Social inclusion:
Role of the social partners

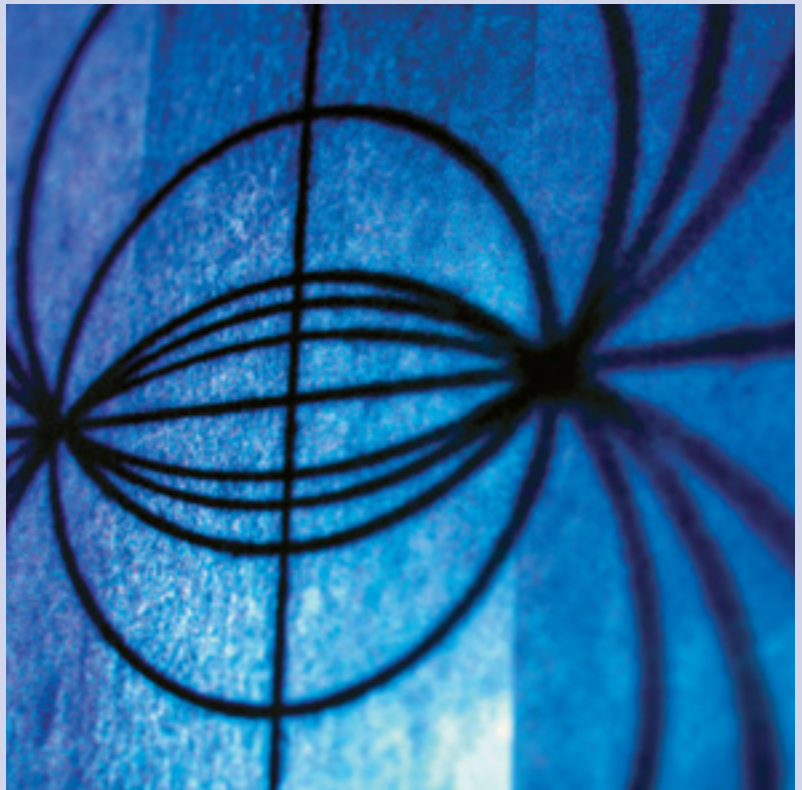![European Foundation for the Improvement of Living and Working Conditions logo]

European Foundation for the Improvement of Living and Working Conditions

Social inclusion:
Role of the social partners

Foundation paper

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Acronyms

CEEP	European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest
EIRO	European Industrial Relations Observatory
EMU	Economic and Monetary Union
ETUC	European Trade Union Confederation
UEAPME	European Association of Crafts, Small and Medium Sized Enterprises
UNICE	Union of Industrial and Employers' Confederations of Europe

Foreword

Foundation papers highlight knowledge and analysis from Foundation research over recent years in the areas of employment, equal opportunities, social inclusion, time use and diversity. The objective of the papers is to make past, present and future work of the Foundation relevant and accessible in a concise format. The subject of each paper is linked to current social policy issues and will therefore provide a timely contribution to the debate at European level.

The increasing involvement of the social partners in social policy matters, and particularly the area of social inclusion, is the focus of this paper. It draws mainly on research carried out by the Foundation in the area of social inclusion over the past decade. The paper addresses the need for all players to move beyond traditional structures towards effective interaction at all levels in this complex and multi-dimensional field.

Willy Buschak
Acting Director

Introduction

Europe has undergone large-scale economic change since the 1970s. New and demanding challenges have emerged which have far-reaching implications, not least for the relationship between economic and social policy in the European Union Member States.

The Commission's *Social policy agenda* of September 2000 underlined the need for 'positive interaction between economic, employment and social policies' (European Commission, 2000). With progressively more focus on action in the social sphere, the interplay between the different policy areas has been increasingly taken into account at European level.

Due in part to the labour market difficulties currently experienced by all Member States, employment has now become a key issue on the European Union's economic agenda. At the same time, increasing numbers of social partnerships have been established between trade unions and employer organisations. These partnerships, which have a unique role in the social field, have an essential part to play in the implementation of social measures and policies across the EU.

The Lisbon European Council of 2000 laid down the general strategy for the next decade. This commits Europe to becoming 'the most competitive and dynamic knowledge-based economy in the world, capable of sustained economic growth with more and better jobs and greater social cohesion'. Given these ambitious objectives, the persistence of poverty and exclusion is a growing concern.

European governments are also increasingly turning their attention to the social situation. As the Commission points out, governments are being forced to adapt and modernise social protection systems so as 'not to increase the risk of more unemployment, poverty and social exclusion' (European Commission, 2000).

The *Social policy agenda* pinpoints the challenge facing Europe in moving 'from an agenda of tackling social exclusion to one which fosters social inclusion and mainstreams it into the heart of all policy making' (European Commission, 2000).

At European level, the social partners are increasingly invited to extend their remit in the social policy field.

In the first instance, this means extending the role of the social partners beyond the needs of the economy, the workforce and enterprise. The next step would require the European institutions to invite these actors to 'develop common objectives' at European level which could serve as a reference for the social partners in the Member States.

The two spheres of competence of the Foundation – living conditions and working conditions – highlight the significance of the interrelationship of these fields. Indeed, the Foundation's structure, with its tripartite Administrative Board composed of national representatives of governments, employer organisations and trade unions, underscores the unique position of the social partners. Equally, its European character is underlined by the presence on the Board of representatives from each Member State and the European Commission.

Drawing on the Foundation's work and research in this domain, this paper seeks to clarify and examine in greater depth the interplay between the role of the social partners at all levels and social inclusion.

The limits of this exercise are clear:

- It is a retrospective study, based on existing documents;
- The boundaries are determined by previous Foundation research projects;
- It is not an exhaustive account of the social partners' measures and research, views or opinions, particularly at European level.

However, the value of the exercise is also evident:

- It highlights the strengths and weaknesses identified by research in relation to integration and employment issues;
- It provides a framework for the social partners to reflect on their contribution to social inclusion;
- It points to some avenues for future research in order to present a complete picture.

It should also be noted at this stage that, with a few rare exceptions – the Foundation's research project on local partnerships (Geddes, 1998) is one – Foundation studies do not deal directly with the relationship between the social partners and social inclusion. While worthy of analysis, this link has not been systematically examined to date.

On the other hand, the social partners are increasingly involved in social policy matters, over and above collective bargaining at sectoral or company level. Moreover, examination of some of the Foundation's work reveals

untapped potential for further action on the part of the social partners in the field of social inclusion. In this respect, they still have many opportunities to contribute in this area, particularly at European level. Yet the price to be paid for strengthening the social partners' participation in social cohesion is increasing levels of complexity. This paper highlights a number of contradictions and dilemmas, emphasising that the social partners must now act beyond the level of the individual enterprise.

The various aspects of social inclusion and the important role of the social partners in this sphere indicate the need for a review of the mechanisms for social policymaking and, at a different level, for diversification of the Foundation's activities.

Context

European developments for social inclusion

The Foundation's report published in 1994, *Bridging the Gulf*, reviewed the various studies carried out by the Foundation between 1984 and 1993 on the subject of 'improving social cohesion in Europe' (Ball, 1994).

