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adapting and promoting the social dialogue at Community level

Draft

COUNCIL DECISION

**amending Decision 70/532/EEC setting up the Standing Committee on Employment
in the European Communities**

(presented by the Commission)

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1. INTRODUCTION

This Communication sets out the means which the Commission intends to use to adapt and promote the social dialogue. The purpose is to identify the steps that need to be taken to strengthen the social dialogue at European level, make it more adaptable and to link the work of the social partners more closely to the development and implementation of EU policies.

European social dialogue has already made significant headway, and the Social Protocol, which has been integrated into the main body of the Treaty of Amsterdam, gives considerable powers and responsibilities to the social partners. Two important European agreements, on Parental leave and Part-time work, which subsequently have been adopted as Directives by the Council under the Social Protocol procedure, have already been concluded.

Furthermore, the social partners at all levels have displayed an increasing interest in the development of the dialogue at European level. This can be seen, for example, in the joint-contributions at both cross-industry and sectoral levels on the 1998 Employment Guidelines and the framework agreement on Employment concluded in the agricultural sector.

The role of the social dialogue in tackling key issues was highlighted at the extraordinary European Council meeting on employment held on 20-21 November 1997. The need for the social partners to make a contribution at all levels and stages of the new employment strategy was strongly emphasized by the European Council.

Closer European integration and the inclusion of new aspects in the Community framework, notably employment, has extended the scope of the social partners' activities, particularly as regards modernizing the organization of work, anticipating structural change and providing backup for restructuring, adapting terms and conditions of employment to allow for the development of new forms of work, reconciling family life and working life, integrating young people into the world of work and access to vocational training.

The recently adopted Social Action Programme 1998-2000¹ seeks to take account of these new challenges and opportunities, in particular those provided by the Treaty of Amsterdam. This provides a platform for strengthening social policy and gives a key role to the social partners. In order to allow the social partners to play this role fully, the Social Action Programme states that the Commission will bring forward the present Communication.

The Commission adopted in September 1996 a consultation Communication² in order to gather as wide a range of views as possible on the means to be employed to promote and developing the European social dialogue.

¹ COM(1998) 259 of 29 April 1998.

² COM(96) 448 final of 18 September 1996 concerning the development of the social dialogue at Community level.

During 1997 more than 80 detailed replies were received from employers' and workers' European and national organizations, European institutions³ and from national authorities. A European Forum was held in the Hague in April 1997 and an initial synthesis of the contributions was subsequently drawn up.

This Communication draws the principal lessons from this consultation, and from recent developments. It introduces a number of key actions in the four main fields through which the Commission intends to adapt and promote the future social dialogue:

Information: The Commission will set in place more efficient channels for the exchange of information with all the social partners and it will encourage the European social partners to follow up the outcome of the European social dialogue with their affiliates at national level.

Consultation: The Commission will replace the existing structures at sectoral level by new more flexible social dialogue bodies. At cross-industry level the advisory committees will be rationalized and the Commission will ensure that all social partners are effectively consulted on ongoing policy developments.

Employment Partnership: The Commission will propose to reform the Standing Committee on Employment in order to strengthen the exchange between the Commission, the Council and the social partners, on the basis of the Council Resolution on the 1998 Employment Guidelines.

Negotiation: The Commission will continue to encourage the further development of contractual relations both at cross-industry and sectoral levels.

An important and challenging task is also to encourage the applicant countries to develop their own independent social dialogue structures and activities and to assist the social partners to develop links with their counterparts in these countries.

With a view to promoting and to improving the working of the social dialogue the Commission has set itself three objectives: A more open social dialogue, a more effective dialogue between the European institutions and the social partners, and the development of a real collective bargaining at European level.

³ See the European Parliament Resolution on the Commission Communication "Concerning the development of the social dialogue at Community level COM(96) 448 final" of 18 July 1997 and the Opinion of the Economic and Social Committee on the same issue adopted on 29-30 January 1997.

1.1. A new context

In formulating its proposals, the Commission has taken account of the current climate as follows:

- The recent progress in the employment field provides for a process of coordination of employment policies at European level, opening up new areas to the Community social dialogue. The Council Resolution on the 1998 Employment Guidelines⁴ makes specific appeals to the social partners at European and national level in relation to adapting forms of work and boosting vocational training. The National Action Plans have offered the social partners the opportunity to contribute to employment policy⁵.
- The EMU process and economic convergence have progressively made visible the importance of the role of social partners, not only in influencing the local competitiveness and employment conditions, but also as a major player in the achievement of growth and an employment-friendly overall policy mix in the Euro zone and in the Community.
- The Treaty, which since 1986 has conferred on the Commission the task of promoting the social dialogue, has been reinforced considerably. Under the Agreement on Social Policy, the social partners have the right to be consulted in advance. What is more, it opens up a genuine bargaining area where European social provisions can be established on the basis of negotiations between the social partners. The Amsterdam Treaty extends these arrangements to the field of social legislation which thus will be applicable to all Member States.

European integration is gaining ground and because of the integration of our economies the social partners are increasingly having to take this development into account. Recent developments connected with the restructuring of companies directly concern the European social partners and they will be involved in the discussions on the reports of the new high-level group on the economic and social implications of industrial change⁶.

1.2 Who are the social partners?

The social partners are different in nature from other organizations, like pressure or interest groups, because of their ability to take part in collective bargaining. In a European context the organizations continue to evolve. National affiliates continue to join and new groups are being set up.

⁴ Adopted by the Council on 15 December 1997, (OJ C 30 , 28.1.1998, pp. 1-5).

⁵ Communication from the Commission "From Guidelines to Action: The National Action Plans for Employment" COM(1998) 316, adopted on 13 May 1998.

⁶ Set up following the extraordinary European Council meeting on employment 20-21 November 1997 (see para. 28 of the Presidency's Conclusions).

Given this situation, the Commission launched, following the 1996 Communication, a major study on representativeness of the cross-industry and sectoral organizations; a first report will be ready early next year, followed by updates in coming years. The study is being carried out along similar lines to the first survey on representativeness drawn up in 1992. The study will serve as an important tool for the Commission in order to monitor the participation of organizations in the social dialogue.

The Commission's approach to participation in the different forms of social dialogue is based on the following:

- widespread availability of information and consultation on general topics. All organizations so requesting are kept informed of the Commission's main initiatives and documents in the social field;
- targeting of representative organizations for the purposes of the consultation under Article 3 of the Agreement on Social Policy according to three criteria, established in the Communication⁷ of December 1993. The consulted organizations should: (1) be cross-industry or relate to specific sectors or categories and be organized at European level; (2) consist of organizations which are themselves an integral and recognized part of Member States' social partner structures and with the capacity to negotiate agreements, and which are representative of all Member States, as far as possible; (3) have adequate structures to ensure their effective participation in the consultation process;
- respect for autonomy as regards participation in negotiations.

2. PROMOTING THE EXCHANGE OF INFORMATION

Access to information is crucial for the development of the social dialogue. It helps the European social partners to keep their members up to date on matters of direct interest to them, makes them aware of ongoing policy developments and thus provides the necessary input for dialogue at European level. In return, the European institutions are kept informed of the activities and thinking of the social partners and their members.

The respondents to the consultative 1996 Communication called for reinforcement of the information channels and emphasized that the work and results of the European social dialogue are not sufficiently familiar to workers and employers in the Member States - although their interests are directly affected. Attention was also drawn to the increased need for effective information channels between the different players, sectors and levels of the dialogue.

The Commission has recently put in place specific information tools that supplement its general information policy:

- the Social Dialogue Newsletter which keeps the social partners abreast of major events;

⁷ COM(93) 600 final of 14 December 1993 concerning the application of the Protocol on Social Policy, para. 24.

