## **European Parliament**



2019-2024

#### **TEXTS ADOPTED**

## P9\_TA(2023)0218

### Strengthening social dialogue

# European Parliament resolution of 1 June 2023 on strengthening social dialogue (2023/2536(RSP))

#### The European Parliament,

- having regard to Article 3(3) of the Treaty on European Union (TEU),
- having regard to Articles 9, 151, 152, 153, 154 and 155 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to Articles 12, 15, 16, 21, 23, 27, 28, 30, 31 and 47 of the Charter of Fundamental Rights of the European Union,
- having regard to the Commission communication of 4 March 2021 entitled 'The European Pillar of Social Rights Action Plan' (COM(2021)0102),
- having regard to the European Social Charter,
- having regard to the Porto Social Commitment of 7 May 2021 and the Porto Declaration of 8 May 2021,
- having regard to International Labour Organization (ILO) Conventions No. 98 on the right to organise and collective bargaining, No. 135 on protection and facilities to be afforded to workers' representatives in the undertaking (the Workers' Representatives Convention), No. 154 on collective bargaining, No. 155 on occupational safety and health, No. 187 on a promotional framework for occupational safety and health, and No. 190 on the elimination of violence and harassment in the world of work,
- having regard to the European Semester, which is the EU's framework for the coordination and surveillance of economic and social policies, based on Articles 121 and 148 TFEU,
- having regard to the European social partners' framework agreement on digitalisation,
- having regard to the European social partners' autonomous framework agreement on active ageing and an inter-generational approach,

- having regard to Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses<sup>1</sup>,
- having regard to Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies<sup>2</sup>,
- having regard to Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union<sup>3</sup>,
- having regard to Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees<sup>4</sup> (European Works Council Directive),
- having regard to Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013<sup>5</sup>,
- having regard to Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union<sup>6</sup> (Adequate Minimum Wages Directive),
- having regard to its resolution of 16 December 2021 entitled 'Democracy at work: a European framework for employees' participation rights and the revision of the European Works Council Directive'<sup>7</sup>,
- having regard to its resolution of 2 February 2023 with recommendations to the Commission on Revision of European Works Councils Directive<sup>8</sup>,
- having regard to the Commission proposal for a Council recommendation on strengthening social dialogue in the European Union (COM(2023)0038),
- having regard to the Commission communication of 25 January 2023 entitled 'Strengthening social dialogue in the European Union: harnessing its full potential for managing fair transitions' (COM(2023)0040),
- having regard to the Commission communication of 13 December 2013 on the EU Quality Framework for anticipation of change and restructuring (COM(2013)0882),

- <sup>3</sup> OJ L 186, 11.7.2019, p. 105.
- <sup>4</sup> OJ L 122, 16.5.2009, p. 28.
- <sup>5</sup> OJ L 231, 30.6.2021, p. 21.
- <sup>6</sup> OJ L 275, 25.10.2022, p. 33.
- <sup>7</sup> OJ C 251, 30.6.2022, p. 104.
- <sup>8</sup> Texts adopted, P9\_TA(2023)0028.

<sup>&</sup>lt;sup>1</sup> OJ L 82, 22.3.2001, p. 16.

<sup>&</sup>lt;sup>2</sup> OJ L 225, 12.8.1998, p. 16.

- having regard to its resolution of 19 January 2017 on a European Pillar of Social Rights<sup>1</sup>,
- having regard to its resolution of 17 December 2020 on a strong social Europe for Just Transitions<sup>2</sup>,
- having regard Council Decision (EU) 2022/2296 of 21 November 2022 on guidelines for the employment policies of the Member States<sup>3</sup>,
- having regard the Commission communication of 4 March 2021 entitled 'The European Pillar of Social Rights Action Plan' (COM(2021)0102),
- having regard to the Commission communication of 29 September 2022 on Guidelines on the application of Union competition law to collective agreements regarding the working conditions of solo self-employed persons (C(2022)6846),
- having regard to the questions to the Council and to the Commission on strengthening social dialogue (O-000019/2023 – B9-0020/2023 and O-00020/2023 – B9-0021/2023),
- having regard to Rules 136(5) and 132(2) of its Rules of Procedure,
- having regard to the motion for a resolution of the Committee on Employment and Social Affairs,
- A. whereas the rights of workers to collective bargaining, collective agreements, freedom of association and collective action are fundamental rights in a democracy;
- B. whereas social partnership and collective bargaining between trade unions and representatives of employers at company, sectoral, national and EU level are key aspects of the European social model, whose shared legacy of social dialogue, workers' participation, collective bargaining, health and safety representation and the tripartite system are the building blocks of a diverse and economically, socially and environmentally sustainable future that will contribute to competitiveness, economic and social resilience and better and more inclusive EU growth;
- C. whereas collective bargaining allows for social partners to adjust, for instance, working conditions in a flexible and purposeful way; whereas collective bargaining systems are generally based on a complex set of rules and practices, established in national legal systems, and frequently based on longstanding traditions of the social partners;
- D. whereas well-functioning social dialogue between autonomous social partners is crucial to finding balanced solutions to the challenges of today and tomorrow, by adjusting to the changes in the world of work in a way that benefits both workers and employers, as demonstrated inter alia by the existing framework agreements between the European social partners on active ageing and on digitalisation, as well as the ongoing negotiations on telework and the right to disconnect; whereas social dialogue has also proven necessary in times of unexpected crisis, such as the adaptation of working conditions during the pandemic; whereas social dialogue plays an important role in

<sup>&</sup>lt;sup>1</sup> OJ C 242, 10.7.2018, p. 24.

