Integrated Programme of the European Social Dialogue

"Participation in the European social dialogue, 2004 to 2009"

Report on the project's final conference
"*Social Partners' Participation in the European Social Dialogue: What are the Social Partners' needs?*"

Crowne Plaza Brussels City Centre
Belgium

25th & 26th June 2009

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July 2009

Project of the European Social Partners with the financial support of the European Commission

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The final conference of the Integrated Programme of the European Social Dialogue project entitled, "Participation in the European social dialogue, 2004 to 2009"[1] took place on 25th and 26th June 2009 in Brussels. The results of the project were presented in the presence of over 100 participants including national social partners from all 27 EU Member States and the candidate countries Croatia and Turkey, representatives from the European Commission, the ILO and the European Social partners organisations (a complete list of participants can be found at appendix one).

The objectives of the final conference were to:

- ✧ Present the scope, objectives and approach of the project;
- ✧ Provide a summary of the project's main findings and key trends emerging from the 24 national seminars;
- ✧ Discuss the ability and capacity of national social partners to influence European social dialogue; the challenges resulting from the financial and economic crisis and the European and national social partners' capacity to react; the characteristics of effective bipartite social dialogue and the value of the European social dialogue; and external factors facilitating or inhibiting social dialogue;
- ✧ Introduce the European social partners' joint work programme 2009 - 2010.

The report follows the format of the final conference agenda and aims to describe the sessions that made up the conference. It may be read in conjunction with the final synthesis report of the project prepared for the conference. ("A review of activities and conclusions from the project - "*Social Partners' Participation in the European Social Dialogue: What are the Social Partners' needs?*").

[1] Within the framework of the project a series of seminars designed to enable the national social partner organisations in candidate countries (Croatia and Turkey) and 10 CEEC EU Member States to improve their capacity for current or future involvement in the European social dialogue was conducted between 2004 and 2009.

The detailed agenda for the meeting is included as appendix two, but the nine working sessions can be summarised as follows:

Day One	
Session one	Introduction to the project – its scope, objectives & approach.
Session two	An overview of the project's main outcomes.
Session three	The ability and capacity to influence the European social dialogue.
Session four	The financial and economic crisis and social dialogue.
Session five	The characteristics of effective bipartite social dialogue.
Day Two	
Session six	External factors that facilitate social dialogue – the influence of public policies on social dialogue.
Session seven	External factors that facilitate social dialogue – making the most of available financial support mechanisms.
Session eight	A perspective from the European Commission.
Session nine	Closing comments from the leaders of the European social partner organisations.

DAY ONE (25th June)

Session one - *"Introduction of the project – its scope, objectives & approach".*

Steven D'Haeseleer, BUSINESSEUROPE's Director of Social Affairs, welcomed participants to the conference and noted that there were more than 120 registered participants which he considered reflected both the interest in the subject area and the success of the project. He reminded those present of the European expansion context against which the project was established, its background, objectives and achievements. He briefly described the aims and methodology used in the initial and follow-up seminars.

Maria-Helena André, ETUC Deputy Secretary General, presented the overall results of the capacity building aspects of the project and drew attention to the new European Social Fund (ESF) Regulations which provide substantial funding for social partner capacity building projects. She commented on the social partners' study on the use of the ESF which will be the subject of a joint event organized at the end of 2009 to disseminate the results of the survey. She briefly described the "mini-case" exercise which combines 12 "good practice" short case studies in social dialogue. The cases are referenced in the synthesis report and will be published later this year. She reminded those present that the EU social partners' translation fund remains available to translate any documents related to the EU level social dialogue. Finally, she brought the

services of the resource centres of ETUC and the joint employer social partners to the participants' attention.

André concluded by listing the positive effects of the project in fostering the development of bipartite social dialogue in the participating countries and improving the effectiveness of the social dialogue across the EU. She observed that social dialogue could be further developed at all levels, and that it was the role of the European social partners to support their members in these efforts. She looked forward to their contribution and commitment to the upcoming third joint project at the European level.

The full presentation is appended to this report as annex three.

Session two – *Overview of the findings and conclusions from the project.*

Alan Wild, the project coordinator, thanked the many people who had organised and attended the national seminars, including the European social partners who had consistently participated in each of the 24 seminars in 12 countries. He confirmed that every single country involved in the project had made improvements in the operation of bipartite social dialogue, noting that in some countries there had been a paradigm shift in the working of social dialogue between 2004 and today.

The presentation aimed to illustrate the main project findings and highlight the key trends emerging from the seminars. Wild explained that the purpose of the presentation was to set the scene for the working sessions that made up the body of the conference by focussing on the more difficult issues and the ways people and organisations had found to cope with them. The full presentation is appended to this report as annex four.

