



The effectiveness of social dialog as an instrument to promote labour and social justice

Sara Araújo & Maria Paula Meneses

This Report was written within the framework of Work Package 6 "Struggles for Justice"



Funded by the Horizon 2020
Framework Programme of the European Union

Acknowledgements

The authors would like to thank student assistant Simona de Heer for her valuable research support during the writing phase of this deliverable.



Want to learn more about what we are working on?

Visit us at:

Website: <https://ethos-europe.eu>

Facebook: www.facebook.com/ethosjustice/

Blog: www.ethosjustice.wordpress.com

Twitter: www.twitter.com/ethosjustice

Hashtag: #ETHOSjustice

Youtube: www.youtube.com/ethosjustice

European Landscapes of Justice (web) app: <http://myjustice.eu/>

This publication has been produced with the financial support of the Horizon 2020 Framework Programme of the European Union. The contents of this publication are the sole responsibility of the authors and can in no way be taken to reflect the views of the European Commission.

Copyright © 2018, ETHOS consortium – All rights reserved ETHOS project

The ETHOS project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No. 727112

About ETHOS

ETHOS - Towards a European Theory Of Justice and fairness, is a European Commission Horizon 2020 research project that seeks to provide building blocks for the development of an empirically informed European theory of justice and fairness. The project seeks to do so by:

- a) refining and deepening the knowledge on the European foundations of justice - both historically based and contemporary envisaged;
- b) enhancing awareness of mechanisms that impede the realisation of justice ideals as they are lived in contemporary Europe;
- c) advancing the understanding of the process of drawing and re-drawing of the boundaries of justice (fault lines); and
- d) providing guidance to politicians, policy makers, advocacies and other stakeholders on how to design and implement policies to reserve inequalities and prevent injustice.

ETHOS does not merely understand justice as an abstract moral ideal, that is universal and worth striving for. Rather, it is understood as a re-enacted and re-constructed "lived" experience. The experience is embedded in firm legal, political, moral, social, economic and cultural institutions that are geared to giving members of society what is their due.

In the ETHOS project, justice is studied as an interdependent relationship between the ideal of justice, and its real manifestation – as set in the highly complex institutions of modern European societies. The relationship between the normative and practical, the formal and informal, is acknowledged and critically assessed through a multi-disciplinary approach.

To enhance the formulation of an empirically-based theory of justice and fairness, ETHOS will explore the normative (ideal) underpinnings of justice and its practical realisation in four heuristically defined domains of justice - social justice, economic justice, political justice, and civil and symbolic justice. These domains are revealed in several spheres:

- a) philosophical and political tradition,
- b) legal framework,
- c) daily (bureaucratic) practice,
- d) current public debates, and
- e) the accounts of the vulnerable populations in six European countries (the Netherlands, the UK, Hungary, Austria, Portugal and Turkey).

The question of drawing boundaries and redrawing the fault-lines of justice permeates the entire investigation.

Alongside Utrecht University in the Netherlands who coordinate the project, five further research institutions cooperate. They are based in Austria (European Training and Research Centre for Human Rights and Democracy), Hungary (Central European University), Portugal (Centre for Social Studies), Turkey (Boğaziçi University), and the UK (University of Bristol). The research project lasts from January 2017 to December 2019

Executive Summary

WP6 focuses on European barriers to economic equality between countries and people and the various forms of non-institutional and institutional struggles for justice in Europe. D6.1 established the theoretical framework; D6.2 dealt with official discourses and non-institutional resistance in the context of the 2008 crisis. The subsequent deliverables aim to understand whether Europe has mechanisms to ensure economic justice, citizens' participation and the continuity of the European Social Model (ESM). The present deliverable (D 6.4) evaluates the effectiveness of national experiences of social dialogue. The main leading question is as follows: to what extent is social dialogue an effective instrument to ensure labour justice?

The report is twofold. The first part, based on desk research, provides the background of EU strategies and ILO orientations in the last decades. It starts by using a global lens to analyse the implications of the shift from the Spirit of Philadelphia to neoliberalism. It then focusses on Europe. This continental scale privileges the study of the role of social dialogue under the European Social Model and the austerity paradigm. The second part is empirically grounded on the case studies from the six country partners involved in the project. It uses a comparative approach to address national social dialogue systems. As in 6.2 and 6.3, the comparison covers five EU member states (Austria, Hungary, Netherlands, Portugal and UK) and Turkey. The research conducted by national teams included three research steps: (1) literature review and documental analysis; (2) legal analysis; and (3) documental analysis and interviews to key informants.

Social dialogue is one of the main pillars of the European Social Model, the unifying and protective umbrella in which social justice and good economic performance are compatible goals. The study shows that national social dialogue structures are alive and active in all of the countries covered by this research. As the report underscores, Austria and the Netherlands are the two countries where social dialogue is currently more effective. In both cases, it is embedded in a long democratic tradition of decision reaching processes. Both countries developed social dialogue structures in the context of the golden age of post II World War prosperity and under the influence of the Spirit of Philadelphia. In the UK, the economic policies started moving away from the labour rights ideals even before the Washington consensus began spreading the neoliberal ideal all around the world. In 1974, when Austria and the Netherlands were years ahead in the development of the social dialogue structures and the UK was already receding in collective regulation, Portugal was trying to move on, after more than four decades of a fascist dictatorship, revealing a context where everything had to be done. In the case of Hungary, it was more than a decade later, in 1998, under the course of the democratization process, that the country created its first national forum for tripartite cooperation between workers' and employers' representatives and the government. Finally, the Turkish report identifies the first attempt of social dialogue still during the Ottoman Empire (1908). However, only in the 1990s, with the impact of closer relations between Turkey and the European Union and the revitalizing of democratic politics, Turkey experienced a relative democratization process and bipartite social dialogue started to flourish.

Before the financial crisis, social dialogue structures were already under pressure even in countries where their presence had deeper roots. As the research clearly shows, the contexts presenting stronger social models, based on trust between social partners, were better equipped to come up with solutions to protect workers and national economies. In Austria and the Netherlands, the long and strong tradition of welfare state and social dialogue has allowed these countries a cushion to better cope with the worldwide crisis, protecting citizens and economy. The UK social dialogue and welfare self-destruction or still the attacks on the already fragile social dialogue systems in Portugal, Hungary and Turkey were not part of the solution, but a fundamental part of the problem.

To learn from successful cases is different from creating one-size-fits-all-recipes. It means considering them under historical context and using the good practices to frame particular solutions. Learning from the examples of Austria and Netherlands is not about importing legislation, but understanding that success results from decades of trust building between the partners. It means precisely that institutional solutions must be defined according to realities and nurtured to avoid transforming the European social pillars into empty shells.

Table of Content

INTRODUCTION	- 1 -
1. THE RISE AND DAWN OF LABOUR RIGHTS: FROM THE SPIRIT OF PHILADELPHIA TO THE NEOLIBERAL SUBJECT	- 5 -
2. SOCIAL DIALOGUE IN THE EUROPEAN UNION	- 9 -
2.1. The European Social Model	- 9 -
2.2. Social dialogue heterogeneity	- 10 -
2.3. The austerity paradigm and the social dialogue: European paradox?	- 13 -
PART II – NATIONAL SOCIAL DIALOGUE EFFECTIVE ROLE: COMPARATIVE ANALYSIS	18
3. TRADITIONS IN TIME AND PLACE. WHERE DO THE DIFFERENCES COME FROM?	18
4. DISTINCTIVE FEATURES OF SOCIAL DIALOGUE ACROSS NATIONAL LANDSCAPES	22
5. PREVIOUS TRENDS AND THE CRISIS MANAGEMENT	29
FINAL NOTES AND CONCLUDING REMARKS: CHALLENGES AND LESSONS.....	37
BIBLIOGRAPHY	40
LIST OF NATIONAL REPORTS	43
LIST OF INTERVIEWS.....	44

List of Abbreviations

- (B)AK - *Arbeiterkammer* -The Chamber of Labour (Austria)
- ADR – Alternative Dispute Resolution
- CGTP - *Confederação Geral dos Trabalhadores Portugueses* - General Confederation of the Portuguese Workers
- CIP - *Confederação Empresarial de Portugal* – Portuguese Employers’ Confederations
- CNV - *Christelijke Nationale Vakverbond* - National Federation of Christian Trade Unions (Netherlands)
- CPCS - *Comissão Permanente de Concertação Social* - Social Concertation Permanent Commission (Portugal)
- CRISALT – Portuguese Observatory on Crisis and Alternatives
- DİSK - *Devrimci İşçi Sendikaları Konfederasyonu* - Confederation of Progressive Trade Unions (Turkey)
- ECB - European Central Bank
- EC- European Commission
- ESM – European Social Model
- EU – European Union
- FNV - *Federatie Nederlandse Vakbeweging* – Trade Union Confederation (Netherlands)
- HAK-İŞ - *Hak İşçi Sendikaları Konfederasyonu* - Trade Union Confederation (Turkey)
- ILO – International Labour Organisation
- IMF – International Monetary Fund
- L(W)KÖ – *Landwirtschaftskammer* - The Chamber of Agriculture (Austria)
- LPC - Low Paid Commission (UK)
- MKB - Entrepreneurs’ organisation - Austria
- NGTT - National Economic and Social Committee
- ÖGB - *Österreichischer Gewerkschaftsbund* - Trade Union Federation (Austria)
- OMC - Open Method of Coordination
- SBA - Stand-By Arrangements
- SME(s) – Small and medium-sized enterprises
- TFEU - Treaty on the Functioning of the European Union
- TÜRK-İŞ - *Türkiye İşçi Sendikaları Konfederasyonu* - Confederation of Turkish Trade Unions (Turkey)
- UEAPME - Union Européenne de l’Artisanat et des Petites et Moyennes Entreprises
- UGT – *União Geral de Tabalhadores* – General Union of Workers (Portugal)
- VKF - Permanent Consultation Forum (Hungary)
- VNO – NCW - Confederation of Netherlands Industry and Employers
- WB – World Bank
- WKÖ - *Wirtschaftskammer Österreich* – The Chamber of Commerce (Austria)

Table of Figures

Table 1 National reports' methodology and structure	- 4 -
Table 2 Main variables of social dialogue	- 11 -
Table 3 Social dialogue in historical context	20
Table 4 National Social Dialogue main forms.....	25
Table 5 Contemporary main actors.....	26
Table 6 Distinctive national features.....	27
Table 7 Pre-2008 main trends	33
Table 8 The crisis management.....	35

Introduction

ETHOS global aim is to explore, theoretically and empirically, the present fault lines of justice and to formulate a theory of justice and fairness that combines theoretical, legal and empirical analysis. WP6 focus on European barriers to economic equality between countries and people and the various forms of non-institutional and institutional struggles for justice in Europe. D.6 1 framed the work package theoretically. D6.2 dealt with official discourses and non-institutional resistance in the context of the 2008 crisis. The subsequent deliverables deal with institutional resistance to injustice: D6.3 (fundamental rights), D6.4 (social dialogue) and D6.5 (access to justice and alternative dispute resolution mechanisms - ADR). The aim of these three deliverables is to give an input to a larger discussion: has Europe national and common institutional mechanisms to ensure redistributive and participative justice?

The present deliverable (D. 6.4) specifically evaluates the effectiveness of national experiences of social dialogue. The main leading question structuring this report is: to what extent is social dialogue an effective instrument to ensure labour justice? In this report, labour justice is used in the sense of fair labour relationships between employers and employees in the formal market. It implies the treatment of labour not as any other commodity, but rather the balance of the unequal power relations between the labour force and enterprises. It directly relates to distributive justice principles as strong workers' rights contribute to reduce economic misdistribution. However, the ideals of participative justice are also relevant in the sense that fair labour relations can only be raised by listening to the voices of the less powerful parties and accommodating conflicting interests.¹

Participative and redistributive principles are in counter-cycle with the current “economising on justice” approach as described by José Maria Castro Caldas on D6.1 (Caldas, 2017). According to that report, in the last decades of the 19th century political economy underwent a process of transformation aimed at removing from the discipline premises that supposedly precluded it to fulfil the requirements of positive science. This led economists to “economise on justice” by seeing the discipline of economics as a value-free science, indifferent to or even averse to redistributive justice claims. As demonstrated, this “economizing approach” that was considerably expanded since the 1970's is leading to detrimental practical implications in respect to the realization of social justice. Castro Caldas argues that the separation between economy and moral philosophy is not obvious and unavoidable, and that the “economising on justice” approach has detrimental practical implications in respect to the realization of social justice. The conclusion is that reconciling the study of the economy with justice may require a revival of a political economy based on presently marginalised academic traditions, allowing for a fruitful cross-fertilization with other social sciences.

Castro Caldas main argument must be taken seriously. D6.2 shows how economy is surpassing justice whilst European economic policy is not aligned with social justice premises but rather with the rules of financial markets. There were different moments during the crisis that started in 2008. Initially, there was the impression that one could witness the return to demand-side economic policies to promote economic recovery. The Economic Recovery Plan approved by the European Commission would complement the rescuing of the failing banks by promoting

¹ For a discussion of justice in Europe through the lens of the Nancy Fraser-inspired categories of redistribution, recognition and representation, see D2.3 (Knijn *et al.*, 2018).

demand, through public spending, tax reductions and direct support to families and SMEs. Since 2010, Europe has converged to a neoliberal vision on overcoming the crisis and promoting competitiveness, becoming increasingly close to the global project advanced by international institutions such as the International Monetary Fund (IMF) or the World Bank (WB) in terms of structural adjustment and austerity measures. Therefore, for most countries of the EU, namely the ones under the Troika intervention (such as in the case of Portugal, Ireland, Cyprus or Greece),² or others under IMF Stand-By Arrangements, the recipe became similar (Meneses *et. al.*, 2018). Countries were affected in different ways as they took off from diverse starting points and went through distinctive austerity levels and structural adjustment measures, but also the logic of inequalities pervaded national societies with some groups being particularly affected. The outcome is, therefore, the intensification of polarization both between and inside countries. The narrative of inevitability and absence of alternatives combined with the threat of a future that will certainly be worse than the present seems to leave citizens with only two possibilities: resignation to the continuous loss of rights or non-institutional resistance (Santos, 2017).

However, the European Union was built over a unifying and protective umbrella - the European Social Model (ESM) - that should distinguish Europe from the USA and provide tools to protect citizens from uncontrolled neoliberalism (Judt, 2005; Hermann, 2017). Rights, progress and efficiency come together in the narrative over which the EU stands. Ideals associated with labour justice, distribution and participation are at the core of this model. Increased minimum rights on working conditions and strong and well-functioning social dialogue are two defining elements of the ESM. The Treaty on the Functioning of the European Union clearly states that

*The Union recognises and promotes the role of the social partners at its level, taking into account the diversity of national systems. It shall facilitate dialogue between the social partners, respecting their autonomy.*³

In this sense, the effectiveness of social dialogue in the promotion of labour justice in Europe must be addressed in the context of the current threats the ESM is facing. Some tricky questions are raised: What happens to social justice foundational principles when the EU faces economic challenges? Can citizens rely on institutional answers to ensure their own dignity or are non-institutional struggles the only way? To be more precise, can European workers be sure they will not be treated as commodities only, but have a voice in the choices for the future of the state members and the union?

² Troika is an expression used to refer the group formed by the European Commission (EC), the European Central Bank (ECB) and the International Monetary Fund (IMF).

³ TFEU, ar. 152.º.

