were initiated and discussed, although social partners feel that these reforms only partially address the aim of the relevant CSR. In other cases, the policy action was still ongoing at the time of writing, and reforms implementing the recommendations were still being discussed. In other cases, legislative initiatives have been adopted, but the implementing measures have not yet come into force.

The analysis identified three main obstacles to implementation of reforms or policy initiatives from the responses received.

- There is consensus between social partners that the government sometimes lacks the legislative impetus to implement the corresponding CSRs. As mentioned, institutional or political developments in the form of electoral processes or political instability contribute to this lack of progress.
- Where there is entrenched disagreement between the social partners and the government, or between the employer organisations and trade unions, regarding the convenience or the content of the proposed reforms, it can be very hard for reforms or policy initiatives to progress without delay or interruption.
- Finally, the government may not be taking the initiative to implement the recommended policy or reform (and this lack of initiative is stressed by the social partners), but the social partners themselves disagree on the content of the proposed reform and, sometimes, on the specific CSR as well.

Social partner consensus on reasons for not achieving reforms

Most of the employer organisations and trade unions consulted agree that lack of government initiative is the main reason for recommendations not being implemented. This includes those cases where political developments or instability, including a change of government, prevent or interrupt the legislative process.

For example, in Austria, the WKO agrees with trade unions that the recommendation to increase the statutory retirement age and restrict early retirement was not implemented due to the premature termination of the government. However, trade unions stress that this reform, including the mechanism to link retirement age to life expectancy, is unnecessary and the Chamber of Labour (Arbeiterkammer, AK) and ÖGB firmly reject it. Employers and trade unions also agree that this is the main reason preventing the improvement of labour market outcomes for women.

Employer organisations and trade unions in Croatia (regarding consolidation of the benefits in the social welfare system), France (see below on minimum wage) and Czechia (reform of the education system) also agree that a lack of government initiative is the main reason for not achieving reforms.

---

<table>
<thead>
<tr>
<th>Member State</th>
<th>Reform or policy</th>
<th>CSRs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal</td>
<td>1. Combat labour market segmentation</td>
<td>CSR Recitals 2 and 13, 2017 and 2018</td>
</tr>
<tr>
<td></td>
<td>2. Activate long-duration unemployed</td>
<td>CSR Recitals 2 and 12, 2017 and 2018</td>
</tr>
<tr>
<td></td>
<td>3. Improve lifelong learning/continuous training</td>
<td>CSR Recitals 2 and 14, 2017 and 2018</td>
</tr>
<tr>
<td></td>
<td>4. Regulate professions</td>
<td>CSR Recommendation 3, 2017 and 2018</td>
</tr>
<tr>
<td>Romania</td>
<td>1. Law on social dialogue</td>
<td>CSR Recitals 2 and 13, 2018</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CSR Recitals 16 and 23, 2019</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1. Improve the quality and inclusiveness of education, including by increasing the participation of Roma children in mainstream education from early childhood onwards</td>
<td>CSR Recommendation 2, 2017, 2018 and 2019</td>
</tr>
<tr>
<td>Slovenia</td>
<td>1. Healthcare and long-term care reform</td>
<td>CSR Recommendation 1, 2018</td>
</tr>
<tr>
<td>Spain</td>
<td>1. Minimum income schemes</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
<tr>
<td></td>
<td>2. Reduce early school-leaving</td>
<td>CSR Recommendation 2, 2018</td>
</tr>
</tbody>
</table>

Notes: The wording of some recommendations has been paraphrased where the same content has been repeated over the years. Greece and the UK: these countries were not covered. Denmark: this country has not received any recommendations in the social and labour fields. Italy and Sweden: social partners did not provide replies. Ireland and Malta: no replies were received.

Source: See Table 1
for recommendations not being implemented. In Czechia, employer organisations welcome certain developments concerning the reform of the education system (CSR Recommendation 2, 2018) as well as the inclusion of women with children in the labour market; however, more progress is required. National authorities state that significant progress has been achieved in recent years – children’s groups, nurseries, reforms of child allowance, introduction of parental leave and long-term care allowance – and that further measures are being prepared.

Government instability has been cited as a factor in the non-implementation of recommendations in Belgium. In Bulgaria, both employer organisations and trade unions were unwilling to progress a basic reform to introduce a transparent scheme (CSR Recommendation 3, 2018) that would change the way in which the minimum wage is set and the system for social assistance as a whole. Trade unions believe that the official poverty level should reflect calculations from the Eurostat survey European Union Statistics on Income and Living Conditions (EU-SILC), and should be the criterion for social support. They also believe that existing programmes and measures should be merged so that the income of those in need will be supplemented up to the poverty line, depending on the size of the household. The Ministry of Labour and Social Policy agrees that a change is necessary, but the funds needed for such a reform are unavailable at present.

In Estonia, parliamentary discussions on reform of the supervision mechanism over equal pay for equal work started in September 2018. In March 2019 regular parliamentary elections led to a change in parliament and thus the reform dropped from proceedings.

In Finland, the government resigned in March 2019 having failed to deliver its flagship project: a major social and healthcare reform. The proposed reform would have included regional governments as a new level of administration and a ‘freedom of choice’ principle, making it possible for patients to choose between public or private service providers. It should be noted that several previous governments also tried to reform the social and healthcare system, without success. The social partners cited a number of reasons why the reform failed:

- constitutional issues – cited by the Confederation of Finnish Industries (EK), the Finnish Confederation of Professionals (STTK), the Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Professional and Managerial Staff (Akava)
- poor timing – cited by SAK
- inadequate planning – cited by STTK
- the reform being too big to handle – cited by Akava

In addition, some political commentators stressed the difficulty of reaching agreement between the two major coalition partners (the Centre party and the National Coalition party) on, for example, the freedom of choice principle. Moreover, constitutional law experts had repeatedly criticised the reform, and the Constitutional Law Committee had urged several times that the reform package be reviewed.

---

**Box 7: Consistency of minimum wage developments to job creation and competitiveness in France**

Among the seven recommendations included in the 2017 and 2018 CSRs for France, only one (‘Ensure that minimum wage developments are consistent with job creation and competitiveness’) has not been followed through in a reform. However, the government complied with this recommendation by applying the legal rules to calculate the increase in the minimum wage (salaire minimum interprofessionnel croissance, SMIC). It did not decide any discretion ad hoc hike beyond the legal increase rate based on an automatic formula. Under political pressure – protests from the yellow vests (gilets jaunes) movement – the government announced the new level of the SMIC by applying only the legal calculation ahead of standard formal consultations of the social partners and the tripartite expert committee.

The government followed the ‘formula-based’ increase in the determination of the SMIC but, following political pressure, increased take-home pay for low-paid workers by increasing the ‘employment bonus’ instead of increasing the SMIC, the aim being to ensure consistency with job creation and competitiveness (2017 and 2018 CSRs): the employment bonus is paid by the state, in contrast to an increase in the SMIC, which should be paid by employers, thereby increasing labour costs.

The expert committee appointed to advise the government about the increase of the SMIC has recommended the elimination or revision of the automatic indexation role of the SMIC (2018 report). Two options were considered: eliminating the entire rule (which is based on both the increase in inflation and half of the purchasing power of the base hourly wage of blue- and white-collar workers) or eliminating only the second term, thus keeping an indexation on inflation. This double indexation contributes to some degree of circularity between increases in the SMIC and in average wages, which could be high in the event of strong inflation. Moreover, a reform of the
In Lithuania, the complexity of the issue and the length of time needed to address the recommendation for further improvement of the education system at all levels (2017 and 2018 CSRs) are the main reasons alleged for the lack of implementation. Another long-lasting issue is related to broadening of the tax base. According to the social partners, discussions concerning introduction of property (real estate or car) taxes (2017 and 2018 CSRs) have lasted for more than a decade, and as it is a very sensitive and contradictory issue affecting so many people, all governments try to avoid implementing this reform.