- an annual Status Report on the social dialogue;
- an interactive database with an electronic network to which the European social partners will be connected on line is under development with Commission support (European Social Dialogue On Line, ESDO).

The Commission has also developed the practice of quarterly information forums that bring together the social partners at European level to discuss and exchange information between the different actors and types of dialogue on matters of current interest. These meetings have proven most useful, in bringing together the different strands of dialogue and by providing social partners with an overview of the ongoing developments.

It is necessary to reinforce the exchange of information between the social partners and to establish more effective internal and external information channels to disseminate the results of the European social dialogue.

Key actions

- The Commission will reinforce its current practice of assembling representatives of cross-industry and sectoral organizations at European level at a quarterly Liaison Forum for an exchange of information on Community policy and ongoing initiatives at all levels of the dialogue.
- The Commission will take steps to improve the diffusion of information to all European organizations representing management and labour.
- The Commission will ensure that the results of the dialogue (recommendations, joint opinions and agreements) are made known to the other European institutions and all other relevant actors.

3. ADAPTING THE CONSULTATION PROCEDURES

The consultation procedures, which aim to improve the quality of Community policies and proposals, have developed gradually, responding to the increasing needs for dialogue with the social partners on the development of Community policy.

The Commission has consulted the social partners on an informal basis for many years and it continues to consult all social partners who are affected by ongoing developments at Community level with social policy implications including macroeconomic development and policies.

3.1 Consultation at cross-industry level

The Commission intends to systematically consult the cross-industry social partners on all important developments in the economic and the social policy fields and to ensure effective participation of all social partners in the consultations.

Another form of consultation on Community policies takes place in the advisory committees⁸, tripartite fora whose role is to advise the Commission on the formulation of specific policies and assist it in their implementation.

Despite some criticism of the usefulness of the advisory committees nowadays, a majority of the respondents to the 1996 Communication concluded that these bodies still have an important role to play. It was emphasized however that the working methods in several of the Committees could be improved.

A good example of such a development was the recent decision of the Advisory Committee on Safety, Hygiene and Health Protection at Work to revise its internal working methods by reducing the number of plenary meetings and electing a programme committee.

A coherent system for consultation on broad social policy developments should be created. The work of the advisory committees should be aligned with general social dialogue developments, in order to achieve minimum overlap in their fields of competence and to ensure that the positions of the social partners in the committees are coordinated with the views expressed in other fora.

⁸ There are currently six Advisory Committees with the following subject areas: Social Security for Migrant Workers, Freedom of Movement for Workers, European Social Fund, Vocational Training, Safety, Hygiene and Health Protection at Work and Equal Opportunities for Women and Men.

Key actions

- The Commission will develop and broaden its practice of consultations on those developments in the social policy field not covered by the formal consultations under Article 3 ASP, for example on green papers. It will involve all the representative social partners⁹ in these consultations. It will use the mechanism of the Liaison Forum, allowing a choice of the most appropriate consultation method (meetings, electronic mail, etc.).
- The Commission will propose¹⁰, following the commitments made in the recently adopted Commission Communication on an action plan for free movement of workers¹¹, that the Advisory Committee on Social Security for Migrant Workers merge with the Advisory Committee on Freedom of Movement for Workers. This meets the wishes of most of the respondents and an earlier Recommendation¹² of the social partners emphasizing the close interdependence of the Committees and the need to tighten the links between their work.
- Once the Amsterdam Treaty enters into force, there will be one legal base for proposals on health and safety at work and the legislative proposals in this field will fall under the process of consultation of the social partners. However, the Advisory Committee on Safety, Hygiene and Health Protection at Work will remain a key body for consultation on health and safety issues and the Commission will consult this body in parallel with the two-stage consultation process.
- The Commission will, on a case by case basis, adapt where necessary the structures of the advisory committees.

3.2 Consultation at sectoral level

The Commission receives input from the sectoral social partners on Community policy through consultations on a number of social policy initiatives and, in the sectors where there is a common policy, on the formulation and implementation of sectoral policies. The sector-specific consultations are aimed at improving and harmonizing working conditions and also, in some cases, improving the economic and competitive position of the sector concerned.

⁹ Invited on the basis of the annexed list of organizations formally consulted under Article 3 ASP.

¹⁰ This proposal will be made in the context of the ongoing amendments to Regulations (EEC) Nos 1408/71 and 1612/68.

¹¹ See the Commission Communication "An Action Plan for Free Movement of Workers" COM(97) 586 final.

¹² See, for example, the Recommendation by the European Trade Union Confederation (ETUC), the Union of Industrial and Employers Confederations in Europe (UNICE), and the European Centre for Enterprises with Public Participation (CEEP) on the operation of the cross-industry advisory committees (June 1993).

Calls have been made for a more effective consultation process on specific sectoral issues. Feedback on the subject of the consultation has to be timely to make sure that the views of the social partners are reflected in the preparation of Community policies and proposals. The respondents urged the Commission to improve the coordination of work within its departments as far as the consultation procedures are concerned; however, they generally prefer that overall responsibility for the sectoral dialogue remain with DG V.

Most respondents agreed with the Commission conclusion that the current structures often hinder positive developments. The Joint Committees and informal working groups have become over-institutionalized or have retained operational methods which have outlived their usefulness.

In a number of industries the social dialogue is an innovation and is at the start-up stage: exchanging information, learning about dialogue in a multicultural context, determining the problems peculiar to the industry. Other sectors have not taken part in a social dialogue as such at European level. However, other forms of consultation or co-operation including the social partners have been put in place (for example, in the mixed committees in the framework of the ECSC Treaty).

A more harmonized approach needs to be taken to the structures supporting the sectoral dialogue with a view to ensuring a more equitable treatment of the different sectors of activity and to enable all sectors to contribute in the most effective and substantial way to the development of the relevant Community policies. The Commission should be prepared to respond to the requests of any sector willing to make a significant joint contribution.

The sectoral social partners should be in a position to react effectively to the real challenges affecting the sector at Community level. They have a particular potential to provide the information needed to identify best practice and initiate benchmarking exercises at European level. They have a key role to play in the anticipation and handling of industrial change in the Community and will be involved in the discussions on the reports of the new high-level group on the economic and social implications of industrial change.

The sectoral social dialogue has been constantly enhancing its input at European level. In order for this development to continue and to improve the input in quantitative and qualitative terms, giving an increased added value at European level, it is necessary to replace the existing structures and encourage a more efficient dialogue.

Key action

- The Commission will establish a new framework within which the sectoral dialogue can continue its development. This framework will be applicable on the same terms to all sectors wishing to take part in social dialogue and will be easily extendable to new sectors. To this end the Commission has decided to adopt a decision on the establishment of new sectoral dialogue committees (see Annex II), replacing all current sectoral dialogue structures.
- The new committees will constitute the key forum for sectoral dialogue (consultation, joint action and negotiations) and will be set up in all sectors which submit a joint request and are sufficiently well-organized with a meaningful European presence in line with the established criteria of representativeness.
- The operating procedures will be streamlined: one high-level plenary meeting each year, a restricted social partner delegation, reimbursement for maximum 15 participants from each side.
- The Commission, through the DG most concerned with the issues on the agenda or DG V, will provide secretarial services; the meetings will normally be chaired by a delegate of the employers or employees, but a representative of the Commission will take the chair if both parties jointly ask it to do so.
- The Commission will ensure timely and substantial consultation on sector-specific issues with important social implications. Each sector will be firmly supported through a partnership between DG V and the other relevant DGs, including improved technical backup for the preparation of and follow-up to meetings.

