

**INTEGRATED PROJECTS OF THE EU SOCIAL DIALOGUE 2016-2018 (EC
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**EU Social Partners' Project on
"The European Social Fund:
Supporting Social Dialogue at
National, Regional and Local
Levels"**

**Report of first Seminar in Prague
14-15 September 2017**

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1 Introduction and objectives of the seminar

The first seminar of the project held on 14-15 September in Prague brought together social partners representatives from Belgium, the Czech Republic, Denmark, Estonia, Greece, Ireland, Latvia, Lithuania, Poland, Spain and Slovakia (as well as a guest speaker from the Swedish trade unions) with representatives from the European Commission the Managing Authority responsible Prague Operational Programme.

In introducing the objectives of the seminar, Liina Carr (ETUC) recalled the goal of the project of identifying ways to improve the capacity building of social partners at national, regional and local level. She recalled that in order to support this, the ESF Regulation foresees an allocation for capacity building of social partners, which currently only cohesion and transition regions are required to implement. She emphasised that trade unions see a significant need to reinforce member capacity to deal with European issues (European social dialogue, European Social Fund, the European semester). Strong local, regional and national dialogue provides an important foundation for European social dialogue and capacity must be available to help to translate the priorities of the European Semester and the Country Specific Recommendations into reality. Trade unions have argued for a long time to have specific European funds available for social partner capacity building. The European social partners have succeeded in having the partnership principle included as a requirement for the current funding period, ensuring social partners have to be included in the implementation of Structural Funds.

For BusinessEurope, Guillaume Cravero indicated that the project is the result of a process starting a few years ago, with the initiative of the social partners to establish how the use of EU funds can be improved for capacity building. A key aim is to identify the needs of social partners for capacity building at national and regional level and to feed this information to the European Commission to make the case to include greater capacity building efforts into the next programming period.

He reminded participants that the relaunch of the social dialogue provided a further impetus for this process. Social partners signed a declaration on the new start for social dialogue which includes a commitment to undertake analytical work on use of ESF by social partners.

The goal of the project and the seminar is therefore to know more about what national, regional and local social partner capacity building needs are and how ESF can support this. Furthermore, information is sought on how the process of ESF works in terms of the involvement of social partners in Monitoring Committees and other structures and the impact they have in practice.

These goals were echoed by Guillaume Affelat from CEEP who emphasised the importance of understanding how ESF can be better used for social partners and how well the partnership principle is implemented in practice. The social partners are aware of the structural difficulties in accessing and implementing ESF funding and would like to understand what these are and how the EU level might help to overcome this. To do this, it will also be important to understand the differences between capacities at national, regional and local level to engage with the ESF.

For UEAPME, Liliane Volozinskis recalled that SME organisations have a lack of resources for social dialogue at all levels. If there is to be a strong European social dialogue, there must be strong members. Currently the best tool for this is the European Social Fund. The Commission asks the social partners to play a strong role in social Europe, but in order to achieve this, there must also be strong social partners. The question is how ESF can best be used in practice to ensure this. European social partners strongly pushed for the partnership principle, so want to know how well this is working and what impact it has at national level.

2 Findings of the research to date

Representing the research team appointed to support this study, Tina Weber presented the methodology and current findings arising from desk research, 2 surveys and interviews carried out to date (see embedded document below for the full presentation).



Microsoft PowerPoint
Presentation

The main points highlighted from the research to date are as follows:

Implementation of the partnership principle at the national level

- Awareness of the European Code of Conduct on the Partnership Principle in the Framework of European Structural Funds and the requirement to involve social partners is very high among national members of the European cross-industry social partners.
- The majority of respondents to the survey of national members were of the opinion that the partnership principle is implemented fully (32% of respondents) or to some extent (57%) in the make-up of the MCs of the ESF in their country.
- This view was also largely echoed in the responses about the practical implementation of the partnership principle with the majority of respondents considering this as being fully (33%) or partially implemented (55%).
- Responses to the survey of representatives of cross-industry social partner members of ESF OP Monitoring Committees (MCs) raise some concern regarding the implementation of the partnership principle in practice with 37% of respondents arguing that their views are never taken into consideration in proceedings and deliberations of the MC, with a further 46% considering that social partner views are sometimes taken on board.
- Key criticisms levied with regards to the reality of the implementation of the partnership principle in practice indicate that this involvement is often seen as a 'fig leaf' or a 'burden' rather than something to be embraced. The exclusions of some social partner organisations and the limited number of seats available is also frequently criticised.
- The overall impression arising from views expressed in the national members survey and the survey of social partner representatives on MCs is that improvements in implementing the partnership principle are still required in many countries.

ESF support for social partner capacity building and other activities

- 75% of respondents to the survey of national members were aware of the existence of Article 6 requirement to allocate ESF funding to the capacity building of the social partners. In practice, Article 6 requirements are implemented almost equally by allocating a specific amount or implementing this horizontally (15 and 14 respondents stated this respectively).
- 64% of the respondents were aware of the ESF Thematic Objective 11 prior to completing the survey. Less than a half of the OPs covered by the respondents include a specific allocation under Thematic Objective 11.
- Overall, this leaves a not insignificant share of respondents unaware of the potential possibilities of ESF funding to support social partner capacity building and activities.

Existence of ESF funded capacity building projects and barriers to applications and implementation

- Among the respondents to the survey of social partner members on ESF OP MCs, 84% of respondents indicated that ESF funded social partners capacity building measures were foreseen in the 2014-2020 programming period (BG, CZ, DE, EL, HR, LT, LV).
- Key barriers to applying for ESF funding were considered to be complex application processes and a lack of suitable funding streams in some countries. Complex administrative and monitoring procedures were seen to be the key barriers to the implementation of such projects.

The needs of social partners from ESF support

58% of respondents did think that the ESF funding should have been allocated to build the capacity among the social partners where this was not the case. The key priorities identified as being 'very important' by respondents were:

- Build capacity to allow social partners to exert greater influence on decision making in relation to implementation and monitoring of ESF (considered as very important by 65% of respondents)
- Greater resources linked to the EU social dialogue agenda (55% of respondents)
- Greater resources dedicated to developing and strengthening sectoral social dialogue at national level (51% respondents).

When taking together the items rated as somewhat and very important, greater influence on decision making on European issues, additional staffing resources related to European issues and training on European issues emerge as the three highest ranked priorities, followed by greater influence on decision making in relation to the implementation of ESF and training on the use and implementation of ESF.

Discussion on presentation of research findings

In the discussion that followed the presentation of the research findings, the following points were highlighted:

- In response to the presentation on the ESF funds thus far committed, which varies significantly between Member States, an Irish trade union representative indicated that although the share of committed funds is very high in Ireland (over 99%) this does not mean that allocation priorities cannot yet change in practice depending on emerging priorities. For example, the amount of funding allocation to YEI has changed. In Ireland social partners are pushing for a project which would allow social partners to engage more with the European semester process, but these discussion are still under way.
- It was clarified that only transition and convergence regions are required to make funding available for capacity building (other countries can invest in capacity building if they agree this as a priority). The trade unions had pushed for a minimum figure of 2% to be allocated for this, but this was not made a requirement.
- In most countries funding under Thematic objective 11 is reserved for public authorities and training measures within public authorities. Funding for social partners who sit on ESF bodies can also be allocated for training under technical assistance budget lines put practice in this area varies from country to country.
- Social partners can only access funding through project based systems, which comes with significant associated administrative and monitoring requirements and is always time limited, risking that actions cannot be continued at the end of one project period.