The main focus of the detailed intervention was built around three hypotheses drawn from the project work;

- ✧ There is a clear and direct correlation between the effectiveness of national social dialogue and European level impact;
- ✧ If the problems identified are split into two categories, those relating to resourcing and organizing are easier to approach than those relating to structural and relationship based difficulties;
- ✧ Where national social dialogue has structural or relationship based-problems – actions to improve resourcing and organizing will be much less effective.

Concluding, Wild suggested that one of the biggest achievements of the project was that it had created "room for reflection" on the everyday functioning of social dialogue in the participating countries and helped people to take best advantage of the practical opportunities that arose to improve it. "Improving by getting used to working together" was an important message.

Session three - *"The ability and capacity to influence the European social dialogue"*

Session three was chaired by Maria-Helena André (ETUC). There were four panellists: Sławomir Adamczyk (NSZZ Solidarnosc – Poland), Vladimira Drbalova (SP – the Czech Republic), Massimo Masella Ducci Teri (ARAN – Italy) and Marjaana Valkonene (SAK – Finland).

Maria-Helena André opened the session saying that in terms of the ability and capacity of countries to influence the European social dialogue, the project had shown that any distinction between "new" and "old" member states was no longer valid. Whilst interests often differ, the social partners have one common objective – to create competitive businesses that guarantee jobs under appropriate conditions for workers. She made the observation that at the beginning of the project the national social partner and European social partner agendas were not the same … but this had changed over time to a point where EU and national priorities match much more closely. Today's European social dialogue agenda reflects national social partners' interests because of their active engagement in its preparation.

Following this introduction, she invited the panellists to address the following issues:

- ✧ To what extent are the main findings of the project common to the non-participating countries?
- ✧ What obstacles do social partner organisations face individually and together when implementing EU social dialogue instruments?
- ✧ How could the knowledge and visibility of EU social dialogue instruments be improved at the national level?
- ✧ Are there new individual and/or joint actions that can be undertaken to improve social partners' effectiveness and engagement at EU level?

Vladimira Drbalova (SP – Czech Republic) described her personal experience in the project, its challenges and successes. At the time of the first seminar SP was facing a combination of chronic financial problems and a severe shortage of foreign language capability which limited its ability to work at the EU level. The low level of awareness of the EU level social debate made things even more difficult. According to Drbalova, these were common problems faced by all organisations in the ten new member states and the only way of dealing with them was to be flexible, creative and determined to make progress. She explained that the financial and human resource situation had improved significantly and the organisation was getting better at aligning the EU and national agendas. Another area where activity had been focused was improving the flows of information on European issues to members in a relevant and creative manner.

Slawomir Adamczyk (NSZZ Solidarnosc – Poland) described how the Polish social dialogue had to be reconstructed in 1989 after 50 years of virtual absence. After the negative experiences of the substantial economic transformation that had taken place in the 1990s, it was clear that a better solution involved working in partnership in line with the European social model. In Poland tripartite dialogue remained the dominant form of social dialogue as the government did not wish to lose its considerable influence on working conditions. The tripartite social dialogue model was embraced by the trade unions and employers' organisations and it played a role in the economic transformation of Poland. Over time, the space and motivation for the development of autonomous social dialogue has appeared based to a large extent on the positive influence of the European bipartite social dialogue. The first result of the bipartite social dialogue was the

framework agreement on telework, followed by stress at work, and today the implementation of the agreement on harassment and violence is being discussed among social partners.

An important step in building autonomous social dialogue is Poland has been the recent negotiation around the anti-crisis package. This trade union/ employer dialogue has resulted in the submission to government of concrete proposals for anti-crisis actions. Adamczyk underlined, that it was necessary to develop even more awareness of the EU level social dialogue and its outcomes amongst workers and employers as there is still very limited knowledge of bilateral agreements at the EU and the national levels.

Massimo Massella Ducci Teri (ARAN – Italy) said that he found the project outcomes impressive, and suggested that the key findings applied equally to countries not covered by the project. He saw social dialogue as a basic tool for the internal market, European and national competitiveness and the well-being of workers. Massella suggested that addressing the obstacles and difficulties in establishing and building effective social dialogue was even more challenging and important during times of economic difficulty. He added that the effectiveness of the EU level social dialogue contributes to the strengthening of the national level social dialogue and suggested that national social partners could contribute to its success by maximising the linkages between the national and EU level social dialogue agendas. He ended by stating that accelerating social dialogue meant fighting for more autonomous space and using it to prove that the social partners had something of value to offer.