Diverging views in relation to proposed measures to implement CSRs

There will always be resistance to implementing reforms especially when views can differ so strongly between national authorities and social partners and stakeholders. Where privatisation or reform of the pension system is concerned, these differences of opinion are intensified. One example of contrasting views related to the implementation of different reforms is in Croatia: the social partners agree that the process of reform of the labour market, including the education system, is a demanding and complex task that requires the support of all stakeholders over a long period – not least, that of the government and opposition. Nevertheless, the Croatian Employers’ Association is opposed to constant changes because this, it says, destabilises the legal framework. In turn, the Union of Autonomous Trade Unions of Croatia (UATUC) and the Independent Trade Unions of Croatia (ITUC) emphasised that there are neither clearly defined goals of socioeconomic development nor means for their realisation. The reform includes the adoption of the Strategic Planning and Development Management System Act and a series of by-laws that will enhance the coordination and implementation of public policies and reduce the excessive number of fragmented and mutually inconsistent strategic planning acts.

Box 8: A long-standing reform of labour law in Poland

According to the national authorities in Poland, the intended labour law reform was supposed to constitute an element of the implementation of CSR Recommendation 2, 2017 and 2018 concerning removing ‘remaining obstacles to more permanent types of employment’ (European Commission, 2019a). Pursuant to the Regulation of the Council of Ministers dated 9 August 2016, the Labour Law Codification Commission was appointed. The aim of the commission was to prepare drafts of two laws: the Labour Code and the Collective Labour Law Code. The commission comprised representatives appointed by the minister competent for labour issues, representatives of the social partners: members of the Social Dialogue Council and representatives from academia and other experts. The commission concluded its work on 14 March 2018 with a resolution on the adoption of two draft legislations: the Labour Code and the Collective Labour Law Code. However, the resolution of the commission was not adopted unanimously. Of the 14 commission members, 10 voted for its adoption; those voting against it included experts representing employees (NSZZ Solidarność, OPZZ) and employers (Employers of Poland (Pracodawcy, RP)). In that situation, the drafts were sent to the Minister of Family, Labour and Social Policy, who decided to discontinue the work on the new legislation in the form proposed by the commission and introduce the amendments to the Labour Code with the consensus of all the stakeholders. The proposals for legal solutions included in both drafts prepared by the commission are to be used in the legislative work conducted at the Ministry of Family, Labour and Social Policy. Based on those proposals, draft legislation will be proposed changing the labour law provisions in stages.

automatic indexation rule would help to strengthen the role of collective bargaining in defining wage standards, in particular at branch level. Such a reform would be particularly important in the ongoing context of restructuring and reduction in the number of bargaining branches. These recommendations were already laid out in the 2017 expert report, but the government avoided launching a reform of the SMIC calculation, which would be resisted by a majority of trade unions.

In turn, the employer organisations were against a change in the SMIC calculation, while the trade unions were against this recommendation in the 2017 and 2018 CSRs – and now are happy to see that it has been deleted from the 2019 CSRs. Most trade unions are broadly in favour of an increase in the SMIC to fight poverty and to guarantee decent salaries to workers; trade unions regard the SMIC as an instrument of social justice, while the government considers it an instrument of employment policy in that the more predictable the dynamic of the SMIC (no additional increase above the legal formula) combined with a reduction of social contributions paid by employers should contain labour costs and increase the competitiveness of the French economy.
Another example of strongly contrasting views is represented by all trade unions in Cyprus expressing their opposition to the privatisation plans of the government, following CSR Recommendation 4, 2017. Trade unions claim that state-owned enterprises are profitable and contribute to the revenue of the government. The Cyprus Workers’ Confederation (SEK) and the Employees’ Trade Union (SIDIKEK-PEO), which represent members in these enterprises, shared their thoughts on the lack of implementation of the ownership unbundling of the Electricity Authority of Cyprus: the electricity market is small and any ownership unbundling would be expensive and lead to increases in the price of electricity, while there are no obvious, or agreed, gains from unbundling. Yet, the government views privatisation of specific state-owned entities operating in a competitive environment as an important structural reform that is necessary for modernising the public sector, improving its performance, attracting investment and enhancing efficiency and competitiveness.

With regard to other recommendations not yet implemented in Cyprus, the Pancyprian Greek Teachers’ Organisation (POED), the Greek Secondary Education Teachers union (Oelmek) and the Secondary Technical Education Teachers union (OLTKE) attribute the lack of implementation of educational system reform (CSR Recommendation 5, 2018) to financial constraints. A new system for teacher evaluation requires additional funding, which was not available during the economic and financial crisis. The ministry forwarded a new proposal to the social partners at the beginning of July 2019, although essential components, such as finance, have not been annexed to the forwarded proposal. National authorities state that reforming the evaluation of teachers is a long-standing issue and that the Ministry of Education has been repeatedly engaged in discussions with the trade unions over the past few years.

Different views between the social partners can be found in Germany. According to the social partners, the recommendation to reduce disincentives to work for second earners and facilitate transitions to standard employment has not been addressed because of a lack of government initiative. The 2017 CSRs state that joint taxation of income for married couples and free health care insurance coverage for non-working spouses discourage second earners, in many cases women, from taking up a job or increasing the number of hours worked.

(European Commission, 2017)

The employer organisations do not fully back the recommendations regarding split income taxation, while the German Trade Union Confederation (DGB) stresses that the split income taxation idea is a legacy of the western German male breadwinner model and should be abolished. However, the government has not initiated this reform because the system is still popular in many western German households. In contrast, the DGB states that marginal or part-time jobs are to the detriment of female workers and lie at the core of in-work poverty.

In Latvia, the social partners disagree over reforms in healthcare and the public sector (CSR Recommendation 2, 2017 and 2018), which have not been achieved yet. The Employers’ Confederation of Latvia (Latvijas Darba Deveju Konfederacija, LDDK) continues to promote changes in normative regulation of the healthcare system, for example by reducing the sickness period paid by employers from 10 days to at least 8 days. Moreover, employers continue to discuss the main issues of healthcare reform, including the link to the tax system or implementation of the insurance principle in the healthcare system. However, the government does not agree with this approach because it does not provide sufficient accessibility to healthcare services, which was one of reasons for the delay in the healthcare reforms. Regarding public sector reforms, employers insist on establishing a smaller and more effective public sector, while trade unions do not see the benefit of reducing the size of the public sector.

The reform of the pension system (CSR Recital 13, 2018) is equally controversial in Luxembourg, where employer organisations refer to a recent report of the General Inspectorate of Social Security (IGSS) that calls for swift action in this context. In contrast, the trade union organisations consider that reforming the pension insurance scheme is not a priority because the social security system is in excellent financial health. The public authorities agree with the trade union organisations regarding the healthy financial situation, but also suggest that now is the time to explore alternative financing models to be implemented in the medium and long term to ensure the sustainability of the overall system.

Another explicit example of a long-standing reform process without successful achievement is the law on social dialogue in Romania (CSR Recital 13 and Recommendation 2, 2018). A new law on social dialogue has been negotiated for two years, but entrenched disagreement between the social partners has made it impossible to adopt the measure. The social partners also highlight a lack of political will on the part of the government. Although all the social partners agree that legislation must be modified, there is no consensus on the expected changes.
Reasons constraining implementation of recommendations

The social partners agree with some reforms and policies that have not been fully realised or were otherwise delayed. The social partners and national authorities cite a number of reasons for this, ranging from specific national debates and other priorities to entrenched disagreement with the recommendations or recitals themselves.

According to the country report 2019, Hungary has made limited progress in addressing the 2018 CSRs. Specifically, as regards the CSRs relating to employment, social and economic reforms and policies, some progress has been made in unlocking labour reserves. However, only limited progress has been made in improving educational outcomes and increasing the participation of disadvantaged groups (in particular, the Roma) in inclusive mainstream education, and there has been little change in improving the adequacy and coverage of social assistance and unemployment benefits. Nevertheless, the social partners consider that the reforms the government has initiated are, in general, not much influenced by the CSRs. Employer organisations acknowledge that some trends (such as an increasing labour shortage) coincide with recommended developments (such as decreasing public work or levels of employment), but recommendations do not directly influence the policies. According to the trade union representatives, nothing has happened following the CSRs and this is acknowledged in the recitals of the 2019 CSRs, which repeatedly refer to previous CSRs that have not yet been implemented. In turn, government representatives state that the reform process and the implementation of the CSRs follows the required steps and that development in implementation trends can be seen.

