

Social Dialogue for the Sustainability of European Professional Practices

Background document for seminars

Cracks and shards of light of social dialogue

Social Dialogue for Liberal Professions falls within a critical phase in which Social Partnership, namely the institutionalised cooperation between business and labour, sometimes overseen by governments shows some cracks.

Austria seems abandoning social partnership, or at least withdrawing institutional support for it. Southern European economies have seen steep declines in collective bargaining since the start of the decade, weakening trade unions without necessarily improving the position of employers. The Germany model of social partnership shows a mounting division in the labour market. The UK provides some instructive examples, being one of the first countries in Europe to abandon social partnership. The radical de-collectivisation of industrial relations under Margaret Thatcher in the 1980s, has been followed by unsuccessful attempts by the Trades Union Congress to revamp it in the late 1990s under Tony Blair's New Labour government.

France and Italy social dialogue does not seem a priority.

The Financial and Eurozone crises clearly had a negative impact on social partnership in Europe generally. According to Eurofound, union membership has declined in every Member State while the only countries which have seen a trend towards re-centralisation of bargaining have been Finland and, to a limited extent, Belgium.

According to Steve Coulter ¹ many ways the crisis probably simply exacerbated the effects on labour relations of several other 'megatrends' that were already underway: the decomposition of global production into 'value chains' dominated by multinationals; as well as the growth of automation and the rise of the Platform and 'gig economies' – workers in these emerging sectors being notoriously hard to organise in trade unions.

Many on the free-market Right argue that social partnership introduces too much 'grit' to the economic system, hindering the reallocation of resources necessary to take advantage of new technologies.

There is also a tendency to downgrade or eliminate tripartite structures. Undermining collective bargaining and other social rights may form part of implicit 'social dumping' strategies.

Against above mentioned trends, one should ask if the social dialogue is worth preserving.

Is still true that sound, effective and well-functioning industrial relations systems produces better business performance and more equitable outcomes together with redistributing income and achieving social peace ?

The European Commission sees the situation differently, pointing out that evidence over the past five decades of European integration has shown that EU-level social dialogue plays an essential role in advancing the European social model, delivering benefits for employers, workers, and for the economy and society as a whole ².

The experience of the crisis so far has shown how social dialogue can help to alleviate the effects of economic downturn, provide stability and resilience, and preserve or even improve competitiveness. At national level especially, social partnership has helped to tackle the crisis in many countries. As Chapter 5 shows, Member States with strong social dialogue mechanisms have weathered the storm best. National cross-industry negotiations have developed in response to the crisis in a number of countries with little tradition of such dialogue.

¹ Steve Coulter, Social Partnership in Europe in the face of the future:
<http://blogs.lse.ac.uk/netuf/2018/03/16/social-partnership-in-europe-in-the-face-of-the-future>

² European Commission, Social Dialogue, in Social Europe Guide, Vol 2, 2012

Social Dialogue for the Sustainability of European Professional Practices

Digital economy and the changing role of social dialogue

According to the European Economic and Social Committee ³, a lot of speculation surrounds an array of digitally enabled processes affect the quantity and quality of jobs. They might also substantively change industrial relations, social dialogue and the operational and representative functions of trade unions.

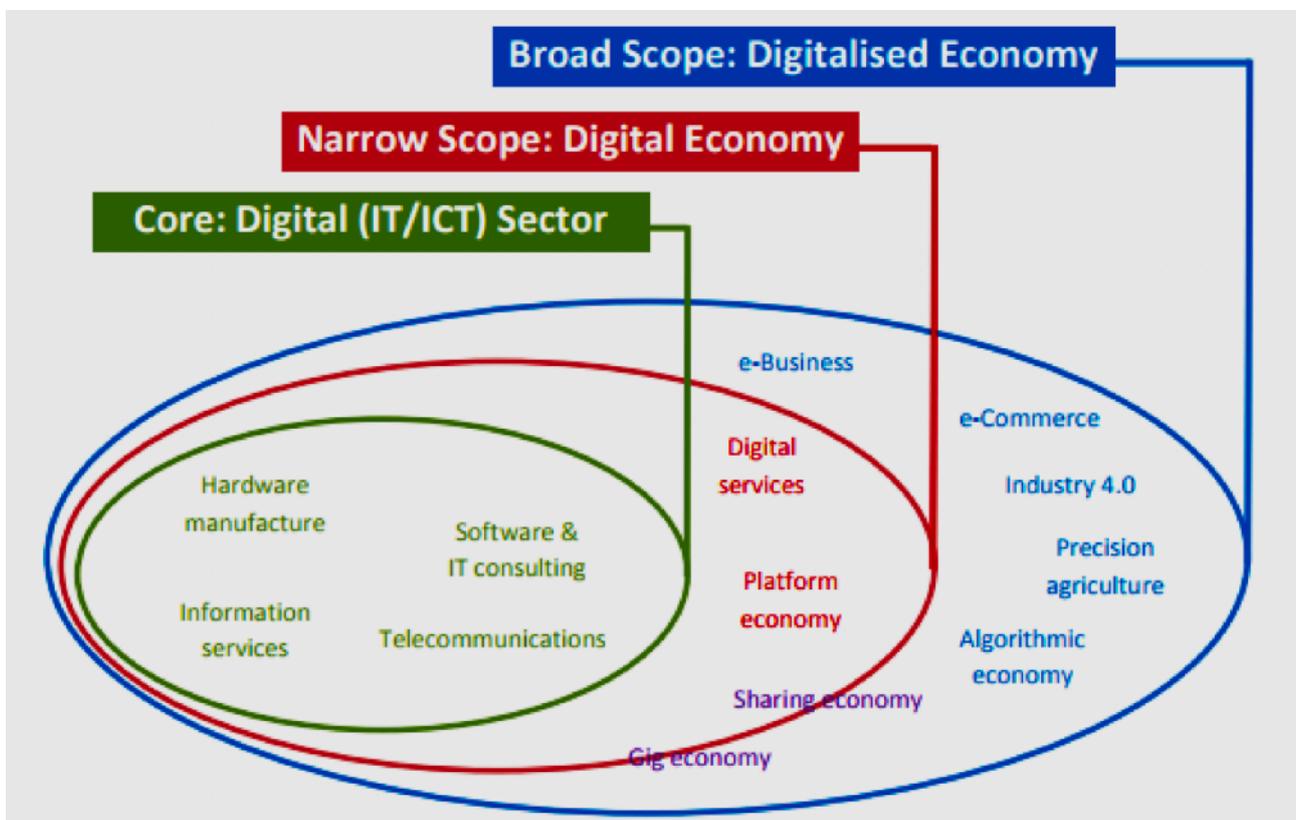
Digital transformations are built on the combined effects of digitisation (conversion of analogue data and processes into digital formats) and digitalisation (the deployment of digital technologies and data that alters existing processes and/ or results in new business models). The new wave of technological change often referred to as the 4th Industrial Revolution differentiates itself through unprecedented speed and scale. It might affect employment structures, change consumption patterns and prompt new regulatory needs on an unprecedented level.

Carl B. Frey and Michael A. Osborne refer to computerisation as job automation by means of computer-controlled equipment and analyse the impact of Machine Learning and Mobile Robotics on jobs.