Marjaana Valkonene (SAK – Finland) asked whether national and EU level social partners had a clear vision of Europe. She predicted that the economic and financial crisis might last years rather than months, and it would be a crucially important time for the social partners to be active and to work well together. She pointed out that social dialogue was a unique strength of the EU and underlined the necessity to define new visions and methods of working as it would not be possible to return to "business as usual" after the crisis. She gave the example of Finnish round-table discussions about the crisis and possible actions to tackle it, stressing the importance of trust, respect and common understanding in bipartite social dialogue as underpinning the work of the national social partners. She suggested that whilst the government had a constructive role to play, it was important to develop bipartite and influential social dialogue.

Maria-Helena André agreed that the lack of a clear vision of Europe was a serious issue and underlined that it was only possible to create such a vision by working together. She said that it was very important to change the perception of the social dialogue as "a tool for the privileged" and added that more needed to be done in many countries to further develop trust as the solid basis for the development of social dialogue. She also observed that sometimes it was not possible to plan, and improvisation and rapid ad-hoc reactions were natural features of effective social dialogue.

Following André's invitation, a number of participants offered further insights.

- ✧ The economic crisis was an opportunity for the national social partners to work together to mitigate the social effect of the crisis within the framework of the bipartite social dialogue and to influence political decisions;

- ✧ The lack of a coherent European vision was not only the problem for the European level social dialogue, but also the national level. It was agreed that the crisis offered the

opportunity to redefine the social partners' position and present their capacity to assist in implementing anti-crisis measures;

- ✧ It was important to create a sound legal basis for social dialogue. In response it was suggested that the law was not the only effective tool for the development of national level social dialogue and that there were limits to legally binding regulation of social dialogue practice. Success came from factors like trust and respect that facilitated long-term and sustainable results from dialogue.

- ✧ The practice of social dialogue in the "new" Member States often remained less developed than in the "old" Member States and it remained necessary to "pass on the secrets" of effective social dialogue practice to accelerate development;

- ✧ The issue of implementing EU level framework agreements in the face of representivity shortfalls was raised and it was suggested that more confederations or umbrella organizations were needed;

- ✧ Finally the importance of small enterprises to Europe's economies, and their insufficient involvement in the social dialogue process, was raised.

In response to comments from the floor, Vladimira Drbalova said that, in her view, introducing more regulation for the social dialogue process would be counter-productive as the process was more about the ability to work together and to create and implement common tools and systems. In the "catching up" process she suggested shortcuts were not possible in the absence of sustainable tools, mechanisms and partnerships.
Massimo Massella echoed that it was very important to reflect upon the situation after the crisis, agreeing that the social dialogue should not have too many written rules and should be based on reciprocity and trust.
Marjaana Valkonene agreed that it was very important to strengthen the EU and national dialogue during the economic and social crisis. She said that important discussions about the future were needed as well as steps to develop trust and mutual understanding. She also suggested that it would be possible to organize a joint seminar for the social partners from new Member States to make them familiar with the Finnish model of social partner cooperation.
Slawomir Adamczyk stressed that the cooperation among the Polish social partners had developed as a direct consequence of designing anti-crisis measures. It remained impossible however to reach a common position on everything – particularly while trade unions were most interested in assuring security for workers and employers were striving for more flexibility. He also said that it was very difficult to develop the social dialogue in the public sector due to the lack of a clear employer side partner. He suggested that without further support from outside difficulties in further developing autonomous social dialogue would continue and that it would be desirable to design future projects.

Session four - *"The financial and economic crisis and social dialogue"*

Session four was chaired by Thérèse de Liedekerke, (BUSINESSEUROPE). There were four panellists: Andrée Debrulle (CSC – Belgium), Thierry Dedieu (CFDT – France), Heidi Lougheed (IBEC – Ireland), Grazyna Spytek-Bandurska (PKPP Lewiatan – Poland).

Thérèse de Liedekerke welcomed all participants and gave the floor to the panellists inviting them to address the following questions:

- ✧ How the social partners at European and national level have worked together to mitigate the economic and social consequences of the crisis?
- ✧ In difficult times, is there a greater threat or opportunity for social dialogue?
- ✧ How important is it to formulate a joint agenda to contribute to a rapid recovery?

Andrée Debrulle (CSC) suggested that comparing different systems of national social dialogue was not always useful because of differing circumstances, histories and characteristics. She offered her insights on the Belgian social dialogue discussions conducted during the crisis and observed that the social partners were important players in concluding social pacts aimed at stimulating economic growth. She stressed the ultimate goal of social dialogue in Belgium of concluding agreements. According to Debrulle, success in social dialogue in the crisis was based not only on the appropriate regulations, but also on the knowledge of the issues involved and good relations with the government. She acknowledged that it was especially difficult to negotiate national agreements against the background of the crisis, and that the government had to take the position of a conciliator. Agreements concerning wages and protecting them during the crisis had been concluded.

