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Social Dialogue for the sustainability of Liberal Professions Sector in the digital age

Guidelines SD4LP

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These Guidelines addressed to national representatives of Social Partners in the Liberal Professions Sectors fall in the ILO Centenary 1919-2019 and reflect unprecedented changes for public institutions managing the transformation of work. Pressure on traditional modes of governance of work brought by global market integration and the digitalisation of productive systems also impacts on Professional Service Firms. Falling membership of trade unions worldwide and the increase of non-standard forms of employment and the gig economy are weakening the collective bargaining regime. At the same time, effective state regulation is also challenged by the weakening support of economic actors for a labour administration system where labour inspection and dispute resolution functions are losing institutional space.

Within the aforementioned general framework, Social Dialogue interpreted by Social Partners in the European Liberal Professions sector highlights the paradigmatic shift towards social justice and social protection. Social Dialogue here goes beyond traditional information exchange, consultation or negotiation among representatives of Professionals and Employees of professionals firms to include a new prospective of collective bargaining and the shared management of work and labour issues.

The main goal of social dialogue in the Liberal Professions remains the promotion of consensus building and the involvement of stakeholders in the world of work.

To this, successful social dialogue structures are added with the aim of providing employment and social protection services, encouraging good governance towards European sustainable development.

Strong and independent Professionals and Workers' organisations, technical capacity of Bilateral Bodies, sound participation in social dialogue at European, national and local levels, authentic commitment to engaging social partners in a common effort towards the quality of professional services, focus on collective bargaining as the central pillar of social partnership are among those enabling conditions leading to effective social dialogue in the liberal professions.

These Guidelines represent the result of a social dialogue project inspired by the will to promote liberal professions Social Partners as crucial actors in pursuing governance of work and European Sustainable Development.

The participation of the European Council of Liberal Professions and Eurocadres as the European representative of Employees added value in overcoming national issues and leading to common European policy issues. Guidelines include a work carried out in partnership, through investigation of collective bargaining patterns in selected countries and the evaluation of the bilateralism approach promoted by Italian Social Partners and validated by social partners in Belgium and Malta.

National Seminars on the social dialogue model adopted in the professional sector brought further key elements for the European Agenda addressed to the digital revolution impacting on professional service firms across Europe.

These Guidelines stem from key ILO principles and the EU legal framework on Social Dialogue, shows how the principle "Labour is not a commodity" in put into prac-

tice in the liberal professions and provide guidance towards social protection ad human right.

European Council of Liberal Professions

Eurocadres

CIGIL-Fiscam

CISL-Fisascat

UIL-Uiltucs

Italian Confederation of Liberal Professions

Malta Federation of Professional Associations

Purpose of Guidelines

These Guidelines have been drawn up as a response to the following issues:

- a) Role of Social Dialogue in facing the digitalisation of professional service firms;
- b) Added value of Bilateralism as a new generation of social dialogue.

The added value of Bilateralism is described towards the sustainability of the liberal profession sector within the relationship between the impact of digitalisation on liberal profession service firms (PSFs) and the social dialogue response.

These Guidelines are targeted at Social Dialogue National Representatives of Social Partners and their colleagues at local level. Also, Sectoral Associations of the liberal profession sector, such as lawyers, accountants, engineers and health professionals interested in ensuring responsible management of redundancy linked to the digital age can benefit from these guidelines.

Because the changes of professional services due to digitalisation often result in job cuts or reduced professional service firms' competitiveness, it is often resisted by professionals and employees who are rightly concerned about imminent income losses and an uncertain future. Adaptation undertaken unilaterally, without sufficient dialogue with employees and stakeholders, are not likely to succeed since quality services can only be delivered

by efficient and effective PSFs able to deliver services coherent with population needs.

Professionals and Employees concerned must be kept informed and should have a sense of ownership of policy related to common interest suggested by Professional Associations and Trade Unions.

To this end, it is imperative that Social Partners involve Professional Service Firms (professionals and related employees) in the entire adaptation process to the digital revolution from its inception. Moreover, to ensure that policy facing digitalisation impact achieves its objectives, it is important that representatives of employees and professionals are properly trained in social dialogue issues and its role for the sustainability of the liberal profession sector.

Bilateralism (social dialogue procedure) and Bilateral Bodies (means of bilateralism) are building on sound social dialogue that requires competency acquired by training.

Appropriate measures should also be taken to ease the adaptation problems faced by affected PSFs, such as those relating to information and technical assistance facilitating the use of services provided by Bilateral Bodies in terms of healthcare, unemployment benefits and welfare at large. All these issues must be dealt with effective social dialogue to ensure that bilateral action achieves intended goals.

It is hoped that both professionals and employees in the liberal profession sector will find these Guidelines a useful reminder of their respective rights and obligations. It is also hoped that they will find it helpful in reviewing the co-management that has been undertaken so that they can plan better future changes of bilateralism and social dialogue mechanism at large.

Structure of Guidelines

After having highlighted the need for a revision of social dialogue concept, (Section 1) these Guidelines are focused on innovation brought by Bilateralism, designed and implemented by Social Partners in facing difficulties in the labour market in micro-enterprises (Section 2). New Social Dialogue Mechanism includes six components and merges traditional social dialogue issues, such as information sharing and consultation, with new communication and interaction approaches brought by bilateralism. The codetermination principle (Section 3) and its day-to-day modus operandi changes social dialogue approach, reshapes the communication framework among social partners and prospects a new dawn of industrial relations in the professional sector. Bilateral Bodies as a new approach to social dialogue are outlined in Section 4, while Section 5 deals with the assumption of Social Dialogue from an epistemological point of view.

Rethinking of Social Dialogue within the sustainability science is covered in Section 6, with a view to highlighting the difference between the conventional perspective on sustainability and the resulting role of the liberal professions in achieving the European Sustainable Development. Section 7 and Section 8 discuss the meaning of social dialogue and the role of Social Partners in the Liberal Profession sector within the European knowledge society. These Sections recall the dimension of the

Liberal Profession Sector in Europe and the role professionals play for the European Sustainable Development. Section 9 describes the Social Dialogue framework linked to the digital age, while Section 10 outlines a checklist for the strengthening Social Dialogue for the Sustainability of Professional Service Firms. Lastly, ethical social dialogue as the assumption of Social Partners interactions is referred to in Section 11.

1. Rethinking Social Dialogue in the Liberal Profession Sector

Social dialogue has different meanings and approaches. While the European Union promotes bilateral social dialogue and the involvement of civil society, the ILO assigns priority to trilateral social dialogue, leaving a marginal role to civil society. In general, social dialogue includes the sharing of all relevant information, consultation and negotiation between, or among, representatives of employers and workers on issues of common interest relating to economic and social policies. Social dialogue has broad and varied meanings in European Member States. It takes place at all appropriate stages of the decision-making process and has different prescriptive functions. Social dialogue is adapted to national contextual circumstances and often involves only those affected by economic changes¹.

Social dialogue is one of ILO's four strategic objectives in promoting "decent work" for all. Effective social dialogue requires freedom of association and expression, open and transparent two-way information sharing, and strong and independent social partners who can participate freely. It also requires an appropriate legal and institutional framework, as well as a favourable climate and mindsets that are conducive to purposeful discussion and constructive

1. A. Trebilcock, T. Treu, *Towards Social Dialogue*, ILO, 1994.

co-operation. Social dialogue is an effective way of exchanging information and enabling the adjustment of views so that conflict resolution, social equity and effective policy implementation are ensured. It is also a learning process. It is the means by which rights are defended, employment is promoted and work is secured. It is a source of stability at all levels, from enterprise to society at large². While Social Dialogue is rooted in the EU Treaty and relaunched in the European Pillar of Social Rights, it is one of ILO's four strategic objectives in promoting "decent work" for all³.

Effective social dialogue requires freedom of association and expression, open and transparent two-way information sharing, and strong and independent social partners who can participate freely.

