

CONFRONTATIONS



EUROPE

Industrial relations in Europe facing employment challenges

Final Report



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1 INTRODUCTION

Given the magnitude of what is at stake, this report focuses deliberately on the joint analyses of stakeholders at different levels and attempts to identify some possible courses of action and avenues for discussion. It will then be up to these stakeholders to act on them, and to public authorities at all levels to create the necessary incentives. The aim is to look at the recent period in order to create the best conditions during the mandate of the current President of the European Commission, Jean-Claude Juncker, for European industrial relations to help overcome the challenges surrounding the transformation of the economy and employment.

Preliminary methodological note: A joint analysis is not an absolute consensus, which would be reduced to a minimal denominator and prevent progress overcoming today's challenges. The concept of joint analysis is based on public and interactive debate prolonged by informal discussions taking what has already been said further.

This report draws in particular on a comparison of the industrial relations systems in different Member States. For this, it uses the four institutional pillars characterising the industrial relations systems in European countries where they are relatively well established: strong or reasonably established social partners; collective bargaining at sectoral level or at a higher coordination level; information and consultation mechanisms, even codetermination mechanisms based on the right of workers and of unions to be involved in decision-making; and institutionalised or routine tripartite policy-making practices (EC 2008; Streeck, 1992; Traxler, 2002; Visser, 2006; EC2012).

Our industrial relations systems were designed for another era, and are less capable than before of meeting Europe's employment challenges

From a corporate perspective, **industrial relations serve the purpose** of establishing an equilibrium – at least partially – in the unbalanced individual working relationship involving the more powerful employer on the one hand and the worker on the other. The idea being that by developing collective labour relations, by pooling their strengths, workers will be better able to defend their points of view to employers and at various levels: at company, sectoral and cross-industry level; and at the national, European and even international level. They are also a means to help reach compromise solutions, through collective bargaining, to problems facing both companies and workers. In this respect, they have a positive effect on competitiveness. They are an integral part of civil society, which works in tandem with the public authorities. They provide the framework for (incomplete) social democracies complementing our (also incomplete) political democracies. Social dialogue is a key element of our social market economy in Europe. It has played an important role in building the internal market and can deliver more appropriate results for businesses and workers. It remains essential for making reforms possible, effective and viable, and is one of the best means of protecting our democracies from extremism. It presupposes mutual recognition of partners' rights to express themselves both socially and economically, and a desire to solve problems through compromise rather than conflict.

Part of what makes Europe so special today is the strength of these industrial relations, whether you

love or deplore them. In the United States, for example, the market forces dominate and companies do not turn to employer organisations for industrial relations¹, while in China the official employers' association and workers' union are institutional tools of power.

Industrial relations began as a means to tackle problems occurring in the industrial age, corresponding essentially to the Fordist and Taylorist periods of the 20th century. This era was characterised by generally stable structures and top-down organisational and governance relations. It was a prosperous time for the economy, favouring distribution of value added and social progress.

Generally speaking, this structure is still in place, and provides a framework for stakeholders, institutions and general rules, in response to strong demand for protection from European companies.

These systems have made an important contribution to meeting employment challenges. One example being their contribution under the ECSC Treaty for the socially acceptable management of the restructuring of the coal and steel industries, even if the overriding objective was to pool these industries.

The search for a social dimension to supplement the Common Market (Val Duchesse talks, etc.) subsequently led to the first European framework agreements; parental leave (1996), part-time work (1997) and fixed-term contracts (1999) have shown the extent to which such agreements can help regulate new forms of employment, negotiate flexibility and develop workers' social rights.

However, **the diversification of economic sectors** (including the growth of the service sector and various ongoing transformations) **has resulted in more heterogeneous and complex** working conditions, forms of employment, statuses and qualifications. This phenomenon **is further complicating the task of cross-industry social dialogue** at both the national and European level to address all situations. The energy and above all digital transitions are further accelerating this process, about which we will say more later.

Today's difficult economic and social circumstances are making it even more complicated for social partners to reach agreements, but paradoxically are also increasing the need for agreements, if only to establish a more stable environment and recreate a framework and meaning. In addition, not all countries with industrial relations systems have the same capacities, and on a more existential note: **will our systems be up to the job in the years to come?**

First, a quick look at European social dialogue between 2012 and December 2015

To assess the situation as it stands, we must first consider context. As demonstrated in the 2012 and 2014 reports on industrial relations, the second phase of the crisis (2012-2014) **put European industrial relations seriously to the test**. Today, the worst of the financial and economic crisis appears to be behind us, but the crisis we are now facing is multifaceted, combining national retrenchment and loss of interest in both the European project (even if demand for information is growing) and national and European political institutions.

The following stylised facts are taken mainly from the European Commission's latest report on industrial relations (2014), updated with the most significant 2015 results.

¹ Employer organisation density: 1.6%; trade union density: 11%; collective bargaining coverage: 13%; source: United States: Industrial relations profile, 2014, Eurofound.

The number of agreements resulting from European social dialogue has ceased to rise, at least temporarily. According to those directly concerned, in particular the ETUC, European cross-industry social dialogue has weakened over the past ten years. **Above all, the unequal implementation of autonomous agreements from country to country is raising questions.** There are still important differences between national industrial relations systems, particularly in terms of collective bargaining coverage, and this is affecting the ability of social partners to implement these agreements. Recent developments in industrial relations systems in the countries where they were weakest indicate that this is not about to improve. **In some countries, social dialogue barely exists** and has not aligned itself with the most crisis-resilient industrial relations structures characteristic of some European countries.

Nonetheless, European social dialogue has shown signs of resilience. Important measures have for example been taken to strengthen social dialogue. The first example being the involvement of European and national social partners in the European Semester, the mechanism coordinating the 28 Member States' economic policy. European social partners have sought to tackle the issue of youth unemployment and have made steady progress on their joint analysis of the job market. Today, and indeed since the beginning of the 2000s, policy coordination has become an important instrument of EU social policy action. It led to a consultation between European institutions and social partners on the Employment Committee (EMCO) and the Social Protection Committee (SPC) and at the Tripartite Social Summit. The new forms of economic and social governance and the European Semester also address issues of employment and of social policy, and have led to a consensus on the need to more closely involve social partners in the governance of the Union.

The creation of two new European sectoral social dialogue committees (the creation of a third is underway) demonstrates both parties' continued interest in European dialogue. Although progress has been made in European sectoral social dialogue, there is still a way to go before it reaches its full potential. The social partners' joint opinions and statements provide the Commission and Member States with feedback and useful expertise. They also develop joint projects and tools as a means of sharing best practices to increase "capabilities" (or action potential) at European and national level.

Cross-industry social partners have not arrived at a consensus on the macroeconomic diagnosis, the most suitable policy mix for it, **or the content of the necessary structural reforms.** Their views also differ regarding the need for greater social regulations at European level, as revealed for example by their failure to agree on the revision of the Working Time Directive. For them, the term competitiveness does not always mean the same thing. For employers it is a matter of a competitiveness crisis, while for workers the problem concerns the lack of social legislation, and the testimonials of the main European social partners at the "A new start for social dialogue" conference in March 2015 attest to this. However, progress has been made recently toward a more widely shared understanding, with the main European social partners taking a broader approach to competitiveness².

² Involving a large number of factors: macroeconomic fundamentals, innovation and investment in R&D, labour market policies and the business environment, including infrastructure, skills, education and training, labour costs and efficient public services; sources: the in-depth 2015 analysis of employment and the "Declaration on a new start for a strong Social Dialogue" adopted by European social partners on 26/27 January 2016.

There are also discrepancies between Member States. In some, however, the social partners have reached agreements that have helped shape political reform. In others, as well as at European level, trends indicate greater conflict and tension.

Despite efforts, **the social partners and the European Commission have generally lost trust in each other** – which has also affected other European institutions, as evidenced by several bones of contention, including at the Tripartite Social Summit, concerning: macroeconomic adjustment programmes; country-specific recommendations; accusations of interference in national collective bargaining; and the Commission’s assessment of social partners’ agreements at European level in cases where the signatories had requested implementation of Council directives.

The Juncker Commission has been working to curb this trend in order to revive and strengthen dialogue with social partners. European social partners have taken note of this, although they generally share the impression that we have maybe focused too much on procedures at the expense of substance, for example skills, investment and the digitisation of our economies. And a lot remains to be done. All are passing the buck, despite a degree of goodwill.

Industrial relations in Europe are similar in some respects, while differing greatly in others

The countries studied in this report are Germany, France, Greece, Italy, Poland and Sweden. Each represents a different cluster of European industrial relations. **Recent developments in these countries have revealed increasing differences, despite a period of clear convergence.** Which is a worrying phenomenon. It could widen the divide between European countries yet further, and throw new doubt on our collective ability, as Europeans, to join forces in tackling the enormous challenges currently faced, including those relating to employment. Hence threatening the integrity of the European Union.

1.1 Comparative analysis of social dialogue in six Member States

These countries being Germany, France, Greece, Italy, Poland and Sweden³

- Given their experience of the economy and of the labour market, social and economic actors are, in theory, best placed to find the most appropriate and evenly balanced solutions to the complex social and economic challenges we are facing today. However, while **social dialogue** initially **provided solutions during the crisis** (from 2008 to 2010), **it was subsequently also undermined**, especially in the final two years from 2012 to 2014, as explained in the reports published by the European Commission on the state of industrial relations in Europe.
- **Two groups of countries stand out:**
 - Those where social dialogue was most structured (for example Sweden and Germany) having already engaged in reforms before the crisis and which were able to maintain dialogue, thus ensuring continued competitiveness and resilience to the fast-paced changes required of modern economies.
 - Those where social dialogue was not widely established (Poland especially, Greece, etc.) and which saw it break down even further as a result of the crisis. As it happens, it was these countries (including Italy⁴) that engaged in impromptu, often painful reforms during the crisis. Failing an agreement on the best policy mix and on the structural reforms needed, some Member States have not hesitated to adopt unilateral decisions in response to social, economic and financial emergencies. In countries receiving financial aid (such as Greece), some of these decisions were influenced by the Troika (European Commission, EIB, IMF).
- In addition, **the convergence of social dialogue – underway across the Member States since 2004 – has been undermined, and there is now a growing divergence between old and new Member States.** Nevertheless, in the Visegrad countries (which include Poland), there is still a well-structured, tripartite social dialogue (between employers, workers and the government).
- Industrial relations systems have been changing faster and more frequently than they did before the economic crisis, due to the fast-changing social and economic environment. However, the diversity between national systems is still strong. In most cases, the changes began before the crisis but have picked up speed since.
- **The decline in average union density, which began in the 1980s, has slowed in Europe; it now stands at around 1/4** (23% in 2013 and 26% in 2000).
 - Since the crisis, the drop in union density (number of trade union members/number of jobs) has slowed down, but this is mainly because employment has stagnated: **the decrease in the number of trade union members has accelerated.**

³ Summary report of the seminar held on 14 Jan 2015.

⁴ Nonetheless, the situations in these countries are contrasting; Italy for example has a tradition of social dialogue, at least in companies.

- Union density figures and trends vary depending on the country and the sector: they are very low in Poland and especially in France (around 10%), and a little higher in Germany and Greece (20%); in Italy, one in three workers belong to a trade union while, in Sweden, two in three workers are unionised (which can be explained by the Ghent system, whereby unemployment benefits are paid through trade unions). Compared with the early 2000s, union density was already falling in Germany, Sweden and Greece before the crisis struck. Since the crisis, it has started to fall again in Poland, is stable in France and is rising slightly in Italy.
- **Youth unemployment has risen sharply** and it is feared that, when the employment prospects for young people improve, **union density among young workers will be very low.**
- In the public sector, union membership is no longer automatic.
- **Membership of employer organisations has remained stable**, with significant differences between countries: 20% in Poland, around 50% in Germany and Italy, and over 75% in France and Sweden.
- **Collective bargaining coverage in Europe (60%) is still falling** (66% in 2007). It depends notably on the collective bargaining agreement extension mechanisms used in lots of countries (based on different, and more or less robust schemes) and on the density of employer organisations. Again, the situation differs from country to country: coverage is high in France, Italy and Sweden (80 to 100%), average in Germany and Greece (40 to 60%) and low in Poland (15%). **The decline has picked up speed in Greece**, where the extension of collective bargaining agreements was even suspended from 2011 to 2015.
- **The decentralisation of collective bargaining** from the national or sectoral (multi-employer) level towards individual companies is an ongoing structural trend that has become more pronounced since the crisis. This raises the question of how to reconcile decentralisation with solidarity, and of the potential benefits in relation to the higher level. **The goal is to invent new industrial relations systems (taking existing systems into account), more compatible with an economic environment that has changed profoundly and will continue to change going forward.**
- It is increasingly important to strengthen **coordination between different levels (companies, sectors, cross-industry, national and European)** and between companies on the same level, since multi-level bargaining structures are becoming more and more widespread. There is no long-term trend in coordination applicable to all Member States.
 - a) In **France**, social dialogue still takes place at three levels: cross-industry, sectoral and company. It is characterised by the **poorly coordinated decentralisation** of collective bargaining, which is increasing in companies, as well as by the national involvement of trade union federations in policy implementation.
 - b) In **Germany**, the **coordination between centralised bargaining (sectoral), industrial agreements and public policy allows for the effective use of short-time working schemes.** The labour negotiations model is stronger but many **companies are not covered by collective bargaining agreements.** And “mini-jobs” are on the rise.
 - c) In **Italy**, despite the government’s efforts to promote greater **decentralisation**, relatively few derogation agreements have actually been enforced. There are **still four levels of negotiation: cross-industry, sectoral, regional and company.** The deal made by Fiat is a typical example of a regional deal.

- d) **Greece** has a highly specific system characterised by the **radical breakdown of bargaining structures**. Even the procedures themselves have been affected. The collective bargaining principle has been revoked.
- e) In **Sweden, the system remains highly coordinated** (a specific agreement is used as a reference for subsequent agreements), reflecting the high union density and collective bargaining coverage.
- f) In **Poland, the majority of collective bargaining takes place at company level and is still very uncoordinated**.

Union density	2001	2007	2012-2013
Germany	23.7	19.9	17.7
France	7.9	7.5	7.7
Greece	25.8	24.5	20.8
Italy	34.2	33.5	36.9
Poland	15.5	15.6	12.3
Sweden	78.0	70.8	67.7

Sources: reports of the European Commission on industrial relations in Europe, ICTWSS database (Visser, 2015).

Employer organisation density	2002	2007/8	2011-2012
Germany	63	60	58
France	74	75	75
Greece		44	
Italy	62	58	56
Poland		20	20
Sweden	83	84	82

Employer organisation density = number of workers employed by member companies as a percentage of all employees

Sources: reports of the European Commission on industrial relations in Europe, ICTWSS database.

Collective bargaining agreement coverage	2002	2008	2013
Germany	67.8	61.4	57.6
France	96.5	97.8	96.0
Greece	85.0	85.0	40.0
Italy	80.0	80.0	80.0
Poland		15.5	14.7 (2012)
Sweden	94.0	91.0	89.0

Sources: reports of the European Commission on industrial relations in Europe, ICTWSS database.

The German and Swedish systems are therefore resilient, and they make greater effort to adapt than elsewhere to better meet today's challenges (we will return to this). As is often the case, France sits somewhere in-between – it is finding it hard to change its ways but, like in other countries, the situation is not perhaps hopeless and resources do exist, they just need to be used (see the recently negotiated reforms, which have not yet borne all their fruit). In Italy the labour market reforms were

generally made without, or despite, the social partners (Jobs Act). And in Greece we witnessed a gradual decay or even lawful deconstruction of the industrial relations system, even if a recent change in direction could pave the way for slow and gradual reconstruction.

1.2 Are stakeholders aware of the very scale of the changes occurring?

Ours is an era marked by an acceleration of the transformation of the economic system. **The industrial relations systems in force today are facing profound changes in the economic system** (global competition, demography, energy, digital).

We have chosen here to focus on two of these changes: the energy transition and the digital transformation. Neither of which are unrelated to globalisation. As for the demographic shift, this has been left to one side. The aim here is therefore to look at how our industrial relations systems are being adapted – or not – to tackle today’s challenges in the light of these two changes.

What new challenges are these changes creating in terms of employment and industrial relations⁵?

Our economies are changing with increasing speed. Europe and its Member States, companies, workers and citizens have no choice but to cope as best they can, unable to wait for answers to the many questions today’s developments are raising. This not only presents opportunities but also poses threats.

The energy transition, i.e. the transition towards a resource-efficient and low-carbon economy, is a strategic priority for the European Union that is radically changing our societies. All sectors are concerned, though some more than others. Turning the transition into opportunities for European companies and workers means giving them an active role in addressing the associated challenges⁶:

1. **A fall in competitiveness** with consequences on employment in Europe, resulting from an investment gap in power efficiency, infrastructure, renewable energy and the energy cost for energy-intensive businesses.
2. **Changing jobs and skills**, characterised by job creation, destruction and transformation, and by a growing gap between needs and existing competencies. Re-skilling and assisting workers in these new jobs is imperative.
3. **Regional imbalances**, due to the diversity of energy mixes, industrial polarisation and brain circulation, some regions have been left behind, exacerbating the gaps between Member States.

It is possible that the digital transformation is having an even more profound impact on the transformation of our production and consumption methods, even of our lifestyles and governments. We are a far cry from the technological determinism imagined by some, instead developments are inviting us to rethink our organisations. Digitisation is not just (or not only) about

⁵ This section contains excerpts from an article by Marcel Grignard, President of Confrontations Europe, entitled *La dimension humaine dans l’usine du futur, dans la société*, published in Smart Industries in May 2015.

⁶ Analysis taken from the summary of the European seminar held in April 2015 on the energy transition and European sectoral dialogue.

digitally coating existing systems. The challenge also lies in rethinking alternative organisations, most conducive to quality employment⁷.

The organisation of the economy is more horizontal, more complex and uncertain. No one can say what tomorrow will bring. The current changes are far-reaching and profound, shaking the very foundations of economic relations and of the world of work. New sectors are emerging. Companies themselves are changing. Working relationships are no longer governed exclusively by lifelong wage contracts.

The companies taking these developments into account are having to radically transform their business projects, their very structure and management. They are affecting all sectors and all types of business. **Our very civilisation is about to change.** Increasingly, networking, new cooperation and new producer-user relationships are erasing the boundaries between industry and services, creating ever tighter links.

Such profound changes inevitably bring a need for restructuring. The transition to a low-carbon economy is not smooth, as evidenced by the many listings in the Eurofound European Restructuring Monitor database documenting examples of companies undergoing restructuring⁸ or expanding. Generally speaking, these changes entail transitions for humans that should be better anticipated, and protection should be provided through social market economies.

These transformations are presenting massive quantitative and qualitative challenges in terms of employment.

New **jobs** are being created, others eradicated, and all transformed. Whether or not businesses successfully adapt to these new developments in international competition will have a direct impact on the employment balance. The cost of managing these changes and the means required will depend on whether companies attempt to retrain current employees or whether they leave this up to local authorities.

Much uncertainty surrounds the average qualifications required for future jobs, as well as the balance between new high-skilled jobs and new very low-skilled jobs. Whatever the outcome, we will be required to manage a large-scale occupational and geographical mobility.

A new corporate culture is already focusing on training, participation and greater autonomy.

Skills - The digital transformation of our societies is leading to a need for more skills and for training to maintain employability. 90% of jobs will require digital skills of one form or another, yet half of all workers lack these skills.

We should be identifying new skills and the associated necessary training schemes (at least for those linked directly with the digital transformation or the energy transition) at European level to save time and energy. This would also prevent the least developed countries from dropping even further behind

⁷ Bernard Housset, Adviser, Confrontations Europe.

⁸ See the table in annex 2 listing recent cases of restructuring in not only the renewable energy, nuclear, automotive and road transport sectors, but also e-commerce and information/communication.

in a Europe already suffering from growing heterogeneity in terms of economic development.

Job content and organisation - The transformation of the existing economic sectors and the emergence of new sectors are calling for and will increasingly involve more autonomy, responsibilities and relations. Others are creating environments with new constraints. Digitisation and robotics are doing away with laborious and dangerous tasks, but new risks are appearing elsewhere. Will economic and political decision-makers opt for autonomy and initiative or for standardisation and control? What role will we play as humans, and what purpose will our jobs serve? Company performance is correlated with worker involvement, with their ability to network and communicate with others and to understand and interpret customers' demands – even more so in the company of the future. This notion coexists with another, which on the contrary minimises the role of people, preferring a top-down organisational logic based on the giving of orders. It is not by simply standing by and letting things happen that we will satisfy the general desire for an interesting job in a pleasant environment and that carries meaning. A social investment is required satisfying workers' expectations, addressing job content and organisation. The energy transition and the digital transformation must serve as opportunities to look more closely at the meaning and content of the jobs done by men and women, by involving them in these complex processes. These are new challenges that must be met through social dialogue, which needs also to be rethought, and through subsidiarity dialogue (direct expression) questioning the role of management, which we need to prepare for these changes.

New stakeholders - These changes will also attract new stakeholders who will capture part of the established value, in particular in the digital sector, but both changes concur and converge. These players partially escape our regulations, confirming their inadequacy. Some are thrilled, embracing the advent of a new era in which the market will be left to its own devices, while others see it as an opportunity to rethink our regulations.

The quality of Europe's labour force will depend on its ability to turn the digital corner. At the same time, the speed at which our workforce adapts will prove crucial in ensuring these changes benefit the majority.

These changes are creating a **new society, requiring us to rethink our social dialogue practices and structures**. They are increasing pressure for a decentralised approach to questions once addressed centrally (working conditions, training policy, etc.). Which is being done on a piecemeal basis. It is therefore crucial that the industrial relations institutions and structures are adapted to provide a suitable framework for these emerging societal trends. What is being done in companies and sectoral dialogue committees in tripartite relations with the European Commission is useful and is producing results, but not, in all cases, to the extent hoped for, far from it (we will come back to this later). Hence the need to improve industrial relations instruments and structures, with for example the establishment of a European mutual learning process based on the mutual exchange of best practices between stakeholders at European level.

Such transformations require serious dialogue. Yet this is sadly lacking in new sectors (all sectors

have been transformed), new Member States and new forms of employment – including the false self-employed, who are in fact dependent workers – where the stakeholders are largely disorganised.

When attempts are made to enter into dialogue, the main focus is on training and occupational health policy. There is little interest in global strategies and not enough in the organisations capable of successfully implementing them through adequate training and support.

Three things are clear: expectations regarding the creation of new “green jobs” are considerably lower; the “greening of jobs” has slowed down as a result of the crisis; and social partners are especially weak in new sectors (the “green economy”), small companies and the self-employment sector. By measuring the impact of social dialogue on our management of the energy transition and of the digital transformation, we can identify the parameters needed to resume constructive social dialogue.

Are the conditions allowing industrial relations in Europe to tackle employment challenges being met? Is there not a risk, instead, that the speed and scope of these changes will marginalise them and precipitate their decline? “Part of our future European social model is at stake⁹.” Will it be enough to simply tweak the make-up of a social dialogue built largely on an organisation of the economy that is in the process of disappearing?

These changes are opportunities for rethinking the regulation system, for presenting people with a new perspective reducing the temptation of retrenchment and for inventing the necessary regulations and new forms of mutualisation.