3.3 Consultation under Article 3 of the Agreement on Social Policy

On the whole, the respondents considered that the two-stage consultation process initiated under the Agreement on Social Policy was working satisfactorily in accordance with the procedures laid down in the 1993 Commission Communication. It is clear that after the entry into force of the Amsterdam Treaty, the process of consultation will be more important than today since it will cover the legislative proposals on Community social policy and which is to be adopted in all Member States. All actors will have to take their role in ensuring that this remains a substantial and effective process.

The vast majority of respondents were in favour of maintaining the current criteria for determining which organizations should be consulted. The ongoing representativeness study will provide an important tool for the actual designation of the organizations to be consulted under these criteria.

Some organizations not currently consulted would like to be involved in the process. Furthermore, some organizations believed that the current six-week time limit for each consultation stage should be extended, while other respondents emphasized the need to keep to a strict time limit so as not to put the effectiveness of the Community legislative procedure at risk. The latter should also be borne in mind with a view to the extended application of the consultation procedures under the Amsterdam Treaty.

Key actions

- The formal consultation on proposed legislation in the social policy field will continue to be based upon the procedures laid down in the 1993 Communication. This means that the general six-week time limit for consultations will be maintained. The Commission will, however, be prepared to adapt the deadline in particular cases depending on the nature and complexity of the subject.

- An updated list of the organizations responding to the three criteria for determining who should be consulted can be found in Annex I. The Commission will revise the list periodically, taking into account the results of the ongoing representativeness study.

4. EMPLOYMENT PARTNERSHIP

Tripartite discussion on employment takes place at meetings between representatives of the social partners, the Council and the Commission. The purpose, in addition to the specific priorities of each of the parties, is to determine shared objectives. The key body at European level has been the Standing Committee on Employment¹³, set up in 1970.

There has been quite a lot of criticism of the operation of this Committee as it now stands. Most of the Committee members agree that its operations are out-of-date: as are the membership, the working methods and the use to which its results are put.

Moreover, the context for tripartite dialogue at Community level has been transformed in recent years:

1. The tripartite approach has become more relevant in a number of the Member States involved in the conclusion of employment pacts.

2. In the recent debates on flanking measures for industrial restructuring, partnership has been considered one of the most important approaches that should be promoted.

¹³ Council Decision of 14 December 1970 (OJ L 273, 17.12.1970).

3. The incorporation of a new employment title in the Amsterdam Treaty and the application of these arrangements has changed the direction of the tripartite dialogue. The implementation of the Employment guidelines and the monitoring of their application raise fresh challenges and the social partners will be called upon to take up positions in that context. Social partners will need to shoulder their own responsibility for supporting employment guidelines. This would involve a comprehensive approach integrating all the necessary elements of adaptability-modernization of the legislative framework, updating collective agreements and bargaining, new forms of work organization and the management of working time.

Furthermore, recent initiatives to encourage new forms of tripartite dialogue, have led to an increase of fora, in parallel to the meetings at Ministerial level within the framework of the Standing Committee on Employment, where the Council and the social partners meet to discuss employment issues, such as the meetings between the Employment and Labour Market Committee Steering Group and the social partners, and the meetings between the Troika of Ministers and/or Heads of State and the social partners.

All these developments and the undisputed lack of efficiency of the Standing Committee in its present form require a new rationalized process allowing the social partners to contribute in the most effective way to the development and implementation to the Employment Guidelines and Broad Economic Orientations.

Key actions

- The Commission proposes to reform the Standing Committee on Employment¹⁴ as follows:

The tasks laid down in the Decision of 1970 setting up the Committee are still relevant today: *"to ensure ... that there shall be continuous dialogue, joint action and consultation between the Council, ... the Commission and the two sides of industry in order to facilitate co-ordination by the Member States of their employment policies in harmony with the objectives of the Community"*.

Because it is called upon to discuss questions relating to trends in employment and drafts submitted for discussion within the Council, the Committee is the forum for the expression of general interests and solidarity across industry. Its membership should reflect this approach as set out above.

¹⁴ In conjunction with this Communication, the Commission will present a proposal for a Council Decision amending the 1970 Decision as set out in Annex.III.

The reformed Standing Committee on Employment will be composed of the Council, represented either by the troika of Heads of State or Government, or of the full Council of Ministers, together with the Commission and the two social partner delegations (eight members from the trade union side and eight members from the employers' side, in the composition set out below). Following the conclusions of European Council meeting on employment held on 20-21 November 1997 (p.19), the Committee should meet before the meetings between the Heads of State and Governments at the end of each Presidency.

- Secondly, the technical meetings between the Employment and Labour Market Committee's Steering Group and the social partners, provided for through the statute of the ELC, should also be directly linked to the yearly process foreseen in the context of the Employment Guidelines. It is therefore proposed that these meetings should take place before the ELC issues its opinion on the Commission's Communication on the national action plans in the first half of each year and, in the second half of each year, before the ELC issues its opinion on the Commission's yearly update of the Employment Guidelines.
- The social partner delegations to the meetings of the Standing Committee on Employment and the meetings between social partners and the ELC's Steering Group shall include representatives from the employers' and trade unions' side, so that the composition of each delegation covers the whole economy, includes European organizations, representing either general interests or more specific interests of supervisory and professional staff and small and medium-sized businesses. The participants to the social partner delegations are UNICE, CEEP, UEAPME, EUROCOMMERCE and COPA on the employers' side and ETUC and CEC on the employees' side. The delegations should be organized through liaison structures.

5. EMPHASIZING JOINT-ACTION AND NEGOTIATION

An active dialogue between management and labour leading to shared goals and practical commitments is the *raison d'être* of the social dialogue. This presupposes that the social partners at European level have real support from their members, giving them a mandate to negotiate agreements at European level, as well as a commitment to follow them up, and providing them with adequate resources and structures to be able to respond.

Once the Amsterdam Treaty enters into force, legislative proposals in the social policy field will be addressed to all Member States and be the subject of the two-stage consultation process with the possibility for the Commission to suspend the legislative process if the social partners announce their intention to open negotiations. This implies increased opportunities and responsibilities for the social partners at European level in the shaping of social policy.

Furthermore, in the context of the new employment strategy, the European Social Partners at both cross-industry and sectoral levels have been given the opportunity to take a leading role in the necessary modernization of the labour market. At its extraordinary meeting on employment in November 1997, the European Council made a strong appeal to the social partners to take new initiatives at all levels, in particular regarding adaptability and employability:

- promoting the modernization of work organization and working patterns through negotiation at the appropriate levels, particularly in economic sectors undergoing structural change, agreements on work organization including working time and flexible working arrangements with the aim of making enterprises productive and competitive, and achieving the required balance between flexibility and security;
- developing the social dimension of the process of industrial restructuring, especially in the context of worker information and consultation;
- opening workplaces across Europe for training, work practice, traineeships and other forms of employability measures; and,
- promoting equal opportunities between women and men, both in a wide context and on specific initiatives aimed at reconciling work and family life, for example, the further development of policies on career breaks, parental leave and part-time work.

It is essential at this juncture that the social partners take up the new challenges and monitor the employment process in order to review all possible initiatives to modernize the legal, contractual and institutional framework at all levels of the dialogue.

Another important matter relating to the negotiation process at all levels of the dialogue, which was raised by many respondents to the consultative Communication, was the question of participation and representativeness in contractual relations at both cross-industry and sectoral level.

The Commission cannot intervene in the negotiations. It is up to the social partners to decide who sits at any negotiating table and it is up to them to come to the necessary compromises. The respect of the right of any social partner to choose its negotiating counterpart is a key element of the autonomy of the social partners.