Profound economic and social changes have taken place in Europe over the last three decades. These have led to a growing debate as to what constitute appropriate policies for combating the 'social fracture' between the majority of citizens, who have 'enjoyed increased opportunities and improved living and working conditions', on the one hand, and 'a substantial and ever-increasing minority suffering from poverty, unemployment and other forms of economic and social handicap', on the other.

It is now accepted that the multi-dimensional processes of exclusion can only be overcome by policies which involve 'the general mobilisation of all parties and a combination of economic and social measures' (European Commission, 1994).

As pointed out in the report, *Monitoring quality of life in Europe* (Fahey *et al.*, 2003), the term 'social exclusion' came into widespread use during the 1980s. In France, in particular, attention focused on the process leading from precariousness to exclusion, on what Serge Paugam describes as the 'spiral of precarity' (1996). This dynamic process, in combination with the multi-dimensional aspect, is what keeps this 'spiral' in existence.

Public authorities, at both European and national government level, are now directly involved in devising anti-exclusion policies. Implementing and evaluating such policies is, however, particularly complex for a myriad of reasons. The target groups are diverse, the periods of poverty and exclusion and their recurrence vary greatly and the type of exclusion differs. However, with its focus on increasing opportunities for greater participation among individuals, the concept of 'social inclusion' has gradually taken hold.

From the incorporation of a minimum normative framework in the Treaty of Amsterdam, designed 'to encourage cooperation between Member States [...] in order to combat social exclusion',[1] to the Commission's most recent communications, the eradication of poverty and social exclusion has been acknowledged as an objective to be achieved by 2010 (Lisbon European Council, March 2000).

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[1] Treaty on European Union, Article 137 (1)(j) of the Treaty Establishing the European Community.

Combating social exclusion: Milestones at EU level

Lisbon European Council (23-24 March, 2000)
The new objective for Europe: to become 'the most competitive and dynamic knowledge-based economy in the world capable of sustained economic growth with more and better jobs and greater social cohesion'.

Feira Council (19-20 June, 2000)
'... Economic and social renewal, full employment, social cohesion and justice....'

NAPs Inclusion – National Action Plans for Social Inclusion (June 2000)

Nice Council (7-9 December 2000)
Approval of the European Commission's five-year social policy agenda including the promotion of social inclusion: 'The Commission aims to prevent and eradicate poverty and exclusion and to promote the integration and participation of everybody in economic and social life'.

Gothenburg Council (16 June, 2001)
'Strategy for sustainable development and addition of an environmental dimension to the Lisbon process for employment, economic reform and social cohesion...'.

Laeken Council (14-15 December, 2001)
A. Joint contribution by the social partners to 'reposition the role of the social partners in the light of the challenges posed by:

– the debate on Europe's future and governance,

– the future enlargement of the European Union [...],

– completion of economic and monetary union and the associated development of coordination of economic, employment and social policies...'.

B. Joint report on social inclusion prepared by the Council and the Commission, with the aim of 'identifying good practice and innovative approaches of common interest on the basis of the National Action Plans against poverty and social exclusion'. It recognises 'the dual role of social policy, both as a productive factor and as a key instrument to reduce inequalities and promote social inclusion'.

Commission Communication on 'the future of the European strategy for employment (EES)': 'A strategy for full employment and better jobs for all' (European Commission, 2003a):

'The EES must provide a policy response to the above challenges structured around the ambitious Lisbon goal of full employment, quality at work ('better jobs') and social inclusion.'

> *Communication from the Commission: Joint report on social inclusion: summarising the results of the examination of the National Action Plans for social inclusion (2003-2005):*
>
> '....Main positive strategic developments in the second generation of NAPs inclusion:
>
>> 'The process of encouraging the participation of key stakeholders of civil society (NGOs; Social partners and business community) in the preparation of the NAPs and the Nice objectives as a reference tool for national policy making…'.
>
> '…… In order to keep the momentum (…) Member States and the European institutions should:
>
>> Continue to promote the mobilisation and participation of all stakeholders from civil society as well as the marginalised persons themselves in the implementation and monitoring of the NAPs/inclusion 2003-2005 and ensure greater visibility of the NAPs/inclusion as a tool for encouraging political debate and support for national strategies.' (European Commission, 2003b)

The European Council meeting in Nice in December 2000 established the following common objectives:

- To facilitate access to jobs and resources, rights, goods and services for all;

- To prevent exclusion risks, including risks connected with new information and communication technologies, the needs of the disabled, personal crisis situations potentially resulting in exclusion, and family solidarity;

- To help the most vulnerable – in particular, men and women facing persistent risk of poverty, children and geographical areas with a substantial incidence of exclusion;

- To mobilise all bodies and institutions, in particular by promoting the participation of excluded persons and giving them a voice, incorporating anti-exclusion measures in all policies, and encouraging an active commitment on the part of all citizens to combat exclusion.

Employment was identified as the preferred means of reintegrating most of the excluded as well as a means of combating poverty. This is largely due to the fact that being in employment helps develop social relations, provide income, maintain skills and hence guarantee employability.

The social partners, working with other actors, have an essential part to play in achieving social cohesion through their contribution to the development of employment and to the modernisation and organisation of work at national, sectoral, intersectoral and European level. Evidently, the social partners also have an interest in and opportunities to contribute to general social and economic development as well as more specifically to combating poverty and social exclusion.

The social partners

The term 'social partners' encompasses a variety of entities acting at different levels (European, national, regional, local and enterprise) which are by no means a homogeneous group (Barnard, 2002). However, they are understood here to represent trade union and employer organisations.

Clearly, the social partners hold a unique position in civil society, for they are 'best placed to address issues related to work and can negotiate binding agreements' (European Foundation for the Improvement of Living and Working Conditions, 2003b).

This specific position gives them a monopoly on decisions regarding action within a company. Working conditions issues are thus dealt with by trade unions or staff representatives and by management representatives, either through institutionalised bodies (works councils or ad hoc committees) or in the context of industrial disputes, and their corresponding processes of negotiation.

The legitimacy of the social partners' action is based on their representativeness and this legitimacy empowers them to negotiate agreements. The union's effectiveness depends on its capacity to bind a large number of workers by means of negotiations and agreements.

In recent years, union competence has extended beyond 'pure' labour law issues. For instance, many EU countries now provide, on paper at least, for the involvement of staff representatives in economic and financial matters extending beyond the traditional sphere of negotiation of social assistance plans or redeployment of workers (EIRO, July 2001). This is particularly the case regarding company restructuring.

At European level, too, the social partners occupy a unique position and one which has changed considerably in recent years.

'In the past, the social partners reacted to the Commission's initiatives, but they have now become genuine partners in establishing European social standards' (European Foundation for the Improvement of Living and Working Conditions, 2003b).

Indeed, European social dialogue is divided into three phases, shown in the box below.

