

National capacity-building initiatives for social partners: Experiences in five EU Member States

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This article examines national-level initiatives aimed at strengthening social dialogue among social partners in five Member States: Bulgaria, Croatia, the Czech Republic, Latvia and Lithuania. It summarises the content of the programmes, reviews the outcomes of the evaluations and offers a view of the new programming period ahead.

Renewed political will at EU level

As part of the planned <u>relaunch of social dialogue</u>, the European Commission is keen to strengthen capacity-building among social partners in the Member States.

In 2015, the EU cross-industry social partners prepared a joint statement which they approved in January 2016. This declaration emphasises that there is no blueprint for social dialogue, but <u>provides some guiding principles and key messages (PDF)</u> for different areas about how social partners can or should be involved at EU level. It also offers a key message about improving the functioning and effectiveness of social dialogue and the capacity-building of social partners in Member States: '... social dialogue requires social partners that are strong, representative, autonomous, mandated and equipped with the capacities needed [emphasis added]. Social partners also need to dispose of the institutional settings allowing for their dialogue to take place and to be effective.' (Declaration, paragraph 4)

On 16 June 2016, the Employment, Social Policy, Health and Consumer Affairs Council adopted Conclusions on 'a new start for a stronger social dialogue'. On 27 June, a <u>quadripartite statement on a 'new start for social dialogue' (PDF)</u> was co-signed by the European cross-industry social partners, the European Commission and by the Dutch Presidency of the Council of the European Union. The quadripartite statement underlines the fundamental role of European social dialogue as a significant component of EU employment and social policymaking. It identifies actions to be undertaken by the signatories with the aim of further strengthening social dialogue at EU and national level. All parties underline their intention and commitment to continue promoting the capacity of social partners:

The social partners commit themselves to implement actions on capacity building; the European Commission endeavours to examine the use of ESF funds for this end and to encourage the promotion of knowledge-building on social dialogue and support capacity building through mutual learning, identification and exchanges of good practices; and the Council calls on Member States to promote the building and strengthening of social partners capacities through different forms, including legal and technical expertise, at all relevant levels depending on the needs of countries and social partners, including to become solid and representative organisations.

This topical update looks at recent examples of programmes and initiatives at national level. The selection of countries was based on responses to a call to Eurofound's Network of European correspondents for information about such initiatives. Correspondents from five central and eastern European (CEE) countries – Bulgaria, Croatia, the Czech Republic, Latvia and Lithuania – said they were aware of recent substantial initiatives.

In these five countries, a number of major programmes – European Social Fund (ESF) supported projects – were initiated and implemented between 2007 and 2015 with the goal of improving social partners' capacity regarding social dialogue in order to strengthen social dialogue structures or improve collective bargaining.

There are, however, significant differences in the main industrial relations indicators (such as trade union density and collective bargaining coverage) between all five countries. For instance, according to Eurofound's <u>Database of wages</u>, working time and collective disputes (version 1.0), collective bargaining coverage ranges from rates below 20% in Lithuania to 57% in Croatia. The countries nevertheless share some similarities.

- All five countries characterise their national social dialogue structures as being rather weak.
- In all countries, trade union membership is steadily decreasing.
- The public sector is more unionised than the private in all five countries.
- All have tripartite national-level social dialogue that plays an important role in the industrial relations system.
- All countries (except for Bulgaria) have rather poorly developed sectoral level collective bargaining and/or regional social dialogue (particularly Latvia).
- Social partners in all countries are reported to have insufficient capacity, particularly trade unions.
 In the Czech Republic, the specific problem relates to ageing trade union administrative and managing staff.

In line with these trends, several Eurofound sectoral <u>representativeness studies</u> have also pointed out that some sector-related EU social partners find it difficult to organise affiliates in these five countries.

In their declaration, the EU social partners also pointed out that: 'Social dialogue in some parts of Europe, for example where it was established more recently such as in CEE countries, has not reached its full potential and there is scope for furthering its role in building a positive and stable policy environment for growth, employment and good working conditions.' (Declaration, paragraph 26)

A lack of resources, both human and physical, makes it difficult to engage in meaningful social dialogue or negotiations, and this was explicitly mentioned in the reports for the Czech Republic, Latvia and Lithuania as a particular motive to deploy capacity-building initiatives.