- There are no sanctions foreseen from countries and MAs which do not respect the requirements of the European Code of Conduct on Partnership.
- A possibility previously available of having transnational or European projects supported by ESF no longer exists.
- An employer representative from Slovakia indicated that social partners in his country are benefitting indirectly from capacity building through their participation in a tripartite project run by the Ministry of Labour entitled 'capacity building for social dialogue'. The project runs over the whole funding period and includes support for research, training and other measures.
- Similarly, a Latvian trade union representative indicated that social partners had run a joint capacity building project in the last ESF funding period (2.5million Euros) which aimed at achieving higher coverage of collective bargaining. The project was implemented in 5 sectors. Within the MC it was felt that social partners are currently not very coordinated. They arrived late to the table when many funding decisions had already been taken.
- A representative of a Lithuanian employers' organisation also reported of a current project which is being led by the Labour Inspectorate as a fund holder, but in fact the social partners are the actual partners on the project. Furthermore another social partner capacity building project is being implemented by the ministry of Labour.
- In Estonia, social partner representatives did not work together in the Operational Programme.

3 Examples of social partner capacity building projects in the Member States

3.1 Greece

Capacity building projects being jointly undertaken by social partners in Greece were presented jointly by representatives from the employer and trade union side (see embedded slides).



Microsoft PowerPoint
Presentation

The presentation covered the main actors and structures for social dialogue in Greece as well as the capacity building activities being undertaken, most of which are currently ESF co-financed. In order to shape these activities, agreement is reached in advance by social partner on common aims which are as follows:

- Conducting scientific research on social and economic issues.
- Providing support to their members (employees or firms) for the development of their operations, the improvement of their competitiveness and efficiency and also the maximization of their contribution in the national economy.
- Developing and submitting proposals for actions in the national and EU authorities in order to promote the interests and priorities of their members and also of the country's economy.
- Providing scientific and managerial support to the public authorities aiming at improving the environment in their respective fields of intervention

The following priorities for activities were agreed for a capacity building project in the 2014-2020 funding period:

- Developing or evolving mechanisms for the observation of important policy fields (economy, labor market and unemployment, training and education etc).

- Mechanisms for the foresight of needs in professions and skills at the local and sectoral level.
- Mechanisms that promote the adaptability of firms and employees.
- Improving the business environment, employees' skills and quality of life.
- Support of the institutional, operational and scientific capability of the social partners.

The projects under these heads are being implemented by the social partners separately. The actions implemented by the Greek Association of Crafts and Merchants (GSEVEE) focusses on

- Development of an observatory researching on SMEs environment.
- Systematic support of GSEVEE for meeting the needs of daily institutional and political presence and intervention
- Developing a system of upgraded communication and cooperation between the Federations - Associations and GSEVEE
- Actions of national and European networking and partnerships
- Training of federations' members and staff

The Greek Trade Union Confederation is implementing the following actions:

- An Observatory of Social and Economic Development
- A counselling network for workers
- Trade union training and empowerment of social skills
- Support for quality development of sectoral vocational training and interconnection with the qualification

The employers' organization ESEE is involved in the following actions

- Systematic support of ESEE for meeting the needs of daily institutional and political presence and intervention in the field of social inclusion and protection policies
- Studies and surveys
- Developing and supporting actions of national and European networking and partnerships
- Professional Training, Certification, Counseling Support of unemployed aged 18 to 24 years old in the Retail sector (Youth Guarantee)

The key added value of such capacity building in social partner organisations is considered to be the added capacity of social partner to represent their views in an informed manner in tripartite and bi-partite dialogues (and therefore improving the quality of this interaction); expanding the membership base by enhancing the service offer and generally supporting social partners in policy action.

A key challenge for Greece is the reduction in the budget allocated to social partner capacity building (a reduction from 64 million to 17 million Euros), as well as an effort being made by ministries to apply State aid rules to delivery services run by social partners. Lobbying is required to ensure (even smaller) amounts of funding and to combat the application of such rules which are not considered relevant for social partner delivery bodies as they are not seen to distort competition.

