

THE SOCIAL DIALOGUE AND THE INDUSTRIAL RELATIONS IN THE MEDITERRANEAN: IMPLICATIONS IN A WIDER EUROPEAN CONTEXT

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1. Introduction

The Report on social inclusion 2005, an analysis of the National Action Plans on Social Inclusion (2004-2006) was submitted by the 10 new Member States. Social security and social integration incorporates two basic elements: open procedure and diversity.

The uniqueness of the European Labour and Social Integration System (ELSIS) and the internal weaknesses of the Member States to adopt and initiate vital employment changes forced the Commission to report on social inclusion for the year 2005 (EC, 2005). Most of the decisions of the Commission, which are included in this report, reflect a more realistic attitude through the rights of workers and unions in the past years and have led to new processes within the Union. Reformation of existing legislation is becoming more critical in order to protect employment partnered with an investment in research programs and should bring balance in the labour market and thereby industrial peace. Contrary to this concept, are the arguments that the European system of law and labour relations is the product of the interplay of a complex range of historical, economic, political and social factors. Inevitably, what follows is a mix of highly interesting processes, which create substantive rules for the Member States and, of course, a great divergence between legal theory and industrial practice.

2. Employment and social situation

Two main definitions are essential to proceed further with our analysis: first, the importance of social dialogue as it is recognized in the Treaties. Article 138 of the EC Treaty provides the Commission with the task of

promoting the consultation of management and labour at the Community level and taking any relevant measures to facilitate their dialogue¹.

The second is the definition of what is social dialogue. Social dialogue is the process of negotiation by which different actors in society (or “social partners”) reach an agreement to work together on policies and activities. Social dialogue takes place at the national, sectoral and European level. “Bipartite” social dialogue brings together workers and employers, whereas “tripartite” social dialogue also involves government or EU representatives².

The Lisbon strategy concerning a further restructuring of Europe, integration of countries, regions and human capital, has decided a certain prototype of society, which has to be based on knowledge, competition and social cohesion. Obviously the process of transnational policy-making and, specifically, dealing with social integration is not just a topic or an issue of the western part of the EU. For a long time now, the process has been an agenda for different interests involved in implementing new countries and channelling new priorities of the Community *acquis* in the social field. Eastern Europe and the Mediterranean are new ports of integration and could be developed into an essential milestone for normalizing trade relations and fulfilling the European Union’s broad policy for the future.

Labour relations are building a multi-level system within the EU; the core of this particular national system of policy converges and deviates within the Member States. Between a general deregulation and the process to social integration, endogenous factors such as competition, employment on the level of enterprises or even in the production level should be found. Further, the social dialogue between social partners as the regulation of work, income, social security and other issues create imbalance and divergence. The problem is reaching a balance between central regulation and local responsibility regarding social and labour relations. External factors create pressure on the national systems of labour relations and the need to move further towards European integration (Marginson and Sisson, 2002). Nevertheless, the aforementioned constellation of factors can be seen as an expansion and a penetration of European integration into the capital of social issues, rather than a limitation of the social dimension of the common market, or put in different terms, establishing measurements for social policy in order to enhance the social cohesion (Moshonas and Koniordos, 2004). The *acquis* in the social field includes minimum standards in fields such as labour law, equal treatment of women and men in employment and social security and occupational health and safety. Specific binding rules have recently been

¹. http://europa.eu.int/comm/employment_social/news/2005jan/ind_rel_2004_ch3_en.pdf

². <http://www.etuc.org/a/104>

developed with respect to non-discrimination on grounds of racial or ethnic origin, religion or belief, disability, age or sexual orientation³. The *European Social Fund* (ESF) is the main financial tool through which the EU supports the implementation of its Employment Strategy and contributes to social inclusion efforts (implementation rules are covered under Chapter 21, which deals with all structural instruments). By the time of accession, the candidate countries are expected to be able to participate in the social dialogue at the European level⁴, and in the EU policy processes in the areas of employment, social inclusion and social protection. Expanding on the Amsterdam Treaty and the Luxembourg and Lisbon European Council meetings, the coordination of national employment policies within the framework of the *European Employment Strategy* has been placed high in the EU political agenda. The importance of this cooperation process on employment has been stressed by the Göteborg European Council, which asked the candidate countries to translate the EU economic, social and environmental objectives underpinning the “Lisbon Strategy” into their national policies. The Lisbon European Council proposed to develop a new method of policy cooperation – known as the “*open method of coordination*” – and to launch a European process on combating social exclusion and poverty within this framework. In the field of *social inclusion*, the Nice European Council endorsed a set of measures⁵.

