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NOTE

from: The Permanent Representatives Committee (Part 1)
To : Council (EPSCO)
Subject: A new start for a strong Social Dialogue
- Draft Council Conclusions

Delegations will find attached the text of the draft Council Conclusions as approved by the Permanent Representatives Committee with a view to their adoption by the Council (EPSCO) on 16 June.

A new start for a strong Social Dialogue

- Draft Council Conclusions

Political context

The multiple crises the European Union has experienced since 2008 have exposed not only structural weaknesses, but have also created a major concern for social cohesion in the European Union, with high unemployment, more people living at risk of poverty or social exclusion and growing disparities between and within Member States.

Social dialogue has been impacted by this very challenging socio-economic context. At Union level, there has been a growing recognition of the importance of involving the social partners at different levels with a view to obtaining an inclusive and sustainable recovery. The shared objective is to strengthen social dialogue both by making better use of existing fora and by enhancing the involvement of the social partners in the economic governance structure, including at national level.

ACKNOWLEDGING THAT

1. Social dialogue is a crucial factor and a beneficial tool for a well-functioning social market economy and a significant component of European Union employment and social policy-making.
2. An effective social dialogue implies the existence of industrial relations models in which the social partners can autonomously exercise their practices of collective bargaining and employee participation.
3. Tripartite concertation, involving public authorities, needs to build upon a strong bipartite social dialogue. This is valid at the Union level as well as in the Member States.
4. The social partners play an important and vital role in addressing challenges arising from current and emerging societal and economic trends. The social partners are uniquely placed to address work-related issues through dialogue and negotiation.

5. An effective social dialogue requires social partners that are resilient, representative, autonomous, mandated and equipped with all the capacities needed. Social partners also need institutional settings that allow their dialogue to be effective.
6. There is no blueprint for social dialogue as social dialogue arrangements and processes vary across Member States, reflecting the countries' different histories and economic and political situations.
7. The existing Union institutional and legal instruments provide an adequate framework for social dialogue to take place at Union level.
8. The **Employment Committee** and **Social Protection Committee** regularly consult the social partners in their work on the employment and social aspects of the European Semester. The Committees have established working methods that seek to ensure the adequate involvement and participation of the social partners in the Semester process. These arrangements are being constantly developed and fine-tuned to improve their effectiveness and to adapt to the modifications of the Semester.

THE COUNCIL OF THE EUROPEAN UNION

WELCOMES

9. the Commission's initiatives to re-launch the social dialogue in view of its importance in European economic governance and in the general reform process in Europe;
10. the Social Partners' efforts following the Commission's initiative to re-launch the social dialogue;
11. the steps taken by the Commission to involve the social partners in policies that may have a significant impact on the employment and social situation.

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12. the need for meaningful involvement of the social partners in the design and implementation of the reform agenda at national level, including the European Semester process, in line with the Employment Guidelines;
13. that the principles of the Better Regulation Agenda should guide all the actors of the law-making process. Particular attention should be given to the likely impacts of the proposals on small and medium-sized enterprises (SMEs);
14. In the context of social partners agreements, in accordance with Article 155 TFEU, better regulation principles should be applied without prejudice to the role and autonomy the TFEU entrusts upon them. Transparency, evidence-building and the respect for the Union's general principles of subsidiarity and proportionality should be ensured;
15. the importance of capacity-building of social partners at national and sectoral level, which could contribute – amongst others things – to improved representativeness of European social partners in negotiating their agreements;
16. the need to improve the quality of social dialogue at all levels, thereby making it possible to use the existing instruments at EU level in a more effective way;
17. the importance of continuing the current practice of involving the social partners in some relevant meetings and fora, including the **Employment Committee** and the **Social Protection Committee**;
18. the need for all relevant stakeholders to explore together ways of enhancing the **Tripartite Social Summit** and Macroeconomic Dialogue in order to strengthen their contributions to the Semester process and Union policy-making.

THE COUNCIL OF THE EUROPEAN UNION:

CALLS ON THE MEMBER STATES to take the necessary steps to:

19. closely involve the social partners in the design and implementation of relevant reforms and policies, in line with national practices;
20. support the improvement of the functioning and effectiveness of social dialogue at national level, which is conducive to collective bargaining and creates an appropriate space for social partners' negotiations. Having regard to national industrial relations practices, this should in particular involve national governments and social partners discussing and agreeing on how this dialogue should be conducted with a clear division of competences and mutual respect, while respecting each other's autonomy;
21. promote the building and strengthening of the capacities of the social partners through different forms of support, including legal and technical expertise. This should be ensured at all relevant levels, depending on the needs of countries and social partners, including to become solid and representative organisations;
22. ensure the timely and meaningful involvement of the national social partners, while fully respecting national practices, including throughout the European Semester, in order to contribute to the successful implementation of Country Specific Recommendations (CSRs) ;
23. with full respect for the social partners' autonomy and upon request by social partners, provide information and advice, including legal and technical information, as considered appropriate and relevant, on implications and practicalities for Member States of transposing agreements negotiated by the social partners at Union level.

CALLS ON THE EUROPEAN COMMISSION:

to continue to

24. promote and improve social dialogue in accordance with the spirit of Article 154 TFEU;
25. involve social partners in policy- and law-making at Union level, for instance via its consultations with the Union social partners on key initiatives included in its work programme that do not fall under the scope of Articles 153 and 154 TFEU, but which may have significant implications for the social and employment situation.
26. explore, together with the Council and social partners, ways to enhance the involvement of Union-level social partners in economic governance and the European Semester;

to take the necessary steps to:

27. in line with the Better Regulation Agenda and taking into account the specificities of the social partner agreements:
 - provide support to the social partners, during the negotiation of such agreements, including, upon request, technical and legal information, and
 - continue to assess the representativeness of Union social partners, based upon the analysis carried out through Eurofound representativeness studies;
28. contribute to strengthening the capacity of national social partners by promoting the use of European Structural and Investment Funds, notably the European Social Fund, and other relevant EU budget lines, to support social dialogue and capacity building, and
29. encourage the promotion of knowledge-building on social dialogue and support capacity-building through mutual learning, identification, and exchanges of good practices.

INVITES THE SOCIAL PARTNERS AT THE APPROPRIATE LEVELS, and with full respect for their autonomy, to take the necessary steps to:

30. Contribute to addressing the relevant challenges at all levels identified by the European Council and the Council of Ministers
31. With a view to improving the national social dialogues:
 - strengthen bipartite social dialogues,
 - exchange best practices between social partners,
 - continue efforts to improve membership and representativeness, and to ensure that the capacity to enter into agreements exists,
 - continue to improve coordination between the various organisations at cross-industry and sectoral levels and amongst national member organisations.
32. provide evidence for social partners' agreements subject to Article 155(2) TFEU;
33. inform the Council in a timely manner of upcoming or ongoing negotiations on social partners' agreements;
34. continue coordinating effectively between cross-industry and sectoral organisations.
35. participate in the new Agenda for Health and Safety at Work to foster better working conditions, as specified in the Council Conclusions of October 2015 during the Luxembourg Presidency.