



# Challenges and opportunities for social dialogue and tripartism



European Union Presidency conference



European Foundation for the Improvement of Living and Working Conditions

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European Union Presidency conference  
'Tripartism in an enlarged European Union'

Elsinore, 29-30 October 2002

Summary

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# Foreword

The European Foundation for the Improvement of Living and Working Conditions and the Danish Ministry of Employment organised a joint conference, 'Tripartism in an enlarged European Union', in Elsinore on 29 and 30 October 2002. This conference formed part of the programme of the Danish Presidency of the European Union, contributing to the theme 'social inclusion through social dialogue' which the Presidency had chosen to highlight as its central message in the social policy field.

The conference reviewed the present state of tripartism in the EU and discussed the challenges it will face in an enlarged Union. Conference workshops dealt in detail with such issues as employment policy and tripartism and how to enhance capacities for tripartism in the candidate countries. This publication summarises the presentations and discussions which took place in Elsinore.

The challenge of the forthcoming enlargement will be a central issue for the Foundation, itself a tripartite organisation, in the years ahead. This has already been reflected in its work programme and the programme of visits to all candidate countries conducted by the Foundation during 2002. For this reason, we were pleased to witness the full participation of governments and social partners from the candidate countries at the Elsinore conference.

The Foundation has already extended its monitoring activities to some of the candidate countries and will continue strengthening the close cooperation with all of them in the years to come.

Raymond-Pierre Bodin  
Director

Eric Verborgh  
Deputy Director



# Overview

The conference on ‘Tripartism in an enlarged EU’, coorganised by the Danish Ministry of Employment and the European Foundation for the Improvement of Living and Working Conditions, took place in Elsinore, Denmark on 29-30 October. It provided a unique and timely opportunity for discussion and debate on the overall theme of the Danish Presidency – ‘Social inclusion through social dialogue’. It also allowed for a review of the Foundation’s comprehensive research and activity programme around current developments and a progress update on a range of issues relating to collective bargaining and social dialogue in both the Member States and the candidate countries of the EU.

The topics of the conference were discussed in the context of the strategic policy commitment of EU governments as voiced at successive European Councils (Lisbon, Feira, Nice, Stockholm, Göteborg and Laeken) to the effect that Europe must become ‘the most competitive and dynamic knowledge-based economy capable of sustainable economic growth with more and better jobs and greater social cohesion’. At the Barcelona Summit (March 2002) further emphasis was placed on renewing progress towards the implementation of the European Social Agenda approved at Nice and the recent Communication of the European Commission called for the establishment of a ‘Tripartite Social Summit for Growth and Employment’ (COM (2002) 341 final). During the Elsinore conference, the European social partner organisations and many of the conference participants urged the Danish Government to conclude their Presidency of the European Council by securing agreement on this significant proposal.

The conference was structured around presentations, contributions, interactive debate and observations from representatives of international and national organisations, specialist institutions, the social partners, experts and a wide range of participants from both EU Member States and the candidate countries.

The three plenary sessions and the five workshops ensured that a broad range of opinions were expressed and that all those participating had an opportunity to debate and deliberate on some of the central tenets and policy issues on social dialogue and tripartism put forward in the many keynote addresses and contributions from the panel of speakers.

Discussion and debate during the course of the conference concentrated on the following issues:

- Current structures and levels of tripartite/social partnership in the EU and the candidate countries;
- Economic and social objectives in the formation of both bipartite and tripartite strategies;
- Challenges to the tripartite model and the support structures necessary to underpin its effectiveness and ensure its representativeness;
- Strategies and opportunities for the promotion of tripartite/social partnership models.

While there was strong support among conference participants for the principle of tripartism, there was a lack of agreement as to the exact model. Many were of the opinion that the variety of experiences in all countries has led to enrichment of the concept itself. Many participants expressed the view that the processes of social partnership needed further refinement and support, not only from the social partners and those representing civil society, but from governments themselves. It was felt that, in order to achieve further economic and social progress at European level, all social partners should increase their commitment to consultation and negotiation on the many issues usually covered by such tripartite agreements.

At the beginning of the conference, the social partners emphasised that the following procedures and fora should be distinguished clearly:

- Tripartite concertation (meetings between the social partners and the European public authorities);

- Consultation of the social partners (activities of the advisory committees and consultations in the spirit of article 137 of the Treaty); and
- Social dialogue (bipartite work of the social partners, whether prompted or not by the Commission's official consultations based on articles 137 and 138 of the Treaty).

Finally, there was overall support for the idea that a positive decision during the Danish Presidency to establish a regular tripartite social summit for growth and employment would provide a renewed impetus and focal point for promoting both social dialogue itself and the structures, initiatives and mechanisms which are necessary to sustain it.