In rounding up the discussions of the first day, the European cross-industry social partners particularly highlighted the following points:

- Important to note that tripartite projects can also contribute to capacity building (among social partners and civil servants) on the importance and good functioning of dialogue;
- It should be ensured that social dialogue is not subject to 'changing political winds' but must be on a stable footing. Changes in rules applying (for example with regard to state aid rules) should also be avoided at national level to avoid uncertainty regarding such funding opportunities.
- The requirements for involvement imposed by the European Semester process and the new start for social dialogue can be used to argue for a need for greater capacity building.

3.2 Czech Republic

In the Czech Republic, there are well established structures for Tripartite social dialogue in the form of the Council of Economic and Social Agreement which holds regular meetings and brings together representatives from the Czech government, CMKOS, ASO, SP CR and KZPS CR. Under the auspices of this Council, currently 17 working groups are organised, all of which have a tripartite structure. Furthermore, the Labour Code stipulates that recognised social partners have to be consulted.

There is a national body which coordinates all activities of ESF (the Council for European structural and investment Fund with the Ministry of Development). Social partners are represented here at the highest level.

At a lower level ~~are~~ MaS ~~are~~ dealing with 19 OPs. The most important are the OP employment (ministry of labour), OP research, development and education (ministry of education), OP enterprise and innovation (ministry of industry and trade). The social partners have members on the MCs of all of these OPs. Furthermore, social partners are members of project selection and evaluation committees.

The OP employment focusses on 3 main areas – 1st adaptability of employees: this is where capacity building of social partners is needed – aimed at effective collective bargaining. 2nd priority: Active labour market policies; 3rd: gender policy and WLB/equal opportunities, not just for men and women but also different age groups.

ESF funded actions for social dialogue are targeted at the lower levels of social dialogue where this is perceived to be needed: company and sectoral level (the levels where collective bargaining takes place in CZ). The key aim is to reach quality agreements covering all important aspects of working life.

Overview of projects 2008-2015 – all submitted and approved by MA.

2008: SP CZ, CMKOS, ASO, KZPS (run by confederation of industry)

2010: each organisation submitted own project – but each time with different partnerships (e.g CKMOS and ASO etc.)

2011 – 1 project, 2013 3 projects, 2014 3 projects

2015 4 projects – started in November 2015. Will run until 2018. This project is about reducing working hours. The aim is to analyse to what degree working hours can be influenced via social dialogue. Aim is not to reduce legal limit for working time (40.5 hours?) but to see if in current economic climate trade unions want to reduce working hours. Looking at impact of digitalisation of working hours. Do we want to reduce working hours and if so where? The target group are employees and employers. The project is implemented in partnership. There are 94 participants in the team which are shared between employers and trade unions.

The project has 6 each looking at different aspects of reducing working hours:

- impact on OSH;
- impact on competitiveness;

- Potential requirements for changes in legislation
- Impact on work life balance
- Applying best practice from abroad
- Technical assistance

Overall, the experience with the ESF is considered to be positive. It is likely that more projects will be submitted in a new call due in 2018. In working time project are an active partners because want to discuss all the ideas, and help to overcome obstacles which may arise at tripartite level.

Since 2007 social partners have been able to achieve that social partners no not have to provide co-financing for ESF projects. In 2015, the Labour Code was amended and social partners were able to include possibility of social partner financing for social dialogue going beyond ordinary negotiations. A problem remains with the project based structure of ESF funding which leads to a significant administrative burden and is time limited. An alternative could be for foreseen programming for the whole funding period.

4 Panel on partnership

A representative of the Commission reiterated the requirements under the European Code on Partnership but acknowledged that the findings of a survey carried out by the Commission on its implementation highlights that implementation is very different in different Member States with regard to involvement in consultation and decision making. For instance, in some countries documents are simply published on a website, in orders social partners are invited a day in advance of meetings and expected to attend and comment. Other obstacles include sending documents out a very short notice or meeting only once a year in a full plenary, therefore not ensuring an ongoing real dialogue.

