



**Short report on the CEMR/EPSU Conference on  
“Strengthening Social Dialogue in Local and Regional Government in the New  
Member States and Candidate Countries”<sup>1</sup>, Budapest, 14 October 2005**

The Conference was very well attended, with over 90 participants representing trade unions and local authorities in 22 European countries (see appended list). Aleksander AAGAARD, Chair of CEMR’s Employers’ Platform, and Joelle BERNARD, Vice-chair of EPSU chaired the debate.

**Opening remarks and background to the Conference**

Aleksander AAGAARD opened the Conference in his capacity of chair of the sectoral Committee for local and regional government, and Agnes CSER, President of the Democratic Trade Union of Health and Social Workers (EDDSZ) in Hungary and Antal KALMAN, director at the office of the Mayor of Budapest, responsible for health care and equal opportunities, welcomed participants.

Aleksander AAGAARD then gave a short overview of the work of the sectoral Committee for local and regional government. He emphasised that EPSU and CEMR wanted to support the exchange of experience on social dialogue and to identify and respond to areas of common concern. His remarks are appended to the present report.

**Presentation by the European Commission**

Francois ZIEGLER (European Commission, DG Employment, Social Dialogue Unit) spoke on the role of social dialogue in achieving a consensual implementation of reforms and in balancing economic and social policies across Europe. He underlined that social dialogue forms an integral part of the “acquis communautaire” (articles 137-138 of the EC Treaty) and is also part of the “Copenhagen criteria” for EU membership. As such, it is a governance tool, linked to the concept of “democracy”, which encompasses participatory democracy (including social dialogue) and the idea of equal opportunities for all. Mr Ziegler then gave an overview of the development of social dialogue in the new Member States, in terms of the information, consultation and participation of workers and of existing tripartite and bipartite social dialogue structures.

He stressed that in some social policy areas the new Member States were by no means lagging behind the EU 15. Nonetheless, several problems did need highlighting: the lack of employer organisations, falling trade union membership, weak bipartite collective bargaining structures at local and regional level, excessively low wages, high levels of unemployment and precarious employment. F. Ziegler concluded that, to address these problems, the social partners needed to strengthen their membership and gain the autonomy to sign and enforce collective agreements.

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<sup>1</sup> Organised with the financial support of the European Commission

In the ensuing discussion, a number of participants asked what the Commission could do to support social dialogue after accession had taken place, when the Commission ceases to carry out monitoring reports on the fulfilment of the Copenhagen criteria<sup>2</sup>. Mr Ziegler outlined the different EU instruments to support social dialogue (EU budgetary lines, European Structural Funds<sup>3</sup>, logistic support for cross-sectoral and sectoral activities). He however stressed that the possibilities for the Commission to interfere in the way that social partners and Member States organise social dialogue was limited, as social dialogue is a voluntary and independent process. The role of the Commission and of the European Court of Justice is to ensure that the principles of a participatory democracy are respected but they cannot lay down specific arrangements for its practice. As a last resort, trade unions or employers can inform the Commission of abuses or file a complaint to the ECJ if a Member State is in serious breach of its obligations. However, the newly established agency on Fundamental Rights could play a more systematic monitoring role in the future.

### **Presentation of the main findings of the local and regional government study**

Tina WEBER from ECOTEC presented the main findings of the study, supported by her two colleagues Anne-Mari Nevela and Anna Drozd. Her presentation is appended to this report.

Ms Weber stressed that, only a few years ago, there was virtually no social dialogue in the local and regional government sector in many of the countries examined. Therefore, although there are many challenges remaining, one should not underestimate the progress that has been made or the political will that is apparent in many instances to improve the existing situation.

Following her presentation, a number of colleagues raised comments on the specific national chapters. They were invited to also send their observations in written to ECOTEC by the end of the month of October, when the report would be finalised.

Some participants also raised more general questions on particular aspects related to social dialogue, such as: how to operate in countries where only workers and governments have a social dialogue and where local authorities stand on the side? Is it possible to identify which issues should be discussed at which level? How to explain the lack of effective social dialogue in the public sector (as compared to the private sector) despite higher levels of trade union membership?

### **Panel debates**

The panel debates organised in the afternoon focused on the following two main themes of the study:

1. *What are the drivers, obstacles and success factors in building social dialogue in local and regional government sector?*
2. *How is public sector restructuring and modernisation impacting on the local and regional government sector? What are the main challenges for the future?*

The speakers in the first panel were: Kalle LIIVAMÄGI, Trade Union of State and Self-Government Institutions' Workers of Estonia; Piotr CZUBINSKI, Mayor of Krasnik, Poland, and Markus GUSTAFFSON, Swedish Association of Local Authorities and Regions (SALAR).

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<sup>2</sup> It should however be noted that the implementation of certain EU policies (e.g. the Employment Guidelines) requires the involvement of the social partners and the Commission does monitor this.