# Plenary sessions

## Tripartism and social dialogue: the context

Over the last two decades, the process of social dialogue and its manifestation by various European-wide policy and legal decisions has intensified within the EU. From the launch of the social dialogue process at Val Duchesse in 1985, various institutional arrangements have been made to formalise the structure and process of social dialogue between the social partners themselves and on a tripartite basis within the relevant EU institutional frameworks. In addition, throughout this period, complementary decisions taken under the provisions of the Amsterdam Treaty (1997) and various European Council strategic policy directions have enhanced and encouraged this process.

*'When the social partners arrive at a common solution to a problem, it is clear that it has a better chance of succeeding, both because it has more support and because the solution is more realistic'.*

Claus Hjort Frederiksen, Minister for Employment, Denmark

By and large, such social dialogue and its formalisation into bilateral and tripartite processes either at European or national levels have had as their overall macro-economic/social strategy the creation of an agreement on a social Europe, whose aims are outlined in the box below.

### **Social Europe objectives**

- Promotion of employment, improved living and working conditions;
- Appropriate social and employment protection;
- Structured dialogue between management and labour;
- Development of human resource capabilities for lasting and better employment;
- Combating of social and economic exclusion;
- Strategies for the promotion of lifelong learning.

The development of these objectives has given rise to a wide range of initiatives in the EU and its Member States. These initiatives have also been extended to the candidate countries in their preparations for accession and in order for them to meet the criteria for membership of the European Union.

The conference identified the themes of employment policy, social inclusion, globalisation and enhancing the capacity and options for social partnership. Hence it allowed for a vigorous debate on current and future prospects for tripartism, as well as the role of the EU, national governments and the social partners in supporting and underpinning the concept of a social dialogue.

*‘Tripartism and social dialogue are seen as essential components in the development of a social Europe and are the foundation for the organisation of our human resources and the continuous development of civil society’.*

Jackie Morin, European Commission

## Developing models and agreements on tripartism

### Drivers of change

On the wider European level, a number of common features can be identified which form the basis for the development of tripartite or social partnership models.

#### Common features in the development of tripartite models

- European and national macro-economic objectives – Maastricht criteria/the Growth and Stability Pact;
- Pay determination, national and sectoral agreements and workers’ rights;
- Action plans on employment, training and reform of the labour market;
- Social security/social inclusion reforms and measures.

While in many cases incomes policy is the major feature in social pacts, the agreements also involve a wide range of other policy measures, an increasing number of which arise from the necessity to implement or adhere to EU monetary, economic and social policy imperatives.

Across Europe, there is great variety in the way pay is determined and the systems of collective bargaining. Yet social pacts have been used in a significant number of Member States in the recent past to coordinate pay or to rationalise bargaining structures and industrial relations. Given the diversity of national experiences – some historically centralised, others decentralised, some relying on legal regulation of industrial relations, others voluntarist – it is inappropriate to pinpoint, let alone advocate, a single definable model. The question rather is: does the creation and positive use of such bilateral or tripartite models achieve sustainable economic and social progress both at European and national levels? The evidence to date would broadly indicate that such pacts and agreements are on the whole beneficial for society.

*‘Through the role assigned to the European Economic and Social Committee by the Treaties, and thanks to its broad membership and their expertise, the Committee constitutes at European level a valuable forum for representing and informing civil society organisations and expressing their views.’*

Roger Briesch, European Economic and Social Committee

Specific descriptive reviews of social agreements are difficult because the architecture of social partnership can involve many different structures, operate at various levels (national, regional, sectoral), take a variety of forms (economic and social councils, national labour councils, national negotiating fora) and cover a diverse range of policy matters (incomes policy, taxation, employment policies).

Some common factors influencing the development of social dialogue and tripartitism are outlined here.

### ***Globalisation***

The context in which social partnership was revived in many EU countries arose from the weaker than expected macro-economic performance.

Economic globalisation has brought intensified competition for investment between different 'systems', and has included the necessity to achieve improved levels of economic and employment growth, combined at times with the control/ management of public expenditure.

### ***EU criteria***

Factors here include the Maastricht criteria, the Growth and Stability Pact and policy outcomes of summit decisions, which in turn become drivers for change in each national economic and social environment.

### ***National factors***

Domestic political factors can influence the debate on the structures and legitimacy of the tripartite model. In some cases, immediate budgetary requirements, the representativeness of the social partners, and degrees of mutual trust can determine the shape and format of agreements.

### ***Enlargement***

The requirements to meet accession criteria in both economic and social spheres have led many candidate countries to develop and establish bipartite and tripartite models of social dialogue in order to fulfil their obligations under various European Council decisions and ILO conventions.

### **Experiences and successes**

Recent studies have shown that, of the fifteen Member States of the EU, nine have seen the emergence or re-emergence of social partnership type initiatives: Belgium, Finland, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain. Austria has continued to maintain a partnership approach for several decades. Sweden has moved away from its

earlier highly centralised system of neo-corporatism, and now adopts wage guidelines which have many features of a social pact.