Resources for capacity building are foreseen in many Member States, particularly in transition and less developed regions. But in most countries there is no clear indication on the actions to be implemented or the total amount of money committed.

For the Commission it is important to know what social partner needs are at national, regional and local level, particularly vis a vis the European semester and its policy priorities.

There is also transnational co-operation in an effort to replicate the model of the EQUAL initiative. The Commission has put in place a transnational platform under which thematic networks are operated (with themes such as employment, inclusion, social economy, youth, migrants, simplification, partnership, skills and education).

The Commission is currently undertaking a review of European Code of Conduct on Partnership to see how this can be improved. Therefore it is important to know how it is really implemented on the ground. In doing so it is considered to be important to go beyond compliance and look at added value of partnership. It was considered that the Commission could play a more active role in promoting the partnership principle on the ground if its representatives were again given the status of full members of the MCs.

Under the aegis of DG Regio a forum has been established to discuss issues of partnership working which meets once a year.

For the next programming period, the Commission envisages to formulate proposals for Multi-Annual Funding Framework in May, to be discussed by co-legislators in June. By February it must therefore have all legislative documents ready relating to the Funds. In DG Employment there is a desire to push forward with a restructuring of assistance into one 'Human Capital Fund'. This will encompass FEAD, ESF, YEI, EGF and EaSI. The idea is to create better synergy between these funds. There is also a

desire to put in place enhanced ex-ante conditionalities (on rolling basis during [during](#) programming period). Furthermore the European Code of Conduct on Partnership will be revised. A key buzzword continues to be simplification. This also applies to the formulation of Operational programmes. The Commission is working on the basis of the assumption that overall budgets will be reduced. It is still uncertain whether TO11 will remain within the ESF or move into another funding framework.

The Commission representative made a call to also look at the project level to ensure that partnership is ensured here.

Jan Hauser, from the Managing Authority of the Prague OP described his motivations in setting up new structures for planning and implementation of the programme in the new funding period. As the previous OP in Prague was not spent in full (10% of funds were sent back to Brussels despite demand for funds) his main priority was to involve all partners from the planning stage and benefit from their knowledge and expertise regarding what is needed on the ground and what constitutions the main obstacles to applications which may arise from calls for projects. Prague has one programme covering all funds. As a more developed region, no money is specifically set aside for capacity building. Social partners are involved in the MC but also in working committees (e.g. planning committees for the calls). Expert platforms were established on how to set up each call – depends on these details whether funds can be spend efficiently. It is at these working levels that things are really achieved to ensure funds are spent according to need.

He called for greater sharing of best practises with other MAs and argued that EaSI funds should be used for this.

According to the Czech social partners there are some concerns over the high representation of NGOs, but there are pre-meetings and social partners take a lead role and reach agreements in advance for representation at the formal meetings.

Reflecting on the experience of the implementation of ESF in Belgium (Flanders), a representative of SMEs argued that social partners are represented on the Management committee as well as other key committees (those responsible for call, appeals, evaluation etc.).

In Flanders there are 6 Priorities for calls under the ESF:

- Reactive career policy (dealing with unemployment etc)
- Preventative career policy (LLL)
- Social inclusion and poverty reduction
- CSR
- Innovation
- TA

Social partners receive documents at least 10 days before meetings. In addition, the MA organises workshops to allow stakeholders to provide new ideas. From the trade union point of view it was highlighted that there is no budget for capacity building in Flanders. Instead of enhancing partnership working, this has in fact been downsized. In the previous programming period the ESF agency was a separate agency. The social partners carried out an efficiency [exerciseexercise](#) and recommended that ESF should be part of Agency of Work. Since then, the ministry has decided that social partners can only have an advisory, but not a voting role in the MC. Social partners there now have to seek other ways to influence things indirectly. Thus it is considered that Flanders does not implement the requirements of the European Code of Conduct on Partnership. Greater conditionality in this regard in future would therefore be welcome.