> **Steps in European social dialogue**
> In 1985, at the initiative of European Commission President Jacques Delors, the social partners embarked on a bipartite dialogue, the first step towards creating a European bargaining area.
>
> The social policy Protocol and Agreement attached to the Maastricht Treaty and subsequently incorporated into the Amsterdam Treaty, gave rise to the second stage, in which agreements were [...] implemented by means of Council Directives – on parental leave, part-time work and fixed-term contracts.
>
> In December 2001, the Laeken European Council was a crucial step for the social dialogue, opening up a third stage of independent European-level dialogue.
>
> Source: 'EU-level developments in 2002', in *Industrial Relations Developments in Europe 2002,* European Foundation for the Improvement of Living and Working Conditions, 2003c.

The European Commission aims to facilitate and assist the development of the social partners' role towards greater independence.

It invites them to develop the fields of, and instruments for, social dialogue. As the Commission puts it, the 'development of social dialogue at European level, as a specific component of the Treaty, is a key tool for the modernisation and further development of the European social model, as well as the macro-economic strategy.

2002 was the first year of follow-up to the Laeken contribution. The groundwork was then laid for the social partners' independence in terms of their social dialogue, culminating in the presentation of their multiannual work programme for 2003-5 in November 2002 at a social dialogue summit held at Genval, Belgium.

'How can UNICE, ETUC and CEEP represent the various concerns of those who might be affected by action to promote "the integration of persons excluded from the labour market" (Article 137(1)), a social policy matter covering interests far wider than those of classic labour law agreements. Do these organisations have the skills, resources and even the desire to intervene effectively on such issues?' (Barnard, 2002).

The social partners are thus called upon, at least at European level, to involve themselves in both traditional employment matters and macro-economic issues. This should take the form of concluding agreements and, in a wider context, monitoring their implementation. Their field of competence has therefore been substantially widened. The question remains as to how this impacts on their power and legitimacy on an ever-wider range of issues.

Furthermore, the specific characteristics of the European social dialogue lead to repercussions at national level: 'At the level of policymaking, the emphasis is on partnership and cooperation rather than on adversarialism, a shift from industrial pluralism to a more managerialist perspective' (Barnard, 2002).

All these factors tend to bolster the view that the 'social partners must adhere to their areas of responsibility and negotiate [only] on those issues for which they have received a mandate' (comment by Thérèse de Liederkerke of UNICE at the conference 'Challenges and opportunities for social dialogue and tripartism', Elsinore, 29-30 October 2002: European Foundation for the Improvement of Living and Working Conditions, 2003a).

However, as the European Trade Union Confederation points out, 'the multidimensional nature of exclusion calls for the mobilisation of all political, economic and social forces. The social partners must forge links between the worlds outside and inside the enterprise' (ETUC, 1995).

This Foundation paper begins by considering the issue of social inclusion from three points of view: poverty, unemployment and discrimination. These are related to the matters dealt with by the social partners: pay, working time and labour market. The paper also discusses the strengthening of the social partners' action in the field of social inclusion, in the face of the increased complexity of the issues.

The paper ends with some suggestions for further reflection and action.

A review of Foundation work

Social inclusion: A key concern

Successive economic crises, unemployment and the persistence of poverty and exclusion in the Member States have pushed social inclusion high up on the European social policy agenda.

At first glance, social inclusion would appear to be a matter for government and/or local authorities, associations, and non-governmental organisations. The social partners do not lay claim to competence in this sphere. In fact, they largely restrict themselves to action within companies and the world of work.

However, the fusion between issues of social protection, work organisation and working conditions within the enterprise means the social partners necessarily deal with issues of poverty and exclusion.

Several Foundation studies illustrate the importance of inclusion issues in relations between workers and employer representatives in an enterprise.

So-called classical welfare policies present employment as a factor of social inclusion in itself. However, a broader approach to social exclusion rejects the notion of a simple dichotomy between those in work and the unemployed.

Nevertheless, employment remains the most important vehicle of inclusion within society due to the fact that it generates income and encourages socialisation. A number of conditions must be satisfied, however, if employment is to perform its inclusion function. It must produce 'sufficient' income, such income must be stable, job security must exist, and working conditions must reach a certain quality standard. In this context, it is clear that the social partners can exercise a profound influence over opportunities for inclusion through their actions in the area of pay, employment and the labour market.

Combating poverty

The working poor

The debate on the 'working poor' exemplifies the involvement of the social partners in combating poverty and highlights the scope of in-company measures and negotiations to promote inclusion.

'Social exclusion is cross-sectional and affects various kinds of employment status; it encapsulates the duality of the labour market. From this point of view, 'poor workers' must be deemed no less 'excluded' than the unemployed' (Peña-Casas and Latta, 2004).

For many years, poverty was associated strictly with inactivity, or even 'indolence'. In the same way, unemployment was long regarded as the only labour-market factor responsible for poverty. However, these views must now be revised in the light of increasing awareness of the working poor.

Being 'workers' and 'poor', the 'working poor' must be considered both from an individual perspective (regarding employment, pay, etc.) and from the wider perspective of the family group (benefits, subsidies, aids, etc.). Hence the difficulty of defining a concept at the intersection of separate fields of research: work on the one hand and poverty on the other.

Definition of the 'working poor'
The United States is the only country to have an official definition of the working poor:

'The working poor are defined as persons who have devoted at least half of the year to labour market efforts, being either employed or in search of a job during that period, but who still live in poor families' (Klein & Rones, 1989). The 'category' became official in the USA in 1989 through the Federal Bureau of Labor Statistics (BLS).

The Foundation provides a broader definition:

'Working poor are individuals who are in employment and simultaneously members of a household in which total income is below the poverty line' (Peña-Casas and Latta, 2004).

However, action by the social partners in this field cannot be confined to the 'working poor' alone. This is because a 'poor worker' is not synonymous with a 'low-paid worker'. In 1995, just over a third of the working poor fell into the low pay category. On the other hand, the low-paid are more consistently found among the 'poor'. Low pay remains widespread in Europe, although definitions vary substantially from country to country (Peña-Casas and Latta, 2004). Surveys show that 'around one in seven employees in the European Union [is] estimated to have a low wage' (EIRO, September 2002). The 2001 'National Action Plans for inclusion' formed part of a strategy to combat exclusion based on the idea that work afforded the best protection against exclusion – a strategy intended to ensure everyone had the resources required to live 'decently' and that taking a job signified an increase in income.

Studies on the working poor reveal the individual determinants of this situation. The majority of those concerned are low-skilled female workers employed on specific contracts (fixed-term or part-time employment contracts). As a rule, the situation is compounded by a number of other factors, such as age (young people under the age of 25), ethnic origin and the structure of the country concerned – in particular, in Italy and Germany, where regional origin is crucial.

However, a significant factor is the organisation of the relevant enterprise. Here, social dialogue is important: 'lower trade union presence or bargaining power' (EIRO, September 2002) is given as a reason for the persistence of low wages in some countries (Austria, Greece and the United Kingdom), while the small size of the undertakings typically concerned has also been mentioned (e.g. in Austria, Greece, Italy, Portugal and the United Kingdom).

Minimum wage

The introduction of a minimum wage also forms part of the fight against poverty, although it does not significantly influence the persistence of low pay for a substantial proportion of the active population.