The changing content of social partnership models has given rise to a proliferation of fora/councils to process the transactions between the social partners and the state, at European, national, sectoral and local levels. In addition, there are complementary developments taking place in multinational enterprises through the creation of European works councils. In many countries, social partners are seeking new ways through which both centralised and local bargaining can be combined or tailored to enterprise or sectoral expectations and the increasing requirement to maintain competitiveness, encourage innovation, public sector modernisation and increased productivity.

The conclusions of the Barcelona Summit (March 2002) recognised these developments and acknowledged the following preconditions:

1. The crucial necessity for 'national labour institutions and collective bargaining systems, respecting the autonomy of the social partners, to take account of the relationship between wage developments and labour conditions' in the context of the EU's competitiveness and employment creation policies.
2. The requirement to increase the involvement of workers in changes affecting them and for the social partners to find ways of managing corporate restructuring better through constructive dialogue and a preventative approach by the application of good practice in dealing with industrial restructuring.

Interestingly, partnership appears to have been both more prevalent, and more successful, in small countries than in large countries. Italy, and to a lesser extent Spain, are the only large countries which have concluded a national social pact and achieved a significant economic turnaround based on the contributions and commitment achieved through social partnership.

Economic performance appears to have been more successful in those countries in which social partnership has changed substantially or been re-invented (Denmark, Finland, Ireland, Italy, the Netherlands, Portugal and Sweden) than in those countries whose partnership approach has changed little over the years (Austria and Germany).

### **Social dialogue/tripartism: the added value**

It is vital to acknowledge the benefits and advantages of a continuous and stable partnership – in terms of shared understanding, mutual trust, and a flexibility of approaches – and the disadvantages of a rigid model, in which certain interests become entrenched and develop either a veto on change or maintain such an inflexible structure that the mechanisms of tripartism itself are incapable of responding to economic and social pressures and the need for change and adaptation to developing market and social conditions.

It is important, too, that there is a clear understanding of what issues are suitable and appropriate to social partnership or tripartite decision-making and that the constitutional role of national parliaments is not usurped. In some cases, national politicians have expressed concerns that their own role has been limited.

Conference participants agreed that social partnership and tripartism work best when there is an open agenda to the partnership system, balancing the interests of employers and unions with a perspective on the overall interests of society and particularly where there is a degree of mutual trust between the participants. In most such cases, government is a formal partner, but even where agreement is bilateral, government can remain a critical sponsor of the partnership process. The same applies with equal force when this system is replicated at EU level, and when the Council or Commission initiates, supports or sponsors the processes and initiatives which underpin the principles, structures and agenda of social dialogue and recognise the essential role the social partners play in this virtuous circle.

The experience of a number of European countries confirms the importance of a shared understanding of key economic mechanisms in creating and sustaining a partnership approach. Where it exists, this shared understanding covers primarily three spheres of the economic/social agenda in particular: European monetary integration, public expenditure policies and the interconnection between employment, competitiveness, pay and social protection/inclusion.

In essence, these forms of social dialogue at tripartite or bilateral level offer a constructive approach to be taken by all the representative social partners towards the potential resolution of economic and social policies. They can make an important and sometimes essential contribution to the consolidation of democracy and the preservation of social stability and the realisation of the goal of equality of treatment for all citizens.

### **Social partner and institutional support**

The social partners at EU level (ETUC, UNICE/UEAPME and CEEP) have strongly endorsed the legitimacy of the social dialogue process within the EU and place considerable emphasis on the necessity for all forms of consultation and negotiation on matters appropriately within their capacity, competency, responsibility and remit. Since the ratification of the Maastricht Treaty (1993), the European-level social partners have had a significant degree of involvement in the social policy legislative procedure. This was further enhanced and strengthened by the Amsterdam Treaty (1997). The social partners have, under the aegis of this process, concluded agreements on three directives – on parental leave, part-time work and fixed-term contracts – while engaging in intensive discussions, though failing to achieve agreement, on the directives on European works councils, information and consultation and temporary agency workers. They have also signed a framework agreement (July 2002) on the issue of teleworking throughout the EU, which will be implemented by the social partners themselves.

During the conference, representatives of both European social partner groups reflected on the primary and autonomous nature of these approaches.

*‘The social partners must adhere to their areas of their responsibility and negotiate on those issues for which they have received a mandate’.*

Thérèse de Liedekerke, UNICE

*‘It is essential to develop a consensus on economic and social policy which enriches and reinforces the collective bargaining system and we must encourage and achieve a greater commitment to a renewal and strengthening of the process of social dialogue, particularly in the newly enlarged EU’.*

Jean Lapeyre, ETUC

Prior to the Laeken Summit (December 2001), the social partners reaffirmed their unambiguous commitment to the social dialogue process. In doing so, they stressed that the following issues needed to be addressed:

- The distinction between bipartite social dialogue and tripartite social concertation;
- The need to improve the articulation of tripartite concertation around the different aspects of the strategy agreed at the Lisbon Summit in March 2000;
- The development of a work programme for a more autonomous social dialogue.