For this, we will need to overcome some obstacles and weaknesses.

Company and employee representatives have spotlighted the overriding need for ambitious industrial policies, private and public investment, training and greater skills. They also recognise that, despite this, **strategic and economic issues have virtually no place on their shared European agendas¹⁰**. Economics is too often decoupled from social issues, which are relegated to the rank of a second-class parameter.

⁹ Marcel Grignard, conclusions of the conference held on 25 November 2015 at the EESC in Brussels, organised by Confrontations Europe.

¹⁰ See the seminars and conferences of 25 November 2015.

2 AN OVERVIEW OF THE JOINT ANALYSES OF KEY SECTOR PLAYERS

Will Europe be capable of meeting these change- and restructuring-related challenges (new technologies and skills, transition to a low-carbon economy, digital revolution) and of creating employment opportunities in industry and in the service sectors for today and tomorrow? **Europe's competitiveness and its future ability to offer quality employment created from sustainable growth are at stake.** Bearing this in mind, how can economic and social stakeholders contribute? What place and role could they have in companies, in industries and in regions and municipalities, not only nationally but also Europe-wide?

This first section carries out an initial analysis, focusing on what stakeholders at various levels think of these changes (digital and energy) and their impact on employment in not only quantitative (job creation, job destruction, net balance, etc.) but also qualitative terms (focusing on one aspect, i.e. training in the skills our economies need or are going to need in light of these changes and flexicurity). We will look first at the effects at European level (company, sectoral, cross-industry), before comparing different countries in relation to each change. We will refer to existing research and present information gleaned from the European seminars organised by Confrontations Europe and its partners. We will also draw on feedback collected at private meetings¹¹.

2.1 In Europe

Our work deliberately focuses on Europe's ability to anticipate change and restructuring given the challenges they pose for employment in Europe both today and tomorrow.

2.1.1 In European companies: European Works Councils¹²

Diagnosis and achievements

EWCs are the most common corporate transnational information and consultation structure

- Our global economies are facing **structural changes that are less and less of a national nature and are occurring increasingly rapidly. They are requiring companies and all the stakeholders in their ecosystem to constantly adapt, workers included.** So we need to talk "strategy" to ensure everyone has the same understanding, we need to explain where we

¹¹ Feedback obtained from people working in the health, chemistry and energy industries and from different European countries (mostly Germany and France), presenting the standpoints of worker and employer representatives. A deeper analysis of the subject and of the key study elements is necessary.

¹² Analyses taken from the summary report of meeting of 30 January 2015 on "Anticipating and managing restructuring: the role of European Works Councils".

are heading and why, to pave the way for the necessary changes. There is a general consensus on the need to anticipate these changes, the challenge being to involve more than just executives and shareholders in the change anticipation and management process.

- **The employees of multinational companies doing business in Europe should at least be informed and consulted on decisions affecting them**, even when these decisions are made in a different country to where they work¹³. To achieve this, European Works Councils can be created in companies or groups of companies employing **1,000 people or more within the EU or EEA and including at least 150 in two different Member States, either at the request of 100 or more workers in two countries or at the initiative of the employer**¹⁴.
- In reality, **many small and medium-sized enterprises** are also concerned by the European dimension either as subsidiaries or subcontractors, or because they compete with other companies in the same sector. **But they are greatly distanced from the European structures and are unfamiliar with Europe's social partners**. Those less well-equipped at national level are also not in a favourable situation at European level.
- There are today more than **1,000 European Works Councils** in operation¹⁵, which means that **40% of eligible multinational companies** already comply with the European directives. The head offices of these companies are often based in Germany (203), the US (165), France (123), the UK (116) and Sweden (76). European Works Councils are most common in the metallurgy, chemical, agricultural, timber, building and financial services industries¹⁶. **Over half of them are established by firms operating in more than ten countries**. Their members include more and more people from Eastern and Central Europe, yet they are still rarely created by companies having a head office in one of these Member States.
- They appear the most appropriate place for anticipating change. EWCs generally engage in a higher quality dialogue than national works councils, where in some countries dialogue on such subjects is limited and the approach less aggressive. EWCs outline the misgivings of employees from different European countries, raise the level of debate and provide opportunities to share sound ideas. Therefore their potential to serve as a lever has firstly been considered with a long-term vision at the European level, as they could encourage local anticipation.

¹³ Romuald Jagodzinski, "The EWC landscape on the eve of the transposition deadline of the recast directive 2009/38/EC", Irmgard Pas, 2011.

¹⁴ The European Commission's DG for Employment, Social Affairs and Inclusion.

¹⁵ Concerning more than 1,000 companies. European Trade Union Institute (ETUI), EWC database, December 2014.

¹⁶ European Trade Union Institute (ETUI), EWC database, December 2014.

- Twenty years after the 1994 Directive on European Works Councils, **they have become the most common arrangement for transnational employee consultation and information.** They have also inspired the creation of “world group councils”, indicating an extension of European social dialogue at global level. There are also European cooperatives and some 2,200 “European companies”, including 51 with information and consultation structures and 54 with information, consultation and participation structures.
- In practice, the role of these councils ranges from simply being “informed and consulted” on any changes in the company that are likely to impact the workforce, to **negotiating transnational company agreements**, including to limit the negative impacts of restructuring on employees¹⁷.
- The boundaries between information/consultation and negotiation are blurred. The question of extending the remit of European Works Councils from employee information and consultation to negotiation must be addressed. **In practice, more than a hundred transnational company agreements** have been reached in 40 or so very large companies based or developed in Europe, affecting 7.5 million workers across the world¹⁸. 40% of these agreements are linked to restructuring.
- **There is no European legal framework for these agreements, although this would help reassure their authors, clarify the legal impacts in the different Member States and resolve disputes.** Involvement of European Works Councils in negotiating agreements is incompatible therefore with certain national systems that distinguish the advisory role of elected bodies (works councils) from the negotiating mandate given to unions (France), and with those having just one union channel for worker representation (there is no obligation to negotiate with unions at the European level¹⁹). Conversely, trade unions’ involvement in restructuring negotiations is problematic in national systems where works councils have sole responsibility for such matters (Germany). Since 2011, the number of restructuring agreements has dropped²⁰, while the number of restructurings is rising. This is a good illustration of the difficulties posed by non-convergent national systems that hamper transnational mechanisms and, hence, limit or call into question their scope.

The most effective European Works Councils are those that:

¹⁷ Ibid, Romuald Jagodzinski, Irmgard Pas, 2011.

¹⁸ SEC(2008)2155: “The role of transnational company agreements in the context of increasing international integration”, European Commission, 2008. The other transnational company agreements focus on health/safety, data protection, the principles behind HR policy and corporate social responsibility.

¹⁹ Udo Rehfeldt, presentation for the seminar of 30 January 2015, hosted by Confrontations Europe.

²⁰ Renault, Solvay, BNP Paribas, Air France KLM, Valeo, Total and Alstom have signed European agreements.

- **take preventive measures at a very early stage in the restructuring process**, which requires regular dialogue within European Works Councils between employee and employer representatives in order to establish the mutual trust necessary to conduct restructuring negotiations despite very different labour relations cultures;
- **focus on long-term strategies to anticipate future human capital requirements in the branches** in which they work and to prepare for the changes that will affect these branches going forward, for example the impacts of digitisation and/or the energy transition. But if European Works Councils are to take proactive action, information and consultation procedures must be observed. There is still room for improvement in this area, due more to **problems in the flow of information to and from European Works Councils** than to non-compliance with the formal deadlines set for these procedures; and
- **successfully coordinate national and European labour negotiations**. Many European Works Councils **struggle to do this, primarily because it means adopting forward-looking approaches tailored to the labour markets and labour rights in different countries**.

In practice, European Works Councils face a series of limitations they must overcome to cope with today's changes:

Worker representatives are not really in a position to make proposals

- **Relations between partners are not sufficiently well-balanced for workers to truly be able to make suggestions**. In most cases they are not informed or consulted sufficiently in advance due to a certain reluctance to share important information, and they do not have the means to develop viable, non-idealistic counterproposals that also give consideration to profitability requirements.
- **Today, social partners generally agree that EWCs are virtually incapable of making long-term forecasts, particularly on training issues**. In terms of European strategy, training issues are still handled unilaterally by company managers. But another tool does exist, i.e. the World Committee, where paradoxically, and according to feedback, the fact that there are no strict legal formalities (no framework for instituting legal proceedings) can make it easier in practice to anticipate restructuring.
- European employers and workers seem to identify the same issues, but they do not discuss them together. However, if strategies are not understood there can be no strategic debate. And worker participation becomes more of a formality, having no real impact.

- We should be putting more energy into anticipation to encourage more positive management of restructuring, but anticipation is still found difficult, in particular when it carries the seeds of short- or medium-term restructuring.

Stakeholders are not always doing what they should

- Much also depends on national leanings. In some countries social partners would rather provide social support for change. Others are particularly suspicious of businesses, believing them only interested in making a profit.
- According to employers and workers, one of the reasons why so many German companies are successful is that **social dialogue begins at a very early stage and trade unionists play along**. If in France we also found a way of engaging in social dialogue at an earlier stage, **as soon as a company presents a vision for the future**, we would have much to gain. In terms of social dialogue, European businesses operate in a manner reflecting the German culture of social dialogue (but with fewer constraints), which may explain the country's position. Employer and worker representatives on a works council (*Betriebsrat*) reason from a corporate standpoint, despite it being a social enterprise.
- **Practically all trade unions are organised in terms of branch, which is the most essential level in most countries. This allows suitable solutions to be found, not necessarily adapted to other sectors. The mindset of the employer also plays a role.** The recent obligation in France to include a small number of representatives on the board of directors of large companies has not proved popular among all employers; we have a long way to go before reaching the kind of parity that exists in Germany.
- Reluctance to immediately communicate nationally what has been discussed at EWCs can also be explained by our different national cultures. German employers are the first to admit that it is not always easy explaining the same things to representatives of French works councils, despite greater transparency among Europeans being essential; if a business' activities are truly European, it must be possible to discuss the impacts the actions of one country can have on the others.
- In addition, regional worker and employer representatives do not feel they are concerned, above all because **information is not passed down. We could use European Works Councils to bring Europe closer to its regions and municipalities**, but **we do not do so because we are too busy dealing with emergencies**. Understanding how the various structures work together is difficult, it requires time and presupposes a desire to learn. The way trade unions are structured in some countries may also explain the imperfect links at national

level. Not all are structured according to branch, making it difficult for European Industry Federations to establish union relays in some countries for example. One major problem is ineffective coordination between the European and national levels, in particular because little progress has been made in terms of European convergence and because national dialogue cultures are still heterogeneous (it was hoped that European Works Councils would help bring countries together).

Stakeholders are not reacting sufficiently quickly to changes

- The problem is that **not all stakeholders are ready to place their faith in dialogue**. Which is what we currently lack most. **Stakeholders are evolving too slowly. Employers' organisations and trade unions have not yet changed**, at least not in companies. Which means **we are not addressing the real issues in any depth**. Take for example the changes arising from the energy transition. According to European employers in the energy industry (Europe's main energy companies, notably the Magritte Group representing for example the Germans, French and Italians), **the unions are not ready to accept that a new world is replacing the old, putting an end to monopolies**. Once characterised by large production plants, the new energy industry would even make a wind turbine at the bottom of the garden possible. **This calls into question the trade union model, which is based on work habits that are now decades old**. The German energy industry, for example, is no longer what it was (the former leader E.ON no longer exists). Neither is the Italian energy industry. While **cultural differences go some way in explaining our difficulty to embrace a common approach, changes everywhere are being made too slowly; while some want to involve themselves in the new developments (e.g. IG Metall), others maintain a basically defensive approach**.
- **Trade unions are struggling to imagine their future, and the role they might play, although they do stand by the importance of collective bargaining and of job content and working conditions**. As for their possible **political or strategic role** in helping to tackle the economic transformation, the issue is complex. **The future changes are such that they should no longer be structured according to branch, but according to geography**. Energy suppliers have local customers, and need local solutions. Opinions differ therefore over the respective places of the vertical dimension and of regions and municipalities. Some unions nonetheless defend their equal pay and status objectives for all subsidiaries of a same company, believing any other approach would result in legal conflicts.

We can expect many stakeholders to be affected by these changes

- Numerous industries are becoming increasingly interdependent, like the chemical industry; companies are “all” customers, suppliers, subcontractors, and so on. We therefore need to make sure all stakeholders share the same vision, at least within a same industry, spanning several branches.
- **Like in most arenas for social dialogue, there are just two stakeholders on European Works Councils:** employers and employees, or rather their unions to be more exact. **Yet the ongoing changes in fact involve many more, including NGOs, regions and municipalities.** Because these changes are also making themselves felt locally. Energy companies are no longer monopolies, they are local companies serving local customers, and they must give greater consideration to their diverse needs whether individuals or communities. Similarly, we can no longer ignore the **consumer and environmental protection associations. Yet this need for multi-level dialogue is being met with strong reservations.** Some want to fight their own corner. Others lack knowledge or are suspicious of other parties. Or are not willing to take the risk (real or perceived) of losing their influence by engaging in an open dialogue with other stakeholders. To crown it all, union officials suspect employers of using this new context to weaken the role of trade unions.

Europeans do not share the same view of the role of European Works Councils

- Primarily, **Europeans do not have a sufficiently collective and shared understanding of European Works Councils.** Because the Germans have national co-decision mechanisms, they feel they are less in need of European Works Councils than others. The French appreciate the difference between information and consultation more than some foreign subsidiaries because of the French law on information and consultation (a fairly legal vision). **Each trade unionist has its national framework, and does not necessarily give consideration to other concerns.**
- It would appear that managing topical issues leaves little room for developing **a shared vision of transnational social dialogue and in particular of European Works Councils.** And yet they are essential. **The situations are so complex, and our histories and cultures so different, that we need a place where we can engage in the necessary dialogue.**
- **As a tool for dialogue, the EWC is capable of changing attitudes, among not only trade unionists but also operational employers used to making decisions alone.** However, when

we discuss this with various stakeholders²¹ it becomes clear that EWCs are not effectively fulfilling this role.

What was once a possible lever has now become a constraint

- One of the difficulties is that the environment was stable in the past, whereas we must now be more **flexible** and able to adapt easily to change. Sometimes the pace of change within an organisation is such that no sooner has the information and consultation process finished than the structure has changed again, and the whole process must be started over. Some employers admit to being a little discouraged and to looking at the moment for short cuts. Today's employee representatives feel decisions are already reached in the very early stages, behind closed doors, in a deliberate attempt to avoid consulting with and being challenged by workers (although this is a global trend that goes beyond European Works Councils).
 - According to some employers, therefore, it seems their **strategy has changed: in the past they saw worker consultation as a lever, whereas now they see it as a legal constraint and no longer encourage it**. Of course, this is a working theory based on several off-the-record accounts. Broader and more in-depth studies should be conducted in the future to validate and/or further develop it, bearing in mind that such studies may not be met with the same degree of frankness.
- National bodies seem to focus on implementation rather than strategy.

It should be noted that, following the European Commission's adoption in December 2013 of the quality framework on restructuring and anticipating change, which **for the first time concerned both the public and private sectors**, the social partners in central government adopted a **framework agreement giving its government officials and employees the right to information and consultation**. They plan to ask the European Commission to prepare a Council decision to enact a directive transposing the agreement into all Member States' laws, which will not be easy because not all Member States are members of EUPAE, the employers' organisation that signed the agreement. Yet this is particularly important because **public-sector workers are affected by restructuring too**. The right to information would enable employee representatives to understand and discuss the issues, and to conduct a thorough analysis of the impacts of proposed measures; the right of consultation would

²¹ See annex 6, list of people interviewed.

enable them to voice an opinion and hence influence the measures adopted. Both are key to effective social dialogue in both private companies and government administrations²².

Hence the importance of finding ways to improve how European Works Councils operate, to more effectively and positively anticipate and manage the changes we face together. E.g.:

- **Promote discussion between European Works Councils on major industry trends and on training and skills needs.**
- Strengthen **national and European coordination between unions and European Works Councils.**
- **Improve the flow of information to and from European Works Councils.**
- **Reflect on potential relationships between European Works Councils and company subcontractors** (inter-company committees).
- **Involve other players, for example regions, municipalities and consumer and environmental associations, in the dialogue on economic and social challenges during restructuring processes.**
- **Determine how European Works Councils can foster more consensual labour relations and help to develop a common European approach to challenges.**
- **Reach an agreement among stakeholders on this tool's objectives and clarify roles.**
- Find ways to generalise this EWC directive to avoid half the companies who should be participating not doing so.
- **Establish an optional legislative framework at the European level on “transnational company agreements” to consolidate the results of transnational negotiation** (clarify the players, the impact of texts, the dispute resolution process) **and help companies and sectors meet the challenges of labour organisation, employment and training.**
- **Study the possibility of drafting a directive on the anticipation of change and employee participation**, so that workers suffering negative consequences of economic change can benefit from job-to-job transitions to maintain their internal and external employability, equivalent throughout Europe²³.
- **Study options for increasing the incentives and capacity of social partners to propose cross-border actions in the event of restructuring, avoid competition between different sites and cooperate to build economically viable and socially acceptable alternatives²⁴.**

²² Liaisons Sociales Europe, no. 391, December 2015–January 2016.

²³ Demanded by the IndustriAll European Trade Union and the ETUC.

²⁴ IndustriAll European Trade Union.

- Explore the possibility of **giving European Works Councils more power** and reducing national powers in a certain number of areas, while making national adjustments to simplify the whole. **Faced with major European or even global changes, we would therefore have a self-sufficient European body**, an EWC with access to all elements staffed by **strategic, trained, high-level people communicating constructively by means of cooperative social dialogue**. The existing European structures can be used to do things differently. The framework as it stands is too rigid, which is hampering progress, while the involvement of and means available to employee representatives are not up to the challenges.

2.1.2 At the European sectoral level: European sectoral social dialogue committees

The energy transition and European sectoral social dialogue: the case of the electricity and chemical industries²⁵

Challenges and attempted solutions of European sectoral social partners

- **Because of their practical experience in their sectors, European sectoral social partners have a major role to play in the energy transition. European sectoral social dialogue committees** are composed of employer representatives (ECEG for the chemical industry, Eurelectric for the electricity industry) and employee representatives (IndustriAll European Trade Union for the chemical and electricity industries, EPSU for electricity only).
- These committees, of which there are today 43, represent three quarters of Europe's labour force, i.e. some 145 million workers.
- In the electricity and chemistry industries, **partners agree on the need for a transition but are questioning the way it is being handled**, as strategic policy has not adequately clarified who will pay what, in other words it has not given sufficient upstream consideration to the financial repercussions of the choices made on neighbouring countries and stakeholders. Neither has it anticipated the negative effects (such as plant closures and imports of CO₂ emissions from non-European countries). At the European level, the balance between "planet, people and profit" is often accused of not taking sufficient account of business competitiveness and individuals.
- **In total, the 43 committees have adopted 800 texts** on change management, restructuring, skills and training needs, improvements in work conditions, health and safety at work, and so on. **Around ten of these texts are agreements to be implemented at the national level** through

²⁵ Summary report of the seminar held on 2 April 2015.

European directives or national processes. **The vast majority are sets of guidelines** (i.e. codes of conduct, monitoring reports, frameworks for action, recommendations, policy guidelines) or **joint opinions** and tools.

- **As part of the tripartite social dialogue**, European sectoral social dialogue committees in the electricity and chemical industries have adopted **common positions and responded to the consultations** on EU policies on climate change, the EU's 2020 targets, the EU 2030 Climate and Energy package and the Energy Union, focusing in particular on the social consequences of climate policies around the concept of a **"just transition"**²⁶. The committee dedicated to the chemical industry has emphasised the need for a level playing field at the international level to make European industries more competitive (energy costs).
- However, **they have not yet defined exactly what they mean by a "just transition"**. Neither have they put forward any practical proposals or signed any agreements on the subject.
- **Agreements on the adaptation of worker skills and qualifications**²⁷ with regards to the energy transition have been reached but **they have not been implemented in all Member States**. Some European social partners, such as Eurelectric, have begun monitoring their autonomous agreements and have built trust with national representatives, but others remain uninterested or do not have any institutional partners. The number of reciprocal commitments has decreased since 2010²⁸.
- **In some Member States, such as Germany and Poland, the energy transition is still a controversial topic because of its impact on the workforce. Employer associations and national worker representatives are struggling to agree on key issues such as the energy cost, skills adaptation, industrial polarisation and ageing populations.** European social partners are sensitive to these difficulties, and **European sectoral social dialogue committees are not preparing for the changes.**
- In both the electricity and chemical sectors, European social partners must strive to be more representative of emerging new players (such as SMEs) in their own sector. The diversity of national social dialogue mechanisms makes this task even more complicated.

²⁶ "Just transition can be seen as the transition (or shift) towards a more sustainable and environmentally friendly economy, based on social dialogue between governments, employers and trade unions, in a way that promotes high economic growth and investments in low-carbon technologies while ensuring a smooth social transition through adaptation and mitigation actions as well as through the development of skilling and reskilling programs (or just new skills) and the creation of quality jobs." (extract from the draft common position on the "2030 Framework for Climate and Energy Policies", December 2013).

²⁷ European Framework Agreement on Competence Profiles for Process Operators and First Line Supervisors in the Chemical Industry, 2011; Joint Framework of Action on Competencies, qualifications and anticipation of change in the European electricity sector, 2013.

²⁸ Since 2010, the European sectoral social dialogue has essentially become a sort of "joint lobbying" ("Dialogue social sectoriel européen: une ombre au tableau?", Christophe Degryse, ETUI, 2015).

Due to the growing tendency to **retreat behind national boundaries**, which is also affecting social partners by making it difficult to coordinate national and European social dialogue, we are seeing a **dichotomy between the urgency of the issues to be addressed**, which vary according to Member State, and the **structuring of European sectoral social dialogue**. **European social dialogue committees are imperfect tools, and can be improved: they fail to grasp the key issues sectors are facing, or struggle to address them.** We need to rethink national/European coordination.

More broadly speaking, results are mixed depending on the location and type of European sectoral social dialogue²⁹

There is certain potential, but results obtained so far are modest

First, the sectors concerned (43, including 13 service sectors) cover only a **very small proportion of European business activity**. Moreover, there seems to be a **lack of enthusiasm in some professions** for this type of social dialogue and in some countries – particularly in Central and Eastern Europe – adequate social partners are either too few in number or not **sufficiently representative to make commitments and enforce them nationally**.

Nonetheless, matters like the **establishment of minimum standards across different countries and different types of company (large, small, subcontractors, etc.)**, the development of new forms of work (e.g. telecommuting) and the acceptance of certain social responsibilities can be **tackled successfully**. There is a **positive impact in countries where the sectors in question are not yet regulated, and in some countries in Central and Eastern Europe**. **In places where social dialogue is still weak, adoption of European standards allows social partners to work together** (for example in Hungary and Romania).

On the other hand, these bodies have had a hard time addressing the organisational consequences of regulatory and technological changes and the impact on jobs, even though matters like **organising the workplace in light of changes and anticipating training needs could be usefully addressed**.