Computerisation and ICTs can be considered as the backbone of digital transformation which entails Advanced Robotics, Artificial Intelligence, Cloud computing, Internet of Things, 3D printing and extends to Blockchain and Dig Data.

The digital economy helps the creation and dissemination of digital products and services far beyond the ICT sector. It is based on cross-border, networked eco-systems that enable business models and interactions across borders. The digital economy is built on an increased mobility of intangibles, users and business operations; large data flows; and multi-channel business models. Literature shows the real of digital economy and the multidimensional nature of work delivery.

Fig 1 Dimensions of the Digital Economy, from EESC, 2018, cit.



³ EESC, Overview of the national strategies on work 4.0: a coherent analysis of the role of the social partners, 2018



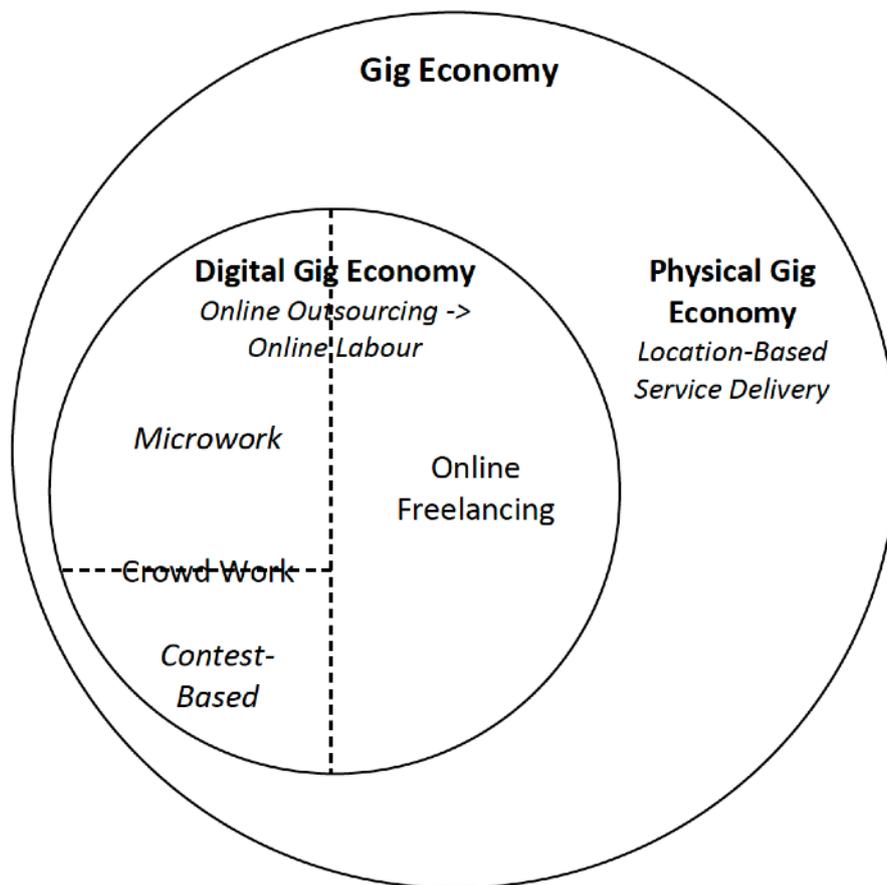
Social Dialogue for the Sustainability of European Professional Practices

Platforms in particular enable global exchange of information, crowdsourcing and funding. On one hand they create employment opportunities. On the other, they threaten labour standards, tax avoidance and evasion and price discrimination. Above all, they reduce the role of social partners and related social dialogue process.

Richard Heeks provided a categorisation of digital economy with a view to including the form of labour and employment implication.

The idea is to link the ILO literature on decent work and new employment trends emerging from the digital economy.

Fig 2 Categorising the Gig Economy and Digital economy (from Heeks⁴)



Within the digital economy, work on digital labour platforms is new and is emblematic of work of the future. It consists of both web-based, digital labour platforms (commonly referred to as crowdwork) and locally based labour platforms where work is allocated through software applications (apps).

Coined by Jeff Howe As a combination of the words "crowd" and "outsourcing" crowdsourcing refers to the act of taking a job once performed by a designated agent (an employee, free-lancer

⁴ R. Heeks, Decent work and the Digital gig economy, Manchester working papers, 71, 2017

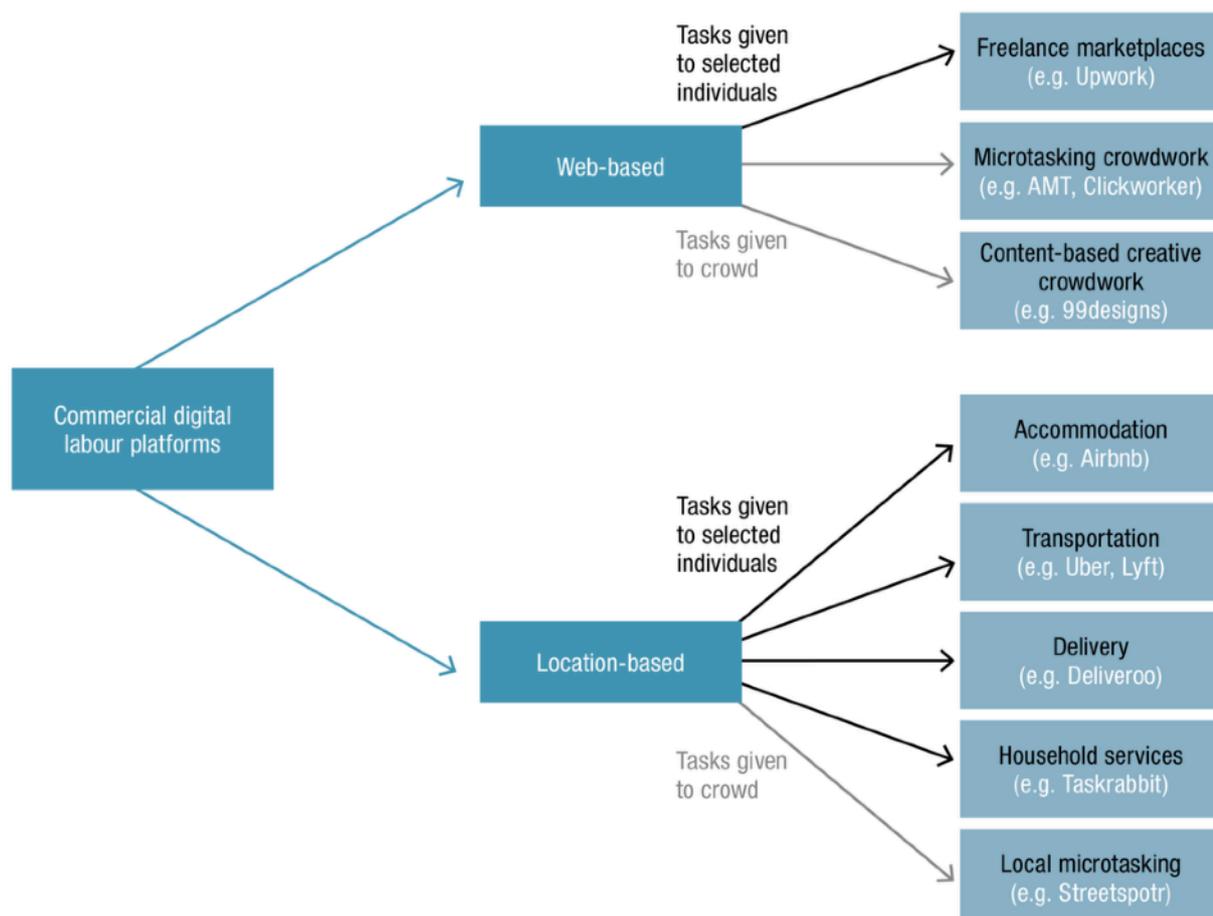
Social Dialogue for the Sustainability of European Professional Practices

or a separate firm) and outsourcing it to an undefined, generally large group of people through the form of an open call, which usually takes place over the Internet ⁵.