<sup>&</sup>lt;sup>2</sup> OJ C 445, 29.10.2021, p. 75.

<sup>&</sup>lt;sup>3</sup> OJ L 304, 24.11.2022, p. 67.

providing active support to workers transitioning to new jobs and in anticipating skills needs by addressing structural change as well as strengthening Member States' resilience; whereas the success of social dialogue heavily depends on the social partners' ability to negotiate freely based on a complex set of rules and practices, which are often established in national legal systems and traditions; whereas this requires the national and European legislators to place trust in the social partners' ability to work for good conditions in the labour market, while at the same time requiring the social partners to take this responsibility seriously and find compromises that address their respective interests, also benefitting society as a whole;

- E. whereas collective bargaining systems where independent social partners have the right to negotiate and conclude collective agreements autonomously contribute to long-term predictability in the labour market; whereas a prerequisite for such well-functioning collective bargaining systems is that the national and European legislators trust the social partners' ability to take responsibility for good working conditions in the labour market and balance workers' and employers' interests;
- F. whereas collective bargaining at the sectoral and cross-industry levels came under pressure in some Member States in the aftermath of the 2008 financial crisis; whereas the share of workers covered by collective agreements has declined significantly in most Member States over the past 30 years, with an estimated drop in EU average coverage from about 66 % in 2000 to about 56 % in 2018<sup>1</sup>, due to various factors including the decline in trade union membership, regulatory changes in collective bargaining practices and processes<sup>2</sup>, particularly with regard to the decentralisation of collective bargaining systems, the growing importance of company-based bargaining processes, and the rise of precarious forms of employment and bogus self-employment; whereas it is important to note that the situation varies greatly between Member States; whereas in most Member States, collective bargaining covering rates tend to be higher for employees on permanent contracts and for those working in larger companies; whereas bargaining coverage is substantially higher in countries where there are sectoral agreements and where these are frequently extended to non-covered companies or workers:
- G. whereas workers under the age of 30 are only half as likely as older workers to join a trade union<sup>3</sup>, while at the same time they are very supportive of collective bargaining and have a high degree of trust in trade unions;
- H. whereas European workers and employers are currently facing major challenges stemming from long-standing social and environmental challenges such as poverty, social exclusion, rising inequalities, social crises, and the climate and biodiversity emergencies, which are continuing to grow and must be tackled; whereas those challenges have been exacerbated by the consequences of the pandemic and, since

<sup>&</sup>lt;sup>1</sup> Visser, Jelle, Amsterdam Institute for Advanced Labour Studies, *Database on Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts*, Version 6.1, November 2019.

<sup>&</sup>lt;sup>2</sup> Rodriguez Contreras, Ricardo; Molina, Oscar, *Moving with the times: Emerging practices and provisions in collective bargaining*, Eurofound Publications, August 2022.

<sup>&</sup>lt;sup>3</sup> European Commission, *Employment and Social Developments in Europe – Young Europeans: employment and social challenges* ahead, Annual review 2022.

24 February 2022, the Russian war of aggression against Ukraine and the consequent cost of living, inflation and energy crisis; whereas these events have shown a pressing need for broader and stronger participation by the social partners in order to harness the opportunities of the sustainable and fair green and digital transitions and reflect the need to leave no-one behind; whereas according to the Eurofound EU PolicyWatch database, the social partners were involved during the pandemic in almost half of the policy measures recorded at national and/or European level, while this involvement decreased somewhat during 2022, when further policy measures related to the cost of living crisis were mapped;

- I. whereas measures to uphold and promote collective bargaining and collective agreements may provide an effective response to the spiralling cost of living and facilitate urgently needed real pay increases across the board;
- J. whereas democracy at work plays a key role in strengthening human rights in the workplace and society, in particular when workers' representatives, including trade unions, are actively involved in businesses' due diligence processes; whereas workers' timely and meaningful involvement at the appropriate level contributes to sustainable corporate governance; whereas social partners' voices are an important component of EU initiatives to ensure sustainable and democratic corporate governance and due diligence on actual and potential human rights abuses, including with regard to labour, and adverse environmental impacts, as well as of EU initiatives to reduce the use of illegal practices, such as labour exploitation and unfair competition in the single market;
- K. whereas workplace democracy goes beyond the formal participation of trade union organisations in so-called social dialogue meetings, or mere consultation of these bodies; whereas the promotion of workplace democracy calls for the safeguarding and upholding of various rights and principles, including the right to organisation, collective action and collective bargaining, trade union rights, the right to strike, and the principles of prohibiting unfair dismissal and of equal pay for equal work;
- L. whereas Principle 8 of the European Pillar of Social Rights states that social partners should be consulted on the design and implementation of economic, employment and social policies, in accordance with national practices; whereas social partners are also encouraged to negotiate and conclude collective agreements on matters relevant to them, while safeguarding their autonomy and the right to collective action; whereas workers or their representatives have the right to be informed and consulted in good time on matters relevant to them, in particular on the transfer, restructuring and merging of undertakings and on collective redundancies; whereas the Porto Social Commitment called on all relevant actors to promote autonomous social dialogue as a structuring component of the European social model and to strengthen it at the European, national, regional, sectoral, local and company levels, with a particular emphasis on ensuring an enabling framework for collective bargaining within the various models that exist across the Member States;
- M. whereas the Recovery and Resilience Facility (RRF) Regulation<sup>1</sup> includes an obligation for Member States to consult social partners in the preparation of their national recovery