They are of the opinion jointly that, in the context of the challenges posed by:

- the debate on Europe’s future and governance;
- future enlargement of the EU;
- completion of economic and monetary union and the associated



development and coordination of economic, employment and social policies

a further deepening and consolidation of the social dialogue structures within the European Union should be undertaken in the context of a Tripartite Social Summit (Council, Commission, Social Partners) to take place before each Spring European Council.

To take such a decision would be seen by them as a successful culmination of the overall theme of the Danish Presidency: social inclusion through social dialogue.

### Challenges for tripartism in an enlarged EU

The plenary session of the conference devoted to the experiences and developments of tripartism in the candidate countries dealt with aspects such as the structures and levels of collective bargaining, the institutions of tripartism in the candidate countries as well as changes taking place in these structures and institutions which have been advocated, encouraged and supported by both the ILO and the EU.

New labour laws have been enacted, new procedural arrangements for bilateral and tripartite consultations and negotiations established, and a growing complexity in the structures of employer associations and trade unions identified. The labour market itself has dramatically changed in response to the transition to a market economy within these countries and the legislative and policy decisions necessary towards meeting the various monetary, economic and social criteria for accession. Foreign direct investment has also been particularly significant for the Czech Republic, Hungary, Poland, Slovakia and Slovenia in recent years and has entailed considerable changes in pay systems. In effect, the achievement of the candidate countries in meeting the accession criteria should not be underestimated and the steps they have taken to build tripartite systems must be recognised and acknowledged.

In the candidate countries of central, eastern and southern Europe, tripartite cooperation has emerged as an indispensable part of the

economic, social and political transition process. National tripartism for these countries has had two major policy objectives:

1. The maintenance of the leading role of the government, while moving gradually towards the democratisation of economic and social policy creation and the restoration of democratic institutions;
2. Obtaining the support of the social partners on the process of European integration and the measures necessary in the transition period to meet the accession criteria.

It would appear that tripartism has proved to be a suitable instrument to manage these profound political, economic and social changes successfully, while ensuring as smooth a transition as possible to a market economy in difficult world economic circumstances and the changing pressures of globalisation.

*‘Tripartism has proved to be a suitable instrument to manage the profound economic changes successfully, while ensuring the unexpectedly peaceful return to market rules’.*

Mária Ladó, Ministry of Employment and Labour, Hungary

Some concern was expressed at the conference about the role of international financial institutions in determining some of the conditions for economic and fiscal development: these can impact in a negative fashion on the moves towards a consensual understanding between the social partners and therefore undermine the institutions or effectiveness of tripartite arrangements/agreements.

Over the past decade, candidate countries have established a wide range of formal tripartite bodies to deal with broad economic and social policies, or with more circumscribed issues such as occupational health and safety, vocational training and, more recently, the European integration process. Tripartism has also been utilised, in a number of countries concerned, to

obtain reforms in the fields of social security pensions and unemployment benefit.

Since the beginning of the transition period, it would appear that the main forum of social dialogue in the countries has been tripartite and consultation and negotiation at national level. Significant moves have taken place to establish and develop tripartite social and economic councils/national labour councils in many of the candidate countries, including Cyprus, the Czech Republic, Hungary, Malta, Poland, Slovakia, Slovenia, and the States of Estonia, Latvia and Lithuania. Tripartite ILO Councils have been created in a number of countries to foster and promote the social partnership model and advance, monitor and implement the respective conventions of that organisation. Developments of a similar nature have taken place in Bulgaria and Romania.

*‘While tripartism has supported the transition process in the candidate countries, there is a need to strengthen the structures of both bipartite and tripartite dialogue at all levels’.*

Stavroula Demetriades, European Foundation  
for the Improvement of Living and Working Conditions

The role, function and impact of such tripartite bodies has yet to be fully measured and quantified. In some cases, they have been instrumental in achieving genuine national agreements covering a wide economic/social agenda, and have assisted the accession process. Others continue to be a structure for the dissemination of government policy and a mechanism for consultation with the social partners for the purpose of national policy formation. Some conference participants pointed to the necessity for capacity building among employer and trade union bodies in order to enhance their ability to influence national policy, and to the necessity to increase the representativeness of the actors in existing tripartite institutions.

In some cases, the weakness of the social partners is an impediment to their playing a vital, influential and active role in social dialogue and the

institutions of tripartism. This is further compounded where capacity deficits exist for the creation of a culture of dialogue, the elimination of historical distrust and the removal of political barriers to formal and real procedures for the negotiation of agreements and collective bargaining settlements. The establishment of legal rights alone is not adequate or sufficient to improve the collective bargaining system: it must be accompanied and supplemented by an attitudinal and cultural paradigm shift by the parties themselves. In such situations, European-level social partner agreements, EU directives and the ILO conventions are important pillars in supporting the institutions of the tripartite process and their application to national situations. Compatible structures are essential, therefore, to ensure that the social agenda is pursued with equal effect throughout the EU – both before and in particular after the accession period. It is imperative that the social partners in candidate countries are assisted and supported in establishing independent collective bargaining procedures and autonomous social partner institutions and organisations. Otherwise, the tripartite systems will remain in a constant deficit situation and therefore undermine their full potential and effectiveness.