At the same time it is crucial that the social partners at both cross-industry and sectoral level find the best ways to maintain the dynamic character of their dialogue, allowing it to continue to develop towards greater co-operation and openness in order for it to be able to play an even more constructive role by ensuring optimum representation. Such a process is necessary in order to make the results of the social dialogue widely acceptable. In this context the Commission would stress that the current situation is jeopardizing future developments and that a political solution is needed to prepare the ground for the future.

5.1 Joint action and negotiation at cross-industry level

The cross-industry dialogue has secured a strategic place in the development of social policy: the social partners have created an important locus for dialogue and interaction.

The most active dialogue at cross-industry level has in recent years taken place within the Social Dialogue Committee where the three cross-industry organizations of general vocation, UNICE, CEEP and the ETUC, conduct their autonomous dialogue. This has also developed into the forum through which they communicate the results of their dialogue to the Commission.

The organizations taking part in the Social Dialogue Committee recently stated that they intend to focus their autonomous dialogue in this forum on their joint-contribution to the employment process. Working groups have been established to consider certain issues in depth. Several joint-opinions, joint-declarations and working documents have been prepared within the Education and Training, Labour Market and Macroeconomic Working Groups. It is vital that the social partners at European level develop and consolidate their autonomous dialogue to contribute to the key issues with a view to creating European Frameworks for social partner action at national level. These can cover, most importantly, the promotion of employability and adaptability, including lifelong learning issues and information and consultation of workers.

In the framework of the strengthened economic policy coordination called for by the European Council at Amsterdam, it should in particular be examined in the macroeconomic group of the Social Dialogue Committee whether it is possible to find operational modalities for building bridges between the major players determining the macroeconomic mix in the EMU.

It is also very important to acknowledge the fact that a new configuration of the cross-industry social dialogue has been gradually developed since UNICE, CEEP and the ETUC came forward to establish the Val Duchesse dialogue in 1985. Although it was stressed in the responses that the mutual recognition of the parties and the respect for the informal and voluntary nature of this dialogue has been a key to its success, several organizations claimed a place alongside UNICE, CEEP and the ETUC at the negotiating table. A large number of respondents emphasized that to make the cross-industry dialogue richer and to have its results more widely spread and acceptable to all interested parties, an opening up of the dialogue to other organizations is important.

In order to permit it to build upon its achievements, the Commission will continue to support the cross-industry social dialogue. The Commission is aware of the importance of SMEs for employment and their role in job creation; their specific concerns and the opportunities they provide must be taken into account. The Commission makes a strong appeal to the social partners to take the necessary steps to ensure that their dialogue remains strong and continues to attract widespread support.

5.2 Joint action and negotiation at sectoral level

The sectoral level is a very important area for development both on general issues such as employment, industrial change and a new organization of work and on upcoming specific demands on the labour market. The development of negotiations at sectoral level is therefore a key issue.

There was general agreement among the respondents that the sectoral dialogue provides for an effective level of intervention on the questions of employment, work organization and the improvement of working conditions as it is closest to grass roots and best able to anticipate change. However, its potential as a site for joint action and negotiation of agreements is by no means used to the full.

The Framework Agreement on the Improvement of Paid Employment in Agriculture in the Member States of the European Union¹⁵ is a good and recent example of what can be done when the most is made of that potential.

There are substantial differences in representation as between industries within the Community's sectoral social dialogue; nevertheless, it offers significant potential for development of the dialogue at Community level as this is where the economic and social challenges lie: in relation to industrial restructuring, the introduction of new technologies, changes in occupations and opening-up to competition. Moreover, the social partners' responses at industrial level have greater operational impact.

The Commission encourages the further development of joint action and negotiations, both in qualitative and quantitative terms. The new sectoral dialogue committees will be conducive to the establishment of flexible forms of work enabling the social partners, if they so wish, to initiate joint action or enter into negotiations on voluntary agreements promoting the key issues in the sectors.

5.3 Negotiation under Article 3(4) of the Agreement on Social Policy

Article 3(4) of the Agreement on Social Policy stipulates that the social partners consulted under Articles 3(2) and 3(3) of the Agreement can, during the ongoing consultation, inform the Commission of their desire to embark upon a process of negotiation. The opening of negotiations is totally in the hands of the social partners and the negotiation process is based upon principles of autonomy and mutual recognition of the negotiating parties.

The two agreements concluded so far under this procedure constitute important steps forward for European industrial relations and European social policy. They have been warmly welcomed in most circles, including the European institutions. However, some social partner organizations have criticized the fact that they were not party to the negotiations.

¹⁵ Concluded between EFA/ETUC-GEOPA/COPA, 24.7.1997.

These two agreements were negotiated at cross-industry level. It is important to acknowledge that there is nothing in the Agreement on Social Policy that limits possible sectoral negotiations thereunder, either as a complement to cross-industry agreements or establishing independent agreements limited to the sector concerned.

The Commission considers that the development of contractual relations, as set out in the new Treaty, is a most effective mechanism to implement relevant commitments on Social Policy. The Commission therefore hopes the social partners will further develop their contractual relations at both interprofessional and sectoral level. Relations based on agreements should take their place alongside legislation in the development of social policy. The Commission considers that sectoral agreements between social partners can form an important basis for achieving social policy objectives, including the process of making agreements binding through Community law at the request of the social partners.

The Commission will continue to give strong support to the initiation of negotiations under this procedure, pointing out that both the inter-professional and sectoral social partners are encouraged to take on their responsibilities in this respect.

The Commission cannot intervene in the free choice of negotiating partner. It welcomes the positive example of the association as experts of, EUROCOMMERCE, FENI, COPA and HOTREC in the latest negotiations as an important step and encourages the social partners to go further to make the agreements even more acceptable by ensuring optimum representation.

5.4 Implementation of agreements concluded at Community level

Agreements can be concluded both on sectoral and cross-industry issues in the context of the social dialogue structures or in the framework of a consultation under Article 3 of the Agreement on Social Policy.

These agreements can be implemented either in accordance with the procedures specific to management and labour in the Member States or, in matters covered by Article 2 ASP, at the joint request of the signatory parties, by a Council decision on a proposal from the Commission (Article 4(2) ASP).

5.4.1 Implementation by the social partners

The existence of good information and follow-up mechanisms is crucial to the effectiveness of the implementation of agreements in accordance with the procedures and practices specific to management and labour and the Member States. The Commission is committed to supporting the social partners in developing information and monitoring procedures to ensure effective implementation at national level. The implementation of the Framework Agreement on the Improvement of Paid Employment in Agriculture will be an important step in this context.

5.4.2 *Implementation through Community legislation*

Until now there have been two requests from the social partners for implementation of agreements through Community legislation: for the European framework agreements on parental leave and part-time work. The Directive¹⁶ implementing the parental leave agreement was adopted by the Council on 3 June 1996 and the Directive¹⁷ implementing the part-time work agreement was adopted by the Council on 15 December 1997.

Before any legislative proposal implementing an agreement is presented to the Council the Commission carries out an assessment¹⁸ involving consideration of the representative status of the contracting parties, their mandate and the legality of each clause in the collective agreement in relation to Community law, and the provisions regarding small and medium sized enterprises. One European social partner organization has challenged the legality of the parental leave Directive adopted under this process¹⁹. It is important to emphasize that the Commission does not make a legislative proposal to the Council making the agreement binding if it considers that the signatory parties are not sufficiently representative in relation to the scope of their agreement.

Key Action

- The negotiating parties to an agreement to be implemented through legislation under Article 4(2) ASP must ensure that the subjects for discussion remain within the remit of Article 2 ASP.

The Commission will assess the agreements presented to it on a case by case basis with regard to the representativeness (sufficient representativeness taking into account the scope of the subject for negotiation) of the signatory parties, the legality of the clauses in the agreements in relation to Community law, and in particular, the provisions regarding small and medium-sized undertakings.