The real impact of the minimum wage depends both on its 'coverage' – the number of workers affected – and on the complex relationship between establishing a minimum wage at national level and sectoral pay levels. In France and Belgium, for example, the national minimum wage is seldom applied: minimum pay in particular sectors may be less than the statutory minimum wage in France, whereas the minimum in some sectors in Belgium is 30-35% above the statutory minimum level.

The social partners' positions on the minimum wage differ. Whereas the introduction of a minimum wage is seen by most European trade unions as an important factor in improving incomes, it is, in most cases, opposed by employer organisations.

However, in countries that now have a statutory national minimum wage, it is no longer a significant issue (except in France). Experience with the recent introduction of a minimum wage in the United Kingdom (1999) and Ireland (2000) shows that opposition from employer organisations ceases once the minimum wage is in place. On the other hand, the positive effect of the minimum wage on low pay is undeniable.

Traditional arguments against a minimum wage concern labour costs and competitiveness while some argue that those receiving the minimum social assistance have no incentive to take up work. Rational and economic factors suggest that the subtle relationship between social minima and associated benefits may result in the rejection of a job felt to be badly or

Minimum wage

Situation in the 15 Member States (pre-May 2004) and Norway:

■ Nine countries have a statutory minimum wage;

■ Seven countries do not have a statutory minimum wage.

Countries with a statutory minimum wage

■ Seven have a statutory minimum wage fixed by the government after consultation with the social partners: France, Ireland, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom;

■ In Belgium, the minimum wage for the private sector is set by intersectoral collective agreement in the *Conseil National du Travail* [National Labour Council] and is legally enforceable;

■ In Greece the minimum wage is set by the social partners by national collective agreement.

Countries without a statutory minimum wage

■ Austria, Denmark, Finland, Germany, Italy, Norway and Sweden. However, a minimum wage is set explicitly or implicitly in these countries by sectoral collective agreements.

■ Austria, Finland, Germany and Italy: given the existence of an extension mechanism, the 'coverage' of the non-statutory minimum wage (i.e. the number of workers covered by the agreement) is wider.

Source: EIRO comparative study, September 2002, *Low-wage workers and the 'working poor'*.

low-paid. However, the process of returning to work for the excluded and/or those living on a social minimum proves to be appreciably more complex, with working conditions and employment status also playing a significant part.

Combating unemployment

The direct role of the social partners in addressing unemployment is recognised in much of the Foundation's research (e.g. Ditch and Roberts, 2002; Geddes, 1998; European Foundation for the Improvement of Living and Working Conditions, 2002a).

Even if the direct role of the social partners is more traditionally, as in the case of the trade unions, 'to support employees rather than those who do not have employment', the Eurocounsel programme stressed the

involvement of the social partners in counselling services. The aim of the Eurocounsel programme, initiated by the Foundation in 1991 and ended in 1996 was, through an interactive process of research and exchange of information and experience, 'to identify ways to develop and improve the quality and effectiveness of employment counselling and adult guidance services'. In terms of employers' involvement, direct examples came from 'the situation of mass redundancy where the function of counselling is to prevent unemployment and long-term unemployment'. Appealing for an increased participation by the social partners, the programme had 'clearly shown the added value that trade unions and employers can bring in development and improvement of counselling and guidance services' (Watt, 1996). Nevertheless one of the main findings of the research was that 'much remains to be done'.

On the other hand, the debate on working time helps to illustrate how the social partners can contribute to efforts to combat unemployment. Measures relating to working time may contribute to combating exclusion and poverty through their potential to preserve existing jobs, create new ones and maintain competitiveness.

Renewed interest in this matter at European level has been kindled by the annual Employment Guidelines put forward by the Commission and adopted by the Council. Since 1998, the Commission has invited the social partners 'to negotiate [...] agreements to modernise the organisation of work, including flexible working arrangements, with the aim of making undertakings productive and competitive and achieving the required balance between flexibility and security' (2002 Employment Guidelines).

Flexible working arrangements

For a number of Member States (Belgium, France, Italy, Luxembourg) the modernisation of work organisation is linked to wider labour market policies on reduction/redistribution of working time, lifelong learning and the social security system. In these countries, an integrated approach to legislative change has been instigated, often leaving the social partners to negotiate aspects of implementation. Other countries (Ireland, UK) believe that the role of the state is to provide fair minimum standards, leaving the social partners themselves the task of agreeing on flexible working arrangements. For those countries with firmly established tripartite traditions (Austria, Denmark, Finland, Netherlands, Sweden), the various aspects of adaptability are being negotiated through already established bodies.

Source: Commission Communication 'From guidelines to action: The National Action Plans for employment', quoted in EIRO comparative study, May 1998, *Flexibility of working time in Europe*.

The mechanisms of working time reform and reorganisation reflect the involvement of both the state and the social partners in tackling social issues but there is no doubt that the positions of the social partners on this issue differ greatly. Nevertheless, the process of negotiation and discussion has yielded largely positive results.

For employers, the introduction of flexible working time forms part of a wider strategy that also includes flexibility of labour costs and employment status, with the aim of increasing corporate competitiveness. Pressure on the first of these factors (flexible working time) declines where agreements offer room for manoeuvre in the other two fields (pay and employment status).

An EIRO study pointed to the situation in two Member States: 'In Austria, for instance, the flexibility accepted by trade unions in negotiating annual pay agreements in line with the economic situation seems to have made flexibility in working hours less necessary. In Spain, it was the growth in temporary or "precarious" forms of employment which, until recently, was the main tool of flexibility' (EIRO, May 1998).

Flexible working time schemes

'The implementation of flexible working time schemes can be presented by employers as a condition for making positive decisions on employment – e.g. by abandoning, or reducing the number of job losses announced, guaranteeing that existing employment levels will be maintained for a certain period, or making commitments on job creation. On their side, the unions involved can view such employment measures as a factor justifying concessions on their part regarding flexibility. These positive effects on employment are usually linked to a reduction in the actual average number of hours worked per employee (through a cut in agreed normal hours, less overtime, or compensation through time off in lieu, etc.).'

Source: EIRO comparative study, May 1998, *Flexibility of working time in Europe*.

While trade unions most generally agree that a reduction in working time is a factor in improving workers' quality of life and work, they are against the use of this tool to check the rise in unemployment.

Although the European Trade Union Confederation (ETUC) has expressed the view that reduced working time could help achieve a better distribution of existing jobs, the strategy of national unions is by no means uniform.

When confronted with the dilemma presented by any negotiation on working time reduction or flexibility, trade unions must weigh the

advantages and disadvantages of the various parameters. These include new demands by the workforce with regard to quality of life and work, as against constraints on companies in the field of competitiveness, resulting in demands by employers for wage reductions and increased productivity. Another aspect sometimes involved is job preservation, or creation. Trade union strategies are found to vary considerably from country to country, and indeed from union to union within the same country. Government has also played a major role in determining the powers of the social partners. As a result, a new approach can be discerned in a number of countries where the law now lays down rules to apply 'in the absence' of collective agreements. The stated aim is to acknowledge the responsibility of the social partners in determining the means whereby flexibility can be introduced. Other countries have brought in financial aids for sectors or companies that conclude collective agreements, combining reductions in, and flexibility of, working time (Belgium, France and Italy). These changes have substantially widened the scope for negotiation on working time and increased its advantages.