If crowdsourcing is the act of outsourcing work to “the crowd”, then crowdwork platforms are the digital services (websites or apps) that facilitate crowdsourcing. These platforms provide the technical infrastructure for requesters to advertise tasks to large numbers of potential workers spanning geographic and economic circumstances – “the crowd” – to retrieve and evaluate the results of completed tasks, and to pay individual workers for services rendered. Conversely, these platforms also provide services and infrastructure to workers, offering a centralized location for workers to identify tasks from many different requesters, a method for submitting work products and the technical and financial infrastructure to receive payment for work completed.

The ILO has classified the digital labour platforms into web-based and location based platforms as shown in the next figure.

Fig 3 Digital labour Platforms (from ILO Digital Labour Platform, 2018,cit)



⁵ ILO, Digital Labour Platforms, 2018



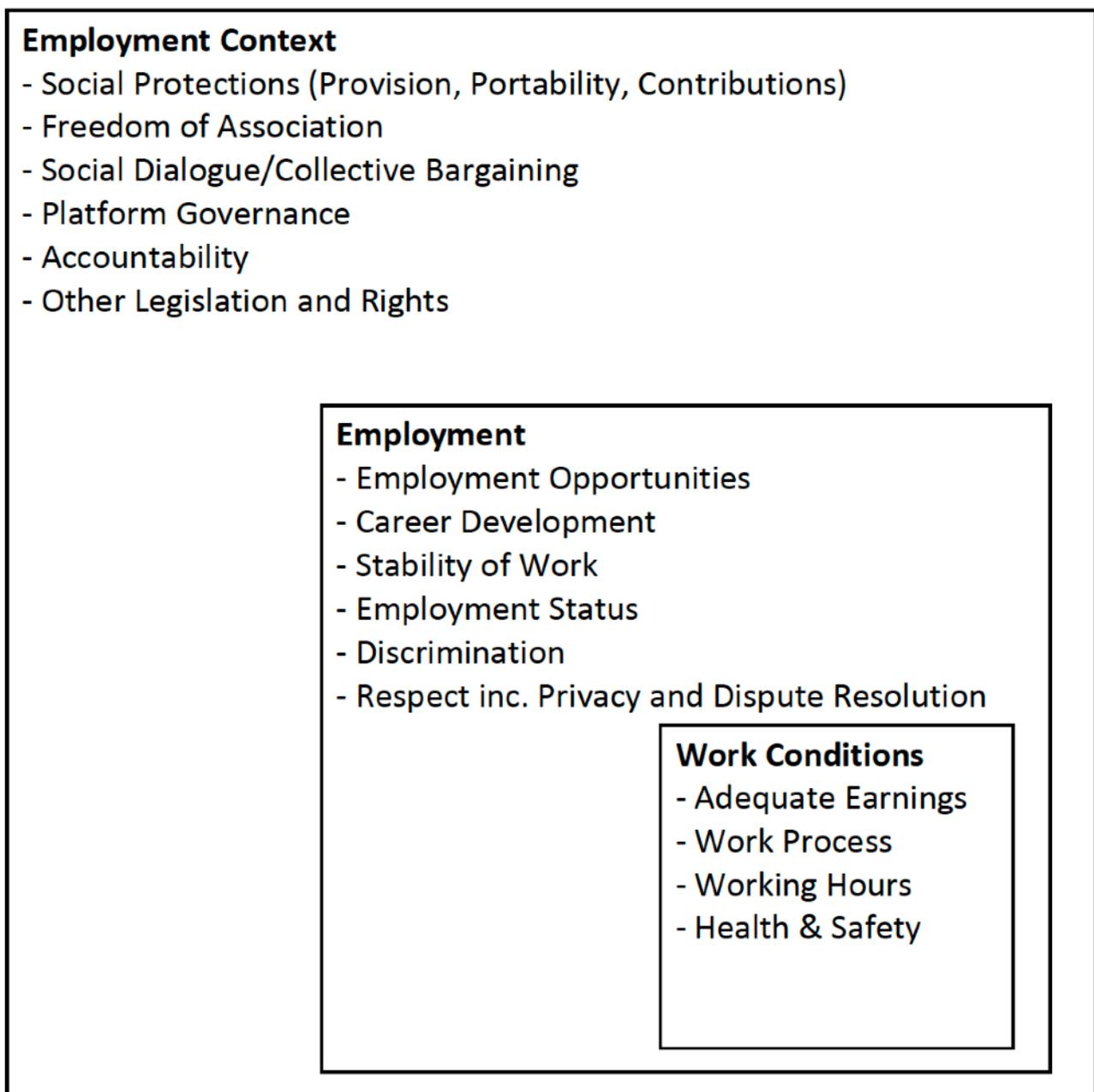
Social Dialogue for the Sustainability of European Professional Practices

Microtask platforms are those crowdwork platforms that provide businesses with access to a large flexible workforce distributed across the globe for performing numerous small and quick, often repetitive, tasks. One of the most well-known microtask platforms, AMT, advertises itself as a “marketplace for work” where “businesses and developers” gain access to an “on-demand, scalable workforce”⁶.

Labour market structure and standards

The rise of online platform work is changing labour markets. It puts labour standards and employment relationships into question and contributes to the already high levels of non-standard work. The discussion of the impact of the digital economy was summarized by Richard Heeks⁷ who explained the categories of decent work influenced by digitalisation, shown in the next figure.

Fig 4 Domains of Categories of Decent work in the digital gig economy



Social Dialogue for the Sustainability of European Professional Practices

Structural inequalities stem from a series of asymmetries (value, risk, resource, information, power) which should be faced by social partners.

Due to aforementioned concerns, the EESC points out the core trade union functions, industrial relations and social dialogue as key pillars of an inclusive digital transformation. The level and effectiveness of social dialogue varies across countries depending on the underlying systems, representativeness of one or both social partners and the effects of policies that encourage or hamper such structures. Empirical evidence presented in the EESC report shows that strong labour market institutions and trade unions lead to higher productivity, decent work and less inequality. Factually, sector level bargaining becomes crucial to identify tailored solutions and to set standards that are to be respected. In the same vein, technological agreements between social partners have shown a positive link between innovation and bargaining in the past.

Formal forums for discussions, tripartite agreements and the facilitation and promotion of worker organisation are not sufficiently underway – yet, some good practices exist.

The EESC report was committed by the Workers' group Secretariat and carried out by the Trade Union Advisory Committee to the OECD. As result, the role of trade union in the Platform economy is taken for granted. It is said that trade unions should co-lead on strategies for a just transition for those workers affected by technological change.