It also requires an appropriate legal and institutional framework, as well as a favourable climate and mindsets that are conducive to purposeful discussion and constructive co-operation.

According to the ILO⁴, Social dialogue is an effective way of exchanging information and enabling the adjustment of views so that conflict resolution, social equity and effective policy implementation are ensured. It is also an educational process. It is the means by which rights are defended, employment is promoted and work is secured. It is a source of stability at all levels, from the enterprise to society at large.

2. ILO, Decent Work, Geneva, 1999, p. 4.

3. Decent work includes the promotion of International Labour Standards and the Fundamental Principles and Rights at Work, the achievement of decent employment and income opportunities, social protection for all, and the strengthening of tripartism and social dialogue.

4. ILO, Decent Work, Geneva, 1999

The assumption of Social Partners at national and European levels dealing with digitisation of Professional Services Firms (PSF) was rooted in the European Social Model and the related role of social partner in facing changes. Social Partners agreed that negotiation is preferable to unilateral imposition and that management by agreement is the way to organise future industrial relations in the Liberal Profession sector. It also recognised collective agreement as the most appropriate means of regulating labour relations and social dialogue as the invaluable mechanism for the design of policies to fit Professional Services Firms' needs.

Therefore, project activities have been designed conceiving Social Dialogue as the driving force of successful social reform within the collective agreement framework. Preliminary discussions, confirmed by the approaches in selected countries, were focused on the meaning of Social Dialogue distinguishing the following differences:

- a term synonymous of industrial relations involving collective bargaining and other means of pursuing agreement between Professionals and Employees;
- a term distinguished from collective bargaining, indicating an exchange of information and viewpoints which may ultimately facilitate successful negotiation without a negotiating process;
- an institutional configuration designed to encourage consensual or positive-sum interaction;
- a normative orientation towards 'social partnership' and the avoidance of conflict.

Social Dialogue has been relaunched by the European Pillar of Social Rights in three ways:

- as a key component leading to collective agreement;
- as a means of consultation among Social Partners;

- as a modus operandi of Industrial Relations that should be encouraged and strengthened.

The European Pillar of Social Dialogue links Social Dialogue to Social Protection so as to facilitate childcare, unemployment benefits provisions, old age income, health care, social assistance and long term care.

These Guidelines fall within the aforementioned framework, providing recommendations on Social Dialogue as a response to digital transition impact on professional service firms.

2. Innovation brought by Bilateralism

The Social Dialogue concept promoted by Social Partners in the Liberal profession sector stems from the aforementioned framework, which reflects the tradition of the European Social Model, but includes a further component raised by the knowledge society and digital age. Social Dialogue can thus be defined as a communication process between social partners entailing collaboration (information sharing), consultation (meeting on social issues), concertation (common effort towards unified proposal), collective agreement (written contract entered into between Professionals and Unions representing Employees of the PSF including bargaining), co-management (the practice of managing Bilateral Bodies jointly), and co-regulation (collaboration between Social Partners and Government in regulating Professional Sectors issues).

Social Dialogue definition thus engages in the traditional definition of a new component brought by the co-determination principle and bilateralism approach.

The resulting Social Dialogue Mechanism is built on a social dialogue model made up of information, consultation and concertation. Before being a form of tripartite informal agreement between Social Partners and Government, concertation has been applied at bilateral level with the purpose of preparing the negotiation platform with Government. The term “concertation”

appears frequently in the Commission Communication COM 2002/341 on European Social Dialogue. That time, the Communication supported reinforcement of the concertation between social partners and European institutions on economic and social policies, and proposed to set up a new “tripartite social summit” as a focal point for the social partners’ contributions within the Lisbon Strategy. In a joint contribution for the 2001 Laeken Social Summit, the social partners defined the framework for a fresh stage in social dialogue. That agreed framework rationalised concertation within a new, single forum (the Tripartite Social Summit for Growth and Employment) and promoted bipartite social dialogue through adoption of a work programme. A specific session of the Communication was devoted to organising tripartite concertation as a means to implement the European Social Model. Veronese recalls the origin of the so called co-management back in 1984 when he was negotiating the introduction of trade union delegates within artisan firms. Since the President of Italian Confederation of Artisanry was against the request of the Trade Union⁵, it was agreed to establish a Bilateral Body managing funds covering expenditure of staff ad hoc committed within the Artisan Organisation, replacing expected company delegates that are not feasible in micro-enterprises. The collective agreement stipulated in 1984 thus included other items such those relating to unemployment benefits, training, support for artisan exhibitions, later extended to social protection schemes.

5. S. Veronese, former deputy President of the Italian Economy and Labour Council, Interview of 6 July 2019.

Co-Management reshapes Social Dialogue thanks to the Italian tradition of social partnership⁶. What prevails here is the “bilateral” perspective, since the State is not directly involved in the social dialogue mechanism rooted in the collective agreement framework and aims to solve “common” welfare issues of Professionals and PFS Employees⁷.

The aforementioned Social Dialogue Mechanism requires “cooperative learning” by social partners, a permanent iterative communication process in which the criteria of governance of work are developed interactively.

This definitional outcome is aligned with the literature on Social Dialogue, where it is recognised that that too conflictual a relationship carries the risk of unacceptable reciprocal damage, in part from a commitment to seek negotiated solutions to differences, in part from a belief that positive-sum outcomes may be possible, in part from an expectation that others will not risk long-term cooperation through short-term opportunistic behaviour⁸.

The underlying rationale of this common approach lies in the belief that it can overcome the talk without substance which is contained in the phrase “I hear what you say”. The familiar adagio in the social partners relationships entails the unspoken corollary of taking absolutely no notice.

The resulting culture of trust depends on the nature of the Professional Service Firms which is quite different from the enterprise. Professionals have an intellectual and public aim that is radically different from those

6. G. Stella, President of Italian Confederation of Liberal Professions, Interview, June 2019.

7. At the time Silvano Veronese was Deputy General Secretary of UIL Trade Union.

8. R. Hyman, *Social dialogue and industrial relations during the economic crisis*, ILO, 2010 p. 12.

features of enterprises. Second, the work organisation within the PSF implies a sound cooperation between professionals and employees beyond the employment or contractual relationship, conditions that forge a similar relationship between Professional and Employees representatives⁹.

As a result, Social Dialogue in the professional sector adds a social cohesion function to the traditional negotiation function, since the outcome of the collective agreement is addressed to both professionals and employees and their families. It includes involvement in the management of social welfare institutions, thus increasing the legitimacy of the socio-economic model. When a trilateral dialogue is considered, a further function is envisaged, namely the function of regulation which represents relationships with government and social partners.

Mutual understanding between Social Partners does not entail abandoning the commitment to protect, but strengthens the interests which they exist to represent.

9. G. Stella, President of Italian Confederation of Liberal professions, Report to 2018 National Congress, Rome, November 2018.

3. Codetermination and participation

The Social Dialogue Mechanism which includes Bilateral Bodies overcomes a dialogue as a mere façade, encouraging employees to accept their subordination. Rather it builds a shared meaning, yields substantive benefits and brings welfare, social protection and security.

Contractual welfare stated in the collective agreement relies on the principle of subsidiarity or self-governance of work, which assigns the regulatory responsibility of private welfare to those able to provide it. This is a powerful argument when public welfare is weakening.

Bilateral Bodies, as set out in collective agreements, are rooted in the European Social Model innovating it in its social partnership nature.

The European social model entails that companies are not merely the private property of the shareholders, as other stakeholders have a legitimate interest in their goals and policies. This is true for Professionals and their services which are addressed to public interest.

This Social Model is strengthened in the Europe 2030 sustainable development goals and in the European Pillar of Social Rights.

The codetermination approach in force among social partners in the Professional Service Firm is an expression of this assumption. The co-management of pension funds and other social protection schemes puts into practice the control of resources that professional and employees produce.