Analysing and managing change through European sectoral social dialogue, particularly the **impact of digital developments on employment** in the service sector (people affected, type of changes, skills, etc.), is proving rather difficult. Yet it **has a real role to play in exploring how these changes will affect workers and the organisation of business, whether at national, sectoral or corporate level**, since such issues are best addressed by those directly concerned, in other words workers, businesses, consumers and public

²⁹ Summary of the fourth round table meeting at the conference of 25 November 2015.

authorities. The same applies to the **insurance industry**, where the recent agreement on the digital transition will affect all players and sectors. But not everyone shares the same vision, and we do not know how many challenges the transition will raise. Stakeholders do not, therefore, have a clear and practical understanding of the measures that need to be taken or negotiated.

We are still a long way from establishing a dialogue at all levels that would address strategic issues and the measures needed to tackle social challenges, rather than implementing an economic strategy and dealing with its social repercussions afterwards. The European Commission rarely consults European Works Councils on the structural implications of its policies, thus segmenting economic and social matters. This is an area in which it has considerable scope for improvement.

In response to these challenges, here are some paths that might be explored:

- It would appear that the European Commission is seeing a **lack of enthusiasm for European sectoral social dialogue in certain countries and sectors**. Is this born of a lack of interest, or of a poor understanding of what it could contribute? If the latter is true, could it increase incentive by more widely communicating best practices of pioneer industries and/or companies, as well as appropriate analytical instruments and efficient types of training?
- **Involve European sectoral social partners earlier in European policy making**, before consultations, so their joint positions can be heard and taken into account in the working hypotheses of the European Commission.
- European sectoral social dialogue, as it is defined and works today (social aspects are generally discussed once technical and economic developments have been decided), could be more forward-looking and encourage dialogue between social partners at an earlier stage by keeping a closer watch on developments.
- Rethink the **structure of European social dialogue so that it focuses on the challenges of the 21st century**:
 - **The need for skills.** The “youth guarantee” represents a first step. We must place a higher priority on apprenticeship and recognition of professional qualifications. Industrial policy at the European level must address the problem of retraining workers; and
 - **Anticipation of new business models.**
- **Foster greater subsidiarity** and address issues at the appropriate level:
 - European level for trade and EU foreign policy;
 - sectoral level for training and skills policy; and
 - regional level for regional revitalisation policy.

- **Rethink the liaison forum** involving cross-industry and sectoral social partners in Europe by fostering interactive debate with the European Commission. Could it be more effectively stimulated to promote or develop pioneering initiatives, or even to **close the gap with those sectors still lagging behind?**
- **Seize the opportunity to partner with subcontractors**, to continue refocusing and subcontracting trends in companies and ensure production quality, since SMEs have their own employment and skills challenges.
- **Follow social partners' recommendation for a comprehensive approach that systematically coordinates climate policy with investment, regional revitalisation and foreign trade policies.**
- In areas dominated by European multinationals (e.g. banking), **signing global framework agreements could serve as a lever for dialogue with national unions, like in Poland, with the support of European sectoral federations** (Uni-Europa, IndustriAll European Trade Union, EPSU) **and of the European Commission**, because results are still too poor to make a difference, and joint declarations are not sufficient.
- Could the European Commission and European social partners do more in the way of developing **cooperation projects to develop social dialogue**, in countries such as Romania and Bulgaria for example?

European sectoral social dialogue and the digital transition – the case of the postal sector and of PostEurop³⁰

The case of PostEurop clearly showed how businesses and the sector as a whole have been affected by the digital transition, and the European liberalisation of their activities. Social dialogue in companies and in European sectoral dialogue bodies is playing a key role in these processes. The impact on jobs of the decline in letter-post volumes, its partial compensation by the e-commerce-driven parcels business and the investigation of strategies to diversify services based on proximity and human relations have generated some very productive discussions. The conversion process has begun, along with training programmes and discussions on organisational issues and employment conditions (hours, flexibility, etc.).

European sectoral social dialogue is emerging as a valuable tool for defining a harmonised framework for healthy and all-round beneficial competition. Following a CSR agreement in 2006, discussions are ongoing as to how to enforce it in different contexts and cultures. **European social dialogue must tackle the issue of social dumping and adopt a broader vision of the business sector, including subcontracting.** Where a legal framework exists, internal subcontracting and quality prevail. Otherwise there are “independent” workers paid on a piecework basis to reduce costs.

³⁰ Summary of the second round table meeting at the conference of 25 November 2015.

However, European sectoral social dialogue is struggling to produce normative, if not legally binding obligations in this area too. Making the transition from joint declarations and common positions to greater member involvement is difficult. The second problem is **the “glass floor”**, the difficulty in sharing what exists at European level and the sparsity of what filters through to national social partners and businesses. There is a noticeable nervousness about European social dialogue, rooted in a fear of excessive regulations for employers and in the diversity of national bargaining practices.

Paradoxically, **the debates are more open and less tactical, perhaps because they take place in an arena geared towards discussion rather than negotiation.** In view of these promising results, the chairman of the European postal sectoral committee has concluded that European sectoral dialogue bodies are **places in which ideas are born.**

Questions and proposed avenues of discussion

The European Commission could help social partners define a suitable role for sectoral committees in the energy and digital transitions. Through objective analyses, **innovative and effective measures, and even support and advice mechanisms, it could contribute to the establishment of benchmarks.** These initiatives could be preceded by an information phase and feasibility study.

Digitisation should be a subject of social dialogue. Although we must take the diversity of Member States into consideration, this should also be **addressed as a shared European challenge requiring European solutions.**

The digital transition is going to affect all sectors. The European Commission and European social partners could focus on developing social dialogue structures able to tackle the changes effectively, through a scalable approach. What can we do to encourage action on the part of all stakeholders? **Might it be possible to produce and widely distribute a sectoral dialogue vade mecum on digital technology?** Stakeholders must play a bigger role, especially since new groups are emerging in the digital economy. They should be participating in the social dialogue, but are unable to at present. **Is European sectoral social dialogue on themes such as the digital transition maybe restricted to highly-concentrated (like PostEurop) and/or widely affected sectors?**

2.1.3 At the European cross-industry level

Social dialogue has an essential role to play in agreeing national and European reforms, as well as appropriate policy mixes (especially since fiscal governance is inadequate in some Member States).

The **European Commission has therefore committed to giving new momentum to social dialogue, 30 years after the European social dialogue process was first established at Val Duchesse.** The President of the European Commission, Jean-Claude Juncker, has declared his intention of becoming “the president of social dialogue” (plenary meeting of the European Parliament in 2014). Hence the importance of reinforcing the role of social dialogue in European economic and social governance.

In 2011, the European Union set up a yearly cycle of economic policy coordination called the **“European Semester”**, during which the European Commission assesses Member States’ budgetary, macroeconomic and structural reform policies in detail. It then issues country-specific recommendations for the following 12 to 18 months. These recommendations also address employment and social policy issues.

In November each year, the European Commission conducts an **Annual Growth Survey** that defines the economic priorities of the EU and its Member States for the year to come. In the following January, the Member States submit their **“national reform programmes”**. The Member States then receive **“country-specific recommendations”** regarding their national reform policies, which are approved by the European Council in June and formally adopted by ECOFIN in July.

The role of national social partners in the European Semester is not defined in the European economic governance framework (the “Six-pack”). Yet they have a key contribution to make in developing and implementing the above recommendations. **Today, there is a general consensus that their role in economic and social governance should be strengthened. The result would be greater acceptance and therefore more effective implementation of the reforms needed.**

At European level, involvement of social partners has recently been reinforced. They are consulted before the Annual Growth Survey is published. In 2015, the Commission’s country reports were published three months sooner (in February rather than May) to enable Member States to more effectively engage stakeholders. In 2014, social partners participated directly in informal meetings of the ministers of employment and social policy. At political meetings on the Commission’s key initiatives, social partners have talked with Vice-President Katainen about the Investment Plan (April 2015) and Vice-President Sefcovic about the energy union (June 2015). They have also been able to voice their opinions on the labour market integration of the long-term unemployed (April 2015), the mobility package (June 2015) and the pillar of social rights announced by President Juncker in his State of the Union address. Two thematic groups have been tasked with monitoring the implantation of two priorities: on one hand the strengthening of the role of social dialogue in economic governance and of the capacity building, and on the other hand of the participation of social partners in EU policy- and law-making.

However, the EU institutions agree with the social partners that they should be more involved not only at European level but also at national level³¹.

At national level, social partners in most Member States have been involved in developing national reform programmes³². As it happens, they are involved in the five Member States covered by this study: Germany, France, Italy, Poland and Sweden. **Of course Greece must be considered separately because it does not take part in the Semester process, but in the macroeconomic adjustment programme.**

However, among our five countries, there are **significant differences in the level of involvement**. In some countries, like Sweden and Poland for example, social partners are regularly consulted and sufficient time is allowed for the information and consultation process. Yet the impact on national reform programmes is considered significant in Sweden but limited in Poland. In other countries social partners are consulted regularly but not enough time is allowed, for example in Italy. In France and other countries, consultation is irregular, unbalanced and hurried. As a result, its impact is limited. Similar differences also exist in other countries: in Germany, while social partners are consulted regularly and an appropriate length of time is afforded to employers, the impact on national reform programmes is limited. Furthermore, trade unions are not allowed sufficient time and have no influence at all. As for their role in establishing country-specific recommendations, German and Swedish social partners take part in regular meetings with the European Commission, while their French counterparts are invited to an information meeting once the recommendations have been adopted. They are however informed and consulted by the national government. The Swedish government does likewise. Sweden is a good example of a country where national social partners have an impact on country-specific recommendations³³: when, in June 2012, the European Council recommended Sweden decrease its minimum wage rates, Swedish trade unions expressed concern that such a measure would undermine the independence of social partners, and the Council withdrew its recommendation. Sweden's exemplary performance in this area (Dufresne, 2015) has probably given national social partners more influence. While in other countries significant labour market reforms have been adopted without consulting the social partners.

Trade unions take a rather negative view of public policies recommended during the European Semester process: they believe they are unfair and that they promote austerity rather than the social

³¹ See the presentation by David Dion, Head of Unit for Social Dialogue and Industrial Relations at the European Commission's DG Employment, seminar of 8 October 2016.

³² Eurofound, Role of the social partners in the European Semester, Christian Weltz, February 2016. http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1570en.pdf

³³ See Eurofound, Role of the social partners in the European Semester, February 2016.

objectives of the Europe 2020 strategy (such as social cohesion and poverty prevention). Employers on the other hand tend to approve all the policies proposed.

Avenues to explore and/or develop

- Increase the involvement of social partners in the early stages of the national and European policy making process, without trying to turn them into “after-sales agents”.
- Take into consideration **the functional (but substantial) involvement of social partners in the policy making process by reaching a consensus** on how to reconcile demand for quality jobs (trade unions) with the need for competitiveness (employers). The “joint labour market analysis” conducted by European social partners provides a **common definition of competitiveness**³⁴ (July 2015)³⁵ and **the beginnings of an agreement on macroeconomic policy**³⁶. They have also developed a joint work programme for 2015-2017.
- Do not separate economic and social matters, and further increase involvement of social partners, **especially in matters related indirectly to employment**: all the European Commission’s Directorate Generals should consult social partners in the future³⁷.
- **Promote the specific role of social partners in employment-related matters**, and distinguish it from consultations with civil society³⁸. Social partners should be involved closely in the discussion on social benchmark indicators.
- **Further increase opportunities for cooperation, especially with sector-level social partners**: work on the macroeconomic indicators used in the metal industry has helped improve social partners’ involvement in economic governance³⁹.
- **Explore the possibility of jointly renewing the flexicurity strategy at European level.**

³⁴ Competitiveness “encompasses a wide number of factors that ultimately influence a country’s growth and jobs performance favourably such as: macroeconomic fundamentals, labour market policies, innovation and investment in R&D, business environment including infrastructure, skills, education and training, labour cost and high performing public services.”

³⁵

https://www.businesseurope.eu/sites/buseur/files/media/reports_and_studies/joint_idea_report_july_2015_final_v3.pdf ETUI, BusinessEurope, CEEP, UEAPME, July 2015.

³⁶ All social partners agree on the necessity of long-term public finance sustainability, but the ETUC is opposed to the Fiscal Compact.

³⁷ Cinzia Sechi, Policy Advisor, ETUI, seminar of 8 October 2015.

³⁸ Antje Gerstein, Head of the Brussels office of the Confederation of German Employers’ Associations (BDA), seminar of 8 October 2015.

³⁹ Maxime Cerrutti, Director of Social Affairs, Business Europe, 8 October 2015.

- Opinion is divided between social partners about what constitutes “good quality social dialogue”⁴⁰: **we must resist the temptation of a top-down approach** from the European Commission (BusinessEurope), respect social partners’ independence and diversity in national industrial relations systems, **and intervene in any Member State** (not just new ones) **where social dialogue is inefficient** (ETUI). Otherwise, social partner participation in the European Semester will be inadequate. Explore opportunities for the European Commission and the EU institutions to play a more incentive role, for example by making ESF resources available to social partners in different countries (ETUI/Business Europe).
- Consolidate the position of “European Semester Officers” in Member States, systematically establish specific “European committees” at national level, **reinforce capacity-building among national social partners (combining financial, political, institutional and legal aid)** and propose reforms to make ESF resources more accessible to national social partners based on current mapping of use of these resources. The aim of all these measures being to better inform national social partners and increase their involvement before country-specific recommendations are definitively adopted.

Social dialogue can work at the European level if its purpose is to promote change. The European Union should invest in the ability of social partners to assume more substantial responsibilities, **by reviewing for example the role of the tripartite summit. Social partners must also be able to reach collective agreements on future challenges** and on the ways and means of reforming Europe.

Youth employment is therefore a big priority. At European level, the Youth Guarantee scheme was adopted to tackle youth unemployment and the Framework of Actions on Youth Employment saw the day in June 2013. Implementation will continue at national level through to 2017. It would be useful to introduce a quality framework for apprenticeships and continuing training to complement that on traineeships. The Youth Guarantee scheme must not have the effect of trapping unemployed youngsters in ineffective training programmes or jobs.

⁴⁰ Right now, the European Commission does not intend to define benchmarks for social dialogue, an idea supported by the ETUI but opposed by BusinessEurope.

2.2 Comparative analysis of countries

2.2.1 Approaches to the energy transition: testimonials

In their book⁴¹, Philippe Pochet and Eloi Martin report “**a greening of the traditional trade union agenda**” (also reflected in the resolutions of the European Trade Union Confederation), “despite talks proving **difficult between sectors expected to suffer a negative impact, whether directly** (e.g. the automotive and mining industries) **or indirectly** (e.g. the energy and chemical industries), **and those that stand to benefit from the transition** (e.g. construction, public transport)”. This issue must be negotiated at all levels (local, European and international) since the energy and digital transitions will both affect all sectors and all companies, and therefore shake the structural foundations of private-sector employment.

Transition to a low-carbon economy and industrial relations: case studies in France, Germany, Sweden and Poland⁴²

A joint analysis for a successful energy transition in Europe

A European impetus and three objectives: low carbon, competitiveness, energy security

The impetus has come mainly from Europe, through the Europe 2020 strategy and the 2030 roadmap, which sets targets for 2050. The energy transition involves more than the move towards a low-carbon economy that makes more efficient use of resources. There are two other, equally important objectives: energy security and competitiveness.

Because the transition is inevitable, it is easy to predict the main challenges. However, a great deal of uncertainty surrounds its actual implementation and effects, which must be organised in time and space.

All Member States are engaged in the transition today, but they are not all in the same situation. Some have decided to quicken the pace, such as Germany and Sweden. In these countries, the range of smart grid services has increased significantly. In other countries, the transition is difficult or even conflictual and will take time. This is especially true where coal predominates, for example in Poland.

⁴¹ Eloi Laurent and Philippe Pochet, Towards a social-ecological transition, Les Petits Matins/Veblen Institute, 2015.

⁴² Summary of the European seminar of 29 April 2015, completed by a summary of the first round table meeting at the conference of 25 November 2015.

And the poorest countries cannot be expected to bear the cost, not only for reasons of solidarity but also because it might undermine social cohesion in and between European countries.

- Despite a common EU commitment towards a low-carbon transition, situations in Member States vary greatly. They have all adopted different energy transition pathways. For instance, Sweden's energy mix consists of 40% hydropower and 40% nuclear power; Germany decided in 2011 to phase out nuclear power and to greatly expand the share of renewable energy in its mix; Poland remains committed to coal; as for France, nuclear energy is still largely predominant.
- The conclusion that a new world is replacing the old, that the energy industry's large production units will be replaced by smaller structures and that monopolies are set to disappear is not shared by all in all countries. The ongoing transition poses problems in terms of employment balance and quality. As a result, if we want workers to have quality jobs we need to actively support professional and geographic mobility. Which requires a greater shared awareness of the issues. We must also develop the skills necessary for these changes.

- **Massively inadequate investment and skills in Member States**

European social partners agree that private and public investment in promoting the energy transition and developing relevant skills is inadequate.

After closing three nuclear power plants, Sweden has an insecure energy supply. The Gothenburg region, which has developed a plant that produces biogas from forest residues, is hampered by a shortage of skills. In general, Swedish employers are struggling to find people with the right scientific expertise. France, Germany and Poland face similar gaps between the skills required and those available on the labour market.

- **Persistent questions about the quality and quantity of jobs created**

In Germany, 350,000 people work in the renewable energy sector. The number of workers in the traditional energy sector is decreasing, but working conditions there are generally still better. **This is because new renewable energy businesses are not covered by the agreements reached by social partners, making workers more vulnerable. There are no discussions about job quality in this sector.**

- **Involvement of social partners in the retraining of workers**

Unions understand the formidable challenges of the energy transition for employees, including retraining in new sectors and the need for support in professional transitions. For example, Germany will cease coal sector subsidies in 2018. The DGB believes the government must help manage the transition of workers to other sectors.

Some social partners are also helping to support such transitions:

- Swedish employers have set up “**job security councils**”⁴³, **consulted upstream in the restructuring process**, which provide **transition support services and advice for redundant workers**.
- In France, the FGMM-CFDT has launched a project that measures the skills needed for metalworkers to move into the chemical industry.

Social partners are giving greater consideration to energy transition issues, but levels of commitment and mobilisation remain heterogeneous, between not only countries but also industries (see part 2 of the report, the subsection on emerging sectors).

- **Insufficient tripartite dialogue on the energy transition and more broadly the future of energy**

This is true of Poland, Sweden and Germany in particular:

- **The mining sector employs half a million people in Poland, the majority under permanent contracts. Social partners are struggling to reach agreements** through bilateral social dialogue, and the unions have failed to put skills anticipation on the political agenda. According to the Solidarnosc representative, given the state of social dialogue the only remaining alternative for workers is to start their own business.
- **The DGB officially supports the energy turnaround led by the German government in 2011, a decision taken without consulting social partners.** The energy sector’s federation of trade unions has nonetheless requested that unions be more involved in managing this change. Only three public consultations have taken place so far. More social dialogue must be incorporated into environmental negotiations, as opposed to just civil dialogue involving environmental groups.
- It is the same in Sweden: national employers are calling for the creation of a commission involving all parties to discuss the future of energy in Sweden.

In France, tripartite dialogue exists: social partners are involved in the debates and the decision-making process (Grenelle de l’Environnement environmental conference). As the FGMM-CFDT explained, they are working with the national industry council – which also deals with labour issues –

⁴³ Sweden first began to set up job security councils in the 1970s, following a deterioration in its economic situation. These councils are established according to collective bargaining agreements between the social partners of an industry and a sector, like non-manual workers in the private sector. They participate actively in the restructuring process and act in an advisory capacity to employers and unions early in the process (The Job Security Councils in Sweden report by the University of Gothenburg and the Institute for Innovation and Technology Management, 2006).

to develop a “multi-year energy plan”⁴⁴. **The outcome of this institutional dialogue remains to be seen.**

If the Member States do not involve civil society further in the development of energy transition policies, they may fail to meet the targets set by the EU without creating discord at home or between Member States:

- The representative of the DGB has revealed that retraining of miners is creating conflict in Germany, given how difficult it is to change the mining sector.
- **The Polish trade union Solidarnosc has criticised the EU for favouring decarbonisation over the energy independence of countries like Poland, and for stigmatising Poland’s dependency on France and Germany (nuclear energy, coal). This approach tends to pit countries against each other rather than foster collaboration** towards a real European energy policy.

Avenues of discussion and proposals: the energy transition, social partners and skills

- **Further involve social partners in the development of national policies within the framework of tripartite dialogue, in order to better manage the changes arising from the energy transition and to discuss the future of energy at regional, national and European levels.**
- Identify elements in each national energy transition strategy that could constitute a common base and create the conditions for better consultation in national policy making and European coherence.
- **Anticipate change, which means social dialogue should not be restricted to social and employment issues** but should address more global challenges (such as profit requirements and social/environmental externalities) and come up with realistic alternatives.
- Create the conditions for a “just transition” that anticipates and provides for support and retraining of workers and the redevelopment of affected economic sectors with the aim of creating quality jobs, which will require cooperation between the European Commission and social partners. **The agreement reached at the COP21, or rather its preamble, expressly recognises “the imperatives of a just transition of the workforce and the creation of decent work and quality jobs”**, a priority demand of trade unions. On the whole, the agreement has been very well received by trade unions. It underlines the fact that they have a key role to play and will have to mobilise players at all levels of collective bargaining to meet the challenges ahead.

⁴⁴ The purpose of the plan (PPE) is to implement the energy policy’s objectives, as defined in the draft law on the energy transition. The work undertaken will involve all stakeholders: elected officials, trade unions, companies in the energy sector, NGOs, community representative associations, etc. (Source: Website of the French Ministry of Ecology). However, an amendment has just been passed to postpone the PPE’s implementation.

- **Integrate the skills needed by the future economy, including those required by new jobs, into all training programmes and apprenticeships, without being too quick to sacrifice certain jobs** thought to disappear but that could be reinvented; if job-to-job transitions are properly managed, existing skills can play a key role in the energy (and/or digital) transition.
- **Carry out cross-sectoral analyses involving stakeholders to anticipate impacts, forecast skills requirements and organise the necessary redeployments.**
- **Call on regional players to address cross-sectoral mobility with those actually concerned.**
- The biggest challenge remains **providing continuing training for those who need it most and bringing it into line with needs**; European organisations have a role to play in terms of sharing best practices of different European countries (those where social partners are involved).
- **National and European authorities can play an incentive role** through certification and standardisation, which are a means of encouraging companies to innovate and to train their employees; as a result, they will have a firmer grip on the challenges facing them and be better equipped for the future.

2.2.2 Approaches to the digital transition: stakeholder testimonials

Here we have drawn on the findings of existing research and on initial information collected from stakeholder testimonials cross-analysed at two European seminars hosted by Confrontations Europe in 2015⁴⁵.

Joint analysis of the scope of the digital revolution

Social partners have only recently taken up this urgent issue. The vast majority of stakeholders have not become interested in the issues raised by the digital transformation until very recently, mainly from 2015 onwards. Yet the phenomenon is not a new one. According to the IndustriAll European Trade Union, this paradox can be explained by the nature of the phenomenon itself: a “percolation phenomenon”, caused by the fact that everything is increasingly interconnected, could explain why we are feeling the effects of the digital revolution all of a sudden, even though it started years ago.