An important and practical initiative in capacity building to assist the furtherance of the social dialogue has been undertaken by the Foundation and the Swedish Work Life and Enlargement Programme, entitled ‘Social dialogue and EMU in the candidate countries’. Five candidate countries were included in this initiative (Estonia, Hungary, Malta, Poland and Slovenia), and national development projects have been developed. The issues addressed are: EMU and social convergence; youth unemployment; the development of trust between the social partners; a social pact for youth; and achieving EMU through social agreement.

# Workshop sessions

## Implementing social dialogue and tripartism: challenges and opportunities

### Workshop 1: Employment policy and the role of tripartism

*Tripartism also facilitates a more planned approach between governments and the social partners with a broader focus on labour market strategies and the flexibilities required for the maintenance and increase in employment levels.*

Many conference participants referred to the role of tripartism in providing a forum within which the European employment strategy can be discussed, and in particular where national action plans can be established and assessed. In practice, in many countries it is difficult to separate employment and incomes policy. Some tripartite agreements have agreed on moderate income settlements as a trade-off for 'return to work' incentives in social security payments and lower employment taxes. In addition, tripartite agreements can and do contain provisions for the reduction of youth unemployment, family-friendly policies, employment measures to assist those with disabilities and the removal of discriminatory barriers against minorities. In some countries, the establishment of national strategies on employment have facilitated the diffusion of programmes on training, employment creation and enterprise development at regional and local level. The experiences of individual countries in developing employment opportunities and assessing employment bottlenecks can usefully inform wider strategic policy decisions at EU level in both the Employment and the Social Protection Committees.

### Workshop 2: Social inclusion and tripartism

*The development of social partnership and its dynamic allows for the inclusion of the reform agenda of the socially excluded and the marginalised, and assists in identifying solutions to the issues of diversity, gender, and the combating of racism.*

The Danish Presidency, by identifying the goal of ‘social inclusion through social dialogue and partnership’ has highlighted the challenges for the tripartite concept in the context of an enlarged EU. The Foundation has been active in the area of social inclusion, generating knowledge and providing advice to the policy-makers among social partners and Member State governments. The development of social partnership and the extension of that model to representatives of civil society has assisted in the increased democratisation of economic and social decision making. It has added to the ownership and legitimacy of the process and assisted in reducing social conflict.

In the early stages of the development of social dialogue, the process helped to overcome some major economic and social issues, but now there is a requirement for a stronger commitment by governments, the social partners and representatives of civil society to sustain and nurture this involvement and to enable all actors to play their part in the construction of a fairer, equal and more inclusive society. In achieving this political commitment, it is vital that a greater integration of policies on economic and social concerns takes place. This implies a shared understanding and analysis of the problems, identifying the priority programmes and encouraging solutions from those affected in a ‘bottom-up’ strategy. It will require a willingness by the traditional social partners to be more inclusive in their approach by empowering those who are normally excluded from social dialogue fora and by their willingness to share facilities, power and influence. It will also increase the capacity of the social partners to be a bridge between local reality and its knowledge transfer to the policy process.

*The challenge is to raise questions about the different experiences of tripartism and its main characteristics, including the capacity of the more traditional forms of tripartism to adapt and change to meet the challenges posed by the social inclusion agenda and for the social partners to play their role in the construction of a fairer and more inclusive society.*

Patricia O’Donovan, ILO

In this regard, it was considered essential that the EU disseminate information, knowledge and experiences in respect of particular measures from Member States on social inclusion and community action programmes. It was also important that such policies should be primarily directed towards ensuring the inclusion of the socially marginalised in the labour market. It was the view of many participants that such policies were more effective at local and regional level and through a process of social dialogue, particularly in the context where many of those marginalised are also alienated from the political system itself.

### Workshop 3: New approaches to tripartism

*Some social agreements/pacts are moving beyond the traditional 'distributive conflict' and towards sustainable partnerships for employment growth and competitiveness.*

The challenges facing European society from the impacts of economic and monetary union, globalisation, labour market changes, demographics and technology has created a new impetus in Member States to use these changing circumstances to develop different approaches to the functioning of tripartism. These changing strategies and practices centre around the issues of:

- competitiveness and innovation
- social cohesion
- lifelong learning
- national employment action plans at local, national and EU level

Many new tripartite pacts combine the priority concerns of employment and competitiveness with the process of social partnership. According to reports from the European Industrial Relations Observatory (EIRO), Belgium, Germany, Greece, Italy and Portugal developed both social and regional pacts in the late 1990s, while Ireland and Luxembourg achieved both national income policies and social pacts. Denmark and Austria retained social pacts at the regional level and in Catania, Sicily (Italy), a

municipal pact was agreed. These developments highlight the variety of models and practices on a pan-European level. They show how the process and principles of social dialogue target issues of work-life balance and social exclusion, at appropriate national, regional or local levels.