Thierry Dedieu (CFDT) stated that the present economic situation had resulted in a redefinition of the rules for concluding collective agreements. Today the social partners needed more than ever to be consulted in all social matters. According to Dedieu there are short and longer term issues on the agenda. In the short-term, regulations concerning partial unemployment, conditions of work for employees with fixed-term contracts and the frequent negotiation of social plans are important. In the medium-term the social partners need to consider the transferability of social rights, flexibility, modernisation of the social dialogue and the means for collective representation of employees of microenterprises.

Heidi Lougheed (IBEC) stated that in case of Ireland social partnership and social dialogue had been very influential in shaping national economic and social policy. Since the mid 1980's an agreement on pay has been concluded, in most cases on a two yearly basis. The 2008 wage negotiations had proven to be very difficult with the Irish economy facing its biggest challenge since the early 1980's. In the national agreement there was a provision allowing an "opt out" from pay increases and this had been used for many companies this year. At present the social partners were involved in initiatives aimed at drafting a set of anti-crisis measures known as the "Pact for Social Solidarity". Lougheed concluded her presentation by stating that Irish social partners were used to talking to each other on a permanent basis and she believed the social partnership would survive the challenges of the crisis.

Grazyna Spytek-Bandurska (PKKP) observed that the threat of the economic slowdown had been signalled by the Polish social partners at an early stage and they had started negotiations to prepare appropriate solutions in the fall of 2008. For some companies these were to be

measures for managing restructuring, for some, to anticipate restructuring and minimise collective dismissals. The government adopted an unusually passive role, and this was atypical given the tradition of tripartite dialogue. As a result of the negotiations, a list of issues for possible compromise was drafted using two parallel processes of social dialogue – tripartite and bipartite. An agreement was concluded in March 2009 and was passed to the government to draft appropriate legislation through Parliament to give effect to its terms. The provisions were planned for two years. They were to be evaluated after one year and, if effective, may be extended. Spytek-Bandurska described the three components of the agreement in the areas of employment subsidies, changes in the working time and continuing professional training.

Following an invitation from Thérèse de Liedekerke for comments from the floor, the following observations were made;

It was suggested that the Polish anti-crisis package as drafted by social partners was in a good shape until the moment it was sent to the government. To date only six points from the agreed 13 points were present in the draft legislation and issues like the minimum wage had been eliminated. Taking into consideration that the trade unions had made many concessions, the overall trade union evaluation of the package was negative. The panellists were asked from the floor to comment on their views on social security payments in conditions of high national budget deficits.

Andrée Debrulle (CSC) said that social security systems were a big problem for trade unions in Belgium, not just because of the crisis, but also because of demographic change, and discussions were under way in Belgium.
Grażyna Spytek-Bandurska (PKPP) explained that in Poland all forms of social security were regulated by law and that the present discussions concerned possibilities of increasing these provisions in the light of the economic situation. She confirmed that there were still issues that were not concluded in the Parliament and needed to be further discussed.
Thierry Dedieu (CFDT) agreed that with an increasing number of collective dismissals, there were fewer means to finance social security. He added that partial unemployment was positive as it enabled people to remain in employment; however, it made their social contribution more modest. The real problem was however the preservation of the system of social protection for future generations.
Heidi Lougheed (IBEC) concluded the session with the observation that in Ireland the government was responsible for the tax and social security system, while social partners were involved in reviewing certain benefits (i.e. child benefits), had a role on the pension's boards and played an advisory role on the committee tasked with budget expense reduction.

Session five (Panel discussion) – The *characteristics of effective bipartite social dialogue*

Session five was chaired by Juliane Bir (ETUC). There was an oral presentation by Daniel Vaughan-Whitehead (ILO) followed by the intervention of four panellists: Loes van Embden Andres (NVO-NCW – the Netherlands), Fernando Marques (CGTP – Portugal), Jørgen Rønnest (DA – Denmark) and Hans Küller (DGB – Germany).

Daniel Vaughan-Whitehead (ILO) congratulated the European social partners for the project and felt that that it had genuinely influenced the conduct of bipartite social dialogue and strengthened

the capacity of the social partner organisations. He observed that the project had also signalled some underdeveloped areas of bipartite social dialogue and revealed challenges for its future development. He suggested that there was a clear role for European social partners in assisting further development of national social dialogue, European social dialogue and the linkages between the two.