Several joint declarations at the European level by sector display that common challenges and aspirations for digital change exist, with the most concrete agreements being on training, data use and telework. Several company-level agreements were reported made on digital transformation in production, working time (IG Metall in 2018), workers data protection and for the first time in e-commerce (IndustriAll/ Asos). All of the examples display the need for governments to take these social partner driven initiatives to the national or regional level.

The report highlights the usual action of trade union to face the impact of digitalisation such as organising and bargaining (e.g. Amazon workers councils), achieving regulatory change (e.g. right to unionise self-employed workers), legal action and campaigning (e.g. restoring labour rights, minimum pay or challenging the license to operate for ondemand platforms), delivering evidence & trade union narratives (e.g. reports on conditions of gig work or platforms for idea exchanges on sector transformation).

The EESC report is quite disappointing in that the ILO literature on the issue is left aside and no information is provided on the Professional Service Firms sector.

More interesting is the chapter 6 of the Employment and Social Development in Europe 2018 ⁸ dealing with Social Dialogue for a changing world of work.

On the occasion of the Tripartite Social Summit on 16 March 2016, with the aim to obtain maximum benefits for all, the European Social Partners underlined the impact of digitalisation on employment and the important role to be played by Europe and the European Commission in particular. They requested jointly that employment policy should 'underpin the digital transformation'. Public authorities and social partners at various levels should assess how to adapt skills policies, labour market regulations and institutions, as well as work organisation and information, consultation and participation procedures. It is worth recalling some issue raised by European social partners. First of all, existing labour laws may need to be adapted to meet the new challenges. It is the task of social partners to use their room for manoeuvre to uphold their autonomy. They also raise general as well as sector-specific challenges in relation to occupational health and safety and organisational security, such as the use of IT devices where private and professional use overlap and autonomous machines or vehicles with new forms of man-machine interfaces. While the service sector as a whole is less at risk of job cuts due to digitalisation than manufacturing, some service sectors are experiencing massive transformation. Professional Service Firms are involved in this transformation.

Needless to say, the joint statements at national level show that social partners agree that structures will change and that cooperation would facilitate necessary transitions.

⁸ European Commission, Employment and Social Development in Europe 2018

Social Dialogue for the Sustainability of European Professional Practices

A further issue is training since, digitalisation and globalisation bring growing demands from both employers and employees for new skills. For trade unions the need for accessible and good quality training programmes, addressing the lack of digital skills for workers and the self-employed, is an absolute priority for ensuring greater equality of opportunity.

Not in all subjects a convergence position was confirmed. Non-standard employment is often a controversial issue between employer and worker organisations. Trade unions fear that as non-standard employment, including new forms of work, becomes more widespread and competes with more traditional forms of work, it will result in poorer working conditions overall. Employers mainly see the advantages associated with these forms of work, such as flexibility and lower costs.

European Commission concluded that Social dialogue is under pressure in the changing world of work. Trade unions' attractiveness has decreased over recent decades (similarly to the decline in membership of established political parties). Organising workers is particularly difficult in non-standard employment situations and in Central and Eastern European Member States.

Structural changes can also be observed in employer organisations due to digitalisation and globalisation. This leads to the conclusion that industrial relations and in particular social dialogue are undergoing deep changes. These changes will require social partner organisations as well as public authorities to move out of the comfort zone of established routines. However, it is also clear that constructive and well organised cooperation between representatives of the different groups will play an important role in delivering social peace as well as improved economic performance and competitiveness.

The role of social partners in the digital and platform economy

The role of social partners is constantly stressed by the European Commission⁹. In particular, the involvement of the social partners is seen by the European Commission as a key element of implementing Europe 2020. The Commission has involved the EU-level social partners in areas such as defining and implementing further flexicurity measures, and implementing lifelong learning principles (including consultation of the partners on developing an initiative of their own in this area). The cross-industry social partners made a joint statement on the Europe 2020 strategy in June 2010. The statement recommended policy priorities for the EU and Member States in areas such as employment, macroeconomic policy, public finances, investment, taxation, public services, social security, education, training and research. It called for stronger involvement of the social partners at all levels in the design and monitoring of European and national reform strategies, and support in developing the social partners' capacity where needed. In particular, the social partners need to contribute actively to the design and implementation of flexicurity policies. Since its inception over 50 years ago, EU-level social dialogue has grown enormously in its scope and in its importance in EU decision- and policy-making. It is now deeply embedded in the Union's treaties and institutional arrangements. It has resulted in nine Directives and a similar number of agreements implemented by the social partners themselves, bringing concrete benefits to millions of workers across Europe. It has also produced a wealth of other instruments that have helped to disseminate best practice and high standards across Europe. The dialogue has enabled the voices of Europe's workers and employers to be heard in the crucial debates over the EU's development and future. Sectoral dialogue has spread to industries employing three-quarters of the EU workforce, and made a significant contribution to the development of many sector specific EU policies. Above mentioned convincing statement by the European Commission support the project aim to use social dialogue as the main toll against the negative effect of digitalisation on Professional Service Firms. The issue is covered, again, in another European Commission report¹⁰ where positive and negative effects are highlighted. ICT development and digitalisation are generating an economic transformation that will affect all

⁹ European Commission, Social Dialogue, in Social Europe Guide, 2012.

¹⁰ European Commission, Employment and Social Development in Europe, 2016.