The rapidly changing nature of employment patterns, the impact of technology and the increasingly ageing population has forced many Member States to review their training and education requirements. These policies vary greatly depending on national labour market/ educational/demographic profiles. However, there is general agreement that all tripartite agreements or sectoral/company agreements should continue to include viable programmes for training and upskilling and establish deliverable targets for such projects.

Spain, for example, moved in 2001 from a bipartite training agreement to a tripartite foundation for training and employment. In many of the candidate countries, new national labour councils have been established under statutory authority, some of which include structures for regional tripartite cooperation on training and employment generation.

One of the guidelines for the national action plans process in support of the European employment strategy was the creation of a 'comprehensive partnership' for their implementation. EIRO studies have indicated mixed results from this procedure, with employers appearing to be more satisfied with their involvement than trade unions. Methods being explored to enhance this process include improving the consultation and information process and clarifying the policy objectives and content of the national programmes. During the discussion, participants identified areas which need to be addressed in the diffusion and deepening of the tripartite system, as shown in the box on the following page.



### Areas for development in tripartism

- Representativeness
- Open agendas
- Establishment of guiding principles
- Independence/autonomy
- Sustainable structures
- Information sharing

### Workshop 4.1: Quality of industrial relations in the candidate countries benchmarked in the EU perspective

*The emphasis is upon social partners in their respective countries to find the solutions best suited to their own reality and to enhance their capacity to achieve joint agreement.*

Participants in Workshop Four heard reports from individual countries on interactive and twinning projects in five candidate countries (Estonia, Hungary, Malta, Poland and Slovenia), sponsored by the Foundation and the Swedish Work Life and Enlargement Programme. The priority in these national development projects is to develop specific initiatives based on the needs and wishes of social partners in the respective countries.

### National development projects in candidate countries

**Estonia:** Towards tackling youth unemployment through social dialogue

**Hungary:** Towards EMU and social convergence through social dialogue

**Malta:** Towards a culture of trust within the Maltese Council for Economic and Social Development

**Poland:** Towards a social pact for the young through social dialogue

**Slovenia:** Towards EMU via a social agreement through social dialogue

These programmes have provided the opportunity for the exchange of experiences and expertise with colleagues and counterpart organisations in other countries, as well as providing fora for social partners from the same country to work in close proximity on an agreed objective and national projects. There is a need for the successful implementation of the above mentioned national development projects. All those participating in these projects would welcome continued assistance in monitoring from the Foundation and the Swedish Work Life and EU Enlargement project.

At the same time, research and analysis is vital in order to assess and plan the various initiatives which are required to enhance the European social model in the candidate countries. Through the Foundation, an increasing focus is being given to benchmarking the quality and robustness of the industrial relations systems and establishing best practices. These benchmarking exercises are essential if we are to ensure the development of the quality of our industrial relations systems and social partnership models. They assist towards achieving European and national agreed macro-economic/social objectives on the one hand and the successful negotiation of win/win bargaining settlements and mutual gains at enterprise level.

It was recognised that the imminent enlargement of the EU presented some challenges for the EU social partners, particularly if they are to continue to play an influential role in the European political process. This requires them to take steps to ensure that a healthy, vibrant and representative social dialogue exists in the candidate countries.

During the workshop, it was acknowledged that the parties involved in achieving the status of a competent social partner required the following elements:

- legitimacy
- influence
- structures
- financial support

Ultimately it means that in building and enhancing capacity, the process requires a broad, representative membership, establishing a relationship of trust with other social partners/organisations and the ability to maximise economic and political influence at local, national and EU levels. It also requires confidence in the capacity of government itself to fulfil its tasks and commitments.

The requirement of ensuring a competitive and flexible labour market in an enlarged EU presupposes a constructive tripartite cooperation based on strong, representative social partners. The success of European social and employment policies contributes to a positive tripartite cooperation and vice versa.

Participants at the conference said there was a clear need for social partners to exchange experiences and expertise across borders.

In the context of institutional capacity building, some key requirements for successful tripartism were identified, as shown in the box below.

It was generally felt that when these conditions are met, it would be possible to create a positive/virtuous circle for the common good: a win/win situation of national and mutual gain for all involved.

<b>Prerequisites for tripartism</b>	
<b>Clear goals</b>	Tripartism requires targets, aims and objectives, e.g. economic stability, competitiveness, security at work, income policy.
<b>Visible results</b>	Delivery of measurable results is necessary for the agendas of the social partners, e.g. safety and health at work, vocational training, employment creation, income guarantees.
<b>Bipartism</b>	Well-functioning bipartism is seen as essential for building tripartite structures.

