

LO Norway's proposals for building a stronger social dialogue in Europe

The political background

Social dialogue has over the past years received increased attention at national, European, and global levels in response to high challenges linked to growing international inequality; both in earnings and in labour market opportunities. The Covid-19 pandemic have exacerbated these inequalities. The urgency of addressing climate change and just transitions of the labour market echoes the same need for dialogue and negotiations between employers, unions, and the state. The required recovery and calls from the UN Secretary general highlight the need for new social contracts.

The Covid-19 crises have underlined the importance of labour market participation and the functioning of the labour market. The labour market provides jobs, inclusion, and social and economic security for workers and their families. Strong social partners, who based on experience, representativity and trust can negotiate and find common solutions, are indispensable when we need to find common solutions in the labour market. And social dialogue has stepped up to the challenges during the Covid-19 crises. Not only in the labour market, but also in shaping policies that strengthen the recovery.

Achieving decent work is at the core of the ILO mission and it is a concrete deliverable in the UN sustainable development goals (SDG No. 8). Decent work requires strong social partners and effective social dialogue and tripartism.

The institutional background

The EU social dialogue is enshrined in articles 151 to 156 of the Treaty on the functioning of the European Union (TFEU)¹. Social dialogue at the European level has a long history resulting in three directives and several social partners agreements. There is an increased ambition to strengthen the social dialogue at both national and European level. The European pillar of social rights highlights the social dialogue in point 8, stating that; Support for increased capacity of social partners to promote social dialogue shall be encouraged.² The European pillar of social rights *Action Plan* states that; following a consultation with the social partners in 2021, it will be presented an initiative to support social dialogue at EU and national level in 2022³.

The EU Commission working programme for 2022 also states that the Commission will put forward a communication to strengthen the social dialogue at EU and national level to support the

¹ [Social dialogue | Fact Sheets on the European Union | European Parliament \(europa.eu\)](#)

² [The European Pillar of Social Rights in 20 principles | European Commission \(europa.eu\)](#)

³ [The European Pillar of Social Rights Action Plan \(europa.eu\)](#)



key role of social partners in fostering a fair economic, social, and cohesive recovery and the green, digital, and labour market transitions⁴. The Commission has promised that the communication will be followed by a Council Recommendation on the role of social dialogue. In 2021 the special rapporteur on social dialogue, Andrea Nahles, published her report on strengthening the EU social dialogue,⁵ which contained several proposals that are now being implemented.

The different policy processes taking place in 2022 and onward will be important in both strengthening the functioning of and the role of the social dialogue at national and EU levels. This position paper puts forward LO Norway's proposals on how to strengthen the social dialogue at national and European level.

The impact of social dialogue

The ILO defines social dialogue to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers, and workers, on issues of common interest relating to economic and social policy⁶.

Social dialogue can be divided into a “soft” approach (non-binding) and a “hard” approach (binding). The “soft” approach is typically dialogue and exchanges of information between the social partners and tripartite consultations with the government. The “hard” approach is usually collective bargaining and binding collective agreements negotiated and entered by the social partners.

The goal of social dialogue is to promote consensus in building democratic engagement among major economic stakeholders. It has the potential to resolve important economic and social issues. Social dialogue is a more organized process consisting of organized parties, discussing, and negotiating concrete deliverables, and achieving concrete outcomes based on designated responsibilities and expectations. It is developed over time based on joint trust-building efforts. Processes that need time to develop⁷.

The necessary conditions for a well-functioning social dialogue are the existence of strong, independent workers' and employers' organizations with technical capacity and access to relevant information to participate in social dialogue, the political will and commitment from authorities to invest in tripartism and to support social dialogue, respect for fundamental rights of freedom of association and collective bargaining and appropriate support⁸.