(footnote continued)

Individual labour contracts ruled by the laws of the market are celebrated between parties with unbalanced levels of power. As stated by Katsaroumpasi (2018),⁴ “while economic liberals found freedom and equality in this contractual exchange, others pointed to the distorting image of freedom of contract as ignoring the inequality of bargaining power against the employee, the bureaucratic nature of the enterprise and the character of employment relationship as one of ‘subordination’ and ‘authority’ producing dependencies and ‘democratic deficits’”. Social dialogue, on the other hand, is not only a problem-solving mechanism, but also a mean “to achieve social equity, economic efficiency and democratic participation” (ILO, 2018). To be more clear, it “is important for protecting labour rights, facilitating wage determination, improving working conditions and promoting sustainable enterprises” (*idem*). The challenge, as Vries and Safradin (2018) formulated, is that “the economic crisis that Europe faced in 2008 has put social dialogue processes worldwide to a test”.⁵

In this report, we follow the International Labour Organisation broad definition of social dialogue:

Social dialogue includes all types of negotiation, consultation or information sharing among representatives of governments, employers and workers or between those of employers and workers on issues of common interest relating to economic and social policy (ILO Thesaurus).⁶

The term is used to cover a heterogeneous field of traditions and practices. In the EU it exists both at the European level and under many forms on national level. As stated by the European Commission:

While a core value of the EU, the practical manifestations of social dialogue are very diverse: social dialogue can be organised at the level of an establishment, a company, a given sector, or across industries; in a specific region, at national level or European level (European Commission, 2016).

The study covers research carried out in five EU member states (Austria, Hungary, Netherlands, Portugal and UK) and in a non-EU member state, Turkey. The countries involved experienced different stages of economic growth, were differently affected by the recent crises and have different social dialogue traditions. For each comparative report, there is a need to find a balance between the ambition of the study and the time framing of the deliverable. The previous comparative deliverable dealt with non-institutional struggles and brought the voices of what is called the uncivil civil society (Santos, 2002).⁷ This report focuses on the institutional social dialogue structures and the recognized social partners. In that sense we are aware that it does not cover all kinds of labour but focuses on the formal employment structures, with special emphasis on the main social partners: trade unions, employers’ organizations and state structures.

⁴ UK national report.

⁵ Netherlands national report.

⁶ Available at <http://ilo.multites.net/default.asp>. Accessed on December 2018.

⁷ Boaventura de Sousa Santos argues that civil society is composed of three circles: intimate civil society, strange civil society, and uncivil civil society. The intimate civil society is a sphere of hyper-inclusion, i.e. where citizens have connections with the power of the State, enjoying all their rights and having access to public resources far beyond what the policy of rights would guarantee them. The strange civil society consists of citizens who are moderately integrated, who can exercise their civic and political rights more or less freely, and who have but little access to social, economic and cultural rights. Lastly, the uncivil civil society is the outer circle, a lawless territory, where appropriation and violence rule. It is composed of the citizens who are excluded from the social contract, living in invisible areas (Santos, 2002: 25-26).

Research was conducted by national teams according to shared guidelines that defined three research moments and three parts of national reports. See table one, below, for details.

Table 1 | National reports' methodology and structure

Part I	National landscape description	Desk research – literature review and documental analysis	<i>Historical context of social dialogue in the country</i> – When did it started and how? <i>Institutions of social dialogue</i> - where does the social dialogue take place? <i>Recent changes</i> - Were there important institutional changes in the last two decades? <i>Parties</i> - Who participates? Is there gender parity in the representatives? <i>Functioning</i> - How does it work? What is the rule of decision?
Part II	Themes discussed and results of social dialogue	Desk research - Legal analysis (2009 – 2017)	Analysis of legal measures that have been adopted resulting from social dialogue processes (focus on the key themes)
Part III	Evaluation of the social dialogue by social partners	Desk research – documental analysis; and field work - interviews Considering the time frame, we opted for a small number of interviews to key informants (between 5 to 10 for each country study). We did not aim a representative sample of the involved in social dialogue but to learn from key informants who could offer different perspectives of national practices.	a) Analysis of documents and statements issued by actors involved in the social dialogue b) Interviews with state officials, members of employers’ confederations, members of trade unions, member of an official organ of social dialogue. The aim was to know the perceptions of the social partners and the government officials about the processes of social dialogue and results: How do employers’ confederations, trade unions and State representatives feel about the social dialogue practices? What are their perceptions about the practices of social dialogue? How do employers’ confederations and trade union representatives called to participate in social dialogue? Do social partners feel their positions were considered for definition of labour politics? How do social partners feel about the role of the state in the social dialogue? What is the state perception about its own role? Are their themes that should be discussed but never were?

This present report is twofold. The first part, based only on desk research, provides the background/framework of EU strategies and ILO orientations in the last decades. It starts by using a global lens to observe the shift from the Spirit of Philadelphia to neoliberalism. It then moves to the European scale focusing on the role of national social dialogue under the ESM and the austerity paradigm. The second part is based on findings provided by the partners and uses a comparative approach to consider the following main themes: the historical context of social dialogue national structures; the main features of social dialogue national landscapes; the trends before 2008 and the use of social dialogue in the crisis management. The report concludes by formulating collective challenges and possible lessons, taken from the national experiences. These important insights will support the preparation of a theory of justice and fairness that combines theoretical, legal and empirical analysis, the key goal of ETHOS project.

PART I – SOCIAL DIALOGUE IN THE GLOBAL AND THE EUROPEAN PARADIGMS

1. The rise and dawn of labour rights: from the spirit of Philadelphia to the neoliberal subject

The 20th century was a period of important changes for labour justice at least in part of the globe. The Labour law was established, collective bargaining was conquered, and the Welfare State was consolidated (Silva, 2012: 206). In 1919, during the Peace Conference that followed the World War I, the International Labour Organization (ILO) was created as an autonomous body associated with the League of Nations. Its original constitution was included in the Treaty of Versailles⁸ and stated that universal peace can only be established if based upon social justice and that peace and harmony in the world are not achievable “when conditions of labour exist involving injustice, hardship, and privation to large numbers of people”.⁹

One of the ILO defining features was the tripartite composition of the governing body that included governments, employers and workers representatives.¹⁰ It is argued that the creation of ILO, based on the constitutional principle of tripartism, contributed largely to the recognition and the universal propagation of social dialogue. The text of the constitution assumes an agreement on a set of ideas, including: “labour should not be regarded merely as an article of commerce”; “the right of association for all lawful purposes by the employed as well as by the employers”, “the payment to the employed of a wage adequate to maintain a reasonable standard of life as this is understood in their time and country”.¹¹ The original text of was modified by several amendments, the last one from 1972. Currently, it includes the recognition of the solemn obligation of the International Labour Organization to further programmes to achieve, among other standards, “the effective recognition of the right of collective bargaining, the cooperation of management and labour in the continuous improvement of productive efficiency, and the collaboration of workers and employers in the preparation and application of social and economic measures”.¹²

The path toward democratising labour relations was never linear or clear from obstacles. António Casimiro Ferreira invites us to consider two dates: May 10th 1944 and September 14th 2008. The first is when the Declaration of Philadelphia was proclaimed at the 26th Conference of ILO as part of the effort to rebuild the post-war world and the second is the bankruptcy of Lehman Brothers. They represent two major changing moments: (1) the affirmation of social justice and labour rights and (2) the beginning of a crisis that would be used as an open gate for the austerity paradigm (Ferreira, 2016: 38 and ss.).

⁸ Part XIII of the Treaty of Versailles, “ILO Constitution”.

⁹ ILO Constitution, Preamble.

¹⁰ ILO Constitution, Article 7

¹¹ ILO Constitution, art. 427.^o.

¹² ILO Constitution, Annex Declaration concerning the aims and purposes of the International Labour Organisation (Declaration of Philadelphia).

The same author establishes four phases between the two referred moments: Philadelphia spirit, Washington consensus, Post-Washington consensus and the 2008 financial crisis. The Post-War Philadelphia Spirit was about strong citizenship, expansionist public policies, Keynesianism, and social democracy. The economic crisis of the 1970s created room for discourses against Welfare States, Keynesian economies and citizen's rights and was favourable to new structural principles: priority to the markets, reduction of the state and affirmation of the neo-individualism (Ferreira, 2016: 42-45). The reduction of state meant the shrinking of its role as welfare and economic safety provider. The Washington Consensus in 1989 was the defining moment of the reformist neoliberal agenda and economic and social deregulation.

For classic liberalism, the state should have limited intervention; for neoliberalism, the State must be internally and externally regulated by the market logic (Ferreira, 2016). As Robert Knox – following other authors - puts it “the anti-statist and ‘free market’ rhetoric of the original theorists of neoliberalism is vastly at odds with the expansion and reconfiguration of state-power that was needed to birth and secure it” (Knox, 2015: 93). Along the same lines, Brabazon defends that “if the state is increasingly acknowledged – at least in academic circles - to have been restructured in the neoliberal period rather than restrained, this is typically seen as a re-orientation of the state away from social concerns and toward facilitating market transactions: ‘profit over people’” (Brabazon, 2017: 5). In this context, public law is modelled according to the market and private law principles to the extent that the public and the private merge in the concept of governance (Tzouvala, 2017: 132).

The term neoliberalism is widely used, frequently in an unclear way. Bob Jessop (2012: 1) argues neoliberalism had an interesting trajectory:

It was initially formulated as an intellectual-cum-political project in 1938; enjoyed growing acceptance as an economic and political strategy in the 1970s; witnessed panic-stricken meeting in New York and Washington a generation later at the height of the global financial crisis; and, most recently, seems to be undergoing a return to business as usually.

We can identify two main different approaches to understand the concept: as a utopian-epistemological theoretical project and as a class-based political project (Brabazon, 2017: 3). It was introduced as *Neoliberalismus* by members of the Freiburg Circle in the 1930s having by then, according to Bob Jessop, a positive sense. It called for the presence of a strong state to regulate, protect and expand free markets. The expressed objective was to renew and avoid the mistakes of the classic *laissez faire* liberalism, socialism, totalitarianism and the welfare state. This initial version inspired others, mainly the ordoliberals in Europe and the US version promoted by what is known as the Chicago School (Jessop, 2012; Brabazon, 2017). The second approach identifies neoliberalism as an elite's political project against organized labour and in favour of capital accumulation and their economic and political power (Harvey, 2005; Duménil and Dominique Lévy, 2014; Jessop, 2012; Brabazon, 2017). Bob Jessop also talks about three other approaches: c) an epoch starting in the 1970s characterized by the advance of globalisation based on free trade, transnational production and the free movement of financial capital; d) a set of economic policies to extend market forces with different instantiations in advanced economies, transitional economies and emerging markets; and e) a style of politics characterized by market-centrism, conviction politic and an authoritarian populism (Jessop, 2012: 3).

David Harvey's known book on neoliberalism is more than a decade old and precedes the 2008 crisis. In a recent interview, the author restates his idea of neoliberalism as an elite project to undermine labour power arguing it can be seen as a counterrevolutionary project against labour power.

In many respects the project was a counterrevolutionary project. It would nip in the bud what, at that time, were revolutionary movements in much of the developing world — Mozambique, Angola, China etc. — but also a rising tide of communist influences in countries like Italy and France and, to a lesser degree, the threat of a revival of that in Spain.

Even in the United States, trade unions had produced a Democratic Congress that was quite radical in its intent [...].

So in that situation there was, in effect, a global threat to the power of the corporate capitalist class and therefore the question was, “What to do?”. The ruling class wasn’t omniscient but they recognized that there were a number of fronts on which they had to struggle: the ideological front, the political front, and above all they had to struggle to curb the power of labor by whatever means possible. Out of this there emerged a political project which I would call neoliberalism (Harvey, 2016).

Neoliberalism comes to ensure that labour voices are under control and do not threaten economic elite’s interest. To achieve it, control over policies might be insufficient. Neoliberalism is reframing citizens, it is raising new subjects. Robert Knox argues that “even with Harvey’s more prosaic understanding of neoliberalism as a ‘restoration of class power’, it is necessary to explain the phenomenal success and stability of this restoration” (Knox, 2017: 93). To limit the effects of democracy and weaken workers collective action demands a special attention to human motivations (Rodrigues, 2012: 151). Some authors claim a new subjectivity based on individuality was created. From this view, explains Barbazon, it can be argued that the construction of neoliberal subjects and neoliberal social relations is integral to neoliberalism independently of the way it is defined (Brabazon, 2017: 4). This is the thesis of Dardot and Laval (2014) who use a formulation of Margaret Thatcher to clarify the rationality behind neoliberalism: “Economics are the method. The object is to change the soul”. The authors believe enterprise is modelling society by creating an entrepreneur’s ethic that is an ethic of self-help and that the main innovation of neoliberalism is connecting the way a person is governed from without to the way he or she governs himself or herself from within.

We are no longer dealing with old disciplines intended to train bodies and shape minds through compulsion to render them more submissive—an institutional methodology that has long been in crisis. It is a question of governing beings whose subjectivity must be involved in the activity they are required to perform. Henceforth, various techniques help to manufacture the new unitary subject, which we shall variously call the “entrepreneurial subject” or “neoliberal subject,” or, more simply, the neo-subject [...].

The novelty consists in triggering a “chain reaction” by producing “enterprising subjects” who in turn will reproduce, expand, and reinforce competitive relations between themselves. In accordance with the logic of the self-fulfilling prophecy, this requires them to adapt subjectively to ever harsher conditions which they have themselves created (Dardot and Laval, 2014).

Tony Judt (2009) also uses Thatcher’s discourse to raise concern about what he calls “gated communities”, i. e., subsections of society that suppose themselves functionally independent of the collectively and its public servants. In this context state seems irrelevant as a dispenser of collective services and appropriable by competitive individuals or corporations for their own advantage.

This process was well described by one of its greatest modern practitioners: Margaret Thatcher reportedly asserted that “there is no such thing as society. There are only individual men and women and families.” But if there is no such thing as society, merely individuals and the “night watchman”

state—overseeing from afar activities in which it plays no part—then what will bind us together? We already accept the existence of private police forces, private mail services, private agencies provisioning the state in war, and much else besides. We have “privatized” precisely those responsibilities that the modern state laboriously took upon itself in the course of the nineteenth and early twentieth centuries.

What, then, will serve as a buffer between citizens and the state? Surely not “society” [...]. Between state and individuals there would then be no intermediate institutions or allegiances: nothing would remain of the spider’s web of reciprocal services and obligations that bind citizens to one another via the public space they collectively occupy. All that would be left is private persons and corporations seeking competitively to hijack the state for their own advantage.

The consequences are no more attractive today than they were before the modern state arose (Judt, 2009).

As we mentioned, the state does not disappear. Though welfare is not a priority anymore, the state is committed to the creation of individual neoliberal subjects. Robert Knox (2017) argues that Dardot and Laval do not carry their argument through when it comes to the collective organisations of the working class. For him there is something more than a mere political desire to weaken trade union power. Attacks on organised labour were not simply aimed at crushing trade union strength, but “part of a wider process of reconstituting the political subjectivity of organised labour into a form that was compatible with neoliberalism”. Writing for a collective book on neoliberal legality and focusing on the UK reality, Knox states that “law created a series of material compulsions and incentives which pushed the organisations of the British working class to organise themselves in ways that undercut their wider mission of building class solidarity and articulating an alternative political project to untrammelled capitalism” (2017: 94).