The principle of co-determination states that it is a joint responsibility of the employers and the employee to establish the terms and conditions of employment. In establishing such terms and conditions of employment, the employer and the employee take into account existing laws and regulations. Likewise, Professional Associations and Trade Unions, through collective bargaining and collective agreements, establish principles and modalities to provide social protection schemes to professionals and employees of the professional service firm. The co-determination approach extends the social dialogue mechanism beyond the negotiation phase to a co-management modus operandi in which social dialogue changes its nature¹⁰.

Social dialogue here aims to redress power asymmetries and supports managerial economic functions necessary to achieve co-management goals as those set out by bilateral bodies.

Literature shows that sharing management of common funds improves quality of service provision and innovation¹¹. Since healthcare services provided by bilateral bodies contribute to the prevention of individual health, co-management extend its role and impact beyond professionals and employees to whole society¹².

Bilateralism can be considered the new generation of the “participative form of industrial relations” resulting from the European tradition of Social Dialogue and ori-

ented towards innovative ways of collaboration between social partners¹³. Shared management of health, training or employment policies between representatives of Professionals and Employees in the workplace. One of the most significant studies on employee participation carried out by European Foundation¹⁴ confirms that direct employee participation and teamworking can have a strong positive impact on both productivity and quality of product and services.

By involving Professionals and Employees of the Professional Service firms through their national organisations, the co-determination absorbs an informal information exchange, team-based problem solving and reflective knowledge-based organisation with formal rights based industrial relations ending with collective agreement and its contractual welfare. Informal and formal social dialogue, national and workplace social dialogue are interdependent in the bilateral bodies’ day-to-day working procedures towards the provision of the right answer to different needs. This interdependency is recalled in the diagram below, which shows the innovative dimension brought by liberal professions.

10. S. Veronese, Impact of co-determination principle on Social Dialogue, July 2019.

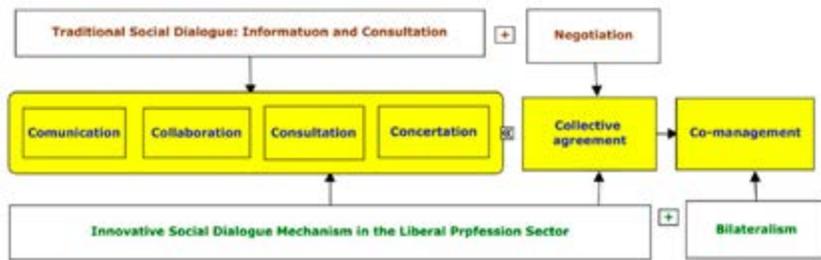
11. P. Totterdill, S. Dhondt, S. Milsome, *Partners at work? A report on Europe’s policy makers and social partners*, The Work Institute, 2002

12. Borrill C., West M., Shapiro D. & Rees, *Team working and effectiveness in health care*, British Journal of Health Care, 2000.

13. S. Veronese, Interview, July 2019.

14. European Foundation, *Employee participation and Organisational Change*, 1997.

Figure 1 - The 'Six Cs' components of Social Dialogue in the digital age



Even if the final Co-Management component was introduced by Bilateralism, the social dialogue mechanism in force in the professional sector reshapes the entire social dialogue framework toward an integrative co-determination model.

4. Bilateral Bodies as a new dawn of social dialogue

Bilateralism has developed in this sector as a co-operative method of stabilizing both products and markets and as a form of protection for workers by means of the joint administration and governance of the entire labour market, becoming the paradigm of a new system of cooperative and collaborative industrial relations¹⁵.

Figure 2 - Benefits of Codetermination

Types of Decisions	Strategic	Vision	Shared-management
	Task-based	Social Partners involvement	Specialisation
		Informal	Formal
		Form of Social Dialogue	

Bilateral bodies were considered as instruments for the joint administration of financial resources collected by Professionals¹⁶ for the allocation of benefits in some critical circumstances (illness, occupational injuries,

15. M. Tiraboschi, *Bilateralism and bilateral bodies*, E-Journal of International and Comparative Labour Studies 2, No 1, 2013.

16. Monthly deductions are paid by Professionals and Employees of the Professional Service Firm.

mutual assistance in the event of stoppage or reduction of working hours, and so on).

Established in collective bargaining, bilateral bodies are administered by committees consisting of representatives of both employers and trade unions¹⁷. As joint bodies, they perform their duties on a cooperative and participative basis, for they *per definitionem* constitute the manifestation of the contractual intent of the parties setting up the bilateral bodies, as laid down in collective agreements. They can be seen as a traditional cooperative device within the Italian industrial relations system, particularly if considered in terms of regulations set forth in collective agreements.

Yet, their innovation lies in the bilateral and participatory approach, which makes a clear break with the past. In this connection, the Italian case is noteworthy¹⁸.

Bilateralism is seen as an instrument to create more participatory labour (management relations in Italy), also taking into account recent developments concerning legislative issues and contractual arrangements. Although sharing similar views on decision-making, the distinctive trait of the Italian case of the participation model, lies in that joint bodies comply with regulations laid down in collective agreements, making provision for both the internal and external labour market to supplement statutory rules and protect and resolve all claims submitted by professionals and employees of the professional firm¹⁹.

17. F. Giacomini, interview June 2018. Giacomini was General Secretary of Confartigianato, Italian Confederation of Artisan enterprises in 1980s, when the first collective agreement in the sector established Bilateral Bodies. That time Silvano Veronese signed the agreement on behalf of Trade Unions.

18. F. Monticelli, Seminar in Malta on Social Dialogue, 2018.

19. G. Stella, Report to Bilateral Bodies, 2016.

For this reason, bilateralism can be viewed as a form of employee participation in economic and social processes which goes beyond the management of decision-making and the effective oversight of the company, as it helps to devise a shared strategy to stabilise the labour market and provide protection for workers by means of the joint administration of the entire labour market.

As a result, the component introduced by Bilateralism entails the reshaping of the entire social dialogue mechanism, in that it “forces” cooperation from the beginning of the communication process between social partners, where the public institution plays no role in the private collective agreement.

Bilateralism reshapes the logical approach to social dialogue and involves listening to the perspectives of others and telling one’s own point of view to develop a shared understanding of issues. Co-determination forces social partners to agree a common agenda before developing bilateral services to both professionals and employees of the PSF.

The core of social dialogue within bilateralism is that social partners, maintaining their institutional role, are forced to adopt an intercommunication process rooted on individual sphere, therefore speaking for themselves about their own truths, realities, experiences, and knowledge²⁰. Speaking with others about personal beliefs, values, and principles requires trust. Participants in bilateral bodies must thoughtfully create safe spaces that establish openness to sharing ideas and welcoming differences of opinion.

Hence, the single representative of social partners involved in bilateral bodies is engaged in co-management relationships and is asked to develop shared meanings

20. D. Campeotto, Seminar in Italy, Rome, 2019.

addressed to common (professional and employees) goals. This new approach to human communication and social dialogue leads to social innovation²¹ and an innovative mindset which is achieved through sharing values, understanding data on needs and available services to be provided and awareness to evaluate unexpected issues together.

How management, employees and their representatives achieve common solutions to common problems has been identified by studies on “win-win arrangements”²² where negotiation strategies have been analysed. Win-win arrangements are outcomes that benefit both Professionals and Employees achieved by the interaction system made up by Professionals’ and Employees’ organisations. Mutual gains or mutual benefits arrangements are the key objective of Bilateral Bodies. Since bilateral bodies are agreed in the collective agreement, it goes without saying that the win-win approach stems from the context of the integrative bargaining, which replaces forcing negotiating strategies, an effort to impose unilaterally its own power and values. Instead of insisting on anachronistic and obsolete ways to set up the bargaining, Italian Professional’s Associations and Trade Unions adopted a fostering strategy since the 1990s, seeking a culture of dialogue. The integrative communication embracing information sharing, consultation, concertation and collective bargaining and leading to

21. See J. Lapeyre, *The European Social Dialogue: the history of social innovation*, European Trade Union Institute, Bruxelles, 2018.