⁴ [Commission Work Programme 2022 | European Commission \(europa.eu\)](#)

⁵ [Report on strengthening EU social dialogue published - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#)

⁶ [Social dialogue \(GOVERNANCE\) \(ilo.org\)](#)

⁷ [cic_pathfinders_social_dialogue_as_a_tool_to_fight_inequality_recover_after_a_pandemic_july_2021.pdf \(nyu.edu\)](#)

⁸ [Resolution III \(ilo.org\)](#)



In crises, it is crucial to develop coherent and comprehensive responses through social dialogue⁹. Social dialogue has during the Covid-19 crises proved that it's the most effective tool to implement occupational health and safety. Countries that prioritized involving the social partners were also able to develop and implement emergency measures.¹⁰ The social partners provided governments with institutional capacity to absorb, adapt and transform. Collective bargaining contributed to reinforcing the resilience of companies and labour markets by assuring the continuity of economic activity and thereby saving jobs and earnings. And thereby also creating the necessary flexibility for the companies to immediately increase production when demand picks up again. In the aftermath of the Covid-19 crises we see that sectors who either unsuccessfully or didn't find solutions to retain their workforce are now struggling with both skills- and labour shortages.

Social dialogue and collective bargaining will be essential facing the changes that are foreseen in the labour market, and it can provide effective means for the social partners to tackle future challenges and crises. According to the OECD, social dialogue played a key role in preventing the initial economic shock during the onset of the Covid-19 crises. Through social dialogue and collective bargaining, it was implemented frameworks at both national and local level that combined for example short time work with investments in upgrading skills and measures to assist workers taking up different jobs, whether inside or outside the company. Collective bargaining was more specifically used to negotiate strategies to modulate wages in such a way that there was financial room to maintain jobs, for example through creating temporary trade-offs with wages or wage conditions¹¹.

Collective bargaining is at the core of social dialogue creating the democratic foundation of labour markets. Through collective bargaining the social partners can contribute to building trust, stability, and labour peace. Collective agreements can make significant contributions to inclusive and effective governance of work. Such as advance equality through reduced earnings inequality and promoting gender equality, tailoring of regulatory solutions to specific industries, complement social protection systems, reinforce statutory provisions on health and safety and strengthening compliance in a way that complement and help national authorities use their resources in a better way¹².

The impact on wages is the most prominent feature of collective bargaining, but it can also advance equality and foster inclusion. The higher the coverage by collective agreements, the lower the wage differences. Importantly, collective bargaining can also contribute to reducing the gender pay gap¹³. Furthermore, countries with robust frameworks for social dialogue and a high coverage of collective bargaining tend to have more competitive and resilient economies.

⁹ https://www.ilo.org/global/topics/employment-promotion/informal-economy/publications/WCMS_759383/lang-en/index.htm

¹⁰ [Occupational Safety and Health: Social dialogue, key to strengthening safety and health at work \(ilo.org\)](#)

¹¹ [Supporting Transitions and Securing Jobs - OECD \(oecd-ilibrary.org\)](#)

¹² [Social Dialogue Report 2022 \(ilo.org\)](#)

¹³ [Social Dialogue: Collective agreements contribute to fighting inequality, says ILO](#)



Gender inequalities are embedded in national cultural, institutional, and economic context. The Covid-19 pandemic have highlighted the gender inequality in the labour market¹⁴, especially for young women. Women's jobs are 1.8 times more vulnerable in crises than men's jobs. The social partners are in a unique position to address gender inequality through collective bargaining and influencing social policy¹⁵. The ILO states that collective bargaining have helped cushion some of the effects on inequality from the Covid-19 crises. The social partners can also help determine the relationship between economic and social issues, which is at the core of the debate on achieving gender equality In Europe¹⁶. Important for achieving gender equality through social dialogue is also union density. Gender equality initiatives are more common in highly unionized sectors¹⁷ and unionization shows positive results in some areas of gender equality¹⁸.

LO Norway's proposals for a stronger social dialogue in Europe:

The ILO points to a link between the importance of the social partners in the governance of work and how essential the representativeness of the social partners is to create legitimate outcomes. The link underlines the national authorities and the EU institutions responsibilities to create and respect an enabling environment, both from a legal and policy perspective. This includes assuring the space for social partners to exist and grow, and the responsibility to both include and consult social partners in key policy areas such as labour, social, educational, welfare and economic issues.