In the Netherlands, the Law to Address Bogus Employment Constructions (Wet Aanpak Schijnconstructies) aims to tackle a number of forms of bogus employment, including bogus self-employment. However, it is not clear whether this legislation specifically addresses the 2018 CSR to address bogus self-employment. Regardless, despite being introduced in 2015, and undergoing revisions, it still does not seem to be doing enough to address bogus self-employment. Bogus self-employment is not new, but the recommendation has at least helped to refocus attention on the issue, which has been discussed much by social partners in the context of the European Semester. Furthermore, within the WAB, regulations around company payrolls are being revised to give workers more rights under the act; in part this is also being done to address bogus self-employment. Furthermore, the representation of solo self-employed workers has become a bigger issue in 2019, with increased recognition of the diversity in working dynamics, types of contracts and other forces influencing solo self-employed individuals in different sectors: the issues faced by construction workers are, for instance, very different to those faced by journalists. These caveats were explored more in 2019.

In Portugal, social partners indicated that the CSR Recommendation 2, 2018 (‘Promote an environment conducive to hiring on open-ended contracts, including by reviewing the legal framework in consultation with social partners’) has not been fully implemented. This is according to the Confederation of Portuguese Industry (CIP) and the trade union confederations the General Confederation of Portuguese Workers (CGTP) and the General Union of Workers (UGT). The CIP stresses that this part of the recommendation was not implemented by the government for political reasons (European Commission, 2018a). Considering the CSR Recital 13, 2017 and 2018 on combating labour market segmentation, UGT considers that delays in the legislative process prolonged parliamentary discussion of project laws on the implementation of the Tripartite Agreement 2018, preventing the implementation of this recommendation concerning limitation of the use and duration of fixed-term contracts.11

---

11 The legislation was approved and promulgated by the President of the Republic on 19 August 2019, and the amendment to the Labour Code was published on 4 September 2019 in Law No. 93/2019.
Moving from the involvement of the social partners in overall social policymaking to their participation in the different stages of the European Semester, the role of social partners in the elaboration of the 2019 NRPs is analysed from different points of view.

First, this chapter considers the social partner and national authorities’ overall assessment of their involvement in the proceedings and the most relevant settings adopted. The chapter then assesses the social partner and national authorities’ evaluation of the quality of their involvement in elaboration of the 2019 NRPs. The final part of the chapter examines the degree of influence that social partners and national authorities have had in the NRP drafting process.

Analysis of social partner responses shows that most are involved in the elaboration of NRPs through a variety of settings and procedures. In most cases, employer organisations, trade unions and national authorities agree that overall social dialogue takes the form of formal consultations (Belgium, Bulgaria, Croatia, Czechia, Denmark, France, Germany, Hungary, Ireland, Romania, Slovakia, Slovenia). Another way of conducting NRP-related social dialogue is via information proceedings or the exchange of views with trade unions and employers (Latvia, Poland and Sweden). Finally, some countries adopt both the aforementioned schemes (Austria, Estonia, the Netherlands, Portugal and Spain).

Greece and Italy are not in the groups above because social partners state that they are not involved at all in the process. Several other countries adopted tailored forms of involvement. In Cyprus and Lithuania, formal consultation between the social partners and the national authorities was, according to trade unions and employers, very limited, in that the respective governments drafted the NRP and social partners were simply asked for their comments and suggestions, but had no real influence.

According to trade unions and employer organisations, specific bilateral contacts with the government or tripartite social dialogue practices were the two main ways in which the social partners were involved with the contents of the 2019 NRPs (Croatia, Estonia, France, Latvia, Luxembourg, Poland, Spain, Sweden) and some countries tailored their own proceedings (Austria, Bulgaria, Cyprus, Denmark, Finland, Hungary, Lithuania).

Within this framework, some countries, such as Belgium and Czechia, adopted formalised schemes through tripartite bodies as well as holding tailored meetings.

The process was more complex in France, where the main public body dealing with the consultation was the Social Dialogue Committee on European and International Issues, a specific tripartite and permanent structure managed by the Ministry of Labour (DAEI), as well as other public institutions, such as the Environmental, Economic and Social Council, which includes members that are not social partners (as representatives of NGOs and of civil society), and the National Council against Poverty and Social Exclusion (CNLE), which indirectly consulted social partners with reference to the contents of the NRP. Similar to this formal practice, bilateral meetings were held between different social partners and some ministries.

Among the countries experimenting with tailored social dialogue practices, the discussion in Denmark about the elaboration of the NRP was conducted, as a formal consultation, within the Contact Committee for the Europe 2020 Strategy (which comprises many different organisations besides worker and employer representatives). Social partners have for some time requested formation of a kind of tripartite body comprising themselves and the government only, regarding specifically the European Semester and the 2020 strategy – so far, without success. In Poland, consultation is included as part of the activities of the Interdepartmental Team for Europe 2020 Strategy.

Trade unions and employer organisations are critical of the situation in Hungary – not so much regarding their practical involvement in the NRP (which takes place mostly through workshops organised by the relevant ministries), but rather in relation to the lack of transparency of the criteria used to invite stakeholders to participate in the process.

Assessing the quality of involvement in 2019

The social partners and national authorities have been asked about the quality of their involvement in the process of elaboration of the NRPs in 2019. Specifically, they were asked to share their views on four key aspects shaping the schemes followed in each national context:

- the suitability of the setting
- the adequacy of the time allotted for consultation between the governments and social partners
- the wealth of the exchange amidst different positions and points of view
- the visibility of the outcomes from the consultation and the views of the social partners in the final NRP
According to the replies received the setting used for involvement is considered appropriate in 12 countries (Czechia, Denmark, Estonia, France, Ireland, Latvia, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Sweden), but there is more widespread scepticism about other aspects (Table 6),.

As in previous years, there is broad consensus among the social partners that the most critical issue is the lack of time allotted for consultation on the NRP (Belgium, Bulgaria, Cyprus, France, Hungary, Luxembourg, Poland, Portugal, Romania and Spain), and the national authorities also acknowledge this shortcoming in Germany, Latvia and Lithuania. If the views of the trade unions are taken into account as well, this critical issue is mentioned in 17 countries (as above, plus Austria, Croatia, Ireland and Malta). In contrast, all parties agree that enough time is allocated for consultation in Czechia, Denmark, Estonia, Slovakia and Slovenia.

Social partners and national authorities in nine countries (Croatia, Czechia, Denmark, Estonia, Ireland, Latvia, Slovakia, Slovenia and Sweden) are generally satisfied with the quality of exchange in the course of consultations, while eight countries (Czechia, France, Germany, Luxembourg, the Netherlands, Poland, Slovenia and Sweden) are satisfied overall that social partner requests and suggestions are shared among all parties. However, social partners in 11 of the 28 EU countries (Austria, Bulgaria, Ireland, Portugal and, with the assent also of national authorities, Cyprus, Denmark, Estonia, Latvia, Lithuania, Romania and Slovakia) feel that the transparency and visibility of the outcomes could be improved.

Regarding the quality of involvement through the various steps in the process of elaboration of the NRP, there are some interesting tendencies: critics of the transparency of the outcomes are more common in central and eastern European countries (Bulgaria, Latvia, Lithuania, Romania, Slovakia), while critics of the time allotted for negotiations are more common in western countries (Belgium, France, Germany, Luxembourg, Portugal, Spain).

Finally, national authorities are more optimistic in their view that the means adopted to consult with the social partners within the European Semester are adequate. As mentioned, the social partners in general and some employer organisations in particular remain frustrated by the lack of time allowed to assess government drafts and therefore to have meaningful input.