As shown in a previous deliverable (D6.2), though a common recipe is one of the features of neoliberalism, it has different expressions across the world. Jessop identifies four key groups: 1) the countries of the former Soviet Bloc that went through *neoliberal system transformations* with a radical shift from the previous communist regimes (eg. Russia and Poland); 2) the Anglo-Saxon countries (Australia, Canada, New Zealand, the United Kingdom, United States) that experienced *neoliberal regime shifts* which rolled back the Keynesian welfare state; 3) the crisis-hit countries that had to resort to the financial assistance of the IMF and the World Bank went through *neoliberal structural adjustment* associated to the conditionality of this assistance and; 4) the Nordic and continental European countries that proceeded through *neoliberal policy adjustments* intended to safeguard the core achievements of welfare (Jessop, 2012).

These nuances might explain different impacts of the economic crisis that followed the bankruptcy of Lehman Brothers though it had a worldwide impact and globalized the sense of insecurity. Instead of resulting in criticisms to the current model and alternatives to neoliberalism, this context created conditions to expand neoliberalism and dismiss attempted combinations of neoliberalism and social democracy that were experienced in the 1990s - the period that António Casimiro Ferreira (2016) called the post-consensus and that involved Third Ways. The chosen path was the continuity and intensification of the model. Austerity became a central world combined with narratives of no alternatives.

2. Social dialogue in the European Union

2.1. The European Social Model

Since the Treaty of Rome in 1957 the EU started developing a set of national and collective regulations and institutions relating to social policy. The social dimension that was supposed to complement the monetary union would become the European Social Model, a concept that was never officially defined. It is commonly attributed to the social democrat and former President of the European Commission Jacques Delors, and it has been present in policy documents from the mid-1990s onwards (Othengrafen, 2016; Vaughhan-Whitehead, 2015b). High expenditure on social protection, when compared with other realities, grounded on the principles of solidarity, equality and social cohesion represent, is, in Daniel Vaughhan-Whitehead (2015b) words, the soul of the European Union.

The European Social Model used to be a distinctive feature of the European Union. Not only did it help to distinguish the EU from the USA, but also its values have not been replicated anywhere so far (Meneses *et. al.*, 2018; Vaughghan-Whitehead, 2016). In Tony Judt's formulation, "what binds Europeans together, even when they are deeply critical of some aspect or other of its practical workings, is what it has become conventional to call – in disjunctive but revealing contrast with the 'American way of life' – the European model of society" (Judt, 2005: 748). For Cristoph Hermann "the European Social Model initially was a political intervention, a fiction launched to strengthen the rather fragile European identity and to propose an alternative to the ultra-liberal capitalisms of America and from the late 1970s onwards British imprinting" (Hermann, 2017: 59).

Despite the lack of a hard definition, even in the EU Commission's glossary, a set of distinctive features can be traced. Vaughhan-Whitehead regroups the European Social Model around six pillars that cover most definitions: 1) increased minimum rights on working conditions; 2) universal and sustainable social protection systems; 3) inclusive labour markets; 4) strong and well-functioning social dialogue; 5) public services and services of general interest; 6) social inclusion and social cohesion (Vaughhan-Whitehead, 2015b). The ESM is about rights as well as about progress and efficiency. It was a belief that this ideal was not only compatible with but also an important element of the recipe for an economically developed EU. In a working paper of 2003 on social dialogue in the EU, with the seal of ILO, we can read that "the values of the European social model and the concept of the ILO's decent work approach are closely related", followed a few pages ahead by "social dialogue is widely recognized as one of the principles underlying what is known as the European social model, based on good economic performance, a high level of social protection and education and social dialogue" (Rychly & Pritzer, 2003). It is clear that distributive and participative justice and good economic performance are complementary goals that sustain the choice for the ESM.

The ESM never meant homogeneity inside Europe. There were always differences between countries, namely considering the welfare state systems and the employment regimes. Those differences will be crucial to explain the uneven impacts of the neoliberal turn and the 2008 crisis. Esping-Andersen (1999) typology of welfare regimes, using decommodification and defamiliarization as key indicators, seems to retain explanatory capacity. According to it, Europe has three main regimes: a) a liberal regime with little, residual means that tested social protection with low decommodification which prioritized the role of the market (for example, UK and Ireland); b) a social-democratic regime with generous and universal protection, with high decommodification, which prioritized the role of the state in guaranteeing welfare (Nordic Countries); c) a conservative-corporative regime with generous social protection for those in the labour market and gaps of protection for those outside, with low levels of

defamiliarization, relying on the social reproduction work done in the household (present in continental Europe). Later on other authors have included other regimes, namely: d) a Southern European regime, with gaps of protection and residual social protection for those outside the social insurance schemes, benefits designed not to discourage participation in the labour market and a strong role of the family without active state policies to promote it; e) a Central and Eastern European welfare regimes shaped by their past as planned economies and neoliberal regime changes towards a market economy and described as recombinant welfare state with a mix of market-orientation, targeting and universality (Andreotti *et al.*, 2001).¹³

Hermann (2017) suggests that the term ESM raises a number of difficulties, as variances between the 27 member states are larger than the ones within the USA, for example. On one side, different welfare states models and expressions of capitalism explain why some authors argue that Europe has not one but distinct social models; on the other side, common features in continental Western Europe are strong enough to distinguish the European social model from deregulated labour markets and a Japanese model of management-dominated company employment relations.¹⁴ For Hermann, if the essence of the ESM is in the high level of de-commodification, i.e., the relative independence from the markets, the structural reforms introduced during the crisis, including cuts in social benefits and public pensions, the flexibilization of labour markets and the decentralization of collective bargaining will undo the de-commodifying features of the European Social Model (Hermann, 2015: 59, 60). This topic will be further explored below, on 2.3.

2.2. Social dialogue heterogeneity

ILO claims the inexistence of a ‘one size fits all’ model of social dialogue that can be readily exported from one country to another. According to the labour organization, adapting social dialogue to the national situation is essential to ensure local ownership of the process”.¹⁵ With no universal model, it can assume different forms and occur on various levels. Institutional arrangements, legal frameworks and traditions and practices of social dialogue throughout the world are heterogeneous. Considering the diversity of social dialogue, any definition must be flexible enough to include different models and experiences. In order to reflect the wide range of processes and practices found worldwide, ILO uses a broad and flexible definition that is adopted in this report and was already formulated in the introduction:

Social dialogue includes all types of negotiation, consultation or information sharing among representatives of governments, employers and workers or between those of employers and workers on issues of common interest relating to economic and social policy (ILO Thesaurus).

Social dialogue may be tripartite or bipartite, informal or institutionalized, be used at different scales and levels. To understand social dialogue main variables, see table 2, below.

¹³ See Deliverable 6.2 (Meneses *et al.*, 2018)

¹⁴ For a succinct review of this discussing, including nuances between authors with similar perspectives, see Hermann, 2015: 59.

¹⁵ ILO’s brochure, available at <http://www.ilo.org/public/english/dialogue/download/brochure.pdf>.

Table 2 | Main variables of social dialogue

Participants involved	Tripartite	<p>“The interaction of government, employers and workers (through their representatives) as equal and independent partners to seek solutions to issues of common concern” (ILO Thesaurus).</p> <p>The term “tripartism ‘plus’” might be used when traditional partners “open up the dialogue and engage with other civil society groups, to gain a wider perspective and consensus on issues beyond the world of work (such as the protection of the environment or the needs of specific or vulnerable groups)” (ILO, 2013).</p>
	Bipartite	<p>Bipartite social dialogue is when two parties – one or more employers and/or one or more employers’ organizations, and one or more workers’ organizations – exchange information, consult each other or negotiate together, without government intervention (ILO, 2013).¹⁶</p> <p>A particular form of bipartite social dialogue is collective bargaining. This is defined by ILO as all negotiations which take place between an employer, a group of employers or one or more employers’ organizations, on the one hand, and one or more workers’ organizations on the other, for one or more of the following purposes: 1. determining working conditions and terms of employment; 2. regulating relations between employers and workers; 3. regulating relations between employers or their organizations and a workers’ organization or workers’ organizations.¹⁷</p>
Institutionalization degree	Formal	
	Informal	
Geographical Scale	Regional	
	National	
	Local	
Sectoral Level	Inter-sectoral	
	Sectoral	
	Enterprise	

Social dialogue is a 20th century phenomenon that is neither politically nor ideologically neutral. As mentioned, it is one of the main pillars of the ESM. Social dialogue has been promoted in all member states and it has been central to define labour conditions and labour relations in most of the countries. It is therefore a core element of governance of labour issues in EU (Vaughan-Whitehead, 2015a; Lima, 2015).

¹⁶ When the government is not a partner it does not necessarily mean it is absent. It may provide assistance to the social partners and offer conciliation or mediation services. This means that sometimes the borders between tripartite and bipartite social dialogue can be difficult to define precisely (ILO, 2013).

¹⁷ ILO Collective Bargaining Convention, 1981 (No. 154).

It takes place at EU, national, sectorial, regional and enterprise levels. This is a distinctive European feature when we compare it with full decentralization to enterprise level in the USA and Japan. According to Vaughan-Whitehead (2015a), collective agreements that extend beyond the immediate workplace or company level are seen by industrial relations experts and practitioners as one of the unique institutional features of the European Union. The existence of collective agreements above the companies ensures the coverage of the majority of European employees by collective bargaining, while in countries like Japan and US only a minority of employees are protected by them.

Labour relations and working conditions (coverage of collective bargaining and labour union density), employment protection (limitations to dismissals and resource to temporary work) and unemployment protection (access, duration and amount of unemployment subsidy) are not the same across the European Union. Five regimes can be identified, namely: 1) the liberal regime in Anglo-Saxon countries with very low levels of coverage of collective conventions and of low labour union affiliation, good coverage and lower time unemployment protection and low levels of protection from unemployment (norms regarding firing and precarious employment forms); 2) the inclusive model in Nordic countries have high coverage of collective conventions and union density, high coverage and high levels of replacement rate of unemployment subsidies, medium levels of unemployment protection compensated in collective bargaining and social protection (flexicurity); 3) the dualist regime in the countries of continental Europe is characterised by high coverage of collective conventions, but medium labour union density, unemployment protection generosity depending on the employment status (permanent/temporary) and high coverage rate and the highest levels of protection in unemployment; 4) the Southern European employment regimes are characterised by a low labour union density but high collective conventions coverage, low unemployment coverage rate like the liberal regime, but higher income and duration and high unemployment protection; 5) the East European countries have low level of coverage of unemployment protection and of coverage rate and low level of labour union conventions and low union density, like in the UK (Lima 2015; Gallie 2013).

A working paper produced by the UEAPME distinguishes the following social dialogue models: a) the informal model, uncoordinated and decentralised, where agreements are made primarily at the enterprise level (as in the UK); b) the Latin model dominated by a statutory framework for tripartite concertation and limited social partners autonomy for bipartite negotiation; c) the Nordic model, in between, of minimum state intervention and a culture of consensus between social partners; d) the Central European model, characterised by strong autonomous bipartite cooperation; e) the Benelux model which combines bipartite and tripartite negotiations, a statutory framework and central agreements" (UEAPME, 2003).

As the entire ESM; social dialogue is not only about protecting workers, labour justice, redistributive or participative principles. Referring specifically to collective bargaining in the EU, Maria de Campos Lima (2015) shows it is of interest to workers and employers. On the workers' side, it warrants that wages and working conditions do not rely on the economic situation or an individual company or firm, rather, are based on a broader framework. Collective bargaining also allows for the control of direct employer pressure in companies within the framework of the structural asymmetry of power relations. In this sense, sectoral collective bargaining ensures the protection of all workers, even in firms where trade union influence is less significant. According to the author, the ability of trade unions to influence the determination of working conditions in this logic of solidarity played a fundamental role in affirming the social dimension of Europe in reducing inequalities and projected the unions as relevant actors of economic and social progress. Three main advantages can be identified on the employers' side: it distances unfair competition based on the compression of labour costs (social dumping); removes business conflict; and facilitates the management of companies by reference to standardised regulatory frameworks (Lima, 2017: 248, 249).

2.3. The austerity paradigm and the social dialogue: European paradox?

It has been argued that the ESM is not only about labour or social justice, but also about economic efficiency. The tricky question that underlies the discussion is what happens to the social model and the principles of justice that are promoted when the EU starts failing economically? When the economy crashes and citizens are not able to cope with the losses, can they rely on the social model to avoid catastrophic effects for distributive and participative justice? What are the strongest goals in terms of achieving justice? Daniel Vaughan-Whitehead (2015) frames his collective book about the impacts of the financial and economic crisis on European social policy, the policies of fiscal consolidation, and the implications for the future with the question “Is Europe losing its soul?”. Considering the discussion about neoliberalism on 1.1, we might ask if Thatcher’s aim of introducing an individual ethic based on the market is being accomplished. These interrogations are crucial to understand what lies behind the leading question of this report. Social dialogue is part of the ESM so in order to understand if it is a useful instrument for labour justice, favouring redistribution and participation we need to understand if the ESM is in real danger.

According to this author, reforms to the ESM started in the 1990s resulting from the influence of neoliberal theories and the debate on sustainability (Vaughan-Whitehead, 2015a: 13). It was however after the crisis that changes had a dramatic impact on the social policy model. Before the crisis and as expressed in the Lisbon Agenda, Europe wanted to stand out in the globalized world as an economy able to combine competitiveness and social cohesion.¹⁸ The previous deliverable mentions that with the programme of the social investment state¹⁹ articulated with the knowledge economy and society framework, the EU was able to tame the pressure of the Washington consensus for deregulation and welfare retrenchment, by articulating discursively the positive role of social policies in economic growth (Meneses *et. al.*, 2018). However, as we argued, this did not mean that welfare states were not being qualitatively transformed to abandon important elements of decommodification as the orientation to promote labour market participation became dominant in welfare and employment policies (*idem*, 2018).

After 2008, two periods may be distinguished. In the immediate period after the crisis there was, at least apparently, the attempt of combining the answer to the crisis while maintaining the ESM and social protection mechanisms in order to minimize the social effects and avoid the collapse of consumption (Vaughan-Whitehead, 2015a; Meneses

¹⁸ "The Union has today set itself a new strategic goal for the next decade: to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion" (*Lisbon European Council 23 and 24 March 2000, Presidency Conclusions*, available at http://www.europarl.europa.eu/summits/lis1_en.htm, accessed in December 2018).

¹⁹ Jane Jenson and Denis Saint-Martin (2003) argue that there is a shift in social rights-based citizenship regimes towards social investment regimes. Policies became oriented to the investment in human capital, through education from early childhood to lifelong learning and child poverty reduction; productive social policies to facilitate labour market participation were enacted, through active labour policies and investment in social services; and a focus on social inclusion and social cohesion, through selective support to marginalized or social groups at risk shaped many policies.

(footnote continued)

et. al., 2018). As stated in D6.2, in December 2008 the European Commission approved the Economic Recovery Plan that would complement the rescuing of the failing banks by promoting demand, through public spending, tax reductions and direct support to families and small and medium size enterprises (SMEs) (European Commission, 2008). These were supposed to be exceptional measures that would allow returning to the budgetary targets of the Economic and Monetary Union once the return to economic growth and job creation was guaranteed (Costa e Caldas, 2014). This period lasted until February 2010, in the context of an increasing tension between budgetary stimulus and budgetary consolidation policies.