Vaughan-Whitehead said that in his view the sector level was the weakest link in the social dialogue chain in most of the participating countries where around 70% of employees were not covered by a sector level social dialogue. A major challenge was the ongoing representivity of national and sectoral social partners as the delivery of social dialogue outcomes was decentralised. He suggested that in the countries where appropriate and well-established structures for social dialogue were in place, it was more likely that crisis-related discussions would be successful. In the case of many of the participating countries he observed a lack of content in collective agreements that would encourage or support legislative initiatives. His suggestion was the development of a national strategic agenda that matched that at the European level.

Acknowledging the issues raised in the synthesis paper produced for the conference, he said that the adoption of a positive role by national governments in the fostering of national social dialogue was important. This role is already played at the level of the European Commission in relation to the European level social dialogue: creating frameworks, supporting initiatives, and helping in selecting issues important for discussions etc.

Concluding, he suggested that the basic issues for effective bipartite social dialogue development were defining the most important obstacles to the autonomous social dialogue in each Member States and establishing plans to address them.

Chairing the session, Julian Bir explained that the core issue for the panellists was identifying the characteristics of effective social dialogue processes. She asked them to reflect and comment on the following issues;

- ✧ What values and principles are behind their work?
- ✧ How can a common agenda be developed?
- ✧ How can cooperation between employers' representatives and trade unions representatives be improved?
- ✧ How can synergies be developed between the different levels of dialogue?
- ✧ How can operating structures and resource availability be optimised?

Jørgen Rønnest (DA) said that the wide variety of "social dialogues" at different levels in different countries made it impossible to follow one pattern. He believed that social dialogue was not a goal in itself, but a way to achieve other objectives. If social partners concentrated too much on the formal processes of social dialogue there was a danger of missing the real point about cooperating in whatever way made sense to achieve specific goals. He underlined the point that trust between partners was a crucial pre-requisite for the further development of meaningful dialogue. Rønnest concluded by saying that he believed in social dialogue as a good method of solving problems … providing that it steered clear of "party politics".

Fernando Marques (CGTP-IN) described the process of negotiations to implement the parental leave agreement in Portugal. He explained the difficulties faced by the Portuguese social

partners as: insufficient awareness of the European social dialogue; the rules on how to implement EU level agreements at the national level were unclear; and national social partners had very little experience in implementing the EU level regulations autonomously. In such a situation, concentration on awareness rising and dissemination of information was not enough, there was a need to concentrate on negotiations and to change the perception of EU level framework agreements from the prevailing view that they were "optional" recommendations.

Loes van Embden Adres (VNO-NCW) described social dialogue in the Netherlands and notably the role of the bipartite Labour Foundation where salary-related issues were discussed. Within the framework of the Foundation's work broad agreements and guidelines were defined and passed to the sectoral and enterprise levels. She also described the tripartite Social-Economic Council. In the Netherlands she explained that VNO-NCW members were very interested in the EU level developments which were treated as inspirations for national action. She added that the EU level social dialogue was more formally structured than its Dutch counterpart which was more straightforward and based on open discussion. Key to Dutch success is genuine mutual trust and respect, the recognition of common interests and the strength of the Dutch social partner organisations.

Hans Küller (DGB) stated that national level social dialogue produced added value only when it brought good quality results. He suggested that vague and optional results were not an impressive outcome. He was convinced that the EU level social dialogue set the tone for discussions at the national level even though they had a relatively small influence on some of the most important issues negotiated at the national level like salaries. Küller stressed the importance of implementing European level agreements and working together on important issues that link European and national level agendas like joint surveys, work programmes and joint opinions.

Juliane Bir briefly summarised the context for effective bipartite social dialogue: social dialogue had to be perceived as a tool for achieving good results; trust and respect were basic pre-requisites; sound and reliable structures were essential; it was important to strike the balance between independent action and the ability to take up joint initiatives; and both trade unions and employers' organisations needed to be strong if they were to influence government and secure delivery of accords and agreements.

After the summary, the issue of mandatory and voluntary membership of social partner organisations was discussed, and the suggestion made that mandatory membership better assured coverage and delivery of collective agreements. Loes van Embden Adres responded by suggesting that mandatory membership was not a panacea for high coverage, and gave the example of the Netherlands were collective agreement coverage was at the level of 80% and membership voluntary.

At the end of the session, Maria-Helena André concluded by talking about the tendency to divide views between "new" and "old" Member States. The project had clearly shown that the willingness and ability to cooperate and advance social dialogue had nothing to do with the "age" of the social dialogue in a given country or the date of entry into the EU. She added that this could be seen clearly in the crisis responses that had been discussed today. André reinforced the earlier point that it was necessary to take some time out from work on a fairly regular basis to reflect what made social dialogue effective and in what areas it could be improved. Sustainable solutions, she suggested, took time and effort.