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

and resilience plans through a greater variety of settings; whereas the quality and intensity of their involvement is, however, uneven and rather weak in a relatively high number of countries; whereas the review report of the Commission on the RRF states that the success of the RRF depends on the close involvement of social partners, civil society organisations, local and regional authorities and other stakeholders;

- N. whereas some Member States are ensuring an enabling framework for social dialogue, while in some other Member States, social dialogue is under pressure for reasons including belated, ineffective consultation procedures, a lack of capacity and strict representational criteria as well as limitations on the social partners' freedom to autonomously negotiate and find compromises through collective bargaining; whereas in accordance with Article 9 of the ESF+ Regulation, Member States must ensure meaningful participation of the social partners in the delivery of employment, education and social inclusion policies supported by the ESF+ strand under shared management; whereas all Member States must allocate an appropriate amount of ESF+ resources and where they have received related country-specific recommendations this must be at least 0.25 % to capacity building of the social partners, including in the form of training, networking measures, and strengthening of the social dialogue, and to activities jointly undertaken by the social partners;
- O. whereas collective bargaining refers to all negotiations that take place in accordance with national law and practice in each Member State between an employer, a group of employers or one or more employers' organisations on the one hand, and one or more trade unions on the other, to determine working conditions and terms of employment; whereas a trade union is understood to be a group of workers formed to further and defend workers' interests, under national law and/or practice; whereas an employers, other associations of employers or both, constituted to further and defend the interests of its members, under national law and/or practice;
- P. whereas in line with the Workers' Representatives Convention, which has been ratified by 24 Member States, workers' representatives can be persons who are: (i) recognised as such under national law or practice, whether or not they are trade union representatives, namely, representatives designated or elected by trade unions or by members of such unions; or (ii) elected representatives, namely, representatives who are freely elected by the workers of the undertaking in accordance with the relevant provisions of national law or regulations or of collective agreements and whose functions do not include activities that are recognised as the exclusive prerogative of trade unions in the country concerned; whereas when both trade union representatives and elected representatives exist in the same undertaking, elected representatives should not to be used to undermine the position of the trade unions concerned or their representatives, in particular as regards collective bargaining, which is the prerogative of trade unions;
- Q. whereas the enabling conditions for a well-functioning social dialogue are: (i) the existence of strong, independent trade unions and technical capacity in employers' organisations; (ii) technical capacity for social partners; (iii) access to relevant and timely information to participate in social dialogue; (iv) a commitment from all parties to engage constructively and in good faith in social dialogue, including the involvement of social partners in identifying relevant issues, gathering evidence, sharing information, exploring options and developing preferred solutions; (v) respect for the fundamental

rights of freedom of association and collective bargaining; (vi) appropriate institutional support; (vii) respect for social partners' autonomy, allowing for social partners to negotiate and conclude collective agreements autonomously; (viii) adaptation to the digital age and promotion of collective bargaining in the new world of work; and (ix) adequate protection against any acts of anti-union discrimination for trade union and workers' representatives;

- R. whereas strong collective bargaining, in particular at sectoral or cross-industry level, contributes to creating and preserving quality jobs and has a positive impact on wages; whereas trade unions, workers' representation and participation and collective bargaining coverage are essential for the enforcement of workers' rights; whereas action, measures and better legislation to protect the rights of workers' representatives and trade unions are needed to ensure a balance of bargaining power between employers and workers, which can be improved by strengthening democracy at work;
- S. whereas the ILO was founded in 1919 with the firm belief that universal peace could only be established if based on social justice<sup>1</sup>; whereas social dialogue, collective bargaining and workers' representation are core ILO values and rights and are provided for in numerous ILO conventions and recommendations; whereas the Council of Europe also counts democracy at work among its core values, as expressed in the European Convention on Human Rights and the European Social Charter;
- T. whereas the ILO guidelines for a just transition towards environmentally sustainable economies and societies for all calls for the promotion of the inclusion of specific environmental provisions through collective bargaining and collective agreements at all levels,
- U. whereas the Council, in its conclusions of 24 October 2019 entitled 'The Future of Work: the European Union promoting the ILO Centenary Declaration', encouraged the Member States to continue their efforts to ratify and effectively implement the ILO conventions; whereas the Council also called on the Member States and the Commission to enhance social dialogue at all levels, including cross-border cooperation, in order to ensure the active participation of social partners in shaping the future of work and achieving social justice and shared prosperity;
- V. whereas social dialogue and collective bargaining are key instruments for employers and trade unions to use to establish and preserve fair wages and good working conditions as well as terms of employment, and to close the gender pension gap and the gender pay gap; whereas strong collective bargaining systems increase Member States' resilience in times of economic crisis; whereas societies with strong collective bargaining systems tend to have more competitive and resilient economies and be wealthier and more equal; whereas the right to collective bargaining is an issue that concerns all workers in Europe and that can also have crucial implications for democracy and the rule of law, including respect for fundamental social rights; whereas collective bargaining is a European fundamental right and the EU institutions are bound by Article 28 of the Charter of Fundamental Rights to respect it; whereas in this context, policies that respect, promote and strengthen collective bargaining and the position of