In addition, before proposing a decision implementing an agreement negotiated on a matter within the material scope of Article 2 ASP, but outside the formal consultation procedure, the Commission has the obligation to assess the appropriateness of Community action in that field.

The Commission helps and supports the social partners in any way it can by providing any political, technical and legal backup, as established in Article 118b of the Treaty.

¹⁶ Council Directive 96/34/EC of 3 June 1996 on the framework agreement on parental leave concluded by UNICE, CEEP, and the ETUC.

¹⁷ Council Directive 97/81/EC of 15 December 1997 on the framework agreement on part-time work concluded by UNICE, CEEP, and the ETUC.

¹⁸ This procedure is laid down in points 38 to 42 of the 1993 Communication (COM(93) 600 final) concerning the application of the Protocol on Social Policy.

¹⁹ UEAPME's challenge before the Court of First Instance, Case T-135/96. UEAPME has subsequently challenged the Part-time work agreement, Case T-55/98.

- The Commission will continue to inform the European Parliament of the initiation of consultations and the opening and conclusion of negotiations under Article 3 ASP. Furthermore, it will inform the Parliament as soon as the social partners ask the Commission to draw up a legislative proposal for the implementation of an agreement under Article 4(2) ASP to enable it to give its opinion in due time on the proposal before the Council reaches its formal decision.
- Issues related to the role of the European institutions in the decision-making process under the Agreement on Social Policy – and in particular the provision of information concerning negotiations between the social partners – will be the subject of further discussions between the Commission, the Council and the European Parliament in the context of the Inter-Institutional Trilogue.

6. NEW PROSPECTS OPEN UP

6.1 Social dialogue and enlargement

With a view to the launch of the process of accession to the European Union and above all the adoption of Agenda 2000 and the opening of negotiations, it is important to emphasize the following:

- it is essential, as reflected in the Accession partnerships, that the applicant countries develop social dialogue structures and activities. Their social partners should prepare themselves to play an effective role in the framework of the social dialogue. All parties agree that it is of vital importance to help the Central and Eastern European Countries in that context;

and furthermore,

- the inclusion of the Agreement on Social Policy in the Amsterdam Treaty consolidates the position of the social dialogue as a major component in Community social policy which new Member States have to take into account in incorporating the *acquis communautaire* into their legislation.

To this end the Commission:

- will assist the social partners in the European Union in developing links and practical cooperation at cross-industry and sectoral levels so as to encourage the development in Central and Eastern Europe of independent, representative trade union and employers' organizations;
- encourages the political and administrative bodies in the applicant countries to associate the social partners closely in the pre-enlargement policy of the European Union and to adapt the national legal frameworks so as to promote the development of the social dialogue structures;

- will support the appropriate forums of the social dialogue to receive social partners from the applicant countries to learn about its underlying principles and working forms.

6.2 Developing a European industrial relations and partnership culture

6.2.1 Transnational decentralized dialogue

There is a fast-developing social dialogue within multinational companies. Following the adoption of the Directive on the establishment of a European works council²⁰, the social partners in the companies concerned concluded more than 400 agreements before it came into force. The Commission intends to continue to support the development of links between the European and transnational levels so as to help the parties concerned to draw upon the best experiences and ideas.

To this end the Commission will organize a conference in 1998 to take stock of the agreements on information and consultation concluded in transnational undertakings.

There is also growing cross-border social dialogue at regional level, a useful channel in regions where there are significant cross-border flows, both in relation to employment and the implementation of directives on working conditions. The Commission will consider how to assist actions of this kind when they clearly present added value at European level.

6.2.2 Support to management and labour

Independently of the social dialogue, the Commission supports initiatives to increase the awareness of European issues.

An ongoing initiative in this connection is the Network of Human Resource Directors which plays a part in disseminating successful experiences and new ideas that can be used at other levels of the dialogue.

The European Business Network for Social Cohesion brings together a number of companies that are developing innovative initiatives to give a practical content to their social commitment to combat social exclusion and promote social cohesion.

The Commission gives technical and financial support to various initiatives both by employer' and employee' organizations (conferences, implementations of joint initiatives, diffusion of the results of the social dialogue...).

The Commission also funds training operations organized by the trade unions and provides support for the European Trade Union Institute. The aim is to promote the dissemination of a European industrial relations culture while respecting national experience and tradition.

²⁰ Council Directive 94/45/EC of 22 September 1994 on the establishment of a European works council or a procedure in Community-scale undertakings for the purposes of informing and consulting employees.

6.2.3 Supporting the European Industrial Relations Centre

The social partners concluded in 1995 an agreement establishing the European Centre for Industrial Relations, and their initiative received Commission support. It is a centre of learning where members of employer and trade union organizations from EU Member States study together the differing industrial relations systems in Europe. It offers pan-European learning, training and research facilities for joint use by European social partners.

The Commission endorses the ECIR approach and will continue to monitor its development closely. It considers that the founders should reassess its functioning so as to realize its full potential.

6.3 The means for promoting the social dialogue

To promote the social dialogue at Community level there is a need to improve the political and logistical conditions so that dialogue can take place and provide prior and subsequent technical support to the various organizations taking part.

The Commission has set up over the years, on its own initiative and also at the request of the social partners, various different structures for information, consultation and dialogue. They enable the social partners to participate actively at Community level in a framework that encourages national members to express their views.

The Commission also supports initiatives by the social partners at European and national level aimed at placing greater emphasis on the Agreement on Social Policy: preliminary awareness-raising (conferences, studies, preparatory meetings, working parties, training on European affairs) and support for follow-up to measures resulting from the social dialogue (dissemination, monitoring and appraisal of agreements, European action, for example, on youth employment, and the setting up of an industrial relations training centre).

The Commission has to promote and support the social dialogue in the most effective way, and this implies adapting existing structures to enable the social partners to develop the optimal solutions in the light of recent developments and the subsequent challenges that lie ahead.

The support by the Commission should open the possibility for the social partners at European level to anticipate and analyse changes in order to better understand various industrial relations systems and to examine impact of reform of European industry, economy, labour markets including training systems, and social security systems. In other terms it should permit present and future generations of social partners to play their role as negotiators at the European level in order to promote European integration in the context of the single market, of EMU and of social cohesion.

6.4 A Reflection Process: Study Group

Like the other industrialized regions of the world, Europe has to face a number of major challenges including global competition, rapid technological progress, and the protection of the environment and an ageing population. In addition, it has to prepare for the introduction of the single currency from 1999 onwards and for the integration of new Member States into the Union. Furthermore, the position in general of the social partners in the Member States and at European level is changing more and more into a partnership role, most importantly the key role the social partners have been given in the Amsterdam Treaty and, subsequently, in the context of the Employment Guidelines. All these changes have implications for industrial relations, and the quality of industrial relations systems will determine to a considerable extent how successful Europe will be in responding to these challenges.

As a contribution to the debate on these fundamental issues the Commission has decided to involve experts from both national and European level to secure the broadest possible views on the issues and to strengthen the knowledge about European social dialogue. It should support a process of discussion at all relevant levels.

List of European social partner organizations currently consulted in accordance with Article 3 of the ASP

This list will be adapted according to the criteria set out in Commission Communication COM(93) 600 final of 14 December 1993 concerning the application of the Protocol on Social Policy, para. 24, following the periodic results of the ongoing representativeness study.