The *Europe 2020 strategy*, a 10-year plan for the economy of the EU launched in 2010, despite presented as a follow-up of the Lisbon Strategy, was different in many aspects: many components of the Social OMC (national reports, joint reports, indicators) where suspended; a bias toward fiscal consolidation and economic recovery could be identified; and strong control mechanisms where put in place not just on fiscal and economic policy but also on wages and collective bargaining. Struggle against poverty and social exclusion was not included and social reporting was diluted, with tolerance to non-compliance. A new economic governance was taking care of the ESM and that would continue through the budgetary pact of 2011, the six pack (2011) and the two pack (2013).²⁰

At the national level, countries started adopting austerity packages, varying in degrees of aggressiveness according to the economic situation and the pressure they received. The EU countries which signed a Memorandum of Understanding with the International Monetary Fund, the European Central Bank and the European Commission (the Troika) for receiving emergency loans (Cyprus, Greece, Ireland and Portugal) or those which were under IMF Stand-By Arrangements (SBA) (Hungary, Latvia and Romania) where the ones where the changes imposed where most acute as the loans where conditional to the implementation of radical neoliberal programmes. Hermann (2017) claims that structural reforms are different from regular austerity. He argues that the main goal is not to reduce the public spending, but to change the institutional framework. If the call for structural reforms was already present in the Lisbon Strategy as condition to make Europe the most competitive economy, the number of voices demanding structural changes have increased considerably during the crisis (Hermann, 2017).

In 2012, twelve years after the Lisbon Conference, Mario Draghi, the newly appointed president of the European Central Bank, stated to the Wall Street Journal that the European Social Model was 'gone', arguing that Europe could no longer afford a comprehensive system of welfare protection and that austerity coupled with structural change was the only option for economic renewal" (Hermann, 2017). Hermann discusses that there was probably no coincidence when Draghi declared simultaneously the end of the European Social Model and the need for structural reforms. The author argues that that structural reforms adopted during the crisis threaten the very essence of the ESM:

²⁰ For a more detailed description of mechanisms of structural reform, see Meneses *et. al.*, 2018.

(footnote continued)

Cuts in social benefits and pension payments, the promotion of atypical employment and the erosion of employment protection, the decentralization of collective bargaining and the weakening of bargaining structures and interest representation reverse the de-commodifying effect build in the European Social Model(s). Since the de-commodifying effects are also responsible for a high degree of equality it should be no surprise that austerity and structural reforms have fuelled poverty and inequality. With the shift from Open Coordination to Economic Governance structural reforms may spread to further countries, dismantling what is left of the European Social Model(s) (Hermann, 2017: 64).

Other authors reached coinciding conclusions. CRISALT - the Portuguese Observatory on Crisis and Alternatives²¹ - , on a book about labour, employment, and the impacts of the crisis uses a similar argumentation (Silva *et al.*, 2017). For this group of researchers, the reconfiguration of public policies for employment during the years of the Troika in Portugal does not in fact result from technical considerations dictated by needs of correction of imbalances. It is rather a consequence of a political programme and an ideology. The so-called adjustment measures are the transposition of a universal-use prescription developed by international institutions, such as the OECD, the IMF and the European Union, throughout the 1990s, long before the first signs of the Great Recession. In the Portuguese case, as in many others, the authors argue, the crisis constitutes an opportunity for a regressive reform of labour and employment conceived, without regard to circumstances, to be structural (*idem*: 17).

Vaughan-Whitehead (2015a) concludes, on the publication about the crisis and the European soul, that changes in the second wave of austerity measures affected all the key pillars of the ESM: wages and working conditions were affected, work contracts have been flexibilized, social protection suffered a considerable downgrade, the public sector was subject to an unprecedented wave of ‘adjustments’ and employment security stopped being the norm, processes of decentralization and several cuts to funds for regions and municipalities threatened social cohesion and social dialogue was deeply weakened. This author also claims that not only quantitative adjustments were made, but structural changes were carried out and they were particularly radical in the most indebted countries of the euro zone. Based on the large comparative study on the effects of the crisis for the ESM, he goes further referring the European paradox of despising the functional institutional solutions that were not responsible for the crisis and proved to work out in the first phase of reforms:

Overall the scale of austerity is unprecedented in post-war European history. We must add that most of those debts were not due to social expenditure as such – even if they increased with stimulus packages – but were explained mainly by the decision of governments to refund their banks during the financial crisis, as in Ireland where the budget deficit appeared only after the banking bailout. Those that had stabilized their budget earlier were not under similar pressure to remove their social policies or cut their overall public sector expenditure (as in Sweden and other Scandinavian countries).

Nevertheless, this led to a paradox, with social policy being attacked within austerity plans despite the fact that, first, it was not the cause of the crisis and second, it had helped to preserve social and economic outcomes in the first phase of the crisis (Vaughan-Whitehead, 2015a: 20).

²¹ All information available at <https://ces.uc.pt/observatorios/crisalt/>. Accessed in September 2018.

Although social dialogue played a key role in managing the crisis in the first wave of reforms, this institutional solution was put aside and came to be undermined on the second phase that focused on reducing public deficits (Confrontations Europe, 2016; Vaughan-Whitehead, 2015a: 20). Trade unions were generally not part of the processes of decision making to reduce public expenditure and to cut jobs and wages in the public sector. Social dialogue began to be seen as a constraint and a series of measures were adopted to weaken the practices and mechanisms of social dialogue, especially in the so-called deficit countries, like Greece, Hungary, Portugal and Spain (Vaughan-Whitehead, 2015a: 27). CRISALT argued in the above-referred publication that there was an attempt to create a new normal that reduces labour to the condition of an adjustment variable (Silva *et. al.*, 2017).

Vaughan-Whitehead (2015a) aggregates the impact of austerity packages on social dialogue in three major areas:

- 1) Tripartite mechanisms weakened or stopped. Most legislative changes in Europe aimed at relaxing employment protection legislation were introduced with only limited social dialogue.
- 2) Public sector: unprecedented shock. The unprecedented wave of adjustments was introduced in a context of rare negotiations and consultations with social partners.
- 3) Collective bargaining under attack. Changes in collective bargaining were severe and led to a profound decentralization and erosion of collective bargaining systems.

As shown in deliverable 6.2, the narrative of the absence of alternatives and lack of democratic dialogue combined with the threat of a future that will certainly be worse than the present had consequences for citizenship. On one side of the coin, it raised fear and resignation, but, on the flip side, it brought about a strong perception of injustice. The protests that spread throughout Europe, including movements like *Occupy* and *Indignados*, defended a real democracy that is not compatible with rules dictated by financial markets or the small group of the intimate civil society that benefits from them. If European institutions and their leaders claimed that austerity was the only way and national governments ruled according to that, protesters were discussing something different. They were not looking for solutions for the crisis inside of the current model, they wanted to discuss a new model of democracy that is open to the voices of citizens and takes seriously the values inscribed in European treaties and national constitutions (Meneses *et. al.*, 2003). Protests were not mobilized merely by a new generation of social movements inspired by the Arab Spring. For trade unions, industrial action (strikes, street protests and the like) were often their only way to have a say in decision-making processes. In some cases, the unions resorted to court, namely the Constitutional Court, to challenge unilateral decisions that were contrary to the constitutional law (Vaughan-Whitehead, 2015a: 27).

António Casimiro Ferreira argues that in addition to the obvious economic and financial aspects of the austerity model, there is also a social model of naturalization of inequalities of an “austerity society” that is characterized by a) fear as a source of legitimacy; b) the emergence of a new constellation of power that combines elected and unelected power; and c) destabilization of the normative structure with the use of a right of exception (Ferreira, 2011). Legitimacy by fear, prompted by predictions of catastrophic scenarios, asserts itself as a mechanism for converting the narrative of austerity into a dominant political-social model, assuring the absolute priority of the moral values of economic and labour neoliberalism (*idem*). The author quotes an expression of the Mozambican writer Mia Couto that poetically states “there is more fear of bad things than bad things themselves”, along with

by the idea that "there are those who fear the end of fear."²² Then concludes that fear and dystopism are constitutive of conversion narratives (Ferreira, 2011: 132).

²² See the full talk of Mia Couto "Há quem tenha medo que o medo acabe" available at https://youtu.be/5xtgUxggt_4, accessed March 2018.

PART II – NATIONAL SOCIAL DIALOGUE EFFECTIVE ROLE: COMPARATIVE ANALYSIS

As previously argued, the European Social Model was designed to be a common protective umbrella that gives sense to the European heterogeneity and ensures that development and progress remain side-by-side with social protection. The present comparative study covers research at the European level, in five EU member states and in Turkey. The countries involved experienced different democratic historical processes; occupy distinct positions within global economy and were unequally affected by the recent crisis and the austerity measures that came along. In this second part, we will focus on the previously stated question about the role of national social dialogue in the promotion of labour justice. That main question is now unfolded into some specific questions: When the social model is threatened or starts fading away does it have identical impacts everywhere? Is social dialogue as an instrument of labour justice compatible with imposed austerity packs? Concerning social dialogue different experiences, what do we conclude? Are there specific conditions on different scales (global, European, local) that determine the success or failure of social dialogue? Are there exemplar experiences that can serve as a model or inspiration to other countries? In order to answer these questions, case studies were developed by different teams according to common research guidelines. What follows is an outcome of the combination and comparative interpretation of research with different authorships. National reports will be abundantly quoted in order to be as faithful as possible to the team members' analysis. This report also aims to raise interest into national reports that bring a level a detail that is beyond the scope of this deliverable. They also use much wider interviews excerpts, giving voice to first-hand knowledge of the people involved in the social dialogue processes and allowing for an extensive and deeper understanding of the national practices.

3. Traditions in time and place. Where do the differences come from?

The D6.2 report (Meneses *et. al.*, 2018) concluded that European internal diversity is simultaneously a strength and a challenge. If the embrace of cultural diversity raises creativity and increases the ability to solve problems, policies and laws may have different results according to each country's position in the European economy and citizens' position inside civil society. This explains why neoliberal transformations were less dramatic in northern countries and why the same ideal of flexicurity has different consequences.²³ This does not mean, however, that common

²³ For more details on this topic, see Meneses *et. al.*, 2018.

(footnote continued)

goals and policies should not be defined, but that it is essential to understand historical processes and states' specificities to adapt ideas and plans to specific realities. Table 2 was created from combined information of national reports. Though it only gives some highlights on national social dialogue historical processes, it brings relevant elements to understand contemporary differences concerning the form, the strength, the relevance and the effectiveness of social dialogue practices.

Austria and the Netherlands unsurprisingly are the two countries where social dialogue is currently more effective. With strong welfare states (within Nordic and Continental models), both countries developed social dialogue structures in the context of the golden age of post war prosperity (Esping-Andersen, 1994) and under the influence of the Spirit of Philadelphia (Ferreira, 2016).²⁴ Though the UK was a pioneer for labour struggles and has a long tradition of collective regulation, the economic policies started moving away from the labour rights ideals even before the Washington consensus began spreading the neoliberal ideal worldwide. As stated by Katsaroumpas (2018), the attack on the traditional model under the Conservative Governments in power between 1979 and 1997 was strongly influenced by neo-classical economic approaches treating with suspicion any collectivist forms of wage regulation; public policy ceased viewing collective bargaining as a preferred public good. In 1974, when Austria and the Netherlands were years ahead in the development of structures of social and labour justice and UK was just about to give a step back in collective regulation, Portugal was trying to move on after four decades of a fascist dictatorship obsessed with the maintenance of colonies. Everything was to be done, starting by replacing the imperial ambition for the democratic project of European integration (Santos, 2012). It was more than a decade later, in 1998, under the course of the democratization process, that Hungary created its first national forum for tripartite cooperation between workers' and employers' representatives and the government. The Turkish report identifies the first attempt of social dialogue back in the Ottoman Empire (1908) and the first formal, regular and codified social dialogue mechanism in the late 1940s. However, the history of the country is not linear and is marked by setbacks on democracy. According to Yilmaz and Batughan (2018), it was only in the 1990s, with the impact of closer relations between Turkey and the European Union and revitalizing democratic politics, that Turkey experienced a relative democratization process and bipartite social dialogue started to flourish. While for Turkey, the approximation to EU meant the reinforcement of social dialogue, for Austria, in 1995, it meant a step back. See Table 3 below.

²⁴ About the spirit of Philadelphia, see the first part of the report.

Table 3 | Social dialogue in historical context

	Austria (Meier and Tiefenbacher, 2018)	Netherlands (Vries and Safradin, 2018)	UK (Katsaroumpas, 2018)	Hungary (Arendas and Hungler, 2018)	Portugal (Ferreira, Henriques, Araújo, 2018)	Turkey (Yilmaz and Batughan, 2018)
Dates of reference	1946 1995	1945 1982	1970s	1988	1974	1908 1963
Historical processes specificities	<p>In its current form, so encompassing actors who represent specific interests, the social partnership structure (<i>the Sozialpartnerschaft</i>) has existed since 1946 and emerged from the recognition that “large challenges are best faced in cooperation.” During the immediate post-War period, the need for intense re-building after the war atrocities was high. Thus, the basic components of the Austrian <i>Sozialparnterschaft</i> were born, with a focus on economic goals and development and the best possible way to achieve this.</p> <p>When Austria joined the EU in 1995, a paradigm shift took place which saw several changes:</p>	<p>The Netherlands has a strong tradition of social dialogue.</p> <p>The Social and Economic Council (SER) came into existence in 1950, after a long period of discussing which structures society and economy should have.</p> <p>The Labour Foundation was already established in the wake of the II World War in 1945, when trade union federations and employer’s organisations in the Netherlands established a private law cooperation body to advocate labour conditions in the Netherlands.</p> <p>In the early 1980s, a number of representatives from employers and employees took the</p>	<p>For most of the 20th century (up to 1980s/1990s), the UK had relied for wage-setting on (industry-wide) collective regulation rather than legislation.</p> <p>The last three decades have witnessed a reversal of this model. First, a long-standing process of de-collectivisation and de-centralisation of employment relations has significantly weakened and fragmented collective regulation. This process is driven, or at least facilitated, by the dismantling of the supporting institutional apparatus. Secondly, the Minimum Wage Act 1998 enacted for the first time a (nearly) universal statutory</p>	<p>The National Interest Reconciliation Council (Országos Érdekegyeztető Tanács, hereinafter, OÉT) is a macro-level, national forum for tripartite cooperation between workers’ and employers’ representatives and the government. Established in 1988 in the course of the democratization process, OÉT provided national social partners and the government with a formal structure for continuous dialogue.</p> <p>After the transition to the Republic, in the 1927 Great Assembly of Economy (Ali İktisat Meclisi) was formed under which the government was represented by 12 delegates and the rest of social partners was represented by 12</p>	<p>The social dialogue in Portugal has a recent history, compared with other European countries. The context in which the Portuguese experience emerged and developed is distinct from the context of countries where social dialogue arose earlier, within fordist industrial organisation and post-war economic and social commitment, with low unemployment rates and in economic growth processes.</p> <p>Social dialogue was particularly relevant in Portugal in 1984, following a deep economic crisis (decline in GDP and investment, high inflation and</p>	<p>The first attempt at social dialogue dates back to the Ottoman Empire in 1908.</p> <p>1027 – Transition to Republic</p> <p>1947 - the Law on Unions of Workers and Employers and Confederations acknowledged the right to establish trade unions and to collective bargaining. By that time also the Work Assembly (Çalışma Meclisi) was established and it can be considered the first formal, regular and codified social dialogue mechanism of Turkey.</p> <p>After the 1960 coup d’état, the new Constitution of Republic, the 1963 Law on Unions and the 1963 Law on Collective Bargaining, Strikes and</p>