Social Dialogue for the Sustainability of European Professional Practices

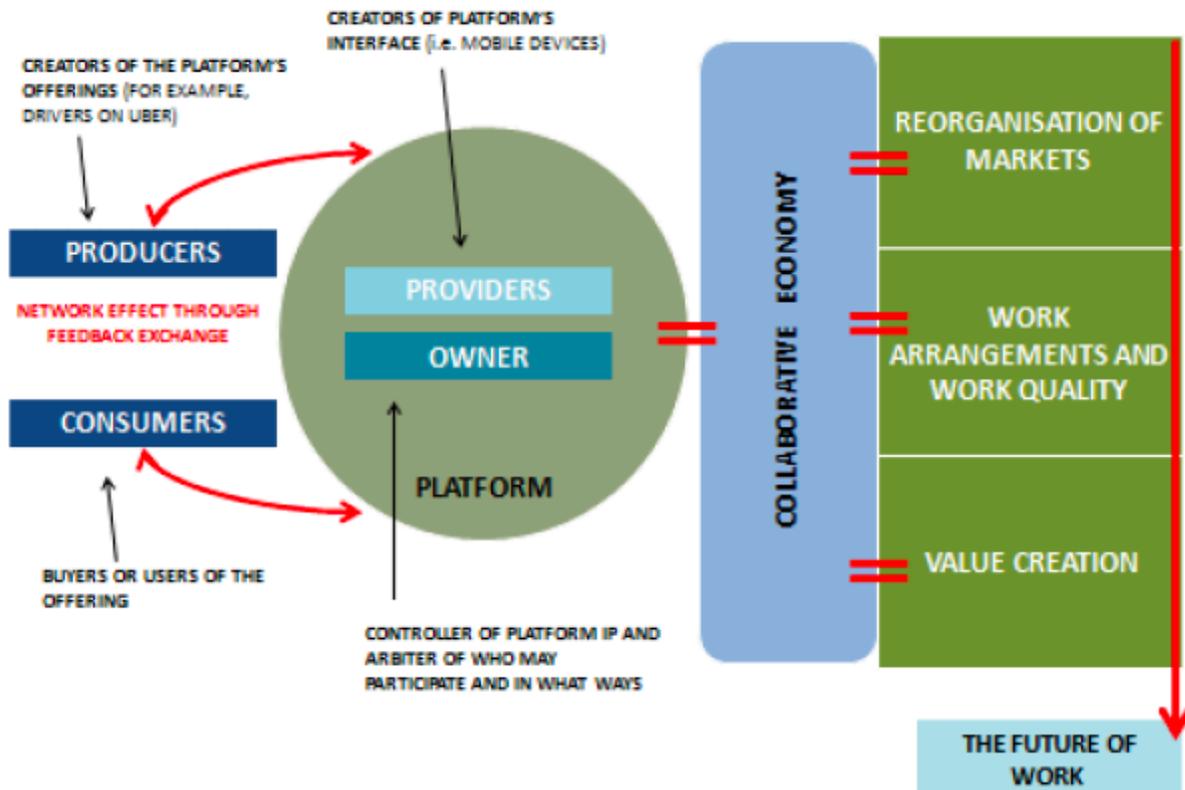
industries on a scale comparable to the impact of the steam engine during the first industrial revolution. For this reason, it has been called the Fourth Industrial Revolution. Societies are expected to see fundamental changes in the way we live, work and relate to one another – changes of a scale, scope and complexity that may never have been experienced before. It is pointed out that digitalisation and the ensuing automation can generate new business opportunities through new production processes, new products and new markets. Digital technologies reduce the cost of starting new business and encourage innovation. They can help to reduce bureaucracy and administrative costs for businesses, with positive implications for job creation. Also, by allowing jobs to be broken down into component tasks, digitalisation enables the use of cheaper global options, creating more and wider global value chains. The European Commission lists positive impacts it useful to report: digital technologies may increase opportunities for selfemployment, increase workers' autonomy, make career patterns more diverse and help to reduce barriers to the labour market participation of women, older workers, those with family responsibilities and disabled workers. New and more flexible working arrangements, in terms of both time and place of work, may allow workers to perform tasks in ways that best fit their abilities and preferences. Shorter working days, working from home, flexible work and other adjustments to traditional working patterns can give workers a better work-life balance. They may also make it easier to ensure skill matching through employment services and therefore enhance the mobility of workers and improve the allocation of resources. Finally, digital technologies promote anti-corruption and reducing red tape within governments and public authorities, allowing citizens to track government activities and monitor the work of public administrations could, in turn, increase trust in public authorities as well as promoting good governance and strengthening reform-oriented initiatives.

The European Commission, on the other hand highlights concerns about the potentially adverse effects of digitalisation on jobs and workers: the reduction of a number of occupations by automation, obsolescence of tasks and professions, a different allocation of tasks between humans and machines and the content of jobs. Robots will take up the whole bundle of tasks that make up a job, such as in the car industry or medical care.

The Commission also raises the issue of labour contracts and the implications for wages and access to social protection, such as pension rights, health insurance, unemployment benefits and childcare. Considering that governments are investing in digital technologies it is important that EU societies are prepared to reap the benefits of ICT development and digitalisation, notably in terms of infrastructure and skills. The need to draw the maximum benefits from ICT development and digitalisation through coordinated action at EU level is highlighted in the Digital Single Market strategy, as well as in the Commission's Communication on 'Digitising European Industry – Reaping the full benefits of a Digital Single Market'. The European Commission analysis covers feature of job creation, business innovation, emergence of new services and industries, productivity, GDP growth, new ways of working. Moreover, the report takes into account the capital-labour substitution, or the substitution effect, where ICT-driven innovations such as robots directly replace human workers. The compensation effect, where technological progress leads to job creation through product innovation, commercialisation of new products and demand for new equipment is examined as well. An interesting part is deserved to online platform with statistics related to the eurozone.

Social Dialogue for the Sustainability of European Professional Practices

Fig 5 Below is the scheme of the collaborative economy system ¹¹



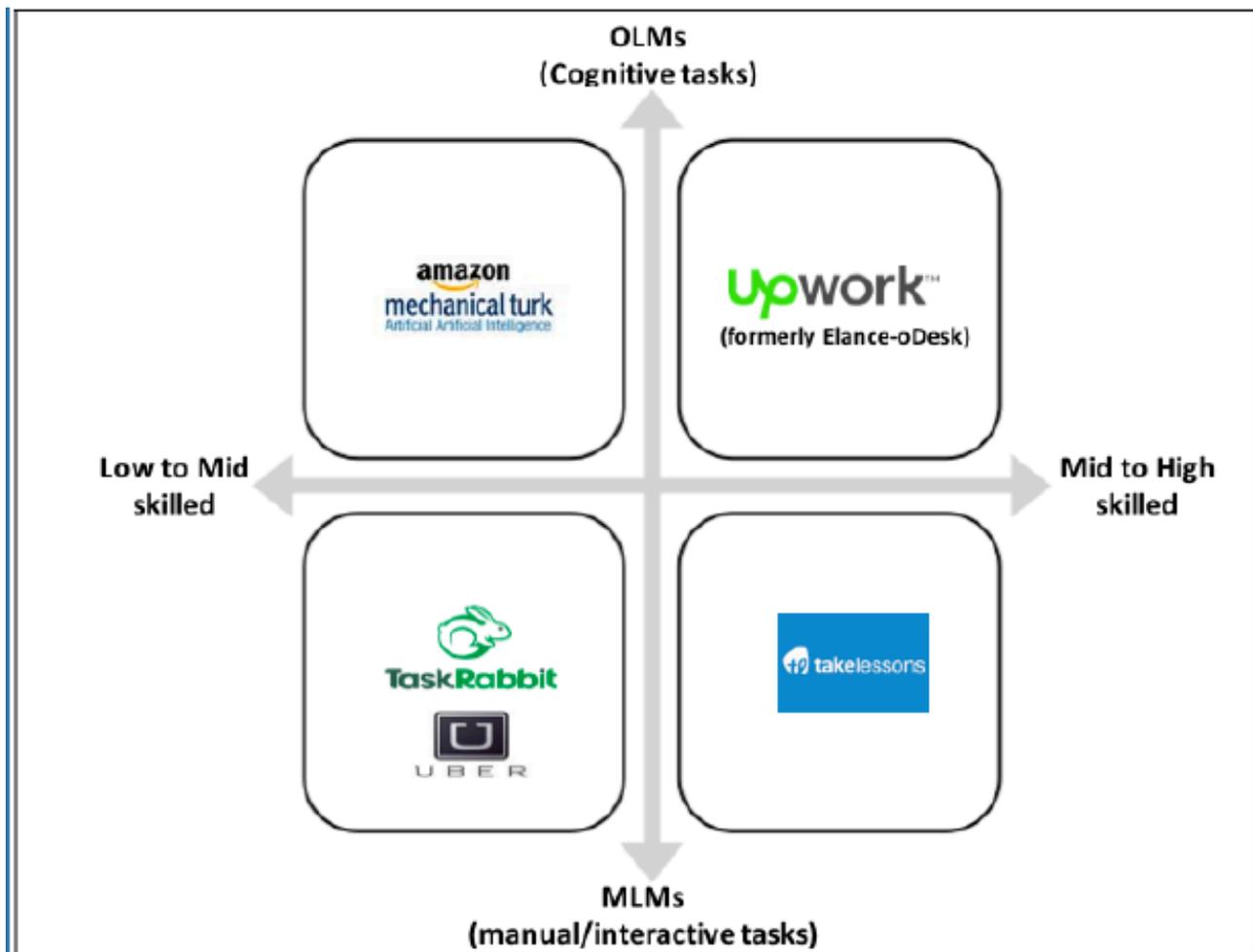
Source: created by European Commission, DG Employment, Social Affairs and Inclusion

The report also provides the difference between online labour and mobile labour market. Distinguishing between online labour markets and mobile labour markets, i.e. virtual versus physical service delivery, and between low-to-medium and medium-to-high level of skills required to perform a task, allows four types of labour market services to be identified. Next figure shows above mentioned four areas.