What does 'capacity-building' mean?

According to the social partners' declaration: 'Capacities of social partners in the Member States can be built through e.g. financial, legal, analytical, institutional and political support. This should be ensured at all levels, depending on the needs of countries and social partners, including to become stable organisations.' (Declaration, paragraph 28)

This article is based on the assumption that capacity-building initiatives are those that help social partners to increase and/or improve their financial, legal, analytical, institutional and political capacities to do their daily work at any level, whether EU, national, regional, sectoral or company. These initiatives help social partners to improve their membership basis and their human and administrative capacities; to promote their process-oriented capacities; and to support their organisational development.

Table 1: Typical objectives of capacity-building initiatives

Area of activity	Objectives
Membership, human resources and administrative capacities	 To set up, maintain or expand a stable membership To inform, organise and protect their current and potential members To provide qualified training and counselling, information and communication for their members, partners and management and administrative staff To provide and diversify services for members

Area of activity	Objectives
Process-oriented capacities	 To set up structures for social dialogue To effectively engage in collective bargaining, social dialogue or dispute resolution For trade unions – to be able to mobilise members for industrial action To participate in policymaking at different levels To participate in international cooperation and cross-border activities
Organisational development	 To obtain or maintain appropriate equipment To adapt their organisations according to changing labour market and globalisation risks

Most of the recently implemented initiatives reported by the correspondents were designed to improve some of these capacities. For example, the correspondent in Latvia reported that:

Due to a lack/absence of research/studies, social partners lack theoretical background for social dialogue on both levels, but especially on national level where they have to deal with social and economic legislation. The capacity deficit manifests itself in low organisational, negotiation and language skills, insufficient knowledge in economic and social issues, obsolete technological (office) provision, and insufficient financial resources in order to modernise and improve operationality and mobilising power even for basic activities.

Some countries (in particular, Latvia and Lithuania) also reported that, due to declining trade union membership and/or relatively low membership fees or poor fee collection systems, unions were generally more likely to have limited financial capacity and poorer human resource capacity, lacking legal, analytical and organisational expertise or experience.

In contrast, employer organisations generally have stronger finances and better qualified staff, and more legal and economic expertise. However, they are less familiar with social dialogue traditions and collective bargaining.

These differences were, to a certain extent, reflected in recently implemented ESF-funded social dialogue capacity-building projects.

Capacity-building programmes in five EU Member States

In each of the five countries, social partners have taken part in capacity-building initiatives through various funds and players. This study mapped the main strategies of the identified programmes which all happened to be part of the recent programming period of Operational Programme for EU Structural Funds investments between 2007 and 2015 (OP). All the programmes' social dialogue-related activities started between 2007 and 2011 and were completed between 2013 and 2015.

In the recent joint declaration on a new start for a strong social dialogue, EU social partners stressed the importance of the European Structural Fund and investment funds as co-financing tools to target the capacity-building of social partners. The declaration stressed that this 'requires a close coordination of the relevant public authorities and social partners during the implementation phase as well as monitoring and evaluation to ensure effective outcomes'. (Declaration, paragraph 29). The quadripartite statement also drew attention to the European Commission's efforts to 'examine whether the use of (...) notably the European Social Fund (...) can contribute to the strengthening of the capacity of national social partners by promoting social dialogue and capacity building'. (Quadripartite statement, p. 3)

In all countries, there were specific subactivities – measures or initiatives that directly targeted the social partners. In Bulgaria, the focus of the activities was broader and aimed to increase the flexibility and effectiveness of the labour market. In all five countries, social partners were involved in the process of devising the programmes, to a greater or lesser extent. Social partners – nationally representative trade unions and employer organisations – also took part in planning and monitoring activities and sat on programme monitoring committees.

Table 2 presents a short overview of the main strategies and programmes targeted at social dialogue capacity-building in the five member states.