3. Social Europe

The European Trade Union Confederation (ETUC) represents about 60 million employees, and has published an interesting document concerning its basic ideas on the process of social dialogue. «...*Important role[s] for the social partners have been recognized as key elements of Europe and are among the EU's core values as defined in the Constitutional Treaty. Economic and social matters go hand in hand, and the balance between the two is part of the social contract entered into as part of the construction of the single market*». This is why the ETUC supports the EU. But now the future of

³. The EU supports the preparation for accession through pre-accession financial instruments. The PHARE programme provides pre-accession aid to Bulgaria and Romania to transpose and implement the Community *acquis*. PHARE has recently been extended to Croatia. For Turkey, specific pre-accession assistance is available. As from 2007, a *new Instrument for Pre-Accession Assistance* (IPA) will be put in place, covering the recognized candidate countries and the potential candidate countries (*i.e.* the Western Balkans). The IPA will have a Human Resources Development Component to prepare the candidate countries for the European Social Fund.

⁴. <http://www.etuc.org/a/1661>

⁵. <http://www.etuc.org/a/1661>

Europe and the European Social Model is in question. The conflict is perceived to be between the choice of a modern Europe with a social market economy and social rights, or a loosely regulated free trade zone. In the meantime, citizens' support for the EU is ebbing amidst disenchantment over unemployment, delocalization, insecurity, and a loss of public faith in the ability of government to change people's lives for the better. If workers see Social Europe being wound down, they will regard the EU as a threat, not as a support, and their natural reaction will be opposition⁶.

Seeing how the EU observes the situation in the social field is also very important. A *communiqué* in Brussels on 20/01/2005 has pointed out that large-scale changes caused by globalization are making industrial relations more, not less, important in Europe⁷. The *Industrial Relations in Europe 2004* (EC, 2004a) highlights a growing trend towards company level negotiations, with workers' principal concern being job security, rather than short-term financial gain. Globalization, however, is changing the conditions in which trade unions and employers' organizations operate. New challenges, such as reconciling work and family life, tackling stress at work and ensuring cover for new types of workers, such as part-time, are becoming apparent. The Report, which is the third of its kind following the 2000 and 2002 versions, notes increasing interaction between different levels of industrial relations in Europe and stresses that stable and reliable partners are essential in a restructuring economic environment.

4. The obvious need for a sustainable social model

The ETUC emphasizes its belief in the existence of a single European social model rather than 25 disparate national social models in the EU. Main characteristics include: state responsibility for *full employment*, for providing *services of general interest*, and for economic and social cohesion; fundamental social rights, including freedom of association, the right to strike, protection against unjustified dismissal, fair working conditions, equality and non-discrimination; *social protection*, delivered through highly developed universal systems, and wealth redistribution measures such as minimum income or progressive taxation; *social dialogue*, with the right to conclude collective agreements, to workers' representation and consultation and national and European Works Councils; social and employment regulation,

⁶. <http://www.etuc.org/a/1661>

⁷. http://europa.eu.int/comm/employment_social/news/2005/jan/industrial_relations_2004_report_en.html

covering, for example, health and safety, limits on working time, holidays, job protection and equal opportunities⁸.

Furthermore, the plans for reaching a comparative measure with the labour market in the US seem that is not achievable. This can be understood from the rates of unemployment per country and region in the 25 EU Member States and partner States. As Fig 1 shows, employment is more or less steadily growing throughout the EU, but it is far from the Lisbon targets of an overall employment rate of 70% in 2010 and 67% in 2005. The correlation between the unemployment rate and the creation of new jobs is based on more complicated grounds than the social partner's dialogue. In some countries with very slow growth (for instance, in Italy and the UK) the figures reflect the decline of the total population rather than the creation of new jobs. In other countries, like France and Hungary, job growth is either stagnating or declining⁹.

In August 2004, however, the Commission adopted the Partnership for change in an enlarged Europe, enhancing the contribution of European social dialogue (EC, 2004b). It calls on the social partners to make a concrete contribution to the Lisbon objectives and proposes ways for exploiting the results of the European social dialogue.

The evolution of the European idea is related to the construction of the information society, the enhancement of labour and quality in the labour market, with more qualifications from human capital. Additionally, this brings together the market needs to the professional status of the employees and their psychological situation. It is understood that the next key stage after the adoption of the COM(2004) 557 final is the adoption of the framework agreement on work-related stress, the second autonomous agreement on the European social dialogue¹⁰.