At national level, social partners in Germany say they have been discussing the issue for a long time (through Work 4.0) and, as a result, are amending their business models and the way they organise

⁴⁵ European seminar of 15 July 2015 on “Challenges of the digital revolution and workplace training: the role of social dialogue”; European seminar of 9 July 2015 on “Jobs in the digital age: creative destruction or destructive creation?” and summary of the second and third round table meetings at the conference of 25 November 2015.

work. Germany is one of the most advanced countries when it comes to managing the digital revolution⁴⁶, and even IG Metall says they **are still at the stage of identifying problems before being able to seek a common solution, although a lot of progress has been recently made.**

Even countries like Sweden, where the social dialogue model is generally more “accomplished”, are struggling with the quickening pace of change, particularly as regards the digital transition.

In Sweden, there is an internal debate on how the model should evolve. TCO (the Swedish Confederation of Professional Employees, one of the three biggest trade unions alongside LO and Saco) advocates a “mixed” public-private model with **trade unions that accept current changes and look for ways to create new, quality jobs rather than protect existing ones. At the same time, the state would invest in education and training, and companies both large and small would play a role** by working internally with social partners to create energy (or digital) transition schools⁴⁷, possibly shared in the long term with other stakeholders.

In countries where social dialogue is not firmly established, developing a joint approach to changes in the employment market is even more difficult. In Poland, for example, the problem is twofold. First, **sectoral insufficiencies are depriving the country of relevant national regulations, which could play a key role in dealing with current changes.** According to the trade union Solidarnosc, this can be explained by employers’ unwillingness to engage in sectoral social dialogue. In practice, collective bargaining is on the decline in all sectors. Which is leading to **widespread fragmentation of social dialogue because it is the companies that have most control.** Everything therefore depends on the company, and on whether or not the trade unions are active in that company and are engaged in a constructive dialogue with the employers. A new national-level tripartite social dialogue council has been set up in Poland, chaired by Solidarnosc, but it is too soon to see the results.

The scope and increasing speed of the societal and economic transformation brought about by digitalisation are however widely acknowledged. Some even talk of a digital revolution. New competitors are emerging at an unprecedented rate in an increasingly competitive international environment. So stakeholders have no choice but to tackle both challenges head on: not only the digital and energy transitions but also the need to become more competitive. At present, the main focus of social dialogue within companies is competitiveness, although the digital transition is starting to make an informal appearance on the agenda.

⁴⁶ See the studies and discussions conducted by the Hans Böckler Foundation.

⁴⁷ As proposed for example by Engie. See the proceedings of the conference held by Confrontations Europe on 25 November 2015.

There is **no consensus either at European level or in Member States regarding the impact of the digital transformation on employment (net balance)**. The debate over the quantitative effects on employment is far from over.

- The digital transition is destroying some jobs, creating new ones, and changing all of them⁴⁸:
 - New types of jobs are emerging: developers, big data analysts, electrical engineers for smart grids, etc.
 - Some jobs are being destroyed, extremely physical jobs in particular
 - All jobs are changing, from manual jobs to knowledge-based jobs without exception
- Some jobs are considered more at risk of automation or digitalisation (office work, sales and commerce, transport, etc.) than others (management, human resources management, scientists, engineers, some types of services such as social work and hairdressing)⁴⁹. Nevertheless, the boundary between jobs at risk and those hitherto believed safe is moving all the time, with more jobs entering the at-risk category (legal service providers, for example, who thought they were protected).
- **It is affecting jobs in all sectors, although there is no consensus on which are or will be most affected.**
 - Some, for example in the local and regional government sector, believe digitalisation (in this particular case in public services) is having a negative impact on job numbers: social partners in the sector adopted a joint statement on 11 December 2015 on the opportunities and risks of digitalisation in local and regional government, which says the digital economy has brought with it a stagnation or even a decline in jobs, particularly in the public sector.

How the digital transformation is affecting sectors differently: the situation in France

The digital transformation is affecting business models differently, depending on the economic sector.

- **Digital economy companies** account for 5.5% of GDP and 3.3% of jobs in France: basic and infrastructure technologies, telecommunications services, computer software and services, the web economy;

⁴⁸ Report « [les classes moyennes face à la transformation digitale - Comment anticiper ? Comment accompagner ?](#) », Roland Berger, October 2014.

⁴⁹ Christophe Degryse, “[Digitalisation of the economy and its impact on labour markets](#)”, Working Paper 2016.02, ETUI, on the basis of data from Frey&Osborne, Ford, Valsamis, Irani, Head Babinet (click on the link to view the document online).

- **Sectors having a business model already heavily impacted** by the digitalisation of the economy account for 12% of GDP: publishing, music, audiovisual production, finance and insurance, R&D;
- **Sectors** that have achieved significant productivity gains through use of digital tools, but **whose digital transformation is far from complete**, make up the majority of the French economy with 60% of GDP: retail and distribution, industry, administration, education, etc.; and
- **Sectors not yet affected by the digital transition** account for 22% of GDP: agriculture, forestry, services for people, catering.

For the digital transformation of work to be successful, it is vital that we help:

- companies in the first category operate in conditions comparable to those of their global competitors;
- companies in the second category change fast enough to regain or maintain a level of performance preventing them from being marginalised; and
- companies in the third category, and to a lesser extent those in the fourth category, overcome the challenge of anticipating change to remain competitive.

Source: IGF (Inspectorate General of Finance) report on supporting the digital economy and innovation, 2011, Mettling Report.

Case study: the postal sector

- The digital transformation is both a challenge and an opportunity for postal operators, who are seeing a strong decline in letter-post volumes and an increase in parcel-post volumes thanks to e-commerce. It is making operators redefine their business models, but again there are several possible diversification models with different ramifications. There is also a great deal of ambivalence, since the growth levers are not necessarily those expected to result in most jobs. Diversification into financial services has strong potential for creating new jobs (employment-driven diversification).
- There are **four diversification models in the EU**. The industrial model (BE) and the logistics model (DE) focus on **productivity as a comparative advantage**. The financial services model (IT) and the mixed model (FR, CH) involve diversification into banking, insurance and services for people, in addition to letter and parcel delivery services. In these models, **quality human relations are a comparative advantage**. **Therefore they are more conducive to job creation**. It involves redeploying, updating and retraining the labour force.

- At the European sectoral level, the IndustriAll European Trade Union has published a 2015-2017 policy brief on [“Digitalising manufacturing whilst ensuring equality, participation and cooperation”](#), which was followed by an official position paper on 3 December 2015 on [“Digitalisation for equality, participation and cooperation in industry – More and better industrial jobs in the digital age”](#).

This highlights the fact that **the digital transition will not be a natural process for everyone and that substantial incentives will be needed to ensure the smooth redeployment of labour and the massive retraining of unused reserves of human capital left by the wayside.**

- Stakeholders agree that while the digital transition is clearly a technological phenomenon, it also has a political dimension: it is based on human interactions requiring a common language (protocols, data formats, data semantics, etc.), defined not automatically but by standardisation bodies and legally enforced standards systems. These underlying technical, legal and normative dimensions will define where the value will go, to whom it will be transferred. Public debate and social dialogue will therefore have a role to play in defining the relevant laws and rights.

From a quality perspective, the debate is far from clear-cut too, given that we have not yet reached an agreement on the definition of a “quality job”⁵⁰. The only point of consensus is that the digital transformation holds both opportunities and risks, which are often closely intertwined.

Some argue the digital transition could lead to a **polarisation** of the labour market into very high-skilled jobs and relatively low-skilled jobs, with medium-skilled jobs becoming increasingly rare. According to the above-mentioned sources, “new jobs” might include:

- “top-of-the-scale” jobs (data miners, data analysts, software and applications developers, designers of intelligent machines, robots and 3D printers, specialists in artificial intelligence, digital marketing, etc.); and
- “bottom-of-the-scale” jobs (data entry and sorters, Uber drivers, etc.);
- This frequent but troubling hypothesis merits greater scrutiny... or to be scrapped altogether. It suggests that whole sections of the working population will either be confined to performing “dehumanising” tasks in the 21st century or permanently excluded from the labour market. It also raises an ethical question: is it acceptable to pay people no more than subsistence wages?

⁵⁰ Social partners are working with the International Labour Organisation (ILO) to produce a common definition of “a quality job”. The ETUC Congress 2015 defined the main criteria for a quality job as being decent pay, health and safety in the workplace, good working conditions and opportunities for training and promotion.

- The situation is all the more worrying because it is the peripheral countries (Romania, Portugal, Bulgaria and Greece) that are most affected by job computerisation. This creates a high risk of intra-European polarisation, concealed behind an estimated European average of 54%⁵¹.
- So the transformation is proving perilous for companies and workers failing to adapt (the example burned in all our memories is that of Kodak, which laid off 18,800 workers in 2012).
- This transformation is leading, via a “network effect”, to a concentration of power in the hands of private monopolies and new players (Uberisation), which are tempted to keep the benefits to themselves; not an ideal situation for society as a whole.
- Lastly, it is changing our relationship with work and with the traditional employment contract based on job security and subordination. New forms of employment are emerging, encompassing a broad variety of situations (see the section on new forms of employment in the second part of this report). At the moment, there is no consensus on this issue. Employers’ associations generally call for greater **flexibility to respond to changes in progress**, while employee representatives criticise the **instability and/or inequality** they introduce compared to traditional forms of employment (IndustriAll European Trade Union) or see them as a “negation of the employment relationship” (UniEuropa). We will look at these issues in greater detail in the second part of this report. **There are fears of a negative effect on job quality**, in terms of security, stability, qualifications and social protection (particularly of independent workers), and the porous line between work and personal life.
- **Companies are also seeing changes in their management methods.** At present, workers and their representatives **on the ground are left to decide how best to organise their work. Management models must therefore change**; traditionally vertical, they must now assign meaning and identify targets.
- In this respect, the digital transition opens up new opportunities for controlling workers, for example imposing a work pace defined and controlled by a machine, whereby workers renounce their control of the way they organise their work at the risk of becoming the tool of a robot and its algorithms⁵². But it also creates new opportunities for cooperation, thanks to more “agile” and “cooperative” work organisation.

In practical terms, we will have to **move from managing jobs** (which tends to protect existing jobs at all costs and hence encourages relocation rather than the redeployment of workers across Europe) to

⁵¹ Christophe Degryse, “[Digitalisation of the economy and its impact on labour markets](#)”, Working Paper 2016.02, ETUI, on the basis of data from Frey&Osborne, Ford, Valsamis, Irani, Head Babinet (click on the link to view the document online) and from a study by Bruegel.

⁵² C. Degryse, *ibid.*

managing the skills allowed by digital tools, as explained in the Mettling Report⁵³.

There is an urgent need for training and for better identification of skills needed by the employers. Inadequate training is a threat to our competitiveness on the global scene. In 2020, 90% to 100% of all jobs may require digital skills, and therefore new skills.⁵⁴ The shortfall in personnel qualified in information technology (IT) and communication is estimated to reach 900,000 by the end of 2015, while 40% of people in Europe do not have the required level of digital skills. Skills relevant to the digital revolution must be taught through initial education, apprenticeship and continued education. They require greater versatility, cross-cutting collaboration and flexibility in various forms. As highlighted in a joint statement by European social partners signed by the ETUC, BusinessEurope, UEAPME and CEEP and submitted to European leaders at the Tripartite Social Summit of 16 March 2016: “it is vital that people possess the skills needed in our constantly changing labour markets, so that they have access to the new jobs being created.”

Therefore, **social partners have an essential role to play in encouraging workers, the unemployed and those furthest removed from the job market to engage in further training**, in order to reduce discrimination between the young and old, between highly-qualified and low-qualified workers, and so on. Some companies⁵⁵ have addressed this problem, but the majority are still facing a huge skills shortage. **There are still no global mechanisms to help equip businesses in Europe with the necessary digital skills.**

To develop relevant training programs, it is vital that we **identify the skills most requested by businesses and specific sectors**. Social partners are in the best position to do this, but some warn against **the practical difficulty of evaluating long-term skills needs**.

The subject of training in particular is still surrounded by debate

- **Who should fund skills training?** While unions argue that employers should fund training, BusinessEurope believes that **the cost of lifelong training should be shared by workers, businesses and the state** because they all stand to benefit. Take France for example: the recently established *Compte Personnel de Formation* (personal training fund) allows any person in work or seeking work to sign up for a skills training course on their own initiative; social partners need to discuss this to establish the skills that companies need.

⁵³ “Digital Transformation and Life at Work”, a report by Bruno Mettling, Deputy CEO in charge of Human Resources at Orange, intended for the French Ministry of Labour, Employment, Vocational Training and Social Dialogue, September 2015. The report is based on contributions from the main French trade unions and from employers’ associations (MEDEF, Centre des Jeunes Dirigeants).

⁵⁴ Estimations of the European Commission, in the framework of the Digital agenda for Europe.

⁵⁵ Thales and Areva are examples of companies that have already passed agreements with their social partners regarding digital skills training.

Furthermore, SMEs simply do not have the same ability as large companies to provide their employees with training. Entrepreneurs, freelancers and people in other new forms of employment are unable to access training.

- **Should workers pursue training during work hours or on their own time?** Employers are pushing for more of their employees to pursue training outside of work.
- Additional measures should be taken to **guarantee training quality**, in particular through training **certification** systems.
- **The digital transformation is generating hidden costs for businesses** (such as training/reskilling of employees and **provision of free customer services**), which must be taken into consideration.
- **The European Union views the digital transformation through the Digital Single Market (May 2015) and the digital transformation of European industry (April 2016) as its second highest priority for 2014–2019. However, trade unions are critical of the Digital Single Market Act because it lacks a social dimension.** The single market act should contain more than just trade-related provisions. The social dimension of the market economy is incorporated in the treaties and should be promoted more through EU common policies. The issue of employability must be addressed at the same time as digitalisation.
- All stakeholders must engage in the transformation to ensure its success. It is therefore important that we **share tools for disseminating and providing training in digital technology**.

Courses of action

- The changes brought about by digital technology (personalised products, global value chains, etc.) make it even more necessary to develop **training programmes meeting the changing needs** of the economy, digital skills and a **common language encompassing digital technology and project management** to facilitate communication and teamwork. Education programme content must be improved to increase innovation capacity and ensure no-one is left on the sidelines. At the same time, lifelong learning is key to the successful redeployment of the workforce.
- **We need to give the scientific/digital/technological world a better image.** The Grand Coalition for Digital Jobs⁵⁶, launched in March 2013 by the European Commission, is already working towards this goal, but it could be reinforced. National partnerships for digital skills can also play an important role.

⁵⁶ Multi-stakeholder partnership. For more information: <http://ec.europa.eu/digital-agenda/en/grand-coalition-digital-jobs-0>.

- Workers and businesses alike, while in different situations with regards to the digital transformation, **are in need of massive investments in line with global industrial policies, including investments in human capital.**
- **The European Social Fund could be better spent** (the funding has not all been used up), geared more towards training, and benefit larger numbers of workers.
- **We must promote the anticipation of skills related to the digitalisation of the economy.** The ETUC has suggested creating a Europe-wide forum composed of the European Commission, the European Parliament and social partners to develop a shared vision of what a “digital Europe” might look like. **Works councils in Europe could also focus more on these subjects** and carry out prospective studies.
- We should introduce incentives for **public authorities, regions and municipalities.** For example a “**Youth Guarantee +**”, which would extend the “Youth Guarantee” to young people pursuing careers in the digital sector.
- **We must explore the possibility of developing a large-scale retraining programme for all Europeans.**
- **Opportunities to enter a more diversified workforce do exist:** machines are going to relieve workers from hard physical labour to some extent, although new opportunities will have to be offered. This could be a chance to integrate more underprivileged or disabled people into the workforce.
- **Changes in the social framework should be based on strong social dialogue:** the ability to transform how work is organised should stem from collective agreements, changes in management policy and the implementation of training, re-qualification, training mobility, worker redeployment and worker retraining programmes.
- **Social partners recognise they must also venture into new areas** such as the representativeness of new entrants and new types of worker and workers’ rights. Companies and public authorities will have to play a major role in adapting, or indeed reinventing social protection systems for these new types of worker.

The role of social partners extends beyond training: in principle they are in the best position to develop well-balanced solutions commensurate with the complexity of the challenges (**changes in work organisation, in companies and in worker status and redefinition of collective guarantees**). **Stakeholders of all kinds should be mobilised: workers, employers, civil society, regions and municipalities as well as subcontractors and the collaborative economy.**

Transition from I to II

The ability of our industrial relations systems to cope with the huge changes currently sweeping through the energy and digital industries is not clear. Some fear they will be used as a pretext to challenge the fundamental principles underlying the social model in Europe, and oppose calls to “adapt” to changes without trying to guide them and to retrain workers for quality jobs. Others argue that our social model should not prevent us from taking these changes on board, at the risk of being excluded from global competition and seeing our businesses annihilated by their rivals and relocating even more massively to areas offering greater opportunities for value creation.

Yet our industrial relations systems should in fact help us cope with these changes together, and provide the support needed to ensure no-one is left by the wayside.

The gap is clearly growing between **the exponential pace of change and the much slower transformation of our industrial relations systems, the structure of which is no longer adequate to cope effectively with these changes.** Previously, it was the survival of the fittest in an unregulated economic system. Now, as Prof. Tobias Kollmann, chairman of the DJDV (Young Digital Economy Advisory Board, the German equivalent of the French Digital Council⁵⁷) explains, it is the survival of the fastest. **The scale of the challenges is proportional to the pace of change.** It is therefore crucial that workers and employers are able to understand and respond to changes more effectively, and to organise long-term social and professional transitions to overcome these changes in a positive manner and progress towards quality jobs. But to achieve this, a number of conditions must be met:

- Sufficient time, training and support must be given to workers and companies so they do not find themselves confronted with changes that, due to lack of anticipation, could become obstructive.
- Employers must be able to plan ahead, provide training and offer quality jobs. They must not leave it to the community to collectively anticipate changes, but must adopt a joint approach that promotes worker participation.

More than ever, there is an urgent need for social dialogue at all levels. It is only by rebuilding partnership and cooperation ecosystems at the different levels that we will be able to tackle common employment challenges.

⁵⁷ Conference on “Innovation in the digital age. Reinventing our economy”, hosted by Confrontations Europe and the EESC on 21 April 2016.

3 LINES OF DISCUSSION AND ACTION

Reshaping the framework and practice of industrial relations so they can fulfil their role effectively in the face of economic and social change is a difficult task, falling in the remit of national and European social partners and public authorities. Here, we will limit ourselves to raising a series of questions.

3.1 How industrial relations systems are evolving and adapting to change

We will explore two approaches. The first, more traditional approach, aims to explore how today's pyramidal systems are trying – in a top-down manner – to take into account different types of companies, jobs, workers and sectors, and will provide a brief comparative analysis of the findings. This will be supplemented by a second, more innovative bottom-up approach, which will attempt to explore how the latest developments in our industrial relations systems and, notably, the ongoing decentralisation of collective bargaining offers these systems potential to evolve and to adapt to current changes. This will bring us, in the next section, to discuss the conditions needed in terms of inter-level coordination and cooperation for industrial relations systems to reinvent themselves and step up their ability to combine economic competitiveness and social cohesion. We will base our analysis on input from various stakeholders in the industrial relations environment and on a review of the literature. These two approaches (top-down and bottom-up) could be combined in a new paradigm.

3.1.1 Top-down approach

The changes taking place have demonstrated even further how situations vary substantially depending on the company, employment type, worker and sector, making the one-size-fits-all approach unworkable. Hence the importance of examining successively how the systems are trying to better take into account different types of company (small and micro-enterprises), employment (new forms of employment, including self-employment), workers (women, young people, unemployed people) and emerging sectors.

3.1.1.1 How social partners are endeavouring to take into account small and micro-enterprises

First stylised fact: the energy and digital transitions are fostering a relative increase in the number of smaller companies, which social dialogue is struggling to take on board. We will highlight the innovative examples of Italy and Sweden, and the role regions and municipalities can play in developing a more effective approach to this type of company.

Europe's 22 million small enterprises are the backbone of its economy. They create the largest number of jobs overall. Numerous small enterprises⁵⁸ and indeed micro-enterprises⁵⁹ have sprung up as a result of the energy and digital transitions. Even those not resulting directly from these transitions are affected by them.

Yet social dialogue does not have the same place in small and micro-enterprises as it does in large companies. Large-scale representation of micro-enterprises and/or small enterprises still does not exist, although situations differ from one Member State to another.

In most countries, there are two forms of worker representation: employee-elected representatives and trade union representatives in the workplace, although only the second form exists in Sweden. Employers are represented by structures that also include large companies. In many European countries they are also represented by structures developed specifically for small companies, although the principles and structures of employer representation vary considerably from one country to another (see Annex 5).

In addition, coverage of small and micro-enterprises differs greatly from country to country.

These companies are not affected by the general legislative framework enforcing the principle that workers should be informed and consulted on employment-related issues (European directive), although most countries have introduced regulations with lower thresholds. In Germany, for example, even micro-enterprises are covered.

In fact, there are a lot of differences between Member States:

- **In Germany, employers must update** the works council (if there is one) at least four times a year, **even in micro-enterprises.**
- **In Poland** on the other hand, social dialogue in small and micro-enterprises is extremely limited due to the **very low trade union density** and the low level of **employer association membership.**
- **In Greece, the institutional representation of employees is virtually non-existent in small enterprises.**
- **In France,** it is far more common to find worker representation bodies in establishments belonging to large organisations than **in independent establishments where relations between workers and employers are more informal.** The 2008 reform of union

⁵⁸ Small enterprise: defined by the European Commission as a company with fewer than 50 employees and a turnover or balance sheet total of less than €10 million.

⁵⁹ Micro-enterprise: a company with fewer than 10 employees and a turnover or balance sheet total of less than €2 million.

representativeness provides a possible lever to promote social dialogue in small and micro-enterprises, which has changed a lot since the reform was introduced. For example, employer and worker associations recognised as being representative (over 8% of votes in a given sector) can establish “professional joint committees” on a voluntary basis.

Italy and Sweden are both interesting examples because of the role played by small and even micro-enterprises at the regional and/or sectoral levels.

- According to Eurofound⁶⁰, **Italy**, known for its network of small and micro-enterprises, is probably the Member State with **the most consolidated bipartite social dialogue practice aimed at small and micro-enterprises at sectoral level** (and at cross-sectoral level in the craft industry). Cross-sectoral bipartite training funds have been established to finance **training plans at regional and inter-company level**. Hence, more than 95% of small enterprises are covered by wage agreements in Italy (at company level or above, compared with an average 65% in the EU, ECS 2009). Measures to introduce negotiating rules at regional level (transferring worker representation powers to regions by creating representative structures for all small companies in a sector or region) have considerably increased the collective coverage of small and micro-enterprises.

In sectors where there are many small and micro-enterprises, **regional negotiation is much more important than company-level negotiation, especially for micro-enterprises**. It plays an important and growing role in social cohesion (in cases of training, job suspension, skills shortages, demographic change, etc.).