<sup>&</sup>lt;sup>1</sup> See the ILO Constitution of 1919 and the ILO Declaration of Philadelphia of 1944.

workers in wage-setting systems play a critical role in achieving a high standard of working conditions and ensuring better living conditions;

- W. whereas the informal economy is characterised by a high share of invisible and most vulnerable groups of workers; whereas the COVID-19 pandemic has forced a growing number of workers, especially women, to enter the informal economy and has exacerbated pre-existing vulnerabilities; whereas the sectors most represented in the informal economy in the EU, i.e. health, care, social work, and agriculture, are also vital ones for the functioning of our societies;
- X. whereas social dialogue strengthens both democracy and civil society and manifests the principle of subsidiarity where rules are made close to those whom they concern and affect;
- Y. whereas according to Article 152 TFEU, the Union 'shall facilitate dialogue between the social partners, respecting their autonomy'; whereas in Commission Decision 98/500/EC<sup>1</sup>, the Commission established sectoral dialogue committees to promote dialogue between social partners across sectors at EU level and laid down precise provisions concerning the establishment, representational make-up and operation of new sectoral committees, intended to be central bodies for consultation, joint initiatives and negotiations that can lead to the conclusion of agreements and their subsequent transposition into EU law by means of directives, if so requested by the social partners; whereas as the Commission acknowledged in its staff working document on the functioning and potential of the European sectoral social dialogue<sup>2</sup>, these committees have contributed to improving European employment and social policies and working conditions in Europe and have helped design appropriate industrial policies; whereas the Commission concluded that there is a direct correlation between the effectiveness of national social dialogue and effectiveness at European level, and that each influences the other;
- Z. whereas the Commission is responsible for promoting and facilitating European social dialogue in accordance with Article 154 TFEU; whereas European sectoral social partners and their national affiliates should continue to receive support on administrative capacity, legal assistance and representation and EU funding for joint activities through European projects and capacity-building initiatives;
- AA. whereas the increasing digitalisation of the labour markets and new forms of work could pose a serious challenge to the representation of vulnerable workers and might jeopardise the European social model; whereas workers engaging in non-standard forms of work or in new forms of employment may suffer from a lack of representation; whereas the emergence of new forms of employment could make it more difficult for trade unions to recruit new members; whereas the Commission has recently adopted new guidelines on the application of Union competition law to collective agreements regarding the working conditions of solo self-employed persons, providing much needed clarity that certain self-employed people can negotiate collectively to improve

<sup>&</sup>lt;sup>1</sup> Commission Decision 98/500/EC of 20 May 1998 on the establishment of Sectoral Dialogue Committees promoting the Dialogue between the social partners at European level (OJ L 225, 12.8.1998, p. 27).

<sup>&</sup>lt;sup>2</sup> Commission staff working document of 22 July 2010 on the functioning and potential of European sectoral social dialogue (SEC(2010)0964).

their working conditions without breaching EU competition rules; whereas the right to engage in collective actions and bargaining has been clarified and extended to solo selfemployed workers; whereas social partners should ensure that they remain open to, and can attract, all kinds of employers and workers with different employment contracts and statuses across all sectors such as solo self-employed or migrant workers, including from non-EU countries; whereas it is crucial that this approach ensures inclusion and diversity in social partners' membership and leadership, recognising that today's world of work is globalised and intercultural;

- AB. whereas workers in the care economy are predominantly women and persons with a migration background, whose working conditions and lack of representation expose them to precarious and unsafe jobs;
- Stresses that social dialogue, including collective bargaining, is a crucial and beneficial 1. tool for a well-functioning social market economy, one of the aims of the TEU, and it contributes to economic and social resilience, competitiveness, stability and sustainable and inclusive growth and development; highlights that social dialogue is in addition a key aspect of democracy in the design and implementation of policies and laws affecting those they represent, namely workers and employers; reiterates that, in line with the Treaties, which explicitly protect the autonomy of social partners and the selfregulatory systems in place in some Member States, social dialogue must be protected in order for social partners to regulate themselves autonomously, ensuring total legitimacy and strong progress on collective agreement coverage; welcomes the Commission communication and proposal for a Council recommendation on strengthening social dialogue in the EU; stresses that social dialogue at national and Union level needs to be further supported and that more efforts are needed to support and promote collective bargaining coverage and prevent social partners' membership and organisational density from decreasing as well as to ensure that workplaces are well adapted to changes in the world of work in order to safeguard quality jobs; highlights, however, that further efforts are needed to provide sustainable solutions for organising and financing sectoral social dialogue committees; calls on the Commission to maintain its logistical support for sectoral social dialogue committees and to increase its financial, legal and technical support; calls on the Commission to continue supporting and closely monitoring sectoral social dialogue in order to ensure alignment between committees and that social dialogue can make a significant contribution to EU policies; strongly urges the Commission to ensure that new proposals fully respect social partners' autonomy and avoid having negative impacts on European sectoral social dialogue; recalls that the financial crisis and the pandemic have shown that countries with robust frameworks for social dialogue and high collective bargaining coverage tend to have more competitive, inclusive and resilient economies, as social partners played a major role in managing the crisis and mitigating its negative economic and social consequences;
- 2. Urges the Commission to support and monitor the implementation of the recommendation at sectoral, national and Union level, jointly with the Member States and relevant social partners; calls on the Commission and the Member States to ensure that this monitoring allows social partners to, among other things, identify situations from which they have been excluded or in which they were inadequately involved in national-level consultations on Union and national policy, including access to justice and the right to redress; calls on the Commission to ensure that the obligation to consult the social partners is respected, when provided by EU legislation, including by

considering enforcement instruments such as infringement procedures; stresses that any type of monitoring must also safeguard the social partners' freedom and ability to negotiate in a constructive manner, which benefits all parties, where negotiations are conducted in a bipartite and tripartite format; proposes that Eurofound's EU PolicyWatch database, as a unique EU-wide instrument to capture social partner's involvement in national policymaking, could be useful in this regard;