### Developments in relation to 2018

Comparing the assessments of the quality of involvement in the elaboration of the NRP in 2018 and 2019, the social partners and national authorities in the majority of countries (Austria, Belgium, Bulgaria, Cyprus, Czechia, Denmark, Finland, Germany, Greece, Hungary, Ireland, Italy, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovakia and Sweden) stress that the situation remains stable and there are no significant variations in the four elements analysed (setting; the form and the content of the consultation; the time allotted; and the feedback and visibility resulting from the consultation).

In general, slight improvements are noted against an overall background of deterioration. Trade unions and employer organisations in Croatia and Estonia report a general improvement for all the quality standards considered in this chapter. In Estonia, trade unions and the government report an overall improvement, grounded on more meaningful involvement resulting from consultations held in the presence of the Prime Minister, and by governmental acceptance of several initiatives proposed by employee organisations.

### Table 6: Overall assessment of the quality of the involvement in elaboration of the NRPs for 2019, setting and time allotted

<table>
<thead>
<tr>
<th>Type of relationship</th>
<th>Occupational status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer organisations</td>
<td>Yes</td>
</tr>
<tr>
<td>Trade unions</td>
<td>Cyprus*, Luxembourg</td>
</tr>
<tr>
<td>Employer organisations and</td>
<td>Belgium, Bulgaria, Hungary,</td>
</tr>
<tr>
<td>trade unions</td>
<td>Portugal, Romania, Spain</td>
</tr>
</tbody>
</table>

**Notes:** Greece and Italy: social partners were not involved in the elaboration on NRPs for 2019. Finland: trade unions and employers did not provide replies. Belgium: national authorities were not covered. UK: this country was not covered. *Countries where social partners provided multiple points of view.

**Source:** See Table 1.
However, perhaps the main reason for improvement is the tripartite meeting at the end of the process in which all parties have the opportunity to revisit some topics and, most importantly, get proper feedback on the reasons why some proposals were rejected. The role of the European Commission should be acknowledged in this improvement: it has become more involved in the process – participating in events, introducing topics, sharing its vision of possible priorities for Estonia and generally contributing to the improvement of the overall dialogue. In Croatia, according to the government, the improvement can be attributed mainly to improved communication between the social partners and national authorities, leading to more meaningful discussions. Social partners are in broad agreement, although employers highlight the absence of analytical background information and in-depth explanations of realised and proposed public policies.

The government and employer organisations in Slovenia are generally satisfied with developments in relation to 2018. The Ministry of Finance and the Ministry of Labour, Family, Social Affairs and Equal Opportunities manage participation of the social partners in the preparation of the NRP by collaborating with the unions and employer organisations during the drafting process. There is also formal discussion in the context of the main tripartite national body (the Economic and Social Council). Employers are happy with the efforts made by national authorities, indicating that every year they have been more involved in the elaboration of the NRP. The Association of Free Trade Unions of Slovenia (Zveza svobodnih sindikatov Slovenije, ZSSS), the single most relevant trade union federation, would have been happy with the overall situation if all the ministries had consistently invited social partners to participate in the process.

Employers and trade unions in Latvia attribute the improvement to having separate meetings between the government and social partners before widening the scope of the consultations. This allows worker and employer organisations to be better informed on the upcoming process of elaborating the NRP and eases communication with the government, encouraging more active involvement of the social partners in all the stages of the Semester. Nevertheless, the time allotted for consultation in 2019 was even shorter than in 2018, making this indicator worse.

Finally, the overall slight deterioration in the quality of involvement of social partners in the NRP in Belgium seems to be connected to one of the more representative trade unions’ criticism of the government in an otherwise ‘no change’ national landscape.

### Degrees of influence

Assessing the degree of influence of the social partners’ views in the NRP outcome is a difficult task as it may depend on the expectations raised at the beginning of the process. It can also be determined to a great extent by the approach taken to the NRP within the national context of policymaking. Usually, different perceptions from government and social partners emerge. While the NRP is a policy document drafted by the government, prioritising the reforms and reporting on progress made following the previous CSRs, it may also contain the results of exchanges made in the process of elaboration, including social partners’ views.

Table 7 shows the social partners’ assessment of the degree of influence they have over the final version of the NRP. As mentioned above, this assessment should be treated with caution as it may reflect subjective expectations and may be influenced by other factors stemming from unrelated features of national social dialogue.

#### Table 7: Degree of influence of the social partners’ views in the NRP for 2019

<table>
<thead>
<tr>
<th>Degree of influence</th>
<th>Significant</th>
<th>Limited or relative</th>
<th>No influence</th>
<th>No involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employer organisations</strong></td>
<td>Malta</td>
<td>Austria, Finland, France, Ireland, Luxembourg</td>
<td>Portugal, Spain</td>
<td></td>
</tr>
<tr>
<td><strong>Trade unions</strong></td>
<td>Luxembourg</td>
<td>Malta</td>
<td>Austria, Cyprus, France, Ireland</td>
<td></td>
</tr>
<tr>
<td><strong>Employer organisations and trade unions</strong></td>
<td>Bulgaria, Cyprus, Estonia, Latvia, Netherlands, Portugal, Romania, Sweden</td>
<td>Belgium, Denmark, Germany, Hungary, Spain</td>
<td>Greece</td>
<td></td>
</tr>
<tr>
<td><strong>National authorities</strong></td>
<td>Austria, Bulgaria, Estonia, France, Hungary, Latvia, Malta, Netherlands, Romania</td>
<td>Denmark, Finland, Ireland, Luxembourg, Spain</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All parties</strong></td>
<td>Croatia, Czechia, Lithuania, Poland, Slovakia, Slovenia</td>
<td>Italy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:** Belgium, Cyprus, Germany, Greece, Portugal and Sweden: national authorities did not provide replies. UK: this country was not covered.

**Source:** Authors’ own compilation based on information provided by the Network of Eurofound Correspondents and interviews with national social partners.
Consistent with findings in previous reports, social partners in most countries (Bulgaria, Cyprus, Estonia, Latvia, the Netherlands, Portugal, Romania and Sweden) hold that their views have limited influence on the final version of the NRP. This perception is even shared by national authorities in Czechia, Croatia, Lithuania, Poland, Slovakia and Slovenia.

Conversely, social partners in Belgium, Denmark, Germany, Hungary and Spain declared that, although they were involved to some degree in NRP 2019, they had no influence on it, while in Greece and Italy social partners stated that they were not involved at all: here, the NRP is considered a document drafted and issued almost unilaterally by governments. In Germany, the social partners agreed that their positions were not adequately taken into account by the government.

National authorities consider that social partners’ views have more influence on national reform agendas than trade unions and employer organisations themselves believe. In nine countries (Austria, Bulgaria, Estonia, France, Hungary, Latvia, Malta, the Netherlands and Romania) national authorities state that social partners had a significant influence on the elaboration of the NRP 2019. Meanwhile, in Denmark, Spain, Finland, Ireland and Luxembourg, national authorities rated social partners influence as limited.

In general, employers believe they have more influence on NRPs than trade unions feel they have. In 21 countries, employer organisations stated that they had a ‘significant’ or ‘limited/relative’ influence on NRP 2019, while trade unions stated that in 16 countries their influence was ‘significant’ or ‘limited/relative’.

In Malta and Luxembourg, at least one social partner reported satisfaction regarding the influence it had on the NRP: in Malta, it was employers who considered their influence on the government’s choices in relation to the NRP to be quite strong, while in Luxembourg, it was the trade unions. In both countries, the government relies on social dialogue in the national reform agenda, aiming to balance sometimes competing requests from opposing sides.