22. S. Demetriades, I. Biletta, A. Fromm, *Win-Win arrangements: Innovative measures through social dialogue at company level*, European Foundation for the Improvement of Living and Working Conditions, Luxembourg, 2016.

co-management of bilateral bodies born in the collective agreement requires trust between social partners. In effect, in order for social dialogue to be effective, it must be built on trust and mutual learning, assumptions for the shared decision-making of bilateralism. Bilateralism represents the innovative component of social dialogue and a new dawn of the governance of work rooted in a regulatory setting, where social partners are co-determined to pursue common and sustainable goals.

Literature shows that integrative bargaining operates in such a way that the two parties try to find common or complementary interests and solve common problems. This type of bargaining is used ‘to optimise the potential for joint gains’²³. The ability of each partner to articulate and influence decisions, and the level of trust between the parties, are key constituents of bilateralism

When Bilateralism is evaluated considering the services provided, outcomes produced, the interaction system in force and the driving forces influencing the co-decision process, then the impact of social dialogue is observed for both Professionals and Employees in term of well-being, employment security, work and family life balance, rewards and so on.

A good life in the professional sectors means a good life for society at large. Bilateral Bodies represent a sound tool toward a new concept of Social Partners inspired by fundamental rights and common interests, rather than the goal to achieve its own interest²⁴.

23. R. Walton, J. Cutcher-Gershenfeld, R. McKersie, *Strategic negotiations: A theory of change in labor management relations*, Cornell University Press, Ithaca, New York, 1994.

24. This participation principle led Silvano Veronese to redefine Trade Union as the Union of citizens rather than the Union of members.

5. A new mindset of Social Dialogue: from negotiating to shared meaning

Project findings provide evidence on how Social Dialogue creates an enabling environment for the sustainability of professionals firms. In addition, a new Social Dialogue concept was presented as a new generation of trilateral partnership towards 2030 European sustainable goals, overcoming traditional or political perspective of social dialogue.

A new perspective on Social Dialogue is contained in a book by David Bohm where the etymological meaning is highlighted²⁵. “Dia” which means “through” and “Logos” which means “the word”, or more particularly, “the meaning of the word”. The image it gives is of a river of meaning flowing around and through the social partners. In this sense, social dialogue enables inquiry into, and understanding of, the sorts of processes that fragment and interfere with real communication between social partners.

Dialogue is a way of observing, collectively, how hidden values and intentions can control our behavior and what common goal drives our action. No firm procedure can be laid down for conducting a Dialogue, because its essence is learning. Not a means of examining or criticizing a particular theory or programme, but rather as

part of an unfolding process of creative participation between partners.

It allows that meaning and background to be understood. Dialogue creates the opportunity for each partner to examine the preconceptions, prejudices and the characteristic patterns that lie behind thoughts, opinions, beliefs and feelings, along with the roles partners tend habitually to play. It offers an opportunity to share key and delicate insights. Social dialogue offers this powerful tool because a coherent culture of shared meaning is needed. Perception of shared meaning emerges in which social partners find that they are neither opposing one another, or are they simply interacting. Increasing trust between them leads to the expression of the sorts of thoughts and feelings that are usually kept hidden²⁶. In dialogue, there is no imposed consensus, nor is there any attempt to avoid conflict. No single partner is able to achieve dominance because every single subject, including domination and submission, is always available to be considered. Suspension of thoughts, impulses, judgments, etc., lies at the very heart of Dialogue. Suspension involves attention, listening and looking and is essential to exploration. The above-mentioned salient issues of a new approach to social dialogue that promotes the sense of “in between” is favoured by the common interest prevailing in the PSFs, among professional and their employees and among Professional Associations and Trade Unions.

25. D. Bohm, *On Dialogue*, 1996.

26. D. Campeotto, Seminar in Malta, 2018.

6. Rethinking of Social Dialogue within the science of sustainability

The partnership carried out project activities beyond the traditional meaning of Social Dialogue and Sustainability. Three concepts justify a new perspective on Social Dialogue: first is Social Dialogue, second is Sustainability and finally the Knowledge Society.

After the 1987 Report of the United Nations World Commission on Environment and Development, *Our Common Future*, by Gro Harlem Brundtland, the concept of sustainable development as humanity's capacity to meet the needs of the present without compromising the ability of future generations to meet their own needs has become mainstreamed. More recently, the United Nations University coined a new concept of sustainability which overcomes the conceptual uncertainties of 1987 sustainable development definition and its ethical issues (needs of future generation defined by the current generation).

The 1987 sustainability concept considers the integration of social, economic and environmental dimensions, which are treated equally. To the contrary, recent sustainability perspective assigns priority to human factors rephrasing the concept of sustainability.

Following this line of thought, the science of sustainability unifies all liberal professions within a multidisciplinary approach that points the way towards a sustain-

able society. Here, Intergenerational Equity is conceived at three levels of systems:

- i) global
- ii) social
- iii) human.

The global system comprises the entire planetary base for human survival: the geosphere, atmosphere, hydrosphere and biosphere. Global warming and the destruction of species are two salient examples of this human induced change. The social system consists of the political, economic, industrial and other structures created by human beings that provide the societal base for a fulfilling human existence. Growth contains the seeds of inequality and social degradation. The human system is the sum total of factors affecting the survival of individual human beings, connected with the social system. The healthy functioning of the human system requires the establishment of lifestyles and values that enable people to live healthily, safely and securely: not merely to survive but to experience a decent life. Poverty, hunger, disease, lack of shelter, exclusion are problems that put pressure on the social system²⁷. What is demanded of sustainability science is not only the development of scientifically sound models for proposing future scenarios and evaluating the effects of different countermeasures and solutions, but also effective management of the process by which these forecasts and evaluations are accepted by society so as to generate the social reforms ensuring global sustainability. This is why professionals are decisive actors of sustainability science. Accountants, engineers, architects, technical, health or legal professions are key drivers for a sustainable soci-

27. S. Radici, Focus group on Collective Bargaining in Italy, 2018.

ety. Dialogue and consensus are the means by which a transdisciplinary science of sustainability can serve as a fulcrum for effecting the social change required for true sustainability.

In short, the sustainability issue is not focused on “resources” to be exploited, but rather on decent lives to be ensured. The Copernican revolution in understanding sustainability is thus clarified.

7. Culture of shared meaning as the foundation of the European Knowledge Society

The knowledge society, never detailed in operational terms, is a concept introduced by the Portuguese economist Maria João Rodrigues in preparation of the The Lisbon Strategy, also known as the Lisbon Agenda or Lisbon Process, as a development plan devised in 2000, for the economy of the European Union between 2000 and 2010. Its aim was to make the EU “the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”, by 2010. It was set out by the European Council in Lisbon in March 2000. Most of its goals were not achieved and continually transposed in the next development plan such as those beyond 2010 and now beyond 2020. The same happened for the United Nations development plan since 1987 when the goal was sustainable development. According to statistics on sustainable development, no one can deny that the worldwide situation has deteriorated rather than improved since the Eighties. A clearer definition of knowledge is needed. The structuring of knowledge has become a challenging issue due to the segmentation and specialisation of our intellectual base due to a flood of information. According to the United Nations University, the growth of knowledge is inevitably accompanied by segmentation and

specialisation as the individual scientist feels compelled to focus on or specialise in only a few scientific sub-domains to keep up with the growth of those domains and deeper scientific understanding. This specialisation and segmentation make it difficult for scholars to obtain a comprehensive perspective not only on research domains other than their own, but also on their own specific research topics. Ziman describes this situation in the following terms: Research scientists are trained to produce specialised bricks of knowledge but not to look at the whole building. This is why the necessity of trans-disciplinary expertise is repeatedly emphasized, since complex issues cannot be solved through segmented and specialised disciplines. Whereas the development of disciplined-based science has been the source of most scientific advances of the last century, it has also limited the capacity of science to address problems that span multiple disciplines. Separation between forecasting and trends disciplines is an example. While trends (description) are changes in the indicators over time, forecasts (prediction) are expected changes that should be attained. On one hand, data are available without a change option. On the other, non-data available with the will and capacity to change. A key characteristic of both Sustainability and Knowledge Society is a problem-solving perspective. A unique challenge in the next few decades is the integration of phenomena identification and analysis with the problem solving. The understanding of phenomena through casual chain analysis should be interconnected with solution proposition through problem-solution chain study. Yet, solutions are not limited to technological issues but include the social and ontological aspects of solutions.

