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| From: | General Secretariat of the Council |
| To: | Permanent Representatives Committee/Council |
| Subject: | New Challenges for Social Dialogue and Collective Bargaining - Policy debate |

Delegations will find attached the Presidency steering note on the above subject, with a view to the EPSCO Council on 14 June 2021.

EPSCO 14 June 2021

Policy debate

Steering note

New Challenges for Social Dialogue and Collective Bargaining -

The role for tripartite social dialogue and for collective bargaining in the post-Covid recovery and digital age

The promotion of social dialogue and the creation of the right conditions for mobilising and using its full potential are a common goal of the Union.¹ High-quality and effective social dialogue in policy-making plays a crucial role in ensuring that the interests and experiences of social partners, and thus of a broader spectrum of society, are heard and taken into account. Inclusive processes for the design and implementation of the necessary reforms and investments can contribute to the cohesion within society and to better social and economic outcomes. This is all the more true at moments of deep societal and economic transformations like those related to the twin digital and green transitions, demographic and social change and in crisis times like the current one.

¹ Consolidated version of the Treaty on the Functioning of the European Union, Part three – Union policies and internal actions, Title X – Social policy, Articles 151 and 152 OJ C 326, 26.10.2012, p. 47–390.

For this reason, social dialogue is a fundamental and structuring value of the European Union, which is enshrined in Principle 8 of the European Pillar of Social Rights.² Social dialogue is expected to increase economic and social progress, as well as upward convergence between Member States. It contributes to building a strong social Europe that is fair, inclusive and full of opportunities for all, without leaving anyone behind. This ambition was reaffirmed in the recent Porto Social Commitment, which was signed on the 7th of June 2021, by the European Parliament, the Commission, the Portuguese EU Council Presidency, EU Social Partners and Civil Society, encouraging all Member States to strengthen the national process of implementing the European Pillar of Social Rights and to involve social partners in this process.

1. Social dialogue in the EU Recovery: contribution to RRP and beyond

Tripartite social dialogue and national social partners played an important role in the implementation of short-time work schemes in many Member States, helping to avoid high unemployment, and in the design and implementation of appropriate working conditions in the context of the COVID-19 pandemic. All these elements are well-reflected in the Employment Guidelines and in the European Pillar of Social Rights that stress the importance of social partners' consultations on the design and implementation of economic, employment and social policies according to national practices.

An inclusive policy-making process, in which the relevant stakeholders, including social partners, are consulted in a timely and effective way, strengthens ownership of policy interventions. This is true at both national and EU level, and is a pre-condition for an effective mitigation of the impact of the crisis and support to an inclusive and sustainable recovery.

² European Pillar of Social Rights - Principle 8: Social dialogue and involvement of workers.

In the context of the Recovery and Resilience Plans, the Council Conclusions on the employment and social aspects of the Annual Sustainable Growth Strategy 2021³ recognise the need for “actively involving social partners and civil society in their design and implementation”. In line with this, the Regulation establishing the Recovery and Resilience Facility⁴ called on Member States to include in their Recovery and Resilience Plans a summary of the consultation process conducted in accordance with the national legal framework, (for the preparation and, where available, the implementation of the recovery and resilience plan, in accordance with the national legal framework), in particular of social partners. The Regulation also asks to indicate how the input of the stakeholders is reflected in the recovery and resilience plan. The Commission Guidance on the Recovery and Resilience Plans (RRP) provided more detail by asking Member States to describe in the summary of the consultations the scope, the type, modalities and timing of the outreach efforts.⁵

2. New challenges for tripartite social dialogue and collective bargaining in changing labour markets in the digital age

The impact of the COVID-19 pandemic on European societies, in particular on the Member States’ economy and labour markets, will continue to produce its effects well beyond 2020-2021, such was the disruptive socio-economic impact which inverted the growth trend of the last decade. Social partners played a notable role in the many exceptional and temporary urgent measures implemented in the European Union to mitigate the negative effects of the COVID-19 crisis

³ ST 13246/20 + COR1

⁴ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility *OJ L 57, 18.2.2021, p. 17–75*

⁵ Commission staff working document, Guidance to Member States Recovery and Resilience Plans, 22.1.2021, SWD (2021) 12 final.

Social dialogue at all levels, both tripartite and via collective bargaining, is a long standing fundamental pillar of the European Social Model, as well as of decent work, since it tends to strengthen labour market quality, performance and institutions. At the crossroads between the current crisis, recovery perspectives and major transformations taking place in the labour market, it is crucial to include the present and future of social dialogue and collective bargaining in our political debates.

In fact, the green and digital transitions are one of the greatest challenges that the European Union will face in the upcoming years and decades. The digital transformation of the economy was accelerated by the COVID-19 crisis and highlighted the need to develop a new generation of public policies and to renew and strengthen social dialogue and collective bargaining at all levels. These policies should take into consideration specific challenges in areas as broad as changing sectoral employment dynamics and patterns, skills and vocational training, upskilling and reskilling, the new realities of telework and the right to disconnect, growing atypical forms of work, namely platform work, emerging challenges for health and safety at work and the adequacy of social protection in changing labour markets.

To sum up, tripartite social dialogue can be a means of finding solutions and commitments that provide stability and broad support in the design, implementation and monitoring of economic, social, employment and labour market policies to promote both competitiveness and growth, on one hand, and social cohesion and inclusion on the other. Collective bargaining, in turn, provides the tools for negotiated adaptation to change at the sectoral and company level, ensuring the full involvement of key stakeholders in the labour market.

In this context, the role of social dialogue and collective bargaining and its relation to public policies and labour market regulation in general should have a central place in policy-debates. More importantly, questions related to the representation of workers in atypical forms of work, to the extent to which and how collective bargaining agreements should be extended to these new categories of work and how to better regulate telework and the right to disconnect.

Taking into account the key role of social partners in our European social model, and in particular the social partners' involvement in the RRP's and the challenges for social dialogue and collective bargaining arising from an accelerated digital transition, Ministers are invited to answer the questions below:

- (1) How do you assess the consultation and involvement of social partners in the preparation and implementation of your recovery and resilience plan? Could you share some examples of good practice?*
- (2) In view of the rapid changes in the labour market, and the complex challenges involved for both public policies and the social partners, how do you intend to support the capacity building of social partners, if and where needed?*
- (3) Considering the preceding analysis should the coverage of collective bargaining be extended to new categories of workers, including economically dependent self-employed workers? If so, how could the participation and representation of workers in atypical forms of work be promoted, ensuring their right of association and effective representation?*