1. General cross-industry organizations

- Union of Industrial and Employers' Confederations of Europe (UNICE)
- European Centre of Enterprises with Public Participation (CEEP)
- European Trade Union Confederation (ETUC)

2. Cross-industry organizations representing certain categories of workers or undertakings:

- European Association of Craft, Small and Medium-Sized Enterprises (Joint Committee of Social Dialogue: UEAPME -EUROPMEI)
- Confédération européenne des cadres (CEC)
- Eurocadres

3. Specific organizations

- EUROCHAMBRES

4. Sectoral organizations

- EUROCOMMERCE
- COPA/COGECA
- EUROPECHE
- Association of European Cooperative Insurers, AECI
- International Association of Insurance and Reinsurance Intermediaries, BIPAR
- European Insurance Committee, CEA
- Banking Federation of the European Community

- Savings Banks Group of the European Community, GCECEE
- Association of Cooperative Banks of the EC
- European Confederation of woodworking industries, CEI-bois
- Confederation of the National Hotel and Restaurant Associations in the EC, HOTREC
- European Construction Industry Federation
- European Regional Airlines Association, ERA
- Airports Council International - European Region, ACI-Europe
- Association des compagnies indépendantes de la Communauté européenne, ACE
- Association of European Airlines, AEA
- Organization européenne des bateliers
- International Union for Inland Navigation
- European Community Shipowners Association, ECSA
- Community of European Railways, CER
- International Road Transport Union, IRU
- Industrial Cleaning European Federation, FENI

5. European Industry Committees with ETUC affiliation (*)

- FEM/EMF (Metal.)
- EURO-FIET (Commercial, Clerical and Technical Employees)
- European Committee Communications International
- EFA (Agricultural workers)
- EEA (Media)
- ECF (Food and Horeca)
- FSESP/EPSU (Public Services)
- FST (Transport)

- CSEE/ETUCE (Education)
- FETBB/EFBWW (Building - Woodworkers)
- FGE/EGF (Graphical)
- FSE-THC/ ETUF-TCL (Textiles)
- EMCEF (Miners, Chemical and Energy)
- FEJ-FIJ/EFJ-IFJ (Journalists)
- EFDPS (Diamond and Precious Stone Workers)

() Copy of the letter to the ETUC.*

COMMISSION DECISION
of 20 May 1998
on the establishment of Sectoral Dialogue Committees promoting the Dialogue between
the social partners at European level

EXPLANATORY MEMORANDUM

1. The Commission has an obligation to promote dialogue between management and labour under Article 118b of the Treaty. It receives input from the sectoral social partners on Community policy through consultations on a number of social policy initiatives and, in the sectors where there is a common policy, on the formulation and implementation of sectoral policies. The sector-specific consultations are aimed at improving and harmonizing working conditions and also, in some cases, improving the economic and competitive position of the sector concerned. This work is carried out in sectoral committees, either set up on a formal basis, Joint-Committees, or in informal working groups.
2. The Commission adopted in September 1996 a consultation Communication (COM(96) 448 final of 18 September 1996 concerning the development of the social dialogue at Community level) in order to gather as wide a range of views as possible on the means to be employed to promote and developing the European social dialogue. In this document the Commission pointed out that the Joint Committees and informal working groups have become over-institutionalized or have retained operational methods which have outlived their usefulness. It asked therefore the views on the organization and responsibilities for sectoral dialogue.
3. During 1997 more than 80 detailed replies were received from employers' and workers' European and national organizations, European institutions (See the European Parliament Resolution on the Commission Communication "Concerning the development of the social dialogue at Community level COM(96) 448 final" of 18 July 1997 and the Opinion of the Economic and Social Committee on the same issue adopted on 29-30 January 1997) and from national authorities. A European Forum was held in the Hague in April 1997 for a debate on the future of social dialogue at European level.
4. Most respondents agreed with the Commission conclusion that the current structures often hinder positive developments. A more harmonized approach needs to be taken to the structures supporting the sectoral dialogue with a view to ensuring a more equitable treatment of the different sectors of activity and to enable all sectors to contribute in the most effective and substantial way to the development of the relevant Community policies. The Commission should be prepared to respond to the requests of the sectors willing to make a significant joint contribution.
5. Therefore, in order to improve the input of the sectoral dialogue in quantitative and qualitative terms, giving an increased added value at European level, it is necessary to replace the existing structures and encourage a more efficient dialogue. The operating procedures will be streamlined: one high-level plenary meeting each year, a restricted social partner delegation, reimbursement for maximum 15 participants from each side. The Commission, through the DG most concerned with the issues on the agenda or DG V, will provide secretarial

services; the meetings will normally be chaired by a delegate of the employers or employees, but a representative of the Commission will take the chair if both parties jointly ask it to do so. Each sector will be firmly supported through a partnership between DG V and the other relevant DGs, including improved technical backup for the preparation of and follow-up to meetings.

COMMISSION DECISION

of 20 May 1998

on the establishment of Sectoral Dialogue Committees promoting the Dialogue between the social partners at European level

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Whereas Article 118b of the Treaty states that the Commission is to endeavour to develop the dialogue between management and labour at European level which could, if the two sides consider it desirable, lead to relations based on agreement;

Whereas point 12 of the Community Charter of the Fundamental Social Rights of Workers states that employers or employers organization, on the one hand, and workers' organizations, on the other, should have the right to negotiate and conclude collective agreements under the conditions laid down by national legislation and practice. The dialogue between the two sides of industry at European level which is to be developed, may, if the parties deem it desirable, result in contractual relations in particular at inter-occupational and sectoral level;

Whereas the Commission in response to the Communication of 18 September 1996 concerning the development of the social dialogue at Community level²¹ received a strong support from all involved parties in its suggestion to strengthen the sectoral social dialogue;

Whereas the European Parliament, in its Resolution of 18 July 1997²², responding to that Commission Communication, called for a specific importance to be attached to the sectoral social dialogue since the impact of regulation and/or deregulation on employment in the economic sectors can best be assessed within the sectoral dialogue;

Whereas the Economic and Social Committee in its opinion of 29 January 1997²³, responding to that Commission Communication, stated that the sectoral dialogue must be effective, efficient and well-directed;

Whereas the situation in the various Member States clearly demonstrates the need for the two sides of industry to participate actively in discussions on the improvement of living and working conditions in their sector; whereas a sectoral dialogue committee attached to the Commission is the most appropriate means of ensuring such participation, by creating at Community level a representative forum for the socio-economic interests involved;

Whereas the Commission should endeavour to ensure that the membership and the activities of the Sectoral Dialogue Committees contribute to the promotion of equality between women and men;

²¹ COM(96) 448 final.

²² OJ C 286, 22.9.1997, p. 338.

²³ OJ C 89, 19.3.1997, p. 27.

Whereas the existing Joint Committees should be replaced by the Sectoral Dialogue Committees; whereas the Decisions establishing those Committees should therefore be repealed,

HAS DECIDED AS FOLLOWS:

Article 1

Sectoral Dialogue Committees (hereinafter referred to as "the Committees") are hereby established in those sectors where the social partners make a joint request to take part in a dialogue at European level, and where the organizations representing both sides of industry fulfil the following criteria:

- (a) they shall relate to specific sectors or categories and be organized at European level;
- (b) they shall consist of organizations which are themselves an integral and recognized part of Member States' social partner structures and have the capacity to negotiate agreements, and which are representative of several Member States;
- (c) they shall have adequate structures to ensure their effective participation in the work of the Committees.

Article 2

Each Committee shall, for the sector of activity for which it is established,

- (a) be consulted on developments at Community level having social implications, and
- (b) develop and promote the social dialogue at sectoral level.

Article 3

The representatives of the two sides of industry taking part in the meetings of each Committee shall number a maximum of 40 in all, with an equal number of representatives of the employers' and workers' delegations.