- **Sweden is the only country in the Union where employees (trade union members) can be represented by local bodies if there is no trade union in their company, regardless of its size.** Sweden’s Regional Safety Representatives, created in 1949 and extended to the whole of the economy in 1974, provide a gold standard for the introduction of regional worker representation in other Member States. They have for example inspired recent changes in France.
- In Italy and Germany, small companies are not legally bound to inform and consult their workers. However, according to Eurofound, employees of small companies believe their influence on change is just as strong or even stronger than that of their counterparts in large companies (ECS survey 2009).
- In start-ups deriving from the digital and renewable energy transitions, industrial relations are rarely institutionalised regardless of the company. The start-up period generally goes without

⁶⁰ Eurofound, Social dialogue in micro and small companies, 2014. The information that follows is taken from this Eurofound report.

a hitch but experience shows that, when problems arise, the lack of clearly established rules does not help when it comes to finding a solution, which is often brutal and one-sided.

Second stylised fact: **European SMEs have not made the shift to digital.** And while some are aware that the digital transition affects or allegedly affects everyone, the majority of SMEs do not know how to deal with it. Therefore, **new models of social dialogue are needed for SMEs.**

Under these conditions, the best solution might be to introduce measures at branch level, or even combine a sectoral approach (through a lead agency) with a regional approach to ensure better representation and set minimum standards. To do this, **a legal or regional incentive is needed to encourage companies to negotiate at branch level. The European Union could provide the impetus and/or establish broad guidelines and share best practices on the subject.**

From a more global perspective, training programmes are required in order to “drag” SMEs into the digital age and prompt sectors and regions to make the switch.

3.1.1.2 How social partners are taking into account new forms of employment

The profound upheaval currently taking place – heightened by the energy transition on the one hand and the digital transition on the other – has led to the multiplication and diversification of employment forms (Eurofound, March 2015). The latter are increasingly different from the traditional permanent employment model, which offers protection in exchange for compensation and subordination.

Social partners are often perceived as representing and defending “insiders”. They therefore appear less capable and less responsive when it comes to representing new forms of employment, which are highly diversified⁶¹ and less protected. Is this point of view justified? Does the situation change depending on the form of employment, the sector, the level of representation or the country? What adjustment measures are being taken at the different levels, and how successful have they been?

Although there is a broad variety of new employment forms (Eurofound, March 2015) and marked differences between countries, some forms are commonplace (whether connected with the digital transition or not): they include employee sharing, job sharing, interim management, ICT-based mobile work and so on. They concern employees and/or freelancers and self-employed people. The proportion of such forms of employment is increasing everywhere, but at different rates depending on the country. Independent workers alone already account for one worker in three in the United States, and this figure will rise to one in two by 2020. In France, three million people were self-

⁶¹ Eurofound, New forms of employment, March 2015.

employed in 2011, i.e. 12% of the working population.

“The substantial lack of worker representation in these new forms of employment” has been clearly established (Eurofound, March 2015 in particular). It could be caused by the increased fragmentation – and therefore flexibility – of the workforce, which means worker representatives are more difficult to identify and to approach given their limited resources.

Although generally more difficult to represent, these new forms of employment are the object of increasing attention from social partners. However, whether or not implementation of resources is governed by a cohesive strategy depends on the country, the stakeholders and the level of representation, and the results obtained merit further study.

After a long period during which trade unions focused almost exclusively on limiting and preventing the spread of precarious employment, in the first two decades of the 21st century they have begun to develop various initiatives – at least in **Germany**⁶² but also in other countries like Sweden and France – to organise precarious workers and provide them with practical assistance (Aust and Holst 2006, Holst et. al. 2008, Vandaele and Leschke 2010).

The organisation of precarious workers is increasingly regarded as being one of the biggest challenges facing trade unions. First, precarious workers already account for one third of the total labour force in Germany and can no longer be ignored. Because their proportion is growing, recruiting these workers could be a source of new members. Second, improving their working conditions requires not only new regulations but also the organisational capacity to enforce them.

It is still much more difficult however for trade unions to recruit this type of worker. Traditional recruitment channels do not work, as the number of hours worked is either too small or too fluctuating. More fundamentally speaking, they are more dependent on the employer, which often makes them reticent to make contact with trade unions, especially in work environments not favourable to trade unionism.

The unions have tried to respond to this in two ways: by developing **new structures providing individual assistance to both members and non-members**, and by conducting **recruitment and organisational campaigns** aimed specifically at certain groups of workers. Examples of this are information platforms (ver.di) and specific targeting within wider campaigns (IG Metall, ver.di). The German metalworkers’ union, IG Metall, has for example chosen to focus on recruiting temporary workers. As it is difficult to recruit temporary workers in agencies, the trade unions have started to create special networks for temporary workers in the companies that employ them and at local level

⁶² WSI, report by Dr Reinhardt Bispinck and Dr Thorsten Schulten, Trade union responses to precarious employment, 2011.

(www.igmetall-zoom.de). IG Metall and ver.di have thus taken it on themselves to initiate their own transformation, and other organisations, like the CFDT for example, are following suit. Independent workers can join IG Metall provided they themselves are not employers.

In Sweden too, TCO⁶³ would like its members to focus on new professions, on anticipating future skills needs and on adapting to new jobs. The social partners have signed a transitional agreement with the financial sector, allowing workers to seek further training if they are in danger of losing their jobs or if they want to change careers.

Lastly, the trade unions have managed, through public debate, to draw attention to the need for “quality jobs” as opposed to precarious jobs.

In Italy, the labour market has become considerably more flexible over the last 20 years, as demonstrated by Mimmo Carrieri and Luigi Burroni⁶⁴. First, the trade unions have endeavoured to improve their situation by participating in various national and local social pacts. However, things became more difficult in the 2000s because of the growing divide between the government and employers on the one hand, and trade unions on the other. The divergence between the three main union confederations became more pronounced; the UIL and the CISL entered into agreements with the government and employers while the CGIL did not. The only exception was in 2007, when all three confederations signed an agreement with the Prodi government. In the late 1990s, the Italian trade unions began trying to set up specific structures for temporary workers, dependent entrepreneurs, etc., but the **new trade unions remained small in comparison to the others and had fewer potential members**⁶⁵. Nevertheless, they play “an important role in negotiating some industrial agreements” and have considerable development potential. “In cooperation with employers, the trade unions have established a bilateral social security system specifically for temporary workers, funded by the social partners themselves. This system has improved health and safety practices, introduced new guarantees for temporary workers, promoted career and income stability, and established healthcare rights, training programmes, etc.”

In Poland, self-employment is “almost a disease” according to Solidarnosc, with some people (such as bakers) having no choice in the matter. Again according to Solidarnosc, self-employment is less and

⁶³ Extract from the above conference.

⁶⁴ Luigi Burroni and Mimmo Carrieri, BARSORI Project, “Bargaining for Social Rights” – Country report Italy, 2011.

⁶⁵ BARSORI Project, “Bargaining for Social Rights, Trade union responses to precarious work”, funded by the European Commission, 2011.

less profitable and some fundamental rights (such as the right to strike) are not always respected⁶⁶.

Yet it is vital to ensure continuity of rights for independent workers. This problem cannot be solved simply by asking social security schemes to coordinate with each other and by creating a single file. Some⁶⁷ recommend reforming the system from the outside. In France, social security schemes for independent workers (e.g. RSI and Cipav) often provide little protection and are outdated, being originally designed for the liberal professions and small businesses of the 1950s.

Online freelance marketplaces are becoming more and more important. Therefore, **contributions should be levied on all transactions made on these platforms** in order to finance new collective guarantees for “independent” workers: the platform should declare the income of workers, levy contributions and pay the same taxes as any other company, based on the fact that it is a “permanent establishment”.

The problem is that everything is based on the traditional wage-earning model, to the detriment of outsiders: social protection, social dialogue, access to credit, housing and so on. Of course, innovative schemes do exist, for example umbrella companies and the auto-entrepreneur status in France. However, the French Employment Code is designed primarily for wage earners. It is too complex and it fails to take into account new employment forms.

How is Europe creating an impetus for change? How can it plan ahead? Europe could:

- review the initiatives it has already taken for the benefit of new employment forms in relation to contractors’ and workers’ rights;
- set out economic criteria (rather than legal criteria) defining new employment forms, which could be applied across Europe and help provide the necessary clarity: for example, it could adapt a few European directives – such as that on rest breaks – for new employment forms (13 hours for knowledge workers, etc.).

Our social dialogue and social protection systems must take into account the rise in new forms of employment. However, that would mean either changing existing social institutions or creating new ones. This question is being debated in several countries, including Germany.

⁶⁶ Extract from the third round table meeting at [the conference of 25 November 2015](#) (click on the link to view the proceedings online).

⁶⁷ Nicolas Colin, The Family.

Talks between German social partners on new employment forms

In June 2015, as part of the national dialogue on the future of work in the digital era, **the two biggest confederations of German employers' associations** – BDA and BDI – finalised a document setting out their positions on the issue.

Besides arguing for greater flexibility and less trade union influence on the digitalisation of companies, they discussed the protection of new employment forms such as crowdworking.

They say that if the traditional employment framework is maintained, **“new and emerging forms of employment must not be limited by excessive regulation.”** BDA and BDI refuse, for example, to discuss a specific employment status and social protection for crowdworkers, who often perform small tasks at home via an online platform.

The trade unions have countered by **issuing a warning against a labour market in which “every employee is transformed into a small entrepreneur”, thus shattering social standards and labour protection.**

The German metalworkers' union, IG Metall, launched its FairCrowdWork Watch platform on 1 May 2015. Through the site, crowdworkers can score companies on things like working conditions and pay. They can also discuss their experiences of crowdworking and obtain legal advice from the union. The purpose of this initiative is to **include crowdworking in IG Metall's area of representation.** It was instigated by the president of IG Metall, Detlef Wetzels, who is concerned about the fact that crowdworking is not, at present, covered by labour legislation or by collective wage agreements.

Source: Planet Labor no. 9120, June 2015, and the Mettling Report, September 2015.

Including new employment forms in our social protection systems and/or inventing **new social protection systems**, defining fundamental personal rights and, at the same time, planning and organising their obligatory financial contribution to social protection systems would promote and secure career progression as well as intra- and inter-company mobility in Europe.

The service platforms that have emerged with the collaborative economy – in which part of the work is done not by the platform itself but by its users – have played a key role in establishing the rights and

contributions of such workers. This duty to inform must be clearly established. Social partners could play a role in ensuring that it is.

More specifically, the growing number of “fake independents” raises several problems: the lack of social protection for the person concerned, the loss of tax revenue and unfair competition. Therefore, the difference between paid employment and self-employment must be clarified.

Following the example of the US Department of Labor under the Obama administration (see the Mettling Report), **new economic (rather than legal) indicators should be established**, which could then be used as a basis for **discussions on updating the definition of wage earner through a broader spectrum of criteria** (how autonomous is the worker? who makes the decisions regarding compensation? how exclusive are the services provided? etc.). Of course, such an undertaking should involve all stakeholders, including social partners, and be the subject of pan-European debates organised – as and where necessary – by the European Commission, for the purpose of restoring social dialogue in Europe.

3.1.1.3 How social partners are opening up to new emerging sectors

Social dialogue occurs primarily in sectors where social partners are already well represented. In emerging industries, social dialogue is rare and, in some cases, non-existent.

We will begin by looking at the new sectors that have emerged as a result of the energy transition, before going on to consider the impact of the digital transition.

However, before we start, some clarification regarding methodology is needed. The energy transition should not be regarded primarily in terms of a “green economy” that emerged “out of nothing”, embodied mainly by new power generation sectors driven primarily by renewable energy sources. All sectors are being or will be called upon to change. Opinion on this issue was divided at first (Confrontations Europe, 2012 seminar on the “myth of green jobs”), but is now widely shared (see the European Commission’s climate and energy package and the positions adopted by social partners at different levels, notably the IndustriAll European Trade Union).

Nevertheless, an analysis of the situation in new emerging sectors is imperative. We will focus here on the electricity industry and on renewable energy production. In these sub-sectors, the existence and/or efficiency of social dialogue is linked to whether⁶⁸:

- the energy source is “established”, e.g. hydropower;

⁶⁸ As highlighted in the European Commission’s 2012 report on industrial relations.

- the renewable energy is supplied by “established” energy providers (these sub-sectors are therefore well represented by the traditional stakeholders in companies).

On the other hand, there are still:

- a wide variety of companies in the emerging industries (production of solar power, wind power, biomass and so on);
 - and often many very small companies in which there is little or no collective bargaining.
- On the employers’ side, numerous trade associations have been created to represent companies in the sector, but they do not yet have the right to “negotiate” because they have not yet been recognised as “fully-fledged social partner organisations”.
- On the employees’ side, active recruitment strategies may exist in emerging sectors, but mostly in a handful of countries like Germany. More in-depth studies are needed to get a better picture of the diversity of strategies adopted according to country and sector, and of the actual results of these strategies.

The digital transformation is also creating new sectors but, above all, it is changing or will change all existing sectors too, even more so than the energy transition. In fact value chains, which are increasingly global and fragmented, are tending to expand beyond sectoral boundaries; the border between industry and services is becoming more blurred, **challenging the very relevance of sectors**, as shown by research conducted under the aegis of the WTO (the Made in the World initiative demonstrates that it is increasingly difficult to attribute production to a specific country or sector, as traditionally defined) and by numerous economists (Lionel Fontagné, CEPII).

More in-depth studies will be required to clarify this point, bearing in mind the methodological difficulties this will entail, since sector classifications are no longer necessarily relevant to the situation given the changes that have occurred (besides which, it is not always easy to work out whether changes are due to globalisation or to the demographic, energy or digital transition). One option could be to focus on collecting quality data at European level – and in member and candidate countries – as a prerequisite for the studies.

This means traditional industrial relations systems no longer necessarily “mesh” with the changes taking place. And while the sectoral level has a strategic role to play in dealing with changes causing disruption in sectors too, the latter are no longer always in step with changing economic circumstances. So we are confronted with a paradox, an analytical tangle we cannot completely unravel here. On the one hand, sectoral approaches are still relevant in terms of better understanding different economic and social situations and increasing social partners’ role in developing solutions to changing conditions. On the other hand, the concept of the sector seems

increasingly blurred by the changes in progress. Connected objects and 3D printing, to give just a couple of examples, are going to considerably weaken boundaries that European classification does not take into account. We believe these studies are a necessary preliminary to conducting further valuable research in the future, with a view to improving expertise in industrial relations systems.

Lastly, the analysis would not be complete if, in addition to new types of company, new forms of employment and new sectors, it did not consider certain types of worker, with a special focus on women, young people and even the unemployed.

3.1.1.4 Social partners and women

The European Union puts a special focus on women's contribution to work, and through its Europe 2020 strategy it aims to raise the employment rate of women to 75%.

Considering women separately makes sense for at least two reasons, which are presented here as research questions:

To what extent are women specifically affected by the consequences of ongoing changes? To what extent do industrial relations systems, both in comparative terms and at European level, meet their particular needs?

These questions are relevant because the world of work is not the same for women as it is for men⁶⁹.

In Europe, women already have a weaker labour market position than men, although there are considerable differences between countries. Their workforce participation rate is lower in southern countries (Italy, Greece) than in northern countries (Sweden in particular). Men and women often occupy different positions **in different sectors**. Women are **more often employed part time and on temporary contracts**, which leads to differences in terms of pay, training and so on. They are **also under-represented in position of power**. Even with equal skills, experience and education, women are paid differently to men⁷⁰.

According to the Gender Equality Index developed by the European Institute for Gender Equality and quoted in the Eurofound report, which takes into account work, money, knowledge, time, power and health, our six countries are spread across virtually the whole spectrum of European countries. Sweden is in the top position ahead of France and Germany, while Poland, Italy and Greece rank among the lowest for gender equality at work.

⁶⁹ Eurofound, Sixth European Working Conditions Survey: 2015.

⁷⁰ Eurofound, Social partners and gender equality in Europe, 2014.

Under these conditions, **are the current changes going to make the situation even worse or can they, on the contrary, help to improve it? If so, how?**

There is no consensus as to the impact of the digital transition on women’s contribution to the labour market, which seems rather uncertain.

On the one hand, digital training cohorts and gender stereotypes on access to technical employment opportunities suggest a risk that **women will be massively excluded from the digital job market** while, as the Mettling Report points out, many highly feminised jobs are in danger of being destroyed (in HR, marketing, communication, etc.). Therefore, **digital education – and businesses – must strive to create the conditions needed to feminise the economy and/or offset gender inequality.**

On the other hand, **considering that these changes are a potential source of employment for low-skilled workers, we need to** overcome stereotypes in order to **guide and support** young people – **particularly girls** who have dropped out of school – **towards these jobs.**

It therefore seems all the more useful to try and **clarify the social partners are striving to better address the needs of women** in the labour market and in their organisations.

The above-mentioned Eurofound report⁷¹ provides a lot of information, which is summarised below.

In May 2014, the interprofessional social partners at European level published a “toolkit for gender equality in practice”, which presents 100 initiatives implemented by social partners across Europe. The European Trade Union Confederation is committed to achieving gender equality within its decision-making bodies (see the 2011 Athens Congress, where it was stipulated that the representation rate of each gender should be between 40 and 60%). As for the UEAPME, CEEP and BusinessEurope, they are promoting gender equality within the broader context of diversity. In 2005, European social partners agreed on a Framework of Actions for Gender Equality focusing on four priorities: 1- address gender roles in society and in the labour market; 2- promote the equal participation of women in decision-making; 3- support the work-life balance; and 4- tackle the gender pay gap. The gap has not reduced at all in the ten years since then. Initiatives like those adopted in 2014 are more necessary than ever.

At national level

	Internal actions		External actions	
	Trade unions	Employers’ org.	Trade unions	Employers’ org.

⁷¹ Eurofound, Social partners and gender equality in Europe, 2014.

DE	+	?	+	+
GR	+	?	+	?
FR	~	?	+	+
IT	+	~	+	+
PL	?	?	-	-
SE	+	+	+	+

Source: Eurofound, Social partners and gender equality in Europe, 2014.

In Sweden, France and Italy, the trade unions and employers' organisations have units, committees or departments that focus on gender issues. In Germany, Greece and Poland, only the trade unions have them. The trade unions in France, Germany and Italy have introduced quotas for women in decision-making positions. In practice, regardless of such quotas, there are a few emblematic examples of women in leadership positions: Emma Marcegaglia as President of BusinessEurope, Henryka Bochniarz as President of Lewiatan, Marcella Panucci as Director General of Confindustria, Eva Nordmark as President of TCO, Carole Couvert as President of the CFE-CGC, etc.

In Germany, "Girls' Day" has been relatively successful in addressing gender roles in society and in the labour market. Social partners and the government have set up a project to attract more women to untraditional sectors. In France, sector-level initiatives have also been implemented, although gender-related issues are more generally addressed at the interprofessional level. In Sweden, social partners have established a well-developed training programme. The Swedish Trade Union Confederation (LO) organises numerous seminars on gender equality. Saco has developed an internal checklist to help its employees arrange parental leave, and recruitment strategies to ensure only a candidate's skills are taken into consideration. Some organisations, mainly trade unions, have developed strong policies to make life easier for working families (e.g. flexible working arrangements). Some encourage paternity leave. In Poland, lack of resources seems a major obstacle to implementing internal gender equality actions. Less and less importance is being given to such matters, which does not prevent Poland from having a better gender equality index than Greece and Italy, where social partners are more active in promoting it. Commitment to gender equality has lessened in countries like Italy and Greece, which were hit hardest by the economic crisis and therefore have fewer resources available and competing priorities to contend with. In Italy, enforcement of regulations and laws is still weak. In Greece, gender discrimination and inequality are on the rise. Social partners in Greece regard women, particularly young women of childbearing age, as one of the most vulnerable groups in terms of employment, due

to the burden of maternity and the many tasks they have to perform due to inadequate social support structures.

Generally speaking, a change of paradigm is needed⁷²: women should no longer have to adapt to essentially masculine industrial relations structures. On the contrary, their individual situations, priorities and needs should be considered not only as “normal” (like those of their male counterparts) but also as a starting point for rethinking organisations and institutions. Efforts to support women in the labour market will only be effective if they are accompanied by measures to change working conditions. **The current changes could, if we seize the opportunity, serve as a springboard for changing industrial relations systems so they are no longer a factor of inequality but an effective means of combating gender discrimination/segregation in the workplace and of putting an end to the male employment norm.** Everyone stands to gain in fact, including male workers who could achieve a better work-life balance. However, despite progress made so far, this “transformation” of industrial relations systems still seems far from widely accepted, depending on national cultures and traditions and on the stakeholders involved.

3.1.1.5 Social partners and young people

The European Union also puts a special focus on young people in Europe, particularly through its Europe 2020 strategy.

The research questions pertaining to young people are similar to those pertaining to women: are young people affected more by the consequences of current changes? How are industrial relations systems at both European and national level trying – in comparative terms – to find solutions?

The analysis conducted here is based⁷³ on the initial findings of existing research⁷³ and on the results of research performed by Confrontations Europe⁷⁴. We will attempt to identify avenues for discussion and action, based on a review of the existing literature on the subject, suggestions put forward at European seminars hosted by Confrontations Europe, and input from our partners.

⁷² Eurofound, EIRO, Marianne Gruenell and Marianne Schaapman, Gender mainstreaming in industrial relations. See also Yvon Lott, “[The need for a gender perspective on digitalization](#)”, WSI, Hans Boeckler Stiftung, 5 August 2015.

⁷³ Sources include various Eurofound reports as well as European Commission reports on industrial relations, mainly from 2014.

⁷⁴ 2015 European seminar on youth engagement and a conference held in Bologna in October 2015, in partnership with the Astrid Foundation.

At present, there is no sufficiently widespread consensus (shared by the various stakeholders and experts in industrial relations) on how the ongoing changes are affecting young people. We have even encountered something of a paradox in our attempts to answer this question. On the one hand, the current changes could heighten the challenges young people face both in the labour market and in terms of their representation by social partners. On the other, young people have the potential to take full advantage of the new opportunities offered by these changes – in terms of both employment and participation in industrial relations systems – provided we take appropriate action at all levels.

We must therefore focus specifically on young people. Young people in Europe are, on average, more likely to experience unemployment, job insecurity and difficulties in finding a job, as evidenced by NEETs (young people who are Not in Education, Employment or Training), which undermines social cohesion both within and between European countries. In fact, **42% of young workers in Europe are on temporary contracts, as opposed to 13% of older workers**⁷⁵. So, even though the situation differs from country to country, Europe is depriving itself of a lot of talent and, at the same time, undermining its workforce reservoir for the future. Situations can vary greatly between countries and within certain countries. In some parts of Italy, 60% of young men and women are unemployed; in some areas of Greece, 90% of young people are out of work!

Yet in a world that is changing fast and where growth will, in the future, have to be steadier, more efficient and circular (which does not necessarily go without saying), young people could be a source of opportunity, reflected primarily in their relationship to work:

- **All else being equal, finding meaningful, interesting work is a priority for young people; this shows a general disposition towards professional commitment, since the content and purpose of the work is at least as important as status or pay.**
- **They associate work with a sense of community,** teamwork and cooperation on projects or assignments. Moreover, team and community spirit is moving faster than anything else up the list of what young students look for in a job, although people also naturally seek “recognition”: six students in ten believe **personality** should be the most important factor in the recruitment process. This characteristic trait is in sync with a world in which cooperation and project-based work seem to be becoming key success factors.