Within the group of countries where either employer organisations or trade unions declared that their views had ‘no influence’ on NRP 2019, or that they were not involved at all, Finland, Ireland and Italy are of particular interest. In Ireland, trade unions feel that they had no influence on the reform agenda – despite having advanced a range of proposals concerning, among other things, fiscal policy, housing, early childcare, inequality and precarious employment – because the reforms system requires social partners to first make submissions which may or may not then be implemented by the government through revisions to the draft NRP. Similarly, trade unions in Finland are not satisfied with the way in which the social dialogue on the NRP was conducted, complaining that their influence was merely indirect. Finally, both employer organisations and trade unions in Italy report an overall lack of systematic and substantial involvement in policymaking, and in preparation of the NRP in particular, while the national authorities have so far not taken any steps to address this shortcoming.

### Reflection of social partners’ views in content of NRPs

When the perceptions of the social partners regarding their influence on the NRP and their satisfaction with the contents of the NRP are compared, a number of interesting relationships emerge.

These relationships can be seen in a national context. In Czechia, Estonia, Latvia, Malta, the Netherlands and Slovenia, both employer organisations and trade unions are broadly satisfied with the contents of the NRP. In a number of other countries – Cyprus, Hungary, Lithuania, Poland, Portugal, Romania, Slovakia and Spain – social partners’ degree of satisfaction is more limited. And finally, in Denmark, Greece and Italy, there is notable dissatisfaction with the contents of the NRP.

Closer inspection of the disaggregated data reveals that it is the trade unions who feel they have the most difficulty in having at least part of their position reflected in NRPs. Trade unions report ‘overall’ or ‘strong’ disagreement with the contents of NRP 2019 in Belgium, Croatia, Cyprus, Denmark, France, Greece, Ireland and Italy, while no similar disagreement with the contents is evident among the employer organisations in these countries.

Relationships also emerge when the perception of involvement in the drawing up of the NRP, and satisfaction with its final version, are compared. The more involved a social partner organisation – employer organisation or trade union – was in the discussions regarding the NRP, the more satisfied it appears to be with the outcome.

In 12 countries, national authorities, trade unions and employer organisations regard social partners as being deeply involved in policymaking, and as having a ‘significant’ or ‘limited/relative’ influence on the NRP: suggestions and proposals from the social partners occupy more weight in the NRP. Of these countries, nine (Cyprus, Czechia, Estonia, Latvia, Lithuania, the Netherlands, Poland, Portugal and Slovenia) are also in the group of 14 countries where social partners say they generally, or partially, agree with the contents of the NRP.
In seven countries (Belgium, Denmark, Germany, Greece, Hungary, Italy and Spain), more shortcomings are evident in the system, and the social partners’ assessment of their level of influence in the process is lower. And in four of these countries (Belgium, Denmark, Greece and Italy) trade unions do not see their views as being reflected in the contents of the NRP. However, there are some exceptions to these trends. For example, neither trade unions nor employers in Croatia are entirely happy with the contents of the NRP, despite the fact that they perceived their degree of influence in the policymaking process to be quite strong. The government acknowledges that the social partners make useful contributions concerning the contents of the NRP, but describes some of their suggestions as too vague to be translated into specific reforms.

Table 8: Assessment of extent to which social partners’ views are reflected in NRPs for 2019

<table>
<thead>
<tr>
<th>Level of correspondence</th>
<th>Strong agreement</th>
<th>Overall agreement</th>
<th>Partial agreement</th>
<th>Overall disagreement</th>
<th>Strong disagreement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employer organisations</strong></td>
<td>Austria, Bulgaria, Cyprus, Finland, France, Portugal, Slovakia</td>
<td>Belgium, Croatia, Ireland, Luxembourg</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trade unions</strong></td>
<td>Luxembourg</td>
<td>Austria, Bulgaria, Finland</td>
<td>Belgium, Croatia, Cyprus, France, Ireland</td>
<td>Italy</td>
<td></td>
</tr>
<tr>
<td><strong>Employer organisations and trade unions</strong></td>
<td>Czechia, Estonia, Latvia, Malta, Netherlands, Slovenia</td>
<td>Cyprus, Hungary, Lithuania, Poland, Portugal, Romania, Slovakia, Spain</td>
<td></td>
<td>Denmark, Greece</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:** Sweden: social partners did not provide replies. Italy: employer organisations were not covered. Germany and the UK: these countries were not covered.

**Source:** See Table 1
Similar to the analysis regarding the NRP, national social partners were also asked to assess their level of agreement with the content of both the country reports and the CSRs adopted in 2019.

There is some agreement in the assessments of the social and labour contents of both documents. However, results are not conclusive, but rather indicate some tendencies (see Tables 9 and 10). Assessing the key policy documents together is not productive: most of the social partners support some of the content common to the country reports and the CSRs, but not all of it. There is therefore a huge diversity of views, resulting from national and detailed assessments, which prevents any overall generalisation from the results.

In general, the social partners agree more with the content of the country reports than with the CSRs. This may indicate that the political nature of the CSRs adopted – despite being ‘soft legislation’ – is less appreciated than the more analytical nature of the country reports.

Some remarks are worth mentioning as they may illustrate the approach taken by the social partners when they assess the documents. For example, the Confederation of Christian Trade Unions (ACV-CSC) in Belgium agrees with the CSRs in relation to some measures, such as the effectiveness of labour market policies for low-skilled workers and migrants, investment for more sustainable mobility or the removal of barriers to competition in the services sector. However, the union has serious reservations about budgetary strictness.

Interestingly, some employer organisations highlight what is missing from the documents, that is the priority policies that have not been mentioned. For instance, in Spain, the Confederation of Employers’ Organisations (CEOE) broadly agrees with the content of the country report and the CSRs. However, it feels that additional measures should be introduced to stimulate economic activity and provide a flexible legal framework that favours companies’ competitiveness and ability to grow and generate more employment. Similarly, employer organisations in Denmark complain about the absence of a recommendation to overcome a current shortage of labour, which is a high priority for them.

In France, the Movement of French Enterprises (MEDEF) broadly agrees with the 2019 country report, viewing it as a neutral, factual assessment of the social and economic situation. Concerning the CSRs, however, MEDEF is not exactly opposed, but stresses that it would make different recommendations. For instance, MEDEF asked for a reduction in public expenses, a healthcare reform and a change in taxes to reduce production costs, and feels that the reforms the EU proposed are therefore not necessarily the most important.

Some social partners do not report disagreements, exactly, but rather different views and dissatisfaction with the European Commission’s criticism of some aspects of the economy. In Bulgaria, employer organisations the Bulgarian Industrial Association – Union of Bulgarian Business (BIA) and BICA point out that the risks of emerging macroeconomic imbalances are overestimated, and this does not support the entry of the country into the Exchange Rate Mechanism (ERM II) – a high priority for the government and for employers.

Box 9: Bulgaria: Trade union perspective on country reports and CSRs

In Bulgaria, the trade union confederation CITUB states that the country report gives a precise evaluation of the main problems but that this evaluation and the conclusions are not adequately reflected in the recommendations and measures in the 2019 CSRs. The trade union demands a higher degree of commitment and conformity between the two documents, increasing the obligation on the government to consider the recommendations and take the necessary action. CITUB feels that there is no clear mechanism for binding the European Semester to the EPSR.

According to the trade unions, country reports contain clear conclusions regarding the social sphere, but these conclusions only form part of the recitals rather than the final recommendations.
Trade unions and employer organisations share their somewhat positive assessment of the country reports, but with different views on what the reports contain and what the reports leave out. For example, the Czech-Moravian Confederation of Trade Unions (ČMKOS) broadly agrees with the recommendations for Czechia. However, it also has reservations about some of the more general statements contained in the country report, such as stressing the labour shortage and therefore promoting the need to attract and employ workers from abroad.

Some trade unions have reservations about the overall role and content of the country reports, the CSRs and the European Semester. For example, most of the trade unions in France think that the country reports and CSRs are overly influenced by EU budgetary rules, and the economic dimension is still deemed more important than the social. However, the trade unions are pleased with the documents’ sentiment that social protection is important to protect workers from poverty. In the same spirit, the Portuguese trade union CGTP pointed out that macroeconomic imbalances in Portugal (public debt, foreign debt, bad credit, low productivity, etc.) should not be highlighted without first analysing the impact of restrictive budgetary policies on the formation or aggravation of these imbalances.