The philosophy of the EU, as “a union of peoples”¹¹, makes the interaction at the citizens level a *sine qua non* condition for successful participation in it. A number of programmes, projects and initiatives are exclusively opened to non-governmental actors. Being able to elaborate, submit and implement joint projects presupposes a certain degree of development on behalf of the civil society. Any weaknesses in taking full advantage of all these opportunities will deprive the country from valuable experience and resources which constitute important success factors in the context of a knowledge-based

⁸. See <http://www.etuc.org/a/1661>

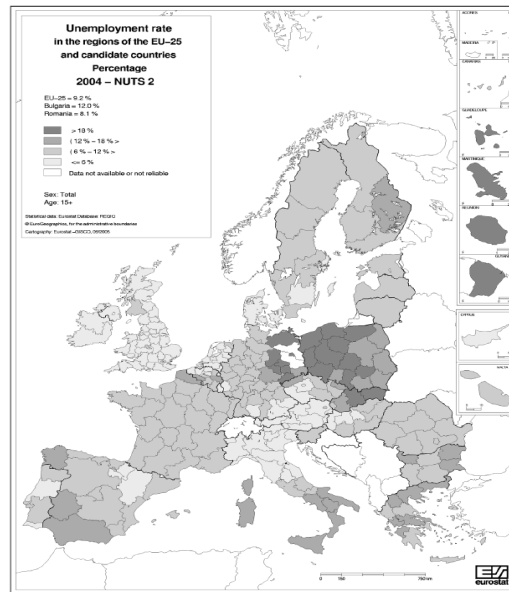
⁹. See <http://www.euractiv.com/Article?tcaturi=tcm:29-146513-16&type=News>

¹⁰. The first adoption of the framework agreement was on telework.

¹¹. Not as “a coalition of States”.

society. The pre-accession period offers good opportunities for preparing the civil society for the active role it is expected to play.

Fig. 1 – Unemployment rate (%)



Source: Eurostat (2005).

Values and culture are by definition complex concepts that, definitely, lie on the political, economic and social traditions of the country and, therefore, take time to change. They cannot be imposed; they can only be acquired through common positive experiences. They usually constitute the hidden part of the iceberg for successful preparation and accession.

5. The Euro-Mediterranean Partnership

Timeline of key initiatives¹²

2005

- The Euro-Med partners should launch regional negotiations, on a voluntary basis, on the liberalization of services and establishment. The Commission will submit negotiating guidelines for approval by the Council to this effect.
- Euro-Mediterranean partners should agree a road map for agricultural liberalization, including processed agricultural products and fisheries. The Commission will submit negotiating guidelines for approval by the Council to start negotiations with partner countries.
- The Pan-Euro-Med Protocol of Origin will be progressively implemented throughout the Euro-Med, from 2005.
- Organize a workshop on Weapons of Mass Destruction 2005.
- A Euro-Mediterranean Transport Ministerial meeting should take place before the end of the year with the participation of the European Investment Bank (EIB), to endorse a regional transport infrastructure network interconnected to the Trans-European Transport Network, and agree on the priorities of the Euro-Mediterranean Transport cooperation for the next few years.
- A Ministerial Conference on economic and financial affairs will take place in Rabat.

2006

- ❖ A Euro-Mediterranean Conference will be held, prepared at sub-regional level, on human rights and democratization.
- ❖ Approximation work in the field of technical legislation, standards and certification procedures should have intensified, so as to pave the way for negotiations on conformity Assessment Agreements (ACAAs).
- ❖ A Euro-Mediterranean Conference on gender equality with the participation of government representatives and civil society and social partners should take place. The Conference should concentrate on the comparison of best practices within the region to raise the role of women in society and their contribution to human development.
- ❖ Adoption of a timetable with concrete measures with the objective of a thorough de-pollution of the Mediterranean by 2020.
- ❖ In the light of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) experience, and following consultations with partner

¹². http://europa.eu.int/comm/external_relations/euromed/index.htm

countries, the Commission will assess before the end of the year the possibility of establishing a Euro-Mediterranean Development Bank.

- ❖ The Commission will launch a Scholarship scheme for university students either within the existing Erasmus Mundus Programme or by reinforcing mobility activities inside the Tempus scheme.
- ❖ A Euro-Mediterranean Energy Ministerial meeting should take place in view of progressing sub-regional energy integration markets and infrastructures.

2007

- Euro-Mediterranean partners should reach agreement before the end of the year on a code of conduct on measures to fight terrorism.
- A Euro-Mediterranean Conference of Justice and Home Affairs Ministers, with the participation of local authorities, should be held to discuss management of migratory flows and social integration.
- A regional Programme on rural development and optimization of quality production should be identified for implementation.
- After consultation with partner countries, the percentage devoted to bilateral cooperation in the education sector should be increased by 50% of the national and regional indicative programmes.
- The Democracy Facility will enter into force.

2010

- ⇒ All South-South free trade agreements should be concluded and implemented by the end of the year, including for services and establishment as well as agriculture.
- ⇒ Completion of Euro-Mediterranean electricity and gas markets and infrastructure interconnections.

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