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## Input to the forthcoming Commission initiative on strengthening social dialogue at EU and national level

FROM

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### A Europe in transition

Europe is currently undergoing a dramatic and speedy transition, driven on the one hand by the long-term structural changes of the green and digital transition, on the other by the external chocks of the pandemic and lately the war in Ukraine. These dramatic changes constitute unprecedented challenges to our societies, economies, and labour markets. It is fundamental that these challenges are addressed in an inclusive and socially sustainable way. Social partners, through a well-functioning social dialogue, can bring social legitimacy, credibility, and sustainability to these transitions, at EU level as well as national and sectoral level. Social dialogue itself, when working well and resulting in long-term commitments of the social partners, can also counteract political turmoil and contribute to social and political stability, particularly in times of economic crises.

However, to be up to the task, social dialogue in Europe needs to be strengthened. And whilst social dialogue, as defined by the ILO, takes many shapes and forms, the main goal is unambiguous; to promote consensus building and democratic involvement among the main stakeholders in the world of work. This is far from the reality throughout the EU where the state of social dialogue varies substantially between Member States and sectors. In some Member States, not least in the Nordic countries, strong social partners take an active role in shaping the labour market and dealing with structural changes, mainly through collective bargaining. In other Member States however, Europe is witnessing a negative trend concerning collective bargaining coverage and a weakening of social dialogue. Therefore, we need to step up the social dialogue in the EU. We believe that the forthcoming Commission communication on strengthening social dialogue at EU and national level, as well as the accompanying Council recommendation, are very timely and have the potential of addressing some of these negative trends in a constructive way.

### Addressing the root causes

The communication needs to acknowledge that the root causes of non-existent or non-functional social dialogue in some sectors and countries, can vary from union busting practices to legal and

political obstacles. It also needs to consider the structural changes of our economies and societies, in particular the changes of our labour markets caused by globalisation. The globalised economy, with companies conducting businesses in other parts of the world than their headquarters, is an evident challenge for social dialogue. Another challenge is the new world of work, with blurred boundaries between those who are employed and self-employed in certain sectors, making social dialogue more challenging. Adding to this, in some of the new services sectors, colleagues rarely meet each other, either because the work schedules are too tight or because of the lack of an actual physical workplace, leaving little possibility and time for discussions between colleagues on how working conditions can be improved.

The communication also needs to acknowledge the role of organising on both employer and trade union side, as well as the challenges when companies decide to withdraw from collective bargaining, effectively making it impossible. Equally, governments do not always support social dialogue and sometimes lack an understanding of its fundamental potential for sustainable growth, welfare, and green and digital transition. It needs to be made very clear in the communication that social dialogue is a key to decent working life and good working conditions and as such a crucial element of a prosperous, socially fair, and well-functioning internal market. For that reason, practices effectively making social dialogue harder, must be addressed.

#### Respecting our differences

The starting point of strengthening social dialogue should be to offer targeted support where and when needed and to promote enabling conditions for a dialogue between social partners based on trust. This must however be done with full respect for well-functioning social dialogue models which must be protected from negative interference, such as affecting the power balance between the social partners in a way that makes social dialogue harder.

It is also important to distinguish between actions to promote social dialogue on EU and national level. While the social dialogue on EU level is treaty-based and follows a certain procedure, national social dialogue models differ substantially from each other due to labour market structures, regulations, history, and traditions, as well as the will and capacity of social partners to engage. Any proposal in the forthcoming communication and the accompanying Council recommendation must respect and consider these different systems.

#### Strengthening social dialogue

The Swedish trade union movement would like to propose the following elements to be taken into account in the forthcoming communication or, as appropriate, the Council recommendation. It should be noted that our proposals are well in line with the position expressed by the European Trade Union Confederation, which we support.

**Firstly, we need the setting up of a new and separate EU Social Dialogue Fund** for the development of strong, independent, and effective structures for social dialogue in Member States, where necessary. The new Social Dialogue Fund should be easier to access and contain significantly more funds than is generated for capacity building via the European Social Fund Plus. The system of distribution from the Social Dialogue Fund should also be linked to the social partners at EU level to both support the implementation of European autonomous agreements and to further underline the importance of social partners' autonomy.

**Secondly, we propose appointing a Special Representative/Ambassador for social dialogue,** nominated by the European social partners, whose role would be to advocate, monitor and promote social dialogue, both on national and EU level, while fully respecting the autonomy of national social partners. This special representative should be mandated by, and report to, the Social Dialogue Committee and could constitute a much-needed link between social partners and institutional actors.

**Thirdly, the European Commission should install a contact person/representative for social dialogue in each Directorate-General** to ensure that the views of the social partners are taken into account at an early stage. Furthermore, the system of seconded national experts in the European Commission could include experts also from national social partners. Alongside with the proposal to introduce a social dialogue representative in each DG, this would ensure an embedded social partner perspective within the Commission throughout the preparation of legislative proposals.

**Fourthly, we propose looking into new social dialogue indicators for the European Semester** relating to industrial relations in the Member States that could be used to further strengthening the social dialogue. In case social partners deem that national laws and regulations make it difficult for the social partners to develop strong relations, the Commission and the Member States could address this in the semester process. Such indicators could include references to industrial democracy already used by Eurofound in its Industrial Relations Index (especially those referring to associational governance, representation and participation rights at company level and social dialogue at company level).

**Fifthly, the initiative must not harm already well-functioning social dialogue systems.** While we welcome that the forthcoming initiatives will take the form of non-binding acts, it must also be ensured that future European initiatives are neither interfering with the autonomy of national social partners nor harming the functionality of national collective bargaining systems. Proposals put forward by the Commission therefore need to be preceded by a social dialogue impact assessment, which includes an assessment from national social partners. This is vital since only the national social partners in each country can fully assess the effects of the initiative on their system. To ensure involvement by the national social partners, a separate working group and early fact-finding missions, could be envisaged to avoid proposals that collide with well-functioning systems. In the case national social partners express joint and serious grounds for concern during the impact assessment, the proposal needs to be halted until these concerns are addressed in a satisfactory manner.

**Sixthly, leave the implementation of EU law to social partners when and where possible.** In order to develop national social dialogue systems as well as ensuring that well-functioning national social dialogue systems continue to be prosperous, we should allow EU legislation to be fully transposed and implemented by the social partners through collective agreements.

It is also equally important that it is possible for the social partners on national and sectoral level to deviate from EU law through collective agreements, as long as the national system guarantees a fair result. If this possibility does not exist, EU legislation interferes with and decreases the room for collective bargaining. Promoting social dialogue and allowing the social partners to maintain and develop their collective agreements should be the aim for all EU legislation. This requires full social partner autonomy and that EU legislation allow social partners to negotiate, conclude and uphold collective agreements.

## Conclusions

The social partners, through a well-functioning social dialogue, can bring social legitimacy, credibility, and sustainability to a Europe in transition, ensuring a fair and strong social market economy able to cope with structural changes. However, the social dialogue in Europe needs to be strengthened, and this requires a fine-tuned approach. Social dialogue will never be able to prosper if the legislators leave little or nothing to social partners negotiations, therefore semi-mandatory elements need to be acknowledged in European legislative proposals in the future. Equally, well-functioning social dialogue requires full respect of the social partners autonomy and full protection from any external interference that might shift the power balance, at EU level as well as national level. The proposals outlined above, in our view, strike the right balance between protecting well-functioning social dialogue where it exists and creating the necessary conditions for developing social dialogue systems where there are none.