

# Industrial relations and social dialogue in the EU



Challenges for employment relations across the EU are addressed by the efforts of social partners, national public authorities and European institutions, working together through policy formation, social dialogue, collective bargaining and other regulation.

## European context

Effective European social dialogue depends on **strong links with the national level**. Industrial relations systems within the EU remain **quite diverse** at the national level.

Key challenges for industrial relations systems are changes in society, labour markets and the organisation of work.



## Key dates in the development of European social dialogue

- 1985**  
First meetings of the social partners at Val Duchesse
- 1986**  
The Single European Act was signed
- 1991**  
Social partner agreement on the basic principles of social dialogue (taken up by the Treaty of Maastricht)
- 1993**  
The Maastricht Treaty incorporates the protocol on social policy
- 1997**  
The Amsterdam Treaty includes agreement on social policy into EC Treaty
- 2001**  
European social partners' declaration on social dialogue.
- 2009**  
Treaty on the Functioning of the European Union elaborates on EU social dialogue
- 2016**  
European social partners, the Commission and Council Presidency sign a new start for social dialogue

## Social dialogue and working conditions

Industrial relations processes play a key role in improving working conditions in the EU.

Collective bargaining is central to this, particularly in setting pay and working time. But collective bargaining coverage continued to decline in the EU during the period 2015–2019.

Setting pay and working time are important topics for dialogue.



### Pay

- The estimated proportion of workers earning 'around' the minimum wage in the EU (around **7% of workers**) grew slightly over the past decade.
- **In 2018, 23%** of minimum wage earners reported **difficulties or great difficulties** in making ends meet for the EU as a whole, as compared to **11.5% among the rest of employees.**

### Working time

- In 2020, **57.3%** of employed people in the EU reported **working 40 hours** or more per week. **12% work 45 hours** or more.
- In 2020, some **23.1%** of part-time employment in the EU was involuntary – they would prefer to **work full time.**

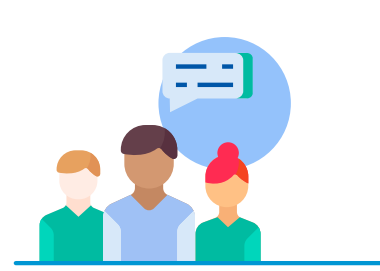


### But there are still challenges.

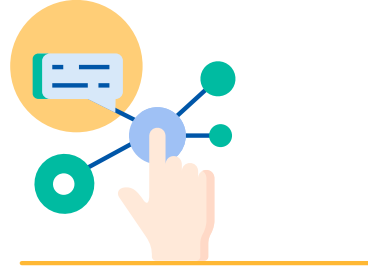
Social dialogue in the traditional economy has been well-tested but its potential in addressing the challenges of the changing labour market has yet to be explored.

- **Falling trends in trade union density** are a matter of concern for many Member States.
- **Fewer than 1 in 3 EU workplaces with 10+ workers** has some form of official employee representation.
- With new forms of employment/self-employment, social partners can support policymakers in responding to challenges presented by these types of work.

## How can social partners address these issues



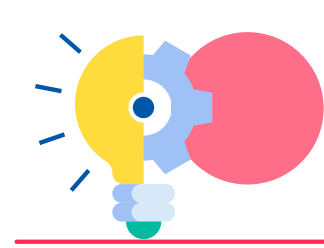
Effective collective bargaining and well-functioning social dialogue



Better links between the EU and national levels



Increasing social partners' involvement in shaping policies



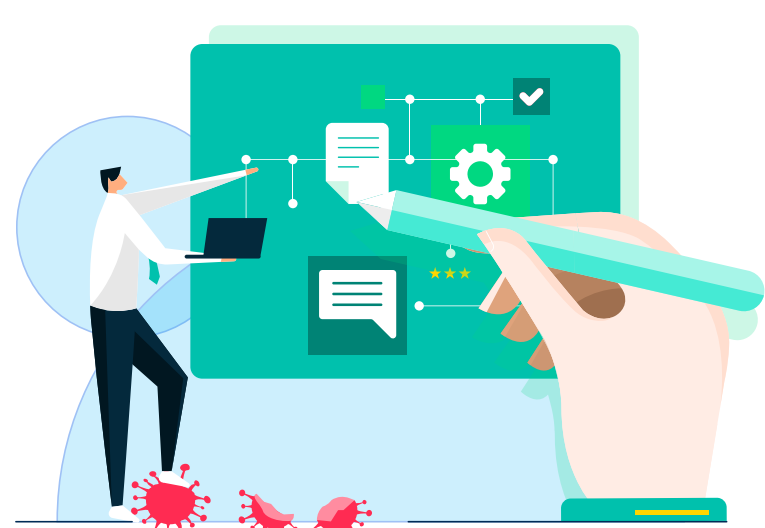
Investing in the capacity of social partners



Reinforcing workplace democracy

## Strengthening industrial relations and facilitating social dialogue

Collective bargaining remains at the core of the EU's industrial relations systems.



- Policymakers should introduce new initiatives to promote, strengthen and underpin collective bargaining, while closely involving social partners in the design of new policy measures to rebuild after the COVID-19 crisis.
- Access to support from public authorities can play a critical role in ensuring effective social dialogue and well-functioning industrial relations.

Safeguarding and promoting fair, well-functioning and balanced industrial relations is critical to ensuring inclusive and sustainable growth, and social progress across the EU.