<b>Multi-level approach</b>	The diffusion of national models down to regional, local, municipal and enterprise levels is important.
<b>Civil society</b>	Further discussion is needed on where the involvement of civil society is necessary and desirable, and on the representativeness of civil society organisations.
<b>Monitoring</b>	Institutions and models need constant review and must develop the ability to adapt, change and be flexible.
<b>Responsibility</b>	It is important to adopt a problem-solving approach, accept compromises and trade-offs and create a shared understanding of each other's difficulties.

#### Workshop 4.2: Sharing experiences and building capacities

*Ensuring effective and implementable economic and social objectives.*

In looking at possible ways to strengthen the tripartite process, a number of contributors outlined current weaknesses, which tend to impede social dialogue from operating effectively:

- weak institutional and technical capacity
- lack of resources
- low membership
- fragmentation and competition
- lack of political will by governments to engage in effective co-operation

They also identified ways in which tripartism can be encouraged and supported. These include:

- creating a 'good climate' within which social dialogue can take place;

- establishing the necessary legal/institutional frameworks, including the right to free association;
- using tripartite agreements as a ‘governance tool’ to ensure effective and implementable economic and social objectives (e.g. health and safety, minimum wage, employment rights and standards);
- encouraging diversity in tripartite consultation through information/consultation structures, financial participation, works councils and involvement of civil society;
- promoting exchanges, information visits, training programmes and joint projects between tripartite organisations/institutions in EU Member States and those in candidate countries.

### **Workshop 5: Globalisation: A challenge for tripartism**

*It is important that tripartite models are sufficiently robust to absorb change.*

Globalisation presents many new challenges for the development of the European social model. The recent downturn in the world economy, allied to the increasing competitiveness of external and internal markets, has intensified these concerns. Some conference participants viewed the threat of globalisation as a driver for change. Certainly the European response to this challenge has influenced the number, scale and scope of directives being issued within the EU and has led to a greater commitment to develop better and stronger tripartite institutions. This response has also included the adoption of the European employment strategy, the new information and consultation directive and the movement towards greater protection of workers’ rights in transfers of undertakings, collective redundancies, teleworking and works councils. Interestingly, there has been a significant reduction in industrial disputes throughout the EU, which to some extent can be attributed to better participation, greater employment rights, models, and improved procedures for the resolution of industrial disputes.

It is important to ensure that tripartite models are sufficiently robust to absorb change, particularly in those countries which have significant levels

of foreign direct investment (FDI). It is considered essential in the face of globalisation that social dialogue frameworks are sufficiently flexible so that the labour market, with the agreements of the social partners, can adjust to competitiveness, innovation and enterprise restructuring and to the wider impacts of periods of cyclical/growth and recession.

# Conclusions and recommendations

## The future of tripartism and social dialogue

The EU is currently undergoing changes with enormous and historical significance for the future. As a consequence of the decisions integrated in the Nice Treaty, the single biggest enlargement of the Union is now imminent, when over 130 million people and ten countries will join the existing Member States. This dynamic expansion will challenge the collective capacity of all citizens of Europe, its institutions, and its governments to ensure that democracy will be strengthened and that the quality of life will improve for all.

*'It is necessary to mobilise the resources and commitment of all the actors concerned, and to build strong partnerships between governments, social partners and other civil society actors.'*

Eric Verborgh, European Foundation for the Improvement of Living and Working Conditions

Concrete experiences in the Member States show that tripartite cooperation has already delivered progress on economic and social goals, sometimes in the form of employment pacts at national, regional or local level. Such cooperation has drawn on both collective bargaining structures and the traditional social partners, and has been supported by public initiatives. In some cases, NGOs have played an important role.

In candidate countries, tripartism has supported the transition process and the restoration of democracy. However, the actors now face important organisational challenges, and industrial relations structures are still in the process of development. In these countries, collective bargaining coverage and the membership of organisations representing both workers and employers are below the EU average. How the different levels of bilateral

and tripartite consultation and negotiation relate to each other is a difficult and delicate topic.

Those contributing to the conference viewed the process of social dialogue as an important pillar of the EU. Through such dialogue, its representatives and its institutions, major steps can be taken in ensuring a better standard of living for all, the elimination of poverty, social cohesion and the safeguarding and promotion of fundamental rights and equal opportunities.

These important democratic objectives will receive further impetus in the programmes and policies of both the EU and the ILO, through the EU social policy agenda and the ILO's decent work programme. The EU sees social dialogue as a tool for the modernisation announced at the Lisbon European Council (June 2000) on all key aspects on the European agenda. The ILO concurs with this view, as articulated by Friedrich Buttler below.

*'Lifelong learning and the acquisition of skills, mobility and career paths as elements of working conditions, active ageing, equal opportunities, employment and wider access to the labour market, sustainable development, quality of work, worker involvement and negotiated anticipation of change are among the key issues. Both the Commission and the ILO have a common agenda in this field'.*

Friedrich Buttler, ILO

The establishment of the annual Tripartite Social Summit provides the opportunity and the responsibility for governments and the social partners to utilise this development to achieve sustainable progress and maintain the initiatives that are vital to a vibrant tripartite social dialogue. By proposing this Tripartite Social Summit, the European Commission confirmed that social dialogue is a fundamental component of the European social model.