Table 2: Overview of capacity-building initiatives

Programme/strategy name		Involvement of social partners in devising the programme/strategy	Funds	Duration	New or existing initiative
Bulgaria	Operation Increasing flexibility and effectiveness of the labour market through active contribution of the social partners of the Priority axis: Increasing productivity and adaptability of employees of the OP human Resources development	Yes – social partners participated in the working groups for planning the programme activities and as members of the programme's Monitoring Committee	c.€27 million	2009–2014	New
Croatia	Priority Axis: Strengthening the Role of civil society for better governance of the OP human resources development	Yes	€9.4 million	2007–2013	New
Czech Republic	Initiative: Strengthening of social dialogue and the building of the capacity of social partners of the OP for human resources and employment	Yes – social partners were involved in the preparation of two (out of four) calls	€24.1 million	2008–2015	New
Latvia	Subactivity – Strengthening the capacity of social partners of the OP human resources and employment	Yes – social partners participated in the programme planning working groups and sat on the OP Monitoring Committee	€3.4 million	2008–2015	New

As outlined below, the way the funds were used and the design and implementation of programmes varied in each of the five countries.

Bulgaria: Broader labour market focus supporting joint social partner actions

Six nationally representative social partner organisations received strategic (targeted) support (approximately €4.5 million each) not directly intended to support capacity-building measures, but to more broadly increase the flexibility and effectiveness of the labour market.

The operation, 'Increasing flexibility and effectiveness of the labour market through active contribution of the social partners', targeted nationally representative social partners and their regional and sectoral structures.

Most of the projects funded included several social partner organisations and were focused on the labour market issues including the following priorities:

- shrinking the informal economy and increasing public intolerance of it;
- introducing <u>labour market information systems</u> that would help improve the efficiency of the workforce:
- improving working conditions through the development and introduction of flexicurity measures;
- developing industrial relations by introducing innovative models.

Actions included analyses of labour legislation, development of flexible forms of employment, development and improvement of collective bargaining, <u>stimulation of corporate social responsibility practices</u>, reduction in the level of informal employment and improvement of working conditions.

The main outcomes were better cooperation between the social partners, including increased communication and exchange between their various regional structures as a result of their increased capacity.

Project design was based on the best practice of other EU Member States and introduced a number of innovative tools in Bulgaria. The operation also set up more informal lines of communication between the Ministry of Labour and Social Policy and the social partners.

Croatia: Strengthening dialogue capacities beyond the social partners

'Priority axis' is the term that describes the defined targets and indicators of various phases of the European Regional Development Fund. In Croatia, the goals of the Priority axis – 'Strengthening the role of civil society for better governance' were delivered through two operations: the project 'Promoting social dialogue and enhancing its quality'; and the 'Strengthening the role of civil society organisations for socioeconomic growth and democratic development' project. The former supported the development of human resources and organisational capacities of trade unions, employer organisations and the public institutions in charge of social dialogue policy.

Between 2007 and 2013, a total of 25 projects aimed at strengthening social dialogue was funded. All were intended to help social partners assume a more pro-active, efficient and influential role in all aspects of social dialogue at all levels. Measures to achieve this included <u>lifelong learning initiatives to build expertise</u>, <u>knowledge and skills</u>, increase organisational capacities and improve sustainability. This helped the social partners provide input and impact to relevant economic and social issues.

Czech Republic: Strengthening the players and social dialogue processes

Projects funded under the initiative, 'Strengthening social dialogue and building the capacity of social partners', in the Czech Republic supported both the capacity of social dialogue and the capacity of social partner organisations themselves. Most projects were designed to:

- improve the quality of services provided by or provided for social partners;
- develop and improve human resources in social partner organisations at all levels;
- assist better management of occupational safety and health;
- improve cooperation between social dialogue players, partners and levels employees and employers, employee representatives, national, regional and sectoral levels;
- modernise social dialogue and the partners' institutions;
- strengthen sectoral social dialogue.

The measures introduced to achieve these goals included:

- the training of social partner staff in the fields of employment legislation, collective bargaining, corporate economics and occupational health and safety issues;
- conferences, seminars and creation of a joint online information portal Sociálnidialog.cz;
- · provision of analytical and training materials;
- assistance in linking up social partners to create a variety of special-purpose partnerships;
- the development of bipartite social dialogue at both regional and sectoral levels.

These projects have helped to strengthen the material resources of social partners, and to revitalise their personnel through the recruitment of young and well-qualified employees.

Latvia: Building up regional structures for social dialogue

In Latvia, two projects were funded under the subactivity, '<u>Strengthening the capacity of social partners</u>'. The first project, 'Strengthening of capacity of LBAS', was implemented by the Free Trade Union Confederation of Latvia (LBAS) and the second project,' Strengthening of administrative capacity of LDDK in the regions' was implemented by the Employers' Confederation of Latvia (LDDK).