Bearing in mind that getting a foothold in the labour market is complicated to say the least for young people in numerous countries, and that many are doomed to go from one traineeship to another for

⁷⁵ Figures taken from the Euractiv article of 9 April 2014: <http://www.euractiv.fr/section/europe-sociale-emploi/news/le-soutien-a-l-emploi-des-jeunes-europeens-n-est-pas-sans-failles/>.

example, the European Union therefore adopted a “quality framework for traineeships” in 2014. The aim is to give trainees a better chance of finding a job. But social partners believe this initiative is inadequate. **The European Trade Union Confederation is calling for a “European strategy for quality employment”⁷⁶**, aimed especially at young people.

Nevertheless, surveys show that **young people do not generally feel represented by trade unions, despite acknowledging they have a role to play in defending their interests**. Trade unions in most Member States are seeing a significant drop in membership. They are aware of the challenges they face, including the need to improve how young people perceive trade unionism and to represent all workers, including precarious and independent workers.

Initiatives are also being taken at national level: the Irish Congress of Trade Unions (ICTU) is gearing its actions more towards young people and its membership is growing. Some national unions are trying to better organise temporary workers, for example in Spain, Slovenia, Portugal and Bulgaria. In 2005, the Swedish trade unions (TCO, LO and SACO) introduced concrete measures to increase their presence among high school and university students⁷⁷.

It goes without saying that, given the broad diversity of industrial relations systems, some national unions are more appealing to young people than others; some offer more services (pension schemes, insurance discounts, etc.), while in others the agreements negotiated cover only unionised employees, which encourages workers to join.

Young professionals would like to be consulted more and involved in internal decision-making processes. Trade unions have also observed a drop in investment in training and apprenticeship in Europe. The European Alliance for Apprenticeships, established in 2013 by social partners and the European Commission, is not producing the expected results. The number of apprenticeships available did not rise until summer 2015 (even in Germany)⁷⁸: there is still a great deal of work to do in this area.

Young people seem interested in the social and solidarity economy because it offers meaningful work and the employment conditions are different to those in other sectors (in France, 600,000 jobs should be created by 2020)⁷⁹.

⁷⁶ Position adopted on 10 and 11 March 2015 by the European Trade Union Confederation.

⁷⁷ For example: TCO set up a structure called TRIA, the aim being to recruit 26,000 students by 2017 and to make sure half those students remain members of a trade union after joining the workforce. Source: ETUC newsletter, “Trade union recruitment in Sweden”, May 2006, https://www.etuc.org/IMG/pdf/SWEDEN_EN.pdf.

⁷⁸ Fact sheet, European Commission, 22 June 2015, http://europa.eu/rapid/press-release_MEMO-15-5241_fr.htm.

⁷⁹ <http://www.gouvernement.fr/action/l-economie-sociale-et-solidaire>.

Therefore, several avenues for discussion and action could be explored, based on feedback from existing initiatives and effective sharing of best practices⁸⁰:

- Build more bridges between jobs, sectors and training (even two-month placements should be leveraged);
- Encourage the involvement and participation of young people in corporate decision-making processes;
- Give young people a bigger role in the decision-making bodies of trade unions and professional organisations;
- Make young people one of the main targets of trade union recruitment strategies;
- Encourage trade unions and countries to share best practices on the role and involvement of young people;
- Make better use of time allocated to social commitments;
- Expand the range of trade union services to attract a younger and more mobile membership, following the example of certain Member States; and
- Consider developing partnerships between trade unions and various Member States to cover mobile workers, whether unionised or not.

Despite the measures and strategies implemented – albeit disparately – by social partners, the most pressing issues (those connected with new employment forms, independent workers, women, young people and outsiders) have only been partially addressed.

3.1.2 Promotion of a “bottom-up” approach

Despite the significant, though unequal efforts of Member States to integrate new population categories, workers, employment forms and sectors, we are still far short of the mark. In places where stakeholders are largely unorganised – new sectors, new Member States and new employment forms, and in population categories most easily excluded from the labour market – social dialogue is almost non-existent.

The energy, ecological and digital transitions are helping to create a **growing diversity of activities** and company types, as well as new employment forms and sectors; they are also increasing the risk of disparity and inequality between different categories of worker and between member or candidate

⁸⁰ Derived also from the literature review mentioned at the beginning of this section and from sharing of best practices at seminars.

countries. Therefore, **solutions are needed that are less uniform and more specifically adapted for real, on-the-ground situations**⁸¹.

Furthermore, **the rapid changes brought about by these transitions** are shaking up our production processes, our consumption patterns and our lifestyles, and are **forcing us to adapt quickly and constantly to new situations**.

The fast-changing economic environment has prompted growing diversity in our activities and in the way we conduct them. This makes it more and more difficult to develop uniform (one-size-fits-all) legislation applicable to all professions, right down to the smallest detail. Hence legislation tends to be limited to the establishment of framework laws and basic principles⁸².

In this context, because of the extra effort needed to protect the most at-risk and vulnerable companies, sectors, employment forms and workers, social dialogue – and its potential contribution to developing legislation tailored to the specific needs of different professions – is more necessary than ever.

At the same time, these constant changes could lead to a loss of bearings when it comes to striking the right balance between workers and employers at different levels. Analyses and approaches therefore differ depending on which industrial relations system in the European Union is considered.

So the role of social dialogue could increase in countries where legislation has always been predominant (e.g. France), while countries where bilateral social dialogue is traditionally stronger may need “framework” laws to establish fundamental principles in a context of change (e.g. Sweden). These are the initial elements of analysis that emerged from the seminars hosted by Confrontations Europe and its partners, and from the feedback and assessments provided by representatives of systems as different as those of France and Sweden. They merit further scrutiny and confirmation. In theory at least, such changes could lead to a sort of convergence between disparate industrial relations systems.

Generally speaking, except in countries where bilateral social dialogue is well organised, the goal is to consolidate social dialogue as a means of combining economic efficiency with social progress.

However, **some argue that collective bargaining is outdated and entrenched in restrictive, unyielding legalism and in confrontational relationships that struggle to produce results in a context of crisis, digital change and Uberisation.**

⁸¹ See the preceding section, which confirms these observations based on current research findings and input from our partners.

⁸² Contribution by Bernard Housset, Labour Market Advisor at Confrontations Europe and former Human Resources Director at Danone.

So the challenge lies in exploring how social dialogue can be changed, for it to become a tool in transforming employment and competitiveness. How do we create a dynamic in which social dialogue plays a bigger role, and thus break from a system that is overly legalistic and institutionalised?

With regard to social dialogue itself, decentralisation of collective bargaining is a common and widely accepted trend that has the advantage of bringing decision-making closer to the local level, but it poses a threat to social cohesion. It should also be pointed out that organising sectors into prime contractors and sub-contractors exacerbates problems of inequality between workers and/or companies, which intra-company negotiations alone cannot resolve. **New balances must be found that take account of these factors (especially decentralisation), counteract their negative effects and restore the power of our industrial relations systems to promote economic and social progress in Europe.**

Decentralisation is a fact, so instead of trying to shore up traditional systems no longer fit for purpose **we should be focusing on research with a view to changing industrial relations systems in Europe so that they promote both economic competitiveness and social cohesion.** Naturally, it is stakeholders' primary responsibility to adapt. While the European Commission is of course not in charge of social dialogue, it does have a role to play (see the recommendations below formulated specifically within the frame of this project).

3.1.2.1 Will marginal adjustments be enough or is a whole new system required?

We have shown in the preceding sections that, while industrial relations systems have taken a variety of useful measures to obtain positive results and to better represent different types of workers, jobs and companies, their efforts are no longer equal to the task.

Given the scale and exponential pace of change, our industrial relations systems, despite their qualities, are more fitted for the industrial age. Marginal adjustments may not be enough to maintain their beneficial effects, which are less and less apparent in the day-to-day lives of workers and companies today.

It is therefore necessary to devise a new system more able to mobilise the dynamic forces in European civil societies, and more "agile" so it is not left behind by change, which would increase inequality. The new system would also have to provide the support and training necessary for everyone to successfully negotiate the digital and ecological transitions.

Rethinking our industrial relations systems in light of the changes taking place raises questions on two levels, which are presented here as research questions:

Considering that industrial relations systems in Europe, despite their diversity, are still based on a vertical, top-down approach (organised hierarchically with subordination between levels to ensure maximum protection), what scope is there for finding innovative solutions to the challenges brought about by change? Is it possible and/or acceptable to redesign our systems according to the following approaches? If so, what results can we expect to achieve?

- **A bottom-up approach** based on worker participation and the introduction of codetermination at the company, regional, sectoral, national and European levels;
- **A horizontal approach** more appropriate to our time and to the changes currently taking place, and that fosters cooperation, co-construction/co-innovation, work in project teams and communities, etc.
- These approaches can only be implemented if vital and fundamental guarantees are established at European level and transposed to national law.

In this report we don't claim to have done a systematic analysis of our industrial relations systems' capacity to meet the challenges and opportunities brought about by the current changes, through innovation. This would require further in-depth work. However, we will analyse potential avenues for discussion and action with the aim of more firmly establishing the respective advantages and roles of the different levels in the current context of change. Then we will address the issue of coordination and cooperation between levels, the goal being to foster (re)convergence or even Europeanisation of industrial relations systems.

Digital innovation and social dialogue

Integration of digital tools into social dialogue could, to a certain extent, help us develop industrial relations systems organised on a more horizontal basis, first by enabling worker representatives to access digital education and second by reducing the formalism sometimes characterising institutional relations. Digital technology should improve information and consultation practices, and social dialogue could take place via exchange forums between employees, employers and their representatives. Although direct personal contact is irreplaceable, this would also provide an **opportunity for social partners at all levels to better understand/mobilise workers** by co-organising surveys and other information gathering activities to **conduct more efficient analyses and co-develop social solutions**, as explained in the Mettling Report.

The practical implementation of digital tools such as collaborative exchange forums must be organised and supervised at all levels (company, regional, sectoral, interprofessional and European). Because digital technology can also create new types of relationship in which fundamental freedoms and rights are undermined (see part one). Incentives could be proposed to encourage implementation of these

tools. In fact, digital technology could be an excellent means of reinforcing different forms of democracy, including social democracy, although it will never replace person to person contact; summarising feedback, for example, is difficult and will have to be based on the necessary intervention of worker and employer representatives.

Regular skills validation organised with social partners

As François Michaux explains (see reference below), we are facing a foreseeable skills crisis in the long term.

The acceleration in technological change worldwide (acceleration and diversification of innovation, environmental constraints and so on) requires more frequent, more large-scale and more costly updating of skills in numerous sectors.

The substantial population decline in many parts of the world (including Europe) means skills of a lower professional level are being mobilised.

The education systems in many European countries are deteriorating because they are so difficult to reform. In addition, the student population is increasingly diverse (young people from many different backgrounds, migrants and adults seeking a career change), which means a much broader range of teaching methods is required.

Lastly, although situations vary greatly from one European country to another, the general inability of our systems to retrain the unemployed shows we have neither the methods nor the financial resources needed to meet these rapidly increasing retraining needs.

There are several options for addressing these issues:

Organise regular skills validation with social partners, as part of the lifelong learning process. Skills validation takes place every seven years in the American automotive industry for example.

The validation system would be negotiated with social partners then enforced (with possible sanctions) in order to massively stimulate active worker investment and encourage the **creation of interactive self-learning tools adapted for different profiles** (or the sharing of existing tools), as well as the necessary learning support. **The cost would be shared across a branch or between European Member States.**

Insert based on the work of François Michaux, Labour Market Advisor, Confrontations Europe⁸³

⁸³ "Investing in the development of skills and training for a competitive Europe", PowerPoint presentation of a study carried out by François Michaux for Confrontations Europe and presented in Brussels on 20 March 2014.

3.1.2.2 Respective roles and accomplishments of industrial relations systems at different levels

To explore the conditions needed to give meaning and value to a bottom-up approach, and to ensure it addresses the challenges raised by change as effectively as possible, we will begin our analysis at the bottom, i.e. at the company (or more specifically) the worker level. We will then look at the regional, sectoral and interprofessional levels, and will conclude by discussing how each one is coordinated at European level.

3.1.2.2.1 In companies

A company must above all be imagined, in its ecosystem, as a human community with all its stakeholders.

In today's increasingly competitive world, workers cannot identify with the need for competitiveness unless they are given responsibility and invited to participate in building their company's project, i.e. in defining its goals and performance targets.

All workers are entitled to have a voice in the decisions that affect them. Worker participation is already a core element of the European social model. It is a fundamental right recognised by the EU Charter of Fundamental Rights. It is an integral part of democracy. It is also vital to the competitiveness, and indeed survival of companies.

In Europe, Germany has been a forerunner when it comes to worker participation in decision-making processes. Other countries, like Sweden, have also introduced forms of codetermination. Member States have adopted different approaches to deal with collective changes: Germany has opted for codetermination while Sweden has introduced more flexible and reliable support for professional transitions and human investment.

A frequently mentioned obstacle to development of real codetermination in France and other southern European countries is the culture of class struggle, which is still alive today and results from behaviours among both workers and employers. Nevertheless, the experience of companies like Sanofi, Danone and La Poste (with its "Grand Dialogue") shows – if that were necessary – that seeing a conflict through to the end can produce tangible results, provided the conflict is open, viable and constructive. According to these companies and others, **worker participation is a fundamental right, even when a company is restructuring**⁸⁴. In France, **the labour issue is not sufficiently addressed, sometimes even totally encumbered by decision-making bodies**, as pointed out by Marc Deluzet, Director General of the OSI (International Social Observatory), and François Cochet of Secafi. However,

⁸⁴ Summary of the "The future of work and employment" seminar hosted by Confrontations Europe on 4 April 2013.

further to recent changes arising from interprofessional social dialogue (section two of the ANI [national interprofessional agreement] of 11 January 2013), discussions are organised around a company's future and strategy.

As previously indicated in the Davignon report produced in 1997 by a high-level expert group on worker involvement, "the type of labour needed by European companies – skilled, mobile, committed, responsible, and capable of using technical innovations and of identifying with the objective of increasing competitiveness and quality – cannot be expected simply to obey the employers' instructions. Workers must be closely and permanently involved in decision-making at all levels of the company"⁸⁵.

Today, we are witnessing the disintegration of the social pact between employees and employers, under which workers accepted subordination in return for protection. The pact was a Fordist compromise, a product of a stable and hierarchical society that is no longer relevant in today's open and mobile world. Today, the wage-earning model is in crisis. It "is no longer consistent with economic constraints and completely fails to meet the expectations of workers", even though it provides for basic rights such as training, healthcare and pension provision⁸⁶.

Hence the recommendation in this report is to **develop European codetermination standards in companies** and organise a transitional and experimental phase enabling companies in different sectors and countries to negotiate the most effective way of putting standards into effect.

Besides worker participation, which encompasses many other elements (representation of the overall workforce, CSR, direct participation, collective bargaining, financial participation through employee shareholding and savings schemes, etc.)⁸⁷, the **organisation of labour must be changed**, as mentioned earlier in this report. This will also require changes in management systems. As a result of current changes, for example the digital transformation, "the leader is no longer the person who issues orders but the person who inspires motivation" (Benedikt Benenati, Vice-President of Digital Communications, Renault⁸⁸).

Although Europe has done more than any other region in the world to achieve economic and social compromise, social dialogue and management are now in need of sweeping reform.

For example, **recent changes have led some large groups to completely rethink their organisation, and to switch from a business- or sector-based organisation** (e.g. energy efficiency, electricity, gas) **to**

⁸⁵ www.worker-participation.eu, ETUI website, European Trade Union Institute.

⁸⁶ Jean-Pierre Gaudard, *La fin du salariat*, 2013.

⁸⁷ See www.worker-participation.eu, ETUI website.

⁸⁸ Conference organised by Confrontations Europe on 21 April 2016.

a region-based organisation. Such a reorganisation cannot be accomplished without social dialogue, training and consultation with all stakeholders. Hence, a European social agreement is under discussion within the Engie group to facilitate the transition.

Besides changes in the organisation of labour and the need to organise worker participation, there is **room for development of collective bargaining at all levels, especially at company level.**

Across Europe, negotiations on the reform of industrial relations systems are making good progress.

For example, bearing in mind the pace of change, the question is being debated as to whether more importance should be given to collective agreements and to the independence of social partners, even if that means letting social partners – or the law – decide what should be compulsory and legally required. In France, a recent report (the Combrexelle report) recommends expanding the scope of collective bargaining to include areas such as the organisation of labour within companies. It also recommends opening up collective bargaining to new areas of industrial relations, by legal mandate. The digital economy is specifically included in these new areas. Proposals to give industrial agreements a more important role⁸⁹ have given rise to tough debates between those trade unions agreeing with proposals and those calling for top-down harmonisation. Therefore, if we are to build more widespread support and enhance the role of social dialogue at different levels (including in the workplace), it is all the more important that we forge a broad consensus and introduce guarantees to enable and protect social partners' independence.

In Greece for example, the 2012 reform (law no. 4024/2012), which empowers informal **“associations of persons”** (comprising at least three fifths of a company's employees) to negotiate agreements at company level, has **led to further fragmentation in the trade union movement** and **impeded participation of sector-level unions** since company agreements have overriding effect, as emphasised by the 2014 report on industrial relations and the ILO committee of experts⁹⁰. However, the situation in Greece is unusual and difficult to compare with others because the country's industrial relations system has broken down as a result of the economic crisis. But while Greece cannot be directly compared with other countries, it is a good reminder that guarantees are needed to enable the social partners (preferably the most firmly established) to develop tailored solutions at company level, with a high degree of autonomy. These guarantees stem not only from the characteristics described in the

⁸⁹ Terra Nova report « Réformer le droit du travail » (3rd Septembre 2015), Institut Montaigne report « Sauver le dialogue social – priorité à la négociation d'entreprise » (Septembre 2015), Report of the Combrexelle Commission « La négociation collective, le travail et l'emploi », 2015.

⁹⁰ Observation (CEACR), adopted in 2012 and published during the 102nd ILC session (2013), Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

preliminary note of the introduction (Visser), but also from a greater degree of autonomy at company and local levels, exercised in accordance with firm principles defined collectively at a higher level.

3.1.2.2.2 In regions and municipalities

In response to these changes, organisational measures are being introduced at regional level in various countries. This level could play a **crucial role in economic and social development, and in the creation of cooperation ecosystems between all stakeholders.**

We are basing ourselves here on best practices shared at European level, at seminars and conferences organised with our partners. At this stage, reporting of best practices is more than anecdotal because it depends on the input and quality of relationships forged with thirty or so partners in our six different countries. However, it is worth pursuing in a more organised manner to identify innovation and to further examine and/or qualify the main conclusions drawn here and proposed as a starting point for discussion and action.

The Emilie-Romagne region and a large group of stakeholders including employers' organisations and trade unions conducted a pilot project on creating the conditions for economic development in the region. The outcome was an agreement between all stakeholders, with the aim of promoting investment. **Thus certain regions have developed a strategic vision of social dialogue**⁹¹. This recent pact for employment aims primarily to create a network of technology hubs based on the model that already exists in Germany, bringing together companies, institutions and social partners. A little like in Sweden, the network comprises institutions and economic and social players, the goal being to improve the quality and standard of jobs and training while increasing competitiveness by bringing schools and businesses closer together. Regions must develop joint strategies involving all stakeholders, and develop a local plan of action in which economic players adopt an outward-looking approach.

Another interesting experiment is taking place in the Ile-de-France region and also involves numerous stakeholders. By encouraging several industrial sectors to work together and adopt an integrated approach, it has enabled the analysis of future developments in different professions and the conception of training programmes designed to build bridges between those in decline and those that are growing⁹².

⁹¹ Extract from the Bologna conference held in October 2015 as well as the [third round table meeting at the conference of 25 November 2015](#).

⁹² Conference of 25 November 2015, Confrontations Europe: presentations and analyses by Syndex: see [Conference proceedings](#) (in French).

While the practice of social dialogue in regions and employment basins varies considerably in terms of dynamism and the topics discussed, many issues lying at the crossroads between social and economic concerns would benefit from being explored within this framework, including the attractiveness of the region, anticipation and management of changes and restructuring programmes, competitiveness clusters, human resource planning, vocational training and sustainable development⁹³.

Review and sharing of best practices in social dialogue and regional action, as well as trialling of normative agreements at the request of regional social partners⁹⁴, would be useful not only within individual Member States but also at European level. The European Commission could play a proactive and incentive role in the matter. It could also highlight best practices relative to transnational agreements.

Hence the recommendation to develop regional social dialogue on a European scale to address the impact of the energy and digital transitions on jobs.

3.1.2.2.3 In sectors

After regions and municipalities, the sector is the most important intermediary level between the company and interprofessional levels, and as such it deserves greater consideration.

The value of sector-level agreements (within different industrial relations systems) seems⁹⁵, despite the broad variety of systems, to be:

- widely misunderstood by SMEs, which tend to see any new legal document as a constraint and source of additional cost. At best, they appreciate such agreements when they clarify or decipher a legal obligation in a concise and straightforward manner;
- underestimated by large companies, which think they can do without them, having concluded or being able to conclude more ambitious, independent agreements that offer something in return.

Without going into detail, the main advantages of sector-level agreements are as follows:

- they involve a relatively homogeneous group of activities facing similar problems (facilitating the involvement of negotiators);

⁹³ Walter report, *Réalité et avenir du dialogue social territorial*, EESC, 2009.

⁹⁴ Ibid 27.

⁹⁵ As explained below by Bernard Housset, Labour Market Advisor at Confrontations Europe.

- as a result, they resolve certain issues for which a separate, company-level approach would not provide any decisive competitive advantage and would, on the contrary, encourage social dumping as a competitiveness factor;
- they enable companies (should they wish) to focus their own social dialogue on other actions likely to enhance their management practices, internal relations or indeed external image – even if it means offering something in return.

Improvement of sector-level dialogue within different industrial relations systems could, despite the broad variety of systems, offer the following advantages:

The function of sectors could be clarified in order to strengthen their role in industrial and/or strategic matters and to enable – in a supplementary manner and in the absence of industrial agreements in small and very small companies in particular – the provision of services such as model agreements or negotiation support for small companies, while human resource planning could be systematically organised at sector level.

National sector-level structures could cooperate more with each other, in spite of their wide diversity. Lastly, the establishment of a skills validation system (along the lines of the British NVQ or France's slightly complex VAE) could be useful in connection with a national or European (and itself scalable) repertory. However, the effectiveness of the sector level also depends on how it is organised nationally. The number of sectors varies considerably according to the national industrial relations system. Collective bargaining does not mean the same thing in the French metallurgy sector (where the UIMM negotiates for very large numbers of companies and workers) as it does in small branches with only a few thousand employees, which do not have the critical size needed to conduct effective collective bargaining or to provide regional services for small companies. This is confirmed by the fact that the majority of them have not concluded any agreements in recent years.

In some countries, including France, using public incentives to bring professional branches together on a voluntary basis is a necessary measure.

Social partners have in fact developed some interesting initiatives at sector level to deal with the energy transition. For example, they have **facilitated vocational training and retraining.** In some cases, they have also enabled SMEs to access these services, which is important because the structure of companies in new emerging sectors is often fragmented⁹⁶.

⁹⁶ Sources: 2012 report, plus summary and proceedings of the 2014 European Economic Debates and the 2014 European Debates in Warsaw organised by Confrontations Europe.