- 3. Believes that freedom of assembly and association and workers' right to organise, as laid down in the Charter of Fundamental Rights, as well as workers' rights to collective union representation and to collectively call for reforms within their workplaces are fundamental aspects of the European project and core principles of the European social model, which have been affirmed and legally upheld by the EU institutions, the Member States and social partners respectively; emphasises, moreover, that workers and employers have, in accordance with Union law and national laws and practices, the right to negotiate and conclude collective agreements at all appropriate levels;
- 4. Underlines that every citizen of the Union has the freedom to seek employment, to work, to exercise the right of establishment and to provide services in any Member State, and the right to engage in work and to pursue a freely chosen or accepted occupation; emphasises, moreover, that workers and employers have in accordance with EU law and national laws and practices, the right to negotiate and conclude collective agreements at the appropriate levels;
- 5. Considers that, beyond the legal reaffirmation of these rights, it is essential to ensure the effective monitoring of compliance and impose penalties on defaulters; urges the Member States accordingly to provide the national inspection and supervisory authorities with the technical and human resources necessary to fulfil their important functions, namely by complying with the ratio of one labour inspector per 10 000 workers, as recommended by the ILO<sup>1</sup>;
- 6. Is concerned that the density of employers' organisations and trade unions is declining across most Member States for several reasons such as the weakening and dismantling of cross-sectoral and sectoral collective bargaining structures as well as the expansion of non-standard forms of employment and the decline of the industrial sectors<sup>2</sup>; warns that the decrease in collective bargaining coverage is also due to anti-union practices, weak representation within employers' organisations and the difficulties caused when employers refuse to participate in collective bargaining; is concerned about the impact that the decrease in collective bargaining coverage may have on labour protection and the competitiveness, inclusiveness and resilience of European economies;
- 7. Recalls the importance of promoting gender equality and equal opportunities for all, including persons with disabilities and migrant workers, including those from non-EU countries, in relation to ensuring inclusive and diverse representation as well as horizontally across all policy areas; is concerned about the lack of representation of workers inter alia in the care sector, where the majority of workers are women and

<sup>&</sup>lt;sup>1</sup> The Informal Economy and Decent Work: A Policy Resource Guide supporting transitions to formality 978-92-2-126962-5[ISBN] 978-92-2-126963-2

<sup>&</sup>lt;sup>2</sup> <u>https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/trade-union#:~:text=Decline%20in%20union%20density&text=In%20OECD%20(Organisation%20for%20Econo.</u>

persons with a migration background and whose jobs are undervalued, underpaid and precarious; calls on the Commission and the Member States to undertake legislative and institutional measures to promote collective bargaining in specific sectors, occupations or groups of workers among which the effective recognition of this right continues to be limited; encourages Member States and social partners to promote social dialogue on addressing gender inequality by ensuring equal pay for work of equal value, providing for maternity/paternity and parental and family leave and addressing gender-based violence at work; encourages social partners to promote the inclusion of women and young people in their leadership and among the negotiators;

- 8. Urges the Member States to take note of the fact that both mutual recognition of social partners and the statutory recognition of trade unions and employers' organisations by the authorities of each Member State, in accordance with national laws and practices, are among the key elements contributing to a successful collective bargaining framework, provided employers and workers are able to choose freely which organisation(s) will represent them; stresses that such statutory recognition is transparent on the basis of objective representativeness criteria established in consultation with employers' organisations and trade unions; calls on the Commission and Member States to protect the autonomy of social partners to negotiate and contribute to the good functioning of the labour market;
- 9. Calls on the Commission and the Member States to meaningfully involve and consult with the social partners in a timely manner in the design and implementation of social and employment policies and, where relevant, economic policies, and decision-making in open processes; urges the Commission to promote collective bargaining, democracy at work and social dialogue through the European Semester, and specifically in the country-specific recommendations, in order to ensure decent wages through collective bargaining; asks the Commission to consult with social partners on proposals for new social dialogue indicators for a revised European Economic Governance Framework relating to industrial relations in the Member States that could be used to further strengthen the social dialogue; notes that such indicators could include references to industrial democracy, industrial competitiveness and the quality of work and employment, collective bargaining coverage and unionisation rates, which are already used by Eurofound in its Industrial Relations Index;
- 10. Recalls that Member States' collective bargaining coverage rates vary significantly owing to a number of factors, including national traditions and practices; calls on the Commission and the Member States to ensure, with the involvement of social partners, an enabling environment for collective bargaining; notes that while strong collective bargaining, in particular at sectoral or cross-industry level, contributes to ensuring adequate minimum wage protection and good working conditions, traditional collective bargaining structures have been eroded during recent decades, due, inter alia, to structural shifts in the economy towards less unionised sectors and to the decline in trade union membership, in particular as a consequence of union-busting practices and the increase of precarious and non-standard forms of work; calls on the Commission and the Member States, along with social partners, to work towards reaching collective bargaining coverage of at least 80 % by 2030, with a view to improving living and working conditions in the Union, contributing to upward social convergence, fighting in-work poverty and social exclusion and reducing wage inequality and precariousness; calls on the Commission and the Member States to regularly review progress towards reaching this target together with the social partners;