The main objectives were to support and promote development of regional social dialogue and also improve social dialogue at company and sector level; and to increase the ability of social partners to participate in the framing and implementation of operational policy. The initiative targeted:

- · LBAS regional institutions, managers and specialists;
- the managers and specialists of branch trade unions;
- leaders of company level trade union organisations;
- institutions representing the interests of employees and employers' organisations in local government, national and EU level policymaking;
- employers, employees and their organisations.

Action taken included:

- · training initiatives and exchange of experience;
- expert reports on normative acts and policy documents;
- setting up international seminars, conferences and fora for information exchange and publicity measures.

Several regional institutions and a network of regional coordinators of social partner organisations were set up. A number of expert reports, methodological materials, handbooks and monthly information bulletins were published.

Lithuania: Towards greater collective bargaining coverage

Lithuania has in the past had a relatively weak social dialogue tradition. Measures to improve social partner capacity aimed to deliver greater bargaining coverage through the conclusion of collective agreements in companies and at regional and sectoral levels. The main goals were to improve social partnership skills and collective labour relations and raise awareness among trade union members and society at large about social dialogue. Measures targeted a range of social partners:

- national, sectoral and regional trade unions and employer organisations;
- chambers of commerce:
- industrial sectors and crafts, enterprises and budgetary organisations with active trade unions both unilaterally and jointly.

A total of 32 projects delivered training and assistance with initiation and conclusion of company level and sectoral collective agreements. They helped set up regional tripartite and bipartite councils, commissions and committees in the counties and municipalities, and establish safety and health committees in companies and organisations.

Outcomes included the signing of 12 sectoral collective agreements, 263 organisation/enterprise level collective agreements and 21 regional collective agreements. A total of 44 regional tripartite and bipartite bodies and 151 health and safety committees were established and 21,563 participants were trained.

Outcomes of evaluations of the capacity-building initiatives

The results, outputs, impact and/or efficiency of most these social dialogue capacity-building measures were evaluated. The only exception was Croatia, where the Priority Axis targets to strengthen the role of civil society – which included the social partners – was not part of the general evaluation process.

Most evaluations were performed by independent national or international companies using methods such as surveys or interviews with social partners and beneficiaries of the projects. The findings showed that most of the initiatives had, on the whole, been successful and efficient. They had raised the competences of beneficiaries and the capacities of social partners. However, some evaluations revealed shortcomings in certain measures or actions and made recommendations about how they could be improved.

Bulgaria

The <u>evaluation (PDF)</u> of the project, 'Increasing flexibility and effectiveness of the labour market through active contribution of the social partners', was completed in 2014 by the Austrian company Metis. It analysed the contribution of the joint action taken by social partners to achieve the objectives of the OP <u>Human Resources</u> <u>Development (PDF)</u> on a number of issues. These aimed:

- to develop and implement a tool for assessing the partnership between social partners to track both partnership building and implementation of joint actions:
- to identify possible measures to strengthen and improve joint action by the social partners;
- to draw up measures aimed at improving the adaptability of workers and enterprises.

The evaluation was based on desk research, on interviews with target groups and beneficiaries, social partners, representatives of the officials and independent labour market experts, and on focus groups with social partners. It concluded that the projects had created the conditions for positive change by raising levels of awareness, adapability, flexibility and security. They had helped to develop a new system for lifelong learning, raising the competences and <u>professional and territorial mobility (PDF)</u> of those employed by the social partners. New and innovative forms of work organisation had been introduced alongside improved working conditions and better cooperation between employers and employees.

The evaluation indicated that because funding had been direct, without being put out to tender, there was no real competition in the provision of measures and little attempt to match funding to project needs. Equal budgets for each of the social partners meant, for instance, that project targets were extended to meet the allocated budget.

However, the evaluation also found that the process had enforced funding visibility, legitimacy and attention to coverage on the social partners. It had been recommended during the programming phase that, because of steadily decreasing coverage of the social partners, the choice of a particular social partner as beneficiary should be justified, and plans to ensure coverage of non-members of social partner organisations put in place.

The regional and sectoral structures of the funded social partners benefited from the projects and demonstrated their capacity and importance, and this is seen as a positive effect of the operation. Proposals for new legislation are another outcome that could be described as positive.

