Industrial Relations

Sectoral Social Dialogue
Case Studies

Exploring the connections between EU- and national-level social dialogue
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Industrial Relations: Sectorial social dialogue case studies

Introduction

This working paper comprises the sectoral case studies that have been elaborated in the context of the Eurofound Project “Study on the articulation between the EU level and national levels of social dialogue” (Ref.: 170201/4245). Shorter versions of the case studies are also included in the overall report of the project.

The case studies address seven different sectors: construction; tanning and leather; chemicals; food and drink; local and regional government; railways; and commerce. These sectors were chosen in order to enable the study to examine dialogue in a mixture of sectors, including those exposed to EU regulation, those exposed to competition, those undergoing high levels of restructuring, and those with different social dialogue traditions and histories. Based on this general set of selection criteria cases were also identified after a round of stakeholder interviews with EU level social partners at cross-industry and sectoral level as well as the EU Commission that were carried out in the first phase of the study. This collaboration with EU level stakeholders was also important to identify and gain access to national social partner organisations and interview partners.

The following table provides an overview of the seven sectoral case studies and the social partners that have contributed to the analysis by interviews that were carried out between autumn 2017 and spring 2018. Most of the interviews with EU level organisations were conducted on a face-to-face basis, whereas most of the national level interviews were carried out by phone.

<table>
<thead>
<tr>
<th>Sector</th>
<th>EU Social Partners</th>
<th>National social dialogue analysed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>industriAll, ECEG</td>
<td>Belgium**, Bulgaria**, Germany</td>
</tr>
<tr>
<td>Commerce</td>
<td>UniEuropa, EuroCommerce</td>
<td>Spain*, Norway</td>
</tr>
<tr>
<td>Construction</td>
<td>EFBWW, FIEC, EBC</td>
<td>Denmark*, Germany, Slovenia, Romania**</td>
</tr>
<tr>
<td>Food and Drink</td>
<td>EFFAT, FoodDrinkEurope</td>
<td>Slovenia, UK*</td>
</tr>
<tr>
<td>Local and Regional Government</td>
<td>EPSU, CEMR</td>
<td>Denmark, Hungary, UK</td>
</tr>
<tr>
<td>Railways</td>
<td>ETF, CER, EIM</td>
<td>Bulgaria*, France, Germany, Slovakia**, Slovenia</td>
</tr>
<tr>
<td>Tanning and Leather</td>
<td>industriAll, COTANCE</td>
<td>Italy, Romania</td>
</tr>
</tbody>
</table>

Notes: * only trade union representative(s) interviews; ** only employer representative(s) interviewed

In addition to a document analysis of outcomes, publications and further material related to the respective social dialogue, the main source of the case studies are interviews that were carried out by members of the research team with representatives of the social partners at European and national level. Each case study is based on interviews in at least two countries; in most cases three or more countries were covered by interviews. As regards the

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implementation of case studies and methodological challenges in this context, the following remarks should be made:

- based on the suggestion of the European social partners, relevant countries as well as interview partners were identified;
- overall, most interviews were carried out as initially planned; there were only very few cases of non-replies;
- the research team did not encounter specific problems as regards certain regions (for example Central and Eastern Europe or continental Europe);
- one pattern that emerged, however, was that generally it was easier to schedule and conduct interviews with employer organisations at national level than with trade unions;
- this difference is likely to relate to several factors, including language skills, capacities, but also relevance of social dialogue from the perspective of the respective national social partners.

The overall research approach as well as the findings of the stakeholder interviews were presented and discussed at a Eurofound expert workshop that took place in Brussels in December 2017. Key findings of the research were presented to Eurofound’s Advisory Committee Industrial Relations in March 2018.
Construction sector

Sectoral economic and social context

The construction sector covers many different business activities such as residential housing building, construction of civil engineering projects (for example, roads, railways, tunnels and utility projects of various kinds), as well as plumbing, plastering, painting and other activities (Eurofound 2015a). The construction sector is important for the European and global economy. According to the EU Commission, the construction sector provides 18 million direct jobs, mainly in micro, small and medium sized companies and accounted for about 10% of the EU GDP.1

Table 2: Profile of the construction sector

<table>
<thead>
<tr>
<th>NACE demarcation</th>
<th>41 Construction of buildings; 42 Civil engineering; 43 Specialised construction activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>&gt; 18 million</td>
</tr>
<tr>
<td>Business structure</td>
<td>overwhelmingly SME dominated; few very large multinational companies, most of them in Western European countries</td>
</tr>
<tr>
<td>Business challenges</td>
<td>Low attractiveness of the sector, unfair competition, lack of skilled workers</td>
</tr>
<tr>
<td>Social and employment challenges</td>
<td>High share of self-employment, low pay and irregular work, job insecurity and challenges as regards social security, health and safety challenges</td>
</tr>
<tr>
<td>Impact EU regulation</td>
<td>Generally low but increasing in the context of liberalisation of cross-border service provision, i.e. posting of workers, trans-border services</td>
</tr>
</tbody>
</table>

Source: Authors, based on various sources including Eurofound representativeness study on the sector and interviews carried out in the context of this study.

The economic recession in 2007–2008 hit the construction sector particularly hard. This is partially attributable to the sector’s dependence on access to credit, which has increasingly been cut off during the crisis. Moreover, there have been severe drops in demand, particularly in the private residential but also in the infrastructure market, usually as a result of the constraints on public spending due to the crisis. However, across the EU, the impact of the recession and the timing varied widely between Member States and not all construction subsectors have been equally affected (the residential housing subsector was hit harder than most other parts of the construction sector). According to Eurostat data, construction activities in terms of both turnover and productivity declined more steeply in Ireland and Spain in the period between 2008 and 2013 than in the other Member States.

Irrespective of the recent recession, the European construction sector faces a number of structural problems and challenges. As the most pressing among them, the Commission’s strategy for the sector’s sustainable competitiveness (European Commission 2012) identified ‘a shortfall of skilled workers in many companies, low attractiveness to young people due to the working conditions, limited capacity for innovation and the phenomenon of undeclared work’. The strategy also noted the increasing pressure in the world market from competitors


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from non-European countries which may benefit from less tight regulations in terms of labour and environmental law as well as state aid.

The European construction sector’s business structure is highly fragmented, with a clear prevalence of small and medium-sized companies (SMEs), micro companies as well as an increasing number of self-employed people. However, there are also various forms of bogus self-employment. Since construction is a highly labour-intensive sector, the goal of minimising labour costs may induce employers to operate with bogus self-employed workers so as to save on direct pay and social security contributions. These sectoral challenges have been frequently addressed by joint statements of the EU level social partners in the construction sector in previous years (for example EFBWW/FIEC 2010 and 2015).

**Actors and processes at EU and national level**

**EU-level actors and processes**

The European Federation of Building and Woodworkers (EFBWW) is the European Industry Federation for the construction industry, the building materials industry, the wood and furniture industry and the forestry industry. EFBWW has 76 affiliated unions in 34 countries, including all EU Member States. EFBWW was established in 1974 and is a member of the ETUC.

Created already in 1905, FIEC is the European Construction Industry Federation, represented via its 29 national Member Federations in 26 countries (23 EU, 2 EFTA and Turkey) construction enterprises of all sizes, i.e. small and medium-sized enterprises as well as 'global players', carrying out all forms of building and civil engineering activities. FIEC represents enterprises of all sizes (from one-person craftsmen and SMEs through to large international firms), from all building and civil engineering specialties and enterprises engaged in all kinds of working methods (whether operating as general/main contractors or as sub-contractors). In the interview carried out for this study, the FIEC representative stressed the fact that in order of a balanced representation of companies of all size-groups, FIEC explicitly decided not to organise single (large) companies as members.

It should be noted that since 2007 also the European Builders Confederation (EBC) has an observer status in the Social Dialogue Committee for the construction sector. EBC has affiliates in 13 EU Member States, all of the representing SME and namely construction related craft trade organisations. EBC is a sectoral European member organisation of UEAPME.

As regards social dialogue and related processes at EU level, both FIEC as well as EFBWW stressed the specific nature of industrial relations in the construction sector. Against the background of important sectoral features, social partner organisations have a long tradition as well as social dialogue and collective bargaining at sectoral level. A quite unique feature in many EU countries is also paritarian funds for holiday pay and social payment during winter breaks.

According to the interview with FIEC in the context of this study, the construction industry is characterised by specific elements which distinguish the sector from others in the following ways, for example:

- the fact that it is not the "final product" that moves within the single market, but rather the enterprises and their workforces that have to move to where the "product" is to be constructed;
- labour-intensive activity;
- high mobility of its workforce;
- the higher risk of (fatal) accidents;
- linkage to local traditions, climatic and cultural factors.
Due to their specific role, social partners in most countries play a role in regulating social and working conditions that goes beyond core aspects such as wage-setting or working time but also include joint 'paritarian' funds that are managed mutually by trade unions and employer organisations. Such funds exist in fields such as health and safety, holiday payments or vocational training.

**National level actors and processes**

In the context of this study, national social partners of four countries have been interviewed: Denmark, Germany, Slovenia and Romania, whereby in Denmark and Germany only trade union organisations and in Romania only the employer organisations were available for an interview.

In Denmark, **BAT Kartellet** is the coordinating organisation of seven different trade unions organising workers in different professional groups relevant for the construction sector. All in all, around 140,000 workers are affiliated to the Danish trade unions in the construction sector that cooperate under the umbrella of BAT Kartellet.

**Danskbyggeri**, the Danish Construction Association is an employers’ organisation for approximately 5,700 contracting and manufacturing companies within the Danish building and construction sector. **Danskbyggeri** is affiliated to the Confederation of Danish Employers (DA) and a member of FIEC as well as of European International Contractors (EIC).

In Germany, the construction workers union **IG BAU** is the main trade union in the construction sector. IG BAU organises more than 300,000 workers in the construction sector as well as further industries such as building materials production, waste disposal and recycling, agriculture and forestry, industrial clearing and facility management as well as environmental protection.

There are two main employer organisations in the Germany construction sector: The **Association of the German Construction Industry** (HDB) and the **German Construction Confederation** (ZDB). While the ZDB organises mainly SME and owner-managed companies in the construction sector (around 35,000 companies), the HDB represents the interests of around 2,000 medium and large sized companies in the sector.

In Slovenia, the ZSSS is the main trade union confederation that has around 20 affiliated sectoral organisations covering both private and public sectors, including the Trade Union of Construction Industry Workers of Slovenia (SDGD) which is affiliated to the EFBWW.

The Slovenia national member of FIEC is the **Chamber of Construction and Building Materials Industry of Slovenia** (ZGIGM, Zbornica gradbeništva in industrije gradbenega materiala) which is affiliated to the Slovenian Chamber of Commerce and Industry (GZS), the most influential business association in the country. CCBMIS was founded in 1952 and represents about 300 member companies and organizations (biggest construction companies, enterprises and construction institutes).

An interview in the context of this study was also carried out with the President of the **Romanian Association of Building Contractors**, ARACO in Romania. ARACO was founded already in 1990 when the construction sector was one of the first sectors that became privatised. ARACO has been the Romanian member of FIEC since 1995.

Industrial relations at national level mirror these features in all three countries that have been analysed in the context of this study:

The labour market in Denmark differs to a great extent from other labour markets within the European Union in the way it is regulated. In Denmark there is a more than 100-year-old tradition for social partners to determine central issues, regulating the rights and obligations for companies and workers by laying down wages and working conditions. It is up to the social partners to negotiate and agree upon collective agreements, which establish the wages,
the wage system, working hours, labour market pension schemes and access for workers to elect shop stewards and health and safety representatives and many other issues relating to working conditions in general. This does not mean that there is no legislation regulating parts of the Danish labour market. However, it does mean that Denmark has fewer government and parliament regulations of labour marked issues than it is the case in most other EU countries. Therefore, the majority of workers in Denmark (87 %) are member of a trade Union and an immense part of companies (90 %) are member of an employers’ association.

Social dialogue in Denmark is strongly embedded and also plays an important role in the regulation of the labour market. This also is illustrated by various joint funds and institutions that are administered by the social partners in the construction sector such as in the field of occupational health and safety (BAR Bygge & Anlæg, Byggeriets Arbejdsmiljøhus) or for additional occupational pension schemes. There is also a paritarian training fund for plumbers, pipe fitters and chimney sweepers.

Also, in Germany, the construction sector is characterised by strong social partner organisations that have established paritarian funds (such as two social funds\(^2\) under the umbrella of \textit{SOKA-BAU}) or are strongly involved in the administration and governance of occupational accident insurance at sector level (\textit{BG BAU}). Both funds have been set up jointly, more than fifty years ago, by the social partners of the German Construction industry. On behalf of the social partners of the German construction industry SOKA-BAU provides a variety of services that are tailored to the particular needs of construction companies and their workers. SOKA-BAU covers some 70,000 domestic and foreign construction companies with around 620,000 employees and approximately 420,000 retired workers. In 2009 SOKA-BAU managed 5 billion euro in assets.

As highlighted by the representative of IG BAU, social dialogue in the construction sector forms an integrative part of the economic and social model in the construction sector. It is based on joint bipartite institutions in the fields mentioned above as well as a core of joint interests that also include minimum standards of work and employment conditions and the development of a level playing field that leaves no room for social dumping and unfair competition practice.

The national bipartite social dialogue in Slovenia is, by both parties, evaluated as constructive. The trade union and the employer organization are collaborating; at the end of 2015 they concluded a sectoral collective agreement. However, as the employer organisation does not reach the threshold for representativeness the collective agreement cannot have the extended personal validity (it is valid just for those workers in the construction sector in Slovenia, who are employed by companies that are members of the employer organization). As claimed by both parties this represents a big problem as it causes dumping. Employers which are not bound with the collective agreement (namely are not members of the employer organization) are usually able to offer lower tenders and hence get the business. Considering that around 60 % of the construction business in Slovenia is covered by the state (which is obliged to take the tender with the lowest price) it demotivates employers to be a member of the employer organization (the abnormally lower tenders are also taken into consideration). Thus, both parties are applying to the government to determine at least some minimum working standards in the construction sector and to support them in establishing the paritarian social fund. Informally the government has promised the start-up capital, but no real action has been made.

\(^2\) These are the ‘Holiday and Wage Compensation Fund of the Building Industry’ (ULAK) and the ‘Supplementary Pension Fund of the Building Industry’ (ZVK).
The representative of ARACO in Romania stressed the positive role of bipartite and tripartite social dialogue and cooperation as regards social security and combating unfair competition in the construction sector. In contrast to the examples of Denmark and Germany however, the social dialogue depends much more on the active support of the Romanian government. For example, the establishment of a paritarian fund in 1998 or of a specific scheme on temporary work stoppage during winter times are not based on collective agreements but legal acts. This dependence on the government also increases the vulnerability in case of political change as it happened more recently when the government proposed a weakening of the financing of the paritarian fund.

**Outcomes and good practice examples**

Sectoral social dialogue in the construction sector already has developed since the beginning of the 1990s and informal joint activities exist since 1992 (EU Commission 2010, p. 8). Following the 1998 Decision of the European Council on the establishment of sectoral committees, the informal social dialogue was formalised in 1999, thus as one of the first sectoral committees. Social dialogue in this sector covers activities defined by NACE (Rev.2) codes 41, 42 and 43: construction of buildings; civil engineering and specialised construction activities.

According to the social partners; the social dialogue in the construction sector, which has been rather steady since 2003, is very clearly oriented towards two specific problematics: health and safety (‘working at heights’ directive, work-related stress, etc.) and, above all, the need to establish a level playing field of minimum social working conditions, also as regard the transnational mobility of workers. Further important issues are the attractiveness of the sector for young people, the problem of bogus self-employment, or public tendering.

The recent outcomes from the social dialogue in this sector are contained in table below.

**Table 3: Outcomes of the local and regional government social dialogue since 2008**

<table>
<thead>
<tr>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Memorandum of Understanding ‘Working safer with construction machines”</td>
</tr>
<tr>
<td>2015</td>
<td>Joint position: Single-member private limited liability companies</td>
</tr>
<tr>
<td>2015</td>
<td>Joint pledge to the European Alliance for Apprenticeships</td>
</tr>
<tr>
<td>2015</td>
<td>Joint position: towards a level playing field in the European construction sector</td>
</tr>
<tr>
<td>2015</td>
<td>Joint position on a proposal for a directive on single-member private limited liability companies</td>
</tr>
<tr>
<td>2015</td>
<td>Joint website on initiatives for youth employment in the construction sector</td>
</tr>
<tr>
<td>2015</td>
<td>Update of the joint website on posting of workers in the construction industry (established in 2008)</td>
</tr>
<tr>
<td>2014</td>
<td>Joint report on social identity cards in the construction industry</td>
</tr>
<tr>
<td>2013</td>
<td>Joint Statement on the Posting Directive</td>
</tr>
<tr>
<td>2013</td>
<td>Joint Position on Public Procurement</td>
</tr>
<tr>
<td>2012</td>
<td>Joint opinion of EFBWW and FIEC on the New community strategy on health and safety for 2013-2020</td>
</tr>
<tr>
<td>2012</td>
<td>Joint FIEC-EFBWW proposed amendments on the proposal for a Directive on the enforcement of Directive 96/71/EC concerning the posting of workers in the</td>
</tr>
<tr>
<td>Year</td>
<td>Title</td>
</tr>
<tr>
<td>------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2012</td>
<td>Joint position paper on the Directive &quot;Intra-corporate transfers&quot; (&quot;ICT&quot;) in support of the compromise Amendment 24 adopted by the EMPL Committee (&quot;Jaakonsaari Report&quot;)</td>
</tr>
<tr>
<td>2011</td>
<td>Joint FIEC-EFBWW proposed amendments on the proposal for a Directive on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services [COM(2012) 131]</td>
</tr>
<tr>
<td>2011</td>
<td>Proposed Enforcement Directive COM(2012) 131 final : Joint requests of the European social partners of the construction industry, FIEC and EFBWW, to the EPSCO Council</td>
</tr>
<tr>
<td>2011</td>
<td>Joint position paper on the proposal for Directive on condition of entry of third country nationals in the framework of Intra-corporate transfers</td>
</tr>
<tr>
<td>2010</td>
<td>EFBWW-FIEC joint statement on third-country contractors and workers in the EU</td>
</tr>
<tr>
<td>2010</td>
<td>Joint position paper 'Employment and bogus self-employment'</td>
</tr>
<tr>
<td>2010</td>
<td>Joint position paper 'Emerging from the crisis'</td>
</tr>
<tr>
<td>2009</td>
<td>Joint Declaration on &quot;The global economic crisis and its consequences for the European construction industry</td>
</tr>
<tr>
<td>2008</td>
<td>Launch of a joint website on posting of workers in the construction industry</td>
</tr>
<tr>
<td>2008</td>
<td>Joint declaration on paritarian funds</td>
</tr>
</tbody>
</table>

Source: European Commission Social Dialogue texts database.  

Currently, the sectoral social dialogue committee is focusing on issues such as demographic change and how to take into account an ageing workforce; initiatives to foster youth employment and VET, health and safety and mobility within the single market.

European Social Dialogue in the construction sector has been described by representatives of EFBWW as well as FIEC as quite specific when compared to other ESSD. Both organisations stressed that there is a core set of joint concerns that "drive" their social dialogue as highlighted above, including the joint interest in fostering a European level playing field of fair competition and the fight of unfair competition and social dumping.

The high degree of joint interests in the construction sector is also illustrated by the strong commitment of both FIEC and EFBWW in favour of joint, paritarian funds that have also been promoted by a joint project in Central and Eastern European countries.

A further special feature is the intensive cooperation of both secretariats. The boards of FIEC and EFBWW meet regularly for joint meetings.
Vertical articulation: Processes, practices and perspectives

Top-down processes, practices and perspectives

According to the representative of the EFBWW, the federation’s main task is to represent its affiliates in Europe and help them defend the rights and interests of the workers in the industries it covers. Since the virtual completion of the European Market, and especially since the conclusion of the Amsterdam Treaty, strong representation in Brussels has become all the more important according to the organisation. The European Union has now become a legislative entity in its own right, but in our view, it still has some catching up to do in terms of developing its social dimension. The EFBWW also provides a framework for union cooperation and the coordination of action taken in the industries we represent.

The EFBWW comprises the following bodies: The General Assembly that meets every four years and elects the Executive Committee, the President, the Vice-Presidents, the General Secretary and the Auditing Committee. The current board is composed of persons from member organisations in Germany (President), Sweden, Italy, and Belgium. The current General Secretary is from Sweden.

The Executive Committee is the supreme body of the EFBWW during the period between two General Assemblies and meets at least twice a year.

The Auditing Committee is responsible for the annual examination of the financial situation and the auditing of the accounts of the Secretariat.

The EFBWW has two Standing Committees i.e. the Standing Committee for the building industry and the Standing Committee for the woodworking and forestry industries.

The Standing Committees shall meet at least once a year, they are responsible for studying specific questions arising in their sectors at community level and for submitting proposals to the Executive Committee. The Safety and Health Coordination group assists and advises the Standing Committees on Safety and Health issues. The European Works Council Steering Committee prepares and co-ordinates the EWC work.

EFBWW activities are based on decisions taken and an action programme adopted at the General Assembly, which is held every four years. The action programme outlines the Federation's main activities and tasks. In a nutshell, EFBWW deals with the Social Dialogue, labour market policy, health and safety issues, workers’ representation in multinational companies, terms of employment and social policy.

The EFBWW Secretariat employs a staff off 10 (President, General Secretary, two political secretaries, two policy advisors, and four assistants/office manager.

