

## UEAPME Statement on the European sectoral social dialogue

Social dialogue between representative organisations of workers and employers at all levels is essential for the good functioning of labour markets, for the development of the European economy and for democracy. Moreover, social dialogue is one of the key pillars of the European social model.

In most sectors, social dialogue highly contributes to find the most adequate solutions to tackle the main challenges facing European labour markets. Last but not least, the various European Social Dialogue Committees have successfully backed up the European integrated strategy and good governance principles during the recent downturn.

UEAPME therefore welcomes the ongoing efforts by the European Commission, as foreseen by the Treaty, to promote and facilitate European social dialogue at both cross-industry and sectoral level.

The creation of 40 Social Dialogue Committees within the last 12 years, many of which were set up in the recent years, is indeed impressive. Yet the involvement of SME representatives remains marginal until today. While the issues dealt with within the various Sectoral Social Dialogue (SSD) Committees are of high relevance to the community of SMEs, their representatives – with very few exceptions – have not really achieved to play any significant role so far.

Especially during the crisis, the role of SMEs for the economic and social cohesion and as a strong stability factor at local level was increasingly recognised at EU level. Since December 2008, the EU Small Business Act commits EU and national decision makers to apply the “Think Small First” principle. Therefore, it seems appropriate not only to reconsider the situation as far as the sectoral social dialogue is concerned, but it is also important to act now.

UEAPME represents more than 12 million enterprises, which employ around 55 million people across Europe and in all sectors. 55 millions is more than one third of the workforce figure equivalent to 145 million. **Can anybody afford not to include SMEs in the European sectoral social dialogue at EU level?**

UEAPME is well aware that besides the mutual recognition principle, representativeness and capacity are among the key criteria to obtain recognition as a European sectoral social partner, to be consulted under Article 154 TFEU and to be able to fully participate in the European social dialogue.

In fact, while some SME sectors are not yet sufficiently organised to meet these criteria and some others do not wish to get involved, it is time to provide every possible encouragement and support for SME representatives from all sectors in view of becoming full partners in the dialogue and in all respects.

SMEs are small by nature. So are the associations defending their common interests. Bundling their voices is sometimes difficult, mainly because diversity within the SME range is manifold – both in the many regions of Europe and due to the fact that small and medium-sized enterprises are forced to set priorities in their multi-disciplinary duties. Most SMEs cannot afford to employ a legal department, an interest representative, or a compliance manager dealing with bureaucratic relations with public authorities.

However, it is among the European Commissions’ declared objectives to cover 100% of the economy with the European sectoral social dialogue<sup>1</sup>, because the different sectors have in principle the same rights and competences as the European cross-industry social partners in the negotiation of agreements that can then be transposed as directives or as voluntary agreements put in place by their respective members (Art 155 TFEU).

UEAPME firmly believes that, in full respect of the autonomy of the actors in each individual sector, all European sectoral social partners – including the SME part of the economy – should have the same opportunity to choose the instruments they consider necessary to reach their objectives, as well as to define their own agendas, contents and results to reach. The integration of SME sectoral representatives both in existing SSD Committees and in yet to be established groups therefore is essential.

<sup>1</sup> Consultation of the European social partners for a review of the implementation of the Commission Communication and Decision of 20 May 1998 – Questionnaire from 14 October 2008.

UEAPME is fully aware that the issue of representativeness is a key element to be taken into account. The principle of mutual recognition between actors is not to be put into question. However it is important to underline that SMEs always have great difficulties in being accepted and fully integrated as independent actors in the existing European SSD committees.

Several objective reasons can explain this lack of representation (see some challenges below). But it is important and urgent to improve the situation if we want European SSD committees to be fully representative of the European economy and for the results and agreements adopted within these committees to be supported and implemented by all companies in Europe.

## The main challenges of the European social dialogue for small businesses and craft businesses

- **Lack of representativeness of the current ESSD committees:**  
SMEs are practically excluded from these committees excepted for the hairdressers/beauticians sectors and construction, where the European organisation EBC has until now only been able to obtain a seat as an observer alongside industry federation FIEC.
- **Absence of European sectoral SME and craft structures:**  
The lack of interest and understanding of these issues on behalf of SMEs means that they do not organise as powerful and representative federations at European level, which could assert their legitimacy in taking part in the European sectoral social dialogue.
- **Lack of interest from SMEs and craft businesses in confronting trade union organisations:**  
By nature due to the proximity of employers and employees at company level working in small businesses, SMEs and Crafts organisations tend not to consider workers trade unions as potential partners in creating a formalised social dialogue which takes their specificities into consideration, and vice versa.

The European cross-industry social dialogue has proved its worth, whereas the potential of the European sectoral social dialogue is still under-developed and under-used. Hence the political determination displayed by the European Commission to put the emphasis on the sectoral dimension from now on must be further specified and more adapted to the needs of SME associations. UEAPME believes it is not enough to point out that “the Commission has a flexible, pro-active approach”<sup>2</sup>. Instead, some tailor-made solutions – both individual and practical – considering the diversity and complexity of the different sectors should be considered in order to facilitate and strengthen the effective SME participation in the various sectoral social dialogue committees.

## Conclusion

Once fully integrated into the EU Sectoral Social Dialogue, SMEs will contribute to finding negotiated solutions between key actors from the field with a true role on the labour market to deal with the numerous challenges which the EU is faced with (flexicurity, active ageing, new qualifications/new jobs, climate change etc...), particularly with regard to the future “Sector Skills Councils”, which are under the exclusive decision-making power of sectoral committees.

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<sup>2</sup> Commission staff working document on the functioning and potential of European Sectoral Social Dialogue, SEC (2010) 964 final, page 19.