Combating discrimination

The social partners are increasingly involved in actions to help integrate the long-term excluded or people whose access to the labour market is conditional on the acceptance of unskilled or badly paid work or precarious status. Measures directed towards the abolition of discrimination[2], in particular against women, immigrants and older workers, illustrate the potentially 'curative' and 'preventive' aspects of such action.

Instances of discrimination are well known and persistent, but the social partners must tackle their consequences – namely, the extent of the 'precarity' of these groups which are often quickly overwhelmed by poverty, unemployment and/or exclusion.

Some elements of women's employment illustrate the basis of sexual discrimination: the persistent wage-gap, the large number of women included among the working poor and the low-paid, as well as their over-representation in 'atypical jobs'. Various factors are present too in the situation of migrants: high proportions of workers recruited on fixed-term contracts, receiving low wages and subject to working conditions over which they have little influence, while trade union membership among migrant workers as a whole is below average (European Foundation for the Improvement of Living and Working Conditions, 2003b).

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[2] Article 13 of the consolidated Treaty establishing the European Community stipulates that 'the Council [...] may take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation'.

Similarly, a number of factors combine to increase the risk of exclusion from the labour market for older workers (Walker, 1997; Molinié, 2002), especially in situations of corporate restructuring: older workers as a rule have fewer opportunities to find new jobs. Again, even where labour is scarce, older workers are proportionately more subject to long-term unemployment for structural reasons. An EIRO study on the subject points to a need for an attitudinal shift on the part of employers: '… much of the problem also seems to be accounted for by stereotypes held by employers, which associate older workers with productivity problems, illness, inflexibility and inability to learn – views which do not find solid empirical support, but which may become self-fulfilling prophecies' (EIRO, October 2000).

Social partners' positions
Social partners often adopt different positions on key grounds for discrimination, such as gender, age, ethnicity and country of origin.

In the 15 EU Member States (pre-May 2004) and Norway, the countries under consideration in the EIRO study on gender pay equity (EIRO, January 2002), employer organisations theoretically favour equality of opportunity in general and gender pay equity in particular. Yet despite this theoretical position, little has been achieved. In this regard, of 'crucial importance [...] is the fact that in almost all countries these organisations share the view that existing wage differentials between men and women are not an expression of discrimination against female employees'. Given this general attitude, it is hardly surprising that employer organisations in most of the countries studied seem to see no need to act specifically in the field of gender-related pay policy. Conversely, most trade unions take the view that sex discrimination persists notwithstanding legislation and collective agreements, and that further measures must be taken to combat it.

In relation to immigration, employer organisations in the Member States (excluding France) are commonly encouraging the development of policies in this field, in the light of population forecasts, labour shortages, free trade and freedom of movement for workers. The unions are often critical of what they see as the liberal analysis of employer organisations. They feel that the number of migrant workers should not increase when large numbers of immigrants are already unemployed in the countries concerned; nor do they wish to open the floodgates to imports of 'cheap labour', potentially threatening the jobs of national workers.

Conversely, employer organisations (in the pre-enlargement 15 EU countries and Norway) are frequently sceptical about the implications of age-discrimination legislation, preferring voluntary, supply-related initiatives for improving the situation of older workers in the labour market. Employers' concerns centre on the legal status of age as an element in

employment decisions, the possibility of large numbers of legal challenges and the potentially greater costs to employers of employing experienced workers. Unions, on the other hand, regard age discrimination legislation as a complementary support to collective bargaining and as a vital social and economic measure. Some unions have criticised the provision in the EU Directive legitimising 'differences in treatment on grounds of age'[3], some defend the right to early exit from the labour market and many promote job opportunities for the young.

Issues not high on the collective bargaining agenda

In order to fully exploit the 'potential impact of collective bargaining' as 'a mechanism for strengthening and mainstreaming equal opportunities', collaboration between the social partners on this subject still needs to be developed (European Foundation for the Improvement of Living and Working Conditions, 2002c). It would appear, however, that matters regarding various groups at risk of discrimination are seldom a priority in bargaining between the social partners.

Thus, for example, 'cooperative initiatives between the social partners on gender pay equity are rare. In most cases, the initiatives do not deal directly with pay systems/pay issues. They deal with gender pay inequality indirectly' (European Foundation for the Improvement of Living and Working Conditions, 2002c). Analysis of the disregard for this matter in collective agreements reveals a large number of sometimes contradictory reasons:

> 'Pay discrimination and differences are to a certain degree regarded as a matter of legislation and politics rather than a problem to be solved through collective agreements. This may be further explained by the fact that existing wage discrepancies between men and women are seen as a consequence of positional differences in working life, which is too big an issue to be solved through negotiations. Furthermore, the pay equity issue, at least in some countries, seems to be seen as less urgent than measures to increase women's employment participation rate, to make it easier to combine work and family, or to ease the re-entry of women (mothers) into working life' (EIRO, January 2002).

Similarly, the issue of migrant workers does not 'feature significantly on the collective bargaining agenda' as such. In some countries (France, Luxembourg, Portugal, Sweden and others), the application of collective agreements to all workers is used to justify the absence of ad hoc bargaining. Collective bargaining at company level is rare except in Germany, Italy, the Netherlands and the United Kingdom. In Italy, some matters are dealt with at local level between the social partners, local authorities and other relevant parties, such as the representatives of urban

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[3] Article 5 of the draft Directive incorporated in Article 6 of Directive 78/2000/EC.

authorities. Sometimes the immigration rate may account for the absence of specific relevant bargaining – this rate being too low in Slovakia, and too high in Luxembourg, to be relevant. However, over and above formal participation in dedicated government bodies, cooperation between employer organisations and trade unions is most often observed in countries where the issue is dealt with at sector level (Italy, Netherlands, Norway and Spain). Some sectoral collective agreements concern the employment of migrant workers (Netherlands and Norway), while others relate to their working conditions (Spain: wages, flexible working time, etc.). Still other agreements explore areas more directly bound up with social integration, such as language courses (Italy: language courses and vocational training).

Migration: Collective bargaining at intersectoral level

Belgium: agreements on both equality and non-discrimination on racial grounds, and on special training and employment measures for 'at-risk' groups, including migrants.

Denmark: Equal treatment for migrants is established as a theme in company-level employee-management cooperation by a national agreement, while the largest social partner organisations have also reached an agreement on the integration of migrants.

Greece and *Ireland*: Intersectoral agreements on discrimination and equal treatment of migrants.

Finland: The narrower issue of monitoring the working conditions of migrant workers has been addressed by a Finnish central agreement.

Source: 'Migration and Industrial Relations', in *Industrial Relations Developments in Europe 2002*, European Foundation for the Improvement of Living and Working Conditions, 2003b

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Finally, age discrimination does not usually feature in collective bargaining, although some matters included in negotiations affect the employment situation of older workers. These include, for example, adapting work to the needs of older workers (Norway: national collective agreements and the 1998 wage agreement, in particular); protecting workers against mass redundancies (Italy: collective bargaining at inter-confederation level on 'social shock absorbers'); and training (Italy and Belgium). Germany, where age issues are usually resolved by collective bargaining, is an exception. In that country, collective agreements contain a number of rules on age and/or length of service, in particular at sectoral level.