- 11. Calls on the Member States to review and repeal any national legislation that prevents collective bargaining, including any legislation that restricts trade unions' access to workplaces for the purpose of organising in order to be able to collectively bargain and in order to prepare collective action in accordance with national law and practices; calls on Member States to ensure that access to the workplace is guaranteed, when the work is performed physically or digitally, in accordance with data protection regulations and with due respect for the rights of property and management<sup>1</sup>; calls on the Member States and the Commission to promote legislative reforms that ensure bargaining in good faith, prohibit unfair labour practices and anti-union discrimination and promote secure forms of employment while taking robust measures against precarious forms of employment, particularly affecting young workers; calls on the Commission and the Member States to promote collective bargaining at all levels, and especially sectoral level, as an important instrument to increase collective agreement coverage including by supporting the capacity-building of social partners, making sure that derogations from collective agreements concluded at a higher level respect the principle of non-regression and ensure that the more favourable conditions are applied to workers regardless of the level at which collective agreements have been discussed; calls on the Commission to monitor the impact of employment, social, and where relevant economic policies and legislation at Union level on the promotion and support of social dialogue and collective bargaining, in particular as regards their implementation in the Member States and the involvement of the social partners;
- 12. Underlines that reforms in the Member States should promote and strengthen collective bargaining at all levels, including by supporting the capacity-building of social partners; stresses that labour market reforms at national level must promote worker's rights and should contribute to implementing the European Pillar of Social Rights, including Principle 8 thereof on social dialogue and the involvement of workers, as well as collective bargaining, respect for the autonomy of social partners and the rights to collective action and to be informed and consulted in good time on the transfer, restructuring and merging of undertakings and on collective redundancies;
- 13. Calls on the Commission to analyse any labour reforms, in particular those related to working conditions and information and consultation of workers in the Member States' national recovery and resilience plans and engage with national authorities in order to help them address any possible shortcomings; stresses the need for the Commission and the Member States to improve the scope and relevance of data collection at Union and national level on social dialogue, in particular collective bargaining; calls for the collection of comprehensive and comparable data, disaggregated by sector, to include the number of collective agreements concerning measures to address the green and digital transitions, skills and labour market shortages and the profile of the workers covered by such agreements in a just and inclusive manner;
- 14. Stresses that, in line with national law and practice, Member States and social partners should be encouraged to consider extension mechanisms to broaden the applicability of collective agreements to all workers within a sector or company;

<sup>&</sup>lt;sup>1</sup> Freedom of Association, Digest of Decisions, 5th ed., 2006, paras. 1102, 1103 and 1106; 336th Report of the Committee on Freedom of Association, 2005, para. 58; Workers' Representatives Recommendation, 1971 (no. 143), Part IV, paragraphs 9.3 et 17.

- 15. Is concerned about the fact that some workers taking part in new forms of work, especially those whose tasks are organised by digital platforms and algorithmic management, do not enjoy effective representation or participation rights in the workplace; reiterates its call on the Commission and the Member States to ensure the right of workers to freedom of association and participation in the workplace for all forms of employment; is concerned about the phenomenon of company trade unions or workers' representatives that are established or controlled by and work in the interests of the employer rather than the workers; calls on Member States to protect trade unions and employers' organisations participating or wishing to participate in collective bargaining against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration; stresses that this should include also activities undertaken to disrupt or prevent the formation of trade unions or their attempts to grow their membership in a workplace or any action by management to prevent employees from exercising their right to organise, which are contrary to Article 2 of ILO Convention No. 98 concerning the application of the principles of the right to organise and to bargain collectively and to Directive 2002/14/EC<sup>1</sup>; calls on the Commission and the Member States to ensure, together with social partners, that workers are provided with high-quality representation, that permanent forms of workers' representation are not displaced by ad hoc forms of representation without permanent structures, that elections for workers' representatives comply with the Workers' Representatives Convention and that workers' representatives enjoy effective protection from any prejudicial act towards them, including dismissal, based on their status or activities as a workers' representative or on their union membership or participation in union activities;
- 16. Recalls the European Pillar of Social Rights action plan sets the target that at least 60 % of all adults should participate in training annually and that at least 80 % of those aged 16-74 should have basic digital skills; stresses the crucial role social partners can play in reaching these targets and addressing skills and labour shortages, particularly in regions most affected by the green and digital transitions; recalls that social partners should be consulted in tripartite discussions on reskilling, upskilling, vocational education and training and lifelong learning policies; encourages the social partners to address re- and up-skilling as well as digital skills and literacy through social dialogue on training policies;
- 17. Calls for the EU industrial strategy and the SME strategy to promote the role of social partners and ensure that the jobs of tomorrow are both green and decent, that they ensure adequate remuneration and are based on good working conditions, including as regards health and safety at work, robust social protection and gender equality; calls on the Member States, in the context of the European Green Deal and the Recovery and Resilience Facility plans, including the RePowerEU plan, to adopt and implement, in close cooperation with social partners, comprehensive and coherent policy measures to benefit all societal groups and to make optimal use of public and private funding for the creation of quality jobs with fair working conditions and good pay, the promotion of collective bargaining and respect for collective agreements; considers, furthermore, that all recipients of EU financial support, including under the European Green Deal industrial plan programmes, should respect the applicable working and employment