¹¹ European Commission, 2016, cit

Social Dialogue for the Sustainability of European Professional Practices

Fig 6 Classification of labour market platforms ¹²



According to the Commission, the collaborative economy has the potential to reduce the informal sector by offering people formal employment in sectors (299) particularly prone to undeclared work. This is particularly the case if labour and tax regulations are designed and enforced so that the potential to reduce informality materialises in fair conditions.

At the same time, it is recognised that the changing nature of work in this new economy is likely to bring certain challenges. Job quality, including job and earnings security and career progress, access to training, health and safety and autonomy over work, work-life and gender balance, can be affected by technology change. Through the transformation of production processes, the standard full-time organisation of work may give way to new more flexible but less stable forms of work arrangements (e.g. on-call work or economically dependent self-employment), without the same level of health and safety, income security or access to social protection.

¹² C. Codagnone, F. Abadie, F. Biagi, The future of work in the sharing economy, JRC Science and Policy Report, 2016, quoted by the European Commission, 2016

Social Dialogue for the Sustainability of European Professional Practices

The Commission concludes that the 'platformisation' of the economy is commonly associated with the growth of self-employment and appears to challenge the use of traditional standard forms of work. Indeed, working arrangements in the platform economy are often based on individual tasks performed on an ad-hoc basis and multiple jobholding. As a consequence, while platforms may help formalise informal work, this may not in all cases be comparable to more standard forms of work, and from a legal viewpoint, remain unclear in terms of employment status.

In the 2017 Employment and social development Report, the Commission focuses on the role of social dialogue in contributing to the functioning of social protection systems. This is particularly the case for those occupational welfare systems where social partners (bilaterally or through employers' unilateral action) have introduced supplementary social protection, especially through occupational pensions. While labour market reforms carried out in the course of the recovery from the crisis may have encouraged job creation, social protection was often weakened during the crisis years. The Commission recognises that flexible work became more prevalent and new forms of work diminished the right to social protection. Occupational welfare can offer additional protection in these cases¹³.

In line with changes in the labour markets due to the digital transformation, and recognising the increasing weakness of both employers and unions organisations, the ILO launched a new governance of work by exploiting innovation and collective bargaining. The practice and theory of governance are evolving across all areas of policy. Recent developments show the importance of encouraging actors at different levels to try new ways of addressing policy challenges, to share the outcomes, and then to determine collaboratively how to draw on the lessons and to proceed¹⁴. Some scholars have argued for the need to reconfigure unemployment insurance as "employment insurance" that would include a system of entitlements to training that would belong to the individual instead of the job. This would support workers with the greatest need for continuing education, who often do not have the resources to pay for it themselves, particularly when accompanied by a period of unemployment, as well as workers in small- and medium-sized enterprises (SMEs) who are less likely to benefit from employer-sponsored training. The focus of the ILO is to cover potential challenges deriving from the digital economy.

Next figure shows the dimensions involved .

¹³ European Commission, Employment and Social Development in Europe, 2017.

¹⁴ ILO Inception Report for the Global Commission on the Future of Work, 2017



Social Dialogue for the Sustainability of European Professional Practices

Fig 7 Potential challenges of non standard employment

<i>Employment security</i>	Transitions from temporary to permanent employment are limited, typically ranging from a yearly rate of under 10 per cent to around 50 per cent. The greater the incidence of temporary employment in the country, the greater the likelihood that workers will transit between NSE and unemployment, with the possibility of transitioning to better jobs being less likely.
<i>Earnings</i>	The risk of substantial wage penalties relative to comparable standard workers. For temporary employment, studies indicate that wage penalties can reach up to 30 per cent. Part-time employment is associated with wage penalties in Europe and the United States, but in Latin America, where it is less widespread and mainly used by higher skilled workers, there is evidence of wage premiums among salaried employees.
<i>Hours</i>	Workers in on-call employment and casual arrangements typically have limited control over when they work, with implications for work–life balance, but also for income security, given that pay is uncertain. Variable schedules also makes it difficult to take on a second job.
<i>Occupational safety and health (OSH)</i>	Significant OSH risks due to a combination of poor induction, training and supervision, communication breakdowns (especially in multi-party employment arrangements) and fractured or disputed legal obligations. Injury rates are higher among workers in NSE.
<i>Social security</i>	Some categories of workers may be excluded by law from social security coverage altogether, or they may not reach minimum thresholds with respect to the duration of employment, working time or earnings. Even when they are formally protected, lack of continuity in employment and short working hours may result in inadequate coverage or limited benefits during unemployment and retirement.
<i>Training</i>	Workers in NSE are less likely to receive on-the-job training, which can have negative repercussions on career development, especially for young workers.
<i>Representation and other fundamental rights at work</i>	Workers in NSE may lack access to freedom of association and collective bargaining rights either for legal reasons or because of their more tenuous attachment to the workplace. They may also face other violations of their fundamental rights at work, including discrimination and forced labour.

The ILO's founding instruments recognize the need for social dialogue between governments, workers' and employers' organizations as key to the governance of work, as well as to the process of rethinking governance to meet current and future challenges.

Some see an inherent paradox in corporatist policy-making: workers' organizations are required to make concessions and are inevitably co-opted into governance, rendering them unable to effectively represent the interests of the working class. Detractors claim that, while tripartism is certainly the most participatory form of labour market governance, it is time-consuming and not well-suited to times of abrupt change or economic crisis.

All forms of governance will continue to require the effective representation of the interests of governments, employers and workers. It is likely that part of the solution will lie in shaping a new political consensus on the governance of work at the global level. This will need to be accompanied by efforts to elicit the views and interests of other actors who, while not necessarily

Social Dialogue for the Sustainability of European Professional Practices

enjoying “representative legitimacy” in the sense of membership, nor indeed even being part of the organization’s governance structure, can play a part in the pursuit of social justice.

In conclusion, the ILO report is useful for the project Social Dialogue for Professional Service Firms sector, in that it raises two policy issues:

- a) the option between bilateral or trilaterale dialogue
- b) the focus on Regulated Professions or the extended policy including non regulated as well.

Social Partners representativeness

Last reference framework to shape the context of social dialogue in the Professional Service Firms (PSFs) Sector comes from the European Foundation for the Improvement of Living and Working Conditions. The report on representativeness¹⁵ points out the statistics issue within the PSFs. As known, the representativeness of social partners provides legitimacy for their various roles in industrial relations, whether through the vehicle of social dialogue, collective bargaining or involvement in government policymaking or implementation. Their representativeness entitles the social partners to act on behalf of their members or, in some cases, all companies and the entire workforce. According to Eurofound, representativeness has various meanings across the Member States and few national systems correspond to an unalloyed form of either mutual recognition or legal conformity. Member States employ a combination of these principles, applying a mix of both formal and informal criteria.