8. Role of Social Partners of Liberal Profession in Knowledge Society

This effort must combine technical professions such as engineers and architects, economic professions, such as accountants, advisors, economists, legal professions such as lawyers, notaries, the judiciary system, health professions such as direct patient care (medical doctor or dentist) Imaging and Diagnostics or Health Informatics, environmental professions such as geologists, geophysicists or agronomists, culture professions such as archeologists. Although proposing solutions from a different perspective of existing disciplines is a necessary role of sustainability science, it is also important to gather solutions proposed in those disciplines to structure the current relationship between them and to elucidate obstacles and problem-solution chains. Knowledge society thus depends on knowledge structuring which is key to integrating the diverse knowledge of diverse disciplines. Current knowledge becomes sustainable knowledge through the transdisciplinary process which is expected to bridge existing but diverse areas of knowledge in various academic disciplines.

This demanding task for sustainability development calls interprofessional association into action and assigns them the role to build a shared meaning mindset towards dialogue among professions about the future we want and social dialogue among social partners

about the labour market equality and work with dignity, so that a structuring of common action is designed and implemented. In short, a new ontological perspective among social partners is needed. An ontology consists of concepts and relationships among those concepts that are needed to describe the target world. The main component of an ontology is a taxonomy of concepts representing existing knowledge and practical variables in the target world that are determined to be important. Within this process of structuring knowledge as the assumption to design a sustainable society, consensus building is a key determinant. The term “consensus-building” has been used to describe a wide range of activities seeking agreement by multiple stakeholders and the general public. The ambiguity of this definition is clarified by the Negotiation Theory which defines the term more precisely. Therefore, Consensus-building can be defined as a range of activities that seek agreements that all stakeholder parties can “live with”. It is a sort of self-enforcing mechanism for a wide variety of stakeholders to coexist in the long term. According to this theory, each negotiating party makes a comparison between a proposal agreement and its best alternative to negotiated agreement. In other words, a rational decision maker accepts the offer after adequate efforts to improve his or her gains from the negotiation. Even if such an agreement does not achieve the original aspirations of all negotiating parties, each of them must be able to “live with” such an agreement. In general, five steps model of consensus building is followed: convening, sharing responsibilities, negotiating and joint fact-finding, deciding and implementing. This report has shown how consensus-building typologies of social dialogue and collective bargaining can be improved to-

wards a sustainability society beyond traditional ways of conceiving them²⁸. In addition, the report has highlighted the key role of Professionals’ Associations and Trade Unions in achieving the European Sustainability goals beyond usual industrial relation negotiation schemes.

28. D. Lelli, Italian Seminar on Social Dialogue in the Liberal Professions, 2019.

9. Social Dialogue framework due to digital age

i) Dimensions and relevance of the liberal professions in Europe

Differences in history, social partnership traditions, and economic and social development require a flexible approach to social dialogue. In the context of liberal professions sector, social dialogue has received a fresh impetus and acquired innovative forms beyond traditional bipartism and tripartism.

According to Eurostat, there were 4,245,000 enterprises 2014, employing 12.1 million persons and generating EUR 667.5 billion of added value. This sector's contribution to the employment was 18.2 % of the enterprise population, 8.9 % of the workforce, and 10.1 % of value added.

The professional, scientific and technical services sector can be divided into seven subsectors at NACE division level. According to Eurostat, the following subsectors dominated the overall level of activity in terms of their contribution to added value and employment: Legal, Accounting activities (Division 69) combined with the Architectural, Engineering, Technical testing and Analysis activities (Division 71).

The activity of head offices and of management consultancy activities (Division 70) played a key role, providing 79.2 % of EU-28 sectorial added value and 74.9 % of sectorial employment in 2014. The latter two of these

three subsectors were the only activities to contribute a higher share to sectorial added value than sectorial employment. This was particularly the case for the activity of head offices and of management consultancy activities, which had a much higher share of sectorial value added (25.0 %) than employment (20.3 %).

For the remaining four subsectors, their share of sectorial employment was somewhat higher, suggesting that these activities had a slightly lower than average level of apparent labour productivity. Advertising and market research accounted for almost one tenth (9.3 %) of sectorial employment and 8.2 % of sectorial value added, making it the fourth largest subsector by either measure. The contribution (in both value added and employment terms) of other professional, scientific and technical services (Division 74) was under 10 %, that of scientific research and development was under 5 %, and that of veterinary activities was under 2 %.

The activities of head offices and management consultancy subsector recorded the highest levels of apparent labour productivity and average personnel costs in the EU-28 across the professional, scientific and technical services sector in 2014, with the productivity measure reaching EUR 68.0 thousand per person employed and average personnel costs equal to EUR 59.0 thousand per employee.

The following statistics provided by the European Economic and Social Committee, using the European Labour Force Survey, restricted to 27 EU Countries, the total number of professionals amounted to 5,169,200 in 2012.

In turn, a recent study carried out by Confprofessioni, while using the same statistical source, the data are provided to year 2016 adding to the trend from 2009. The average growth rate is close to 15% yearly and regards all Members States, except Greece and Norway.

In 2016, the Member State with the highest number of professionals was Italy (1,058,100 professionals), followed by Germany (927,100) and UK (826,200). Belgium counted 166,300 while Malta reported 2,700 professionals.

In general, Italy absorbs 19% of liberal professions in Europe. Looking at density, Italy counts 17 Professionals every 1000 inhabitants, the highest rate after the Netherlands with 19 Professionals every 1000 inhabitants, being the European average equal to 11 out of 1000.

Irrespective of the number of professionals in different Members states, professionals play a key role for European sustainability.

In the words of the European Commission, Professionals' services are a driver of a competitive, knowledge-based economy and the knowledge-intensive nature of the products and services provided suggests their potential importance as future providers of new, sustainable jobs and contributors to economic growth²⁹.

ii) Purpose of Social Dialogue in the Liberal Professions sector

On the eve of a changing work organisation paradigm, a stronger role of Social Dialogue is sought to face digitalisation challenge and its impact on Professional Service Firms and society.

Social Dialogue represents the means facing the impact of digital economy on liberal profession sector, the future of work and the future of professionals.

29. European Commission, Action lines for Liberal professions, 2016.

Differences in history, culture, economic and social development require a flexible approach to the modalities of social dialogue. In the context of trade liberalisation, privatisation and globalisation, social dialogue has received a fresh impetus, but is facing new challenges and acquiring new forms that extend beyond traditional bipartism and tripartism.

A new perspective on Social Dialogue brought by digitalisation is presented here resulting from two years of discussion among social partners of professional sectors in Italy, Malta and Belgium and between the European organisation of Professionals (the European Council of Liberal Professions) and the European organisation of workers and managers (Eurocadres). Common belief is that Social dialogue must create commitment to new ideas, innovative actions plan on co-determination and effectiveness of results achieved through social partnership.

iii) Value of Social Dialogue for the sustainability of Professional Service Firms

Respect for the norms of social dialogue depends on the manner of their formulation. They should not be imposed from above but should develop through the exchange of all relevant information and a participatory approach involving consultation, negotiation and consensus building. Only participation at each stage of decision making can create better awareness and commitment.