Countries that want to develop and take advantage of the impact of social dialogue need to recognize the right to organize and bargain, strengthen labour laws, commit to transparency and information-sharing, and build capacity and trust.

LO-Norway believes the following needs to be present for social dialogue to thrive and social, political, and economic spillovers to follow:

1. The ILO states that all workers shall have the right to freedom of association and collective bargaining for furthering and defending their rights. All ILO member states are according to the ILO declaration on fundamental principles and rights at work obligated to respect, promote, and realize the right to organize and collective bargaining even if they have not ratified the core ILO conventions¹⁹. The declaration highlights the importance of the fundamental rights and of the member states responsibilities. The right to organize and negotiate is not only a fundamental right, but a pre-requisite for developing and

¹⁴ [22 Social policy in the European Union. State of play 2021. Social ambitions EU pandemic 2022 0.pdf \(etui.org\)](#)

¹⁵ [Gender-equality-and-industrial-relations-in-the-EU-an-analytical-framework.pdf \(ceps.eu\)](#)

¹⁶ [European Social Partners as Gender Equality Actors in EU Social and Economic Governance - Elomäki - 2020 - JCMS: Journal of Common Market Studies - Wiley Online Library](#)

¹⁷ [Social partners and gender equality in Europe | Eurofound \(europa.eu\)](#)

¹⁸ [Employment and Social Developments 2020.pdf \(etui.org\)](#)

¹⁹ [ILO Declaration on Fundamental Principles and Rights at Work \(DECLARATION\)](#)



maintaining a well-functioning social dialogue. National *governments must ensure correct implementation and strong enforcement of trade union rights* enshrined in ILO core conventions at national level. Most notably the ILO core conventions on Freedom of Association and Protection of the Right to Organize Convention (number 87) and Right to Organize and Collective Bargaining Convention (number 98).

2. *Strengthening social dialogue and tripartite dialogue.* LO supports the European Trade Union Confederation's demand for a review of both the social dialogue committee and the tripartite social summit. There is a strong need to better involve the social partners and to make the social partners contribution better integrated into EU policy discussions and processes. The social dialogue committee and the tripartite social summit is not exercises but means to achieve common goals. The goals and the working methods involved needs to be better defined. Measures such as an obligation to consult social partners on issues in the social policy field, equal treatment of the social partners regarding number of participants and speaking time and receiving sufficient information before meetings in a timely manner are also crucial for achieving a better social dialogue and tripartite summit. National authorities and EU institutions need to step up their institutional support and political will to support and engage in a genuine social dialogue.
3. *Labour market policies* have an impact on both the social partners and their ability to contribute through social dialogue. First and foremost, new forms of employment make it difficult for both trade unions and employers to recruit new members. The need to clarify the employment status of workers and to change competition policies to secure the right to collective bargaining for all, including the self-employed, is important. Labour market policies must be designed to and prioritize the need to strengthen a well-organized labour market with legislation that promotes stable, full and long-term employment relations. This is especially important in fast-changing and more digitalized labour markets.
4. The social partners request to *convert European social partners agreements to EU directives*, according to TFEU article 155, must be respected. Political agendas such as better regulation, and reduced administrative burdens are not suitable considerations when social partner agreements at European level are requested to be forwarded to the EU institutions as EU-directives. This undermines the social partners role in developing a stronger social dimension and a better functioning single market based on their knowledge, experience and needs. It also undermines the devolution of rule-making and co-regulation that is at the core of the social dialogue. Instead, the EU institutions should more proactively encourage and contribute to a well-functioning social dialogue at national and European level. As stated in the Porto Social Commitment all relevant actors should promote autonomous social dialogue as a structuring component of the European Social



Model²⁰. An autonomous social dialogue means respecting and supporting the result of the social partners negotiations.