Trade unions in Romania support, in general, the country report, but stress some inaccuracies and aspects that could have been further analysed. Trade unions in Slovenia only partially agree with the country report and the 2019 CSRs, since the recommendations do not consider the specifics of the social and economic system. The unions agree that changes in the labour market and pension insurance system are necessary, but do not agree with the proposed measures and recommendations on how to implement those changes.

Representatives of the employer organisations and trade unions in Lithuania have some doubts about the information presented in the country report 2019. The doubts relate to the use of old data and the fact that the report does not reflect recent measures aimed at tackling poverty. Concerning the CSRs, the social partners broadly support the document, but stress that some measures are socially rather sensitive and therefore controversial.

Table 9: Social partners’ level of agreement with content of country reports for 2019

<table>
<thead>
<tr>
<th>Employer organisations</th>
<th>Overall agreement</th>
<th>Partial agreement</th>
<th>Overall disagreement</th>
<th>Strong disagreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>Austria, Belgium, Bulgaria, Cyprus, Germany, Portugal</td>
<td>Croatia, Luxembourg</td>
<td>Denmark</td>
<td></td>
</tr>
<tr>
<td>Trade unions</td>
<td>Bulgaria</td>
<td>Latvia, Luxembourg</td>
<td>Austria, Belgium, Cyprus, Denmark, Finland, Germany, Portugal</td>
<td>Croatia, France, Portugal</td>
</tr>
<tr>
<td>Employer organisations and trade unions</td>
<td>Estonia</td>
<td>Czechia, Finland, Hungary, Netherlands, Romania, Slovakia, Slovenia</td>
<td>Ireland, Lithuania, Poland, Spain</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Belgium, Cyprus, Finland and Portugal: trade unions provided multiple replies. Sweden: trade unions and employer organisations did not provide replies. Greece and Italy: no replies were not provided. UK: this country was not covered.

Source: See Table 1

Table 10: Social partners’ level of agreement with content of CSRs for 2019

<table>
<thead>
<tr>
<th>Employer organisations</th>
<th>Overall agreement</th>
<th>Partial agreement</th>
<th>Overall disagreement</th>
<th>Strong disagreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria, Belgium, Bulgaria, Denmark, Estonia, France, Latvia</td>
<td>Croatia, Luxembourg</td>
<td>Denmark</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade unions</td>
<td>Estonia</td>
<td>Denmark, Luxembourg</td>
<td>Austria, Belgium, Bulgaria, Cyprus, Germany, Latvia, Portugal</td>
<td>Belgium, Croatia, Cyprus, France, Portugal</td>
</tr>
<tr>
<td>Employer organisations and trade unions</td>
<td>Czechia, Finland, Hungary, Lithuania, Netherlands, Romania, Slovakia, Slovenia</td>
<td>Ireland, Poland, Spain</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Role of social partners in other stages of European Semester

Formally speaking, the Employment Guidelines and the EPRS recommend the involvement of national social partners in the NRP. However, participation of the social partners in the CSRs does not end with the NRP. The Semester follows a staggered cycle after the annual launch with the autumn package, and the production of country reports, NRPs and CSRs is a linear process. The latter are the outcome of a long and complex discussion process, heralding the beginning of a new preparatory stage.

According to the views collected, the European Commission has continued disseminating the key policy documents issued in the Semester and particularly the country reports. As reported by Eurofound in previous reports in this series, the social partners welcome the information provided through different formats and procedures at earlier stages in the preparation of the NRP as it can be the basis for further discussion with the national authorities. The social partners particularly appreciate the exchange of data, evidence and views on the labour market. The timing for the presentation varies; it can take place before or after the launch of the country report.

Meetings with the representatives of the European Commission can be bilateral or take the form of multistakeholder forums and are generally evaluated positively as they allow the social partners to present their views and opinions. However, some employer organisations, in Bulgaria for example, reported that ‘nothing changed’ after the presentation of their views. Government representatives may also participate in the meetings.

In most countries, according to the social partners, the meetings also address the presentation of the CSRs upon invitation by the European Commission. However, social partners report that they are less aware of the presentation of the Annual Growth Survey: government representatives explain that this remains ‘very distant for the private sector’.

As stated in the previous Eurofound reports, social partners are affiliated to BusinessEurope and to the European Trade Union Confederation (ETUC) during the European Semester. Some national authorities have also been involved in the multilateral surveillance review carried out by the Employment Committee (EMCO).

Relationship between national social dialogue practices and involvement in European Semester

Research has been conducted into the potential relationship between the practices put in place to promote involvement in the European Semester and national social dialogue practices.

Results are neither robust nor conclusive. Social partners in 11 countries (Belgium, Croatia, Estonia, Finland, Malta, the Netherlands, Portugal, Slovakia, Slovenia, Spain and Sweden) report a partial relationship between national social dialogue practices and involvement in the European Semester, employer organisations and trade unions. In contrast, in 9 countries (Austria, Denmark, France, Germany, Hungary, Ireland, Italy, Poland and Romania) no influence of one on the other is identified – or only a marginal influence. Only in Czechia and Lithuania do social partners agree that the national tripartite social dialogue has influenced their involvement in the Semester.

Unsurprisingly, national tripartite social dialogue practices are considered to be more important and influential than involvement in the elaboration of the NRP or in the Semester. Bearing in mind the diversity of replies, which prevents any generalisation, the following remarks are noteworthy.

- There is still reticence among trade unions – in particular, regarding the content of the CSRs and their impact on national social dialogue. Unions criticise the emphasis on supply-side labour market reforms, stating that such reforms often weaken working conditions in practice.
- Some countries report increasing convergence between the national and European social dialogue agendas, for example in the field of digitalisation, although the interaction between both ‘types’ of social dialogue occurs mostly in a top-down way.
- Social partner involvement in the elaboration of the NRP in some countries is fully aligned with the national social dialogue practices.
- Some national authorities may use the European Semester initiatives to promote pre-existing reform agendas and their priorities.
- Although the effect of social partner involvement in the European Semester on domestic tripartite social dialogue is minor, representatives of trade unions and employer organisations agree that the tripartite social dialogue has some influence on related Semester issues.
- The European Semester’s main contributions are structure and streamlining processes.
Experiences at national level show that meaningful involvement of the social partners is a necessary, though not sufficient, condition for effective social dialogue. The greater the involvement of the social partners in national policy formation, the more effective is social dialogue. In this regard, the quality of the involvement of the social partners in policy formation and policymaking is a key indicator of the quality of social dialogue at national level.

Importance of political context and social dialogue institutions

As far as the contribution of social dialogue to policymaking is concerned, it can be considered a subsystem of the national political system. In this regard, the involvement of social partners in labour and social policymaking is influenced by political developments, usually elections and changes of ideological orientation in governments, even in those countries with solid industrial relations and social dialogue backgrounds. Autonomy of social dialogue should be reinforced to protect independent contributions to national policymaking.

As previously reported by Eurofound, there is some correspondence between the strength of the national social dialogue and the involvement of the social partners in policymaking. The same relationship can be identified between a well-functioning national social dialogue institution and the involvement of the social partners in the elaboration of the NRP. In some cases, both processes are almost fully aligned as part of a continuum in social policy practice. However, social partners’ interests in contributing to the NRP and to other stages of the European Semester may vary depending on national agendas and strategies. In some countries, social partners have tried to use the CSRs and the Semester to fuel their national social dialogue agenda and voice their concerns at EU level.

Involvement in overall social and employment policymaking

As a rule, the national social partners are involved in the formation of social and labour policies and reforms in the majority of countries. This is consistent with previous Eurofound findings, though the degree and quality of involvement vary significantly among countries, institutional settings, procedures and practices in tripartite social dialogue.