Social dialogue is a powerful tool for finding concrete ways of establishing and maintaining social cohesion and improving governance of work. It contributes to the creation of quality professional servic-

es, both for customers and PSF employees themselves. Aforementioned factors prove their strength in the digital revolution, which is transforming the business model of professional causing redundancy and threats for specific professional categories, adding risks in providing services addressed to public interest.

The Social Dialogue Mechanism built into the Italian Professional sector has been evaluated as a good practice to be mainstreamed in the European context of the Liberal Professions. In particular, dialogue occurred within collective bargaining and bilateral bodies management between Confprofessioni and CGIL-Filcams, CISL-Fiscascat and UIL-Uiltucs provide evidence of the good impact achieved by the social dialogue mechanism.

iv) Enabling Conditions for effective Social Dialogue

Social Dialogue is often considered as an automatic way of interacting among social partners. Rather, it results from competency and attitude towards common needs and related responses. The need for capacity building and training to strengthen social dialogue competences is pointed out by the European Commission³⁰. We have to admit that in recent years social dialogue has not realised its full potential. It has been under particular strain in those countries most affected by the recent economic crisis. Even in countries where social dialogue had been performing comparatively well, the crisis has had a negative impact on its functioning. As a result, there is a

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

need for further improvement in the functioning of social dialogue even in the professional sector.

Strengthening the national social partners and their capacity to engage in bipartite and tripartite dialogue is considered of great importance for increasing the effectiveness of the social dialogue mechanism.

Factors influencing social dialogue effectiveness in the Professional Service firms include:

- lack of legitimisation of Social Partners that would allow for the representation of professionals and employees in dealings with the State;
- the absence of binding rules governing the conduct of collective bargaining;
- weak intransigence on the part of the social partners.

Social dialogue will therefore be facilitated if:

- organisations of professionals and employees are strong, independent and possess the technical capacity to engage in meaningful social dialogue;
- the fundamental rights of freedom of association and collective bargaining are respected;
- provision is made for sharing all relevant information, through an effective information and communication system;
- all the parties have the political will and commitment to engage in social dialogue;
- appropriate capacity building and technical support is provided;
- the procedures and machinery for dispute settlement are clearly defined.

Norms of social dialogue should not be imposed as top-down approach, but should develop through the exchange of all relevant information and a participatory approach involving consultation, negotiation and consensus. Only participation at each stage of decision

making can create better awareness and commitment. Digitalisation forces a new relational approach to changes and transformations³¹. Unilateral solutions belong to an industrial society from the last century and are now impeded by a decision-making process based on digital tools extending networks where participation is the key assumption.

In the governance of work, communication and consultation are not enough to achieve a solid collective agreement. At the same time, collective agreement coverage is declining while the role of Social partners is losing its role in the gig economy.

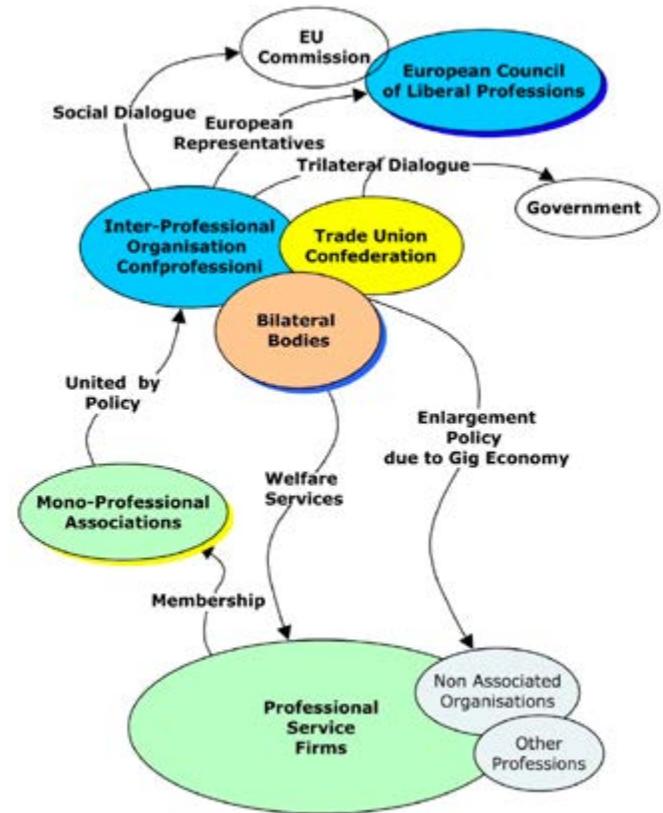
As a consequence, Social Dialogue needs to be repositioned with a culture of dialogue and a co-determination mindset able to embed both members and those not part of social partner organisations.

v) The Social Dialogue Actors

The next figure shows the relations connecting social dialogue actors at European and National levels. Even if bilateral bodies operate only in Italy, the observation of the mono-professional and inter-professional map in Europe underlines that social dialogue in the professional sector is in force in each Member state, as well as mono-professional collective agreements. Lack of Interprofessional Collective agreements (collective agreements are interprofessional only in Italy and France) suggests the need for a policy effort in gathering mono-professionals into a confederation in order to

mainstream conditions for the development of bilateralism as the new generation of collective agreements in the liberal professions.

Figure 3 - Actors of Social Dialogue in the Professional sector



31. Mauro Munari, Seminar on Social Dialogue, Malta, 2018.

10. Checklist for strengthening Social Dialogue for the Sustainability of Professional Service Firms

i) Mutual trust and culture of dialogue

As confirmed by analytical activities, mutual trust among different Social Partner represents the key factor leading to the effectiveness of social dialogue within a conceptual framework extended to bilateralism. Trust is the foundation of a win-win approach that focuses on common needs rather than single-organisation strategy. In addition, the culture of dialogue beyond a communication process based on discussion and respect is a building block of social dialogue effectiveness. Social Partners here should reach a cohesive climate based on openness in communication, commitment to solving problems, making decisions through a cooperative *modus operandi*.

ii) Governance of work

Governance of work has been carried out through a combination of instruments such as labour laws, voluntary agreements, labour market institutions and the interaction of governments and social partners. International labour conventions have been developed to establish a

basis of common standards and the shared objective of establishing universal respect for fundamental principles and rights at work as set out in the 1998 ILO Declaration on Fundamental Principles and Rights at work. The idea that international labour standards provide a framework of guidance for ILO Member States in seeking balance between economic growth, environmental protection and social progress is still valid. Governance of work needs both bilateral and trilateral dialogue where first Social Partners agree on negotiation framework and common policy and then government takes related results within its labour and employment policy.

However, Social Partners need to go beyond these legally grounded processes and negotiation culture so as to instill a shared meaning in Social Dialogue as the assumption to achieve common and sustainable goals³². Culture of dialogue and mutual trust lead to the governance of work in the liberal profession sector by sharing awareness of the digital transition impact and agreeing on common solutions sought in sustainability principle and universal sustainable development goals.

iii) Role of tripartite dialogue in the Liberal profession sector

While Social Partners deal with common issues related to both the contractual framework (employment, wages, work conditions) and welfare common goals (healthcare, unemployment benefits, social protection

32. G. Stella, Introduction to Italian Semina on Social Dialogue, Rome, 2019.

realms), Government focuses its role on understanding the role of the Social Partners in employment policy and economic development. At the same time, Government should evaluate results achieved by social dialogue in the liberal professions to mainstreaming social innovation among other sectors.