At this stage in the enlargement process, there is an onus on the EU and the social partners to ensure that the capacity for participation in tripartism within the candidate countries is further promoted. An uneven level of



development will create weaknesses which, if not addressed, will undermine the effectiveness of the economic and social policy objectives of the EU. It is necessary, therefore, that increased technical and financial support is forthcoming to address any deficits in the functioning of social dialogue in the candidate countries and to increase the representativeness of the actors. Strengthening social dialogue at all levels eventually leads to an economic and social dividend for Member States and makes an important contribution to the democratic process.

Those involved in the social dialogue process should ensure that they use the tools, assistance and programmes provided through the European social partners directly, the Foundation (including EIRO and the EMCC), and the ILO In Focus programme. Through a combination of these structures, a targeted programme of assistance can be developed, centred on the issues of tripartism itself, to include:

- an annual review of each country;
- assistance of multi-disciplinary teams (social partners);
- ready access to a comprehensive data bank on all relevant structures;
- exchange arrangements for training sited in tripartite national institutions;
- co-ordination of all existing programmes/projects specially related to enhancing tripartism;
- fuller utilisation of training/seminar programmes on the directive on Works Councils and the new directive on information and consultation;
- specific input to the Tripartite Social Summit on developing tripartite structures and social dialogue.

At the conclusion of the conference, both the Danish Minister for Employment and the Deputy Minister of Labour of Greece, (Greece was to take up the EU Presidency in January 2003), spoke positively and with confidence on the future of social dialogue and reflected upon its achievements.

*'Tripartism thrives in both formal and informal frameworks and where cooperation leads to economic and social advantages for all'.*

Claus Hjort Frederiksen, Minister for Employment, Denmark

*'Strengthening social dialogue at all levels, achieving high productivity levels, involving social partners in the transfer of community acquis, may contribute to economic convergence in terms of social justice and solidarity. The aforesaid objectives will be included in the agenda of the Greek Presidency'.*

Eleftherios Tziolas, Deputy Minister for Labour and Social Affairs, Greece

# List of speakers

- Isabella Biletta**, Research Manager, European Foundation for the Improvement of Living and Working Conditions
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- Marc Boisnel**, Chair of the Board, European Foundation for the Improvement of Living and Working Conditions
- Jan Willem van den Braak**, Director, Social Affairs VNO-NCW, the Netherlands
- Roger Briesch**, President, European Economic and Social Committee
- Friedrich Buttler**, Director, ILO
- Alberto Cerda Mico**, Pre-Accession Adviser, PHARE Twinning project Spain-Latvia
- Alexandra Costa Artur**, Director CECOIA, Employers' Association, Portugal
- Ludovit Cziria**, Deputy Director, Research Institute of Labour, Social Affairs and Family, Slovak Republic
- Helen D'Amato**, Chair of Social Affairs Committee, House of representatives, Malta
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- Preben Foldberg**, Trade Union Confederation, Denmark
- Youcef Ghellab**, Social dialogue specialist, the ILO Budapest Team, Hungary
- Marie Hansen**, Deputy Permanent Secretary, Ministry of Employment, Denmark
- Erzsebet Hanti**, Executive, MSZOSZ Trade Union, Hungary
- Claus Hjort Frederiksen**, Minister for Employment, Denmark
- Reiner Hoffman**, Director, ETUI
- Renate Hornung-Draus**, Director of European and International Affairs, Employers Confederation Germany
- William Jestin**, Principal Officer, Department of Enterprise, Trade and Employment, Ireland
- Rimantas Kairelis**, Deputy Minister, Lithuania

- Antonis Kastrissianakis**, Director, Employment strategy and European Social Fund policy development and coordination, DG Employment, European Commission
- Timo Kauppinen**, Research Manager, European Foundation for the Improvement of Living and Working Conditions
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- Mincho Koralski**, Chief Secretary, Union of Private Economic Enterprise, Bulgaria
- Flemming Kühn Petersen**, Special Adviser, Ministry of Employment, Denmark
- Mária Ladó**, Head of Inter-Ministerial Expert Group on Social Policy Chapter and Senior Advisor, Ministry of Economic Affairs, National Labour Centre, Hungary
- Elisabeth Lagerlöf**, Head of Information and Communications, European Foundation for the Improvement of Living and Working Conditions
- Jean Lapeyre**, Deputy Secretary-General, ETUC
- Igor Lensky**, Vice-President of the Confederation of Trade Unions, Slovak Republic
- Zdenek Malek**, Vice-President CMKOS, Czech-Moravian Confederation of Trade Unions
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- John Monks**, General Secretary, TUC, United Kingdom
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- Kieran Mulvey**, Chief Executive of the Labour Relations Commission, Ireland
- Peter Nedergaard**, Head of Division, Ministry of Employment, Denmark
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