In the discussion, the representative of the Irish trade unions was keen to know whether it is permissible to use ESF for the implementation of a European semester capacity building programme in more developed countries if there is agreement at national level. In response, the Commission indicated that all Member States can use ESF for capacity building, but some have an obligation to do so. The representative of the MA of Prague was of the view that while this might be possible in principle, it is more difficult to get such actions approved in practice if they are not required.

The question of the utility of performance indicators for social partner capacity building was raised (which might raise the profile of such activities). However, the Commission considered such indicators to be difficult to formulate, but highlighted that the added value of partnership should be clearly demonstrated. This was seen to include ensuring that social partners can be involved in projects and effectively participate in European semester processes. While the ESF cannot support the recruitment of more members in social partner organisations, it can enhance the capacity of those already involved to make their organisations more attractive to potential members.

5 Seminar outcomes

A representative of the Polish employers' organisation Lewiatan made 3 concrete proposals for next steps:

- **Improved transparency:** For social partners themselves to assemble a list of all social partner representatives on Monitoring Committees, which should be regularly updated. Such efforts could later be expanded to cover the description of the operation of MCs in different countries.
- **Improved monitoring:** Develop a list of all activities of social partners funded by ESF capacity building funds to serve as a common reference for actions
- **Improved analysis:** Develop a smart grid showing all different activities that can be funded and select the best to provide a benchmark

She argued that it would be useful to have some indicators and presented some currently used in Poland (details will be made available after the seminar). Other Polish representative highlighted the important role played by the declaration on the new start for social dialogue in convincing national authorities of the importance of social partner capacity building funding.

A representative of the Swedish trade union LO considered that while collaboration was well established in Sweden in recent years social partners had been given a less important role as more emphasis was placed on the involvement of NGOs. Social partners are keen to reassert their importance, particularly in the implementation of European semester actions (this also includes actions for migrants and refugees).

A representative of the Danish Trade unions argued that although in Denmark no funds are specifically allocated for capacity building, social partners are partners in tripartite projects which can also contribute towards capacity building.

The Latvian trade union representative emphasised the problem of the time bound, project based funding of ESF capacity building resources which meant that whole services and documents could be developed while the project was under way, an expectation has now been raised of social partner organisations which can no longer be met as the funding is currently not available. The Greek representatives also recalled that bridging funding used to be available which is no longer the case and is posing problems.

It was variously argued that capacity building is also required for civil servants on tripartite bodies who often do not understand the importance of process of capacity building. As emphasised by the Estonian representatives, this is particularly important in an environment where politicians and civil servants in relevant departments often change.

In summing up UEAPME highlighted that the partnership principle and capacity building are strongly linked. It was notable that capacity building is also possible in an indirect way through tripartite projects. The crucial role of such a bottom-up approach was highlighted to identify more precisely the capacity building needs of our members. The important role played by European social dialogue actions (such as the declaration on the future of social dialogue) was also noted.

CEEP emphasised the role of social partner in the European semester and the need to build capacity with key current and future challenges such as youth unemployment, integration of migrants or demographic change.

BusinessEurope called for partnership to be a firmer requirement in MCs in future and for social partners to be clearly involved in the next planning period for Operational Programmes. There should be a common understanding of what is meant for capacity building even if it might be restrictive to develop of common definition. It is the role of the European social dialogue to highlight ed the specific added value of social partners – also vis a vis other partners- particularly in relation to the European semester. In that respect, we should consider to clearly say why and how the social partners involvement is deifferent than that of other partners.

ETUC emphasised the need to plan ahead and emphasised that European level organisations are already working on recommendations and priorities for the post 2020 funding period. It is therefore important to learn from what is not working well and what should be avoided in next period. This seminar, as well as and the upcoming events of this project will play an important role in shaping the recommendations to be delivered in early 2018~~this~~.

Additional concluding points include:

- How to deal with significant administrative burden.
- Better identifying processes and timing for a better national social partners involvement in decision-making.
- Possible future projects focused on: Bulgaria, Hungary, and Romania.