<sup>&</sup>lt;sup>1</sup> Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community (OJ L 80, 23.3.2002, p. 29).

conditions and/or employer obligations, including any applicable collective agreements; urges the Commission and the Member States to ensure that companies receiving public support are required to take measures to avoid collective redundancies and the worsening of working conditions and are obliged to respect collective bargaining and information and consultation processes with unions on investments, restructuring and any reforms;

- 18. Calls on the Commission and Member States to consult the social partners on ecological matters and on the just transition as standard practice throughout the policymaking cycle, from agenda setting to implementation and from monitoring to reviewing; considers that the views of the social partners should be included in all the planning and implementation phases of the just transition; calls on the Commission and Member States to provide for information campaigns, training and capacity-building for social partners as well as for relevant public authorities to help them become more familiar with climate-related issues and possible labour market repercussions and mitigation measures;
- 19. Calls on the Commission to enforce the social clause in the existing EU Public Procurement Directive<sup>1</sup> and recalls that according to this directive, it is necessary for economic operators involved in public contracts to comply with all applicable obligations in the fields of environmental, social and labour law established by Union law, national law or collective agreements, or by applicable international environmental, social or labour law provisions, including respect for freedom of association, the right to organise and collective bargaining; recalls, in addition, that according to this directive, it is possible for Member States to exclude from participation in a procurement procedure economic operators that have been sentenced for not respecting existing legislation and collective agreements or for being in breach of their obligations relating to the payment of taxes or social security contributions; notes the relevance of reinforcing the selection of sustainability criteria to promote the best use of public spending, quality employment and social inclusion; calls on the Member States to make sure their judicial systems have sufficient capacity to exercise their authority and address primary contractors and subcontractors of joint liability who have repeatedly engaged in unfair competition, tax fraud or tax evasion; calls on the Commission and the Member States to ensure compliance with and monitoring and enforcement of the Public Procurement Directive;
- 20. Welcomes the Commission communication entitled 'Long-term competitiveness of the EU: looking beyond 2030' (COM(2023)0168), which aims to rationalise and simplify reporting requirements by 25 % for each of the green, digital and economic thematic areas, and the Commission's presentation of a proposal for achieving this by autumn 2023; calls on the Commission to demonstrate this commitment swiftly, thereby improving the competitiveness of all undertakings in the EU, including small and medium-sized enterprises (SMEs), and enhancing the basic conditions for social justice and prosperity; recalls that SMEs are the backbone of social cohesion in the EU;
- 21. Reminds the Commission and the Member States of the urgent need for a social progress protocol;

<sup>&</sup>lt;sup>1</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

- 22. Calls on the Member States to transpose as soon as possible the Adequate Minimum Wages Directive, which requires Member States, where applicable, to take appropriate measures to ensure that, in the awarding and carrying out of public procurement or concession contracts, economic operators and their subcontractors comply with the applicable obligations regarding wages, the right to organise and collective bargaining on wage-setting in the field of social and labour law established by Union law, national law, collective agreements and international social and labour law provisions, including ILO Conventions No. 87 concerning freedom of association and protection of the right to organise and No. 98 concerning the application of the principles of the right to organise and to bargain collectively;
- 23. Welcomes the Commission's commitment to follow up with a legislative proposal by the end of the year 2023<sup>1</sup> and assess Parliament's resolution of 2 February 2023<sup>2</sup>, and welcomes the announcement of the official launch of the two-stage consultation of EU social partners; underlines the importance of enhancing transparency and workers' rights to information and consultation in all types of undertakings, in a way that benefits both the employees and the employer; stresses that special attention should be paid to complex corporate structures and supply or subcontracting chains in order to ensure respect for the related social dialogue obligations; reiterates its call on the Commission to introduce, following its anticipated impact assessment and in consultation with social partners, a general framework for the information, consultation and participation of workers in undertakings that use European company mobility instruments, in order to establish minimum standards, including on anticipation of change and restructuring, in particular at company level;
- 24. Stresses its deep concern regarding union-busting practises; calls on the Commission to secure every European citizen the right to voluntarily organise in a trade union, strengthening worker's representation and securing social partners' rights to collectively bargain;
- 25. Welcomes the Commission's proposal for a corporate sustainability due diligence directive; calls on the Member States to ensure that companies' respective corporate governance models take due account of environmental, social and economic developments through governance practices and market presence and promote corporate governance practices that contribute to company sustainability;
- 26. Calls on the Commission and the Member States to establish the necessary conditions and requirements to have at least 80 % of corporations covered by sustainable corporate governance agreements by 2030, while also recognising the particular administrative burden associated therewith for SMEs, including by establishing strategies agreed on with workers in order to positively influence environmental, social and economic development through governance practices and market presence, to strengthen the role of directors pursuing the long-term interests of their company, improve directors' accountability as regards integrating sustainability into corporate decision-making and promote corporate governance practices that contribute to company sustainability, such

<sup>&</sup>lt;sup>1</sup> <u>https://www.euractiv.com/section/economy-jobs/news/commissioner-new-european-works-council-proposal-by-end-of-2023/</u>.

