

# Consult social partners & industry

Involving partners and accessing real world expertise is an added value for meaningful policy making and makes a real difference.

#### **Key Messages**

- #1 Shape fit for future labour markets with social partners as key players.
- **#2** Support a stronger social partnership with adequate conditions.
- #3 Respect social partner autonomy.
- #4 Improve business and social environment by considering EU sectoral social dialogue outcomes.
- **#5** Keep workers safe and companies open has been social partners' aim during COVID-19.
- #6 Consult industry to take informed decisions.

# Shape fit for future labour markets with social partners as key players.

- → Many different concepts of social dialogue prevail across Europe. National models are rooted in different systems and evolved in different historic circumstances. Social dialogue and, as part of that, collective bargaining systems play a key role in fixing working and employment conditions. This includes pay and is an integral part of determining the competitiveness of a company and/or an industry.
- → EU Commission's and OECD's findings show that countries with strong social partners and higher prevalence of collective bargaining tend to have more resilient labour markets with lower numbers of low paid workers and lower levels of unemployment.

The share of the EU 27 and UK of world's social spending. Supporting EU's industrial base is a precondition to remain the most social region in the world.



1

- → Digitalisation will also require collective bargaining - and social dialogue in general- to adapt. This follows the changing needs of companies and of workers.
- → Strong and representative social partners are closer to the needs of companies and workers and can provide innovative tailor-made solutions. Sectoral social partners are also best placed to deal with emerging challenges, such as the ongoing digitalisation of the world of work.
- → Policy makers should leave the necessary room for manoeuvre for social partners to cope with the challenges and new actors' needs. The digital transformation of industry requires a constructive review of the traditional industrial relations and collective bargaining systems.
- → A fit for purpose social dialogue empowers companies and workers to successfully shape the sustainable ("green") digital transformation in Europe.

### Zooming in /// Collective bargaining

- Assolombarda has initiated the set up a working group within the Council of the metal, engineering and technology-based industries. The aim was that companies would identify and agree what indicators linked to digitisation can be used in the context of company-level bargaining on performance bonuses.
- The Digital Economy & Society Index (DESI) developed by the European Commission evaluating the progress of the Member States towards a digital economy and society, is based on 5 points. The working group has identified 5 points symmetrical to DESI, being:
  - 1 Connectivity & Digital Security: network optimization;
  - 2. Human Capital: HR, skills, spreading digital culture;
  - 3. IoT: connected workflow, digital enterprise, online services;
  - Integration of Digital Technology: process digitalisation & improvement, implementation of service engineering:
  - 5. Digitalisation of Support Functions: open data.
- By using this indicator, social partners can measure with the same and quantifiable parameters. This allows to compare the evolution of different companies belonging to the same productive sector.

# Support a stronger social partnership with adequate conditions

- → EU and national policy makers should establish adequate framework conditions that support a stronger, arguably adapted social partnership. This should also include capacity building of social partners in line with national traditions and social partner autonomy.
- → National and European policy makers have a clear interest in strengthening a proper social partner involvement in an ever-increasing social dimension of the European Semester.
- → The EU should facilitate the exchange of good practice between social partners as well as social partners contributions to European debates on social policy.
- → More, and in particular more easily accessible, funds should be allocated by the EU to support capacity building of social partners. EU and national help desks would offer a solution in that respect.

## Respect social partner autonomy

- → Wage setting and collective bargaining are autonomous processes for good reasons. Social partners and companies are in the best position to peg wages to productivity, the ability to pay, and many other elements determining remuneration.
- → The EU should not interfere in wage setting which is a core competence of social partners, especially as the EU has no legal basis to initiate an action on "fair" minimum wages. An action in this area can breach social partner autonomy and risks to weaken the role of social partners and eventually weaken collective bargaining, the coverage of collective agreements and negotiated fair wages.
- → Representative and autonomous social partners are best placed to discuss and agree on how to attract and better represent the new actors of the platform economy and startups. EU or Member State intervention should be avoided.