Considering the digital and energy transitions, it might be **useful to consult with the sectors to determine their needs in terms of skills and training**⁹⁷ and to:

- assess their requirements based on their qualifications and their core businesses;
- analyse the cost of training required by the digital transition, even though funding can only be provided at sector level;
- update these analyses on a regular basis.

This could be done on a national scale to **prevent risk of isolation or exclusion, for example of SMEs or women. Even better, it could be done at European level to prevent further polarisation between European countries, some of which are more advanced in respect of these changes than others.** This would enable the subsequent development of more appropriate support, tailored to specific needs. Thus, social partners would be responsible for **reporting specific sectoral and intersectoral needs and for developing – with the European Commission and/or their respective national authorities – specifications for implementing the required training and support.**

Based on this, and on human resource planning, **a vast re-skilling and retraining programme should be developed in Europe.**

In short, the goal is to redefine the role of the different levels (company, regional, sectoral, national and European) in a coherent and coordinated manner, based on the development of skills and training.

Advantages of the sector level in Europe

The benefits of sector-level social dialogue and agreements (as set forth above) are also found at European level, for example **benchmarking, potential avoidance of social dumping** and of its effect on anti-European sentiment among workers, and **prospective studies likely to affect employment.** It might also be added that the existence of European sectoral agreements should facilitate worker mobility between countries.

Mutual recognition of both university and vocational qualifications will be one of the most important issues for employees in terms of frequency and evaluation of professional opportunities. However, preliminary measures will be required to bring national and European levels of the sector closer together.

⁹⁷ Also suggested in the Mettling Report.

Likewise, sectoral agreements could help European multinationals manage their human resources more effectively and define their corporate social protection and profit-sharing policies. Thus they would give employees a greater sense of belonging and equality.

European industrial (group-wide) agreements are legally more secure if they are part of a European sectoral agreement.

There is a risk of European sectoral agreements being incorrectly or inadequately enforced, but are these possible drawbacks worse than not having such agreements at all? If the negotiators act in good faith, it should be possible to rectify any problems at regular meetings of the European sectoral social dialogue committee. They could also be handled by a small team or office in charge of dealing with minor problems between plenary meetings or putting them on the agenda for the next meeting (if such a team exists).

Insert by Bernard Housset⁹⁸

3.1.2.2.4 At interprofessional level: the necessity of consolidating social dialogue in Member States

As we have seen, national industrial relations systems differ considerably in the way they are organised and in their contribution to tackling change-related challenges. Besides, as highlighted in the first part of this report, the involvement of national social partners is a precondition for the representativeness and effective implementation of European agreements. **Ensuring European agreements are serious and effectively enforced is vital to the credibility of both social dialogue and the European project.** Implementation of European commitments through independent agreements in Member States – especially in eight or ten of them according to the fifth work programme of the EU social partners for 2015-2017 – is inadequate. According to the EESC, **the input of social partners is taken into consideration in only a very small number of Member States.**

Therefore, we need a European framework that encourages social dialogue, especially at national level. Helping to create conditions for a social partnership in each country is crucial, without necessarily changing processes and structures but strengthening the role of social partners in countries that need it most. Because **fresh impetus is needed in all Member States and not just those where social dialogue is well organised.**

Lastly, social dialogue can also play a role in new forms of “soft law” relative to market construction.

⁹⁸ Bernard Housset, Senior Advisor at Confrontations Europe and former Human Resources Director at Danone.

3.1.2.2.4.1 Existing measures

We will focus here on Central and Eastern European countries, characterised by “transitional” industrial relations systems. The latter differ from other kinds of systems (Visser, 2008) in that they have a lower organisational density of social partners (mainly because there are few or no employer organisations), low coverage by collective agreements at decentralised level and little interaction with the state (industrial relations report, 2012). It is therefore in these countries that need for reform is the most pressing. While systems in other countries need to be reinforced, it is to a lesser extent.

In most Central and Eastern European countries, social partners are in a comparatively weaker position, the role of tripartite social dialogue is contested and industrial relations institutions, like collective bargaining, are less developed than in most EU-15 countries, as shown in the 2012 report on industrial relations. **However, this does not mean social partners in Central and Eastern European countries are passive victims of the changes taking place. They have succeeded in making themselves heard**, not only on the austerity measures triggered by the economic crisis but also **on the brutality of the energy transition and the lack of support to facilitate the social transition of Polish miners**. This action capability is necessary to build the additional resources these countries need to tackle new challenges, including leadership capacity, and new formal and informal practices for negotiating or cooperating with other social partner organisations at the national and European levels. It is **vital that we substantially strengthen industrial relations in these countries**:

- Employers’ organisations are most often fragmented and inadequately developed in Eastern European countries, **but multinationals offer a good opportunity for Europeanisation at company level** and for transposing practices from the EU-15 to Eastern European countries. At present, multinational companies are clearly the biggest employers in many Eastern European countries and, in some countries (particularly Poland), they have increased the role of employers’ organisations (see 2012 report on industrial relations). However, they have not Europeanised social standards to any significant extent, often preferring to adapt to local conditions. **Incentives could therefore be introduced** (see below).
- Given the quite decentralised nature of industrial relations systems, greatest potential for reinforcing trade unions lies at company level and in the workplace. But this does not mean we should disregard the sectoral and national levels. In the past three years, changes have been reported in the trade union organisations of several countries. Accused of protecting “insiders”, **they have taken steps to more effectively represent the interests of workers in new, non-standard forms of employment** (notably “fake” independents and illegal workers). These employment forms are neither new nor specific to countries in Central and Eastern Europe, but they are more common there. In 2014, Polish trade unions organised a general

strike against temporary contracts (their views being echoed in the 2014 report on industrial relations). The unions called for the European Commission's support in changing the positions of the Polish government and employers⁹⁹.

3.1.2.2.4.2 The need for a fresh approach

Numerous initiatives have been taken, particularly within the frame of European reunification and post-reunification strategies, but so far there have been no demonstrable results in terms of the convergence of systems and of social standards. So a fresh approach is needed.

New emphasis could be placed on capacity building, means of implementation and the evaluation of results. The EESC is pushing for the development of indicators to control the **quality of national social dialogue, which would be useful well beyond the boundaries of Central and Eastern Europe.**

- Debates involving a wide range of stakeholders would be necessary simply to develop these indicators and to reach a broad consensus on what exactly “quality social dialogue” means.
- The 2015-2017 work programme provides for the creation of “a subgroup mandated to look into follow-up and implementation of autonomous social dialogue instruments”, which “will meet in the context of each Social Dialogue Committee meeting [...] in order to achieve better implementation outcomes aiming at coverage in all Member States.”
- That said, the Commission has an active role to play in this area (see below). The agreement on work-related stress has gone unheeded in many countries. The European Commission should take action if a Member State fails to adequately enforce signed agreements.

3.1.2.2.5 Through civil dialogue

As previously shown, current changes have revealed a need to give consideration to a wide variety of economic and social stakeholders in partnership relationships¹⁰⁰. There are no longer two types of player, i.e. employers and workers plus their representatives, but at least four: besides regional organisations, NGOs are increasingly becoming key partners in both the energy and digital transitions.

⁹⁹ Eurofound, EIRO, European Industrial Relations Observatory, Dublin, in particular 27 Feb 2012 and 17 Mar 2014.

¹⁰⁰ See in particular [the proceedings of the conference](#) held in Brussels on 25 November 2016 by Confrontations Europe and its partners as part of this project (click on the link to view the proceedings online or go to [confrontations.org](#)).

Moreover, involving civil society (via NGOs) in addressing the challenges posed by the energy and digital transitions, and more broadly speaking in global societal changes, could be **a possible lever** for “completing” our democracies. Based on elections, these are suffering from the crisis in representative democracy, which needs to be renewed with a **permanent deliberative dimension** involving the different elements of civil society.

In France, for example, the aim of the Grenelle Environment Forum 2007 and the COP21 was to replace administrative decision-making with five-party decision-making involving the state, local authorities, environmental NGOs, professional organisations and trade unions. However, this has proven more difficult in practice than in theory.

The ideal of a broader, more societal democracy creates a dual conflict of legitimacy, between parliament and social partners on the one hand, and between NGOs and social partners on the other.

In some European countries, the conflict is largely attenuated by social partner autonomy, recognised by public authorities. But in countries like France it is clearly expressed. According to socialist MP Philippe Touzelier, “parliament cannot be reduced to simply rubber-stamping the occasional compromises of civil society”, while New Centre MP Dionis du Séjour argues that parliament is “the only body that has the democratic legitimacy to enact laws”¹⁰¹.

Social partners do not intend to allow civil dialogue to “dilute” their specific role in negotiations on social and economic matters. Nevertheless, social dialogue and civil dialogue are complementary. The resolution on the European Economic and Social Committee on social dialogue reflects the concerns of social partners and – since it was unanimously approved – seems to indicate that similar concerns are felt in other European countries too¹⁰².

So the respective roles of civil dialogue and social dialogue must be clarified. Obviously, civil society should not take part in every stage of social dialogue. However, **if the voice of civil society were strengthened, it would extend the reach of social dialogue**. There is nothing to prevent collective bargaining from being enhanced by the participation of all stakeholders, i.e. civil society first of all, but also citizens, who must be brought on board too. In the energy sector for example, NGOs have become key players.

The European Code of Conduct on Partnership should enable the systematic involvement of citizens affected by policies being discussed.

¹⁰¹ Cited by Henri Rouilleault in *Où va la démocratie sociale ?*, 2010.

¹⁰² Opinion of the European Economic and Social Committee on “social dialogue in the context of a genuine economic and monetary union,” presented by rapporteur G. Dassis and approved unanimously on 19 December 2014.

This should be an open arena for informed debate, in which citizens can interact and influence decisions taken by the European institutions. Which means rethinking citizen participation and, consequently, European democracy so that Europe's citizens can regain ownership of the European project. This new public forum for interactive debate should not aim simply to legitimise the decision-making process, but to enhance and guide it.

The role of regions as the organisers and guarantors of this multipartite dialogue could be investigated in greater detail. To do this, the term "region" should carry fewer "institutional" connotations, and regions should be viewed as "relevant in terms of projects to be debated". The European Investment and Structural Funds could participate more in encouraging citizen engagement and promoting these outcomes, provided they are allowed a certain degree of flexibility in targeting relevant regions (within the frame of the required guarantees).

Increasing civil society participation could also be a means of engaging young people, bearing in mind they are just as keen to get involved as previous generations, if not more so. But they tend to engage more spontaneously in NGOs or social media, rather than in politics or social dialogue.

3.2 Coordination

It is essential that we share and accept joint responsibility for these issues to co-create a European solution to these ongoing changes. Regarding our industrial relations systems, if we want them to continue being effective, or make them effective again, we must rethink coordination between the different levels and promote convergence and Europeanisation to help them evolve and to make the necessary structural and operational improvements. This is essential if we want to preserve our European specificity and encourage the development of a European paradigm with regard to this dual energy and digital transition. It also requires that we reflect on **an overall coherence encouraging complementarity and effectively balancing the different levels and means of regulation.**

3.2.1 Coordinating the different levels

Decentralisation, not yet thought of at the European level even though it can be either structuring or destructuring

As Marcel Grignard, President of Confrontations Europe, said in his conclusion at the end of the conference held on 25 November 2015 organised by Confrontations Europe¹⁰³, bargaining is becoming

¹⁰³ See [the proceedings of the conference](#) and the article by Marcel Grignard published in Confrontations Europe, La Revue no. 112, January/March 2016, [Un dialogue social à l'échelle européenne](#) (click on the link to view the article online).

increasingly autonomous in companies throughout the European Union and is making professional regulatory mechanisms less and less effective, despite there still being a broad variety of national industrial relations systems. **Although not yet thought of at the European level, decentralisation plays a major structuring and destructuring role.**

Furthermore, due in particular to the fact that little progress has been made in terms of converging national dialogue systems, coordination between the European level and the national level is difficult, in terms of both interprofessional and sectoral dialogue.

So how can we improve coordination between these levels? Certainly not by seeking a form of global, immovable hierarchy. No doubt by attempting to **define benchmarks in a given field and their relationships with other levels.** For example, regions and municipalities have opportunities to evaluate which trades are booming and which are on the decline from a cross-sectoral perspective, which suggests that this level could play a pivotal role in this area.

What consideration should we give to **the growing interdependence of companies organised in networks?** And to the integration of final beneficiaries into production processes for goods and services? Or even the increasing importance of the regional dimension in business strategies? A place must be established for not only the different players within a company but also **external stakeholders,** conducive to creating synergies capable of addressing these issues.

How can we bring about shifts in current positions, pave the way for the necessary changes without increasing social competition? Avoid a multiplication of uniform and rigid legislation and instead secure social progress?

3.2.2 Recreating convergence and Europeanising industrial relations

Differences between the industrial relations systems of the EU-15 countries and of Central and Eastern European countries are such that it is unlikely Europeanisation in the form of a top-down harmonisation of social standards will happen all by itself through an endogenous movement emanating from the bottom, as stated in the 2012 report on industrial relations. Unions representing workers in Eastern Europe and employers in the EU-15 countries not present in Eastern European countries would like this to be true, in order to fight social competition from the bottom up and raise social standards. But the same cannot be said for either employers in Eastern European countries or trade unions representing workers in the EU-15. The EU therefore has a role to play in promoting coordinated Europeanisation, to ensure greater convergence and cohesion.

Europeanisation could be promoted through national social partner commitments to European social dialogue, exchanging information within networks of trade unions and employers'

organisations and transferring social dialogue standards within multinationals. However, such measures have had no concrete impact as yet on the industrial relations systems of Eastern European countries and their social standards.

A complementary avenue could therefore consist in creating benchmark and best practice systems and a level playing field, based on discussions with the workers concerned to foster co-responsibility.

The right conditions could indeed be created since there is consensus on the need to clear a place on the agenda for the digital and energy transitions at various levels, and to encourage widespread discussions at European level and in the various countries that involve all stakeholders and in particular social partners, similar to the “dialogues of the future” (Zukunftsdialog) introduced in Germany under the leadership of the Chancellor with a twofold objective, i.e. to combine efforts in addressing these challenges and in identifying possible solutions and to revive participatory democracy.

This points to the need for both national and European public authorities to play an incentive role if we want to succeed.

3.2.3 The role of national and European public authorities

The European Commission must also call itself into question, which is something it has already begun doing. Its President wants to restore the importance of social dialogue, which involves implementing a genuine strategy formulated with those most concerned, BusinessEurope, the UEAPME and CEEP on the one hand, and the European Trade Union Confederation on the other. If the future is all about innovation, the Commission must also seize the opportunity and realise that some of the solutions will stem from initiatives hatching in regions and municipalities and in companies. We need:

- **to dedicate resources aimed at supporting such experiments and innovations;**
- **a system for tracking these initiatives, and for evaluating and disseminating those that are reproducible;**
- **to encourage convergence of national systems;**
- **to integrate social dialogue into the different economic policies,** and not consider social dialogue something entirely separate in order to recreate links between economic and social policies in a Europe we will become increasingly less able to build by means of a top-down approach.

The European Social Fund (ESF) plays an important role in supporting the transition to new jobs and skills arising from the ongoing changes. Further studies, beyond the scope of this report, are needed on ways of redesigning structural funds to make them more accessible and effective.

3.2.4 Recommendations and avenues for consolidation, renewal and Europeanisation

We need to develop an integrated approach to a European industrial relations system meeting today's needs and determine its role.

As Yves Barou says, Europe must continue writing its social history, despite the many obstacles¹⁰⁴. There have been ups and downs, “multiple conflicts and some glacial periods”, but it is social dialogue that has driven the main social changes. Despite this, today, “the path to genuine European social dialogue, nourishing social practices converging towards a social Europe, still seems so far away that it is hard to imagine even the first steps.”

Here we make a series of specific recommendations, arrived at as a result of discussions held with our eminent partners, with the aim of offering some albeit embryonic first answers to the following question: how can social dialogue be used to drive Europe?

- **Extend the scope of discussions with social partners to include skills, the (“just”) energy transition, the digital transition and innovation** and better define the role of sectoral social dialogue in this area;
- **Involve social partners in all countries in the development of training curricula, provide guarantees at European level for all workers allowing them to develop their skills throughout their career**, train teachers in corporate matters and in the ongoing changes and establish a European framework for European mobility and in-company training;
- **Involve stakeholders in the promotion and definition of investments of common interest**, whether European or not, and in the selection criteria for such investments (not only financial but also economic, social, societal, environmental, etc.)¹⁰⁵. Forums for dialogue will therefore be required in order to elucidate the resulting measurement systems, discuss them and even help make the necessary changes so they meet specific societal priorities¹⁰⁶;
- **Involve not only European but also national social partners at each stage of the European Semester** (European social and economic governance process) in preparing and introducing reforms as well as country recommendations, many of which concern human investment, in order to encourage acceptance and implementation;

¹⁰⁴ Yves Barou, Chairman of the European HRD Circle, in *Confrontations Europe*, La Revue no. 109, April/June 2015, [L'Europe a besoin de dialogue social](#) (click on the link to view the article online).

¹⁰⁵ Anne Macey, Chief Executive of Confrontations Europe, in *Confrontations Europe*, La Revue no. 109, April/June 2015, [Partenaires dans les mutations](#) (click on the link to view the article online).

¹⁰⁶ Conference on “Measuring the impact” organised by Confrontations Europe and Nicole Alix, member of Confrontations Europe’s board, in Paris in January 2015.

- **Provide an optional framework in European companies to strengthen signed agreements and promote those of an innovative nature¹⁰⁷** (approximately 100 signed by pioneering companies and the IndustriAll European Trade Union in particular);
- **Develop European sectoral social dialogue as a means to avoid social dumping and to not leave small businesses by the wayside, in particular in relation to the ongoing changes;**
- **Encourage a more widely-shared approach to the benchmarking of good practices and challenges at the European interprofessional level,** with the aim of learning to get to know each other and negotiate again;
- **Imagine Europe as a series of circles (already a practical reality), including in terms of social dialogue, in order to experiment with convergence** in smaller circles, starting, as suggested by Yves Barou in “Confrontations Europe, La Revue”, with training.

¹⁰⁷ Yves Barou, Confrontations Europe, La Revue no. 109, April/June 2015, [L'Europe a besoin de dialogue social, www.confrontations.org](http://www.confrontations.org).

4 CONCLUSIONS

Given the ongoing changes and their accelerating pace, there is a risk of dialogue going by the wayside in places where it is most needed. Such dialogue must be encouraged among all workers, in all companies, and in all countries.

Social Europe is facing the same problem as political Europe. In today's rapidly changing world, it is those most concerned who must be most involved – we can no longer rely solely on a top-down approach to the European social dialogue mechanism. The whole challenge lies in keeping up with the very rapid changes affecting workers.

Which presupposes a significant decentralisation of collective bargaining to create opportunities inside companies – which are having to cope with rapid, major, heterogeneous and sometimes unexpected changes – for adapting and responding to actual situations in collaboration with the workers themselves. This must be combined with a robust social rights base (sectoral, national, European) coordinated in such a way as to avoid not only social competition but also sharing value only in places where workers are collectively stronger.

This decentralisation phenomenon is already a fact, but it must be organised in order to include the social dimension in economic decision-making in the very early stages rather than managed afterwards, which hasn't been the case in all countries.

The very scale of today's changes requires the involvement of all levels – company, regional, sectoral, interprofessional, European (European Works Councils, sectoral and interprofessional committees) and even global – placing a focus on results and dissemination.

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6 ANNEXES

6.1 Annex 1: CONFRONTATIONS EUROPE AND ITS PARTNERS: RESPECTIVE ROLES

The main responsibility for the project lies with **Confrontations Europe**, which describes itself as an expert in industrial relations for at least three reasons:

- **Its methods:** as a non-profit organisation and an active European think tank recognised for its work on encouraging the participation of social and economic stakeholders¹⁰⁸ in European construction;
- As a network of non-profit trade unions and organisations both at European level and in the Member States (30,000 European social and economic players);
- **Its expertise in industrial relations in Europe** does not stem only from its members and partners (see the distribution of roles below), but also from its long experience in the field. Philippe Herzog, Founding President of Confrontations Europe and a former Member of the European Parliament, has written several reports. In his appeal [For an integrated and inclusive European industrial competitiveness strategy](#), written after 60 meetings of Confrontations Europe, he proposes reforming social and industrial relations systems to enable the active participation of social and economic stakeholders in managing companies and anticipating change. He and the Honorary President have hosted numerous conferences on this topic: “Renewal of the social and economic dialogue on employment, training, the industrial imperative and competitiveness” (Bologna 2012), “For a social market economy in Europe: reconciling competitiveness with solidarity” (Paris 2011), and “Social dialogue and partnerships for the development of industry and services in the European single market” (Warsaw 2010). This expertise is naturally extended and reinforced by President Marcel Grignard’s knowledge and experience of the social movement in France and Europe. Before joining Confrontations Europe, Marcel spent his entire career as a leader of the CFTD, the biggest reformist trade union in France and a member of the European Trade Union Confederation.

The other partners of Confrontations Europe are associated organisations (social partners at the European, interprofessional and sectoral levels and in the target countries [six Member States and one candidate state], specialised research institutes including the ETUI and universities, and regional authorities). They contribute a fully pan-European dimension and reinforce the expertise of industrial relations systems in the different countries through their participation not only in the steering committees that direct, monitor and analyse the project and in the cycle of European seminars (as

¹⁰⁸ Including trade unions at the European, national, interprofessional and sectoral levels, employers’ organisations, European regional authorities, research centres (for example the ETUI and IRES) and universities specialising in industrial relations.

speakers, debaters or guests) and the November 2015 conference, but also in the writing of reports and articles for large-scale distribution (special section of La Revue, special edition of the e-newsletter, final report) and, occasionally, in the scientific committee of La Revue (ETUI, ILO, IRES, *Liaisons Sociales Europe*, Astrid Foundation, etc.). They also contribute to increasing the impact of and the dissemination of the results of action taken in their respective networks and countries.

Partners who were members of the steering committee of the project:

The associated partners of the steering committee played an active role in the orientation of the project, in the organization of preliminary seminars and in the conference on November 25th 2015, as well as in the elaboration of the report summary.

- Think tanks: l'Observatoire social international, Astrid Foundation, Bertelsmann Stiftung, SHS Fondation
- European social partners: BusinessEurope, European Trade Union Confederation, IndustriALL European Trade Union,
- Sectoral employers' federations: CEFIC, UIMM
- National social partners: CFDT, CFE-CGC, CGIL, Solidarnosc, Tusiad, MEDEF
- Regions: Région Göteborg
- European institutions : CESE (CCMI)
- Research institutes and consulting firm: ETUI, IRES, Syndex, Groupe Alpha
- Media: IRSHARE

Partners of the project :

These partners are social and economic actors, members of Confrontations Europe's network, such as for example the Emilia-Romagna region, EDF, Engie, La Poste, Michelin, Sanofi, Société générale and the media Toute l'Europe.

They delivered concrete testimonies of their own experience of the industrial relations, the difficulties they had and the best practices they've identified.

6.2 Annexe 2 : RECENT CASES OF RESTRUCTURING EVENTS

Recent cases of restructuring events in the sectors of renewable energies, nuclear energy, automotive or road transport, but also of e-commerce and of the information-communication

These recent events impacted German firms too: E.On et RWE, but also Phoenix Solar, French or Italian firms like Areva, EDF, Enel at the end of 2015...