Four criteria are taken into account in the report: a) the dichotomy of the representativeness concept based on compliance with legal requirements or based on mutual recognition; b) electoral success; c) organisational strength in terms of the scope of membership; d) the capacity to negotiate.

The discussion regarding the concept of representativeness at international level, the Foundation reports that dates back to an advisory opinion in 1922 of the Permanent Court of International Justice. In 1956, the Committee of Experts on the Application of Conventions and Recommendations (CEACR) evoked the concept of representativeness for the first time, stating that ‘the representativeness of the parties must be substantial’. According to the CEACR’s current list of conditions for representativeness, the criteria for representativeness need to be: a) objective; b) precise; and c) predetermined. The European Committee of Social Rights of the Council of Europe stipulated in 2006 that criteria of representativeness need to be: a) reasonable; b) clear; c) predetermined; d) objective; e) laid down in law; and f) subject to judicial scrutiny. According to Eurofound, in 1993, the European cross-sector social partners tabled a detailed list of the conditions to be met by organisations to be consulted by the European Commission. According to this list, they must be: a) organised horizontally or sectorally at European level; b) composed of organisations that are themselves regarded at their respective national levels as representative of the interests they defend, particularly in the fields of social, employment and industrial relations policy; c) represented in all Member States of the European Community and, possibly, of the European Economic Area, or have participated in the ‘Val Duchesse’ social dialogue; d) composed of organisations representing employers or workers, membership of which is voluntary at both national and European level; e) composed of members with the right to be involved, directly or through their members, in collective negotiations at their respective levels; f) instructed by their members to represent them in the framework of European Community social dialogue.

¹⁵ Eurofound, The concept of representativeness at national, international and European level, Publications Office of the European Union, Luxembourg, 2016

Social Dialogue for the Sustainability of European Professional Practices

Links between European and National Social Dialogue

A second Eurofound Report explores the connections between EU and national level social Dialogue ¹⁶. It looks at the articulation and complex multi-level links between European and national levels of social dialogue and examines the factors that both facilitate and hinder the successful engagement of national social partners and their ability to promote their interests effectively. 'Articulation' is defined as the establishment of cohesive vertical and horizontal interrelationships. These vertical and horizontal dimensions of articulation are considered to be key features of European social dialogue. In addition, articulation reinforces a key aspect of the European social model, which aims to guarantee the governance of employment within the EU. Quoting Marginson and Keune, Eurofound refers to the concept of a 'multi-level system' when discussing European social dialogue as 'the introduction of a 'multi-level perspective to European social dialogue', which includes the notions of 'autonomy' and 'dependency' among different actors at different levels.

The significance of hierarchy and power when it comes to developing a European multi-level framework of industrial relations is an issue stressed by Eurofound.

The historical evolution of social dialogue (from 1985 Delors initiative, to 2001 Laeken European Summit, up to 2016 initiative on a new start for social dialogue) has led to two major forms of cross-industry social dialogue at EU level, two of which involve the cross-industry social partners:

- tripartite social dialogue between cross-industry social partners at EU level and EU institutions, including the Tripartite Social Summit (established in 2003)

- cross-industry European social dialogue between EU-level trade unions and employer organisations. Both have two articulation: horizontal (EU level) and vertical level (national levels)

Key findings refer to the link between EU and National-level of social dialogue.

From the European perspective of horizontal and vertical articulation, the study reveals that there are significant differences between trade unions and employer organisations. While the ETUC and sectoral trade union organisations are composed of national affiliates that are also cross-industry or sector related trade union federations, the national rank and file of European employer organisations are much more diverse, also as regards different types of affiliates and the type of membership. The links between EU- and national-level social partner organisations is viewed as a key dimension of European social dialogue, contributing to the functioning and quality of social dialogue at cross-industry and sector level.

The role of the Commission as a 'facilitator' of social dialogue should be reconsidered in light of today's challenges and it has been pointed out that the Commission might be more pro-active in promoting social dialogue, notably through its social dialogue website.

Eurofound recommend that EU institutions should take into account the multiple challenges to social dialogue at national and/or sectoral level. Recent initiatives such as the European Pillar of Social Rights and the revised 2018 Employment Guidelines could contribute to strengthening social dialogue and the relationship between the social partners and governments at national level.

Finally, Eurofound highlights some key messages to strengthen horizontal and vertical articulation. As for Horizontal articulation, the study shows that the European social partners have recently developed their own initiatives to improve coordination and cooperation with sector-related social partners. In this way, they have already acknowledged that there is a need to improve the flow of information, exchange of experiences and communication, in particular when it comes to addressing topics or exchanging good practices.

As for the Vertical articulation, the study found that both challenges and framework conditions are more complex and difficult than with horizontal articulation. The most important challenge – that so far has not been sufficiently resolved – is how to integrate social partner from countries where there is no tradition of bilateral social dialogue at sectoral level into EU-level social dialogue. Apart from measures that target mainly social partners themselves (training seminars, capacity-building, knowledge transfer and building up expertise on EU topics and policies), there is a need to

¹⁶ Eurofound, Exploring the connections between EU- and national-level social dialogue, Publications Office of the European Union, Luxembourg, 2018

Social Dialogue for the Sustainability of European Professional Practices

develop a longer-term perspective that also fosters institution-building within sectoral social dialogue.

A key finding of the study was that strong and well-functioning vertical articulation, both from the top-down and bottom-up perspectives, requires well-functioning social dialogue at national level. In conclusion, the Eurofound report helps understanding the path to be followed in order to mainstream results achieved in the Professional Service Firms beyond national contexts.

Changes in Industrial relations

Last report from Eurofound to be considered is on key dimensions of industrial relations¹⁷ which affects also the liberal profession sector. Industrial relations systems involve a complex web of rules, with political, economic, labour and social inputs interacting with institutions and practices to generate outcomes. These outcomes can be wage-setting agreements, employment relationships, as well as other intangible assets, such as trust, mutual recognition, cooperation schemes, social and industrial peace. Eurofound results highlights The research highlights key dimensions of industrial relations systems, such as Industrial democracy, industrial competitiveness, job and employment, social justice.

Eurofound concludes that despite the dramatic transformation of collective industrial relations in the digital economy, there are good reasons why industrial relations still play an important role in EU Member States and in society today. Sound, effective and well-functioning industrial relations have the following characteristics: a) they are efficient mechanisms involving both sides of industry in achieving better business performance and equitable outcomes in line with the principle of horizontal subsidiarity; b) they are tools for redistributing income, as well as achieving social and industrial peace; c) they provide a set of collective values (such as trust, industrial peace and cohesion), not only for the relevant actors but for a society as a whole.

Aforementioned general information framework confirms the tensions in the European Social Dialogue coming from the evolving world of work and the impact of digitalisation.

With this in mind, we move to the specific issue relating to the digitalisation effects on the Professional Service Firms.

The general context of social dialogue which can be considered a sub set of the industrial relation realm, allows project partner to be aware of the general issues leading ton the Professional Service Firm sector:

- a) the transition time of social dialogue both at European and National level;
- b) the multidimensional nature of digital economy
- c) the creative and disruptive effect of digital tecnologies on labour market
- d) the strength of online labour and platform systems
- e) the impact of platform on standard and non standard employment
- f) the need of a new governance of work
- g) the issue of representativeness
- h) the relation between European and National Social Dialogue
- i) the changing pattern of the industrial relation framework.