Czech Republic

A set of projects implemented as part of the second of four calls for proposals was evaluated by RegioPartner s.r.o., an independent evaluator. The main results/outputs of the projects – including the quality of training materials, students' books, expertise, web pages, satisfaction with training – were considered. Their impact on how social partners operated after the projects had ended was also analysed.

The evaluation found that the projects had had a positive impact on the organisational capacity of social partners' organisations and improved communication between participating employers and trade unions. Improved awareness of social dialogue in companies was also reported.

Among the shortcomings of the projects identified by the evaluation was the difficulty in reaching consensus among social partner organisations about joint projects during the first call for proposals. As a result, the activities and outcomes of various projects met only the needs of the project holder without contributing to the system of social dialogue. There were also duplicate activities, a failure to make use of results, and results and activities that did not correspond to the needs of the target groups. Subsequent calls or initiatives have focused on supporting joint projects of social partners.

Latvia

Both capacity-building projects implemented in Latvia were judged to have been successful by the evaluation process. SAFEGE Baltija carried out an evaluation in mid-2015 that measured achievement of stated objectives, results and impact on the relevant sectors. It also examined whether the resources invested were appropriate for the objectives and their hoped-for effects on the business environment, public administration and civic participation in policy implementation. The evaluation used a range of methods, including Theory of Change, lifecycle analysis, analysis of impact factors, investment analysis, sustainability analysis, statistical analysis, quantitative and qualitative analysis, six interviews, a survey (with 56 respondents) and a focus group discussion.

The findings described the degree of achievement of stated objectives, results and indicators as high at the level of the relevant OP; as largely achieved at the project level; and as 'satisfactory' at the activity level. The beneficiaries' main problems were caused by public procurement procedures and cumbersome project administration requirements.

The evaluators made specific recommendations that future social partners' capacity-building projects should pay more attention to the development of regional level social dialogue. Improved cooperation was needed with the municipalities, professional organisations, employer organisations and education institutions, and between LBAS and LDDK.

Lithuania

An <u>evaluation (PDF)</u> of the results, efficiency and impact of the 'Measure to facilitate social dialogue between 2007 and 2013' was conducted at the beginning of 2016. The evaluation was initiated by the Ministry of Social Security and Labour and performed by ESTEP Vilnius.

The measure was evaluated in a number of ways.

- Administrative data and documents supplied by the Lithuanian European Fund Social Agency (ESFA) and relevant policy documents were analysed.
- Also analysed were all collective agreements at territorial and sectoral levels (facilitated by the
 measure), a representative sample of 60 (23%) of the total of 263 collective agreements
 concluded at the enterprise level, a third of the statutes of the safety and health committees, and
 all statutes of tripartite and bipartite councils, commissions and committees.
- Some 12 interviews were carried out with policymakers, implementers and managers of projects financed by the ESF.
- Direct beneficiaries were surveyed, including representatives of employers and employees and training participants (815 in total). Four sectoral analyses (enforcement of law (police), education, wood processing industry and services) were made by drawing on the content analysis of agreements concluded, interviews and survey data.

It found that the measure did not have a significant impact on social dialogue in Lithuania. One of the reasons was that beneficiaries were limited to enterprises and organisations that had operating trade unions, employee representatives or employers that belonged to employer organisations. It was, therefore, mainly supporting companies or institutions that already had active social dialogue structures. The main performance criteria – the number of collective agreements concluded – nudged the participants towards formal compliance through a one-off event rather than motivating commitment to continuous dialogue.

Implications for the 2014–2020 programming period

During the new programming period (2014–2020), support for social dialogue capacity-building will continue in all the countries analysed. However, full information from Latvia is missing to date because the social partners' capacity-building programmes for this phase have not yet been approved and started.

In Croatia, social dialogue capacity-building is provided for under the 'Investment priority capacity-building for all stakeholders [...] of the OP efficient human resources project. This will target efforts to develop the capacities of civil society organisations, especially non-governmental organisations (NGOs) and social partners. The NGO sector and social partners will be allocated 5.6% of the ESF funds. In the Czech Republic, the project 'Building the capacity of social partners' will be funded from the OP Employment. The calls ask for initiatives that improve the knowledge, ability and competence of employees of social partners.