Conversely, age discrimination in France is not tackled at sectoral, intersectoral or company level: the persisting social consensus between the social partners is that older workers should lose their jobs first; this was reflected in 2000 in the renewal of the agreement on the employment

replacement allowance, which allowed older workers to retire early provided they were replaced by new employees. Even in the face of growing public debate about the sustainability of pensions, the social partners remain committed to the release of older workers in restructuring.

However, it is clear in most of the Member States' industrial relations 'that the issue of age discrimination has yet to become accepted as a key target of equal opportunities policy to the same extent as discrimination on grounds of sex, race or disability' (EIRO, October 2000).

Potential initiatives

The various Foundation studies on discrimination demonstrate a range of practical initiatives that are, or could be, taken by the social partners to promote the inclusion of discriminated groups.

This emerges clearly from Linda Dickens's contribution to the Foundation's series of reports on the subject of equal opportunities and collective bargaining in Europe (Dickens, 1999). The author stresses the importance of the presence of women in the bargaining process for two reasons: 'the democratic principle on the one hand and, on the other, the existence of a link between the presence of women (internal equality) and the outcome of collective bargaining (external equality)'. She also outlines a new approach to collective bargaining, involving 'the modernisation of collective agreements [which] call for adaptation [of the image of workers] to take account of [their] diversity (not only gender, but also ethnic origin, etc.), giving rise to measures to favour the recruitment and active participation of these different groups'. The importance of this approach is that it 'has implications for the identity and representativeness of decision-makers (including negotiators) and calls for measures designed to achieve a better balance between the sexes in the relevant bodies'.

The treatment of immigration and employment issues was investigated in a 1997 study whose results are included in a Foundation working paper entitled *Alternatives to migration: the role of the social partners'* (Campani, 1997). While the recommendations have a different focus, they do stress the need for the various players to take joint action and adopt new positions.

Finally, the Foundation's 1997 study on barriers to the employment of older workers attempts to draw up recommendations for the social partners by concentrating on certain forms of 'good practice' (Walker, 1997). Employers and unions in particular are urged to bear this issue in mind in matters of recruitment, work organisation and training policy.

Migration: Recommendations for action by the social partners

1. Trade unions, both European and national, could do more to protect the weakest sections of the labour market (including immigrants) through regulation of employment contracts.

2. Employers, especially in the most economically vibrant regions, should realise that the irregular employment of immigrant labour [...] results in social and economic disadvantages for those directly concerned and for the community in general.

3. Immigrant associations, currently underexploited in this regard, could provide added value (as a pool of vocational and sociocultural resources).

4. In implementing social policies targeted at immigrant communities, public and local administrative authorities should consider that the effects will be felt not only in the areas for which they are responsible but also in the immigrants' home territories.

Source: Campani, 1997.

Social cohesion: Strengthening the role of the social partners

The social partners' contribution to social cohesion has traditionally been largely through their involvement in the organisation of work and the development and preservation of employment. Their role in the workplace was initially aimed at improving working conditions: health, safety and work organisation.

However, their role at company level and the influence of their actions at societal level have undergone considerable change. In-company measures appear to be spilling over into the organisation of society in general. Within the scope of the social partners' competence, the fields of action have become wider and interactions have deepened.

Acting in the face of conflicting interests

The rise of individualism within society is increasingly reflected in industrial relations. Contradictions between collective positions and individual needs are no longer rare. Trade unions are therefore increasingly the focus of legitimate but opposing interests from their membership.

As a direct consequence of a series of economic crises and the development of competitiveness, the issues of the 'adaptability' and 'mobility' of workers have assumed considerable importance for both employees and employers.

It is clear now that most workers are likely to experience mobility at some period during the course of their working lives. The 'job for life' ethos has faded and workers can expect to move jobs, companies and careers more than once during their working life. From the company's point of view, worker 'loyalty' is essential in many respects and for this reason the 'quality of working conditions' has become a crucial aspect for both employers and employees, in terms of sector or company. Recent tensions include the employer's need to 'secure the loyalty of the workforce' and the worker's desire to develop 'mobility potential'. Furthermore, the 'flexibility – security nexus' is not the monopoly of employers 'since employees and their representatives also need a more flexible organisation of work in order to meet employees' individual preferences and circumstances (…). Moreover, employers realised that they have an interest in stable employment relations and in securing employees' commitment and human capital to their companies' (Wilthagen, 2002).

It is also clear that disadvantaged groups, so called 'weaker groups in and outside the labour market' have to be specially looked at when implementing policy strategy 'that attempts, synchronically and in a deliberate way, to enhance the flexibility of labour markets, work organisation and labour relations' on the one hand and 'to enhance security – employment security and social security' on the other (Wilthagen and Rogowski, 2002).

Flexibility

According to a Foundation report, 'external and quantitative flexibility (which refers to employment status, i.e. permanent or fixed-term contracts) tend to have a negative impact on working conditions' (European Commission, 2002a). The unfavourable effect of flexibility on health and working conditions also takes a number of different forms. Clearly, then, a company's choices as to the management of human resources or work organisation are an essential factor in creating a relationship between flexibility, health and working conditions.

The complexity of the issues and the large number of interactions are also reflected in definitions of 'flexibility' and 'security', as they 'refer to a multitude of different dimensions and practices, of which employment constitutes only one aspect' (Vielle and Walthery, 2003). In the Foundation study on *Flexibility and social protection,* three aspects of worker security are identified:

■ the extent to which individuals can rely on a safety net enabling them to avoid simple survival strategies, regardless of the resources they have accumulated due to their participation in the labour market;

- the ability of a worker to find employment at a given time in a labour market segment (employability);

- the 'temporal nature of security' (Vielle and Walthery, 2003, p. 85).

Of particular interest is the fact that most of these criteria are both individually and collectively driven and result from a particular situation. The recommendations for action included in these reports seek to take account of the growing link between structural and cyclical factors in the changing world of work and paid employment. These recommendations promote an holistic approach to flexibility, one which takes into account both preventive and curative objectives. A more negotiated approach towards flexibility should develop the security aspect, aimed at preventing workers from losing their jobs without any perspectives (in the company, in other plants or at regional level).

Flexibility: Recommendations for action
- Flexibility of work and employment as a whole should be negotiated.

- Working and living conditions should be included in the bargaining process.

- New standards covering both security and time should be developed.

- A 'gender'-based approach to all aspects should be introduced.

- The debate should be extended to the relevant local actors and civil society. The introduction of new coordination mechanisms involving a number of entities (trade unions and civil society) could widen the debate in such a way as to bring about a redefinition of the terms of territorial development and help to achieve overall compromises, in particular regarding changes in working time (length, duration, pace, etc.).

Source: *Flexibility in Europe: Review and perspectives,* European Foundation for the Improvement of Living and Working Conditions, forthcoming.

Another Foundation study on the conceptual aspects of flexibility demonstrates the need for a new alliance: flexicurity (Wilthagen, 1998).