With aforementioned nine assumptions of social dialogue we move to the Professional Service Firms Sector involving almost 20 million workers.

Activities carried out and related results

Partners have already received the following documents:

1. Dictionary on Social Dialogue
2. European Social Dialogue Framework
3. Statistics on PSFs (Task 1)
4. Occupation in the Liberal Professions (NGT Preparation Document Task 2)
5. Digitalisation impact on Liberal professions (Task 3)

¹⁷ Eurofound, Mapping key dimensions of industrial relations, Publications Office of the European Union, Luxembourg, 2016



Social Dialogue for the Sustainability of European Professional Practices

6. Social Dialogue Mechanism (Task 4)
7. Conceptual framework of Bilateralism as a future of social dialogue
8. Evaluation Plan
9. Social Protection Brief (focus Group May)
10. Social Protection Scheme Validation
11. European Report on Social Dialogue
12. Future of Social Dialogue (Italian)
13. Glossary Social Protection
14. Implementation Manual
15. Collective bargaining in Italy and France
16. Sprout

The organisation of National Seminars on Social Dialogue for Professional Service Firms

After carrying out the scheduled activities in 2018, conceptual amendments have been discussed and approved during the Partnership held in Malta.

A first revision refers to population target, in that the general term "liberal professional" is replaced by the Professional Service Firms (PSFs) which expresses more in detail the set of target population in terms of both professionals and employees operating with the same workplace, namely the firm (law firm, accounting firm etc).

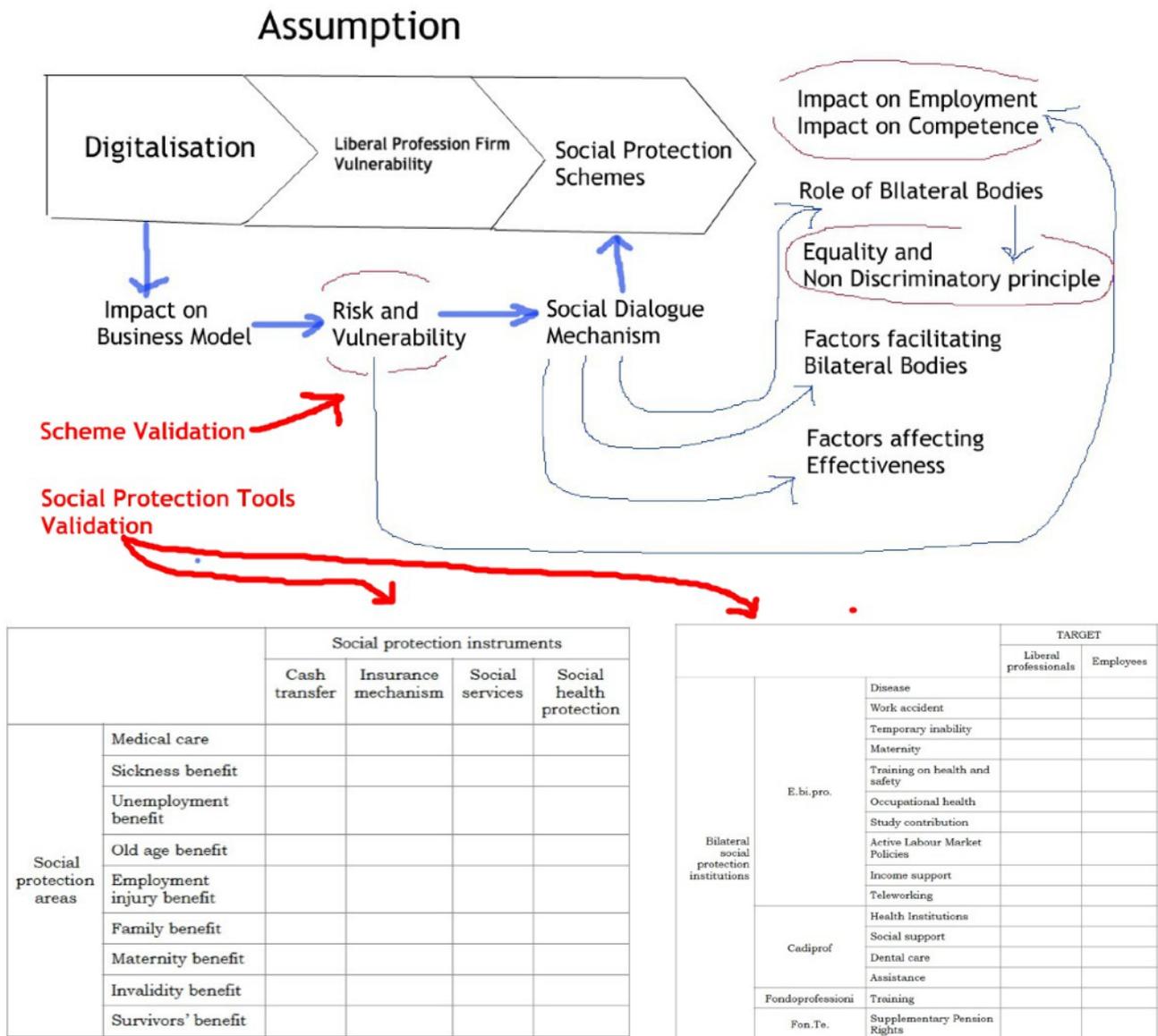
This result is due to the deep discussion among partners on the relationship between employment contracts within the firm (with and without employment contract) and the nature of occupations (employees and professionals). The related matrix is a by-product of the NGT exercise.

Second clarification regards the logical-chain between digitalisation impact on PSFs and the social partner response determined by the social dialogue tool.

Observing the above mentioned literature, there is no doubt that Social Protection Schemes provided by Bilateral Bodies institutionalised in the collective agreement framework represents an innovative way of interpreting social dialogue in an era of digital economy. The figure below explains the links.

Social Dialogue for the Sustainability of European Professional Practices

Fig 8 Project Logical Framework





Social Dialogue for the Sustainability of European Professional Practices

This logical framework was the hypothesis drawn in the project proposal which has been confirmed by partners during the project implementation leading to a further development:

- increase effort towards a robust collective bargaining system in the PFS sector in Europe;
- explore ways and tools to put into practice social protection schemes outside collective agreement patters, involving partners in a social dialogue addressed not to the collective agreement but to social protection schemes directly.

Second option was suggested by the partnership meeting's result in Malta.

Now the logical framework is sufficient to design the seminar and the mutual learning activity in the national contexts.

Together with the clarification of both social dialogue logical framework and the target populations, didactic materials are ready as the aforementioned project product have been finalised.

As a result, Seminars are designed according to the project proposal into two parts:

- first part is addressed to the social dialogue pattern in the PSFs realm as a response to digitalisation;
- second part is focused on the social protection schemes resulting from social dialogue.

Below are the general items for the preparation of seminars.

Target group of seminars are 40 decision-makers from social partners organisation.

Duration of Seminars is about 4 hours.

Title of seminars The future of Social Dialogue in PSFs : from Pyramid to Platforms

Method: Participative approach