Nevertheless, the social partners in some countries do not consider their involvement in policymaking very meaningful. In these cases, the degree of dissatisfaction varies among countries and even among social partners in the same country. National traditions and expectations also affect social partner perceptions of the depth of their involvement.

Based on the information and views collected at national level, countries can be categorised by degree of social partner involvement in policymaking:

- countries in which well-established social dialogue structures and frameworks work effectively and involve the social partners meaningfully
- countries where social dialogue institutions or practices exist, although the social partners are not fully satisfied with their involvement in policymaking; social partners in this group are dissatisfied on a number of fronts
- countries in which the social partners do not consider that they are meaningfully involved in the formation of social and labour policies and reforms – in this group, the shortcomings identified remain virtually unchanged; social dialogue itself appears to have stagnated

Overall, it appears that no significant changes have taken place since 2018: most of the social partners, national authorities, employer organisations and trade unions agree that the general quality of involvement has remained stable (this is the case in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, France, Germany, Ireland, Italy, Latvia, Lithuania, the Netherlands, Portugal, Romania, Slovakia and Sweden).

However, there are some nuances regarding developments in 2019. Employers and trade unions in Greece and Poland report that the involvement of social partners in national reforms has deteriorated. In contrast, employers and trade unions in Slovenia and Spain report an improvement. While employer organisations in Hungary and Luxembourg are more pessimistic about recent developments, trade unions and national authorities are generally more positive, sometimes jointly (Estonia, Malta).

Forms of involvement

The social partners in most countries have been consulted in one way or another on policymaking in a large range of reforms and policies. Consultations frame policy initiatives in both the CSRs and national agendas. Most of the reforms and policies affect the social and employment fields, covering all aspects of social and labour policies.
Other policies and reforms were enacted, mainly in central, eastern and southern countries, without involving the social partners. Here, the reforms and policies in question concern several fields in which trade unions and employer organisations should have been consulted, in line with national practices. However, this information should be read with caution as it has not been possible to verify the details.

Social partners have also listed several reforms and policy initiatives included in the CSRs from previous years that, in their view, have not yet been fully achieved or implemented in their Member State. The examples provided are indicative and by no means represent a formal evaluation: in some cases, the policy action was still ongoing at the time of writing this report, and reforms implementing the CSRs were still under discussion. In other cases, the social partners consider that government action only partially, or inadequately, addressed the CSRs, although some measures have since been taken or, at least, initiated and discussed.

There is more criticism of the transparency of the National authorities are more optimistic that the time allotted for consultation. This difference of opinion – given that parties involved in the process feel there is enough time than half the countries. And yet, in contrast, the three partners and even a few national authorities in more critical issue remains the lack of time allotted to participants considered the setting used for the process nor the outcome. In this regard, most social partners indicate neither satisfaction with the consultation process; this prevents their participation and limits their

Quality of involvement in elaborating 2019 NRPs

Analysis of the replies shows that most social partners were involved in the elaboration of the 2019 NRPs through a range of procedures and in a variety of settings. However, social partners in Greece and Italy stress that they were not involved in the process at all. Equally, trade unions and employer organisations in Hungary are critical, not so much of their practical involvement in the NRP (which takes place mostly through workshops organised by the relevant ministries), but of the lack of transparency of the criteria used to invite stakeholders to participate in the process.

In most cases, involvement is based on formal consultation, either on an institutional basis or via bilateral contacts. In some countries, consultation relies on information proceedings, on the exchange of views with trade unions and employers, or the use of tailored national proceedings. Often, a mixture of these schemes is applied simultaneously.

The varied nature of the form of the consultation indicates neither satisfaction with the consultation process nor the outcome. In this regard, most social partners considered the setting used for the involvement appropriate. As in previous years, the most critical issue remains the lack of time allotted to consultation on the NRP, a view shared by social partners and even a few national authorities in more than half the countries. And yet, in contrast, the three parties involved in the process feel there is enough time for consultation. This difference of opinion – given that the timetable is the same for all countries – should not be hard to resolve.

There are some broad tendencies concerning the quality of the involvement process.

- There is more criticism of the transparency of the outcomes of consultations in central and eastern European countries (Bulgaria, Latvia, Lithuania, Romania, Slovakia).
- There is more criticism of the time allotted for negotiations in western countries (Belgium, France, Germany, Luxembourg, Portugal, Spain).
- National authorities are more optimistic that the means adopted to consult with the social partners within the European Semester are adequate.

Comparing the assessments of the quality of involvement in the elaboration of the NRP in 2018 and 2019, the social partners and national authorities of the majority of the countries stress that the situation remains stable: there are no substantial variations in the four elements analysed (setting; the form and the content of the consultation; the time allotted; and the feedback and the visibility of the social partners’ views).

However, the social partners in some countries do acknowledge partial improvements in their participation in the consultation process. In general, the cases where a slight improvement is registered sit against a background of overall deterioration.

Interestingly, both sets of social partners have broadly similar perceptions of the quality of their involvement in the elaboration of the NRP; naturally, there are disagreements between employer organisations and trade unions about the scope and content of reforms. Also, it should be noted that diverging views or at least nuanced opinions often arise among employer organisations or trade unions in the same country.

Level of influence and agreement with outcomes

Social partners in several countries remained dissatisfied that their views are not to some extent incorporated in the final version of the NRP. This alleged lack of influence is hard to measure, as it is closely linked to expectations and depends on the features of the specific social dialogue and overall involvement in national policymaking.

This perception of not being listened to varies across countries and stakeholders. The lack of influence is stressed by social partners in those countries where they view their involvement rather as a formality than a genuine process of consultation. There is a feeling among some social partners in central and eastern countries that they lack the technical capacity and expertise to make meaningful contributions to the process; this prevents their participation and limits their
influence. In addition, a number of other trends were identified.

- Consistent with findings in the previous Eurofound reports on this subject, social partners in more than half the countries hold that their views have some (limited) influence on the final version of the National Reform Programme (NRP). This perception is also shared by national authorities in some countries.

- Social partners in Belgium, Denmark, Germany, Hungary and Spain hold that, although they were involved to some degree in NRP 2019, they had no influence on it, while in Greece and Italy they hold that they were not involved at all.

- National authorities consider that social partners’ views have more influence on national reform agendas than trade unions and employer organisations themselves believe.

- In general, employers believe they have more influence on NRPs than trade unions do.

- Luxembourg and Malta both have at least one social partner that reports satisfaction for the influence it had on the NRP.

Correspondence between satisfaction with and influence on contents of NRP

There is some correspondence between satisfaction with, and the level of influence on, the contents of the final version of the NRP. Although replies have not been conclusive, some assumptions can be drawn from the social partners’ views.

- The social partners were satisfied with, or partially satisfied with, the contents of the final NRP in those countries where involvement was considered to be deeper and where trade unions, employer organisations and national authorities reported a significant or limited influence in the NRP, suggesting that the proposals they tabled were well received.

- In contrast, in those countries where there are more shortcomings in the system and the social partners’ rate their level of influence in the process as more limited, the trade unions disagree – strongly or overall – with the contents of the NRP.
Bibliography

Eurofound publications are available at www.eurofound.europa.eu


Clauwaert, S. (2019), The country-specific recommendations (CSRs) in the social field: An overview and comparison: Update including the CSRs 2019–2020, European Trade Union Institute, Brussels.