# Improve business and social environment by considering EU sectoral social dialogue outcomes

- → Articles 154 and 155 of the Treaty on the Functioning of the European Union (TFEU) provide the legal basis for European social dialogue between recognised, representative and mandated social partners. Furthermore, the TFEU recognises the significant role that social partners play in employment and social affairs, acknowledging their expertise in that area. Therefore, mandated social partners have to be consulted in a proper and timely manner on (EU) social policy initiatives.
- → Civil society has no doubt its place, yet, social partner consultations should not be mixed up with public consultations on social policy issues.
- → The EU should apply the definition of 'social partner' and move away from the concept of a more vague interpretation and could clarify the Commission Decision on sectoral social dialogue committees of 20 May 1998.

- → The EU should support a wellfunctioning, efficient, value adding social dialogue, if so requested. Having reduced number of social dialogue meetings at EU level is detrimental to European social dialogue and contradicts the EU's declared aim of strengthening social dialogue.
- → Social partners will autonomously set the agenda and deliberately choose the topics and the forms of outcomes they want to discuss.

### Zooming in /// Collective agreement

- On 3 April 2020 UIMM and 3 trade unions reached a collective agreement, in the metal industry, or the organisation of work to face the coronavirus outbreak.
- Facilitating the taking of paid leave is one of the available means to cope with current difficulties, to prepare the resumption of activity and to preserve the purchasing power of employees.
- Through this agreement, the employer can unilaterally set or change the date of up to 6 paid holidays per employee until 31 October 2020.

#### Keep workers safe and companies open has been social partners' aim during COVID-19

- → Social partners, in particular at company level, are playing a key role during the ongoing COVID-19 pandemic. For example when it comes to the organisation of work to ensure the full protection of health and safety of workers.
- → Social partners' have adopted different solutions on how to best organise and manage work while protecting health and safety of workers. Through the establishment of innovative solutions to ensure, for example, social distancing, intelligent shift work, separating teams, organising breaks etc. a safe working environment was created.
- → Social partners have also concluded important collective agreements to organise work in order to face the COVID-19 outbreak at the workplace.

### Zooming in **/// Short-time work**

- The Austrian Federal Economic Chamber WKÖ concluded social partner agreements with the trade unions on short-time work during the COVID-19 crisis.
- This secured jobs for many people and maintained know-how in the companies.
- Currently, about 450 000 people are on short-time work.

Examples of EU level social partners initiatives are: CeemetindustriAll joint position of 11 June on "The EU should join forces to combat COVID-19 and reboot industry"; industriAll Europe, Ceemet, ACEA, CLEPA, CECRA and ETRMA press release for an ambitious recovery plan for the automotive sector of 26 May 2020



## Consult industry to take informed decisions

- An internationally competitive industry remains the key for a social Europe and for the creation of wealth. Also the many social partner initiatives at all levels during the ongoing pandemic bear witness that they are best placed to broker solutions and thus provide relevant input for achieving that overriding goal.
- → Establishing a process of timely, regular and facts-based consultations with industry is necessary in order for policy makers to be able to take informed and proportionate decisions. Decisions that are driven by economic and social, rather than political, rationale lead to fit-for-future regulation.
- → The universally praised social partner autonomy must be respected and given room for adapting to the new normal.

### Zooming in /// Capacity building

- The added value of sectoral social partners is the proximity to the sector they represent. They understand the needs and see the possibility to provide more efficient and innovative tailor-made solutions to the challenges that employers and workers face. Getting started with reinforcing the social model requires a set of basics:
- Employer organisations and trade unions operate at best in an autonomous social partnership. EU and national policy makers should aim to strengthen solid social partnerships across the entire EU, as this would lead to more resilient labour markets and higher levels of employment.
- Social partners too need to retain and attract qualified employees.
- Member States should leave room for manoeuvre for social partners to reach agreements that shape the conditions of the future world of work, and e.g. facilitate the digital transformation of industry.



#### Ceemet

Bluepoint Building Bd A. Reyers Ln 80 1030 Brussels (Belgium)

Tel.: +32 (2) 706 84 65

E-mail: secretariat at ceemet.org

The full report is also available online on 10-points.ceemet.org







#### Who is Ceemet?



200 000 companies



35 million (in)direct jobs



**EU Social Partner** 