Article 4

The Commission shall invite the representatives to participate in the meetings of the Committees on a proposal from the social partner organizations which have made the request set out in Article 1.

Article 5

1. Each Committee shall, together with the Commission, establish its own rules of procedure.
2. The Committees shall be chaired by a representative of the employers' or employees' delegations or, at their joint request, by a representative of the Commission.

3. The Committees shall meet at least once a year. A maximum of 30 representatives drawn from the two sides of industry taking part in a meeting of a Committee shall receive subsistence allowance and travelling expenses.
4. The Commission shall regularly review, in consultation with the social partners, the functioning of the Sectoral Committees and the pursuit of their activities in the different sectors.

Article 6

If the Commission has informed a Committee that a subject discussed relates to a matter of a confidential nature, members of the Committee shall be bound, without prejudice to the provisions of Article 214 of the Treaty, not to disclose any information acquired at the meetings of the Committee or its secretariat.

Article 7

1. The Sectoral Dialogue Committees shall replace the existing Joint Committees, namely:
 - (a) Joint Committee on Maritime Transport established by Commission Decision 87/467/EEC²⁴;
 - (b) Joint Committee on Civil Aviation established by Commission Decision 90/449/EEC²⁵;
 - (c) Joint Committee on Inland Navigation established by Commission Decision 80/991/EEC²⁶;
 - (d) Joint Committee on Road Transport established by Commission Decision 85/516/EEC²⁷;
 - (e) Joint Committee on Railways established by Commission Decision 85/13/EEC²⁸;
 - (f) Joint Committee on Telecommunications Services established by Commission Decision 90/450/EEC²⁹;
 - (g) Joint Committee on Social Problems of Agricultural Workers established by Commission Decision 74/442/EEC³⁰;

²⁴ OJ L 253, 4.9.1987, p. 20.

²⁵ OJ L 230, 24.8.1990, p. 22.

²⁶ OJ L 297, 6.11.1980, p. 28.

²⁷ OJ L 317, 28.11.1985, p. 33.

²⁸ OJ L 8, 10.1.1985, p. 26.

²⁹ OJ L 230, 24.8.1990, p. 25.

³⁰ OJ L 243, 5.9.1974, p. 22.

- (h) Joint Committee on Social Problems in Sea Fishing established by Commission Decision 74/441/EEC³¹.
- (i) Joint Committee on Postal services established by Commission Decision 94/595/EC³².

However, the Committees established by those decisions shall remain in office until the Sectoral Committees established by this Decision take office, but in any event no later than 31 December 1998.

- 2. Subject to Article 1, the Sectoral Dialogue Committee shall also replace other informal working groups through which the Commission has heretofore promoted the social dialogue in certain sectors not covered by a Commission decision establishing a Joint Committee.
- 3. The Decisions referred to in points (a) to (i) of paragraph 1 are repealed with effect from 1 January 1999.

Done at Brussels, 20 May 1998

For the Commission

Pádraig FLYNN
Member of the Commission

³¹ OJ L 243, 5.9.1974, p. 19.

³² OJ L 225, 31.8.1994, p. 31.

Draft
COUNCIL DECISION

**amending Decision 70/532/EEC setting up the Standing Committee on Employment
in the European Communities**

EXPLANATORY MEMORANDUM

1. Tripartite discussion on employment takes place at meetings between representatives of the social partners, the Council and the Commission. The purpose, in addition to the specific priorities of each of the parties, is to determine shared objectives. The key body at European level has been the Standing Committee on Employment, set up in 1970 (Council Decision 70/532/EEC as amended by Decision 75/62/EEC).
2. There has been quite a lot of criticism of the operation of this Committee as it now stands. Most of the Committee members agree that its operations are out-of-date: as are the membership, the working methods and the use to which its results are put.
3. Moreover, the context for tripartite dialogue at Community level has been transformed in recent years:
 - the tripartite approach has become more relevant in a number of the Member States involved in the conclusion of employment pacts;
 - in the recent debates on flanking measures for industrial restructuring, partnership has been considered one of the most important approaches that should be promoted;
 - the incorporation of a new employment title in the Amsterdam Treaty and the application of these arrangements (see the Council Resolution on the 1998 Employment Guidelines adopted on 15 December 1997, OJ C 30, 28.1.1998, pp. 1-5) has changed the direction of the tripartite dialogue.

Furthermore, recent initiatives to encourage new forms of tripartite dialogue have led to an increase of fora, in parallel to the meetings at Ministerial level within the framework of the Standing Committee on Employment, where the Council and the social partners meet to discuss employment issues, such as the meetings between the Employment and Labour Market Committee Steering Group and the social partners, and the meetings between the Troika of Ministers and/or Heads of State and the social partners.

4. These developments and the undisputed lack of efficiency of the Standing Committee in its present form require a new rationalized process allowing the social partners to contribute in the most effective way to the development and implementation to the Employment Guidelines and Broad Economic Orientations. The Commission proposal for the amendment of the current Council Decision will accordingly limit the number of participants in the meetings, update the membership of the social partners taking into account successive enlargements of the Community and developments affecting the representative organizations. It will also give the necessary flexibility in order for the Committee meetings to be directly linked to the new employment process.

The Commission's comments on the sole Article in its proposal are given below:

5. As regards the amendment to Article 2(1) of Decision 70/532/EEC

First, this amendment confines itself to reflecting the change in the membership of the Committee which is made in the amendments introduced in Article 2. Secondly, it stipulates that the Committee shall meet twice a year. This replaces the earlier obligation for the Committee to "fulfil its tasks before any measures are adopted by the relevant institutions". This change reflects the important role the social partners should play in the new process on employment as set out in the conclusions of the European Council meeting on employment held on 20-21 November 1997 (p. 19) (The Luxembourg Jobs Summit).

6. As regards the amendment to Article 2(2) of Decision 70/532/EEC

This amendment gives the necessary flexibility for each Presidency of the Union to choose the most appropriate form for discussing employment with the social partners; either the full Council or the Troika of Heads of States or Governments as set out in the conclusions to the Luxembourg Jobs Summit (p. 19).

7. As regards the amendment to Article 2(3) of Decision 70/532/EEC

This amendment firstly reduces the number of social partner participants from 36 to 16 in order to allow for a more effective form of meeting. Secondly, it replaces the function of the Annex in the former decision as it stipulates which social partner organizations are to take part in the work of the Committee. The social partner organizations are selected so that each social partner delegation covers the whole economy, and include European organizations, representing either general interests or more specific interests of supervisory and professional staff and small and medium-sized businesses.

8. As regards the amendments to Article 2(4) and deleting the Annex to Decision 70/532/EEC

This amendment reflects the reduction of participants from the social partner delegations.