FIEC's internal working structure is based on three commissions, each under the responsibility of a Vice-President: The Economic and Legal Commission (ECO), the Social Commission (SOC), which deals with training and education, the free movement of workers and services and health and safety matters and finally the Technical Commission (TEC), dealing with standards, energy and the environment, as well as research & development and innovation.

Besides these Commissions, there are groups dealing with such issues as Trans-European Transport Networks (TEN-T) and the cooperation with the southern shore of the Mediterranean (MEDA).

The FIEC Vice-President "SME" ensure the respect of specific SME interests in all work undertaken by the various Commissions and groups of FIEC.

The FIEC secretariat has a staff of eight that include the Director General, Directors for Economic and Legal Affairs, Social Affairs and Technical Affairs as well as four assistants.

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Bottom-up processes, practices and perspectives

The construction sector social partners in Denmark as well as Germany quite similarly stressed the increasing need of a strong presence of the construction sector within the European political system and EU policy debates. Here, both organisations referred to the fact that an increasing part of regulation and provisions that have an impact on the sector, including market conditions, employment and social standards are decided in Brussels rather than in the national capitals. In Denmark as well as Germany, both employers and unions in this context pointed to recent debates such as the regulation of posting of workers or the Commission initiative to introduce a service e-card. Thus, as stressed by the General Secretary of Danish BAT Kartellet, “because two thirds of decisions affecting the construction sector are driven by EU level actors, social partners have to be equally present in Copenhagen and in Brussels/Strasbourg.”

Apart from the fact that in both countries, social partners are strongly involved in their respective EU level organisations and thus shape the EU level social dialogue quite strongly, in particular the trade unions in Denmark and Germany also highlighted further added-value of European level social dialogue in the construction sector:

- as an instrument to (indirectly) improve the framework conditions in which social partners in the Central and Eastern European countries are acting and that often is characterised by less supportive roles of the governments;
- as a tool of capacity building activities for social partner organisations in these countries;
- as the only existing tool to promote the exchange of experiences, innovations and good practices across borders, in particular by joint projects and activities.
- as a forum of the anticipation of change, e.g. related to digitalisation and other technological developments;

The trade union in Slovenia appreciates the European social dialogue very much for several reasons. The biggest value for them is the Directive proposals, agreed between social partners, as they end up in the national legislation. They are supporting the idea of setting some minimum wage standards to prevent dumping from east to west. Although they are in favour of equalizing wages, they are aware that these ideas are still rather idealistic.

An important driver for the employer organisation in the Slovenian construction sector is the aim to establish a level playing field in the European construction sector, including in Slovenia. Furthermore, there are a number of concrete issues addressed by ESSD projects and initiatives, in particular in the field of health and safety and asbestos. The Slovenian employers have been involved in meetings, conferences and actively participated in committees on health and safety and asbestos. The employer organisations have/has translated the outcomes of EU level activities on health and safety as well as asbestos in brochures and have/has disseminated them actively amongst employer and employees.

Interestingly, also the Slovenian employers in the construction sector highlighted in the interview the added-value of legislative binding agreements as a potential outcome of European Social Dialogue. This regards in particular the lack of a level playing field in relations to working conditions, health and safety as well as the minimum wage standards as a big challenge for all those construction companies that “play according to the legal rules”. Stronger EU legislation thus could contribute positively to such a level playing field.

“Everything that is not adopted in the form of a directive is practically not implemented in practice.”

This point was also strongly stated by the President of the employer organisation ARACO in Romania in an interview carried out in the context of this study. Particularly in recent years, the competitions from companies that undermine minimum working conditions have increased. Apart from this issue of supporting a level playing field in Europe, the Romania
employer organisation also has highlighted further topics that are of great interest from the national perspective and that have been or should be addressed by European Social Dialogue:

- Integration into the national system of industrial relations (including the employer organisation) of large Western European companies that are active on the Romanian market;
- Developing answers to increasing skills shortage as regards well qualified construction workers that also result from quite massive emigration in particular of younger workers from Romania to Western European countries;
- Supporting national social dialogue by the integration of Romanian social partners in joint European projects;
- Promotion of joint, paritarian funds and institutions by EU levels social partners.

**Facilitating and hindering factors of articulation and engagement**

The BAT Kartellet in Denmark highlighted a number of aspects that are regarded as crucial facilitating factors for strong articulation and engagement of national member organisations in EU level social dialogue:

- there is a need to see a clear added-value of engagement at the EU level – this is currently the case (at least for the trade union organisations; the employers being more reluctant according to the trade union experience);
- this means that the topics addressed by EU social dialogue are highly relevant and important for the national member organisations – ownership is a key facilitating factor of articulation;
- it is essential that people are participating in European Social Dialogue and joint activities that have a strong mandate from their national organisations;
- a strong facilitating factor is mutual trust, strong commitment as well as good relationships between the trade unions and employer organisations at EU level as well as between EU and national level organisations;
- finally, BAT Kartellet stressed that need of resources and capacities at EU level – this is currently not the case.

In slight contrast to this assessment, the trade union IG BAU in Germany was the opinion that framework conditions of social dialogue at EU level recently have worsened. This is partly due to a reduction of meetings at EU level that receive financial support from the Commission. However, a more serious development according to IG BAU has been that joint initiatives of the EU level social partners seem to not be taken into account seriously by the EU Commission. Examples in this context are various initiatives to strengthen a level playing field and combat social dumping by letterbox companies or circumventing posting of workers provisions. This neglect of joint initiatives of trade unions and employers at EU level has a very negative effect on the perception by national member organisations in the EU countries as regards the added-value of EU social dialogue: “If the EU Commission don’t listen, why should we engage and build up a strong presence in Brussels?”

Both the trade union and employer organisation in Slovenia and the employer organisation in Romania assess the articulation with their European counterparts as effective and beneficial. Trade unions receive regular information from the EFBWW, they are also asked for opinions and to discuss in different committees or as noted: “It is not like that we are going to do as Brussels says.” The trade union representative also highlighted that despite being a small country, Slovenia is visited nearly every year by the EFBWW secretary general.

The employer organization recognizes the value of the top-down processes of articulation as whenever the employer organization needs some information or consultation with FIEC, they get an immediate response. A key hindering factor of engagement and articulation in Slovenia.

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are resources and capacities: The Trade union of construction workers has just two full-time staff at the secretariat, the general secretary and an administrative support employee. The Chamber of Construction and Building Materials Industry of Slovenia indicates a staff number of 2.75 of which one employee is just working on the basis of projects. Due to the very limited resources, the Slovenian social partners find it not possible to engage in a sufficient way: Apart from the lack of personnel resources, there are financial reasons: According the trade union organisation, EFBWW in the past was able to cover certain travel costs but this possibility no longer exists. As traveling to Brussels is quite expensive, they assess the importance of the meeting (usually based on the agenda) and then take the decision whether to attend or not. Thus, according to the union organisation, there is the opportunity to raise its voice, propose topics, discuss, and put forward a position and similar, but they are not so active due to financial and time reason: “If you want to have a firm opinion, you need professional support. But as we lack finance and staff, the opportunities remain on the table”. And there is also time-management; in general, the secretary general spends around 5% of his yearly working time in European social dialogue activities.

The Slovenian construction employer organization stated in an interview in the context of this study that it is only able to attend meetings in Brussels if the travel and accommodation costs are covered by FIEC. Furthermore, they feel that it is not possible to fully participate in the EU level social dialogue because of national problems. Consequently, they do not feel that the achievement of the European social dialogue is joint success (feeling of ownership) as they are not so much involved and proactive.

Summarising hindering factors of strong articulation, for both the employer organization and the trade union, the major hindering factors are finances and personnel.

Initiatives and practices of the social partners to improve articulation and efficiency

Both the employer organization and the trade union in Slovenia have stressed the need to strengthen the exchange of ideas, good practices as “Slovenia is not a country of good practices and quality-based business models in the construction industry” (employer organization observations). Thus, social partners are looking for tools to raise awareness of the importance of the construction industry to attract qualified employees, train them and to have a good reputation. According to the Slovenian trade union, with the declining trade union membership and lack of funds the social dialogue has started to weaken, which can be – by their opinion - observed at the national as well as on the European level. This is even truer for the Eastern European countries, for example in Romania and Hungary the social dialogue exists just on paper. One of the reason lies also in the political governance of the named countries. To overcome these problems, they see the possibility to establish labour chambers on the national and European level.

The role of the European Commission has to be enforced as well, especially regarding the weak regulation of the social dialogue to produce concrete results. For example, the European Commission could encourage national government to establish paritarian social funds. In this regard, they see the establishment of paritarian funds as a national matter, it is not under the umbrella of the European Social Dialogue, although the EFBWW would help them if needed. As for the outcomes of the European Social Dialogue trade unions appreciate the most directives and its transposition to the national legislation. Among other subjects they identify health and safety. They collaborated in the campaign of wages in the European Union (Pay rise, ETUC; https://www.etuc.org/issues/pay-rise). The topic is of their biggest interest as they have a lot of anomalies in the national and sectorial wage model. Although they are supporting the activities, it is an average story for them as it cannot help them much – a lot of problems have accumulated in the last decade on the national level.
According to the IG BAU it is essential that the European Social Dialogue is strengthened by concrete activities of the EU Commission. This should include listening to concrete joint demands of the representative social partners for example to not reduce the number of meetings that are eligible for Commission support. For the IG BAU it is also essential that the social partners are consulted and institutionally involved in a timely and serious way by the EU Commission on legal initiatives that either have a direct or indirect impact on employees in the construction sector. IG BAU also stresses that joint demands should be taken more seriously by the EU Commission. As an example, it referred to the discussion of the service e-card initiative and the joint position against such a card by the social partners.3

Whereas the Slovenian and German social partners argued for a more active and supportive role of the EU Commission, the Danish BAT Kartellet expressed a slightly different view on how to strengthen the European Social Dialogue and the linkages with the national level. According to the Danish trade unions, social partners themselves should become more active and should avoid becoming too dependent on support provided by the Commission (“we don’t have to be paid to meet”). For BAT Kartellet a key factor for strengthening the linkage between EU and national levels of social dialogue are activities at EU level that have a direct and positive impact on employment and working conditions at home. Furthermore, BAT Kartellet strongly argued for the need to strengthen in particular the capacities of trade unions at EU level, i.e. national affiliates – if able - should provide more personnel and financial capacities to EU level works.

It should also be noted that the Commission co-finances a recently-launched project in this sector, which focuses on CEEC, aiming to strengthen, promote and reinforce industrial relations in the construction sector, at all levels. The EFBWW and FIEC, together with AEIP (the European Association of Paritarian Institutions of social protection), agreed on a long-term cooperation agreement, and have committed themselves to strengthen, reinforce and promote industrial relations in the construction industry at all levels. One specific element of the cooperation agreement is that the partners will make better use of the existing EU budget lines related to “Industrial Relations and Social Dialogue”, in particular as regards initiatives targeting Central and East European Countries (CEECs).

Summary
The following table highlights key results in relation to vertical linkages and articulation in the context of the sectoral social dialogue in the construction sector, including recommendations of how to improve vertical articulation.

Table 4: Summary of results

| Engagement and motivation of actors | • Social partners at EU and national level are highly motivated to engage in social dialogue |
| | • Sectoral challenges (health and safety, unfair competition practice) provide a floor for joint interests and topics of social dialogue that are relevant for both unions and employers |
| | • EU level policies and legislative initiatives further contribute to strong engagement and motivation |

3 See also more recent statements of the EU level social partners: http://www.efbww.org/default.asp?Index=974&Language=en

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| Effectiveness of top-down and bottom up processes of articulation | • Well established bipartite dialogue at EU level, personal continuity and close relationships between EU and national level organisations contribute to quite strong effectiveness of top-down and bottom-up processes (information flows, communication, etc.) of articulation |
| Facilitating factors of articulation | • Trust based relationships between the secretariats at EU level, regular meetings of the two boards |
|  | • Continuous and frequent contacts between secretariats at EU level and national affiliates |
|  | • Tradition of social dialogue at national level in this sector, including in Slovenia and Romania |
| Hindering factors of articulation | • Social partners disappointment about the reduced number of meetings financed by the Commission; |
|  | • Disappointment of social partners with the results of consultations by EU Commission |
|  | • Competition based on wage and working conditions at national level and erosion of collective bargaining coverage and social dialogue (Slovenia and Romania) |
|  | • Capacity of national social partners and resources dedicated at national level to the EU social dialogue, especially as regards Central and Eastern countries – and their under-representation in the committee meetings |
| Recommendations for improving articulation and level linkages | • National trade unions should strengthen their EU level organisation (BAT Kartellet), stronger regulation of working conditions in order to establish a level playing field (Slovenia, Romania) |
|  | • Sustainable capacity building in terms of personnel and financial resources (Slovenia, Romania), also independently from the support provided by the Commission |

Tanning and Leather

**Sectoral economic and social context**

Tanning and leather is defined in accordance to the Statistical Classification of Economic Activities in the European Community (NACE) (Rev. 2) class 15.11. It includes tanning and dressing of leather, and dressing and dyeing of fur. Some activities are highly industrialized, while others present a market degree of craftsmanship and for yet others, the core business is trade and supporting services.

The leather sector comprises about 40,000 workers (including employees, self-employed and agency workers) in about 3,300 companies across the EU and it generates a turnover of nearly EUR 8 billion (Eurofound, 2017). The sector presents the following characteristics:

- A high proportion of small, often family-owned enterprises, with 18 people per enterprise as the average size of a EU tannery;
- A clear majority of a male, poorly qualified workforce, with a relatively scares presence of migrant and non-standard forms of employment;
- Strong regional concentration, with tanning playing a key role in the local economy.
- Business activities are very unevenly distributed across EU Member States, and highly concentrated in few EU countries.

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Table 5: Profile of the tanning and leather sector

<table>
<thead>
<tr>
<th>NACE demarcation</th>
<th>15.11: Tanning and dressing of leather; dressing and dyeing of fur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>Around 40,000, nearly 70% in Italy</td>
</tr>
<tr>
<td>Business structure</td>
<td>SME dominated, strong concentration of business activities in Italy</td>
</tr>
<tr>
<td>Business challenges</td>
<td>Shrinking market, export restrictions, overall unfair global</td>
</tr>
<tr>
<td>Social and employment</td>
<td>Attractiveness of the sector, lack of skilled workers, poor</td>
</tr>
<tr>
<td>challenges</td>
<td>working conditions and low pay in many jobs</td>
</tr>
<tr>
<td>Impact EU regulation</td>
<td>low, stronger EU policy in favour of the sector would be needed</td>
</tr>
</tbody>
</table>

Source: Authors, based on various sources including Eurofound representativeness study on the sector and interviews carried out in the context of this study.

Italy has one of the largest shares of the tanning sector in Europe, with 65% of the total turnover (percentage on value of production) and 78% of the companies (mostly SMEs) and 52% of the workforce. The Italian tanning industry employs 17,612 people in over 1,200 companies, has an annual turnover of 5 billion euros and is historically considered world leader for high technological and qualitative development, strong environmental commitment and innovative capacity in terms of stylistic design. Italian tanners currently produce 122 million square metres of finished leather and 12 thousand tons of sole leather. The sector is mainly made up of SMEs, which are located within industrial districts specialised by type of processing and product destination.

Over 2015-2016 the number of companies active in the leather tanning industry has diminished passing from 1,243 companies in 2015, to 1,218 enterprises active in 2016. The following factors explain the downturn in the sector:

- Decrease in EU leather footwear manufacturing as the main outlet of tanneries;
- Rise of export barriers on raw materials in some of the most important non-EU producing countries such as Brazil, Russia and Ukraine;
- Global decline in consumption of leather garments; and the ongoing tendency to relocate leather manufacturing and processing industries to non-EU labour markets with low costs (Eurofound, 2017).

The overall tendency of the EU-27 tanning production and turnover during the 70s, 80s and 90s was rising, until the all-time peak of 2000-2001. However, since then the sector experienced a gradual and continuous decrease, with the only exceptional year of 2006 and 2007. Several factors explain the downward trend. One of those factors is unfair competition exerted by many trading partners with regard to the access to leather markets and to raw material markets. As stated by the representative of the European employer organisation COTANCE in the interview carried out in the context of this study: “Regarding trade we have been fighting since long time by now – with the trade unions – against export restrictions in third countries. Almost 60% of global availability of raw materials are under export restrictions for us but people from third countries can come to Europe and buy what


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they want. This is creating a lot of problems for us and the industry overall. This is basically shrinking the market and create unfair competition”.

**Actors and processes at EU and national level**

**EU-level actors and processes**

The membership domain of IndustriAll Europe, as the European Federation of Industry and Manufacturing Workers, is multi-sectoral. Overall, IndustriAll Europe is in 38 countries, with 7 mill members, and 190 affiliates. More specifically, it records 36 direct affiliates (88 % of the unions identified in the study) in 19 Member States. All affiliates but seven are engaged in sector-related collective bargaining. In terms of capacity to negotiate, IndustriAll Europe is equipped with an implicit rather than explicit statutory mandate according to its statutes. IndustriAll Europe is involved in 11 sectoral Social Dialogue Committees: metal industries, steel, shipbuilding, chemical industry, paper, gas (on hold), electricity (with EPSU), extractive industries, textile & garment, footwear, and leather and tanning. Finally, IndustriAll has recently launched a proposal for a social dialogue committee in the aerospace industry.

COTANCE represents the tanning and leather sector. The organization counts 12 direct and 2 indirect (via a lower-order unit) associational members (together representing 67 % of the employer organisations in the sector) in 14 Member States. Eight of the 14 affiliates are involved in sector-related collective bargaining. COTANCE is provided with an implicit rather than explicit negotiation mandate according to the organisations’ statutes. COTANCE is involved in two sectoral social dialogue committees: one in Tanning and Leather and the other in Footwear.

The European Sectoral Social Dialogue (ESSD) was created in 2001. However, informal working groups were established much earlier since 1999. The tanning and leather sector organisations listed by the European Commission as a social partner organization consulted under Article 154 of the TFEU are the IndustriAll European Trade Union (IndustriAll Europe), representing employees, and the Confederation of National Associations of Tanners and Dressers of the European Community (COTANCE), representing employers.

There exist also initiatives regarding the organization of ESSD along the supply chain with sectoral social dialogue committee meetings clustering responsible for tanning and leather as well as textile and clothing from the employers and trade unions side. These initiatives of social dialogue along the supply chain are particularly welcome by the trade unions and they meet the interests of the employers and the EU Commission as the way in which to increase flexibility and to reduce costs. Sectoral Social Dialogue does not cover fur.

**National-level actors and processes**

In Italy, UNIC (Unione Nazionale Industria Conciaria) is one of the most important tanners’ association worldwide. UNIC represents the sector from the side of the main Italian employers’ organisation i.e. Confindustria. It is a member of the European Confederation of Tanners (COTANCE) and the International Council of Tanners (ICT).

The trade unions federations are Filctem-CGIL, Femca-CISL and Uiltec-UIL. In 2009 Femca-CISL counted 11.6 % of density and Filctem-CGIL 14.6 %. On the other hand, UNIC could count of 32.5 % of density (Eurofound, 2009) but the association estimates that whole turnover of associated companies represents more than 80% of the total national. Although several artisan enterprises operate in tanning and leather, no artisan associations bargain in the sector in Italy (Eurofound, 2009). However, the national collective agreement signed by UNIC and the above-mentioned trade union federation in the sector applies.

There are two major trade unions in the sector in Romania, both affiliated to IndustriAll: Confpeltext and Uniconf. Both are member organisations of the national trade union
APPBR, the Romanian Leather and Fur Producer Association, is an independent legal entity with 18 members companies of tanning industry in Romania, with a turnover of 35 million euro in 2016. APPBR was founded in 2011 and in the same year became a member of COTANCE.

Social dialogue in Italy mainly involves the bargaining activity for the renewal of the collective agreements between employers and trade unions at the national (sectoral) level. The national collective agreement represents the most important tool for regulating employer–employee relationships and it applies regardless of whether the enterprise is a member of the employers’ organisations that has signed the agreement. Regional and company bargaining are also performed jointly. At regional level, the national collective agreement applies. Whereas where no company bargaining exists, negotiations frequently occur at individual level in matters regarding salary, type of work and overtime. This is particularly frequent in micro enterprises. UNIC recognize the trade unions as the interlocutor in bargaining from the workers’ side. However, at company level, especially in micro enterprises, no trade union may be present. Collective bargaining is carried out on a joint basis between the confederal sectoral trade unions – Filetem, Femca and Uiltec – during the preparation of the trade union platform for national collective agreements. The negotiation for the renewal of the collective bargaining usually starts 6 months before the deadline for the decline of the previous national collective agreements. The multi-employer agreement covers about 90% of the workers in the sector. At the beginning of 2017 there has been the last renewal of the collective agreement where both trade unions and employers have agreed on a package of measures to boost the competitiveness of the sector. These measures include: the raise from 20% to 25% of temporary contracts and the reduction in the number of unjustified absences (from more than five days to more than four consecutive days) and repeated absences (from 5 to 4 times in a year) beyond which dismissal for cause is possible, including cases of absence before holidays. The parties have also committed themselves to promoting the development of second-level bargaining (local or companies level) and have introduced supplementary pensions as a contractual welfare tool.

Social Dialogue in Romania has been facing several challenges, which hit the tanning and leather even stronger as discussed above. The collective bargaining coverage had declined sharply in the years of the economic crisis (according to ILO data for 60% between 2008 and 2013). The collective bargaining is mostly left to the company level as trade unions do not meet the criteria for representativeness according to the recent law. The Social Dialogue Law, which entered into force at the end of 2015, stipulates that the collective agreement at the company level can be signed also by the representative trade union federation in the case where the trade union is not representative. Although the expectations were high, it has not resulted in bigger collective bargaining coverage.