Trilateral Social Dialogue promoted by the ILO Convention 144/1976 needs to be repositioned within sound participation modalities in force within the Liberal Professions sector. Here, good practice in Italy shows the right balanced role between Social Partners' institutional function and the ancillary position of Government which strengthens the autonomy profile and self-determination principle of social partnership.

iv) Competency in managing bilateral bodies

Human resource development issues assume centre stage in the context of bilateralism and in the management of bilateral bodies. Expected services and contractual welfare should bring about the intended results in terms of efficiency and improved service delivery parallel to those provided by Public Institutions. Questions on the adequate skills in managing Bilateral bodies and competencies in providing related services are key to the improvement of the overall social dialogue system which includes codetermination and related bilateral bodies. This issue goes hand in hand with monitoring issues on implementation of bilateralism.

v) Periodic review of the governance of work

It becomes important to examine the context of social dialogue and observe the prerequisites for effective social dialogue. The agenda of social dialogue mechanism should include periodic review exercises and the introduction of permanent innovative measurement, considering the components of social dialogue mechanisms (Six Cs component) within a system which includes the needs analysis and the evaluation of needs coverage. Periodic review should also identify the procedures to resolve issues relating to the coverage (relation between needs and responses in terms of services) resulting from a sound social dialogue. Needless to say, periodic review should include key success factors contributing to the effectiveness of social dialogue and examine their relevance in national and regional context where relations between Social Partners could vary.

vi) Centrality of Collective Bargaining

The centrality of Collective Agreements and the related Collective Bargaining Process for the entire social dialogue machinery in the professional sector deserves a link to the ILO legal framework.

First of all, collective bargaining is a fundamental right. It is rooted in the ILO Constitution and reaffirmed as such in the 1998 ILO Declaration on Fundamental Principles and Rights at Work. The EU itself refers to this right in the European Pillar of Social Rights³³.

33. L. Malvolti, Seminar on Social Dialogue, Malta, 2018.

Collective bargaining is the building block of the social dialogue mechanism in force in the liberal profession sector, the means through which professionals and their organizations and trade unions can establish fair wages and working conditions. It also provides the basis for sound labour relations. Typical issues on the bargaining agenda include wages, working time, training, occupational health and safety and equal treatment. The objective of these negotiations is to arrive at a collective agreement that regulates terms and conditions of employment. Collective agreements may also address the rights and responsibilities of the parties thus ensuring harmonious and productive industries and workplaces. Enhancing the inclusiveness of collective bargaining and collective agreements is a key means for reducing inequality and extending labour protection.

According to the ILO Convention 154/1981, collective bargaining extends to all negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other, for:

- (a) determining working conditions and terms of employment; and/or
- (b) regulating relations between employers and workers; and/or
- (c) regulating relations between employers or their organisations and a workers' organisation or workers' organisations" (Art 2 Convention 154/1981).

Collective bargaining is at the heart of social dialogue. It is a substantive process involving negotiations between Professional Organisations and Trade Unions with a view to reaching a collective agreement that regulates the terms and conditions of employment and relations between the parties.

Thus, the goal of collective bargaining is to conclude a collective agreement. The ILO defines collective agreements as *all agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more representative workers' organisations, or, in the absence of such organisations, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other.* (Collective Agreements Recommendation, 91/1951).

Collective agreement binds the signatories and those on whose behalf they are concluded, applies to all workers of the classes concerned in the undertakings they cover, unless the agreement specifically provides for the contrary and take precedence over individual contracts of employment. The free and voluntary nature of collective bargaining implies that bargaining outcomes contained in collective agreements are generated by the parties themselves, not imposed on them.

The afore-mentioned framework represents the pillar of the social dialogue mechanism: an end to be reached and the justification of bilateralism, at the same time.

vii) Strengthening Bilateralism

- Nature of Bilateral Bodies

The assumption of Bilateralism as a new generation of social dialogue facing not only changes in the liberal professions sector but also labour market transition due to the gig economy deserves a deep understanding in terms of labour law and organisational profile.

Contrary to what is highlighted in the labour law perspective³⁴, bilateral bodies have a nature different from collective agreement in which they are rooted. While collective agreement is the expression of voluntary negotiation will between Social Partners, Bilateral bodies are the means through which the agreement is achieved. To this end, labour rights and social welfare agreed during the negotiation phase are put into practice through a co-management profile.

- Managerial issue of Bilateral Bodies

Bilateral Bodies deal with funds withdrawn from professional and employees' incomes and therefore manage a sort of "mutual fund, investment fund or even welfare fund" even if these funds differ from typical investment funds. While professional and employees need to be "reimbursed" for their incurred expenses, say health services costs, Bilateral Bodies have the role to manage contributions received (their raising of capital) as an Insurance works. Insurance can protect members of the Professional Service Firm (PSF) for almost anything that might happen unexpectedly or accidentally. PSF members buy protection against the chance of losses that can burden them financially. The field of social protection thus encompasses many different areas and traditions of policy response. Many of these are highly technical and specialised in character such as insurance systems, pension reform, welfare transfers, or public employment schemes. Bilateral Bodies in the Liberal Professions cover a vast array of welfare services.

34. See M. Tiraboschi, *Bilateralism and bilateral bodies*, above mentioned.

The ILO Social Security Convention, 1952 (No. 102), is the only international instrument, based on basic social protection principles, that establishes worldwide-agreed minimum standards for all nine branches of social security. These branches are medical care, sickness benefit, unemployment benefit, old-age benefit, employment injury benefit, family benefit, maternity benefit, invalidity benefit and survivors' benefit. Bilateral Bodies cover all social protection branches set out in the ILO Convention. Convention No. 102 does not prescribe how to achieve these objectives but leaves certain flexibility to the member States. They can be reached through universal schemes, social insurance schemes with related earnings or flat-rate components or both, social assistance schemes.

The principles anchored in Convention No. 102 are

- a) guarantee of defined benefits;
- b) participation of employers and workers in the administration of the schemes;
- c) general responsibility of the state for the due provision of the benefits and the proper administration of the institutions;
- d) collective financing of the benefits by way of insurance contributions or taxation.

Considering the aforementioned principles, we can conclude that the participation of Professionals and Employees through their representative organisations, namely Social Partners, is taken as the core principle in the management of Bilateral Bodies.

- Cost to Contribution

In general, Bilateral Bodies' revenue due to members contributions is balanced by two cost components such

as Claims and Management expenses³⁵. Clearly, costs must be kept as low as possible, consistent with running the raising funds effectively and providing a competitive service to Bilateral Bodies' members.

The larger the welfare funds the greater the conciliation issue. Since Bilateral Bodies are not small business, they have an extensive range of different cost structures. In addition, they spend large sums of money daily on ICT and staff and require different levels of decision making with related costs. The diversity of expenditure on claims entails an organisational effort in counter function with a further cost component.

Whatever the cost classification, the ratio between costs and paid contributions shows the policy of the Bilateral Body and its performance in covering expected services. As a result, if costs are below a certain threshold, doubts arise on its good governance.

This is a key issue in the management of Bilateral Bodies. This issue shows an additional added value of bilateral bodies in force in the liberal profession sector. In fact, while management expenses are kept at 10%, claims reach 90% of revenue, providing evidence on the efficiency and utility of Bilateral Bodies to those served.

- Further managerial issues

Bilateral Bodies stem from the National Collective Agreement applied to PSF members of monoprofessional national categories unified by an inter-professional confederation, namely Confprofessioni.

35. S. Diacon, *A Guide to Insurance Management*, Palgrave Macmillan, London, 1990.

Luca De Gregorio³⁶ highlights the managerial issue of bilateral bodies and underlines the need for risk-coverage and a related organisational profile. The way risk is dealt with risk depends on how the risk is defined and perceived. Bilateral bodies foresee three managerial typologies.

Indirect Management is preferable for the start-up phase of bilateral bodies, when the risk is notable. To this end, an agreement between Bilateral Body and Insurance company is signed to provide health services to members in need.

In fact, during initial phase, even if future studies allow related forecasts, needs of assisted members and expected services are unknown.