	<p>first, the government became more involved in political and economic decisions than had previously been the case. This led to overall skewed competences and minimised playing room for tripartite negotiations as they had taken place until then, characterised by long-established formal and informal ties and decision-making mechanisms. In the new, European-oriented paradigm the Austrian government became the primary contact point for the European Union, and hence was more prominent in discussions within and outside the country. Second, the heterogeneity and plurality in the labour market that came with EU membership let the basis for the synchronisation of differing interests slowly melt away</p>	<p>initiative to save the Netherlands from economic disaster. This resulted in 1982 in the first social agreement within the Labour Foundation. In this so-called Wassenaar Agreement, the employers and the unions agreed to work together to strengthen the labour market sector. This central tripartite accord that was reached in 1982 between the foundation and the government is sometimes referred to be historic.</p> <p>The success of the Wassenaar Agreement resulted in 1996 in a new social agreement, the so-called 'Flex Agreement'. The aim of this agreement was to limit the increase in flex contracts – that resulted in major uncertainty for employees and weaker positions – in such a manner that these changes would also be accepted by employers</p>	<p>minimum wage (in force from 1st April 1999).</p>	<p>delegates. This configuration of the assembly implied the dominance of government in the social dialogue. This was partly due to the fact that the state assumed a pioneering role in undertaking industrialization attempts in a largely agricultural economy. Despite significant changes in the economic landscape of the country throughout the 20th century, this state-led and dominated approach to social dialogue continues to date.</p>	<p>unemployment) and strong social and political conflict, two years before Portugal entered the EU.</p> <p>Is possible to identify three main periods in the Portuguese dynamics of social dialogue: (1) the expansion and exhaustion between 1970 and 1980; (2) the return of social dialogue in the decade of 1990 (associated with the processes of European integration and globalisation); and (3) the present with a social dialogue model of the crisis</p>	<p>Lockouts acknowledged the right to unionize, take industrial action and lockout, and introduced collective bargaining mechanisms.</p> <p>The 24 January 1980 economy policy package followed by the 1980 coup d'état has significantly weakened the workers' movement.</p> <p>Throughout the 1990s, Turkey experienced a relative democratization process. In this democratization atmosphere, bipartite social dialogue between workers and employers started to flourish on the issues of mutual interest and in response to demands from governments.</p> <p>There is however a recent step back on this process.</p>
--	---	---	---	--	---	---

4. Distinctive features of social dialogue across national landscapes

Social dialogue is alive in all of the countries covered by this research, being stronger, more democratic and efficient in some countries than in others. Tables 4, 5 and 6 address national realities, considering some of the dominant forms of social dialogue in each country, the main actors and distinctive features. Though it uses highly selected information from national reports, it maps some of the diversity identified. In the first part of the report we presented a typology of five employment regimes (liberal, inclusive, dualist, southern European and East European) and a similar model that distinguishes five national systems of social dialogue (informal, Latin, Nordic, Central European and Benelux). Though some of the countries under study easily fit in those categories and models have heuristic value, we argue here that more important than fitting reality into concepts or defining new typologies is to understand how diversity was established and what can be learned from it.

It is not by chance that the Austria and Netherlands reports present the most optimistic national scenarios. Social dialogue is not just a legal imposition. In both cases, it is presented as functional because it is embedded in a democratic tradition of reaching decisions. The social partnership structure in Austria is defined by cooperation, concertation and the accordance of interests (*consensus*) between different actors, who work with a special trust relationship in the interest of all involved actors. It is institutionalised by means of a constant voluntary and informal cooperation, it has the capacity to self-administer, is intended as a mechanism to facilitate horizontal, democratic processes and has a stabilising function in times of crises (Meier and Tiefenbacher, 2018). Around 98 per cent of the Austrian workforce falls under collective agreements. The Netherlands has a strong tradition of social dialogue within the context of labour law developments and it is historically known for its well-functioning social dialogue system. The process of social dialogue is shaped by political relationships, which strongly hold on to the relevance of social consensus. Dutch *polder model* refers to a 'consensus based decision making' process, aimed to avoid severe public confrontations both on the governmental side as well as on the side of the social partners. Though currently under pressure as we will see, it has resulted in fewer strikes, improved protection of employees and employee satisfaction and increased employment and higher labour productivity (Vries and Safradin, 2018).

In the UK, social dialogue is an absent term, which reflects the general lack of peak-level bargaining, and collective bargaining is largely confined to firm-level bargaining (Katsaroumpas, 2018). This is certainly compatible with the so-called liberal Welfare State and liberal employment regime or with the flexible social dialogue model. Overall, it reflects the neoliberal trajectory chosen by the UK that prioritizes market rules over people's claims. Still, Katsaroumpas research resonates the complexity of social dialogue evaluation and identifies a relevant example of good practices. Choosing to focus on the role of social dialogue in wage-setting, the author concludes that Low Pay Commission has provided a valuable, well-functioning and effective form of social dialogue, existing as a notable exception rather the rule in the broader UK landscape of de-collectivisation. Because of its restricted scope and remit, it cannot address on its own the weaknesses produced by the scarcity of social dialogue institutions, mainly collective bargaining (Katsaroumpas, 2018).

In Hungary and in Portugal, social dialogue structures evaluation cannot ignore their democratic processes and the moment they became EU state-members. Hungary joined the EU in 2004 and is part of the countries of the former Soviet Bloc that went through neoliberal system transformations with a radical shift from the previous communist regimes. As

we saw in the previous report, Central and Eastern European welfare regimes are shaped by their past as planned economies and the current neoliberal trend and are described as recombinant welfare states with a mix of labour market-orientation, residual targeting and socialist universality (Meneses *et. al.*, 2018). Social dialogue is very centralized by the State. Most confederations and trade union leaders agree that social dialogue is existent and more alive on the local level as there is larger space left for trade unions' manoeuvring. The National Economic and Social Committee (NGTT) has no decision-making rights, but may draft proposals to the government. However, according to the national report, it actually seems to work the other way around: the government passes drafts of regulations to NGTT, often without leaving sufficient time to prepare an opinion. This results in the cabinet deciding on wage and employment-related regulations unilaterally. The Permanent Consultation Forum (VKF) does not have a well-defined work-programme or a yearly plan; it usually meets on the basis of actual issues prompted by a question or a change in the world of labour or in society in general. A representative of an employers' organization argues that the government uses it as a facade to pretend social dialogue, giving the impression of a democratically functioning tripartite system and legitimizing its decisions (Arendas and Hungler, 2018).

Portugal became an EU state member in 1986. One of the interviewed Portuguese unions' representative felt the need to name some of the European leaders of that period that defended social democratic values and allowed for unions to grow: Mário Soares, Willy Brandt, François Mitterrand, Olof Palme, Felipe González, Bettino Craxi.²⁵ However, as previously stated, Portugal had to face democratic and economic underdevelopment that resulted from a long and very archaic dictatorship and to build social justice structures when the Welfare State regimes were already being threatened by the global neoliberal turn. Social partners' main representatives are highly enthusiastic of tripartite and bipartite social dialogue, but weaknesses are recognised. Concerning collective bargaining in the private sector, the Labour Code of 2009 maintained the Labour Code matrix of 2003 about the reversion of the more favourable treatment principle by admitting that collective bargaining could set standards less favourable to the worker than stated in labour legislation. Tripartite social dialogue has to face some representative problems and an excessive state control. In the immediate period after the crisis, even before Troika's intrusion, there was a national attempt to empty social dialogue structures in order to impose the government plan. With a current left coalition supporting the Socialist Party's government, it is sometimes argued that social dialogue is presently made at the Parliament and not at the social concertation structures (Ferreira *et. al.*, 2018).

Turkey has been undergoing a significant political system transformation since the 2017 referendum. In the aftermath of the June 2018 general elections, the Turkish political system changed from a parliamentary democracy to a strong presidential system. This broader political system change may well have a significant impact on industrial relations and social dialogue; the extent, and content of which is not yet clear. However, in the evaluation done from the previous year's centralisation lies also a relevant feature concerning Turkish social dialogue. The head of all social dialogue mechanisms are government officials, government-appointed members or elected member of the meeting in which government has the most votes. Even though collective agreements are in theory bipartite social dialogue mechanisms, the pivotal role of the government in the functioning of collective bargaining in practice approximates them to a tripartite structure. The process of collective bargaining is bureaucratic and easily boycotted. Collective agreements are not extensible to all the workers in the same workplace, covering only the members of the signatory trade union and the extension of collective

²⁵ PTD6.4.02: union general secretary (UGT)

agreements to the sectors is rare (Yilmaz and Batughan, 2018). A summary of the key elements across the six countries is presented in Tables 4, 5 and 6.

Table 4 | National Social Dialogue main forms

Social dialogue main forms	Austria (Meier & Tiefenbacher, 2018)	Netherlands (Vries & Safradin, 2018)	UK (Katsaroumpas, 2018)	Hungary (Arendas & Hungler, 2018)	Portugal (Ferreira, Henriques & Araújo, 2018)	Turkey (Yilmaz & Batughan, 2018)
	<p>Social dialogue is bipartite and tripartite</p> <p>The negotiations on the collective agreements are core instruments of the Austrian social partnership.</p> <p>In the “social partner agreement” of 2006 (Bad Ischler Declaration), it was established that at least twice a year there should be a formal dialogue on the economy, education, and socio-politics by the social partners and the government to substitute the former role of 1957 Equal Commission for Wage and Price Issues, which was founded as a “balancing” instrument between the unions and the government. In addition to this, there are long-engrained informal traditions of dialogue.</p>	<p>Two forms of social dialogue have been established in the Netherlands:</p> <p>1) the bipartite Foundation of Labour (<i>Stichting van de Arbeid</i>) and</p> <p>2) the tripartite Social and Economic Council (<i>Sociaal en Economische Raad, SER</i>).</p>	<p>Tripartite - Low Paid Commission (LPC) - The Commission has the mandate of ‘recommending levels for the minimum wage rates.</p> <p>Collective bargaining is largely confined to firm-level bargaining.</p> <p>Sectoral bargaining is minimal, notably surviving in construction and manufacture.</p> <p>By contrast, the public sector is currently the “heartland” of trade unionism with high levels of membership, collective bargaining, collective regulation and strong social norms of membership.</p>	<p>The official forum of national level social dialogue is the National Economic and Social Committee (NGTT)</p> <p>To create an alternative consultation body, in 2012 the government invited selected trade union confederations and employer organizations to establish the Permanent Consultation Forum (VKF) to consult them on industrial policy.</p> <p>On the Sectoral level collective bargaining, there are at the moment 21 sectoral dialogue committees. The Sectoral Dialogue Council (ÁPBT) is a trilateral body composed of representatives of the employees and employers’ side of the sectoral dialogue committees and the minister.</p>	<p>In Portugal, the social dialogue takes place at the following levels:</p> <p>(a) bipartite dialogue: between the social partners, at the sectoral, enterprise group or company levels;</p> <p>(b) tripartite dialogue: between social partners and the government.</p> <p>The tripartite dialogue takes place in the Standing Committee for Social Dialogue and aims</p>	<p>Turkey’s complex social dialogue structure includes workplace-based or province-based and nationwide mechanisms, but national level mechanisms are more powerful and dominant in the structure.</p> <p>Even though collective agreements are in theory bipartite social dialogue mechanisms, the pivotal role of the government in the functioning of collective bargaining in practice approximates them to a tripartite structure.</p>

Table 5 | Contemporary main actors

	Austria (Meier & Tiefenbacher, 2018)	Netherlands (Vries & Safradin, 2018)	UK (Katsaroumpas, 2018)	Hungary (Arendas & Hungler, 2018)	Portugal (Ferreira, Henriques & Araújo, 2018)	Turkey (Yilmaz and Batughan, 2018)
<p>Contemporary main actors</p>	<p>The actors involved in the social dialogue process (Sozialpartner) are:</p> <p>The Austrian Chamber of Labour ((B)AK);</p> <p>The Austrian Trade Union Federation (ÖGB);</p> <p>The Chamber of Commerce (WKÖ);</p> <p>The Chamber of Agriculture (L(W)KÖ)</p> <p>Two more actors are important: the Federation of Austrian Industries (not formally embedded into the social partnership structure).</p> <p>In addition, the Austrian Institute of Economic Research (WIFO) is playing an increasingly important role in social dialogue. This stems from the increasing importance of scientific work and knowledge and the impact this can have on decisions made by economic, political and social institutions.</p>	<p>Trade unions (FNV, CNV, and few others)</p> <p>Employer’s organizations (VNO-NCW, MKB),</p> <p>Government (Ministry of Social Affairs and Employment).</p>	<p>Collective bargaining:</p> <p>Employers’ organisations;</p> <p>Unions.</p> <p>Collective bargaining arrangements tend to improve upon the minimum rates agreed by the Government following the recommendations of the Pay Review Bodies. These bodies consist entirely of independent experts.</p> <p>LPC membership consists of nine Commissioners: three independent Commissioners (two academics and the Chair), three Commissioners with trade union background and three with employer background.</p>	<p>The members of NGTT are: trade unions and employers’ interest groups; representatives of business chambers; NGOs in charge of national policy; scientific civil; organisations from Hungary and those of representing ethnic Hungarians abroad; Hungary’s historical churches; representative of artistic groups in Hungary and those of representing ethnic Hungarians.</p> <p>There are altogether 26 organisations participating in NGTT.</p> <p>Moreover, there are no permanent delegates from the government; its representatives only attend the plenary sessions, and participate only as observers.</p>	<p>The State;</p> <p>Unions’ Confederations with ideological differences (UGT and CGTP);</p> <p>Employers’ Confederations;</p> <p>The CPCS (Social Concertation Permanent Commission) assumes a tripartite composition.</p>	<p>The head of all social dialogue mechanisms are government officials, government-appointed members or elected member of the meeting in which government has the most votes.</p> <p>Participants in the private sector: workers represented by three ideologically different trade union confederations, namely TÜRK-İŞ, HAK-İŞ, and DİSK); employer or the union of the employer; Special Arbitrator; and State (State must authorize collective agreements).</p> <p>Participants in the public sector: Civil Employers Committee, Civil Servants’ Unions Committee, Civil Services Arbitration Board (with State representatives, civil servants confederations and academics).</p>