Outcomes and good practice examples

The Tanning and Leather ESSD has resulted, since 1999, in the adoption of more than a dozen of joint texts (see Table 3). Most of these texts are Joint opinions on economic and/or sectoral policies, social aspects of community policies, and social dialogue. Joint opinions are texts jointly addressed by the social partners to the EU or the Member States with a view to influencing general policy direction or the outcome of a specific piece of draft legislation. Among the rest of the ESSD there are declarations on sustainable development of the sector. Declarations are usually texts that circulate among the social partners themselves but without either binding nature or provision for monitoring their implementation (something along the lines, in other words, of ‘declarations of intent’). ESSD resulted also in one recommendation on CSR, one rules of procedures and one tools on social dialogue. Recommendations are joint documents in which the European social partners undertake to achieve specific goals at...
European or national level but without giving any binding legal nature to their commitment. Unlike ‘declarations’, however, these texts do include a procedure for monitoring their implementation. Tools are documents whose purpose is to help the social partners to achieve or implement specific goals. Conversely rules of procedures are texts defining the rules governing social dialogue in the sector in question.

**Table 6: Outcomes of ESSD**

<table>
<thead>
<tr>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Manifesto of the social partners of the leather industry at EU level</td>
</tr>
<tr>
<td>2014</td>
<td>Leather Industry’s Social Partners’ Joint Letter to Commission President Mr Juncker</td>
</tr>
<tr>
<td>2014</td>
<td>Joint Declaration on the Defence of the European Leather Industry</td>
</tr>
<tr>
<td>2012</td>
<td>Joint Statement on the Ban of Cr VI in Leather and Leather Products</td>
</tr>
<tr>
<td>2012</td>
<td>Joint Statement on the Free Trade Agreement between the EU and Ukraine</td>
</tr>
<tr>
<td>2009</td>
<td>Joint Statement of the Social partners of the EU Leather Industry on the Greenpeace Report on the deforestation of the Amazon rain forest</td>
</tr>
<tr>
<td>2006</td>
<td>Joint Declaration of the social partners of the EU leather industry</td>
</tr>
<tr>
<td>2005</td>
<td>Joint Declaration of the social partners of the EU leather industry</td>
</tr>
<tr>
<td>2004</td>
<td>Procedural rules of the Sectoral dialogue committee in the leather tanning sector</td>
</tr>
<tr>
<td>2004</td>
<td>EU Spring Summit: Contribution of the Social partners of the EU leather industry</td>
</tr>
<tr>
<td>2003</td>
<td>Working Document for the social partners on the social dialogue in the EU tanning sector</td>
</tr>
<tr>
<td>2000</td>
<td>Code of Conduct in the Leather and tanning sector</td>
</tr>
<tr>
<td>2000</td>
<td>Programme d’action sociale (only in French)</td>
</tr>
<tr>
<td>2000</td>
<td>Contribution of the social partners in the leather industry to the preparation of the new social policy agenda</td>
</tr>
<tr>
<td>2000</td>
<td>Lisbon Summit: contribution of the social partners of the European leather industry</td>
</tr>
<tr>
<td>2000</td>
<td>Sectoral Dialogue Committee “tanning” Joint declaration by the social partners in the “tanning sector” concerning, among other things, training requirements in the context of modernizing the organization of work, improving the image of the sector and putting in place the observatory on industrial change</td>
</tr>
<tr>
<td>1999</td>
<td>Impact des crises financiers asiatique et russe sur la filiere ‘mode’ (only in French)</td>
</tr>
</tbody>
</table>


**Vertical articulation: Processes, practices and perspectives**

**Top-down processes, practices and perspectives**

COTANCE and IndustriAll elaborate frequent recommendations for the national parties which the latter try to adopt. In particular, both interviewed national parties shed light on the commonality of aims between EU and national level social dialogue. More precisely, UNIC, indicates that EU social dialogue has a relevant role in shedding light on the priorities in the sector. They argue “at the end of the day, despite the differences we may have with the trade unions at the national level, at the EU level we are all together aiming at discussing and setting up policies which have only one goal, that is improving the competitiveness of the
sector, this is something we employers representing the companies’ interests and trade unions representing the interests of the workers have as common goal when we operate at the EU level. Exchanging views and ‘good’ practices which can be done only at the EU level is considered by both national social parties essential to improve the economic and social conditions of the sector. In addition, UNIC states the particular relevance of EU social dialogue, which can help in improving the national industrial relations climate.

In Romania, both the employer organization and the trade union recognize the value of top-down processes. In particular, the trade union evaluates all activities and recommendations sent from IndustriAll and try to put them in their agenda. Similarly, COTANCE comes to the employer organization with their initiative and they spent a lot of effort for a joint solution or opinion.

**Bottom-up processes, practices and perspectives**

Italian employers and trade unions organisations both highlight how they feedbacks to their representative organisations at the EU level. Accordingly, UNIC define themselves as “active part in the EU social dialogue”. In particular, the employers side at the national level shed light on the need to keep constant interaction between the EU representative organisations and the EU institutions (particularly the European Commission) for lobbying and policy making. Likewise they emphasise the need to use the EU level as a place where different national organisations can exchange information and good practices. Thus, EESD may become a sort of ‘cross-national platforms’ which can deliver new ideas on how to improve the competitiveness of the sector.

The Romanian trade union tries to get the support of IndustriAll in every tough situation. The communication starts with their e-mail describing the problem. They are looking for a large point of view in order to identify the best solution that could help them to solve the current situation. The most recent example is the big argue between the Romanian government and the civil society regarding the contributions for social security as the government wants to switch all the payments to the employees. The trade union asked for IndustriAll help and they sent a letter of support to the Romanian government and parliament not to undertake such unfair measures for the employees. Similarly, the employer organization asks for help when they have a problem, which can be discussed with the responsible persons at COTANCE. Usually they get a quick response. They are also active when proposing things to discuss as they have the possibility to do so in any meeting.

**Facilitating and hindering factors of engagement and articulation**

From both employers’ organizations and trade unions in Italy and Romania the main hindering factors are language barriers, financial capacity and resources (e.g. timing regarding meetings and the frequency of meetings). The employer organization stresses the problem of (non)collaboration with trade unions, particularly in Romania. Moreover, also the relationship with government is considered in Romania problematic as they have problems contacting the government and ministries. Consequently, it is nearly impossible to have a discussion about policies and to put measures in practice. On the other hand, in Italy employers indicate that bringing the messages from the EU level down to the national level can be a problem, particularly when the local level consists mostly of SMEs, whose economic reality may not exactly fit the conceptual discussion of topics – rather than distinctive practices - which is developed at the EU level. UNIC attempts to play a strong role in engaging and continuously informing SMEs on the importance to participate to EU social dialogue. Finally, some of

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5 The interview was carried out in December 2017.
these companies are sensitive to the need to participate to EU level social dialogue. This is strong particularly when training and skills measures are discussed at the EU social dialogue. Below we summarise specific facilitating and hindering factors as highlighted by the social partners in the interviews in each distinctive national reality.

The Italian employer organisation UNIC considers ESSD helpful in promoting initiatives, such as those aimed at increasing skills and competences through training in the sector, and on which IndustriAll is also actively involved. These initiatives aim at reinforcing the national (and European) competitiveness of the industry. On the other hand, the 18 members of the Romanian employer organization are not really active in this field. Their involvement heavily depends on the topic, meaning how interesting is for them. If they have a problem, they ask for help, but their own initiative to bring topics to Brussels is scarce. They are mostly positioned nationally as they have a lot of problems to solve, such as training, developing occupational standards, aligning with European legislation and similar. The usual way is that the employer organization disseminate all important information by email, phone or at direct meetings. It is worth to note that according to the employer organisation each single document needs to be translated.

Both trade unions and employers’ organisations in Italy recognise the value to be engaged in ESSD. Particularly, this engagement offers scope to the national social partners to know each other and to appreciate each other better, thereby it may become a sort of catalyst of establishing ‘good social relationship’ at the national level too. This may be particularly relevant within those industrial relations contexts where social relationships have been traditionally conflictual, especially in the past, such as in Italy. In so doing, participating to the ESSD can help smoothing distinctive ‘conflictual’ attitudes and behaviours, and therefore it can help in building up a constructive ‘participatory’ social climate between employers and trade unions at the national level. On the other hand, it is also argued that by detaching from the specific ‘features’ of the national context, ESSD can foster dialoguing around specific issues with the employers than it would be conversely much more difficult to do through normal bargaining processes at the national level. As an Italian trade unionist argues: “the projects we have been working together at the European level have been giving to us the possibility to know each other and to talk to each other about issues on which it would have been probably difficult to agree upon at the national level”. However, whereas UNIC considers ESSD as delivering ‘added value’ in the sense of representing a vehicle to reinforce participation and interaction with the European institutions on the one hand and complementing good social relationships at the national level with the trade unions on the other hand, the trade unions express some difficulties to actively and continuously engage in ESSD due to a lack of resources (e.g. availability of time).

Romanian trade union faces the problem of the absence and reluctance of employers’ organization to take part in social dialogue as for example “in the last sectorial committee only trade unions representatives were there.” They are faced with similar situations also with multinationals, such as Inditex, and other companies. IndustriAll tries to help them, but if the trade union reaches them (sometimes even this is a problem), they refuse to have a dialogue. As noted by the trade union the employers consider trade unions “something from the communist era and they represent a cancer of the society”. Regardless the national situation the trade union participate in all kind of events organized by IndustriAll, such us training sessions, different conferences, and in all of their campaigns. Beside that in Romania the trade union collaborates with two big international NGO: Friedrich-Ebert-Foundation and Connect Association.

The trade union sees the ESD as a very helpful tool, but the effects cannot take effect because the employer organizations do not participate on the ESSD committee. As noted by the trade union, the “employers refuse to have a dialogue neither at the national level nor at the European level”. Thus, they are left to the dialogue at the local level in companies, which
own the factories in Romania. But if they try to contact workers and/or to pressure employers, they risk that the company would move the factory and the workers would remain without work (unemployed). They had already this experience with Inditex.

By the employer organization’s belief in Romania, the ESD is working well. They recognize the added value of the ESSD mainly through projects about environmental law, social and working conditions and similar. The relevance of the topic discussed at the ESSD are mostly important for them as the agenda is usually around everyday problems. There is willingness to be more active at the European level, but the organisation faces two major obstacles: finance and language barriers. On the other hand, the national social dialogue is not existing. Although some trade unions are present, they are not very representative and in the last years they have not concluded a collective agreement on the national level. As the main reason for not having a national social dialogue is the trade unions non-representativeness employers do not consider them to discuss. Consequently, the wages and working condition are determined by the management of each single company. Due to the harmonisation with the EU environmental law huge investments were demanded and some big companies left the country and the sector has been impoverished.

Among the outcomes of the ESSD the employer organization points out the last finished project “Leather is my Job”, which was aimed to raise awareness, to promote the sector and to attract the younger generation. They collaborated with the trade unions, although the main drive was from the employer side. Besides this they are involved in an on-going project about working conditions including health and safety with the goal to propose tools for companies to identify the critical point regarding working conditions and to enhance training and education in the sector. In both cases there is an agreement between COTANCE and IndustriAll.

The employer organization monitors the implementation of the European social dialogue outcomes by their own and through the federation. However, sometimes they do not have enough power to make changes and to impose favourable decisions for the sector. At the national level they monitor the implementation.

Initiatives and practices of the social partners to improve articulation and efficiency

In Italy, employers’ organisation have engaged in developing some measures and tools which could help them in bringing down to the companies the relevance to participate in EU social dialogue. These measures and tools include, for example, newsletters and campaigning. On the other hand, conversely, trade unions still face problems which are related mostly to resources and language issues and which still constrain them to actively participate to ESSD. Therefore, for the unions particularly having a compulsory participation to the bipartite committees for social dialogue may offer a necessary but not sufficient solution to the problem, since other structural issues may remain, e.g. language despite translation is provided. As a trade unionist explained during an interview: “Sometimes it is a question of terminology and if you do not get the right term then you have not understood anything”.

Furthermore, the employers’ organisation considers relevant having a social dialogue which impacts on the decisions of the European Commission. They also shed light on the importance of using EU social dialogue to exchanging practices and information not only at the boundaries of the sector but also involving other (close) sectors. In other words, the recommendation is to expand the social dialogue at the cross-sectoral level, with close sectors such as mode and fashion (e.g. value chain). From the trade union side there is the recommendation of strengthening the resources for social dialogue at both EU and national level so that the two levels can work much more in harmony, overcoming the risk to be jeopardised by national-based urgency.

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As to Romania, the trade union organisations have difficulties in identifying tools to improve the European social dialogue as they are primarily focused on the national situation and due to the relatively scarce experiences as they participated only to one bipartite committee (but several organized by IndustriAll). However, they also underline some possible solutions to the constraints that they meet. For example, in the interviews they highlight that it would be really helpful for them to make the participation in the committees mandatory for everybody. As all the costs are paid by the European Commission, the employers could not invoke that they are not participating because of high expenses. From the employer perspective a stronger exchange of good practices, especially with associations, which are better organized and with a better activity at national and European level, is needed. Anyhow here they encounter again the language problem as managers from Romania are willing to attend meetings, but they not always have sufficient finances to cover the translation costs. More efforts and funds would be appreciated for education and training to support the development of professional standards. As they stress, it is not a problem just of tanning, but also of textile industry.

Furthermore, both employer organization and trade union recognize lot of problems in the relation with the Romanian government. All these actions require from them a lot of time and effort, which result – among other things - in a lower activity on the European level.

Summary
The following table highlights key results in relation to vertical linkages and articulation in the context of the sectoral social dialogue in the tanning & leather industry, including recommendations of how to improve vertical articulation.

Both national and EU level social partners are both committed and engaged in ESSD as the way to respond to the current challenges the sector is facing. In this regard, particularly national-level employers organisations and trade unions have created innovative tools to improve horizontal coordination (e.g. through newsletters and campaigning employers’ organisation in Italy engage companies to participate in EU social dialogue) while reinforcing vertical articulation with the European level. Amongst the other factors facilitating articulation we do also include mandatory participation in social dialogue committee meetings for each organisation involved in ESSD as well as the reinforcement of exchange of good practices, especially with associations, which are better organized and with a better activity at national and European level.

Empirical evidence in Italy and Romania illustrate that articulation can be problematic. Gaps in articulation exists because of the need to prioritise national issues in the light of scarce resources as well as the risks to move attention away from the EU level particularly for trade unions, who also face language barriers and lack of expertise. In addition, and this can be specifically more difficult for employers than trade unions, representative mandate, particularly for employer organisations structurally hinder legitimacy by the organisations representing the interests of their affiliates. On the other hand, participation only to one bipartite committee can create problems for the trade unions. Thus, education and training to support the development of professional standards are essential.

Table 7: Summary of results

<table>
<thead>
<tr>
<th>Engagement and motivation of actors</th>
<th>• Strong commitment and engagement of EU level social partners based on joint challenges the sector is facing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness of top-down and bottom up processes of articulation</td>
<td>• Across-levels coordination less (but still) problematic but stronger coordination of unions than employers</td>
</tr>
<tr>
<td>Facilitating factors of</td>
<td>• Through newsletters and campaigning IT employers’</td>
</tr>
</tbody>
</table>

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## Industrial Relations: Sectorial social dialogue case studies

### articulation

Organisation engage companies to participate in EU social dialogue;
- Mandatory participation in social dialogue committee meetings for each organisation involved in ESSD
- Stronger exchange of good practices, especially with associations, which are better organized and with a better activity at national and European level.

### Hindering factors of articulation

- Gaps in articulation because of the need to prioritise national issues in the light of scare resources; risks to move attention away from the EU level particularly for trade unions
- Language barriers and lack of expertise (in particular trade unions)
- Representative mandate, particularly for EOs structurally hinder legitimacy by the organisations representing the interests of their affiliates (more relevant for employers than for unions)
- Participation only to 1 bipartite committee can create problems for the trade unions to actively participate
- Education and training to support the development of professional standards.

### Recommendations for improving articulation and level linkages

- Using EU social dialogue to exchanging practices and information across-sectors, with priority given to close sectors such as mode and fashion (e.g. value chain).
- Strengthening the resources (including financial and training for professional development) for social dialogue at both EU and national level
- Harmonising topics and needs between EU and national levels thereby overcoming the risk ESSD is jeopardised by national-based urgency.

*Source: Authors*
Chemical Industry

Sectoral economic and social context
The EU chemical industry sector employs directly over 3.3 million people (about 1% of the EU workforce) in about 94,000 companies. The chemical industry is a diverse sector, comprising three quite distinctive branches of chemicals and chemical products, pharmaceutical production and rubber and plastic products. The sector is one of the biggest and most competitive in the EU, also including a number of very large companies that are global players. However, most of the business structure of the sector is made up of small and medium sized companies.

Despite the economic crisis which started in 2008, employment rates in the chemical sector have held up reasonably well in terms of both direct and indirect employment. Although the sector has lost its leading role worldwide, it remains key to the European economy's export position.

Challenges include slow demand growth in Europe, higher production costs and a highly regulated environment.

As regards social and employment challenges, the chemical industry faces a number of future tasks, namely to retain employment levels in a highly regulated environment (when compared to other world regions), coping with demographic change or skills development in the light of increased pace of technological and related changes.

Table 8: Profile of the chemical industry sector

<table>
<thead>
<tr>
<th>NACE demarcation</th>
<th>20 Manufacture of chemicals and chemical products; 21 Manufacture of basic pharmaceutical products and pharmaceutical preparation; 22 Manufacture of rubber and plastic products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>&gt; 3 million</td>
</tr>
<tr>
<td>Business structure</td>
<td>Mixed in terms of size groups, certain very large multi-national companies</td>
</tr>
<tr>
<td>Business challenges</td>
<td>Slow demand growth in Europe, retaining competitiveness despite a highly regulated environment in Europe as compared to other world regions</td>
</tr>
<tr>
<td>Social and employment challenges</td>
<td>Employment security in a highly regulated environment, demographic change, skills development and lifelong learning, impact of digitalisation on work and employment</td>
</tr>
<tr>
<td>Impact EU regulation</td>
<td>High (REACH, environment, energy efficiency)</td>
</tr>
</tbody>
</table>

Source: Authors, based on various sources including Eurofound representativeness study on the sector and interviews carried out in the context of this study.

Actors and processes at EU and national level

EU level actors and processes
The European trade union federation IndustriAll, the successor organisation of EMCEF (European Mine, Chemical and Energy Workers Federation) since 2010 and the European Chemical Employers Group (ECEG) are the two actors of the Sectoral Social Dialogue Committee for the chemical industry sector.

IndustriAll Europe is affiliated to the European Trade Union Confederation (ETUC) and organises workers from the manufacturing, mining and energy sectors at European level. Across the different sectors, IndustriAll represents 194 national organisations and more than seven million workers from 39 European countries, including all EU countries.

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Within its organisation IndustriAll is dealing with the chemical industry in two (out of a total of ten) sector committees – one on chemical and basic materials and the other one on pharmaceuticals. IndustriAll sector committees consist of representatives of the secretariat and national affiliates. The main purpose is to give follow-up to the specific economic, financial and social issues and reality of a sector, to discuss sector-related issues, to respond to EU initiatives which have a bearing on the specific sector and to provide necessary input for the Sectoral Social Dialogue. The activities of the Sectors should result in input for the work of the Policy Committees.

Sector Committees meet at least once a year. Apart from that there might be further meetings in the context of own projects, ad-hoc working groups, other IndustriAll activities or joint projects with the sectoral social partner organisation. The IndustriAll Executive Committee has the power to define and adjust the list of Sector Activities and to establish ad-hoc Sector Working Groups or Activities.

According to the 2014 Eurofound representativeness study on the chemical industry sector, IndustriAll organises 43 national affiliated trade union organisations related to the sector thereby covering all EU countries, except Cyprus, Estonia, Greece, Latvia and Slovenia (Eurofound 2014b). All IndustriAll affiliates in the chemical sector are engaged in collective bargaining.

The European Chemical Employers Group (ECEG) represents the chemicals, pharmaceuticals, rubber and plastics industries in Europe. ECEG is a relatively young organisation that has been established 2002 for the purpose of engaging in social affairs at the EU level. The organisation was established by eleven founding national employer organisations.

Compared to other Brussels based offices of the chemical, pharmaceutical and rubber/plastics business associations, the ECEG secretariat is a lean organisation, consisting only of two full-time executives, the Director General and a Policy Executive. Apart from the day-to-day business of the secretariat, ECEG has established a working structure consisting of three working groups (on health & safety and demographic change; on competitiveness, employment and industrial policy; and on education and lifelong learning). Apart from that there is a Steering Committee, chaired also by the managing director of a national affiliate (from Italy) that consists of five members and the ECEG Board, bringing together representatives of all national affiliates.

ECEG organises national employers’ federations of the chemical sector in 19 European countries: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Norway, Poland, Slovakia, Spain, Sweden and the United Kingdom. According to Eurofound’s representativeness study on the sector (Eurofound 2014b), all national affiliates of ECEG except one are involved in sectoral collective bargaining.

Based on a joint agreement between the IndustriAll predecessor EMCEF and ECEG in 2002 to start a voluntary permanent dialogue between the two organisations covering the European chemical industry, the European sectoral social dialogue committee for the sector was established formally in 2004. A clear objective of formalising social dialogue was to
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influence EU policies and foster a stronger involvement of the industry and its employees in European policies.\(^6\)

Currently, the Sectoral Social Dialogue Committee for the chemicals, pharmaceuticals, rubber and plastics industries organises one plenary meeting as well as two (previously three) working group meetings per year.