DAY TWO (26th June)

Session six – *External factors that facilitate social dialogue – influence of public policies on social dialogue*

Session six was chaired by Valeria Ronzitti (CEEP). There were four panellists: Jan Dannenbring (ZDH – Germany), Viviane Goergen (LCGB – Luxembourg), Judit Czuglerne Ivany (MOSZ – Hungary) and Inese Stepina (LDDK – Latvia).

Valeria Ronzitti (CEEP) asked the discussants to comment on the influence of the national level social dialogue on public policy making and give examples of positive influence of public policy on the effectiveness of bipartite social dialogue. She signalled the importance of the issue of government as a major employer and the lack of a clear distinction between its role as an employer and as policy maker.

Jan Dannenbring (ZDH) said that the project had clarified how diverse the social dialogue process was in different Member States and how structures differed. He described the German social dialogue model, underlining its decentralisation, high degree of independence and power to take binding decisions. He said that in Germany 80% of employees were covered by collective agreements, either directly or indirectly. He believed that the precondition for success of the German model of social dialogue was the extensive powers handed over to the national social partners by government which enlarged the scope for negotiations and guaranteed more room for agreements. Indeed, the autonomy of social partners' agreements was written into the German Constitution (art.9). In Germany, all issues related to working conditions were covered in collective agreements as social partners were perceived to be better qualified to take such decisions. The state's role was to lay down minimum provisions, and social partners could go beyond the law. According to Dannenbring, this model relied for its success on strong and representative social partners. Concluding, he commented on some measures adopted to deal with the crisis in Germany. These included negotiated salary adjustments, short-term contracts and reduced working time. He suggested that the social partners had proven to be effective even in difficult times and that gave hope that the social dialogue in Germany would continue to be strong and effective.

Judit Czuglerne Ivany (MOSZ) stated that despite the fact that in the report Hungary was mentioned as a positive example, the sector level social dialogue remained deficient. Structures for the sector level social dialogue (over 30 sectoral committees) had been set up with the use of PHARE funds following the model of the EU level social dialogue sectoral committees in terms of structure and agenda. Although sectoral structures exist there had been no move toward sectoral collective bargaining and the traditional place for social dialogue in Hungary remained the workplace level. According to Czuglerne Ivany, Hungarian social partners had limited influence on government in transposing EU legislation, citing the Working Time Directive as an example. She was convinced that legislation to assure the space for social dialogue was the most important issue as almost everything was regulated in the labour code and there remained very few possibilities to bargain collectively and conclude agreements. She believed that the situation had been further worsened by the declining unionisation rate which had fallen to less than 20%.

Viviane Goergen (LCGB) agreed that good social dialogue depended on respect and good negotiators as well as having clear positions and being open to the other social partners' agenda. Other "key success factors" were taking responsibility, defining long-term and short-term goals and setting priorities. The national level social dialogue should be seen as the operational level with the EU level setting the scene. After this introduction she briefly described the Luxembourgish model for social dialogue based on tripartite negotiations, an institutionally well-equipped system and a long tradition of constructive negotiations and social peace.

Inese Stepina (LDDK) explained that in Latvia the exchange of good practice experience was very important, and particularly so in times of crisis. In Latvia social dialogue was mainly of a well-structured tripartite character where social partners were given an advisory role. Whilst informal bipartite relations existed at the national level, collective agreements were concluded mainly at the enterprise level. Since 1999, and especially during 2008, the social dialogue agenda was defined by the government. Most recently the social partners were neither involved nor informed of important economic decisions like the IMF loan. The Latvian social partners had decided to inform EU institutions and the IMF that the decision was not taken with their participation. Stepina was convinced that, given space, the social partners could contribute to proposing anti-crisis initiatives by commenting and preparing opinions and by working together with the public administration on cost cutting. In her view the importance of a bilateral social dialogue would increase in Latvia.

In plenary discussion it was suggested that the freedom and independence of social partners in negotiations was very important. When issues on the social partners agenda were usurped by the state, social partners would be weakened in the long-run. The strength of representative organisations such as federations was conditioned by their real influence on legal regulations. Another view was that the mechanisms for defining social partner representivity were a crucial issue – and this was especially important in case of micro and SMEs whose views were often not taken into account on issues concerning them.

Session seven (Joint social partners presentations and plenary discussion) – *"External factors that facilitate social dialogue – Making the most of available financial mechanisms"*

Session seven was chaired by Liliane Volozinskis (UEAPME). A presentation by Andrew Chapman (European Commission) on the financial resources available for social partners was followed by a presentation of European level capacity building initiatives from Cinzia Sechi (ETUC) and Matthew Higham (BUSINESSEUROPE). The panellists commenting on the issue with Terezia Borosne Bartha (MGYOSZ – Hungary) and Patrick Itschert (FSE:THC – European level sectoral organisation).