Annex: List of social partner organisations and national authorities contacted

<table>
<thead>
<tr>
<th>Country</th>
<th>Employer organisations</th>
<th>Trade unions</th>
<th>National authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Federation of Enterprises in Belgium (VBO-FEB)</td>
<td>Confederation of Christian Trade Unions (ACV-CSC) General Federation of Belgian Labour (ABVV/FGTB)</td>
<td>Federal Chancellery (BKA)</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Confederation of Employers and Industrialists in Bulgaria (CEIBG) Bulgarian Industrial Capital Association (BICA)</td>
<td>Confederation of the Independent Trade Unions in Bulgaria (CITUB)</td>
<td></td>
</tr>
<tr>
<td>Czechia</td>
<td>Confederation of Industry of the Czech Republic (SP ČR)</td>
<td>Czech-Moravian Confederation of Trade Unions (ČMKOS)</td>
<td>Ministry of Labour and Social Affairs</td>
</tr>
<tr>
<td>Denmark</td>
<td>Confederation of Danish Employers (DA)</td>
<td>Danish Trade Union Confederation (FH)</td>
<td>Ministry of Employment</td>
</tr>
<tr>
<td>Estonia</td>
<td>Estonian Employers’ Confederation (ETKL)</td>
<td>Estonian Trade Union Confederation (EAKL)</td>
<td>Ministry of Social Affairs Government Office</td>
</tr>
<tr>
<td>Finland</td>
<td>Confederation of Finnish Industries (EFK)</td>
<td>Central Organisation of Finnish Trade Unions (SAK) Finnish Confederation of Professionals (STTK) Confederation of Unions for Professional and Managerial Staff in Finland (Akava)</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>France</td>
<td>Movement of the Enterprises of France (MEDEF)</td>
<td>General Confederation of Labour – Workers’ Force (FO)</td>
<td>Ministry of Labour (DGT)</td>
</tr>
<tr>
<td>Germany</td>
<td>German Employers’ Association (BDA) German Confederation of Skilled Crafts (ZDH)</td>
<td>German Trade Union Confederation (DGB)</td>
<td>Federal Ministry of Labour and Social Affairs (BMAS) Federal Ministry of Education and Research (BMBF)</td>
</tr>
<tr>
<td>Greece</td>
<td>Hellenic Federation of Enterprises (SEV)</td>
<td>Greek General Confederation of Labour (GSEE)</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Employer organisations</td>
<td>Trade unions</td>
<td>National authorities</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Hungary</td>
<td>National Association of Employers and Entrepreneurs (VOSZ)</td>
<td>Hungarian Trade Union Confederation (MASZSZ) Forum for the Cooperation of Trade Unions (SZEF)</td>
<td>Ministry for Finance</td>
</tr>
<tr>
<td>Ireland</td>
<td>Irish Business and Employers Confederation</td>
<td>Irish Congress of Trade Unions</td>
<td>Department of the Taoiseach</td>
</tr>
<tr>
<td>Italy</td>
<td>Employers’ Confederation of Latvia (LDDK)</td>
<td>Italian Labour Union (UIL) Italian Confederation of Workers’ Unions (CISL) Italian General Confederation of Labour (CGIL)</td>
<td>Ministry of Welfare, Labour Department Ministry of Education and Science Ministry of Healthcare Ministry of Economics</td>
</tr>
<tr>
<td>Latvia</td>
<td>Employers’ Confederation of Latvia (LDDK)</td>
<td>Free Trade Union Confederation of Latvia (LBAS)</td>
<td>Ministry of the Economy and Innovation Ministry of Social Security and Labour</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Confederation of Lithuanian Industrialists (LPK)</td>
<td>Lithuanian Trade Union ‘Solidarumas’ (LPSS) Lithuanian Trade Union of Food Producers (LMP) Lithuanian Trade Union Confederation (LPŠK)</td>
<td>Ministry of Social Security and Labour</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Union of Luxembourg Enterprises (UEL)</td>
<td>Luxembourg Confederation of Christian Trade Unions (LCGB)</td>
<td>Ministry of Economy</td>
</tr>
<tr>
<td>Malta</td>
<td>Malta Employers’ Association (MEA)</td>
<td>General Workers’ Union (GWU)</td>
<td>Ministry for European Affairs and Equality</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Labour Foundation (Stichting van de Arbeid)</td>
<td></td>
<td>Ministry of Social Affairs and Employment</td>
</tr>
<tr>
<td>Poland</td>
<td>Polish Confederation Lewiatan Polish Craft Association (ZRP) Employers of the Republic of Poland (Pracadowcy RP)</td>
<td>All-Poland Alliance of Trade Unions (OPZZ) Solidarity (NSZZ Solidarność)</td>
<td>Ministry of Entrepreneurship and Technology</td>
</tr>
<tr>
<td>Portugal</td>
<td>Confederation of Portuguese Industry (CIP) Portuguese Trade and Services Confederation (CCP)</td>
<td>General Confederation of Portuguese Workers – National Trade Unions (CGTP-IN) General Union of Workers (UGT)</td>
<td>Ministry of Labour</td>
</tr>
<tr>
<td>Romania</td>
<td>General Union of Romanian Industrialists (UGIR) Employers’ Confederation (Concordia)</td>
<td>National Trade Union Confederation (Cartel ALFA) National Trade Union Confederation Meridian (CSN Meridian)</td>
<td>Ministry of External Affairs Ministry of Labour and Social Justice</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Association of Cities and Municipalities of Slovakia (ZMÓS) National Union of Employers (RUŽSR) Association of Industrial Unions (APZ)</td>
<td>Confederation of Trade Unions of the Slovak Republic (KOZ SR)</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Chamber of Commerce and Industry of Slovenia (TZS) Chamber of Craft and Small Business of Slovenia (OZS) Association of Employers in Craft and Small Business of Slovenia (ZDOPS)</td>
<td>Association of Free Trade Unions of Slovenia (ZSSS) Confederation of Public Sector Trade Unions of Slovenia (KSJS)</td>
<td>Ministry of Finance Ministry of Labour, Family, Social Affairs and Equal Opportunities</td>
</tr>
<tr>
<td>Spain</td>
<td>Spanish Confederation of Employers’ Organisations (CEOE)</td>
<td>Workers’ Commissions (CCOO) General Union of Workers (UGT)</td>
<td>Ministry of Labour, Migrations and Social Security</td>
</tr>
<tr>
<td>Sweden</td>
<td>The Confederation of Swedish Enterprise (Svenskt Näringsliv) Swedish Agency for Government Employers (Arbetsgivarverket)</td>
<td>Swedish Trade Union Confederation (LO) Swedish Confederation of Professional Employees (TCO) Swedish Confederation of Professional Associations (Saco)</td>
<td></td>
</tr>
</tbody>
</table>

Notes: The social partners listed above were contacted in the preparation of this report to elicit their views. 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 interviewed.
Getting in touch with the EU

In person
All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: [http://europa.eu/contact](http://europa.eu/contact)

On the phone or by email
Europe Direct is a service that answers your questions about the European Union. You can contact this service:
- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls)
- at the following standard number: +32 22999696
- by email via: [http://europa.eu/contact](http://europa.eu/contact)

Finding information about the EU

Online
Information about the European Union in all the official languages of the EU is available on the Europa website at: [http://europa.eu](http://europa.eu)

EU publications
You can download or order free and priced EU publications from the EU Bookshop at: [http://publications.europa.eu/eubookshop](http://publications.europa.eu/eubookshop). Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see [http://europa.eu/contact](http://europa.eu/contact)).

EU law and related documents
For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: [http://eur-lex.europa.eu](http://eur-lex.europa.eu)

Open data from the EU
The EU Open Data Portal ([http://data.europa.eu/euodp](http://data.europa.eu/euodp)) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.
This report investigates the quality of the national social partners’ involvement in designing and implementing reforms and policies in the context of the European Semester 2018–2019 and in the elaboration of the National Reform Programmes.

As previously reported by Eurofound, there is a positive correlation between the strength of the national social dialogue and the involvement of the social partners in policymaking. A positive correlation is also visible between a well-functioning national social dialogue and the involvement of the social partners in the European Semester. In some cases, both processes are almost fully aligned as part of a continuum in social policy practice.

Based on examples of reforms and policy initiatives discussed and implemented since 2018, the picture that emerges is one of stable and relatively effective performance in most countries. Nevertheless, social partners in several countries remain dissatisfied that their views are not truly influential in policymaking, although this perception – of being heard, but not listened to – varies across countries and stakeholders.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency established in 1975. Its role is to provide knowledge in the area of social, employment and work-related policies according to Regulation (EU) 2019/127.