Table 6 | Distinctive national features

	Austria (Meier & Tiefenbacher, 2018)	Netherlands (Vries & Safradin, 2018)	UK (Katsaroumpas, 2018)	Hungary (Arendas & Hungler, 2018)	Portugal (Ferreira, Henriques & Araújo, 2018)	Turkey (Yilmaz & Batughan, 2018)
<p>Distinctive features</p>	<p>The Austrian model of social partnership is not legally enshrined, but institutionalised by means of a constant voluntary and informal cooperation.</p> <p>One core characteristic of the Austrian Sozialpartnerschaft is the capacity to self-administer. This means that according to the principle of subsidiarity they must take up tasks that cannot be taken up by individual actors and that cannot be fulfilled by the state due to reasons of (lacking) efficiency and (lacking) closeness to the public.</p> <p>Around 98% of the Austrian workforce falls under collective agreements, making Austria a textbook example for a corporatist structure.</p> <p>The Sozialpartnerschaft as it stands in Austria is</p>	<p>The Dutch social dialogue model is built on mutual trust in cooperation and on pragmatism. It is also built on everyone's own responsibility, by combining the interests that they represent with the will to find a solution in the interests of the country. The situation of consultation among social partners is very constructive. The result is broad social and political support for necessary socio-economic reforms and strengthening the competitive position of the Netherlands.</p> <p>Dutch <i>polder model</i> refers to a 'consensus based decision making' process, aimed to avoid severe public confrontations both on the governmental, side as well as on the side of the social partners.</p> <p>This polder model has resulted in fewer strikes, improved protection of employees, greater employee satisfaction,</p>	<p>Social dialogue is an absent term in the standard lexicon of British industrial relations, not least because of the general absence of peak-level bargaining (as it is the case in most other continental European countries).</p> <p>Kahn-Freund famously described the British model as 'collective laissez-faire'. This term was intended to capture and rationalise the marked British preference for 'voluntarist' and 'autonomous' bargaining with minimal legal intervention. Rather than being absent, the law played a dual supportive role. As negative law, it established a legal space by disabling the operation of common law's hostility to trade union organisation, collective bargaining and</p>	<p>NGTT has no decision-making rights, but may draft proposals to the government. However, it actually seems to work the other way around: the government passes drafts of regulations to NGTT, often without leaving sufficient time to prepare an opinion. This results in the cabinet deciding on wage and employment-related regulations unilaterally. Therefore NGTT is a simple advisory board on issues related to economic policy, budget and public health, instead of being a genuine interest reconciliation forum.</p> <p>VKF does not have a well-defined</p>	<p>Social dialogue in Portugal can be analysed as a case where the application of the neo-corporative model (of interests intermediation of capital and labour) in a semi peripheral country such as Portugal, influenced by several aspects: the revolution of April 1974, the centrality of the State in the labour relations regulation, the industrial interventionist tradition, the objectives imposed by the International Monetary Fund (IMF), the conditions for joining the euro area, and the weakness of the economic context and the importance of the State in this field. Additionally, the Portuguese system of labour relations and social dialogue was developed for political</p>	<p>The decisions of all provincial level and workplace-based mechanisms are binding, while at the national level, only two social dialogue bodies can make binding decisions. Other nationwide social dialogue mechanisms are consultative.</p> <p>Even though the pivotal role of the government in the existing social dialogue mechanisms, nationwide social dialogue mechanisms with consultative functions do not work in conformity with the legislations in force.</p> <p>While social dialogue mechanisms that make binding decisions meet regularly on the dates given in the legal texts; most consultative social dialogue mechanisms do not meet regularly.</p> <p>In some EU member states the extension of collective agreements to the sectors are commonly used but in</p>

	<p>firmly institutionally embedded and is intended as a mechanism to facilitate horizontal, democratic processes. The social partners contribute to economic prosperity and a well-equipped social welfare state; in turn, a well-equipped social welfare state contributes to the stabilisation of society and economy. Moreover, the social partnership has a stabilising function in times of crises.</p>	<p>increased employment and higher labour productivity.</p> <p>The Labour Foundation is one of the most important consultation bodies with regard to the coordination of working conditions in the Netherlands. It functions as a forum for top-level consultation between the two sides of the industry and also plays an important role at national level as an advisory body to the government on social and economic matters. Its main function lies in its influence on the climate of relations between employers and trade unions and its capacity as an informal channel alongside the Social and Economic. Council in advising the government.</p> <p>Usually the social agreements are conducted at the consultation table, but a great deal of prior consultation often precedes important social accords.</p>	<p>industrial action. As ‘auxiliary legislation’ it intervened in those marginal areas in which the disparity of power between employers and employees was so great as to prevent the operation of negotiation machinery’, including by supporting collective bargaining through various institutional forms.</p> <p>Overall Low Pay Commission has provided a valuable, well-functioning and effective form of social dialogue, existing as a notable exception rather the rule in the broader UK landscape of de-collectivisation. But because of its restricted scope and remit, it cannot address on its own the weaknesses produced by the scarcity of social dialogue institutions, mainly collective bargaining.</p>	<p>work-program or a yearly plan, it usually meets on the basis of actual issues prompted by a question or a change in the world of labour or in society in general. The government uses it as a facade, to pretend social dialogue, to give the impression of a democratically functioning tripartite system and to give legitimacy to its decisions.</p> <p>Most confederation and trade union leaders agree that social dialogue is more existent and alive on local level as there is more space left for manoeuvring for the trade unions</p>	<p>reasons, with fragile autonomous regulation by social actors in a socioeconomic context of crisis and transformation (and not of economic and social growth.</p> <p>With a left colligation in power (socialist party, communist part an left block), it is sometimes argued that social dialogue is currently made at the Parliament.</p> <p>The formal agreements in the social dialogue and the tripartite meetings represent only the visible and legitimating face of public policies.</p> <p>In Portugal, wages were and are among the lowest in Europe, there is no solid culture of negotiation and collective labour relations.</p>	<p>Turkey, the extension is rare.</p> <p>A trade union must get an authorization from the state to be able to conduct collective bargaining and sign a collective agreement. Upon receiving the authorization, the workers’ union can invite the employer. However, the employer has the right to object the authorization This process in practice has the potential to limit effective trade union activity in various ways. For example, during this legal process, trade union’s members may get fired, the employer may change its registered sector, hire new workers and convince some of the members to leave their union.</p> <p>Collective agreements are not extensible to all the workers in the same workplace, covering only the members of the signatory trade union.</p>
--	--	---	---	--	---	--

5. Previous trends and the crisis management

In the first part of the report one of the questions raised dealt with what happens to the social model when the European Union starts failing economically. When the economy crashes and citizens are not able to cope with the losses can they rely on the social model to ensure labour justice and the continuity of redistribution and participation principles? We can also make a different and complementary central inquiry: If the European Social Model is not only about rights but also about good economic performance and efficiency can the state and the economic agents rely on it when the economy crashes? Mario Draghi's statement in 2012 about the end of the European Social Model based on the idea that the European Union could no longer afford it represents a view largely embraced by many European leaders and backed up by the neoliberal and 'economising on justice' approach.

Focusing on social dialogue, Table 7 deals with national policy trends right before the crisis and Table 8 with the role of social dialogue through the crisis management. The first relevant evidence is that before the crisis, social dialogue structures were already under pressure even in countries where they were deeply rooted in a strong Welfare State and a consensus-based tradition as are the cases of Austria and the Netherlands (Meier and Tiefenbacher, 2018; Vries and Safradin, 2018). The UK entered the 2008 economic and financial crisis as a highly deregulated liberal market economy with limited, weak and fragmented social dialogue structures for wage-setting (Katsaroumpas, 2018). In Portugal, when the global financial crisis broke out in 2008, significant labour market reforms were already underway, including substantial changes in the legal framework of collective bargaining (Ferreira, Henriques and Araújo, 2018). A very interesting fact observed through the analysis of the reports is that the attack on social dialogue before 2008 is less visible in Hungary and Turkey. By 2008 Hungary was a very recent EU state member and Turkey had just become a candidate. Both countries had an obligation of commitment with the European ideals that leaders of long-term state-members apparently did not. The Turkish report clearly indicates that after obtaining the status of a candidate country for full EU membership in 1999, Turkish democratization experience reached its peak and Turkey started taking steps to widen social dialogue both at national and local levels throughout the 2000s (Yilmaz and Batughan, 2018).

In the UK and in Portugal the crisis became an opportunity to consolidate neoliberal discourses and policies and to progress on the Margaret Thatcher's project of changing people's souls. As discussed in the first section of this report the creation of a new individual neoliberal ethic, a new subjectivity is part of the neoliberal mission. Though austerity programmes are partially sustained by a technocratic and intricate discourse, after the crisis they were enrolled in a highly moralizing rhetoric. There was a publicly repeated fallacious narrative that the Portuguese people had been living beyond their means and now had to pay up. Rights and safety were treated as a luxury that the country could no longer afford, but also did not deserve. Despite being in a very different economic position, UK responsible politicians adopted a very similar moral tone. As sustained by Katsaroumpas (2018), this is evident in the statement of David Cameron (at the time Leader of the Opposition) that "the age of irresponsibility is giving way to the age of austerity".

In the UK, differently from the Eurozone countries' adoption of austerity in the presence of external factors linked to the lack of currency adjustment flexibility and as a condition for IMF/EU default-preventing financial assistance,

austerity was more self-imposed (Katsaroumpas, 2018). The then Portuguese government, facing a very serious situation of economic crisis, asked for external help and came to apply to a bailout programme. As a result, shortly after that, a group of representatives of the European Commission, the European Central Bank and the International Monetary Fund – the Troika – arrived in Lisbon to promote a rescue plan. The matrix of the Memorandum of Understanding signed in 2011 was described by a group of eight Portuguese economists in three words: austerity, liberalization and privatization (Abreu *et. al.*, 2013). These authors argue that far from being a new recipe, the strategy used is in line with the adjustment and stability programmes that were implemented by the IMF in different parts of the world during the 1980s following the Washington Consensus (*idem*: 71, 72). Contrarily from the other subjects of the Memorandum, the references on Labour Market were highly detailed, leaving no margin for discretion on unemployment benefits, working times and wage fixing. Also impressive was the effort of the Portuguese government to implement the measures. Contrasting with other chapters of the memorandum, labour measures were translated into legislation with no flaw. In some cases, the government went even further (Caldas, 2015: 12, 13). The requirements of the Memorandum affected collective bargaining in several areas and the effects were expressive: the total blockade of collective bargaining over wages in the public sector; and in the private sector the drastic decline in the number of sectoral conventions negotiated annually as well as the number of workers covered by them.

As stated in the Dutch report, since the economic crisis that hit Europe in 2008, social dialogue processes worldwide have been put to a test. However, the countries with the most developed and institutionalized forms of consultation between employers' organizations and trade unions, turned out to have a better start. In those countries, the governments were able to quickly negotiate solutions with the social partners. The Netherlands, for example, decided to reduce working time instead of opting for dismissals. Several EU countries that have implemented several austerity measures in response to the crisis without a social dialogue have, on average, suffered more and longer from the financial crisis. As shown in Table 8, this does not mean that Dutch social dialogue structures were not put under pressure and that there were no consequences from it. Social partners argue they should have been more consulted by the government in the process of responding to the financial crisis. The Dutch report authors conclude that the time of consensus-based decision-making is being jeopardized, in particular due to a lack of trust among the important stakeholders, which is a must for the effective functioning of this so-called polder model. However, not every problem results from the crisis or direct attacks on social dialogue. The old 'polder model' is having a hard time dealing with new developments related with the current world changes (as digitalization, migration, aging, individualization and globalization) and also internal effects that endanger the functioning of the Dutch polder model (the declining representativeness and organization rate of the trade unions, the internal tensions within the trade union movement, the growing heterogeneity between companies, and the decreasing authority of central organizations). The authors conclude that, when compared to other EU Member States, the Netherlands is generally recognized as having a functioning social dialogue. However, it needs to be a 'living instrument', that is to say that it needs to constantly renovate itself and to adapt itself to the rapidly changing (digital) society of today (Vries and Safradin, 2018).

The Austrian report is the most enthusiastic with the role of social dialogue structures in the answer to the crisis. According to the authors through cooperation with Sozialpartner (social partners) and the government the EU-wide trend of deregulation and privatisation could largely be avoided in Austria, which could in part be explained by well-functioning institutions and adaptability, as well as the geographical embeddedness in a strong economic area. In particular, the Sozialpartnerschaft (social partnership) played a positive role in stabilising employment and wage

policies. At national level the social partnership successfully negotiated measures to soften the economic slump during crisis and the negative impacts of flexibilisation and austerity measures in Austria – compared to other EU countries. Evidence is shown by the comparably small size of low-wage sector in Austria and the stability of unemployment rates during the economic crises. The success of the Austrian model of social partnership is highlighted by representatives of all interest organisations involved in it. Several arguments for the success and the importance of the social partnership are used: the social partners contribute to economic prosperity and a well-equipped social welfare state; a well-equipped social welfare state contributes to the stabilisation of society and economy. Moreover, the social partnership has a stabilising function in times of crises. The social partnership successfully negotiated measures (for example, short-time work) to soften the economic slump during crisis and the negative impacts of flexibilisation and austerity measures in Austria – compared to other EU countries. From 2009 to 2017, 56 “cooperation achievements” are reported by the social partners themselves and are accessible to the public. As in the Dutch case, this does not mean that Austrian Sozialpartnerschaft is not subjected to challenges, like the ones created by the drastic decline of membership in unions, the lack of confidence in institutions, the new forms of labour in new companies such as the start-ups or the migrant workers (Meier and Tiefenbacher, 2018). We will address some of the challenges in the next section.

Hungary, only five years after signing the Treaty of Accession to the EU, was already being pushed into the trend of narrowing social dialogue structures. As observed in D6.2, the Stand-By Arrangement signed between Hungary and the IMF already under the effects of the financial crisis included the reinforcement of structural adjustment measures with government expenses cuts, including wage freeze and elimination of the 13th monthly salary for public sector employees, elimination of the 13th monthly pension for early retirees, a cap of the 13th monthly pension for other pensioners, postponement or elimination of indexation of social benefits. Since 2011, the Hungarian government focused on narrowing down the influence of social partners and replacing the existing system of social dialogue with a centralized regime with consultation rights only. The legislative changes and the government’s policy on industrial relations after 2010 severely affected social dialogue in Hungary. Since 2011 the government has made great efforts to narrow down the influence of social partners. As one of the leaders of government-critical confederations explains, the national-level dialogues have emptied out since 2010, the beginning of the second Orban government, which also meant the change of law on social dialogue in Hungary and its immediate consequences. Hungary’s report authors describe social dialogue structures as an empty shell (Arendas and Hungler, 2018).

The Turkish report does not focus on the crisis discourses. Trade union confederation representatives, however, think that the mechanisms are hardly effective for them to influence the policy outcomes mainly due to the restrictions upon trade union activities, the unreliability of the practice of social dialogue, the consultative function of social dialogue, and the ability of other actors to bypass the compromise reached in social dialogue mechanisms. In Turkey the crisis hurt labour disproportionately, in line with similar situations witnessed among EU countries. Trade union confederations and employer organizations are not pleased by the current state of social dialogue, arguing that key decisions with respect to the labour market are taken outside of these mechanisms. To exemplify, one trade union representative suggested that social dialogue mechanisms were not used in heavy matters such as the inclusion of subcontracted workers in the public sector payroll and the current economic crisis. However, the report and the interviewed do not focus so much on the crisis disruption but on the challenges to the consolidations of fragile social dialogue structures (Yilmaz and Batughan, 2018).

A summary of the main elements that characterize the pre-2008 realities and the crises management in countries under study is presented in Tables 7 and 8.