According to Vielle and Walthery, there is:

'an imperative need to reconcile the new forms of flexible employment with an updated concept of security for workers. [...] The term also echoes the concepts of *decent work* (ILO) or *quality employment* (EU) which, with different criteria, attempt to alleviate the most severe effects which flexible employment has on security for workers. However, the

characteristics of quality employment and decent work do not necessarily include the question of access to social protection' (Vielle and Walthery, 2003).

This underlines the importance for people in employment to have an income which enables them to secure their living conditions – and prevent them from falling into poverty. Furthermore, this new concept would seek security of social rights over and above a specific job, and in this way aims at guaranteeing the rights of unemployed people.

Non-permanent employment

The increase in 'non-permanent employment' (not temporary work as such, but casual, fixed-term work, which is by nature precarious) is an example of the dilemma facing trade unions. As the Foundation points out, 'in most countries, trade unions are quite critical about the increase in non-permanent employment, although they tend in many cases no longer to be opposed to atypical forms of work per se but rather to the exploitation and "casualisation" sometimes associated with them, in the unions' view' (EIRO, July 2002). This is because they have to take account of contradictory aspirations: they have to 'address concerns that employers are using non-permanent workers in order to reduce labour costs, while at the same time attempting to respond to their members' wishes for more "employee-friendly" flexible working arrangements'.

According to several observers, the nature of non-permanent work has changed since the mid-1970s. Having originally been mainly confined to seasonal work and services such as retailing and the restaurant trade, non-permanent work has grown in importance with company restructuring and the adoption of 'more flexible recruitment methods'. For instance, many companies now have both a permanent 'central' labour force and a 'marginal' workforce of 'non-permanent' workers. This makes for numerical flexibility, a 'fundamental objective' of employers in today's competitive environment (EIRO, July 2002).

Trade unions tend nowadays to accept a certain level of non-permanent work, which can 'provide an opportunity to re-enter the labour market' for excluded, vulnerable groups – young people, women, low-skilled workers, etc. Again, trade unions are seeking to secure a raft of rights and protective measures for the workers concerned. As the authors point out, at individual level non-permanent employment 'leads not only to greater insecurity in terms of future employment perspectives, as it is often followed by periods of unemployment, but also to unstable social relationships'. Non-permanent work 'reproduces segmentation and segregation in the labour market relating to gender and hierarchical relationships' (EIRO, July 2002).

The challenge for the social partners is clearly how to deal with the population excluded from the labour market and how to find ways to introduce or reintegrate them in employment.

Acting in a wider context

In view of the many different aspects of social inclusion, there is a need for effective interaction of all players. It is clear that the social partners cannot confine their action to company level, or concern themselves with the workforce alone. It is in their interests also to be concerned with the quality of education and training, public services, housing and transport.

The Foundation's studies, ranging from the Eurocounsel action research programme instituted in 1991, to the report on corporate social responsibility (Bronchain (ed.), 2003), as well as the examination of local partnership (Geddes, 1998), all demonstrate the need to involve the social partners in initiatives at levels beyond that of the individual company.

Widening the field of intervention

In the findings of the Eurocounsel project, the social partners are invited to undertake both 'preventive' and 'curative' action, the latter involving management of the ongoing situation of excluded groups. Besides 'quality' service provision, it is essential to take action to ensure the future employability of the unemployed, and indeed to undertake preventive skill-preservation measures to allow for the possibility of future redundancy. These two approaches, involving prevention and cure, must remain a consistent element of interventions aimed at promoting good practice in this field.

Increasing the number of actors

Partnership has been defined as 'the growing tendency for authorities and managing bodies to turn, whether they like it or not, to other organisations for cooperation with a view to identifying a mutually satisfactory range of joint objectives for action' (Geddes, 1998). At national level and in a wide range of EU programmes/initiatives, partnership is regarded as a crucial determinant of the effectiveness of action intended to promote inclusion.

Local partnership has many advantages as a strategy for social cohesion. Foundation studies have highlighted various initiatives, especially in countries with a strong tradition of partnership such as Austria and Ireland, as well as Spain. Increasingly, this involves the social partners in the establishment of partnerships directed towards the social integration of excluded population groups or those at risk of exclusion. Nevertheless, the contribution of the social partners to effective partnership working is limited by both structural and cultural factors.

> ## Local partnership: Advantages and limitations
>
> | Advantages | Limitations |
> |---|---|
> | • Capacity for involvement, by enabling a large number of players to act | • Response valid but insufficient |
> | • Possible improvement of local service provision | • 'The more structural the problems, the less the partnership will in itself be capable of solving them' |
> | • Adjustment capacity | • Response confined to specific local area problems through experimental action |
> | • Learning function | |
> | • Improvement of return on resources | • Owing to the regionalisation of partnerships, they cannot help solve more widespread problems of exclusion |
> | • Defence of regional interests | |
>
> Source: *Local partnerships: A successful strategy for social cohesion?* (Geddes, 1998).

The main limitation is the nature of a partnership itself, which is by definition 'not a replacement for mainstream policies', as the Foundation's report on local partnerships emphasises (see box above).

Nor can partnership replace social dialogue. This is clear from the debate on 'corporate social responsibility'[4], on the application by the social partners of coordinated local-level strategies to develop employment and social cohesion. The challenge in this case is to 'open up' dialogue beyond company boundaries without weakening the existing social dialogue.

The Foundation has already highlighted what is involved in the implementation of a policy of corporate social responsibility (Bronchain (ed.), 2003). In order for this policy to achieve genuine results, the skills of the various actors must be improved and they must be given the means to monitor and control implementation in order to develop the trust needed to take on the tasks concerned. Another requirement is to initiate dialogue in new areas, including the new corporate activities and, indeed, among new actors. The box below sets out some possible lines of progress in the development of partnerships:

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[4] The European Commission defined corporate social responsibility in their Green Paper as: 'A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis […]. Being socially responsible means not only fulfilling legal expectations but also […] investing "more" into human capital [...]. It opens a way of managing change and of reconciling social development with improved competitiveness' (European Commission, 2001b).

Partnerships: Recommendations for action by the social partners

Employers

- Ensuring representativeness of the local business community;

- Adoption of a social programme in their own local sphere;

- Dissemination of examples of active employer commitment at national and European level;

- Guidance and training measures by employers themselves and their national and European representative organisations.

Trade unions

- Commitment to a dynamic strategy of participation in local partnerships and positive working relationships with other relevant bodies, including community defence organisations for excluded groups;

- Support and training for trade union representatives;

- Integration of local partnerships in the ETUC-promoted European programmes.

Source: *Local partnerships: a successful strategy for social cohesion?* (Geddes, 1998).

Finally, the most recalcitrant obstacles tend to be entrenched partnership traditions and forms of action, which fix the roles and positions of the various partners too rigidly. It is thus hardly surprising that the social partners have so far played only a rudimentary part in the drafting of National Action Plans for Employment (NAPs) in most countries, or indeed that their role has been confined to countries with a tradition of tripartite bargaining or consultation (European Commission, 2002c).