<sup>3</sup> The draft regulation for the new European Social Fund (2007-2013) has earmarked financial support for capacity building in public administration, which could include social dialogue structures.

The speakers in the second panel were: Zafer ÜSKÜL, Trade Union of Municipalities and Public Services' Workers of Turkey (Belediye-İs); Jozef TURČÁNY, Mayor of Turčianske Teplice and Vice-President of the Association of Towns and Communities of Slovakia (ZMOS), and Peter NOLAN, National Secretary, IMPACT Ireland.

The points highlighted during the panel debates include:

- The role played by central governments in facilitating social dialogue structures, and in giving the social partners incentives to negotiate: While legal obstacles preventing freedom of association from developing in practice are clearly an impediment to the development of social dialogue, the lack of proactive support can also constitute an obstacle. Furthermore, in cases where the scope and content of social dialogue is decided on by the central government, very little scope or reason is left for dialogue to develop at sub-national level.
- Decentralisation is taking place in many countries covered by the study but responsibilities are being devolved while decisions on finance, including wages, remain centralised. The need for social and economic cohesion demands a level of coherence between regions and municipalities. A coordinated social dialogue at national level in the sector could ensure this. If there are too many actors on either side, social dialogue becomes more difficult.
- The role of social dialogue in supporting the consensual implementation of reforms. An example of this was given in relation to recent reforms in the education sector where the presence (or lack) of dialogue had played a determining role.
- No area falls outside the scope of social dialogue, but sensitive issues like privatisation can be difficult to address. In many instances privatisation has been driven by the lack of public finance. In any event, this is an issue where dialogue needs to be widened so as to include citizens and where the long-term effects on prices and quality of services needs to be carefully assessed. Another peculiar feature of many of the countries studied has been the offer of shares to workers in newly privatised companies.
- Many subcontracting arrangements foresee low wages and poor working conditions for workers. These problems could be addressed if more public authorities would stipulate in public contracts that they do not want subcontractors to be used and/or specified certain standards that have to be met if they are used.
- Both trade unions and employers' organisations need to stress the advantages that membership can bring, and convince members of the benefits of setting workplace standards through dialogue and negotiations. Employers and trade unions also share certain aims, e.g. equal opportunities, which can be promoted through joint action. Many trade unions and employers' organisations also provide individual services for members, although this can be difficult if membership fees are too low (or if there are too many "free-riders").
- There were also a number of comments regarding the role of mayors in society in general, and in their relations with trade unions. This linked in with discussion on the meaning of "participatory democracy" and the need for transparency and interaction with all groups in civil society.
- Finally, the role of EU social legislation in promoting social rights was stressed. Although the "social acquis" remains modest compared, for example, to the internal market directives, there are many important EU standards in place, in areas such as health and safety, working conditions, gender equality, etc. These play a key role in ensuring a minimum level of common standards, thereby supporting upwards

convergence between Member States. On the other hand, some participants mentioned the negative impact of the EU liberalisation directives on employment, and the need to influence, as social partners, the future direction of EU policies.

### **Summary and conclusions**

In her concluding remarks, Angelika POTH-MOGELE, Head of Policy at CEMR, gave a summary of the main points of the debate. She emphasised that many of the issues outlined in the study in relation to privatisation and restructuring of local and regional government were common to both the “old” and the “new” Member States, as well as to candidate countries. She stressed that CEMR and EPSU intended to give an active follow-up to the Conference by addressing such issues of common concern in the next work programme of the sectoral Committee (which is currently under discussion, and will cover the years 2006-2007). She also supported the idea of drafting guidelines on social dialogue, emphasising its content and meaning for the social partners in local and regional government in terms of information, consultation, participation and the consensual implementation of reforms. The Conference debate underlined the need to continue to examine the issues that were raised – possibly through national round tables and/or the exchange of experiences - and also to monitor and support the developments regarding social dialogue in the different countries. Finally, she underlined the wish for an active input and participation of members from the new Member States and candidate countries in future activities of the sectoral social dialogue Committee.

Carola FISCHBACH-PYTTEL, Secretary General of EPSU concluded by saying that public services are shaped by essentially political processes. She recalled that local authorities are not like other service providers, and that their citizens are more than mere “customers”. It is therefore important that local authorities are able to determine freely how they provide services to citizens, with a view to ensuring also social justice and a cohesive society. She added that this freedom could only be possible where there are viable public alternatives to privatisation. EPSU and CEMR thus have a common interest in improving the quality of local services and in highlighting the contribution of these services to sustainable development.

### **Next steps**

The follow-up to give to the Conference will be discussed at the next plenary meeting of the sectoral Committee for local and regional government, which is scheduled to take place in Brussels on 31<sup>st</sup> January 2006.

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