Andrew Chapman offered a brief description of bipartite social dialogue in the participating countries and moved on to focus on the financial means available for social partners (primarily the ESF and European Commission Social Dialogue budget line). He explained in detail the type of projects social partners might engage in and described the rules and levels for co-financing. He strongly encouraged social partners to apply for the funds for good quality projects. Chapman's presentation is appended as annex five.

Matthew Higham (BUSINESSEUROPE) described the Integrated Programme objectives over the years 2004-2006, 2006-2008 and 2009-2010. He reminded those present of the objectives of the employers' resource centre hosted on the BUSINESSEUROPE website and presented the capacity building activities and the results of initiatives undertaken by the European employers. Cinzia Sechi (ETUC) presented the objectives, activities and outcomes of the ETUC capacity building programme described on the ETUC resource centre focusing on the training and mentoring programme, funding for national seminars and the translation fund. She encouraged national social partners to offer their views on current and potential future capacity building initiatives. This joint presentation can be found in annex six.

Terezia Borosne Bartha (MGYOSZ) commented on the financial support received by the Hungarian social partners which had enabled the translation of the joint labour market analysis and the framework agreement on harassment and violence at work. Additionally, in 2008 EU funds had been used to finance a workshop in Budapest on fighting undeclared work. The Hungarian social partners plan to organise a further workshop with the fund on industrial relations in the time of crisis. Finally, the Hungarian employers' representatives, together with the Estonian employers, participated in the Polish seminar on flexicurity that took place in June 2008 in Warsaw. She explained that the Hungarian employers' representation office in Brussels assisted participants in study visits to Brussels and ended by requesting further and clearer information on the ESF.

Patrick Itschert (FSE:THC) stressed that building the capacity for sector level social dialogue was very important. He gave the examples of sector (TCL) activities such as study trips organised together with EURATEX to anticipate future labour market conditions and required skills. Study trips had also been organised with the participation of representatives from the Baltic States and he described cooperation with Turkish and Balkan partners with a view to support capacity building.

Following Liliane Volozinskis' invitation for comments the following issues were raised;

It was questioned whether it was possible today to talk about sustainable social dialogue taking into consideration the economic crisis and very different practices of social dialogue. A participant explained that the project had been both useful and practical and had helped significant progress to be made in Lithuania since the seminar in 2006. Finally, it was suggested that there was a need for a serious assessment on the possible use of funds in the future to support social dialogue. Important in this was an appropriate flow of information between the EU level organisations and sectoral organisations and their national counterparts. The ETUC resource centre and the ESF initiative were seen to be very positive developments.

In response to issues raised on the ESF, Andrew Chapman (European Commission) explained that changes in the ESF for the programming period 2007-2013 had been made to help develop sustainable social dialogue. For the European Commission funds, he advised that small scale projects were more appropriate than larger ones and encouraged social partners to send their projects and committed that good projects would always be financed. Chapman observed that regulations on ESF were quite different to the social dialogue budget line rules. The ESF fund was managed by the Member States and they decided on the priorities of financing. The Commission knew however that, in the new Member States, the funds for capacity building of social partners were not being fully used and again encouraged national social partners to prepare projects. He ended his intervention by informing those present that the EU level social

partners would organise a specific event on the use of ESF in December 2009. This should help significantly in improving access to, and use of, ESF funding by social partners. Responding to the comments on the financial and economic crisis, Patrick Itschert (ETUF:TCL) observed that managing the crisis was a challenge, but that it was a good moment for introducing change and improving the impact of dialogue.

Session eight (Expert input) – *"A perspective from the European Commission"*

The perspective from the European Commission was offered by Jean-Paul Tricart, Head of Unit of European Social Dialogue. He believed that a good project was characterised by the fact that it contributed to strengthening relations between the EU level social dialogue and the national social dialogue process and stressed that the EC was always keen to monitor and to support social dialogue. He believed that new questions were arising in the context of the crisis and observed that social partners had expertise in restructuring and managing change and this was a huge potential that should be used.

The Lisbon Treaty, he explained, identified the importance of strengthening social dialogue and structures and, once in force, it should enable a consolidation of the achievements of the social partners in the context of the crisis. He underlined the importance of implementing EU decisions and the setting of clear priorities as crucial factors in strengthening both EU level and national social dialogue. He welcomed the social partners' commitment to improving social dialogue and the conclusion of framework agreements. He was certain that more agreements would follow.

Tricard observed that more attention had to be paid to improving all dimensions of social dialogue – interprofessional, sectoral and enterprise – and the Commission would be taking this issue forward. He concluded his intervention, by acknowledging the outcomes of the project, indicating that the EC was ready to support it further and to work with the social partners to identify and exploit synergies between the programme outcomes and policy making.