**National level actors and processes**

In the context of this case study and following recommendations of the secretariats of the EU level social partners, national social partners in Belgium, Bulgaria (only ECEG affiliate), Germany and Poland (only IndustriAll affiliate) were contacted for interviews. Due to extensive workloads at national level, it was not possible to conduct interviews with trade union representatives in Belgium and Poland however. Organisations however stressed that this should not be regarded as a lack of interest and engagement in EU level social dialogue.

Starting with Belgium and Germany, it should be noted that the two employer organisations Essenscia and the German Federation of Chemical Employers’ Associations (BAVC) are founding organisations of ECEG and play an important role in it. The current president as well as the chairman of the working group on education and lifelong learning are representatives of Essenscia and the chairman of the competitiveness, employment and industrial policy working group are from BAVC.

The representatives of the Belgium and German employer organisations highlighted the strong role of social dialogue in their countries that implies not only high collective bargaining coverage rates but also other forms of social dialogue, such as bipartite institutions or joint committees in Belgium or a number of joint initiatives and practices of the social partners in the chemical industry in Germany. In Germany, the chemical sector is regarded to as a particularly cooperative example of sectoral social dialogue and "Social Partnership".

In contrast to Belgium and Germany, there are no collective agreements at sectoral level in the Bulgarian chemical industry. According to the Bulgarian Chamber of the Chemical Industry (BCCI), this reflects the overwhelmingly company based system of collective bargaining in the country. BCCI has 45 member companies that represent more than 75% of the chemical production output of the country. The affiliated members are engaged in the production and/or manufacturing of rubber, plastics, perfumery and cosmetics, paints and solvents and petrochemicals. However, there is no national pharmaceutical in the country.

All three employer organisations are not only members of ECEG but also involved in the main European chemical business association CEFIC.

As to different models and coverage rates of collective bargaining as well as social dialogue the three organisations reflect the variety within the EU: As highlighted in the 2014 Eurofound representativeness study on the sector (Eurofound 2014b), the sector’s collective bargaining coverage differs significantly, ranging from high rates of collective bargaining in quite a number of countries (Austria, Belgium, Cyprus, Finland, France, Hungary, Italy, Netherlands, Slovenia, Spain, Sweden and the UK). There is a second group of countries recording coverage rates between 40% and 70% (Croatia, the Czech Republic, Denmark, Germany, Luxembourg, Malta and Portugal) and a third group of a few countries with collective bargaining coverage rates lower than 20% - this latter group includes Bulgaria (apart from Estonia, Lithuania and Slovakia).

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\(^6\) ECEG and EMCEF 2004: Joint Declaration on the establishment of a formalised Sector Dialogue Committee for the European Chemical Industry, 27 September.

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Outcomes and good practice examples

The EU Commissions social dialogue texts database lists 22 joint texts that have been agreed jointly by IndustriAll and ECEG since 2008. Most of them are joint opinions and declarations (16) that have addressed issues such as the impact of Brexit (2017), sector-specific EU regulation and policies (review of the Carcinogen and Mutagen Directive, OSH Directives, EU energy and climate policies, REACH Directive, energy efficiency policy or emission trading) as well as general issues of interest for the sector (e.g. Brexit, pensions, responsible care, managing structural change, digitalisation).

Apart from joint opinions and declarations, the social partners in the chemical industry in 2011 have negotiated a European framework agreement on "Competence Profiles for Process Operators and First Line Supervisors in the Chemical Industry" and more recently, in 2017, a "Framework of Action on Sustainable Employment and Career Development". Both of them have been highlighted by IndustriAll and ECEG as examples of positive outcomes at national level, in particular in countries where trade unions and employer organisations in the sector are not involved actively in sectoral VET policies and practices as regards further training and qualification.

The EU level social partners have also highlighted the approach of the "European Chemical Social Partners’ Roadmap 2015-2020" as a positive example of joint activities. The document defines a vision for 2020 for a responsible, sustainable, competitive and innovative European chemical industry.

The Bulgarian employer organisation BCCI has highlighted the added-value of the European sectoral social dialogue as follows: possibility of direct involvement in consultation and exchange at EU level on regulatory initiatives and the implementation of EU Directives (for example REACH regulation, consultation on regulatory fitness of the chemicals legislation, more recently the initiatives such as the revision of the Written Statement Directive or the European Pillar of Social Rights).

This added value has also been highlighted by the Belgium and Germany employer organisations that stressed in particular the impact on mutual understanding, exchange and fostering the European Dimension of employment and social related policies, including social dialogue processes and practices. Essenscia also highlighted an added value of European level dialogue as compared to the national level. ESSD is regarded as a forum to discuss longer term issues related to competitiveness, structural change, sustainability or employment. In contrast, national level social dialogue has a much more short-term perspective, focussing on wages, working time and other topics where interests between unions and employers often differ.

The representative of IG BCE confirmed strongly the positive effect and added-value of EU social dialogue in particular for social partners in countries where social dialogue is not functioning well and/or collective bargaining has no tradition at sector-level. While topics addressed by European sectoral social dialogue from the German perspective are already well established and addressed (often in a higher degree of concretisation), the situation in many other countries, particularly in Central and Eastern Europe is totally different. Therefore, for the German trade unions the added-value of European Social Dialogue mostly relates to shaping European regulatory framework conditions, lobbying for good working conditions as well as strengthening social dialogue and social partner organisations also in those countries where structures and processes currently are rather weak.

<table>
<thead>
<tr>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Social partner's reflection on interplay between REACH and OSH</td>
</tr>
<tr>
<td>2017</td>
<td>Framework of Action on Sustainable Employment and Career Development</td>
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</tbody>
</table>

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<table>
<thead>
<tr>
<th>Year</th>
<th>Title</th>
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<tbody>
<tr>
<td>2017</td>
<td>Joint declaration on Brexit</td>
</tr>
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<td>2017</td>
<td>Memorandum of Understanding on Responsible Care</td>
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<tr>
<td>2017</td>
<td>Joint declaration by Social Partners of Chemical Sector and CEFIC on</td>
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<tr>
<td></td>
<td>the review of the Carcinogen and Mutagen Directive</td>
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<tr>
<td>2017</td>
<td>Cooperation agreement VinylPlus</td>
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<tr>
<td>2016</td>
<td>Joint position on social and employment-related aspects of digitalisation</td>
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<tr>
<td>2015</td>
<td>Joint Declaration on EU OSH Directives</td>
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<td>2015</td>
<td>Common position on energy and climate policy ahead of the 21st</td>
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<td></td>
<td>Conference of the Parties (COP21) of the United Nations Framework</td>
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<td></td>
<td>Convention on Climate Change</td>
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<td>2015</td>
<td>Addendum to the European Framework Agreement on Competence Profiles</td>
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<td>for Process Operators and First Line Supervisors</td>
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<td>2015</td>
<td>European Chemical Social Partners' Roadmap 2015-2020</td>
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<td>2015</td>
<td>Joint letter on the scope of the Sectoral Social Dialogue Committee</td>
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<td>for the European Chemical Industry</td>
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<td>2014</td>
<td>Joint Declaration on REACH and the inclusion of nanomaterials in its</td>
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<td></td>
<td>annexes</td>
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<tr>
<td>2013</td>
<td>Joint declaration on the Commission’s Green Paper &quot;A 2030 framework</td>
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<td>for climate and energy policies&quot;</td>
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<td>2012</td>
<td>Joint statement on the proposal of 22 June 2011 for a directive on</td>
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<td></td>
<td>energy efficiency</td>
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<td>2011</td>
<td>European Framework Agreement on Competence Profiles for Process</td>
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<td></td>
<td>Operators and First Line Supervisors in the Chemical Industry</td>
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<td>2011</td>
<td>General remarks on the Green Paper towards adequate, sustainable and</td>
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<td>safe European pension systems&quot; of the European Commission</td>
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<td>2009</td>
<td>Joint opinion on the global economic crisis</td>
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<td>2009</td>
<td>Working Group - Education, Training and Lifelong Learning - JOINT</td>
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<td></td>
<td>DECLARATION</td>
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<td>2008</td>
<td>Working in Partnership through Responsible Care</td>
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<td>2008</td>
<td>Joint statement on the European Union Emission trading scheme (EU</td>
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<td></td>
<td>ETS)</td>
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<td>2008</td>
<td>Joint Lessons Learned on Restructuring, Managing Change,</td>
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<td></td>
<td>Competitiveness and Employment</td>
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</table>

Source: European Commission Social Dialogue texts database.  

**Vertical articulation: Processes, practices and perspectives**

*Top-down processes, practices and perspectives*

According to the EU level social partners, top-down processes of articulation are not functioning in an optimal way. There is a core of countries that are strongly engaged in the European social dialogue as well as in organisational decision making and thematic working structures within the two organisations, whereas other countries are much less involved or even not represented within the EU level organisation.

Due to the voluntary character of the outcomes achieved in the European social dialogue, also participation and engagement of national affiliates in joint projects and in the implementation of recommendations or framework of actions differs significantly.

As regards the implementation of the framework agreement on Competence Profiles for Process Operators and First Line Supervisors in the Chemical Industry and the Framework of Action on Sustainable Employment and Career Development it also was stressed by the
representatives of IndustriAll, ECEG and the employer organisations in Belgium and Germany that implementation differs not only because of resources or capacities. In countries such as Belgium and Germany practices as addressed by the two outcomes in most companies are already existing and thus provide no concrete added-value for national member organisations.

This contrasts to the situation in Central and Eastern European countries. For example, the BCCI representative highlighted the added-value of the agreement on competence profiles that had a real impact on the ground in Bulgaria: "In the context of the national Bulgarian project implementing the agreement ("My Competence"), 25 competence profiles for different chemical professions were developed. The project has been extended to the whole national territory of Bulgaria and will be implemented in the context of the national VET system. The implementation also supported social dialogue: The project is based on a national platform of key stakeholders, including companies and two Bulgarian trade unions that participated as joint partners. This contributed to good cooperation and joint understanding."

As regards the efficiency of top-down information and communication the Bulgarian employer organisation also stated that the dissemination of information via electronic communication channels is regarded as totally sufficient. Furthermore, EU level social partners regularly visit the countries and take part in meetings in the context of social dialogue issues.

As a positive example of strengthening the top-down linkages as well as articulation in both directions, the representatives of the German trade union in the chemical sectors have highlighted conferences that have been organised by the EU level social partners in the context of projects co-financed by the European Union. These events not only involve the "usual" representatives that deal with EU issues but also representatives from companies, i.e. management representatives, works councils and/or company level trade union representatives. This has proved an efficient instrument to inform better about European issues as well as the European sectoral social dialogue.

**Bottom-up processes, practices and perspectives**

As mentioned above, social partners in Belgium and Germany are very present – at least via their EU level sector organisation – in decision making, working structures and expert structures of sectoral social dialogue in the chemical industry.

Quite a strong involvement in working groups and plenary meetings of the European Sectoral Social Dialogue has also been reported by the employer organisation in Bulgaria. Above that BCCI has been involved in different joint EU projects of the social partners and is a member of the ECEG Steering Group as well as the ECEG Board. Furthermore, BCCI stressed that it has been actively engaged in the design, negotiation and implementation of the Framework Agreement on Competence Profiles in the chemical industry sector.

Thus bottom-up linkages the EU level organisation as well as activities of the Sectoral Social Dialogue Committee is reported by all organisations interviewed in the context of the study as efficient and functioning well. However, at the same time both IndustriAll and ECEG stated that countries such as Belgium and Germany as well as Bulgaria (ECEG affiliate) and Poland (IndustriAll affiliate) are positive examples. There are also countries, where neither top-down nor bottom-up articulation function sufficiently due to various reasons (language skills, personnel resources, weakness or conflict-ridden relationship between social partners at national level, lack of interest in topics, etc.).

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7 Written contribution to the case study, March 2018.

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**Facilitating and hindering factors of articulation and engagement**

According to all interviewees at EU and national level, a key facilitating factor of articulation and strong linkages between European and national levels of social dialogue is the expectation of concrete and positive impacts for the involved social partner organisations. Interview partners highlighted a number of different outputs and results of the ESSD that at least for some social partners were linked to such added-value. In some countries the Framework Agreement as well as the more recent framework of actions positively influenced top-down as well as bottom-up communication, involvement and engagement. According to the EU level organisations also joint projects and concrete activities of ESSD at the national level (workshops, conferences, other activities) also have a positive influence in particular in those countries were sectoral social partners lack capacities or were social dialogue is not functioning well at sectoral level. Joint projects on relevant topics could also strengthen the links between sectoral social partners and companies as well as company based workers representations and unions.

As regards hindering factors, BCCI – certainly reflecting the situation of other employer organisations and trade unions in CEE countries – referred to limited resources, both as regards to the income gathered from membership fees as well as, closely related to this, a lack of experts and staff (three permanent staff and three part-time staff).

A different hindering factor of articulation and engagement was highlighted by the German employer organisation BAVC: A key motivation of the organisation to engage in sectoral social dialogue is to influence EU level legislative or other initiatives that affect economic, employment and social affairs of the sector. And here, the BAVC representative had the opinion that both framework conditions of consultation as well as serious listening to sectoral social partners has deteriorated by too short deadlines for consultation procedures as well as public consultation procedures that treat social partners as one stakeholder amongst many others, even if there is a joint input of both social partners (that often requires a lot of time and manpower in terms of drafting and agreeing on a joint position).

As noted by the representative of the German chemical workers union IG BCE the hindering factors of stronger engagement and articulation are not limited to financial or personnel resources but also capacities in a wider sense – expertise, communication competences as well as the feeling of belonging to a European team.

**Summary**

The following table highlights key results in relation to vertical linkages and articulation in the context of the sectoral social dialogue in the chemical industry, including recommendations of how to improve vertical articulation.

**Table 10: Summary of results**

| Engagement and motivation of actors | • Strong commitment and engagement of EU level social partners based on joint challenges the sector is facing  
|• Some gaps in engagement and motivation at national level, that can be due to lack of capacities |
| Effectiveness of top-down and bottom up processes of articulation | • Significant differences between countries as regards capacities, and expertise that influence bottom-up processes of articulation |
| Facilitating factors of articulation | • Positive experience of national level social dialogue  
• Sufficient capacities and resources  
• Concrete impact on national business conditions  
• Concrete impact on EU level regulation and policies |

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<table>
<thead>
<tr>
<th>Hindering factors of articulation</th>
<th>that are relevant for the sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Limited resources and expertise hinder engagement and articulation in many countries, namely in CEEC</td>
<td></td>
</tr>
<tr>
<td>• Disappointment of social partners as regards consultation by EU Commission on employment and social matters</td>
<td></td>
</tr>
<tr>
<td>• Reduction of ESSD working group meetings per year (from three to two)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors
Food and Drink Sector

Sectoral economic and social context

The food and drink sector consist of approximately 310,000 enterprises, which operate at local and regional level, but also in the world market. The greatest share of the products is offered by SMEs and global companies. SMEs generate approximately 48.5% of the total turnover and 63% of the total employment, while the large companies generate 51.5% of the turnover and 37% of the employment, although they account for only 0.9% of the companies. Moreover, according to the report by the High-Level Group (HLG) on the Competitiveness of the European Agro-food industry agricultural cooperatives also play a significant part, employing almost 700,000 workers.

According to Eurostat’s 2010 Labour Force Survey (LFS), the sector employed more than 4,739,900 people in the EU27 in 2010. Manufacture of food activities accounted for more than 90% of the sector, employing 4,299,200 people. Employment in the sector has been partially affected by the economic crisis. From 2008 to 2010, there was a loss of 210,300 jobs. Other data, on GDP for 2009, shows that employment in the sector represents 2% of total employment in the EU27, while sector activities represent 2% of the total GDP of the EU27. Thus, as highlighted by the HLG report, it is a sector with relatively low output.

Table 11: Profile of the food and drink sector

<table>
<thead>
<tr>
<th>NACE demarcation</th>
<th>10 manufacture of food products; 11 manufacture of beverages, respectively</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>&gt; 4 million</td>
</tr>
<tr>
<td>Business structure</td>
<td>overwhelming SME dominated, few, but very large multinational companies</td>
</tr>
<tr>
<td>Business challenges</td>
<td>Image of the sector, environmental and ethical issues and demands</td>
</tr>
<tr>
<td>Social and employment challenges</td>
<td>Significant restructuring, loss of employment in sub-sectors, attractiveness of the sector for younger workers, skills development in the light of new technologies, erosion of social dialogue and collective bargaining structures,</td>
</tr>
<tr>
<td>Impact EU regulation</td>
<td>High (food safety, hygiene, health and safety, trade policies)</td>
</tr>
</tbody>
</table>

Source: Authors, based on various sources including Eurofound representativeness study on the sector and interviews carried out in the context of this study.

In Europe, the food and drinks industry employ around 4.2 million people and includes over 300,000 businesses. The annual turnover is more than €950 billion.

A major challenge to the sector is the need to increase the attractiveness of the European agro-food industry. This will require the development of a new skills and qualifications framework.

Men account for more than 58% of the employment in both sub-sectors, according to LFS data for 2010. There are more women employed in food manufacture (43%) than in drinks manufacture (29%); and both figures are lower than the average female proportion for overall employment in the EU27 (45.5%). Most people employed in the sector are aged between 25 and 49 years; this age group accounts for 66% of the jobs in food manufacture and 69% in drinks manufacture. There are not many cases of self-employment or apprenticeships in this sector except in Germany, Greece and Italy, where the proportion of this is more than 20%.

The most significant pressure for change affecting the sector is globalisation. Increased international trade and cross-border mobility of capital investment have resulted in substantial changes in markets and trading patterns. At the same time, the liberalisation of trade, with
emerging economies gaining prosperity, has provided new market opportunities as well as new sources of competition.

According to the EU level social partners as well as a High-Level Group report published 2009 the sector is being challenged by customer concerns about prices, food safety and health, as well as low levels of labour productivity, reflecting insufficient development of research and innovation.

**Actors and processes at EU and national level**

### EU level actors and processes

The two social partners involved in the European Sectoral Social Dialogue Committee in the food and drink sector are the European Federation of Food, Agriculture and Tourism Trade Union (EFFAT) and FoodDrinkEurope.

EFFAT is a European federation of 120 trade unions from 35 European countries, representing more than 22 million workers. They are member of ETUC and the European regional organisation at the IUF (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers’ Associations). The EFFAT’s secretariat is in Brussels and it employs a staff of 11 employees.

FoodDrinkEurope is the industry confederation for the European food and drink sectors. Membership comprises of national federations (23 members and two observers), European sector association (27 members) and individual companies (21 major food and drink companies). The FoodDrinkEurope secretariat is based in Brussels and has a staff of 24 employees.

The Sectoral Social Dialogue for the food and drink industry was launched in the beginning of 2012 by EFFAT and FoodDrinkEurope. Since then they have adopted various joint position papers and conducted important projects, among all the latest (Bringing new talents and managing an ageing workforce) if of extreme importance for the further development of the sector.

### National level actors and processes

In the context of this study, interviews with social partners in three countries have been carried out: Denmark, the UK and Slovenia. In the UK and Slovenia, only the trade unions were available for an interview.

These three countries reflect quite different traditions, practices and structures of social dialogue, collective bargaining as well as organisational strength of social partners at sectoral level:

In Denmark, autonomous social dialogue has a long tradition and collective bargaining reaches a high coverage rate of workers due to a high membership rate of workers as well as companies.

In the UK, the social dialogue between employers and unions in the sector does not really exist. The trade unions operating in the sector are the GMB, Usdaw, the Bakers’ Union and Unite. The GMB trade union is re-engaging with EFFAT and is reviewing its social dialogue at the moment. The UK trade union representative interviewed thought that the space that the European social dialogue occupies has the potential to be relevant, and that the framework in the EU offers opportunities that the social partners in the UK do not have. As there is no meaningful dialogue in the UK, the information that the trade unions receive from the employers tends to be from the EU-level employers, rather than the national employers.

“There is a vacuum in the UK: there is no interaction with the employers and ad hoc participation of the employers in the European social dialogue for the sector”. UK trade union interviewee.

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
There are a range of reasons for this, including the fact that the social dialogue at sector level does not really exist in any meaningful form in the UK. Trade unions are also a little suspicious of anything that could take the place of collective bargaining. The sector is also quite fragmented in the UK.

In Slovenia the sector social dialogue takes place between the Chamber of Agricultural and Food Companies (organized under the umbrella of the Chamber of Commerce) and Agriculture and Food Industry Trade Union (member of the Association of free trade unions of Slovenia). The employer organizations connects and represents agricultural and food companies in a relationship and is organized in nine sectors. No data about membership are available. The trade union has around 5000 members and it is a representative trade union, at the international level they are members of EFFAT and IUF and have some bilateral relations with countries, such as Bulgaria, Croatia and Serbia. On the national level the social partners are constantly working together on different issues. In 2016 they concluded the current valid sector collective agreement.

**Outcomes and good practice examples**

Since 2013, social partners in the food and drink industry have concluded a number of joint statements, opinions and positions on sector-related issues such as reform of the EU agricultural policy, climate change and industrial policy. Apart from that and resulting from joint projects carried out in the context of their current work programme the social partners have published a good practice guide on education, training and lifelong learning as well as the HR practices as regards older workers. The social partners have also issues a joint pledge for apprenticeship and more recently started to address the issue of digitalisation and its impact on the food and drink sector in the context of a two-year project funded by the European Commission.

According to the representative of FoodDrinkEurope, the EU level social dialogue is a win-win situation for both social partners as it enables them to articulate their joint interests vis-à-vis EU institutions and promote sectoral interests as well as the image of the sector at EU level. Besides that, the FoodDrinkEurope believes that European Social Dialogue can have an impact on the regulatory environment and thus can improve business conditions and the competitiveness of the industry.