More technical changes are being introduced in Bulgaria and Lithuania. In Bulgaria, social partners could participate in funded measures but strategic funding is no longer available to them. However, social partners can apply to the ESF to suggest capacity-building projects, and the OP Observing Committee could decide to allocate financial support.

In Lithuania, the State Labour Inspectorate has been appointed as the main implementing institution of the 'Action plan to strengthen social dialogue in Lithuania in 2016–2020'. The plan supports the implementation of joint initiatives of trade unions, employer organisations and NGOs; the development of social partners' capacities and competences; and analysis of the current state of social dialogue.

Summary and conclusions

Capacity-building for social partners at all levels has recently received greater policy attention at EU level in the context of the relaunch of social dialogue announced in 2015, the declaration of the social partner in early 2016, and the successive declarations on social dialogue.

The authors of this article considered that this was a good reason to review recent experiences of capacity-building measures in some Member States where social dialogue traditions are more recently established and structures often characterised as comparatively weak. Bulgaria, Croatia, the Czech Republic, Latvia and Lithuania have all implemented, for the first time, some form of capacity-building initiative through their country's 'Operational Programme for EU Structural Funds investments between 2007 and 2015'. Only in Lithuania had there previously been a nationally funded programme that targeted this issue.

In all of the analysed countries, social partners have been involved in the process of devising capacity-building programmes to a greater or lesser extent and have participated in planning or monitoring activities. In most countries, funding for social dialogue was awarded through tendering procedures, while in Bulgaria six nationally representative social partners' organisations received strategic (targeted) support.

Although the main industrial relations indicators differ widely between the five countries, many of initiatives put place had much in common. In most of the countries, training activities were set up alongside initiatives to strengthen bipartite social dialogue at regional and/or sectoral levels.

However, forms of capacity-building initiatives ranged from very direct measures to support the conclusion of collective agreements and to set up structures for social dialogue (such as support for an increased number of signed collective agreements in Lithuania) to more indirect measures to create social dialogue friendly environment (projects to limit the informal economy in Bulgaria).

Some initiatives focused on increasing the capacity of national social partners to take part in EU level social dialogue, and to familiarise the players with EU legislation and the impact it has on their work (as in Latvia). The target population of the capacity-building initiatives was in some cases broader than just the social partners: for example, in Croatia, public institutions that deal with social dialogue and mediation organisations were targeted; in other countries, employees or companies were specific targets.

With the exception of Croatia, internal or external evaluations largely concluded that the implemented activities were quite successful and efficient, and had raised the competences of beneficiaries and capacities of social partners. However, some major shortcomings were also identified.

Some programmes had focused on or promoted the inclusion of already established social partners (Bulgaria and Lithuania) and it was recommended that new measures should focus on areas or players where social dialogue is not established. In some programmes, the evaluations found insufficient cooperation among the partners (in the Czech Republic and Latvia), low sustainability of the initiatives implemented (Croatia, the Czech Republic and Latvia) and weak impact on social dialogue (Lithuania).

In most countries, support for social dialogue development (with some changes) has already been approved for the 2014–2020 programming period.

In summary, it can be said that although measures to promote social dialogue had much in common in all countries, a general assessment of the impact and effectiveness of those measures is difficult. In particular, this is because the term 'capacity' appeared to be little known and used in the countries studied and the criteria used to measure new or improved capacity as a result of the projects were even more unfamiliar.

Consequently, expert assessment was mainly the method used to make certain assessments and conclusions about project impact. The national experts who collected and analysed the information presented here believe that the most obvious impact was the participation of the social partners in the improvement of staff qualifications and improved access to research and analysis in labour relations, social dialogue, occupational health and safety, and related issues. This undoubtedly had a positive impact on the capacities of the social partners.

Expert insight also shows that capacity-building was a new experience in most of the countries concerned for both social partners and project administrators/implementing agencies. In some cases, this led to inappropriate allocation of funding (Lithuania), inappropriate funding mechanisms (Bulgaria) or lack of coordination among the partners (Latvia).

Even so, the greatest weakness and the greatest threat reportedly faced by all countries to a greater or lesser extent is the difficulty of sustaining the activities begun through these projects. This is likely to be a continuing problem in future financing of similar projects. It may be that more attention should be paid to the issue of sustainability when planning activities and measures designed to improve the capacities of social partners.