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COVER NOTE

from: The Commission
to: Permanent Representatives Committee (Part I) / Council (EPSCO)
Subject: Relaunch of the Social dialogue at European Level
(a) State of play: information from the Commission

Delegations will find attached the Commission note on the above subject with a view to the Council (EPSCO) on 5 October.

New start for social dialogue

Social dialogue at all levels is a prerequisite for the functioning of Europe's social market economy and crucial to promote both competitiveness and fairness. But in recent years social dialogue has been under strain. Even before the economic and financial crisis hit the European economies and labour markets, social dialogue was being challenged by globalisation, the changing world of work and the individualisation of employment relations.

The Member States that proved most resilient during the crisis, could often rely on labour market policies that had been co-designed by workers and employers' representatives, or collective bargaining structures that had gradually adapted to the challenges of a changing economy. Social dialogue has contributed directly to job preservation during the crisis. In the recovery, social dialogue can promote the conditions for job creation and job quality by contributing to increased competitiveness, and improved working conditions, to a better matching between the demand and the supply for labour or the creation of a working environment more conducive to investment and sustainable growth.

1. HIGH-LEVEL CONFERENCE OF 5th MARCH

The European Union is to promote social dialogue (article 152 TFEU) while taking into account the diversity of national systems and the autonomy of social partners. Recognising the need to rebuild and strengthen the role of social partners in the policies and reforms leading to recovery, the Commission decided to give a new impetus to social dialogue. A high level conference marking the *new start for social dialogue* took place in Brussels on 5 March 2015. It gathered the leaders of the EU institutions and of the European and national social partners at cross-industry and sectoral levels. The Conference discussed the involvement of social partners in economic governance at EU and national level as well as their involvement in EU policy- and law-making. As highlighted by President Juncker, the new start for social dialogue should take place both at EU and national level, and in the context of both tri-partite and bi-partite social dialogue.

2. LATEST DEVELOPMENTS BY COMMISSION, COUNCIL AND SOCIAL PARTNERS

Regarding the involvement in the European Semester, the Commission invites the European social partners to formulate their positions on the priorities of the forthcoming Annual Growth Survey and Commission representatives exchange with national social partners at the occasion of country visits when presenting the country reports and discussing country-specific challenges. The draft Employment Guidelines proposed by the Commission and to be adopted on 5 October 2015 by the Council call for involvement of national social partners in the design and implementation of relevant reforms and policies and underlines the need for support to the improvement in the functioning and effectiveness of social dialogue in the Member States. Furthermore, the Commission has introduced a more systematic consultation of the social partners in EU policy- and law-making (beyond the formal procedures applicable to social policy initiatives referred to in Article 153 TFEU). This has materialised in the form of two dedicated hearings with social partners on the long-term unemployment initiative and the forthcoming mobility package. EU social partners also met with First Vice-President Timmermans on the Better Regulation package, with Vice-President Katainen on the Investment Plan and with Vice-President Sefcovic on the Energy Union.

At Council level, the follow-up to the *new start* was addressed in the context of the Tripartite Social Summit (19 March) and at the Informal EPSCO dedicated to social dialogue (21-22 April). Furthermore, the need to promote capacity-building and to involve national social partners in the European Semester was discussed at a dedicated conference and at a Forum of social partners hosted by the Latvian Presidency (30 and 31 March). Regular exchanges at the key phases of the European Semester took place between the EU social partners and the Employment Committee and the Social Protection Committee.

In July 2015, the European cross-industry social partners presented their work programme for the period 2015-2017 as well as their joint in-depth employment analysis. The work programme lists eight priorities which are in line with most of the priorities of the EU institutions notably on active ageing; work/life balance; mobility and migration; the investment package; digital skills; active labour market policies; apprenticeships and youth employment; capacity building and better implementation outcomes. The 43 sectoral social dialogue committees representing more than 75% of the EU labour force have also continued delivering on their respective work programmes.

3. THEMATIC GROUPS

The EU social partners and the Commission agreed on establishing two Thematic Groups to substantiate their respective commitments and monitor the follow-up to the *new start*. The Thematic Groups are composed of representatives from the social partners (at EU and national level and at cross-industry and sectoral level). Attachés from the past, present and future presidencies (Latvia, Luxembourg, Netherlands, Slovakia and Malta) also attend. The Thematic Groups report back to the Social Dialogue Committee (SDC).

The first meeting of the Thematic Group 1 on *Social dialogue, economic governance and capacity building* took place on 2 July. The Thematic Group examined the involvement and positions of the national and European social partner organisations in the assessment, design, agreement and implementation of semester-related reforms and policies at national level. Participants found that while the involvement of social partners at the EU level has significantly improved in recent years, there is room for further improvements at the national level. In particular, the involvement of national social partners in the preparations of the National Reform Programmes and in the design and implementation of relevant policy reforms could be reinforced while respecting national practices.

Thematic Group 1 also looked into the functioning of social dialogue in Member States. Participants generally shared the view that a well-functioning social dialogue requires appropriate settings for both bipartite and tripartite social dialogue. It examined ways in which the capacity of national cross-industry and sectorial social partner organisations could be supported by EU social partners and the Commission. The group also identified the need to ensure adequate resources and support for capacity building activities, including through the use of EU funds, in particular the ESF.

Thematic Group 2 on *Social dialogue, policy-making and law-making* held its first meeting on 15 July. The group discussed the involvement of social partners in policy- and law-making in the context of initiatives in the social and employment area as well as in other policy areas. Participants emphasized the need to make use of the expertise of social partners when developing EU initiatives¹ and started exploring common features of what constitutes a genuine involvement at European level, beyond the Treaty based consultation of social partners.

The group also had a first exchange on the concept of representativeness at EU level in particular in the cases where social partners requested their agreements to be implemented by EU law. The Thematic Group also discussed the application of the Better Regulation Package notably in case of such agreements.

4. CONCLUSIONS

The *new start for social dialogue* is already starting to deliver at different levels. It will be important to ensure that the progress achieved is made sustainable. The forthcoming European Semester will be important in this respect. By March 2016, the outcomes of the Thematic Groups are expected to provide a further contribution to enhancing the role of social dialogue in the EU.

¹ not falling under articles 154-155 TFEU and the formal procedure