5. Investments need to be made to *increase trust* between the social partners. Trust is a crucial pre-requisite for a well-functioning social dialogue. The trust in the EU was in 2020 below 50 percent²¹. The trust in the governments at national level varies from below 30 percent to over 80 percent²². Furthermore, the trust between the social partners at national level in several European countries have been severely affected in the aftermath of the financial crises in 2008²³. Europe needs more and better measures and policies at national and EU-level to strengthen the level of trust. Such measures need to be aimed at the social partners, but also aimed at the broader civil society.
6. The EU must continue, and where appropriate, *strengthen EU funds and measures aimed at fostering social dialogue at national and European level*. But funds must not exclusively finance social dialogue or negotiations. The combination of a well-functioning social dialogue and a sturdy, well-organized civil society will have a strong impact on the level of trust in the society and contribute to strengthening the democracy. A special focus should be on the national social dialogue. As the EU Commission also states, social dialogue at EU level cannot deliver without a well-functioning and effective social dialogue at national level. The EEA countries contribute to strengthening both the social partners and the civil society through the EEA and Norway Grants²⁴. The Norwegian authorities must continue the programme aimed at strengthening social dialogue and decent work through setting aside funds from the Norway Grants.
7. *Taking advantage of the momentum and harnessing the experience*. The Covid-19 crises has proved not only that social dialogue is an effective tool to manage crises, but also showed that there existed institutional learning from the financial crises in 2008, which helped create rapid responses and implementation of measures through social dialogue and collective agreements. Starting reflective learning processes as soon as possible both at national and cross-national level will ensure that lessons learned are firmly embedded in the processes of social dialogue. Such processes will contribute to learning and could also contribute to much-needed trust-building between social partners and create a sense of shared responsibility and add-value for both parties. These experiences and competences could be invaluable in the forthcoming digital and green transitions.
8. *Educating young people* on the functioning and impact of social dialogue. LO supports the introduction of the programme for young future leaders of the social dialogue. The programme must contain learning experiences from ongoing social dialogue efforts at

²⁰ [Porto Social Commitment \(2021portugal.eu\)](https://portosocialcommitment.eu)

²¹ [Trust in the European Union has increased since last summer \(europa.eu\)](https://ec.europa.eu/eurofound/en/press/news/2021/01/trust-in-the-european-union-has-increased-since-last-summer)

²² [General government - Trust in government - OECD Data](https://data.oecd.org/government/trust-in-government)

²³ https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef20002en.pdf

²⁴ [EEA and Norway Grants - regjeringen.no](https://www.regjeringen.no/en/tema/eea-and-norway-grants)



both national and European level. Gaining real life experience through active participation will secure the best added value in social dialogue training. The social partners in Norway (LO and NHO) have developed an education tool, aimed at students at secondary level education, for strengthening the experience and knowledge of social dialogue called "Win-Win"²⁵. Through interactive and simulated negotiations, the students will take on the different roles of the social partners in trying to find solutions to different work life challenges.

9. *Respecting the social partners autonomy.* The social partners autonomy is crucial for the functioning of an independent and well-functioning social dialogue, as also stated in the Porto Social Commitment. The social partners are best situated to find solutions to challenges that arise at the work floor and in the labour market. Either through cooperation and dialogue or through collective bargaining. The added value of a well-functioning social dialogue is also a higher level of trust between the social partners. Which also could lead to a more effective and competitive labour market. It is the fact that collective bargaining involves autonomous and representative social partners that leads to the necessary trust in the legitimacy of the negotiated results. National authorities and the EU should only implement measures that foster collective bargaining and social dialogue and not measures that in anyway could intervene in the autonomous nature of social dialogue and collective bargaining. In this respect LO asks for the implementation of social dialogue and collective bargaining impact assessments for EU initiatives. A skilled and dedicated resource (social dialogue representative) in each general directorate in the EU Commission could also contribute to monitoring the effect of both the involvement of social partners and on the impact of initiatives on social dialogue and collective bargaining.

About LO Norway

LO Norway (The Norwegian Confederation of Trade Unions) was founded in 1899 and is today the largest trade union confederation in Norway representing more than 975 000 members. The members are affiliated to 25 national trade unions organizing workers in all sectors off the labour market.

www.lo.no

²⁵ <https://www.nho.no/vinn-vinn/>