Draft
COUNCIL DECISION
amending Decision 70/532/EEC setting up the Standing Committee on Employment in
the European Communities

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 145 thereof,

Whereas the European Parliament in its Resolution of 18 July 1997³³ on the Commission Communication of 18 September 1996 concerning the development of the social dialogue at Community level³⁴ called for the Standing Committee on Employment to be reformed as a matter of urgency;

Whereas the Economic and Social Committee in its opinion of 29 January 1997³⁵ on the same Commission Communication stated that the Standing Committee on Employment was to be given a higher profile;

Whereas the Council in its Resolution of 15 December 1997 on the 1998 Employment Guidelines³⁶ emphasized the need to associate the social partners in employment strategy;

Whereas the Commission in its Communication of 20 May 1998 "Adapting and Promoting the Social Dialogue at Community level"³⁷ underlined the importance of adapting the composition and working methods of the Standing Committee on Employment to the new environment;

Whereas in its conclusions to the Intergovernmental Conference held at Florence on 21 and 22 June 1996, the European Council reaffirmed the importance to promoting employment and reducing the unacceptably high levels of unemployment in Europe, particularly for young people, the long-term unemployed and the low-skilled;

Whereas the European Council emphasized at its extraordinary summit on employment held in Luxembourg on 20-21 November 1997 that, as part of the necessary strengthening of the social dialogue, the social partners at all levels would be involved in all stages of this new strategy and would have their contribution to make to the implementation of the guidelines;

Whereas Council Decision 70/532/EEC³⁸, as last amended by Decision 75/62/EEC³⁹, should therefore be amended accordingly,

33 OJ C 286, 22.9.1997, p. 338.

34 COM(96) 448 final.

35 OJ C 89, 19.3.1997, p. 27.

36 OJ C 30, 28.1.1998, p. 1.

37 COM(1998) 322 final.

38 OJ 273, 17.12.1970, p. 25.

39 OJ 21, 28.1.1975, p. 17.

HAS DECIDED AS FOLLOWS:

Sole Article

Decision 70/532/EEC is amended as follows:

1. In Article 2, paragraphs 1 to 4 are replaced by the following:

"1. The task of the Committee shall be to ensure, in compliance with the Treaties and with due regard for the powers of the institutions and organs of the Communities, that there shall be continuous dialogue, joint action and consultation between the Council - or the "troika" of Heads of State or Government - the Commission and the two sides of industry in order to facilitate coordination by the Member States of their employment policies in harmony with the objectives of the Community.

The Committee shall meet twice a year.

2. The following parties shall take part in the work of the Committee:

- either the Council or the "troika" of Heads of State or Government;
- the Commission;
- employers' organizations;
- workers' organizations.

3. There shall be eight representatives from each of the two sides of industry, each delegation covering the whole economy, being composed of European organizations, representing either general interests or more specific interests of supervisory and professional staff and small and medium-sized businesses. The designation of the employees' delegation (ETUC, CEC) shall be coordinated by the European trade union confederation (ETUC), and the designation of the employers' delegation (UNICE, CEEP, UEAPME, Eurocommerce, COPA) shall be coordinated by the union of industries of the European Community (UNICE).

4. Each of the parties taking part in the work of the Committee shall appoint its representatives at its own discretion either for a specified period or, depending on the matters to be dealt with, for specific meetings."

2. The Annex is deleted.

Done at Brussels,

For the Council
The President

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Sectoral dialogue committees

2. BUDGET HEADING INVOLVED

Part A of the budget only

3. LEGAL BASIS

Treaty on European Union, in particular Article 118b thereof and Article 3 of the Agreement on social policy

4. DESCRIPTION OF OPERATION

4.1 General objective

The Commission is presenting a proposal for the rationalization of the existing committees and groups in the field of sectoral social dialogue. The objectives are to provide a single structure for social dialogue and reduce the administrative burden on the existing joint committees. Rationalization will make it possible to meet the demands from new sectors for participation in the social dialogue without increasing the available resources. It will also involve changes to the joint committees' statutes.

4.2 Period covered and arrangements for renewal or extension

Unlimited

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 Non-compulsory expenditure

5.2 Non-differentiated appropriations

5.3 Type of revenue involved: None

6. TYPE OF EXPENDITURE OR REVENUE

Expenditure consists mainly of the costs involved in organizing sectoral social dialogue meetings, i.e. hiring of rooms, reimbursement of employers' and workers' travel expenses, and interpreting.

7. FINANCIAL IMPACT

NO IMPACT AS REGARDS PART B OF THE BUDGET

7.1 Method of calculating total cost of operation (link between unit costs and total cost)

Rationalization and changes to the statutes of the sectoral social dialogue committees will not give rise to any new needs in terms of financial or other resources.

7.2 Itemized breakdown of cost

EC in ECU million (current prices)

Breakdown	Budget year n	n + 1	n + 5 and subs. yrs	Total
Total					

7.3 Operational expenditure (studies, experts, etc.) included in Part B of the budget

EC in ECU million (current prices)

Breakdown	Budget year n	n + 1	n + 5 and subs. yrs	Total
- Studies					
- Meetings of experts					
- Conferences and congresses					
- Information and publications					
Total					

7.4 Schedule of commitment and payment appropriations

EC in ECU million

	Year n	n + 1	n + 5 and subs. yrs	Total
Commitment appropriations					
Payment appropriations					
Year n					
n + 1					
.....					
n + 5 and subs. yrs					
Total					

8. FRAUD PREVENTION MEASURES

Given the type of expenditure planned (organization of meetings), no measures are envisaged, apart from the usual checks on requests for reimbursement of participants' travel, hotel and subsistence expenses.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantified objectives; target population

The intention is to allow the sectoral social partners to develop a social dialogue with a view to entering into agreements.

The target population consists of the social partners' organizations at sectoral level and members of organizations in line with the principle of representativeness.

9.2 Grounds for the operation

The sectoral social dialogue has been constantly enhancing its input at European level. In order for this development to continue and to improve the input in quantitative and qualitative terms, giving an increased added value at European level, it is necessary to replace the existing structures and encourage an efficient political dialogue rather than highly formalized exchanges of position.

The Commission will establish a new framework within which the sectoral dialogue can continue its development. This framework will be applicable on the same terms to all sectors wishing to take part in social dialogue and will be easily extendible to new sectors.

The new committees will constitute the key forum for sectoral dialogue (consultation, joint action and negotiations) and be set up in all sectors which submit a joint request and are sufficiently well-organized with a meaningful European presence in line with the established criteria of representativeness.

9.3 Monitoring and evaluation of the operation

Meeting organization facilities will be made available to the various committees in accordance with their annual work programmes.

Texts jointly adopted by the social partners as a result of the committees' activities will be made public and will be disseminated both within the Community Institutions and within the Member States, particularly to the members of the national social partners' organizations.

The results of the social dialogue and hence of the functioning of these committees will be judged mainly by the employers' and workers' electorates in the context of social elections or other electoral procedures used to appoint workers' and employers' representatives.

The Commission will also describe the outcome of the sectoral committees' activities in its annual social dialogue report.

10. ADMINISTRATIVE EXPENDITURE (PART A OF THE BUDGET)

The actual mobilization of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking account in particular of the additional staff and sums approved by the budget authority.

10.1 Effect on the number of staff

No additional staff required

The following table thus refers to the staff already deployed. The operation will necessitate internal reallocations in the distribution of tasks.

Types of staff		Staff to be assigned to managing the operation		Of which		Duration
		<u>Permanent staff</u>	<u>Temporary staff</u>	Using existing resources within the DG or service concerned	Using supplementary resources	
Officials or temporary agents	A	9	1	10		
	B	1		1		
	C	2		2		
Other resources A-7001			1	1		
Total		12	2	14		Indefinite

10.2 Overall financial impact of human resources

No additional staff required

The following table thus refers to the staff already deployed. The operation will necessitate internal reallocations in the distribution of tasks.

(ECU)

	Amounts	Calculation method
Officials*	1 296 000	12 x 108 000 = 1 296 000
Temporary agents	108 000	1 x 108 000 = 108 000
Other resources (A-7001)	43 000	1 x 43 000 = 43 000
Total	1 447 000	

* Using available resources allocated to management of the operation (calculation based on titles A-1, A-2, A-4, A-5 and A-7)

10.3 Financial impact of other operating expenditure involved in the operation

(ECU)

Budget line (number and heading)	Amounts	Calculation method
A-7032 committee meetings	1 265 040	ECU 753 per participant on average x maximum 30 participants per meeting x minimum 56 meetings
Total	1 265 000	

The amount indicated, which covers all the sectoral dialogue committees to be established, will be taken from the DG V budget.