They gather also examples of business expansions, especially linked to R&D activities in renewable energies: the Italian firm 3Sun in Sicilia, joint-venture between Enel Green Power, Sharp and STMicroelectronics specialized in innovative photovoltaics cells and panels, which emphasized the recruitment and the training of workers who previously worked at STMicroelectronics.

Several cases of laid-off workers come from well-established energy providers, following especially the German decision to stop nuclear production after Fukushima. Some of them are highly-qualified workers.

In renewable energies, several cases are linked to the global overcapacity in the solar energy field especially and to the Chinese competition, but also to the decreasing fiscal support of the EU member states.

Announcement date	Country	Company	Restructuring type	Sector	Planned job creation	Planned job reductions min
27/01/2016	France	STMicro-electronics Alps	Internal restructuring	Manufacturing		430
23/01/2016	Poland	PGE GiEK	Business expansion	Utilities	116	-
22/01/2016	Poland	Amazon	Business expansion	Retail	1000	
21/01/2016	Poland	General Electric	Internal restructuring	Utilities		260
13/01/2016	Germany	General Electric	Internal restructuring	Manufacturing		1,7
15/12/2015	Germany	Volkswagen	Internal restructuring	Manufacturing		600
14/12/2015	Poland	UBER	Business expansion	Information / communication	140	
02/12/2015	France	Blablacar	Business expansion	Information / communication	225	
01/12/2015	Sweden	National Electric Vehicle Sweden AB, NEVS	Business expansion	Manufacturing	200	
04/11/2015	Germany	RWE	Internal restructuring	Nuclear		500

27/11/2015	Italy	Enel	Internal restructuring	Energy production		3
27/11/2015	Poland	Groupon	Business expansion	e-commerce	300	
24/09/2015	Italy	Groupon	Internal restructuring	e-commerce		128
29/09/2015	Germany	Siemens	Internal restructuring	electricity and gas		1,1
07/09/2015	Italy	Telecom Italia	Internal restructuring	Information / communication		330
26/08/2015	Sweden	IBM	Business expansion	Information / communication	300	
13/05/2015	France	IBM	Internal restructuring	Information / communication		345
11/05/2015	France	Alten	Business expansion	Information / communication	2500	
07/05/2015	France	Areva	Internal restructuring	nucléaire		2,774
15/04/2015	Germany	Areva	Internal restructuring	nuclear		1
28/04/2015	France	Renault Trucks	Offshoring/Delocalisation	Road transport		591
11/03/2015	Sweden	Ericsson	Internal restructuring	Manufacturing		2,2
09/03/2015	Sweden	Sony Mobile Communications	Internal restructuring	Manufacturing		975
18/11/2014	Italy	IBM	Internal restructuring	Information / communication		260
15/10/2014	Italy	E-Care	Internal restructuring	Call centre		489
01/10/2014	Italy	Nokia Solutions and Networks Italia	Internal restructuring	Manufacturing		115
08/04/2014	Greece	Public Power Corporation (DEI)	Business expansion	Electricity provider	600	
14/11/2013	Greece	Hellenic Telecommunications Organization (OTE)	Internal restructuring	Information / communication	500	1,827

Source : board elaborated from the European Restructuring Monitor, Eurofound

6.3 Annex 3: OVERVIEW OF INDUSTRIAL RELATIONS IN TURKEY AND THE ENERGY AND DIGITAL TRANSITIONS

The current state of industrial relations in Turkey should not be compared to that in Western European countries, which have had well-established industrial relations systems for decades. It is important to also take into consideration the complexity of social dialogue and the history of industrial relations in Turkey.

Nevertheless, Turkey is a candidate for EU accession and must therefore align with the so-called “acquis”. It applied to join the European Economic Community in 1987. In 1997, it was declared eligible to join the EU, and accession negotiations began in 2005. Of the 35 accession chapters, 14 have been opened to date. **Social dialogue falls within chapter 19 on social policy and employment, which has not yet been opened** but is not politically blocked. If we compare with other candidate countries, chapter 19 is closer to being opened for Montenegro and the screening process has just been completed for Serbia. However, it has not been opened for the other accession countries.

In January 2007, the Council ruled that Turkey must meet two essential benchmarks before chapter 19 can be opened, **one of which requires the establishment of full trade union rights, i.e. “the right to organise, the right to strike and the right to bargain collectively”**. **Since then, trade union legislation has been amended. In 2012**, following tough talks between social partners and the government, two new laws were introduced on trade union rights in the private and public sectors. In 2013, the government asked the European Commission to evaluate whether the opening benchmarks had been met, and the European Commission issued its **annual progress report** on Turkey¹⁰⁹. **Social dialogue is still relatively recent in Turkey, which must be taken into consideration**. The European Union set up a high-level working group involving the Turkish government, the European Commission, all the Turkish social partners, representatives of European social partners, and expert bodies like the International Labour Organisation to examine the effects of the legislation. There have been **a few legislative changes since then regarding, for example, the thresholds trade unions must meet to attain collective bargaining rights**. The Constitutional Court of Turkey has also ruled on complaints filed by various stakeholders, regarding the law on trade unions.

But a number of problems remain. **In the private sector**, 12.5 million workers are registered with the social security office. If we include workers who are not officially registered (often agricultural workers and women not paid by their families) and entrepreneurs, **the total working population is 27 million**. The problem is that Turkish law forbids informal workers like these to join a trade union. In 2014, 34% of workers were not registered and were not protected by either labour law or a trade union. The figure has not dropped since then, and is even moving slightly further from the 17% by 2018 target. Child labour still exists. In all, 1.5 million registered workers are members of a trade union, which is similar to the rate in France. So the trade union density in the private sector in 2015 was 12% (compared with 9% in 2014¹¹⁰). Workers can now join a trade union via a new government portal,

¹⁰⁹ http://ec.europa.eu/enlargement/countries/detailed-country-information/turkey/index_en.htm.

¹¹⁰ Ibid.

which has led to an increase in union membership¹¹¹. However, data confidentiality needs to be improved.

The double threshold requirement for trade unions to negotiate collective agreements – consisting of a workplace threshold (50%+1 of the employees in a company must be trade union members) and an industry threshold of 1% – “is hindering effective social dialogue”¹¹². In fact, **only 1 million workers are covered by collective bargaining. The level of coverage by collective agreements is 5% at most.** Furthermore, while in principle only trade union members benefit from the collective agreements they sign, non-members can also benefit if they pay a “solidarity fee”. Lastly, the Constitutional Court has ruled that it is now forbidden to dismiss workers in small firms because of their trade union activities.

In the public sector, the coverage of collective agreements is much higher, reaching almost 100% for civil servants alone. **But the general ban on strike action in the public sector is a problem** and is not in line with IOL standards.

The European Commission is also assessing the **practical enforcement** of these rights, notably the problems of fragmentation and rivalry between trade unions in the workplace (in particular in the automotive industry in 2015). Trade union density has declined considerably from 29% in the early 2000s to 6/7% in 2013¹¹³. The equally very low coverage of collective agreements can be explained by several factors¹¹⁴, such as privatisation, subcontracting and the fact that Turkey has no tradition of extending collective agreements. Collective bargaining is very decentralised. Agreements are reached at company level and, in exceptional cases, within groups of companies (group-wide agreements), but they are not comparable with the sector-level agreements that exist in various European countries. Another factor is that it is extremely difficult for trade unions to establish a presence in a company because, until they reach the 50%+1 threshold, they are not allowed to provide any services to employees (raising the risk of a house union or of sudden and violent competition between unions with, in some instances, widespread and abrupt changes of affiliation).

The **main collective bargaining parties** in the private sector are three trade union confederations. The biggest, TÜRK-İŞ, strives to be apolitical, HAK-İŞ is more conservative and DISK is progressive. Each confederation has at least one trade union in each of the 20 sectors (i.e. 150 sector-level unions). In the public sector there is Memur-Sen (conservative), Kamu-Sen (nationalist) and KESK (progressive).

On the employers’ side, there is only one confederation: TISK (TUSIAD represents Turkish employers on economic matters). Companies do not belong directly to TISK, but to sector-level organisations that are themselves members of TISK. TISK mainly represents large and medium-sized companies¹¹⁵, including those operating in key industries (metals, chemicals, pharmaceuticals, textiles). According to Eurofound, in 2012, 22 out of a total 47 employers’ organisations were members of TISK,

¹¹¹ 12.5% between July 2013 and 2014, according to Turkey Report 2014.

¹¹² Turkey Report 2015, European Commission, http://ec.europa.eu/enlargement/pdf/key_documents/2015/20151110_report_turkey.pdf.

¹¹³ According to OECD statistics, https://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN.

¹¹⁴ Stan de Spiegelaere, researcher, ETUI, seminar of 3 February 2016.

¹¹⁵ Özgür Doğaç Gursel, research, training and external relations expert, TISK, seminar of 3 February 2016.

representing some 8,300 companies and 1.2 million employees¹¹⁶. The density of employers' organisations has not been accurately established.

Involvement of social partners in public policy making in Turkey

Since 2015, the Turkish government has taken legislative action to address challenges in the labour market, for example the **female employment rate**, which is particularly low in Turkey (31% in 2015¹¹⁷). Turkey has also introduced work permits for **Syrian refugees** and is developing legislation to address not only their illegal employment – an issue to which public opinion is very sensitive because of the “unfair competition caused by the exploitation of Syrian refugees”¹¹⁸ – but also, more broadly speaking, their registration, integration, skills and qualifications (there are more than 2.2 million Syrians in Turkey). A joint task force has been set up, comprising trade unions, employers' organisations and the Ankara branch of the ILO to investigate the refugee crisis¹¹⁹.

In terms of tripartite social dialogue, numerous mechanisms have been implemented under the accession process but the flaws in these mechanisms, explained largely by lack of cooperation between the government and social partners and between the social partners themselves, have so far prevented the establishment of a real social dialogue (Dinler, 2012, Eurofound, 2014). The Tripartite Forum is the oldest existing tripartite body (1946): on the initiative of the Minister for Labour, it is addressing topical issues relating in particular to industrial relations, but it has met only ten times since its inception. The last time was in 2013 when it discussed subcontracting and temporary work agencies but failed to reach an agreement (Eurofound, 2014). The Economic and Social Council is an advisory committee supposed to meet every three months, but its last meeting was in 2009. The tripartite advisory committee set up in 2004 meets every three months (Eurofound 2014). “Nevertheless, better use could be made of both tripartite and bipartite tools” says TISK “although it is only a matter of time until they improve because both TÜRK-İŞ and TISK are fully committed to this process.”

In fact, the social partners have substantially developed informal cooperation in some very concrete areas: joint vocational training projects in each province, youth policies, skill matching and so on. In some industries, such as the energy, metals and construction industries, they deliver joint professional skills certificates¹²⁰.

So social dialogue does exist in Turkey, but the challenges remain, involving notably the size of the state and of the informal economy. The institutional framework of industrial relations and the capacity of social partners could be substantially improved. All this should be viewed from a more general perspective, bearing in mind that social dialogue has been severely tested everywhere, not only in candidate countries.

¹¹⁶ Valk and Süral, 2006; Eurofound Industrial Relations profile, 2014.

¹¹⁷ Ibid. See also the “Turkey Industrial Relations Profile” Eurofound report, 2014, http://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1444en_0.pdf.

¹¹⁸ with a salary estimated at 1/3 of the minimum wage, according to TÜRK-İŞ, seminar of 3 February 2016.

¹¹⁹ See also the TISK report on the refugee crisis. “Perspectives, Expectations and Suggestions of the Turkish Business Sector on Syrians in Turkey”, <http://tisk.org.tr/en/project/perspectives-expectations-and-suggestions-of-the-turkish-business-sector-on-syrians-in-turkey/>.

¹²⁰ Enis Badgdadioglu, Director of Research, TÜRK-İŞ, seminar of 3 February 2016.

Turkish social partners take radically differing views of the challenges, opportunities and even definition of the energy transition: climate change... or energy dependence for Turkey.

The main trade union confederation, TÜRK-İŞ, believes “the approach of businesses to climate change is essentially profit driven. The same applies to consumers, who are maximising their purchasing power without giving enough thought to sustainability. The focus of government/social partner consultations is on identifying sectors that will be important in the future and increasing investments in a more efficient green economy. Transparency and consultation with social partners will play a key role in the transition to a fairer and greener economy”.

The employers’ organisation TISK believes “the energy transition is not a matter for social dialogue in the sense of worker-employer relations. It is a serious political problem that must be dealt with at macro level, at the highest echelons of government. Turkey depends on foreign sources for 98% of its energy needs, which has a knock-on effect on security, transportation and cost of energy. Hence the government’s efforts to diversify sources by investing in nuclear and renewable energy. This is an issue that goes beyond the scope of industrial relations. The social partners do not have the institutional capacity to play a full role in this process. The transition from fossil fuel-based production to carbon-free production will take time”.

6.4 Annex 4

6.4.1 Table 1: Employee representation thresholds by country

	Thresholds for general employee representation		OSH employee representation	
	<i>Employees representatives / Works council / joint bodies</i>	<i>Trade union representatives</i>	<i>OSH workers' representatives</i>	<i>OSH joint committees</i>
France	10 employees (staff delegates) 50 employees (comité d'entreprise)	no threshold		50 employees*
Germany	5 employees 100 employees (Wirtschaftsausschuss)	no threshold		20 employees with external experts*
Greece	50 employees, but 21 if there is no trade union presence in the company 'Associations of employees' in non-unionised firms: 5 employees	21 members	No threshold	
Italy	15 employees (Rappresentanze Sindacali Unitarie – RSU)	no threshold	15 employees	
Poland	50 employees	10 members**		250 employees*/***
Sweden	not provided for	no threshold	5 employees	

* Compulsory

** Poland does not provide for any employee representation channel in micro-companies.

*** Thus, no OSH employee representation in small and micro-enterprises.

Source: Eurofound, Social dialogue in micro and small companies, 2014.

6.4.2 Table 2: Small and micro-enterprise coverage by social dialogue institutions and by collective bargaining*

France	Western (eastern) Germany **	Italy	Poland	Sweden
Share of establishments with at least one employee representation body ('employee delegates' or 'shop steward') (results include structures belonging to larger companies/structures) (2010-2011): - 11-19 employees: 37% (independent establishments: 29%)	Share of establishments in Germany covered by a sector-level collective agreement (2011): - 1-9 employees: 25% (13%) - 10-49 employees: 43% (27%) - Average: 32% (18%) Share of establishments in Germany covered by a company-level agreement (2011): - 1-9 employees: 1% (2%) - 10-49 employees: 3% (6%) - Average: 2% (3%)	Among the firms with 20-49 employees in the private sector (2013): - 60% have union members among their employees - almost 30% have a trade union	- Trade union membership is declared by 7% of employees in companies which employ up to 50 people (13% for medium-sized companies and 26% for large companies) (2012).	In companies with 1-49 employees, 60% of the companies did not have collective agreements or application agreements (in any case, agreements

<p>- 20-49 employees: 65% (independent establishments: 58%)</p>	<p>Share of establishments with a works council (2011):</p> <ul style="list-style-type: none"> - 5-50 employees: 6% (6%) - Average: 10% (9%) <p>Share of employees covered by a works council (2011):</p> <ul style="list-style-type: none"> - 5-50 employees: 10% (11%) - Average ^{***}: 44% (36%) 	<p>representation structure</p> <ul style="list-style-type: none"> - firm-level collective bargaining is present in 17% of them 	<p>- 10% of micro and small companies say that there is a trade union operating in their company (52% in medium-sized companies and 68% in large companies) (2012).</p>	<p>were more common among companies with more than 5 employees) (2010).</p>
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* No information available for Greece.

** In the case of Germany, a clear divide can be observed between western and eastern federal states ('Länder'), with western German federal states having higher coverage by social dialogue institutions. Figures for eastern Germany in brackets.

*** Average of all firms independent of size.

Source: Eurofound, Social dialogue in micro and small companies, 2014.

6.5 Annex 5 : LIST OF EUROPEAN SEMINARS AND CONFERENCES ORGANISED AS PART OF THE PROJECT

Preparatory seminars:

- *Anticipation of restructuring process and its public and private management: role of the European Works Councils*, 30th January 2015 in Brussels
With the following speakers :
 - Mireille BATTUT, associate director, Groupe Alpha
 - Fernando VASQUEZ, lawyer, former civil servant of the DG employment, European Commission

- *Energy transition and European sectorial social dialogue : the case of the electricity and chemical industries*, 2nd April 2015 in Brussels
With the following speakers :
 - Adélaïde BOODTS, Policy Officer, EURELECTRIC
 - Béla GALGÓCZI, Senior Researcher, ETUI
 - Koen LAENENS, Secretary general, Directeur for social affairs, Essenscia and Chair Steering Committee, ECEG
 - Sylvain LEFEBVRE, Deputy General Secretary, IndustriAll European Trade Union

- *Seminar on "Challenges of the digital transition and training of the work-force: role of the social dialogue*, 15th July 2015 in Brussels
With the following speakers :
 - Antoine Foucher, Deputy director-general, MEDEF
 - Christophe Gauthier, Mission director, SECAFI
 - Wolfgang Kowalsky, Legal advisor, ETUC
 - Robert Plummer, Adviser, social affairs department, BUSINESSEUROPE
 - Alexander Riedl, Deputy Head of unit, DG CNECT, European Commission

- *Role of social dialogue in Europe economic and social governance"*, 15th October 2015 in Brussels
With the following speakers :
 - David DION, Head of Unit, social affairs and industrial relations, DG Employment, European Commission
 - Maxime CERUTTI, Director of the social affairs department, BUSINESSEUROPE
 - Cinzia SECHI, Policy advisor, ETUC
 - Antje GERSTEIN, Head Brussels Office, Confederation of German Employers' Associations (BDA)

Meetings of the working groups:

- *Etat des lieux du dialogue social en Europe - Analyse comparée dans 6 pays : Allemagne, France, Grèce, Italie, Pologne, Suède*, 14th January 2015 in Brussels

With the following speakers :

- Frédéric LERAIS, director, IRES
- François MICHAUX, labour policies advisor, Confrontations Europe
- Tim VAN RIE, Policy Analyst, Industrial relations analysis and sectoral social dialogue, European Commission

Debate moderated by Anne MACEY, chief executive, Confrontations Europe.

- *Transition to a low-carbon economy and industrial relations: Case studies - Germany, France, Poland, Sweden*, 29th April 2015 in Brussels.

With the following speakers :

- Lars Bern, Area Manager Energy, process leader and developer, Gothenborg
- Fabien Couderc, Federal secretary, FGMM CFTD
- Robert Szewczyk, International Dept., NSZZ "Solidarnosc"
- Dannel Wennick, deputy director of the Brussels office, in charge of energy, climate and communication, Svenskt Näringsliv.
- Harm-Berend Wiegmann, Policy Officer for Energy and Skilled Crafts, DGB

Debate moderated by Anne MACEY, chief executive, Confrontations Europe.

- *Does youth professional engagement exist?*, 8th July 2015 in Brussels

With the following speakers :

- Ignacio Doreste, ETUC Youth Committee coordinator
- Claude-Emmanuel Triomphe, general delegate, ASTREES (Association Travail, Emploi, Europe, Société)

- *Jobs at the digital age: creative destruction or destructive creation?*, 9 July 2015 in Brussels

With the following speakers :

- Dominique BAILLY, Chair of the CSR committee, PostEurope and Director of HR Performance and Strategic Planning, La Poste (FR)
- Anne MEISTER, Senior Adviser, Confederation of German Employers' Associations (BDA)
- Laurent ZIBELL, Policy Adviser, IndustriAll European Trade Union

- *Industrial relations in Turkey*, 2nd February 2016 in Brussels

With the following speakers :

- Stan de Spielgelare, researcher at the Trade union Institute
- Enis Bagdadioglu, TURK-IS
- Özgür Dogaç GÜRSEL, research, Training and External relations expert, TISK
- Christiane WESTPHAL, DG Employment, European Commission

Conférence on "*Employment and social dialogue : from the territories to the European level*", the 22nd October 2015 at the regional Council of Emilia-Romagna in Bologna, structured in two round-tables :

- Training and innovation in the strategies of the social partners on the territories
With :
 - Pierre BABLOT, Syndex
 - Patrizio BIANCHI, vice president in charge of training issue, Emilia-Romagna region
 - Vincenzo COLLA, CGIL Emilia
 - Simona MALPEZZI, member of the education and cultural affairs committee, Chamber of DeputiesModerated by Domenico CARRIERI, Fondation Astrid

- Youth employment in Europe : social actors testimonies
With :
 - Silvia DEGLI INNOCENTI, national secretary, Felsa Cisl
 - Salvatore MARRA, president of the youth committee, ETUCModerated by Katarina Cirodde, project manager, Confrontations Europe

Final conference on " Energy and digital mutations: impact on employment and role of economic and social actors in Europe ", the 25th November 2015 in Brussels at the European economic and social Committee with thirty European partners.

This conference was structured in 4 round-tables:

- 1 : The energy transition: the actors' perspective and role
- 2 : The digital transition: the actors' perspective and role
- 3 : Business transformation, social dialogue within the companies and on territories
- 4 : Mutations and social dialogue at the sectoral and European levels

And gave the floor to two major actors of the industrial relations (Georgios Dassis, president of the EESC and Luca Visentini, president of the ETUC).

6.6 Annex 6: LIST OF PEOPLE INTERVIEWED

Interview of **Massimiliano MASCHERINI**, researcher, Eurofound – 25 January 2016.

Interview of **Bruno METTLING**, Director for Human resources, Groupe Orange – 14 December 2015.

Hearing of **Georgios DASSIS**, president of the European economic and social committee – 25th November 2015

Hearing of **Luca VISENTINI**, president of the European trade union confederation – 25th November 2015

Interview of **Marie-Noëlle LOPEZ**, director, Planet Labour – 18 November 2015.

Interview of **Ulrike FIRNISS**, EU representative, Business Region Göteborg – 18 November 2015.

Hearing of **Tiziano TREU**, Italian senator italien, member of the Combrexelle Commission mandated by the French government – 22 October 2015

Hearing of **François PERNIOLA**, Secretary general of the European Works Council of EDF and member of CFE CGC Energies – 13 October 2015

Interview of **Theodoros FESSAS**, president of the Greek employers' federation (SEV) – 11 October 2015.

Interview of **Antoine FOUCHER**, deputy director general, MEDEF – 15 July 2015.

Hearing of **Muriel MORIN**, Vice-Présidente Senior, département des Ressources Humaines, ENGIE – le 22/6/2015

Hearing of **Olivier HOMOLLE**, consultant – June 2015.

Hearing of **Fabienne ASTIER**, Vice-president, Human resources, Europe, Sanofi – 2 June 2015

Hearing of **Ellika OLSSON**, researcher at IFMETALL (Sweden) – 27 April 2015

Interview of **Robert SZEWCZYK**, international department, Solidarnosc NSZZ – April 2015.

Interview of **Udo REHFELD**, researcher at IRES (Institut de recherches économiques et sociales) – February 2015.

Interview of **Fausto DURANTE**, EU affairs, CGIL – September 2014.

Interview of **Vittorio CAMPIONE**, director, and **Domenico CARRIERI**, member of the Astrid Fondation – September 2014.