Session nine (Expert input) – *Closing comments from the leaders of the European social partner organisations*

In inviting the leaders of the European social partners' organisations to take the floor Alan Wild reminded them of the key themes in the synthesis report and the focus of discussions over the two days.

Philippe de Buck, BUSINESSEUROPE's Director General, acknowledged the scope and results of the project and thanked the European Commission for its support. He suggested that different lessons were applicable to different countries and the experience gained should contribute to the further development of the social dialogue. He observed that the programme had started in prosperous times characterised by intensive job creation and a low unemployment rate. Today the situation was quite different with an increase of unemployment and with financial difficulties being faced by both companies and workers. In this context, the social dialogue was a core tool for cooperation.

He agreed with President Barroso's opinion that the goal was to maintain the European social model. Whilst this model differs from country to country as a result of different systems, traditions, structures, regulations and social security systems he stressed that the unique values underpinning it had proved their effectiveness in a competitive world context. De Buck indicated that at present employers were trying to maintain employment levels, but that restructuring was inevitable. At the same time employees had cooperated by accepting some very uncomfortable measures to maintain jobs and this should be recognised.

According to de Buck social dialogue was a bottom-up process. It starts at a company level based on contractual relations between companies and employees and then builds to the multi-employer, national and European levels. He underlined that results of the social dialogue were important at every level and that the diversity of social dialogue systems and practices in Member States was a strength. In social dialogue it was impossible to agree on everything, but these differences should not hinder the development of joint agendas and concluding agreements. De Buck believed that it was necessary to intensify social dialogue on different levels and quickly described the achievements of the European level social dialogue and its present agenda, underlining the importance of the joint labour market analysis. He suggested that this exercise might be repeated to reflect today's very different circumstances with a view to offering solutions to be implemented at national level. De Buck believed that important issues to be tackled were mobility, migration, climate change and demography and ended his intervention by thanking all the people and organisations that had been involved in the project.

Andrea Benassi, UEAPME's Secretary General, said that the project had shown that there had been a change of attitude of the social partners towards each other and that Member States have developed social dialogue significantly. This was particularly impressive given that the majority of countries involved in the project did not have a long history of social dialogue. He questioned how social dialogue could be developed to assist microenterprises and could involve them more, reminding those present of the GDP and employment contribution of SMEs to every country in Europe. He believed that the issue of representation was crucial and without such a status it was impossible to secure the funds guaranteed for social partners. He concluded by saying that the views microenterprises were still not satisfactorily reflected in the sector level and EU level social dialogue, and that SMEs would continue to try to find their place in the national level social dialogue.

Sophie Thörne, Chair of CEEP's Social Affairs Committee, stressed that defining agenda for all levels was very important – and it was even more important to stick to it and work towards implementation. She believed that social dialogue was a part of a democratic process influencing policy making in individual Member States, and as such was important in EU discourse and inter-institutional cooperation. Thörne recognised that coping with change was one of the most important areas for social dialogue. She commented that the current work programme of EU level social partners was very ambitious and contained both new commitments for the next two years and important leftovers from the last period to carry out and implement. She pointed out that the expectations of all parties should be clarified and shared.

Maria-Helena André, ETUC Deputy Secretary General, acknowledged that she had the chance to observe the project closely and had attended many of the seminars. She strongly believed that the project had been a success, but there was still a lot of work to be done at all levels. She underlined the importance of achievements concerning building trust, drafting joint analyses, opinions, recommendations etc, as well as capacity building.

André made the point that prior to the economic and financial crisis, the European social model was perceived by some as ineffective or too costly. Today it appeared that the model had helped Europe to deal with difficult issues better than many of its competitors. She suggested that the crisis offered both opportunities and threats for workers and enterprises, and that at the national level social partners were able to cooperate and work out joint solutions related to national circumstances, and this was not possible at the EU level. André commented that the results of the EU level social dialogue had been based on minimum standards ensuring equal rights and opportunities for all workers, but sometimes this made it difficult for the national social partners to agree upon higher standards.

She concluded that in the post crisis period, the social dialogue needed to turn attention to the sustainability of the world of work.

Following the final intervention, Alan Wild wrapped up the session and the conference by thanking those involved for making it success. There were over 100 participants at the conference, more than 400 people had been involved in the project in the Member States and he congratulated the EU level social partners for their involvement and attendance at the national seminars. He also thanked Matthew Higham from BUSINESSEUROPE and Cinzia Sechi from ETUC for managing the project. Last but not least, thanks were offered to interpreters for accommodating all needs of the conference participants.

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