In the context of their current work programme covering the period 2017 to 2019, the social partners are focusing on the overall objective of "creating a virtuous circle across growth and employment focusing the Social Dialogue strategy on skills and HR related topics". The work programme includes the following themes and topics:

- **Education, training and lifelong learning**: Project follow-up: recruiting young people and managing older workers (Promote the toolbox (outcome of a joint research project that was completed in 2016). A second topic relates to vocational training and apprenticeships - Promotion of apprenticeship at national level and experience sharing between Member States

- **Digitalisation: digital skills in the workplace**: Process and product innovation, Impact on employment, Skills to be adapted

- **Workplace approaches and attractiveness of the industry**: Good practices/examples of positive work environments that enhance workplace productivity

- **Consequences of Brexit**: Labour movement and trade consequences

- **Other topics related to the competitiveness of the food and drink industry**: Specific issues to be dealt with on an ad hoc basis (from single market issues to specific health and safety topics), as and when they occur through the Secretariats
The outcomes from the social dialogue in the food and drink sector since its establishment are shown in the table below.
As regards impacts of European social dialogue at nation level, the assessment of FoodDrinkEurope is more modest and rather indirect effects have been noted. Joint projects can stimulate and foster practices at national level and also exchange on best practices and innovative tools can have such effects. However, FoodDrinkEurope also stressed the voluntary character of participation in joint projects or engaging in social dialogue at EU or national level.

The General Secretary of EFFAT in the interview carried out in the context of this study expressed a slightly different assessment of actual and potential outcomes of sectoral social dialogue. According to him, sectoral social dialogue at EU level at least potentially has three dimensions as regards outcomes. He noted the importance of the exchange of information and good practices that is linked to joint projects and activities as carried out in the sectoral social dialogue committee in recent years, for example on qualification and lifelong learning, increasing the attractiveness of the sector for young people or on managing an ageing workforce. The key challenge of this type of outcomes is implementation, which entails convincing national social partners to put joint recommendations into practice at sector and company level.

However, the main expectation of EFFAT is to promote common European social standards that for example avoid and abolish social dumping. In order to achieve such an effect, agreements between the EU social partners need to be implemented by legislative or other measures (collective agreements) that are binding for all companies in the sector. This so far has not been achieved in the food and drink sector.

The Danish trade union interviewee is happy with the trade union involvement in this – an ongoing dialogue between the employers and unions on how to manage the fund. A joint board, regular meetings and regular cooperation. Also, joint cooperation in the food processing sector. Informal joint working – the partners agree that they have to improve employment in the sector.

Finally, EFFAT - similarly to FoodDrinkEurope - highlighted the important role of European Social Dialogue as an instrument to influence EU level policies. Here, joint statements of the social partners in consultation procedures are much stronger than only unilateral positions.

**Vertical articulation: Processes, practices and perspectives**

**Top-down processes, practices and perspectives**

Both EFFAT and FoodDrinkEurope expressed in the interview in the context of this study that top-down linkages, communication and information flows are well established in both
organisations. There is a continuous flow of information about developments at EU level and social dialogue activities and both organisations are convinced that national members are sufficiently informed about any relevant issues.

Both organisations also highlighted that it is essential to consult national affiliates on planned social dialogue activities, for example joint texts or ideas on projects. FoodDrinkEurope also stressed that the EU level organisation very much relies on the expertise of national member organisations and national experts in order to elaborate positions in the context of legislative consultations or other initiatives at EU level.

EFFAT also reported that the organisation in recent years has developed a number of activities that provide specific support for national members in countries where social dialogue is not developed well or faces restrictions as regards political structures, capacities or for other reasons. Referring to countries in South-Eastern Europe (Croatia, Macedonia, Montenegro, Serbia), it was highlighted that EFFAT has established a South-Eastern Trade Union Council within the organisation that brings together affiliates from all those countries. According to the interview this platform is working quite well and it is recognized as one of the best regional structures within the organisation. There are two meetings per year, that address both EU and national level issues, including social dialogue and relationships with employer organisations.

FoodDrinkEurope also highlighted that it is necessary to differentiate between issues that are important for all national affiliates (for example related to EU legislation) and issues where national affiliates might not be familiar with. As an example, the topic of apprenticeship was mentioned that is totally unknown is some Member States. Here, activities in the context of European level social dialogue clearly have a top-down dimension, i.e. promoting the concept, awareness raising about the positive impact of dual training, etc.

**Bottom-up processes, practices and perspectives**

At national level, in Denmark, one union representative noted that it is difficult to see the link between the EU and national social dialogue in Denmark. In the food and drink sector, it’s difficult to discuss the things that really matter at EU level. The EU level is much too general and not tailored to the Danish situation. However, the Danish trade union representative was happy with his role: “I can’t complain! I have the time, the financial resources, the language. I am supported by my organisation in terms of time off to take part in the social dialogue”.

Brexit is a topic of dialogue – it could hurt the sector quite badly. In the UK, large supermarkets are already in difficulties, having cut costs to the bone. It was difficult to start the dialogue, but now it looks as though things are happening and there may be a joint text. In some countries, it might not be so relevant. Maybe the employers think that it’s just a management question, but the unions think that it’s also about employment.

Other relevant topics include digitalisation and automation. Another topic is shift working, which in some countries, such as CEE countries, is continuous in factories and food processing plants. In the UK, continuous shift working has been phased out. 24/7 operations are not good for the health of workers, and particularly not good for an ageing workforce.

The Danish trade union interviewee felt that he didn’t understand why the Commission funds the social dialogue without asking the social partners to deliver something specific, why it doesn’t ask them to find out specific things or comment on specific things. This is one of the areas where the Commission should be directional.

“[The social dialogue] is not autonomous! It’s funded by the Commission and they attend the meetings. In Denmark, if the social partners don’t agree with the government, they won’t participate”, explained the Danish trade union interviewee. He feels that in principle, the Danish social partners can influence the agenda at EU level – Brexit, for example, is important for the Danish social partners.
The relevance of the EU dialogue is mirrored also in the headlines, as they are the same at EU and Danish level. However, they are not sure how much the EU level really influences Danish things as the Danish model is based on collective agreements rather than on legislation. Thus, for Denmark it is a problem that the EU level is trying to reach solutions via legislation: “One of the problems is that when we’re trying to share our experience, we forget that other countries are in very different situations and have very different experiences. Difficult to make it meaningful”.

While comparing the EU and national social dialogue, the experience of Slovenia as a CEE country is rather different. The trade union interviewee explained that the rules set in advance in the European social dialogue, are followed by both parties, which is not the case of Slovenia: “Unfortunately in Slovenia the employers take the social dialogue very opportunistically: when they need it, they use it, when they do not need it, they do not use it.”

Facilitating and hindering factors of engagement and articulation

The interviews in the context of this case study – as well as the problems to conduct interviews with employer organisations – strongly showed that facilitating and hindering factors of articulation and engagement are quite different between employers and trade unions organisations. Whereas amongst trade unions it is rather the feeling that outcomes of social dialogue should be stronger and more binding results would also increase engagement and articulation, employer organisations have been much more reluctant as regards such conclusions.

There are however a number of joint assessments that should be highlighted here: Both employers and trade union interviewees stressed that national social partner articulate their interest much more strongly if the social dialogue is working well in the national context. Denmark is a strong example for this correlation. At the same time in many countries, perhaps in the majority of countries, social dialogue in the food and drink sectors is not functioning well and thus articulation is hindered or only one sided. A good example is Slovenia where the trade union is involved quite actively but it missed its social dialogue partner both at EU and national level.

There are many projects at European level in the food and drink sector and so a large amount of joint working. On the question of whether there is good cooperation, the trade union view from Denmark was that the social partners are good at undertaking EU-funded projects together. However, the ongoing social dialogue sometimes is not as fluent, as it can be difficult to discuss things that are relevant. The dialogue is very general. It’s got better, but it can still be improved. The change of spokesperson from the employer side has made a difference.

The Danish social partners have tried to facilitate the social dialogue in the food sector at EU level by trying to explain how the social dialogue functions in Denmark – it’s quite relaxed in Denmark. They were asked to tell the meeting, to share practice, but it hasn’t changed anything.

Also, there are very different views on the social dialogue from employers and unions. There are many different cultures and different systems. Denmark and the Nordic countries are very alike and engaged in social dialogue and liberal in general.

There are differences in participation – although the employers have made an effort to strengthen their participation in recent years. Things can sometimes depend on individuals.

The Slovenian trade union interviewee has positively evaluated the collaboration with EFFAT. They have a variety of possibilities for collaboration. Although there is a two-way communication, there is still room for improvement. Especially there is no constant communication, meaning “communication is when there is some preparation for activities. And to be sincere nor we neither EFFAT have time for constant communication as we are both limited with human resources.”
For a stronger involvement in the European social dialogue, the Slovenian trade union representative interviewed in the context of this study stressed that the financial and human resource constraints need to be solved (the trade union is not financed by the state). Another opportunity may arise from EFFAT regional organization changes as the organization has started to strengthen linkages within the South-Eastern European regions, meaning ex-Yugoslav countries (Croatia, Serbia, Bosnia and Hercegovina), Albania, Romania, Turkey, Macedonia and Slovenia. Although EFFAT regards Slovenia as a central European country, the trade unions according to the Slovenian interviewee are stronger linked to South-Eastern Europe as this region also differs in terms of industrial relations from the CEE region, e.g. a stronger role of sectoral organisations. Moreover, there are also more activities in this region compared to the central European countries.

Given these factors, both EFFAT as well as FoodDrinkEurope suggested that in order to make significant improvements as regards the functioning of European Social Dialogue, including promoting stronger articulation and engagement of national level partners, the EU Commission should play a stronger role. Suggestions that were made in the interviews with both organisations in the context of this study included for example:

- Supporting a stronger coordination of social partner organisations at sectoral level by establishing an EU level secretariat for social dialogue that is funded and administered by the EU Commission in cooperation with the EU level social partners (EFFAT).
- Facilitating and encouraging horizontal exchange and coordination between sectoral social dialogue committees by the EU Commission, including exchange on topics, activities and practices in the different social dialogues (FoodDrinkEurope). The Commission currently operates the Liaison Forum and a range of other initiatives, such as the newsletter, which aim to encourage this.
- Promoting the added value of social dialogue much more strongly at national level, supporting capacity-building and ensuring that the consultation process at EU level on employment and social matters is carried out efficiently. Of course, under Article 154 of the Treaty, EU-level social partner organisations are consulted by the Commission and therefore the social partners at EU level also need to think about how to ensure that their national members are fully informed and can feed in their views.

**Summary**

The following table highlights key results in relation to vertical linkages and articulation in the context of the sectoral social dialogue in the food and drink industry, including recommendations of how to improve vertical articulation.

**Table 13: Summary of results**

<table>
<thead>
<tr>
<th>Engagement and motivation of actors</th>
<th>• Strong commitment of EU level social partners that are however also aware about the limited impact of EU level social dialogue outcomes on national level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness of top-down and bottom up processes of articulation</td>
<td>• Procedures and processes are regarded as sufficient, lack of expertise (unions) and interest (employers) impact negative on bottom-up processes</td>
</tr>
<tr>
<td></td>
<td>• Significant differences between countries as regards capacities, and expertise</td>
</tr>
<tr>
<td>Facilitating factors of articulation</td>
<td>• Strong national level social dialogue</td>
</tr>
<tr>
<td></td>
<td>• Sufficient capacities and resources</td>
</tr>
<tr>
<td></td>
<td>• Impact on EU level regulation and policies</td>
</tr>
</tbody>
</table>

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
**Hindering factors of articulation**

- Difficulty to identify topics and address them by ESSD that are of interest for all organisations
- Limited resources and expertise hinder engagement and articulation in many countries, namely in CEEC
- Disappointment of social partners as regards consultation by EU Commission on legislative and other initiatives

**Recommendations for improving articulation and level linkages**

- Stronger role of EU Commission in consulting social partners but also in coordinating sectoral social dialogue committees is demanded both by unions and employers
- Stronger appreciation of the EU Commission (as a whole, not only DG Employment) of all joint activities and outcomes of sectoral social dialogue
- Capacity building for social partners and social dialogue structuring in relevant countries

*Source: Authors*
Local and regional government

Sectoral economic and social context

Eurofound (2015b) defines the local and regional government sector in quite broad terms in order to embrace the variety of concrete activities performed in the different Member States by local and regional governments, and to provide an accurate account of the specificities of all national arrangements. In many countries, besides the administrative and regulatory activities which are typical of political authorities at all levels, local and regional governments can be responsible for providing other services covering areas such as public order and firefighting, human health, residential care, social work, education and culture. Eurofound uses the European industrial activity classification NACE Rev.2, which includes public administration (administrative tasks) and human health and social work activities. In addition, in certain countries, the local and regional government sector is also responsible for education and health, which come under the NACE codes 85 (education) and 86 (human health activities). These sectors have their own social dialogue committees, (the one for education being established in 2010, and the one for hospitals in 2006), but it is important to underline that the local and regional government sector can have, in some Member States, a key role in providing these services. A similar situation applies to NACE code 91 (libraries, archives, museums and other cultural activities), which are often covered by other administrative actors too, notably central government.

Table 14: Profile of the local and regional government sector

| NACE demarcation | Section O: Public administration (administrative tasks = 84.11, 84.12, 84.13, 84.24, 84.25); 87 Residential care activities (under the responsibility of local and regional governments); 88 Social work activities without accommodation (under the responsibility of local and regional governments); plus further sectors in certain countries
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>No figures available due to diversity of the sector</td>
</tr>
<tr>
<td>Business structure</td>
<td>Very diverse, large public providers, private providers of all sizes</td>
</tr>
<tr>
<td>Business challenges</td>
<td>Dealing with organisational restructuring, privatisation of some services and outsourcing</td>
</tr>
<tr>
<td>Social and employment challenges</td>
<td>Impact on terms and conditions of privatisation and outsourcing. Impact of austerity policies on employee numbers.</td>
</tr>
<tr>
<td>Impact EU regulation</td>
<td>Less direct exposure to EU regulation than other sectors</td>
</tr>
</tbody>
</table>

Source: Authors, based on various sources including Eurofound representativeness study on the sector and interviews carried out in the context of this study.

Although data are available only for 16 countries, Eurofound (2015b) highlights changes in the level of employment in recent years in the local and regional government sector do not point to the same trend across countries. Despite the different patterns which emerge from the analysis, the presence, in many cases, of significant changes in the number of local administrations or sectoral employees (or in both) seems to suggest that the local and regional government sector has been at the centre of important reorganisations and reforms in many EU countries in recent years.

8 In some countries local and regional government plays also an important role in providing services in sectors that have their own social dialogue committee (education, hospitals and health, central government administration): 85 education, 86 human health activities, 91 libraries.

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
Some countries show a decrease in total employees, often coupled with a reduction in the number of administrative units, thereby signalling the presence of a significant reorganisation trend in the sector.

**A ctors and processes at EU and national level**

**EU level actors and processes**

From the trade union side, the main motivation for being involved in the social dialogue is to work towards concluding an agreement, preferably binding. The production of a joint text on an issue is, in the trade union view, more likely to gain the attention of the Commission, which is then more likely to take this into consideration when considering policy initiatives. EPSU feels that it has high levels of membership in this sector, which forms a solid base for social dialogue. The view from the trade union side is that this membership density is, however, not matched by the employer side.

From the employer side, the main motivations for being involved in the social dialogue vary and there are mixed expectations due to the fact that the employer membership is not cohesive. Membership in different countries varies significantly – for example, local government in Sweden operates in a very different way to local government in Sicily. Nordic countries have more of an expectation of the social dialogue, as they have more of a tradition of social dialogue and collective bargaining, as this is deeply rooted in their societies.

“Even if texts are not legally binding, the social partners in the Nordic countries view them as morally or socially binding. In other countries, by contrast, they consider themselves freer to interpret agreements. So, there are very different attitudes according to country”. (CEMR representative).

The European Commission established a sectoral social dialogue committee for local and regional governments in 2004. The Council of European Municipalities and Regions (CCRE-CEMR) on the employer side, and the European Federation of Public Service Unions (EPSU) on the employee side, participate in the sector’s European social dialogue.

The dialogue in this sector covers the following activities (defined mainly by NACE code 84.11, 84.13, 84.24, 84.25): local and regional public services (local administrators, firefighters, waste workers, community liaison personnel, etc.).

**National level actors and processes**

There are least two features which must be taken into consideration when looking at national-level industrial relations in the local and regional government sector. One is the exclusion of associational and bargaining rights in certain countries, which can cover the whole sector, or only some of its sections, in terms of activities or occupations; and the other is that, even if collective bargaining exists, it may take place at different levels and usually either at central government level (for instance, covering the whole public sector) or at single administration level.

Eurofound (2015b) found that collective bargaining is a significant source of regulation of terms of employment in 17 countries and it is prevalent at central or sectoral levels (14 cases). Single-employer bargaining is present in three cases: the Czech Republic, Estonia and Latvia. Coverage rates are usually high and often close to 100%. An exception is Latvia, where only around one quarter of all the sectoral employees is covered by collective bargaining. Here, only single-employer agreements exist, which may help explain the lower coverage rate. In two other cases, Malta and the UK, despite the presence of multi-employer bargaining, the coverage rate is around 70%.

It must be noted that, where collective bargaining is excluded, talks and consultations with the trade unions do usually take place with a wide variation in the scope of issues addressed and
Industrial Relations: Sectorial social dialogue case studies

in the nature of the outcomes of such talks, from informal consultations to written ‘protocols’. These sorts of talks and consultations, for instance, are held in Austria, Belgium, France, Germany and Spain. The limitation of associational rights is very rare and only applies in certain circumstances to the very top officials, as in the case of Romania.

A second important feature is the involvement of central governments in the definition of employment and working conditions in local and regional governments. In fact, in a number of cases, employment and working conditions for the local and regional government sector are defined through talks and agreements which cover the entire public sector. Central government is the main player in the regulation of terms of employment in local and regional governments in Austria, Cyprus, France, Greece, Ireland, Portugal, Romania, Slovakia and Slovenia. In certain cases, the association of local and regional governments is involved in the negotiations, as in Slovakia and Slovenia, or, possibly with only a consultative role, as in Greece. In two cases, Hungary and Latvia, central consultations take place within the national tripartite consultation bodies: the National Public Service Interest Reconciliation Council (OKÉT) in Hungary, for the overall public sector; and the National Tripartite Cooperation Council (NTSP) in Latvia.

In two cases, representation of local and regional governments as employers is delegated by law to a state agency. This happens in Italy, with Aran, which has an encompassing representative role for the whole public sector, including local and regional government, and in Ireland, where LGMA is a state agency of the Department of Environment, Community and Local Government which represents the local and regional government sector in central negotiations.

Mandatory associational representation (as opposed to legal representation through state agencies as in Italy and Ireland) can be found in Hungary, where BÓSZ represents the 23 local authorities of Budapest; and in Greece, where ENPE and KEDE are the associations of the regional and the municipal authorities respectively. In these two countries, mandatory associations do not have a strong role in negotiations over the employment conditions in the local and regional government sector. Conversely, the mandatory Local Councils’ Association (LCA) in Malta negotiates the sectoral collective agreement.

Outcomes and good practice examples

The social dialogue committee represents around 150,000 local and regional authorities. It promotes quality public services, based on values of:

- social and environmental responsibility
- accountability.

The committee is also a forum for exchanging information on labour market issues, responding to consultations and other initiatives by the Commission, Parliament and Council, and influencing legislation and policy in the fields of employment, training, social protection, labour law, and health and safety.

The main challenges for this sector include

- promoting social dialogue between employer and trade union organisations in local and regional government
- exchanging information on labour market issues and sharing best practice,
- monitoring technological developments and their impact on the workforce and employers (especially digitisation),
- climate change, energy transition, migration and their impact on municipalities and citizens,
- recruiting young workers and retaining older workers in local public services,
- life-long learning.
The key areas focused on by the committee are:

- the economic crisis and its impact on local and regional government
- migration and anti-discrimination guidelines
- restructuring - implementing the CEMR-EPSU joint framework on restructuring for local and regional government
- information and consultation rights - minimum standards
- socially responsible procurement
- social services
- health and safety at work
- violence - follow-up guidelines on third-party violence
- gender equality - follow-up on guidelines

In addition, CEMR and EPSU adopted a new work programme for 2018-19 in November 2017. The work programme focuses on the following issues:

- Economic governance: the European Commission will support a two-year project ‘localising the Economic Semester’ that will address the participation and role of local government social partners in the National Reform Programmes. Local governments have little room to manoeuvre to influence the European Semester Process.
- Well-being at work: EPSU and CEMR will further develop the framework of actions adopted in 2016 dealing with restructuring, well-being and future of the sector
- Gender equality: the social dialogue committee will follow up and promote the revised gender equality action plan. The revised plan was also adopted with the new work programme.

The following table provides an overview of outcomes of the European Social Dialogue Committee in the local and regional government sector.