Table 7 | Pre-2008 main trends

	Austria (Meier & Tiefenbacher, 2018)	Netherlands (Vries & Safradin, 2018)	UK (Katsaroumpas, 2018)	Hungary (Arendas & Hungler, 2018)	Portugal (Ferreira, Henriques & Araújo, 2018)	Turkey (Yilmaz & Batughan, 2018)
Pre-2008 main trends	<p>Questions of continuity and discontinuity heavily characterise the Sozialpartnerschaft in the context of the 21st century. Since 2000 with increasing liberalisation, deregulation and privatisation, there has been growing disconnect and dissent among political stakeholders at the bipartite, and the tripartite social dialogue. Compromises have become more difficult to achieve, and through the increasing influence of the government, the grounds for collective decision-making based on the consensus of all social partners has been steadily decreasing.</p> <p>The traditionally consensus-oriented approach to grant employees a certain share of companies' success is being increasingly challenged by the system of globalisation and the</p>	<p>The time of consensus-based decision-making is being jeopardized, in particular due to a lack of trust among the important stakeholders. All interviewees spoken to for this study have argued in one way another that the latest discussions on for example flexible/permanent labour contracts have not been as constructive as they wished it to be.</p> <p>The old 'polder model' is having a hard time with dealing with some of the changing world of today, like digitalization, migration, aging, individualization and globalization. In addition to these 'external' effects, there are also a couple of internal effects that endanger the functioning of the Dutch polder model: the declining representativeness and organization of the trade unions, the internal</p>	<p>For most of the 20th century, the UK had relied for wage-setting on collective regulation rather than legislation. The last three decades have witnessed a reversal of this model from collective to individual rights.</p> <p>The UK entered the 2008 economic and financial crisis as a highly deregulated liberal market economy with limited, weak and fragmented social dialogue structures for wage-setting.</p> <p>The 2008 social dialogue landscape is found to be the product of two contrasting trends. On the one hand, since 1980s, a process of rapid de-collectivisation and de-centralisation of employment relations has significantly weakened and fragmented collective regulation. This process was driven, or at least facilitated, by the dismantling of the supporting institutional apparatus. The analysis examines the overall decline</p>	<p>In the process of the EU accession, an agreement on the renewal of the social dialogue had been reached between the government and the social partners. The progress was rather sluggish though.</p> <p>Hungary became a member state of EU only four years before the financial crisis break out. The trend was of adopting the European social model while it was being questioned by European policies.</p>	<p>In Portugal, when the global financial crisis broke out in 2008, significant labour market reforms were already underway, including substantial changes in the legal framework of collective bargaining that resulted in the entry into force of the Labour Code 2009. After a long time of negotiations this legal document was very disappointing concerning the expectations about improving the norms of collective bargaining.</p> <p>It maintained the Labour Code matrix of 2003 about the reversion of the more favourable treatment principle by admitting that collective bargaining could set standards less favourable to the worker than stated in labour legislation.</p> <p>Important changes were included that resulted in</p>	<p>Throughout the 1990s, with the impact of closer relations between Turkey and the European Union and revitalizing democratic politics, Turkey experienced a relative democratization process. In this democratization atmosphere, bipartite social dialogue between workers and employers started to flourish on the issues of mutual interest and in response to demands from governments.</p> <p>Turkey started to take steps to widen social dialogue both at national and local levels throughout the 2000s. After Turkey obtained the status of a candidate country for full EU membership in 1999,</p>

	<p>international markets. Dividends became more important than investments into the employees, who develop and work out the profits. The trade unions have to resort to strikes and other means of defending more often to enforce their wage claims.</p> <p>The current government, which is based on a coalition of the Austrian People’s Party (ÖVP) and the Austrian Freedom Party (FPÖ), intends to weaken the role of the social partners as is pointed out in their governmental programme. Badelt points out, it remains to be seen which role the social partners will have in the future: whether their role will be decreased to their very core representative functions away from policy-making, or they will take on a stronger role in balancing democratic interests and take an increased role in fact-based policy making.</p>	<p>tensions within the trade union movement, the growing heterogeneity between companies, and the decreasing authority of central organizations. In fact, when compared to other EU Member States, the Netherlands is generally recognized as having a functioning social dialogue. However, social dialogue needs to be a ‘living instrument’, that is to say that it needs to constantly renovate itself and to adapt itself to the rapidly changing (digital) society of today.</p> <p>In the latest Social Agreement of 2013 for socio-economic policy until 2020, trade unions, employer organizations and the government agreed on a series of measures to stimulate the economy and employment. It was decided to tackle the increased flexibilisation, sham constructions and the evasion of collective labour agreements. It is too early to draw results from it.</p>	<p>of collective bargaining coverage and unionisation (especially in the private sector) and the abolition in 1992 of the institution of tripartite Wages Councils previously setting legally binding sectoral minima. On the other hand, since 1998, the UK has a Government-led statutory minimum wage regime, in which social partners along with independents are assigned a consultative role through their membership of the tripartite Low Pay Commission (LPC).</p> <p>Overall Low Pay Commission has provided a valuable, well-functioning and effective form of social dialogue, existing as a notable exception rather the rule in the broader UK landscape of de-collectivisation. But because of its restricted scope and remit, it cannot address on its own the weaknesses produced by the scarcity of social dialogue institutions, mainly collective bargaining.</p>		<p>the decentralisation of collective bargaining.</p>	<p>Turkish democratization experience reached its peak, which once again increased all social partners’ willingness to engage in social dialogue.</p> <p>In addition to the impact of the EU accession process on the establishment of new social dialogue mechanisms in Turkey, the ILO’s influence - which Turkey is a member and signatory to Regulation 144- has also been important.</p>
--	--	---	---	--	---	---

Table 8 | The crisis management

Austria (Meier & Tiefenbacher, 2018)	Netherlands (Vries & Safradin, 2018)	UK (Katsaroumpas, 2018)	Hungary (Arendas & Hungler, 2018)	Portugal (Ferreira, Henriques & Araújo, 2018)	Turkey (Yilmaz & Batughan, 2018)
<p>After the multi-level crisis in 2008, through cooperation with Sozialpartner and the government the EU-wide trend of deregulation and privatisation could largely be avoided in Austria, which could in part be explained by well-functioning institutions and adaptability, as well as the geographical embeddedness in a strong economic area. The economic output per capita, the employment rate and high economic growth remained surprisingly high, at the same time competition and exports remained positive and even benefited from the crisis. The automatic stabilisers embedded in the system, combined with social security systems stabilised the economy significantly and spurred political-economic interventions. In particular, the</p>	<p>Ever since the crisis, the tripartite SER has not been able to influence government policies and to reach agreements. It was the bipartite Labour foundation that had been able to successfully have an impact on government policies. Knecht and Verhulst (2016) argue in this context that the scope of social dialogue was lessened by government policies that prevented social partners from having a say in Employments Offices and the Social Security Administration. At the same time, the system of close cooperation between the social partners did continue since the crisis, which is quite an achievement. Social partners such as the FNV and CNV argue that compared to other Member States, we may feel blessed with our institutionalized social relations in the</p>	<p>Following the 2010 elections, the new Conservative-led Coalition Government (with Liberal Democrats as junior partner) embraced the politics of austerity and financial squeeze as major policy paradigms. In contrast to Eurozone countries' adoption of austerity in the presence of external factors linked to the lack of currency adjustment flexibility and as a condition for IMF/EU default-preventing financial assistance, British austerity was more self-imposed as a (supposedly) pre-emptive measure with moral associations. This is evident in the statement of David Cameron (at the time Leader of the Opposition) that 'the age of irresponsibility is giving way to the age of austerity'. The 2010 Coalition Agreement enshrined this position</p>	<p>The legislative changes and the government's policy on industrial relations after 2010 severely affected social dialogue in Hungary. Since 2011 the government has made great efforts to narrow down the influence of social partners; one of the key measures taken in that direction was the abolishment of the National Interest Reconciliation Committee (OÉT), which marks the end of genuine, national level tripartite dialogue. The aim of the government was to replace the existing system of social dialogue with a centralized regime with consultation rights only. Thus, as of January 2012, the National Economic is replaced by OÉT.</p> <p>The national-level dialogues have emptied out since 2010.</p>	<p>After 2008 there was a public repeated fallacious narrative that Portuguese people had been living above their possibilities and had to pay.</p> <p>The Portuguese government signed with the Troika a Memorandum of Understanding in 2011, which matrix had been described by a group of Portuguese scholars in three words: austerity, liberalization and privatization.</p> <p>Differently from the other subjects of the Memorandum, the references on labour market were highly detailed, leaving no margin for discretionary on unemployment benefits, working times and wage fixing. Also impressive was the effort of the Portuguese government to</p>	<p>The interviewees from trade union confederations and employer organizations do not find the current state of social dialogue satisfactory, as they think that key decisions with respect to the labour market are taken outside of these mechanisms. To exemplify, one trade union representative suggested that social dialogue mechanisms were not used in heavy matters such as the inclusion of subcontracted workers in the public sector payroll and the current economic crisis.</p>

<p>Sozialpartnerschaft played a positive role in stabilising employment and wage policies.</p> <p>The social partnership has a stabilising function in times of crises. At national level the social partnership successfully negotiated measures to soften the economic slump during crisis and the negative impacts of flexibilisation and austerity measures in Austria – compared to other EU countries.</p> <p>Evidence is shown by the comparably small size of low-wage sector in Austria and the stability of unemployment rates during the economic crises. The influence of the Sozialpartner can be seen in the context of counselling, service provision (insurances) and legislative processes.</p>	<p>Netherlands and we should continue working on them.</p> <p>The crisis has pressured social partners to reach an agreement in 2013. Knegt and Verhulp (2016) argue that in addition to the dismissal law, also the obligation to continue to pay wages in case of illness of the employee during a period of 104 weeks for two years, and the need to stay competitive and thereby reduce costs, have been reasons for employers to seek for more flexible and less expensive ways to employ persons. Especially the crisis and the flexibilisation trend have changed the way social partners conceive the labour market of today and they have therefore designed new strategies to deal with these matter</p>	<p>by ‘recognis[ing]] that deficit reduction, and continuing to ensure economic recovery, is the most urgent issue facing Britain’.</p> <p>Recent developments reinforce and deepen pre-crisis trends on social dialogue in wage-setting. On the one hand, the decline of collective bargaining and the abolition of the last Wages Council (Agricultural Wage Board) further the collapse of collective regulation. This is complemented by legal reforms placing additional constraints on unions’ ability to act effectively as collective bargaining and political actors. In the opposite direction, the minimum wage has been strengthened in terms of legitimacy and value with the central role of the tripartite Low Pay Commission</p>	<p>Members of the tripartite system are being systematically ignored and have no political, economic or social consequences. Formally, all the institutions of national level social dialogue are in place, occasional meetings are being held whenever the government finds it necessary to publicly legitimize its steps or decisions, some of the concrete issues are being put out on the table during such forums- but the mechanism and negotiating processes of such issues fall under serious concern (processual violations of democratic rules), not to mention the lack of any social, political or economic impact or whatsoever direct consequence of these national-level forum meetings.</p>	<p>implement the measures.</p> <p>The requirements of the Memorandum affected collective bargaining in several areas: (i) definition of wage policies in the public sector; ii) national minimum wage; iii) "structural reforms" of the legal framework about collective bargaining; and iv) matters that may be regulated by collective agreements, such as compensation for dismissal, organization of working time and remuneration for extraordinary work.</p> <p>The effects were expressive: the total blockade of collective bargaining over wages in the public sector; and in the private sector the drastic decline in the number of sectoral conventions negotiated annually as well as the number of workers covered by them.</p>	
--	--	--	---	---	--

Final notes and concluding remarks: challenges and lessons

Social dialogue may work as a real instrument to ensure labour justice and the effectiveness of redistributive and participative principles. However, two questions must still be raised. The first concerns a political choice for the future: does the EU want to rely on the social model or does it prefer to follow the paradigm of commodifying people entirely? The second is about national realities: are the national social dialogue systems in Europe healthy enough to support economic and financial problems?

Every national report mentions the need to face challenges. As we saw in the previous section, a large part of the problem regards the first question. Apparently, European social and economic policy followed by national governments is being directed to destroy the ESM. However, it also became very clear that the stronger social models, based on trust between social partners, were better equipped to come up with solutions to protect workers and economies. Dominant discourses after 2008 saw the crisis as an opportunity to correct previous alleged mistakes. Ten years later, we believe it is crucial to learn from the choices of the past decades and the policies followed mainly after 2010. The long and strong tradition of the Welfare State and social dialogue allowed Austria and the Netherlands to better cope with a worldwide crisis, protecting economy and maintaining a certain level of labour justice. The UK social dialogue and welfare self-destruction or the attacks on the already fragile social dialogue systems in Portugal, Hungary and Turkey were not part of a solution, but of the problem.

We do not defend one-size-fits-all-recipes. Learning from the examples of Austria and Netherlands is not about importing legislation. It means considering good examples under historical context to frame particular solutions. As demonstrated, the success of social dialogue results from decades of trust being built among the partners. This means, precisely, that institutional solutions must be defined according to realities and nurtured. It also means that in order to promote labour justice as defined in this report, social dialogue must not be an empty shell²⁶ nor be used as a legitimizing instrument to the impose of top down measures.

As stated in the Dutch report “social dialogue needs to be a ‘living instrument’, that is to say, it needs to constantly renovate itself and to adapt itself to the rapidly changing (digital) society of today” (Vries and Safradin, 2018). A list of problems is mentioned throughout the reports that need to be addressed if the path to follow is the one that combines healthy and efficient economy with labour justice. A dominant and cross over challenge is the loss of trade unions members and the associated risks of lost legitimacy. Even in Austria and Netherlands where social dialogue is functional, the problem is real. Vries and Safradin (2018) formulate the issue as follows: “Unions face the challenge to modernize themselves and to adapt to the changing circumstances of the ‘new labour market’, thereby also opening doors to new (younger) members and thinking of new ways to approach its constituencies”.

A similar statement about the need to adapt and modernize is done in the Austria report, considering not only unions but also the whole idea of social partnership:

²⁶ Expression used in the Hungarian report (Arendas and Hungler, 2018).

Christoph Badelt, the Director of the Austrian Institute for Economic Research (WIFO) held a speech on the occasion of 70 years social partnership. In this speech, he refers to professional literature and identifies positive and critical aspects of the social partnership. The positive aspects are: the social capital, which is created through the social partners, the reduction of spill-overs between labour market sections and low transaction costs in political decisions. On the critical side, he refers to the allegation that the social partners represent particular interests. Secondly, he refers to the cumbersome nature of the social partners and their tendency to be an element of structure conservation in a country. At the same time, he refers to the importance of the consensus-oriented work of the social partners for the social climate, political stability and the ability to competition in our country. At the same time, the allegation of structure conservatism is justified according to Badelt. The fact that the social partnership is enshrined in the Constitution and the social partner's search for consensus undermines radical reforms. This structure conservatism of the social partners is challenged by new forms of labour, such as the start-ups or migrant workers or traditional companies vs. new companies. An interviewed member of the trade union also acknowledges these challenges of changed times. He says:

I think that a social partnership is an extremely forward-looking concept. However, like anything and anyone on this planet, also the social partnership has to adapt anything it does and the way it is done to the changing framework as well as to the changing external circumstances. Internationalization nowadays is quite different than in the 50s or 60s. The belief that one can shape things alone on a national level was more true 50 years ago than today.²⁷

Social dialogue must be open to address employers and employees' conflicts in the contemporary labour market with new forms of labour. It must also be able to address different situations of workers' inequalities. As shown in the previous research (Meneses *et. al.*, 2018), within countries, some social groups were more affected than others by the crisis and austerity, such as women, young people and immigrants, already typically in a disadvantageous situation in the labour market and in the economy: women (extra burden compensating the welfare state deficit by assuming the work of the welfare society), older people (proportion of 55 years and older workers increases due to changes in retirement policies); young people (highly affected by the raising of unemployment, precariousness and flexibility of labour market); persons with disabilities (supported by the welfare state in northern countries and mainly by welfare society in southern countries), migrants (occupation of the most insecure jobs - uncivil civil society); Roma (continued to be one of the poorest minorities in Europe – uncivil civil society) (Meneses *et. al.*, 2018). Gender parity, discrimination against migrants or other minorities or the situation of refugees are issues to be considered in future and more extended research.

Defending the European social model and democratizing European institutions in the contemporary context is not a job only for the economists and certainly not for the ones with the economizing on justice approach. Behind the numbers, there are people that reports and statistics cannot represent. In 2014, a group of Portuguese artists made a project to denounce the austerity discourses fallacy that Portuguese citizens had lived beyond their means.

²⁷ ATD6.4.01: Official organ of social dialogue, representing the employee's side.