<sup>&</sup>lt;sup>2</sup> Texts adopted, P9\_TA(2023)0028.

as those related to, inter alia, corporate reporting, board remuneration, board composition and stakeholder involvement;

- 27. Welcomes the fact that the Commission communication on social dialogue states that the Commission will appoint a social dialogue coordinator in each Commission service to get a better understanding of social dialogue across the institution as was previously proposed by the social partners themselves; stresses, however, that the social partners have the best understanding of social dialogue and should therefore be preferred as candidates for this coordinator role; considers that these coordinators should have a clear mandate on what their roles, rights and responsibilities entail, with adequate financial, technical and human resources; suggests that the Commission involve these social dialogue coordinators in all employment-related aspects of EU regulations and policymaking;
- 28. Calls on the Commission to further promote the use of ESF+ for capacity-building of social partners with the aim of strengthening collective bargaining in Europe;
- 29. Calls on the Member States to ratify and implement all ILO core conventions, including in particular No. 155 concerning occupational safety and health and the working environment and No. 187 concerning the promotional framework for occupational safety and health, which have both been recently designated as ILO core conventions and which have not yet been ratified by all Member States, as well as ILO convention No. 190 concerning the elimination of violence and harassment in the world of work; calls on the Commission to encourage the Member States to ratify and implement all the ILO core conventions;
- 30. Calls on the Member States to ensure the proper functioning of national individual and collective labour dispute settlement systems in accordance with national law and/or practice, as recommended by various ILO conventions and recommendations, including conciliation, mediation and arbitration services with the agreement of both parties, which should have simplified procedures and enough resources available to assist both workers and employers, and which should be affordable; calls on the Member States with decentralised labour mediation services to ensure that regional authorities maintain those services to guarantee a similar level of protection for all workers and employers within the national territory;
- 31. Calls on the Commission and the Member States to promote and facilitate freedom of association and collective bargaining in the informal economy as a means of raising worker's visibility and ensuring decent working conditions and social protection, as well as tackling undeclared work;
- 32. Calls on the Commission to respect the agreements between European social partners at both cross-industry and sectoral level, and to ensure that the provisions laid down in Article 155 TFEU are respected, according to which, should management and labour so desire, the dialogue between them at Union level may lead to contractual relations, including agreements; highlights that respect for European social partner agreements includes their implementation either in accordance with the procedures and practices specific to management and labour and the Member States, or, for matters covered by Article 153 TFEU, and at the joint request of the signatory parties, by means of a Council decision following a proposal from the Commission; calls on the Commission

to clarify the procedure and criteria it will use to deal with agreements negotiated with a view to becoming legally binding;

- Highlights that recital 35 of Directive (EU) 2019/2121<sup>1</sup> states that '[i]n certain 33 circumstances, the right of companies to carry out a cross-border operation could be used for abusive or fraudulent purposes, such as for the circumvention of the rights of employees, social security payments or tax obligations, or for criminal purposes'; considers it essential, in this regard, that the provisions of Directive 2002/14/EC laying down EU minimum standards for information and consultation of employees are ensured, as are those on board-level representation and the participation of workers when companies restructure across borders; calls on the Commission, in the context of its forthcoming evaluation of Directive (EU) 2019/2121, to take account of existing good practices and the results of studies on and assessments of the positive socioeconomic effects and consequences of employee representation in corporate bodies, which could help improve corporate governance; calls on the Commission to develop initiatives to raise awareness and improve knowledge of national and EU rules governing employee representation in corporate bodies in the various Member States and to foster the exchange of best practices, including assessing the different forms of worker participation and their socioeconomic effects; reiterates that several EU legal acts concerning workers' board-level representation rights do not establish minimum requirements for board-level representation in Union undertakings in their various forms or for companies that use EU company legal instruments to enable cross-border company mobility and legal reorganisation, including cross-border mergers, conversions and divisions; calls on the Commission and the Member States to take urgent and decisive action to ensure that Union-scale undertakings respect workers' information, consultation and participation rights and that, accordingly, they comply with existing Union and national legal obligations;
- Is convinced that introducing new digital technologies has the potential to have a 34. positive impact on the work environment if they are implemented and monitored in a trustworthy manner, which will require timely and meaningful information and the consultation of workers' representatives, including trade unions, to ensure full respect for health and safety at work, data protection, equal treatment, employment stability, social protection and well-being at work, and to prevent undue exploitation and surveillance of workers, as well as discrimination and stigmatisation, in particular via management by algorithms; underlines the fact that trade unions and workers' representatives should have the necessary access to and means to assess and evaluate digital technologies prior to their introduction; emphasises that new digital technologies and artificial intelligence should not replicate existing discrimination and societal biases but should help the social inclusion and participation of diverse groups; highlights the need to apply the ethics-by-default principle throughout the entire life cycle of the digital technologies in order to harness their full potential and avoid biases; stresses that social dialogue structures, sectoral collective bargaining, the provision of information to trade unions and workers' representatives, and the consultation and participation thereof are key to providing the necessary support for workers to better build and participate in the uptake and monitoring by social partners of digital technology in the workplace;

<sup>&</sup>lt;sup>1</sup> Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions (OJ L 321, 12.12.2019, p. 1).

35. Instructs its President to forward this resolution to the Council and the Commission.