<table>
<thead>
<tr>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Revised CEMR-EPSU guidelines to drawing up gender equality action plans in local and regional government</td>
</tr>
<tr>
<td>2016</td>
<td>Joint Guidelines Migration and Strengthening Migration and Anti-Discrimination in Local Government</td>
</tr>
<tr>
<td>2016</td>
<td>Joint guidelines – migration and strengthening anti-discrimination in local and regional governments</td>
</tr>
<tr>
<td>2016</td>
<td>Toward CEMR-EPSU framework for well-being at work for local and regional governments</td>
</tr>
<tr>
<td>2015</td>
<td>Joint declaration on the opportunities and challenges of digitalisation in local and regional administration</td>
</tr>
<tr>
<td>2015</td>
<td>Joint Statement on the High-level Summit on Social Dialogue</td>
</tr>
<tr>
<td>2013</td>
<td>Local and Regional Government: Supporting the European Framework of Action on Youth Employment</td>
</tr>
<tr>
<td>2013</td>
<td>Necessity and nature of a new EU OSH policy framework (Joint Response)</td>
</tr>
<tr>
<td>2012</td>
<td>Framework of Action for LRG</td>
</tr>
<tr>
<td>2012</td>
<td>Joint Letter to MEP Tarabella on Review of Procurement Directives</td>
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</table>
Industrial Relations: Sectorial social dialogue case studies

<table>
<thead>
<tr>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Municipal and regional employers and trade unions deeply concerned about the effects of the crisis (Joint Statement)</td>
</tr>
<tr>
<td>2011</td>
<td>The EC Guide on Socially Responsible Public Procurement (Joint statement)</td>
</tr>
<tr>
<td>2010</td>
<td>Joint statement to the European Council on the economic crisis</td>
</tr>
<tr>
<td>2009</td>
<td>CEMR-EP/EPSU Joint Message to the Spring European Council</td>
</tr>
<tr>
<td>2008</td>
<td>CEMR/EPSU joint response to the Consultation of the European social partners on sectoral social dialogue</td>
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</tbody>
</table>


Vertical articulation: Processes, practices and perspectives

**Top-down processes, practices and perspectives**

National tradition is a key factor affecting top-down articulation. For example, in Denmark, agreements at EU level can be implemented quite easily, due to the presence of collective bargaining structures.

“There is a high level of trust between the social partners in Denmark, which cannot be built up overnight”. (Trade union representative, Denmark)

A national employer representative in Denmark gave the example of the agreement on active ageing at cross-sector level. In many countries, there was already a collective agreement on this subject, so they negotiated a framework agreement with best practice examples and tools. This gave freedom to the national partners to choose the best tools for them.

In the UK, a trade union interviewee noted that topics for discussion sometimes come from the secretariat in Brussels, which may suggest a priority to members. An example of this is a project proposal to the Commission in response to a call for research on the European Semester (this project proposal has been approved by the Commission and the first seminar took place in Namur on 23 February 2018). This is not usual territory for local government, but the secretariat convinced the members how important it is to be involved in the European Semester, in the drafting of the country reports and recommendations.

One factor potentially hindering the effectiveness of the top-down process is the fact that the Commission presence at social dialogue meetings is not always a specialist, so the discussion and explanation of an issue is not always as technical as it could be.

**Box 1**

**Example: Guidelines on gender equality**

The 2010 guidelines on gender equality were finalised and renewed very recently. In terms of implementation of this text, it depends on the Member State. Denmark, for example, is generally further ahead of other countries in this area. This agreement has not been implemented in Denmark, for a range of reasons. Firstly, it has not been a priority on the employer side, but also gender equality is already present in collective agreements and legislation in Denmark. However, Sweden and Spain have been very much involved in the guidelines.

The UK is also seen as often ahead of the curve on many issues. It has a highly evolved system of dealing with employment matters, compared to many other countries. The

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
employer representative in the UK felt the UK has an example to contribute rather than a deficit to fill in terms of the issues that are discussed in the EU social dialogue. In terms of dissemination and implementation, the Equality Guidelines have been sent out to trade union members in the UK.

During the negotiations for the 2010 Guidelines, there was a lot of discussion in the social dialogue committee and the Nordic female employers in particular had a lot of input into the text. The trade union and employer sides were equally involved in drawing up the text. There is, however, in the trade union view, an imbalance in terms of engagement, with the Nordic countries being fully engaged. “They have parallel structures in terms of set up, so it really means something to them. Elsewhere, however, it doesn’t mean as much.” (UK trade union representative)

In the UK, the agreement went out through the trade union’s women’s network, to regional officials and to local and regional government branches throughout the UK. It references the relevant pieces of legislation in different countries.

“However, it doesn’t add anything to what the UK has already done in terms of gender auditing. There’s nothing new in it. Some of the CEE countries would have benefitted a lot from it. It always has to be the lowest common denominator to make it relevant to such a broad range of countries” (UK trade union representative). There is, however, no formal evaluation of the implementation of the 2010 Guidelines.

In Hungary, in MKKSZ’s opinion, the effectiveness of the two-way information flow is limited. Although the union is interested in knowing about European-level good practices and it uses them during negotiations, it is often faced with the government resistance and the trade union interviewees noted that the Hungarian government shows little interest in the union’s opinion about the potential consequences of its decisions and measures. The Hungarian social partners do not contribute to the ESSD, or only do so in a limited way Accordingly, examples of their influence and reactions are scarce. A similar situation is also noted on the employer side in Hungary.

**Bottom-up processes, practices and perspectives**

There is a general view that there is an openness towards taking on board at EU level what national organisations think are priorities; however, many organisations in Member States do not take the initiative. In EPSU generally, there is a view that there is a need for more input from CEEC colleagues, who tend to be relatively passive in meetings. On the employer side, CEMR lobbies the Commission and uses information coming up from its members.

At national level, in Denmark, articulation tends to be quite good in the local government sector, but it could be improved, in the view of the employers. Bottom-up articulation tends to stem from the social dialogue meetings and participation in Commission hearings.

“There could be more participation at meetings. This has to do with the agenda, whether things have been explained enough, whether people are willing to present something, or how much people have prepared. There can be a language problem as well. Sometimes people don’t want to speak up for fear of what the Commission or other people might think. They sometimes don’t have the proper mandate, or don’t want to get into a big discussion as they might not have the vocabulary for that. People sometimes don’t want to have too high a profile in front of the Commission, or are nervous of speaking in public”. (Employer representative, Denmark)

In general in Denmark, the social partners feel that they are always heard by their government, with meetings before and after European Council meetings. There is also a tradition of implementation by collective agreement in Denmark. However, the union view in
Denmark was that there should be more say by Member States in terms of what goes on at EU level, although it is also up to the social partners need to step up to make the social dialogue more effective.

One of the issues is that the social partners can view the EU level as not a top priority, even in Denmark. There is also public scepticism about the EU:

“If there is anything about cucumbers, there are huge headlines in the media. There’s no discussion about the social pillar, though, only among the nerds”. (Trade union representative, Denmark)

The social partners in the UK also sometimes struggle to communicate the relevance of the EU to their national members. From a trade union point of view, many of the issues that matter most to UK trade unions, such as procurement guidelines, are not on the agenda of the social dialogue yet, and this is unlikely to be an issue for trade unions in all Member States.

In the UK, it tends to be the international officers of trade unions who attend, and they tend to know very little about what the big issues are on the ground in their country. They should ideally talk to their national representatives and gather information from them before the meetings.

“The level of real nitty-gritty discussion is quite low”. UK trade union representative

However, the trade union view from the UK was that issues that people bring to representatives are raised in EU social dialogue meetings, so the bottom-up flow does work, although it can be hard. Overall, it is difficult to get UK trade union representatives to understand the relevance of EU social dialogue.

“Social dialogue is a concept that’s never really been embedded in the UK. It’s one of the many ways in which what goes on in Europe hasn’t become anything real in the UK”. (UK trade union representative)

The UK employer view was that articulation is reliant on individuals having the inclination and willingness to be proactive, rather than structural. This is a reflection of the relationship between the UK social dialogue and the EU level. When the social dialogue in the UK was more active, under a different government, issues were placed on the EU agenda more often.

At national level, trade unions can be very active and very well resourced, compared with employers, and more motivated to engage in the social dialogue. There are also greater expectations. In the UK, this was illustrated by the social dialogue launch events of the social partners.

“When we formally launched the education sector social dialogue, we bought some sandwiches for a lunch, from the local delicatessen. The trade unions hosted a reception in the evening, with a live band, oyster bar and champagne reception”. (Employer representative, UK)

There was also a feeling, certainly from employers in the UK, that there is a varying degree of engagement, depending on the nature of the subject matter. Employers tend to be more interested in maximum flexibility and therefore tend to resist nailing things down in any great detail.

The social dialogue meetings were held by both sides to be an important forum for exchange of experience and good practice. There is also a lot of informal contact between meetings.

« I meet with my Swedish counterpart quite regularly. There is a lot of follow-up in the fringes, people at the same events all the time. This does tend to help, if people see each other all the time. You can ask other people how they implement certain things in their country. You get a clearer idea of what the EU wants to be done, and what actually goes on at Member State level. This is very valuable ». (Employer representative, UK)
The view from Denmark was that the social dialogue works well. The employers felt that it has a definite added value to be a member of the cross-sector and sectoral social dialogue, in terms of being able to exchange views with other employers and with trade unions and to discuss what the Commission is doing, and how to improve this.

There are issues around what the two sides would like to have as discussions and what they would like to have as collective bargaining.

“There are always very useful side discussions, which are sometimes the bits that add the most value. Wading through trade union documentation is the price you pay for the value you get from sharing with your counterparts in other countries”. (Employer representative, UK)

The MKKSZ trade union in Hungary indicated that the most important added value of participation in the ESD is the information flow from the European level as it enables the social partners to learn about good practices put into place in developed democracies.

However, the involvement of the MKKSZ as a member of CESI is rather scant, due to organisational, financial and language limitations. However, at national level it participates in all forums of the sectoral social dialogue. It is a member of the National Council for the Reconciliation of Interests in the Public Sector (OKET), the National Labour Affairs Council of Public Servants (KOMT) and the Public Service Interest Reconciliation Forum (KÉF).

From 2010 to 2017, these three forums ran 71 meetings and three agreements were concluded between the government, employers (municipalities) and unions. The observation of the unions in Hungary is that the Hungarian social dialogue in the public sector is practically limited to information only. Regarding the ESSD the MKKSZ notes that it has no significant effect on the Hungarian social dialogue. Hungarian practice is influenced by the national government alone, which the trade unions feel is a consequence of the government believing that it can represent both employers and unions. The unions are unhappy with this lack of influence.

There are similar observations from the employer side. The national sectoral social dialogue is practically non-existent, according to TÖOSZ, which means that it is difficult for it to articulate its ideas and interests. TÖOSZ is aware of the benefits of the ESSD and believes that continuous consultations, negotiations with European social partners, the assessment and elaboration of various interests and the clashing of interests, resulting in real dialogue, may improve the quality of regulation. It also believes that it would be important to become familiar with the best practices of European partner organisations and channel them into the system of the Hungarian social dialogue. TÖOSZ also believes that mutual learning, joint training with member EU countries and their organizations would also be helpful, but the main hindering factor is the national situation in Hungary, which makes it difficult for employers and unions to participate in any of the activities of the ESSD.

Facilitating and hindering factors of articulation of engagement and articulation

There are a range of challenges and hindering factors in relation to the social dialogue, and the view was generally a common one across trade unions and employers.

Language tended to be a big issue: for many people whose mother tongue is never provided in the social dialogue. Many of the representatives tend not to have the necessary English competences, although younger representatives tend to be more proficient in English. The Commission will provide 5 or 6 languages, but only one eastern European language, which does not help many CEEC representatives. This is also an issue for countries such as Portugal and Greece, which also often get left off the language list. In particular, if documents are not translated into French, they will not get read in France. Language becomes particularly problematic in the working groups; when drafting agreements, there is a lack of resources and the working language has to be English. Overall, however, younger people coming through are more likely to speak English, so things are likely to improve.
Resources are also an issue for CEEC countries – the amount of time that their representatives can devote to EU issues might be quite limited, compared with other countries in the EU. Differences in expectations, due to different cultural and industrial relations backgrounds can also be a hindrance. There are great differences, for example, between the social dialogue and industrial relations traditions in Denmark and the UK. In some countries, there is no collective bargaining and so they would find it difficult to implement agreements. There are some unexpected consequences as well. For example, on the social pillar, the Danish social partners have been a little reluctant to be involved, as they do not want a Directive or anyone telling them what to do, as the social partners are used to regulating things themselves.

“There is a challenge with the nature of the subject matter – in some countries, there is highly evolved social dialogue. Sweden, for example. In the UK, we have never been interested in picking up social dialogue points and seeing them through into UK law, in contrast to other countries”. (UK employer representative)

Mandates. Some national representatives will not have a mandate, as this is already regulated in their country, or because a subject is not regulated by the social partners in their country.

Attendance and engagement. Attendance can be low in some meetings, and therefore it is important to engage in capacity-building. It is also important to ensure that those who are at the meetings participate fully.

“There is an element of the circus coming to town – people go to all the meetings and say virtually nothing. They are fulfilling their office of international officer”. (UK trade union representative)

There is a general mix of people at the meetings, ranging from elected councillors to people who are quite low down in their organisations, but who are actually the experts in a particular matter, so it can be difficult to find the right level of engagement.

Frequency of meetings. One of the problems is that there are only three meetings a year (it used to be four). This means that it is difficult to build trust, if people only meet three times a year, and when not everybody is there.

In Hungary the greatest hindering factor is national circumstance, as noted both by the employer and the trade union interviewees. The MKKSZ explained that the European players have no influence on this, although knowledge of the European processes and the exchange of good practices is of great importance for them.

Those interviewed for this study suggested a number of actions that may help to improve the efficiency of the social dialogue. From the trade union side, one of the main things that was viewed as being a help would be the development of more effective social dialogue at national level in some countries. At EU level, the view was that things seem to work relatively well: there are regular meetings and working groups to discuss particular issues. Horizontal linkages are considered to work well, but vertical linkages do not work as well, due to a lack of structures in some Member States. EPSU carried out a survey in 2012 on the impact and effectiveness of social dialogue and the results were reported to be overwhelmingly positive on the whole.

The view from the trade union side in Denmark was that meetings should be organised more as workshops, which would be better attended.

“Sometimes, when I look at social dialogue agendas, it is presentation after presentation. I don’t think that’s a good way to spread good practice. It’s better to hold workshops with fewer presentations and more discussion. Round tables are the only way to share good practice and build capacity. Otherwise, people get bored and don’t learn. Why would you send anyone to European meetings if all they get is a long presentation ». It’s much better to have a discussion, draw up a joint document and then learn from each other and help each other”. (Trade union representative, Denmark)
At national level, an employer view was that having more specialists taking part would help. Further, if participants had a proper mandate, this would mean that better discussions could take place. Best practice examples and guidelines were held by national employers to work well.

**Summary**

The overall assessment of the articulation between the EU and national levels tended to be positive from both employer and trade unions. The social partners at EU level also tended to be involved in some capacity in the cross-sector dialogue as part of a sectoral delegation.

From the trade union side, there was a view that the cross-sector dialogue can be quite a long process and relatively thin in terms of content, with some discrepancy between the amount of time spent on negotiations and the final outcome. The EPSU view was also that it can be a real challenge to implement cross-sectoral agreements: only Belgium has a proper cross-sectoral mechanism for implementing agreements. Conversely, at sector level, there is more potential to make things more relevant, and there is usually a structure in place to try to implement agreements.

The view from the employer side was that, in addition to discussing a particular topic, it was also really important just to get together and exchange, to interact with the Commission and the trade unions.

“This is the weakness and the strength of the social dialogue at European level – it’s a sort of meta-dialogue, in which the rules of engagement are discussed. In this way, it’s important. However, local members often don’t understand this and don’t always see it as relevant”.

(CEMR representative)

There is also something of an east-west divide (as in in most sectors); the view was that the eastern Member States still look with some suspicion at this practice of social dialogue, due to a lack of tradition in these countries.

Another particular issue for employers in this sector is that CEMR has quite a disparate membership and so it is relatively difficult to find a common voice. There have to be many compromises and efforts to find a common language, which means that it can be difficult to create a unanimous stream of consensus at European level. This can also be an issue for the trade unions.

“Very often, the goal is to find the minimum common ground on which everyone agrees. Implementation can then be undertaken at Member State level. It’s the rules of the game”.

(CEMR representative)

**Table 16: Summary of results**

<table>
<thead>
<tr>
<th>Engagement and motivation of actors</th>
<th>• Good commitment and engagement of EU level social partners based on joint challenges the sector is facing (impacts of austerity, restructuring, public procurement issues)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness of top-down and bottom up processes of articulation</td>
<td>• Effectiveness varies according to Member State, influenced by factors such as national traditions and governments in place.</td>
</tr>
<tr>
<td>Facilitating factors of articulation</td>
<td>• Well-established dialogue. Willingness to cooperate, good working relationships and good levels of trust built up. Healthy impetus for the dialogue and willingness to engage to share good practice. Awareness that texts need to be flexible enough to be implemented meaningfully</td>
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Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
| **Member States.**  
| The social partners are very willing to engage and work together to improve the efficiency of the social dialogue, looking at issues such as timely flows of information up and down the social dialogue, improved communication between meetings, ensuring that all participants have a mandate to discuss and negotiate, and open discussion and communication about national differences that may affect participation in the dialogue and the implementation of its results. |

| **Hindering factors of articulation**  
| Challenges in relation to the diversity of the national members involved, their expectations, their experiences and their capacity to act in their own countries.  
| Further challenges in terms of attendance and participation at meetings, exacerbated in some cases by a lack of language capacity and hesitations around active participation. |

| **Recommendations for improving articulation and level linkages**  
| Improving the information flow between meetings, which would make the meetings more meaningful for participants. Distribution of documents before meetings would help to ensure that all could contribute actively to meetings.  
| Capacity building needs to continue, particularly in the CEE countries. |

*Source: Authors*
Railways

Sectoral economic and social context
The railways sector has undergone high levels of restructuring over the past 20 years, in the context of the European Commission’s policy of liberalisation and deregulation. This means that in many countries, the landscape has changed significantly, from a sector dominated by state monopoly to a competitive sector with a range of private operators. The UK is an example of a country that has a privatised rail sector; many other EU Member States still operate in a context of a dominant state rail provider, however. There is also a marked difference between rail freight transport and passenger transport, with the former liberalised before the latter.

The railways sector was originally organised as a form of state-controlled infrastructure for railways. Since 1991, EU rail legislation has encouraged competitiveness and market opening. Directive 91/440/EC focused on breaking down rail networks’ vertical integration by establishing distinct organisation entities for train service operations and infrastructure management. The main goal was to boost market competition.

Once most Member States had separated their track managers and service operators at the accounting level, two key Directives promoting market liberalisation focused on licensing and infrastructure allocation. Directive 95/18/EC specified a universal licensing process for new railway undertaking while Directive 95/19/EC provided the framework for fair allocation and infrastructure capacity charging for railway undertakings. Since 2001, the Commission has adopted four Railway Packages, all aimed at regulating the increasingly liberalised rail sector in EU Member States. The fourth Railway Package was adopted on 14 December 2016. The European sectoral social dialogue committee for the railways was created in 1999, although a previous European joint committee was established in 1972. The social partners on the European sectoral social dialogue committee for railways are the European Transport Workers’ Federation (ETF) on the employees’ side and the Community of European Railway and Infrastructure Companies (CER) and the European Rail Infrastructure Managers (EIM) on the employers’ side.

Eurofound (2017a) notes that many EU countries do not have a sector-level employer organisation. Some employer organisations are not specific to the railways sector as they cover the state-owned railway companies and broader segments of the public sector. In other countries, employer organisations only represent the private operators, which account for a low proportion of employment in the sector. Trade unions in the sector are organised in a very fragmented way, but they record a very high density. In terms of collective bargaining, single-employer bargaining prevails in many countries, with agreements concluded by trade unions and companies without the involvement of employer organisations. Overall, the rail sector has a high proportion of coverage by collective agreement due to the large share of employment in the sector accounted for by companies.

In terms of the implications and effects of liberalisation on industrial relations, EU regulation promoting liberalisation has resulted in different national reforms, including countries where liberalisation has not been accompanied by free competition. Eurofound notes that the effects of liberalisation on sectoral industrial relations can be grouped into three areas: changes in the social partners’ organisational landscape; changes in the collective bargaining structure; and changes related to a decrease in collective bargaining coverage.
Finally, the sector has changed a great deal on the employer side, from one state employer to a situation where multiple employers operate, including private providers. This has an impact on collective bargaining and industrial relations overall in the sector.

Table 17: Profile of the railways sector

<table>
<thead>
<tr>
<th>NACE demarcation</th>
<th>49.1 Rail passenger transport; 49.2 Rail freight transport; 52.21 Railroad infrastructure</th>
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<tbody>
<tr>
<td>Employment</td>
<td>Around 900,000 in railways and railroad infrastructure</td>
</tr>
<tr>
<td>Business structure</td>
<td>Dual structure of large incumbent operators and new private companies</td>
</tr>
<tr>
<td>Business challenges</td>
<td>Coping with the implementation of EU regulation in terms of liberalisation</td>
</tr>
<tr>
<td>Social and employment challenges</td>
<td>Liberalisation and privatisation of the sector has had an impact on employee representation and on terms and conditions for the workforce</td>
</tr>
<tr>
<td>Impact EU regulation</td>
<td>High level of exposure to EU regulation, through a succession of rail regulation packages</td>
</tr>
</tbody>
</table>

Source: Authors, based on various sources including Eurofound representativeness study on the sector and interviews carried out in the context of this study.

Actors and processes at EU and national level

EU level actors and processes

The Community of European Railway and Infrastructure Companies (CER) is the main association representing the railways sector at EU level. It is therefore essential to engage with all stakeholders, including the social dialogue with trade unions. CER is the largest employer representative in the rail sector and it is therefore important that it is involved in the dialogue. Together with EIM, CER is the representative social partner in the sectoral social dialogue.

The social dialogue enables meetings to take place three times a year. CER also has its own work programme, but can also address topical and ad hoc questions when they are raised in the meetings. For CER, the social dialogue provides an opportunity for exchange and awareness of the positions of other people. It is also important, as it provides the funding necessary to enable national members and stakeholders to take part.