On-going bilateral body management provides further information on geographical coverage and distribution of population in need. When membership increases, the awareness of social protection leads to the understanding of insured trends with less uncertainty.

After the initial phase and related consolidated trends, bilateral bodies and assistance funds are able to better organise the management function, with a view to directly managing part of the insured services (indirect management) or handle overall assets (direct management).

Generally speaking, transition from indirect management to direct management occurs gradually, first internalising simple insurance benefits and claims, assigning high risks to an insurance company (surgery, severe diseases or oncological hospital).

In certain cases, medical assistance funds or bilateral bodies provide directly with specific benefits not covered by the insured companies, with a view to standing

36. L. De Gregorio, General Director Cadiprof Bilateral Body, Interview 25 July 2019.

out from them, therefore gaining a better membership perception in solving specific needs.

Since 2009, Bilateral Bodies of Professional Services Firms, managed by professionals associations and unions Filcams, Fisascat and Uiltucs, have provided benefits related to pediatric expenses up to 3 years old, additional to health benefits addressed to professionals and their employees (medical costs, baby formula, nappies). Additional benefits have been added such as nursery tuition fees, medically-assisted procreation, medical costs affecting dependent relatives (parents, sons, brothers), dentistry costs (implantology, prosthesis, orthodontic braces for sons), vaccination costs, prescription lenses, sports activity.

Professionals' Associations and Trade Unions, bilateral bodied constituents, provide the monitoring on management issues. In particular, surveillance is addressed to overhead and staff costs which should not exceed 8% of budget.

Finally, it should be noted that digital technologies change the relationship between service providers and population in need. As a result, the digitalisation of services provided by bilateral bodies will be a core issue in coming years³⁷.

37. G. Stella, Seminar on Social Dialogue and bilateralism, CNEL, 2019.

Conclusion: Ethical Social Dialogue facing digitalisation

The obligation to provide social protection schemes to professional and employees is the key ethical principle guiding the management of Bilateral Bodies. This principle entails contributions put together into a common welfare fund to be managed with conscience so that benefits are provided to all of Bilateral Bodies' members. This means that investments are managed on ethical grounds as well. Thus, welfare funds management brings with it ethical challenges that must be addressed both judiciously and ambitiously, complementing the technical competency needed. Ethical principles reflect the ownership right and the relation between management of funds and due information to Bilateral Bodies' members.

Good Bilateralism governance is characterised by high ethical standards and lays the foundations for sustainable value creation for all, avoiding privileges to those, nominated by either professionals associations or trade unions, managing funds. Active ownership can prevent ethical transgressions and inefficiencies.

This is why ethical guidelines for the management of Bilateral Bodies should be designed for the innovation and sustainability of global fund assets.

The mandate for the exercise of ownership rights should be the promotion of the welfare funds' financial interests, contributing to the sustainability of the profession-

al sector, its employment and happiness of professionals, employees and relatives.

Ethical issue of bilateralism, in conclusion, represents the ultimately end that social dialogue mechanism should pursue.

This project ends within the ILO Centenary 1919-2019 and offers a good opportunity to reshape the collective mindset on labour in a digitalised society and growing gig economy.

Professional Service Firms fall within this changing context and highlight social and economic conditions towards a new business model in the provision of professional services.

Collective agreements in force in this sector and abilateralism approach shed light on a new social pact ensuring that the wealth produced is equally distributed among professionals and employees, protecting their common rights and providing them with effective social security systems in return for their contribution to the economy.

Observing results achieved by Social Dialogue in the Professional sector, one can conclude that the ILO human-centred approach is put into practice. Persevering alongside this social cohesion pact needs investments on Social Partners capabilities supporting the ethical dimension of bilateralism towards decent and sustainable work.

Annex 1

ILO International Labour Standards on Social Dialogue

Convention 87/1948 Freedom of Association and Protection of the Right to Organise.

Convention 98/1949 Right to Organise and Collective Bargaining Convention.

Convention 135/1971 Workers' Representatives Convention.

Convention 144/1976 on Tripartite Consultation.

Convention 151/1978 Labour Relations (Public Service).

Convention 154/1981 Collective Bargaining Convention.

Annex 2

European Union framework on Social Dialogue

Legal basis: Articles 151-156 of the Treaty on the Functioning of the European Union.

1957 Treaty of Rome on the right of association and collective bargaining between employers and workers.

1985 Val Duchesse social dialogue process, initiated by Commission President Jacques Delors, aimed at involving the social partners, represented by the European Trade Union Confederation (ETUC), the Union of Industries of the European Community (UNICE) and the European Centre of Public Enterprises (CEEP), in the internal market process.

1986 Single European Act (Article 118b) created a legal basis for the development of 'Community-wide social dialogue' and European social dialogue began to take shape.

1992 Social Dialogue Committee establishment.

1991 Written Statement directive informing workers about important aspects of their employment relationship.

1991 UNICE, ETUC and CEEP joint agreement calling for mandatory consultation of the social partners on

legislation in the area of social affairs and for a possibility for the social partners to negotiate framework agreements at Community level.

1993 Maastricht Treaty of the European Union included a protocol incorporating an Agreement on Social Policy, the result of negotiations between the European social partners. The agreement, adopted by all 11 Member States with the exception of the United Kingdom, outlined the procedure for European social dialogue.

1993 Commission Communication on the application of the Agreement on Social Policy.

1995 Framework agreements on parental leave part-time work (1997) and fixed-term work (1999), all of which were implemented by Council directives.

1996 Council Directive 96/34/EC on the framework agreement on parental leave concluded by UNICE, CEEP and ETUC.

1997 Treaty of Amsterdam incorporated the Agreement on Social Policy, finally establishing a single framework for social dialogue in the EU.

1998 Commission Decision 98/500/EC on Social Dialogue Sectoral Committees.

1998 Council Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies.

1999 Council Directive 1999/70/EC concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP.

2001 Council Directive 2001/86/EC supplementing the Statute for a European company with regard to the involvement of employees establishes rules on worker participation in decisions about the strategic development of the company.

2001 Council Directive 2001/23/EC on the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses.

2002 Commission's Communication on European Social Dialogue, a force for innovation and change.

2002 Directive 2002/14/EC on a general framework for informing and consulting employees in the European Community.

2002 Framework agreement on telework was signed by the European social partners.

2003 Council Directive 2003/72/EC supplementing the Statute for a European Cooperative Society with regard to the involvement of employees ensures that employee representatives can exercise influence over the running of European Cooperative Societies.

2004 Directive 2004/25/EC on takeover bids, under which the employees of the companies concerned, or their representatives, should be given an opportunity to

state their views on the foreseeable effects of such a bid on employment.

2006 Agreement on Workers' Health Protection through the Good Handling and Use of Crystalline Silica and Products containing it.

2009 Council Directive 2009/38/EC on the introduction of European Works Councils (EWCs).

2009 Lisbon Treaty underlined the role of the social partners (Article 152 TFEU), emphasising the need to facilitate dialogue while respecting their autonomy and diversity.

2011 Directive 2011/35/EU on mergers of public limited liability companies pursuant to which workers in companies that merge are protected to the same extent as that laid down in the transfer of undertakings directive.

2014 Council Directive 2014/112/EU) on agreement on the protection of health workers from injuries and infections caused by medical sharps.

2015 A new start for Social Dialogue.

2016 Quadripartite agreement which reaffirmed the fundamental role of European social dialogue in the EU's policy-making process, including in the European Semester, was signed by the social partners, the Commission and the Presidency of the Council of the European Union.

2017 Directive (EU) 2017/1132 relating to certain aspects of company law also contains rules on determin-

ing the employee participation regime to be applied to cross-border mergers of limited liability companies.

2017 European Pillar of Social Rights.

2017 Agreement in the sea fisheries sector (Council Directive 2017/159).

2018 Agreement between social partners in the maritime transport sector (Council Directive (EU) 2018/131).

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