Though it might have been true for a small group of people, the intimate civil society, it was certainly not the reality of the majority. Boaventura the Sousa Santos, a Portuguese well-known sociologist prefaced the book and the film:

Pedro Neve's film and the photos of Adriano Miranda, António Pedrosa, Bruno Simões Castanheira, José Carlos Carvalho, Lara Jacinto, Paulo Pimenta, Rodrigo Cabrita and Vasco Célio are the most expressive exposure of the dictatorship of austerity getting weight over the Portuguese people that so far were given to me to be read or seen. A grotesque god, so ancient and trivial as it is the financial capital with no rules, creates sacrificial areas made of people and dreams, of aspirations and hopes. and destroys life not considering the ritual dignity of the sacrifices in honour of the Aztec emperors. Its dignity of resistance is the other side of our indignation.

It's an anti-manifest manifest because it does what it says and it says what it does. It shows the human being that is in front of the cameras next to the human being that is behind the cameras in a performative way. The solidarity between them is the proof that human being, which unfairly suffers the insult of living beyond its means, will keep on resisting, claiming his dignity as something vulnerable and unconditional, persisting on living below all probabilities (Santos, 2014).

The director of the film “Beyond our means” aimed to give an alternative narrative about the Portuguese reality:

There are people in this documentary. Living people that have never lived beyond their means. They have lived, at best, below all means. They are people with dreams desires and fears, with fears and anxieties, with an uncertain present and an unknown future (Neves, 2014).

Most of the national reports ends up with an undefined scenario. Recent changes in country's leaderships or recent accords make it difficult to predict what comes next. Portugal and Turkey present two contrasting scenarios. The first is the experience of an historical left-wing coalition in Parliament that is making efforts to combine financial stability with labour justice. Though it is still early to evaluate results, it is certainly an experience to take into account when considering the maintenance of the European Social Model (Ferreira *et. al.*, 2018). On the opposite side, there is the Turkish recent political change. In the aftermath of the June 2018 general elections, the Turkish political system changed from a parliamentary democracy to a strong presidential system. This broader political system change may well have a significant impact on industrial relations and social dialogue; the extent, and content of which is not yet clear (Yilmaz and Batughan, 2018).

Europe has to make a choice between the Spirit of Philadelphia and the neoliberal individualist path, between legitimacy by fear or legitimacy by dialogue. This report, along with the previous D.6.2, demonstrates that social dialogue structures and the ESM were not responsible for the crisis, being very useful to maintain labour justice in countries where they were functional. It is a choice between seeing people as a value or as a commodity only, between the original democratic project that includes labour justice or watching Europe becoming a caricature of itself.

Bibliography

- Abreu, Alexandre; Mendes, Hugo; Rodrigues, João; Gusmão, José Guilherme; Serra, Nuno; Teles, Nuno; Alves, Pedro Delgado; Mamede, Ricardo Pais (2013), *A Crise da Troika e as Alternativas Urgentes*. Lisboa: Tinta da China.
- Andreotti, Alberta; Garcia, Soledad Marisol; Gomez, Aitor; Hespanha, Pedro; Kazepov, Yuri and Mingione, Enzo (2001), "Does a southern European model exist?", *Journal of Contemporary European Studies* 9 (1): 43–62.
- Brabazon, Honor (2017), "Introduction. Understanding neoliberal legality". In Brabazon, Honor (Ed.), *Neoliberal legality. Understanding the role of law in the neoliberal project*. Oxon and New York: Routledge.
- Caldas, José Castro (2015), "Desvalorização do trabalho: do Memorando à prática", *Cadernos do Observatório*, n. 6. Lisboa: CES
- Caldas, José Castro (2017), "Economizing on Justice", ETHOS D6.1. Available at https://www.ethos-europe.eu/sites/default/files//docs/economizing_on_justice.pdf.
- Confrontations Europe (2016), *Overview of the Social Dialogue in Europe. Comparative analysis in 6 countries: Germany, France, Greece, Italy, Poland, Sweden. Summary report of the seminar held on 14 January 2015*. Industrial Relations in Europe.
- Costa, Ana; Caldas, José Castro (2014), "A União Europeia e Portugal entre os resgates bancários e a austeridade: um mapa das políticas e das medidas", in José Reis (ed.) *A economia política do retrocesso: crise, causas e objetivos*. Coimbra: Almedina, 72-107.
- Dardot, Pierre and Laval, Christian (2014), "The New Way of the World, Part I: Manufacturing the Neoliberal Subject", *e-flux Journal*, 51. Available at <https://www.e-flux.com/journal/51/59958/the-new-way-of-the-world-part-i-manufacturing-the-neoliberal-subject/>. Accessed on November 2018.
- Duménil, Gérard and Dominique Lévy (2004), *Capital Resurgent. Roots of the Neoliberal Revolution*. Cambridge: Harvard University Press.
- Esping-Andersen, Gøsta (1994), After the golden age: the future of the welfare state in the new global order by gøsta esping-andersen, occasional paper no. 7 world summit for social development. UNRISD: Geneve.
- Esping-Andersen, Gøsta (1999), *Social foundations of postindustrial economies*. New York; Oxford: Oxford University Press.
- European Commission (2008), *Communication from the Commission to the European Council: A European Economic Recovery Plan*. COM (2008) 800 final.
- European Commission (2016), *The role of social partners in the design and implementation of policies and reforms*. July, Brussels.
- Ferreira, António Casimiro (2011), "A sociedade de austeridade: Poder, medo e direito do trabalho de exceção", *Revista Crítica de Ciências Sociais*, 95: 119-136.
- Ferreira, António Casimiro (2016), *Política e Sociedade. Teoria Social em tempo de austeridade*. Porto: Vida Económica.

- Gallie, Duncan (2013), "Economic crisis, the quality of work, and social integration: Issues and context". *Economic crisis, the quality of work, and social integration: The European experience*. Oxford: Oxford University Press.
- Harvey, David (2005), *A Brief History of Neoliberalism*. Oxford: Oxford University Press.
- Harvey, David interviewed by Risager, Bjarke Skærlund (2016), "Neoliberalism is a Political Project". *Jacobin Magazine*. Available at <https://www.jacobinmag.com/2016/07/david-harvey-neoliberalism-capitalism-labor-crisis-resistance>. Accessed on October 2018.
- Hermann, Christoph (2017), "Crisis, structural reform and the dismantling of the European Social Model(s)". *Economic and Industrial Democracy*, 38(1), 51–68.
- ILO (2013), *National Tripartite Social Dialogue. An ILO guide for improved governance*. Geneva: ILO Publications. Available at https://www.ilo.org/wcmsp5/groups/public/@ed_dialogue/@dialogue/documents/publication/wcms_231193.pdf. Accessed in October 2018.
- ILO (2018), *Social dialogue and tripartism. A recurrent discussion on the strategic objective of social dialogue and tripartism, under the follow-up to the ILO Declaration on Social Justice for a Fair Globalization, 2008*. Report IV. Geneva.
- Jenson, Jane; Saint-Martin, Denis (2003), "New routes to social cohesion? Citizenship and the social investment state", *Canadian Journal of Sociology/Cahiers canadiens de sociologie*, 28 (1): 77–99.
- Jessop, Bob (2012), "Neoliberalism". In Ritzer, George (Ed.), *The Wiley-Blackwell Encyclopedia of Globalization*, vol 3, 1513-21.
- Jessop, Bob (2013), "Putting neoliberalism in its time and place: a response to the debate", *Social Anthropology*, 21 (1): 65-74.
- Judt, Tony (2005), *Postwar. A History of Europe Since 1945*. New York: Penguin Press
- Judt, Tony (2009), "What is living and what is dead in social democracy?", *The New York Review of Books*, December 17, 56 (20). Available at <https://www.nybooks.com/articles/2009/12/17/what-is-living-and-what-is-dead-in-social-democrac/>. Accessed in October 2018.
- Knegt, Robert; Verhulp, Evert (2016), *Diadse Dialogue for advancing Social Europe*, Country Report: the Netherlands.
- Knijn, Trudie; Theuns, Tom; Zala, Miklos (2018), *Multidisciplinary perspective on justice in Europe*. ETHOS D.2.3 [unpublished].
- Knox, Robert (2017), "Law, neoliberalism and the constitution of political subjectivity. The case of organised labour". In Brabazon, Honor (Ed.), *Neoliberal legality. Understanding the role of law in the neoliberal project*. Oxon and New York: Routledge, 92-118.
- Lima, Maria da Paz Campos (2015), "A reconfiguração do regime de emprego e de relações laborais em Portugal na ótica liberal". *Cadernos do Observatório*, 5.
- Lima, Maria da Paz Campos (2015), "A reconfiguração do regime de emprego e de relações laborais em Portugal na ótica liberal". *Cadernos do Observatório*, 5.

- Meneses, Maria Paula; Araújo, Sara; Ferreira, Sílvia; Safradin, Barbara (2018), *Comparative report on the types of distributive claims, interests and capabilities of various groups of the population evoked in the political and economic debates at the EU and at the nation state level*. ETHOS D6.2 [unpublished].
- Neves, Pedro (2014), “Beyond our means”, *Projecto Troika*.
- Rodrigues, João (2012), “Neoliberalismo”. In *Dicionário das Crises e das Alternativas*. Coimbra: Almedina.
- Rychly, Ludek; Pritzer, Rainer (2003), *Social Dialogue at National Level in the EU Accession Countries*. Geneva: ILO Publications. Available at https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/documents/meetingdocument/wcms_366163.pdf. Accessed in October 2018.
- Santos, Boaventura de Sousa (2002), *Towards a New Legal Common Sense*. London: Butterwords.
- Santos, Boaventura de Sousa (2012), *Portugal. Ensaio contra a auto-flagelação*. Coimbra: Almedina.
- Santos, Boaventura de Sousa (2014), “The endless flame of dignity”, *Projecto Troika*.
- Santos, Boaventura de Sousa (2017), “The Resilience of Abyssal Exclusions in Our Societies: Toward a Post-Abyssal Law”, *Tilburg Law Review*, 22: 237-258.
- Silva, Manuel Carvalho da (2012), “Trabalho”. In *Dicionário das Crises e das Alternativas*. Coimbra: Almedina.
- Silva, Manuel Carvalho da; Hespanha, Pedro; Teles, Nuno; Caldas, José Castro (2017), “Introdução. Trabalho e políticas de emprego: passado com lastro, presente conturbado e futuro indeterminado”. In Silva, Manuel Carvalho da; Hespanha, Pedro; Caldas, José Castro (org.), *Trabalho e Políticas de Emprego: um retrocesso evitável*. Lisboa: Actual, 15-33.
- Standing, Guy (2011), *The precariat: The new dangerous class*. London: Bloomsbury.
- Tzouvala, Ntina (2017), “Continuity and rupture in restraining the right to the strike”. In Brabazon, Honor (Ed.), *Neoliberal legality. Understanding the role of law in the neoliberal project*. Oxon and New York: Routledge.
- UEAPME (2003), *National systems of social dialogue in the EU*. ENTER Project, Background Factsheet n°3.
- Vaughan-Whitehead, Daniel (2015a), “The European Social Model in times of crisis: An overview”. In Vaughan-Whitehead, Daniel (Ed.), *The European Social Model in Crisis: is Europe losing its soul*. Cheltenham: Edward Elgar Publishing.
- Vaughan-Whitehead, Daniel (2015b), “Is Europe Losing Its Soul? The European Social Model in Times of crisis”. In Vaughan-Whitehead, Daniel (Ed.), *The European Social Model in Crisis: is Europe losing its soul*. Cheltenham: Edward Elgar Publishing.

List of national reports

- Meier, Isabella; Tiefenbacher, Wanda (2018), *The effectiveness of social dialogue as an instrument to promote labour justice – Country report Austria*. Ethos national report, D6.4. Austria: Europäisches Trainings- und Forschungszentrum für Menschenrechte und Demokratie.
- Vries, Sybe de; Safradin, Barbara (2018), *The effectiveness of social dialogue as an instrument to promote labour justice – Country report Netherland*. Ethos national report, D6.4. Netherlands: Universiteit Utrecht.
- Yilmaz, Volkan; Yuzuak, Batughan (2018), *The effectiveness of social dialogue as an instrument to promote labour justice – Country report Turkey*. Ethos national report, D6.4. Turkey: Bogazici Universitesi and Ozyegin Universitesi.
- Ferreira, António Casimiro; Henriques, Marina; Araújo, Sara (2018), *The effectiveness of social dialogue as an instrument to promote labour justice – Country report Portugal*. Ethos national report, D6.4. Portugal: Centro de Estudos Sociais da Universidade de Coimbra.
- Arendas, Zsuzsanna; Hungler, Sara (2018), *The effectiveness of social dialogue as an instrument to promote labour justice – Country report Hungary*. Ethos national report, D6.4. Hungary: Közép-Európai Egyetem.
- Katsaroumpas, Ioannis (2018), *The effectiveness of social dialogue as an instrument to promote labour justice – Country report UK*. Ethos national report, D6.4. UK: University of Bristol.

List of interviews

The Netherlands

- NLD6.4.01: Trade union representative FNV
- NLD6.4.02: Trade union representative CNV
- NLD6.4.03: Employer's organisation representative Social Affairs VNO-NCW and MBK (Middle Class companies)
- NLD6.4.04: State representative on social dialogue Ministry of Social and Working Affairs
- NLD6.4.05: NL Equality Body, Netherlands Institute for Human Rights
- NLD6.4.06: Representative Netherlands Institute for Social Research (SCP) & Academic
- NLD6.4.07: Representative bipartite Labour Foundation Netherlands social dialogue Stichting van de Arbeid
- NLD6.4.08: Self-employed lawyer, labour law
- NLD6.4.09: SER- Social Economic Counsel

UK

- UKD6.4.01: Male, union representative
- UKD6.4.02: Male, employer representative
- UKD6.4.03: Female, state official
- UKD6.4.04: Male, state official
- UKD6.4.05: Male, state official
- UKD6.4.06: Female, union representative
- UKD6.4.07: Female, union representative
- UKD6.4.08: Male, union representative

Portugal

- PTD6.4.01: Professional and academic expert on social dialogue
- PTD6.4.02: Trade union general secretary (UGT)
- PTD6.4.03: Trade union general secretary (CGTP)
- PTD6.4.04: Employer representative
- PTD6.4.05: Former trade union leader
- PTD6.4.06: Member of the Portuguese Association of Retired People

Hungary

- HUD6.4.01: Head of a large confederation, 68 years old, male
- HUD6.4.02: Deputy of a large employer association, 62 years old, male
- HUD6.4.03: Head of a confederation, 55 y, female
- HUD6.4.04: Head of an independent union in health care, 59 y, female
- HUD6.4.05: Leader of an independent trade union, 55y, male
- HUD6.4.06: A lead character of an organization for street protests regarding public education, 52 y, female
- HUD6.4.07: Trade union leader, 45 y, male

Turkey

- TRD4.4.01: TISK, Turkish Confederation of Employer Associations
- TRD4.4.02: HAK-IS, Turkey Right Workers' Unions Confederation
- TRD4.4.03: TURK-IS, Confederation of Turkish Trade Unions
- TRD4.4.04: ACSHB, Ministry of Family, Labour and Social Services
- TRD4.4.05: ACSHB, Ministry of Family, Labour and Social Services
- TRD4.4.06: DISK, Confederation of Progressive Trade Unions
- TRD4.4.07: TUSIAD, Turkish Industry and Business Association

Austria

- ATD6.4.01: Official organ of social dialogue, representing the employee's side
- ATD6.4.02: Official organs of social dialogue, representing the employer's side

ATD6.4.03: Representative of the Women Section of the Chamber of Labour

ATD6.4.04: Representative of ÖGB (Federal Trade Union) Women

ATD6.4.05: Representative of the ÖGB (Federal Trade Union), Green Party

ATD6.4.06: State official, federal level