The projects and the working groups are the main producers of texts – the plenary meetings tend just to approve the texts. There are each year one plenary, one Steering Committee meeting and one meeting of the two working groups. Experts on both sides are in regular contact, at EU level, but also work on these issues nationally. Overall, it is deemed important to have experts in place who have the necessary knowledge and commitment to make things work at EU and national level.

The general assembly is CER’s decision-making body, made up of CEOs of member companies. The next level is that of ‘CER assistants’, which are usually directors of the international departments of rail companies. These individuals coordinate the work, distribute tasks, collect inputs and ensure liaison between different people in the network. There are also a number of working parties, which meet on specific topics and then prepare documents for the higher-level groups, including the HR directors group.

CER has an annual business plan, which often covers longer-term issues. Experts will prepare opinions and background papers for the meetings with unions. Overall, there are no specific fixed procedures for the social dialogue process: CER’s internal procedures are relatively general and can therefore fit any topic, including negotiations in the context of the EU social dialogue.
The trade union in the rail sector is the European Transport Workers’ Federation (ETF). ETF has an executive committee for the entire organisation, in addition to sectoral structures, including for rail. The executive committee is a plenary body that meets twice a year. It also has a steering committee, balanced in terms of gender and region (female president or vice-president). Decisions are taken at the plenary meetings. The sector’s work programme is devised and voted on in the steering committee. It is then taken to the steering committee of CER/ETF. Recent topics of interest include training for drivers, safety, women in rail.

ETF has members in 37 Member States in Europe (not all countries have railways). However, average representation in social dialogue meetings is around 20. Representation was stronger in the past but has been influenced by austerity and weakening of trade unions and privatisation of the rail sector. The overall policy of liberalisation is felt to have had a negative impact on trade unions; in Spain, Portugal and Greece, for example, the unions have fewer resources to devote to EU work, which lowers participation.

In general, transport is subject to a high degree of EU legislation, including overseeing restructuring of the rail sector; the social dialogue plays a key role in this. Over the past 20 years, the rail sector has been moving from a public service sector dominated by national operators to a liberalised market. There is a huge interest among the social partners in terms of influencing this, both in terms of legislation and working conditions. They also use joint opinions to influence opinion and thinking. Most specifically, the social partners in this sector have experience in providing the basis for EU legislation, having negotiated two Article 155 agreements: the 2004 text on certain aspects of the working conditions of railway mobile workers assigned to interoperable cross-border services; and the 2004 text on the European licence for drivers carrying out a cross-border interoperability service.

There is a significant level of legal detail that defines the rail sector in the EU, taking the form of legislation, market regulations and technical requirements. The EU Agency for Railways (ERA) deals with much relevant legislation, including in the health and safety area.

**National level actors and processes**

In the context of this case study social partner organisations from a total of five countries have been interviewed: France, Germany and Slovenia (trade unions and employer organisations), Bulgaria (only trade union) and Slovakia (only employer organisation).

In France, social dialogue tends to take place at company level in the rail sector. The SNCF is the main organisation operating in the sector, and although the freight rail sector has been undergoing liberalisation, along with the rail sector of all EU Member States, SNCF still accounts for around 70% of freight traffic in France.

A number of different trade unions operate within SNCF. There are collective agreements for SNCF and one for the sector as a whole. Social dialogue operates within a national context in France of a new law on the representativeness of the unions to participate in the social dialogue, which came into force in January 2018.

In Germany, the Railways and Transport Trade Union (EVG), a member union of the DGB confederation, is affiliated to ETF as well as the ITF. The EVG has around 108,000 active trade union members not only in railways but also other transport branches. The EVG is the newest of the trade unions affiliated to the DGB, as it was established only in 2010, when the former railway union TRANSNET changed its name and merged with the civil servant trade union GDBA in order to become EVG.

EVG represents the social and employment interests of workers in railways as well as other transport sectors at national as well as European and international level. A key activity in this context is the negotiation of collective agreements at various level on wages and working conditions.
AGV MOVE is the main sectoral employer organisation and social partner in the railways and mobility sectors, including railway infrastructure and other supporting service sectors. The organisation was established in 2002 out of the Deutsche Bahn AG Group. AGV MOVE represents the employment, social and economic interests of more than 50 member companies at national, European and international level and is integrated in the committees of the German peak level employer organisation BDA and the Association of German Transport Companies (VDV) as well as CER at EU level. AGV MOVE’s main activities relate to the development and negotiation of collective agreements with EVG and other trade unions, providing legal and other expertise for member organisations, training measures a representing the interest of the sector in national and international policy and institutions.

In Bulgaria, the Federation of transport trade unions, FTTUB is a sectoral, national representative organisation, affiliated to CITUB at the national level, and ETF and ITF at European and international level. It represents more than 10,500 workers from all transport sectors and also rail and road constructors, telecommunications, transport hospitals, Fisheries and tourism. It has 103 trade union members. FTTUB is strongly involved in the ETF - the president of FTTUB is also vice president of the ETF and the ITF.

Outcomes and good practice examples

The social dialogue in the rail sector is highly organised and responds to EU regulatory initiatives. Most recently, in addition to the fourth railway package, one area of focus has been women’s employment in the sector, based on a 2012 agreement, Women in Rail. This agreement has been evaluated on an annual basis. The agreement addresses the issue of how to attract more women into the rail sector. Ideas for action came from a range of different companies and were the result of action in this area taken by a number of rail companies, such as SNCF in France and DB in Germany. The outcomes of this EU project then formed the basis of social dialogue negotiations and agreements in France, which is a good example of top-down articulation. Similarly, in Bulgaria, the social partners have been inspired by the equality and prevention of violence agreements negotiated at EU level in the sector and have subsequently concluding their own agreements on issues such as equal opportunities and prevention of violence.

Other topics addressed by the EU-level social dialogue in this sector include psychosocial risks, protection of staff in competitive tendering situations, and employability in the fact of demographic change. The social partners in this sector also negotiated two binding agreements, on working conditions of mobile workers engaged in interoperable cross-border services, and the European locomotive driver’s licence.

Table 18: Outcomes of the social dialogue in the railways sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>Rail Freight Declaration</td>
</tr>
<tr>
<td>2014</td>
<td>2nd Annual report on the Development of women’s employment in the European railway sector</td>
</tr>
<tr>
<td>2014</td>
<td>Joint recommendations to identify and prevent psychosocial risks within the railway sector</td>
</tr>
<tr>
<td>2014</td>
<td>on the development of women employment in the railway sector in Europe</td>
</tr>
<tr>
<td>2013</td>
<td>PSR RAIL – A guide to identifying and preventing psychosocial risks at work in the railway sector</td>
</tr>
<tr>
<td>2013</td>
<td>Social aspects and the protection of staff in case of change of railway operator: the current situation (report and Joint opinion)</td>
</tr>
<tr>
<td>2013</td>
<td>Joint opinion and report on social aspects and the protection of staff in competitive</td>
</tr>
</tbody>
</table>

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
<table>
<thead>
<tr>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>tendering of rail public transport services and in the case of change of railway operator</td>
</tr>
<tr>
<td>2012</td>
<td>Promoting security and the feeling of security vis-à-vis third-party violence in the European rail sector - A good practice guide</td>
</tr>
<tr>
<td>2012</td>
<td>Promoting security and the feeling of security vis-à-vis third-party violence in the European railway sector - Recommendations of the European railway sector social partners</td>
</tr>
<tr>
<td>2012</td>
<td>WIR - Women In Rail - Good Practices and Implementation Guide</td>
</tr>
<tr>
<td>2012</td>
<td>Follow-up of the Joint Recommendations Better Representation and Integration of Women in the Railway Sector - Implementation - Evaluation – Review</td>
</tr>
<tr>
<td>2011</td>
<td>Employability in the face of demographic change - prospects for the European rail sector</td>
</tr>
<tr>
<td>2010</td>
<td>Joint Recommendations for better representation and integration of women in the railway sector. Status and how to apply the Joint Recommendations</td>
</tr>
<tr>
<td>2010</td>
<td>Follow-up of the Agreement on the Working Conditions of Mobile Workers Engaged in Interoperable Cross-Border Services</td>
</tr>
<tr>
<td>2009</td>
<td>Joint Declaration of the CER-ETF Agreement on a European Locomotive Driver's License</td>
</tr>
<tr>
<td>2009</td>
<td>Report: Freight business restructuring and its impact on employment</td>
</tr>
<tr>
<td>2007</td>
<td>The concept of employability in the railway sector - Recommendations</td>
</tr>
<tr>
<td>2007</td>
<td>Joint recommendations for a better representation and integration of women in the railway sector</td>
</tr>
<tr>
<td>2007</td>
<td>Rules of procedure of dialogue committee in the railways sector</td>
</tr>
<tr>
<td>2007</td>
<td>Joint declaration on internalisation of external cost in transport for an acceleration of Community activities</td>
</tr>
</tbody>
</table>


Good practice examples

*The Agreement on Working Conditions of mobile workers engaged in interoperable cross-border services in the railway sector*

In January 2004, after more than a year of negotiations, the EU social partners signed an agreement that provides for minimum standards of working conditions: daily and weekly rest periods, breaks and driving time of mobile rail workers that are engaged in interoperable cross-border services. The agreement was implemented by the EU Directive 2005/47/EC. According to all interview partners at EU and national level, the agreement and its implementation into national law in all 28 EU Member States (plus Norway) has been the outcome of the European social dialogue that has had and still has the most significant impact on working and employment conditions in the railways sector.

In particular the representatives of the ETF as well as the national trade unions highlighted their view that the agreement illustrates a concrete example of the added value of social dialogue in terms of shaping and harmonising the regulation of social and employment conditions in the European Union as well as having a direct impact on the railway sector.

*Women in Rail and SNCF*

The Women in Rail joint recommendations and project are seen as a particularly good example of the social dialogue in the rail sector. The project, which dates from 2012, addresses the issue of how to attract more women into the rail sector. Ideas for action came from a range of different companies in the sector.

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
SNCF evaluated the project outcomes as a good example of the links that can be forged between the social dialogue at national and EU level, with ideas passing both up and down the chain between national and EU level.

SNCF was member of the Steering Committee of the project. The different Member States were able to work together and learn from each other. In 2012, SNCF was in the middle of renegotiating its gender agreement and the project meant that the company had more ideas to discuss with the unions. For example, SNCF took over the idea of a “Girls’ Day”, which is integrated into the national agreement and organised every year. Regular annual events for young women are organised in order to demystify the sector for women. SNCF organises these events across France, aimed at secondary school girls, at which different technical professions are presented, including maintenance and engineering roles, which are traditionally thought of as male.

It is relatively early days in terms of seeing real results of the “Girls’ Day”, as encouraging girls into the sector is something that takes a while to translate into actual increases in numbers. What SNCF is trying to do is not specifically to recruit women to the sector, but to encourage them to think a little differently and to be a bit more open to different types of jobs and sectors in general. This project also had wide press coverage, which also contributes to changing the way people think.

Another example of sharing good practices coming from the Women In Rail project concerns a women’s network. This was originally an idea formulated by DB in Germany. SNCF was inspired by this idea and developed a similar network, which has had so much success that SNCF shares now this experience with DB.

Another good practice, originating in Poland, was taken over and developed by SNCF. Here, the company offers to maintain contact and communication to women who are on maternity leave. Not all women will want to do this, but it is something that the company offers in the context of the retention of women.

However, despite all these efforts, the increase in female participation at SNCF and in the sector is slow. Nevertheless, overall, the social dialogue in this sector is deemed to be very good, in the view of the SNCF.

Similarly, in Bulgaria, the social partners have been inspired by the equality and prevention of violence agreements negotiated at EU level in the sector and have subsequently concluding their own agreements on issues such as equal opportunities and prevention of violence.

**Vertical articulation: Processes, practices and perspectives**

*Top-down processes, practices and perspectives*

The rail sector is very exposed to EU policy and so the social dialogue tends to focus on issues such as EU regulations and the conclusion of agreements for implementation by Council Decision.

In terms of the effectiveness of the implementation of outcomes, there are some *ad hoc* activities to monitor the state of implementation of specific texts, for example, the joint recommendation on the integration of women in the rail sector. There is a very structured exercise for this, with the collection of data to monitor the progress of women in companies. This results in an annual report.

There are other, less regular monitoring exercises, and from 2018, the social partners intend to review joint recommendations on employability and the representation and integration of women, to see whether they need to be updated or modernised. They are also currently running a project on reviewing the binding working time agreement for mobile workers in the rail sector.
Industrial Relations: Sectorial social dialogue case studies

Binding agreements are easier to evaluate and they have concrete results in terms of national provisions. However, the existence of national provisions does not mean that provisions are implemented at the level of companies. Here, for example the EVG trade union in Germany stressed the need to monitor and analyse challenges as regards implementing key provisions of the 2004 Agreement on working conditions of cross-border rail mobile workers. Challenges of applying the agreement in particular have emerged as regards the efficiency of checks and controls and companies making use of legal loopholes.

As noted by the French and German employers’ organisations, it should not be assumed that binding agreements are the only meaningful outcomes of the social dialogue. Sometimes, a binding agreement is not the right tool: there are all sorts of other types of joint texts and outcomes that are valid and valuable as joint commitments. For example, the joint recommendations for better representation and integration of women in the railway sector.

This agreement led the French members to conclude an agreement at company level in France, which was inspired by the EU level. The same thing happened in Germany, so it is possible for the EU level to influence and inspire what goes on at national level.

In terms of the flows of information between EU and national level, CER experts prepare documents from the national to the EU level, including the HR director level. This tends to work smoothly in general but there has to be a clear link between the national and the EU level. All companies are different, so the precise workings depend on the company, but in general, things are viewed as working well. It can be a challenge to get a general opinion from these diverse actors, although in general, shared interests are more consistent than might be expected.

The main challenges relate to the structure of the sector and maintaining debates that are relevant, in the context of EU policy and the EU’s regulatory reform of the rail sector. This is one of the things that will have the largest impact on the way in which employers will work with employees and their representatives.

Automation of the sector and digitalisation are also upcoming challenges for the sector. For example, mobility will be changed in the future by new technologies, and automated trains will affect employment levels.

CER members are interested in how to meet the challenges of the EU reforms and how this can be done with the unions. They work with the HR director group, which is very active in this area.

Encouraging more women into the sector is also a challenge, and there is also an issue related to the ageing workforce. The sector therefore needs to make itself more attractive both to younger workers and to women.

Climate change is not as great a challenge to rail as it is to some sectors, as on balance, rail is seen as a solution rather than a threat. However, there are joint statements on climate change, such as promoting freight transport for rail.

**Bottom-up processes, practices and perspectives**

In terms of differences between countries, there are quite strong differences in involvement in the social dialogue. Both ETF and CER agree that these differences are very much a result of varying levels of capacity, language issues and financial resources. There is also sometimes a lack of interest on the part of national social partners.

According to the managing director of AGV MOVE who is also the vice-president of the railways sectoral social dialogue committee, it would be too easy to explain the differences in engagement by belonging either to the EU15/older Member States or EU12/newer Member States. In fact, countries such as the Czech Republic or Bulgaria are involved quite intensively, while there are also significant differences between Western EU Member States as regards engagement and involvement in the social dialogue. All in all, however, according
to the experience of AGV MOVE, the participation rate of national social partners in ESSD plenary meeting has increased during the last years.

As noted by the ETF representative, the EU work depends very much on the commitment of the individuals sent and the importance the union accords to EU work. According to the ETF representative, there is a tendency in the unions to send a person who has been involved at national level and might not be involved in EU work. There can sometimes be difficulties in persuading the national members of the value of EU work. Germany and France give high importance to the ESD and to European work, while trade unions in other countries are not as interested. Levels of interest can, of course, depend on the topic. Further, in CEE countries, when the unions are weak at national level, there is an expectation that the EU level dialogue could solve their problems, whereas the western unions do not have this expectation. If the outcomes were more binding, the view is that this would contribute much more to CEE countries. However, the majority are non-binding texts.

At national level, for Bulgarian trade unions, the added value of the European social dialogue is the agreements, joint recommendations and joint projects produced by the dialogue. The social dialogue also gives the social partners the opportunity to work towards harmonising working conditions, improving the quality of transport services and increasing gender equality and many other fields through exchange of good practices. The view is that once the result is achieved on an EU level, it is, or should be, easier to be implemented on national level.

In France, the view from the SNCF was that the relevance of the European social dialogue depends very much on the topic. Equality and women in the rail sector has universal appeal and so it is deemed to be relevant. In this case, the social partners at national level have taken up the topic and negotiated on it themselves. It also depends on the trade unions themselves: for example, the topic of violence from third parties was a topic that very much interested the trade unions at national level; it came from the national level and was discussed at European level as well. In addition, some national participants are more active than others in the European social dialogue: France and Germany are very active, on the employer and trade union side, as is Austria, Italy, Netherlands, Bulgaria, Belgium and Sweden.

SNCF also confirmed that language is a real barrier in the social dialogue, especially for the CEE countries. There may be translation in the larger groups, but there are problems in working groups, and with the documentation, which mostly only appears in English.

Another difficulty is that, depending on the country, the agreements negotiated at EU level have more or less relevance. For example, in France, any agreement on training is not likely to have much of an impact, as there is a well-established social dialogue and provisions on training in France. By contrast, the same EU-level agreement would have much more of an impact on other countries that have different national provisions in place. An example of this is the Directive on qualifications for drivers, which has less of an impact in France than in other countries.

A similar point was made by the German railway trade union EVG. From the perspective of EVG, the strongest impact certainly results from outcomes that are binding for all Member States and directly influence working and employment conditions. Therefore, the German trade union has been very much engaged in the development and negotiation process that led to the 2004 agreement as well as activities of EU level lobbying for the railway sector, either jointly with the EU level employers or within ETF. For the EVG, the sectoral social dialogue is an important instrument in terms of having a voice in European debates about regulation and rule-setting that is particularly relevant in the railway sector. Further added-value from the national perspective is the possibility of highlighting problems in the field of regulation and working conditions as well as ‘bad practices’ vis-à-vis the EU Commission. And finally, the European social dialogue is viewed as a tool to share information and exchange with
railway trade unions in other countries, a source of mutual learning and understanding. Here, joint projects and activities are an important instrument.

**Facilitating and hindering factors of engagement and articulation**

From the interviews at EU as well as national level with social partners, a number of facilitating as well as hindering factors of engagement and articulation were highlighted. Certainly the most important facilitating factor of engagement and articulation is the potential of ESSD to have an impact on the working and employment conditions of the sector. Here, the concrete example is the 2004 agreement on working conditions that has been highlighted by all interview partners as very relevant. However, also other ESSD activities, such as joint positions, recommendations and declarations, have been highlighted as important outcomes because they aim at shaping EU legislation and policies relevant to the sector. Some interview partners also noted that both outcomes require substantial engagement by national social partners in negotiation processes, exchange within the respective organisation as well as with the other social partners.

As regards the latter, it was stressed by interviewees at EU as well as national level that the involvement of senior people from the involved organisations also facilitates articulation. The sector still has many state-owned companies, possibly with the exception of the UK and Sweden (although many countries have now opened up to competition and the landscape is different in freight transport). If these top-level people come together, this is seen as quite powerful.

This was also stated by the EVG representative who noted that the involvement of senior management in unions as well as companies or employer organisations have a strong impact on the outcomes of negotiations and in particular on their implementation and on the commitment of the parties involved.

Finally, facilitating factors of engagement and articulation that are less general but may be very appealing for some organisations are topics addressed by joint projects, as the example of the activities to support women in railways has shown. Joint projects have also been highlighted as an important activity that contributes to better understanding, mutual learning processes and trust-building.

There is a range of hindering factors to the smooth running of the social dialogue, with common themes emerging from the interviews with the social partners on both sides. **Language issues.** All the interviewees highlighted language as a major obstacle to the smooth functioning of the social dialogue and a barrier to stronger engagement and articulation. The interviewee from EVG in Germany noted that the lack of translation and interpretation at meetings still is a huge barrier for participation and involvement in ESSD, not only in plenary meetings of the committee but also in negotiation teams or thematic working groups. In Bulgaria, the language barrier is a particular challenge, although the union expressed gratitude for the financial resources provided by the EC, which allow them to be that actively involved. The agenda for sectoral and sub sectoral social dialogue in Bulgaria is not clearly set through yearly working programs as for the ESSD: each party has the right to initiate a meeting but unless trade unions call for it, meetings are rarely organised. A further challenge is that Bulgarian employers rarely take part in the ESSD.

**Frequency of meetings.** The social partners in this sector would like more regular social dialogue meetings. At present, there are three a year; the social partners would like one plenary, one steering group and two working groups, a year, but they only have one working group meeting, as they have to use one for the steering group meeting.

**Structural issues.** The German railway union EVG stressed that there are also hindering factors for engagement and articulation that are related to other framework conditions.
surrounding ESSD. Here, for example restrictions regarding the number of participants per country makes it difficult in particular for smaller organisations (that cannot cover the costs) to send more than one participant to meetings in Brussels. This however, would be important in situations where thematic input is necessary and only the participation of somebody for example from the international department is not sufficient. However, current rules does not provide for such a possibility.

Role of the Commission. The German employer organisation AGV MOVE highlighted critically the role of the EU Commission in terms of the visibility of ESSD and its outcomes. Their view was that the social partners play an important role in promoting Europe at the national level, including the company level and this integrative as well as mediating role should be much more appreciated by the Commission in addition to the technical and facilitating role that it currently plays. A further and more qualitative hindering factor related to the role of the Commission was highlighted by EVG: Referring to the 2013 joint position of the social partners in railways on social aspects and the protection of staff in competitive tendering of rail public transport services and in the case of change of railway operator in the context of the 4th Railway Package, the trade union representative felt that his opinion has not been taken into account by the Commission. He believed that the Commission is rather fixated on Art. 155 agreements and does not fully appreciate the work that goes into a joint recommendation of the social partners on a specific legal initiative. For the national social partners such experiences often result in questioning the added value of engaging in EU-level debates and negotiations with the employers. For them it is often easier to find an accompanying solution at home, such as an agreement with the respective employer organisation. EVG thus strongly stated that a strengthening of links between the EU and national level of social dialogue first and foremost would require a stronger commitment of the Commission for the added-value of all forms of sectoral social dialogue. This certainly would also have positive impacts on the perceptions of EU social dialogue in the different Member States.