The Finnish national tripartite system, for example, includes a form of partnership under which the government engages in negotiations with the social partners' central organisations (Geddes, 1998). Similarly, since the late 1980s, Ireland has had a partnership that negotiates a national three-year agreement which covers wages, inflation and unemployment benefits and also includes a substantial social element (social housing, infrastructure and transport).

In an attempt to move beyond traditional forms of partnership and involve the social actors on a larger scale, the Foundation has been involved, together with the Swedish WorkLife Enlargement programme of the National Labour Market Board, since 2001 in a project concerning the role of social dialogue and EMU in the acceding countries. The first phase of the project covered five acceding countries (Estonia, Hungary, Malta,

Poland and Slovenia). This was followed by the remaining five countries (Cyprus, the Czech Republic, Latvia, Lithuania and Slovakia) in 2003. The project is significant in terms of its objectives and the form of its implementation.

The objectives are twofold. The first involves meetings between social partner and government representatives and research experts, with a view to analysing the national situation. The second is directed towards optimising the use of social dialogue for the purpose of drawing up and implementing agreements intended to combine economic growth with employment and social protection. The project was implemented in several stages. Each tripartite national group compiled an analysis of economic and political factors and social relations in its country (based on a report prepared by a researcher selected by the social partners). National projects were then drafted. These were discussed, amended and finally approved at seminars attended by all participants (Vienna, May 2002 and May 2003).

Social dialogue and EMU in the acceding countries
National projects 2002-2003

- *Cyprus*: Towards EMU via social dialogue for Cyprus*

- *Czech Republic*: Strengthening social dialogue to support the reform of public finances*

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

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

- *Latvia*: Enhancement of social and economic development by strengthening sectoral social dialogue*

- *Lithuania*: Development of collective labour relations and a wage regulation system*

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

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

- *Slovakia*: Towards EMU via solving unemployment*

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

* 2003, ** 2002

Source: *Social dialogue and EMU in the acceding countries,* European Foundation for the Improvement of Living and Working Conditions, 2003d.

It is worth noting that, like Member States which seek to embody employment and anti-exclusion policies in National Action Plans for employment or inclusion, the acceding countries are, for the most part, constructing their national projects around issues of unemployment and, in some cases, youth employment. Curative and preventive actions against unemployment and poverty are the basis of these projects. However, unlike most NAPs, involvement of the social partners is an essential condition of the projects drawn up in this programme.

Discussion and proposals

Social inclusion remains a key European strategic objective[5], requiring information, studies and practical measures for greater, more active support of the social partners and other bodies. The context of the social partners' action is becoming increasingly complex due to the diversity of interests to be taken into account, the emerging need for more appropriate, or indeed individually tailored, responses and growing national diversity. The Foundation's studies draw attention to the need for all social actors to develop the essential skills for dealing with complex issues in a constantly changing environment.

The Foundation must pursue certain approaches in greater depth. These concern not only the positions of the social partners but also support for the social actors in the development of their knowledge and skills.

Facilitating the achievement of new forms of consensus

While the concept of partnership does feature in a number of Foundation studies, much work clearly remains to be done to accomplish the transition from a passive partnership to a partnership that is active and effective.

A Danish report on the role of employers and trade unions in multipartite social partnerships acknowledges that a new conception of the roles of the social partners is leading them to develop partnerships beyond bipartite social dialogue (between the social partners only) and tripartite relationships (with representatives of national, local, regional or European authorities):

> 'The participation of employers and trade unions in multipartite social partnerships is caused by a change in the ideological climate from conflict towards consensus and cooperation. [...]. It can be argued that in particular the norms of trade unions have changed. They have adopted values of social and economic responsibility and begun to cooperate with new actors, among them the civil society organisations.' (Mailand and Andersen, 2002)

However, the framework of relationships with the 'new' actors or those beyond the boundaries of the enterprise, remains to be determined. Ireland may have succeeded to date, through the negotiation of national agreements, in involving the representatives of communities (associations

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[5] Council Resolution on 'Social inclusion through social dialogue and partnership', 6 February 2003.

and other voluntary organisations). This is, however, the exception in terms of the forms of partnership prevailing in the Member States and acceding countries. Moreover, even in Ireland, only the social partners and state representatives are competent to deal with labour law issues.

At European level, the social partners – CEEP, UNICE/UEAPME and ETUC – have expressed reservations about the development of a multipartite partnership: they wish to emphasise and preserve the 'specificity' of their involvement (Joint contribution of the social partners to the Laeken European Council, 7 December 2001). Furthermore, some issues have still to be addressed, such as the representativity of the social actors.

Yet the involvement of other social actors proves to be logical and inevitable – for all changes affect society as a whole and entail a need for adjustment. As there is a loss of equilibrium and a separation of formerly common objectives, the complementarity of objectives remains to be constructed. In this case, the emergence of new partnerships must be encouraged, and this should be achieved through active debate and the identification of new mechanisms for achieving social consensus.

As the study on flexible working time asserts:

> 'Where the [changes] call into question the foundations of the social bond and the integrity of individuals, the social state is challenged in its public action choices. When these changes profoundly alter the length of the working week and the pace of work, thus impacting on personal life as a whole, it is the actors in civil society, together with the trade unions, who are called upon to intervene, by virtue of their capacity to suggest alternatives. Where they affect both the corporate environment and performance factors, the debate must centre on the relationship between company and society.

> The results of the introduction or limitation of flexibility at national or European level thus intersect with the interests of three specific parties: the employers, the workforce and their representatives, and states and civil society actors. What flexibility has done is to break with the "Fordist" model in a number of respects, without substituting an equivalent model' (Vielle and Walthery, 2003).

A good knowledge of the various actors and of the relevant fields and forms of action is essential to the achievement of these new compromises. On the one hand, the various types of actors must be helped to express themselves and understand each other; while on the other hand, the aim must be to develop a shared culture in relation to the social issues arising at European level.

Developing participation and sharing

The past and present work of the Foundation – notably the seminars of the European Monitoring Centre on Change (EMCC) – show how important it is for the relevant actors to be able to share and exchange practices.

The Foundation has also had a particularly interesting position in its project on 'Social dialogue and EMU in the acceding countries'. The Foundation was not only responsible for initiating a comparative study on the process of drawing up proposals in the various countries, but also played a proactive advisory role in the project over a period of several months. On the basis of their knowledge of social dialogue in the Member States and the dissemination of this knowledge, and by analysing the information and data supplied by the acceding countries, the project managers assisted the various countries' representatives to decide on the broad outlines of the action to be taken and to build partnerships for tackling current social issues.

The Foundation has an obvious role to play by contributing to the sharing of European knowledge, texts, procedures and objectives, as well as helping to bring together the social actors. A possible forum for the exchange of practices and knowledge could be seminars for national, regional or even local actors.

Fundamentally, the social partners need a clearer vision of the ways in which they can contribute to social inclusion – and why it is in the interests of employers and worker representatives to enhance that contribution. The central role of employment has been underlined in this paper, and particularly the significance of collective bargaining around pay, working conditions, training and access to the labour market. However, it is clear that the social partners can contribute more generally to social and economic developments which promote the social inclusion of both workers and citizens.

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