Initiatives and practices of the social partners to improve articulation and efficiency

According to both, employers and trade union organisations at EU and national level, bottom-up as well as top-down processes of articulation very much depend on each other. The view is that it is important to stimulate a two-way flow of information. It is also important to stimulate the national members, to give them a role and activities, so that they can feel ownership. At national level, there are chairs and rapporteurs of the social dialogue at EU level, which gives them some responsibility and ownership. This means that they are involved in project workshops – they strongly rely on national members for project workshops. This is a good promotional tool – it also gives CER the opportunity to touch base with the national members and raise awareness of the EU social dialogue.

All the shaping of the social dialogue and the detail is carried out at the national level, so national members need to be very aware of their role – the EU level is only an outline, which is then filled in at national level. It can be difficult for national members to take the time to participate in the EU dialogue, however. There can be delays in persuading the less active national members to participate and there is always a difficulty with resources. The view is that the social partners have to do this step by step and take opportunities as they arise.

There are many exchanges of good practice, especially at the level of the HR directors group, and the CER members value this extremely, carrying this out within their membership, rather than formally within the social dialogue. The evaluations of this are always very positive.

As mentioned above, CER would like additional resources in order to increase the number of meetings from three to four a year. It is currently working on a project on how to increase the visibility of the social dialogue at EU level, which will be presented during 2018. Overall,
there is commitment from CER and the unions to improve the social dialogue, even though they may disagree on the tools to do that. This is why they spend quite a lot of time discussing how to do this and what approach to take. CER feels that all types of joint texts are valid and that it is not necessary always to conclude binding agreements, just for the sake of having a new agreement.

In general, CER is happy with the support provided by the European Commission, although it believes that there might be issues around this on the level of the cross-sector social dialogue, in the context of the relaunch of the social dialogue.

There are discussions in the ETF about strengthening capacity and they have also participated in joint projects with employers over the past 10 years. For example, they jointly visited all new Member States on three different projects, in an attempt to build capacity. As part of this, they informed the social partners in these Member States about EU social dialogue and organized seminars in order to facilitate mutual exchange. However, this is a one-shot event and so thought needs to be given to how to ensure regularity.

The trade unions also feel that communication could be improved in general. In terms of new project, the social partners are currently looking at strengthening the ESD, although there are differences in terms of the approach, with CER favouring workshops that would involve works council members, and ETF favouring high-level participants at their seminars, in order to identify the added value of the ESD.

**Summary**

The rail sector is one of the EU sectors that is most exposed to EU regulation and this provides a lively impetus for binding agreements and other joint social dialogue texts at EU level. The social dialogue functions well overall in this sector as it is very well-regulated at EU and national level. In addition, there are a range of good practice examples of joint working, such as the Women in Rail agreement, which is a good example of articulation between the EU and national levels in the case of France in particular. In addition, the national social partners in Bulgaria are extremely active in their social dialogue, using the EU-level social dialogue to boost its own national dialogue. In terms of the future, the EU social partners are working on improving the dialogue and increasing capacity. CER is working on a project on how to increase the visibility of the social dialogue at EU level, to be presented during 2018. There are some points in common between this project and our project. There is an overall commitment from CER and the ETF to improve the social dialogue. There are also discussions within the ETF on how to strengthen capacity.

**Table 19: Summary of results**

<table>
<thead>
<tr>
<th>Engagement and motivation of actors</th>
<th>• Mature social dialogue and strong commitment and engagement of EU level social partners overall. Good coordination when dealing with EU regulatory issues.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness of top-down and bottom up processes of articulation</td>
<td>• One of the best sectoral examples of top-down and bottom-up articulation. Women in Rail agreement inspired by national-level activities and in turn led to related activities in France, Germany and Bulgaria.</td>
</tr>
</tbody>
</table>
| Facilitating factors of articulation | • The fact that this sector is very exposed to EU regulation and the social partners can contribute to this via their dialogue has been a significant facilitating factor. They have negotiated two binding agreements linked to EU regulation.  
  • The dialogue has the involvement of senior figures, which is an enabling factor. |

Disclaimer: This working paper has not been subject to the full Eurofound evaluation, editorial and publication process.
Industrial Relations: Sectorial social dialogue case studies

- The topics chosen, such as Women in Rail, are highly relevant and interesting for the social partners on both sides.

### Hindering factors of articulation

- Language barriers remain an issue. Participation levels in meetings can be problematic, as can restrictions on the number of participants in meetings.
- There are issues around the visibility and relevance of the ESSD in some countries, as well as a perceived focus of the Commission on Article 155 agreements.

### Recommendations for improving articulation and level linkages

- Building on the good experiences in France, Germany and Bulgaria to widen perceptions of the social dialogue and its relevance in Member States.
- Ensuring that the appropriate participants attend meetings, in terms of mandates and interest, which is challenging in a sector that is so diverse.
- Working with the Commission to ensure relevance of the dialogue and its outcomes, not just in terms of binding agreements, but its outputs as a whole.

Source: Authors

## Commerce Sector

### Sectoral economic and social context

The commerce sector that covers wholesale trade and retail is a large sector with over 30 million people in work according to the 2014 Eurostat Labour Force data. The sector has expanded strongly over the past 20 years and is an important entry into work for young people and other groups that were temporarily out of the labour market. Whereas, the sector overall is characterised by a large share of employment in SME, larger companies such as retail chains dominate the market today.

Increased competition, regulatory change (e.g. opening hours), new technologies as well as new business models have changed the sector considerably. This also has had a strong effect on employment and working conditions, e.g. a strong increase and high share of part-time workers, most of them female. Previous and ongoing changes have also generated new demands for higher skilled workers as well as specialised skills (e.g. ICT).

### Table 20: Profile of the commerce sector

<table>
<thead>
<tr>
<th>NACE demarcation</th>
<th>45 Wholesale and retail trade and repair of motor vehicles and motorcycles; 46 Wholesale trade, except of motor vehicles and motorcycles; 47 Retail trade, except of motor vehicles and motorcycles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>Around 30 million employees</td>
</tr>
<tr>
<td>Business structure</td>
<td>Overwhelmingly SME dominated, but large companies and multinationals dominate the market and are trendsetters</td>
</tr>
<tr>
<td>Business challenges</td>
<td>Increased competition and restructuring, pressure on traditional business models, rapid technological change</td>
</tr>
<tr>
<td>Social and employment challenges</td>
<td>High-share of part-time employment and very flexible contracts, high share of female workers, increasing requirement of better skilled and specialised workers</td>
</tr>
</tbody>
</table>
Impact EU regulation

| Impact EU regulation | High, e.g. regulation on labelling, product information, etc. |

Source: Authors, based on various sources including Eurofound representativeness study on the sector and interviews carried out in the context of this study.

Actors and processes at EU and national level

EU level actors and processes

The two social partners involved in the European Sectoral Social Dialogue Committee in the commerce sector are UNI Europa and EuroCommerce.

UNI Europa represents workers mainly in private services in a large variety of sectors, including Commerce, Banking Insurance and Central Banks, Gaming, Graphical and Packaging, Hair and Beauty, Information and Communication Technology Services, Media, Entertainment and Arts, Postal Services and Logistics, Private Care and Social Insurance, Industrial Cleaning and Private Security, Professional Sport and Leisure, Professionals/Managers and Temporary Agency Workers. UNI Europa has more than 270 national trade union affiliates in 50 countries, including all EU countries and it is a member of the ETUC. Around 60 national affiliates of UNI Europa from 35 countries are related to the commerce sectors.

Apart from the sectoral social dialogue in the commerce sector, UNI Europa is involved in nine other sectoral social dialogue committees that are coordinated by staff from the UNI Europa secretariat in Brussels. The secretariat employs a staff of around 20 full-time experts and employees.

EuroCommerce by its affiliates represents according to own estimations around six million companies in the field of retail, wholesale and other trading companies. EuroCommerce members include national commerce employer federations in 31 countries, employer federations representing specific sectors of commerce as well as nearly 30 corporate members which are large retail and wholesale companies. The main role of the organisation is to represent the commerce sector at EU level, advocate for EU legislation and policies that are in line with a competitive, sustainable and fair commerce business in Europe and raise awareness about the role of commerce in the European economy and labour market.

UNI Europa and EuroCommerce are engaged in bilateral social dialogue for more than 30 years: There has been an effective social dialogue between EuroCommerce and UNI-Europa Commerce (then Euro-Fiet) since 1983 that was officially recognised by the European Commission in 1990. Three years later, the sectoral social partners officially recognised each other as social partners within the meaning of Articles 3 and 4 of the Agreement on Social Policy. In November 1998, following the Commission Decision to formalising the European sectoral social dialogue, the social partners agreed to establish a committee.

National level actors and processes

In the context of this study, national social partners in Norway and Spain have been interviewed. It should be noted that only in Norway interviews with the employer (VIRKE) and trade union (HK) has been possible. In Spain, only the trade union, CC.OO Servicios was available for an interview. Furthermore, it was not possible to carry out an interview with the banking and commerce section of the Polish trade union federation NSZZ Solidarność but this also was not possible.

In Spain the service/commerce branches of both CC.OO and UGT are involved in the sectoral social dialogue. Both trade union organisations are involved in the quite well-established structures of bipartite and tripartite social dialogue and collective bargaining that is strongly embedded in the Spanish industrial relations system. However, as representatives of CC.OO
indicated in the context of the interview carried out in this study, social dialogue and collective bargaining in the commerce sector faces a number of challenges and problems which are mainly resulting from the rather fragmented landscape of employer organisations. This is also reflected in the current missing linkage between national and European level of social dialogue: The national employer organisation that concludes collective agreements with the Spanish trade unions is not the same as those employer organisations that take part in the European sectoral social dialogue. This according to the interviewees complicates things both at EU as well as national level.

By contrast, the situation in Norway is quite different and less problematic: According to the interview partners of the HK trade union and the employer organisation VIRKE social dialogue between the organisations is well developed and reflects the overall strong role of social dialogue and collective bargaining in Norway which is similar to the other Nordic countries. The main motivation of the Norwegian social partners of getting involved jointly in the commerce sectoral social dialogue is the increasing relevance of EU legislation on the sectors framework conditions and regulation in Norway as well as the strong role of multinational European or global companies that also are very present in the country.

Outcomes and good practice examples

In terms of outcomes, the sectoral social dialogue in the commerce sector since 1998 has produced more than 30 different outcomes, including codes of conducts, guidelines and tools, policy recommendations and joint opinions. The sectoral social dialogue has not resulted in any agreements implemented by Council Decisions or autonomous agreements or framework of actions so far. The most numerous outcomes are joint texts, opinions and declarations on EU legislative initiatives and policies, challenges the sector is facing or other topics of joint interest of the social partners. Based on joint projects, the sectoral social partners have issued guidelines and tools on age diversity management and third-party violence.

Outcomes of the social dialogue since 2008 are contained in table below.

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<thead>
<tr>
<th>Year</th>
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<tr>
<td>2016</td>
<td>Voluntary guidelines supporting age diversity in Commerce</td>
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<tr>
<td>2014</td>
<td>Recommendations and action plan on social dialogue in the EU-13 and Candidate countries</td>
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<tr>
<td>2013</td>
<td>Position Paper of Commerce Social Partners on the Consultation under Article 154 TFEU on undeclared work</td>
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<td>Joint statement on the Institutions for Occupational Retirement provision (IORP) directive revision</td>
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<td>Contribution of the social partners for commerce regarding consensus social issues for the Retail action plan</td>
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<td>2011</td>
<td>Joint opinion on the Agenda for new Skills and Jobs</td>
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<td>2010</td>
<td>Common contribution of the social partners for commerce to some flagship initiatives of the &quot;EU 2020: A European strategy for a smart, sustainable and inclusive growth&quot;</td>
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<td>2009</td>
<td>Preventing third party violence in commerce - A toolkit</td>
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<td>Economic crisis: joint reaction of the social partners for commerce</td>
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<td>2008</td>
<td>Joint opinion on Migration &amp; mobility: challenges and opportunity for the EU education systems</td>
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<td>2008</td>
<td>Common contribution of EuroCommerce and Uni-Europa Commerce regarding the &quot;Second stage consultation of the European Social Partners on active inclusion of people furthest away from the labour market</td>
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The sectoral social partners are currently carrying out a joint project to improve health and safety at work and analysing the sectoral labour market by gathering data and information on the labour market, the changing forms of employment and the main work arrangements in the commerce sector.

EuroCommerce has highlighted the added-value of sectoral social dialogue as a means of constructive, constant and trustful exchange with the trade unions at EU level. Moreover, sectoral social dialogue provides for a further opportunity to exchange with EU institutions and in particular the EU Commission and raise awareness about the sectoral specificities and challenges. Finally, the sectoral social dialogue committee also supports physical meetings and exchange of social partners in Brussels by providing additional financing of such meetings.

In a recent policy brief, EuroCommerce has highlighted four key principles/messages that from the perspective of the organisation constitute the major interests to engage in social dialogue with UNI Europa. These are,

- **Consensus orientation** – sectoral social dialogue cannot resolve contentious issues, but can build trust and understanding as well as delivering joint initiatives on specific problems;
- **Voluntary nature of cooperation** – this is an essential principle according to EuroCommerce. It is also stressed that European Social Dialogue does not lend itself to binding agreements;
- **Autonomy and self-governing of the social partners** – this also is essential and has to be respected by national governments as well as the EU Commission;
- **Objectives** – according to EuroCommerce the social partners work together to promote jobs and careers in the sector, which is undergoing major change, not least in the face of developments in the digital economy. As regards objectives, the responsible UNI Europa representative for the commerce sectors has highlighted that the sectoral social dialogue’s main added-value is to represent the sector vis-à-vis the EU institutions and in the context of legislative or policy initiatives.

A further added-value highlighted by UNI Europa as well as the Spanish trade union is the possibility to exchange views and information about sectoral social issues between social partners at EU level as well as across different Member States and candidate countries. Furthermore, social dialogue contributes to good and trustful relationships with the employer organisation at EU level. And last but not least, social dialogue at EU level is a mean to develop joint guidelines and tools that can serve as good practices for national social partners.

**Vertical articulation: Processes, practices and perspectives**

**Top-down processes, practices and perspectives**

As highlighted in the interview with the EuroCommerce representative top-down processes of articulation seem to be more important than bottom-up processes for the employer side. According to the interviewee, this reflects the expectation of most national affiliates to gather information on business-relevant developments, regulation or EU reform initiatives and inform their affiliates in the respective home countries. The focus on information gathering also works in the opposite way. Sometimes national affiliate of EuroCommerce makes suggestions on topics that should be put on the agenda of EU level meetings, both in the context of sectoral social dialogue meetings as well as in EuroCommerce meetings.
While according to the experience of UNI Europa the flow of information works well in both directions, there are much more difficulties when it comes to implement outcomes of EU level social dialogue, for example apply good practices, codes of conduct or recommendations for national members. There are two key problems according the interviews partner: First, all outcomes of the European sectoral social dialogue are totally voluntary; secondly, implementation of outcomes only can be done jointly and in many EU Member States, trade unions miss the employer counterpart for negotiations. Thus, the normal procedure would be that national affiliates of UNI Europa inform their members about results and outcomes of the EU level social dialogue but no follow-up or implementation is happening because there is no dialogue partner.

However, there are also positive examples of those countries where social dialogue is functioning well at the national level and both national social partners are actively engaged in the European social dialogue.

A good practice example as regards implementation of outcomes highlighted by UNI Europa is Spain. Here, the national social partners in 2012 have signed a joint agreement that has been extended in 2017iya and now covers between 70% and 75% of all workers in the commerce sector. The agreement for the first time refers to the European sectoral social dialogue and it commits the signatory parties to respect norms and guidelines that are agreed between the European social partners at the EU level.

Bottom-up processes, practices and perspectives

Already the EU level social partners in the context of the interviews reported significant differences between countries as regards bottom-up articulation in the context of the social dialogue in the commerce sector. Active contributions, inquiries and suggestions on topics to be addressed as well as ideas on possible project activities are brought forward by a relatively few number of national affiliates. Others, for several reasons focus more on gaining from the top-down flow of information.

There are different reasons for this imbalance according to the EU level as well as national level interview partners: UNI Europa noted that bottom-up processes function quite well when it comes to gathering information on good practices. However, there generally is a lack of bottom-up information flows, communication and articulation in Central and Eastern Europe as well as those countries in Southern Europe and elsewhere (Baltics, Ireland) that have been hit hard by the 2008 and Euro crises. There is a huge difference as regards to articulation of national trade unions between countries where national social dialogue functions well (here particularly the Nordic countries and Italy was highlighted) and the majority of EU Member States where national problems of sectoral social dialogue prevail. For the employer side, further reasons for no or weak engagement and articulation of national affiliates have been highlighted. According to the EuroCommerce representative and also confirmed by the Norwegian employer organisation’s interviewee the engagement very much depends on the specific topics and generally, the more concrete and relevant a topic is, the stronger the articulation would be. A recent example is the issue of digitalisation and its impact on the commerce business. Here, the EU employer organisation has received quite a lot of inquiries from national members as well as suggestions on concrete topics to be addressed, including a strong interest in exchange of practices and information.

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According to EuroCommerce national employer federations, however, are more likely to articulate their specific interests in the context of European social dialogue as compared to corporate members. Here, EuroCommerce has tried to stimulate more input about corporate practices and experiences and to overcome a rather passive approach of involvement in European social dialogue.

**Facilitating and hindering factors of engagement and articulation**

Already the previous chapters have shown that according to both employer and trade union organisations interviewed in the context of this case study, the most important facilitating factor of engagement and articulation is good functioning social dialogue at sectoral level in the home country. Existing social partners’ organisations at sectoral level, formal or informal bilateral social dialogue and consultation practices are a key factor contributing to both bottom-up as well as top-down articulation and implementation of outcomes of social dialogue outcomes at European level.

Both trade union and employer organisation interview partners have stressed that such positive national framework conditions exist only in a minority of countries; in most of them social dialogue in the commerce sector is problematic and it seems that it has become more difficult in recent years. UNI Europa for example referred to the case of Greece or Portugal where either social dialogue has deteriorated by the crisis and recent labour market reforms or where sectoral trade unions have seen a drastic reduction of financial means and resources that no longer enables them to actively participate in European sectoral social dialogue. Such material restrictions as well as limited language capacities have also been reported by CC.OO in Spain that regards this as the main reason for not being able to engage more actively in European Social Dialogue.

Though the representative of EuroCommerce was much more cautious as regards linking efficiency and quality of articulation in the context of the European sectoral social dialogue to national level framework conditions it was also mentioned that the lack of social dialogue structures at national level in the commerce sector is a key challenge (which needs to be addressed according to the interviewee by targeted capacity building activities).

In addition to these sector specific and industrial relations related hindering factors of engagement and articulation, interviewees at European and national level as well as form the trade union and employer side also quite critically referred to the EU Commission which could play a much more pro-active role in supporting European level social dialogue at sectoral level and thereby stimulating stronger articulation of national level social partners.

According to the Spanish trade unions in the commerce sector for example the non-financial support provided by the EU Commission could be much stronger and has decreased over time. Whereas social dialogue might be supported as a key element of the European social model by DG Employment, Social Affairs and Inclusion, the role of social dialogue and social partners’ consultation is largely neglected by other relevant DGs.

All interview partners criticised the webpage of the EU Commission on social dialogue as totally insufficient (complicated, not user friendly, minimalistic, lack of regular and timely updating, missing translations of important documents in all EU languages, etc.). According to all interview partners, the approach of the EU Commission not only to pay lip-service to European social dialogue but to promote it more seriously should be strengthened significantly.

In particular the EU level partners also raised concerns about the Commission not taking seriously joint positions and texts of the social partners. The representative of UNI Europa commented: *All outcomes on voluntary basis have limited effectiveness. Nevertheless, policy orientation, joint opinions are important for sector policies and social cohesion in the industry. EU institutions should take them in account.* (UNI Europa interview)
According to EuroCommerce the Commission should focus much less on quantitative outcomes (number of texts, type of outcomes) and should pay much more attention to the quality of activities of European sectoral social dialogue (which of course is more difficult to measure).

In particular as regards Central and Eastern European countries EuroCommerce also strongly recommended that more activities of capacity building practice carried out by European institutions is required in order to develop and promote functioning structures of social dialogue at sectoral level.

Reflecting also on past activities of capacity building in this region, the suggestions of UNI Europa are more rigorous: According to the interviewee, EU funding of company-based, regional or other projects and programmes at national level should be linked to the requirement of involving (by consultation, participation, etc.) of social partners.

Summary

The following table highlights key results in relation to vertical linkages and articulation in the context of the sectoral social dialogue in the chemical industry, including recommendations of how to improve vertical articulation.

<table>
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<th>Table 22: Summary of results</th>
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<tbody>
<tr>
<td><strong>Engagement and motivation of actors</strong></td>
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<td><strong>Effectiveness of top-down and bottom up processes of articulation</strong></td>
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<td><strong>Recommendations for improving articulation and level linkages</strong></td>
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Source: Authors.
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All Eurofound publications are available at www.eurofound.europa.eu


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Annex: Interviewed sectoral social partner organisations

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Industrial Relations: Sectorial social dialogue case studies

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