STUDY

SOCIAL SERVICES AND THEIR REPRESENTATION IN SOCIAL DIALOGUE

in Bulgaria, Cyprus, Hungary, Lithuania, Malta and Romania

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CONTENTS

1. INTRODUCTION

The aim of the research project "Social Services in European Cross-Industry Social Dialogue – Towards a strong and deeper involvement" was to provide a better understanding of how social dialogue is organised (or not) in social services as regards the key actors involved – employees and trade unions, on the one hand, and employer organisations, on the other. Building on previous research of CEEP on the topic, the project focused on six countries: Bulgaria, Cyprus, Hungary, Lithuania, Malta and Romania.

This report summarizes the results of the analysis of social services and employer organisations and associations representing social services of general interest (SSGIs) as well as systems and practices of social dialogue in the six countries covered by the CEEP project.

The report is based on desk research, reviews of existing literature and approximately 60 face-to-face and telephone interviews with national stakeholders (namely representatives of national Ministries responsible for social services and employer organisations and associations) in the six countries, carried out by the expert coordinator and national experts.[1] Furthermore, the report reflects results from a questionnaire-based survey that was carried out between August and December 2018 aiming at gathering primary data from relevant employer organisations and associations in SSGIs in the six countries. The mapping identified more than 130 organisations and associations.

A further important source of information were round table meetings that were organised by CEEP and its three partner organisations in this project: UDES, the association of social enterprises in France, Unisoc, the national employer organisation of non-profit organisations in Belgium, and ALAL, the association of local authorities in Lithuania. Three round table meetings were held in Brussels in October 2018, Vilnius in December 2018 and Paris in March 2019, each hosted by the respective national project partner. The round table meetings – each of it focusing on two countries addressed by the study – provided the opportunity to present and discuss preliminary findings of the project and exchange on key challenges as well as legal and other framework conditions that in particular employer organisations in social services are facing in these countries.

Two of the project partners, members of CEEP, namely Unisoc and UDES, not only hosted the two round-table meetings in Belgium and France, but also provided important input on their organisations, the role of the social profit sector in both countries, and their embeddedness in national social dialogue and collective bargaining. Thus, also in the context of this report, both countries are serving as reference examples as regards issues such as definition of the sector, representativeness of employer organisations and the added-value of engagement in social dialogue.

[1] These are **Vassil Kirov** (Bulgaria), **Melinda Kelemen** (Hungary), **Elma Paulauskaite** (Lithuania), **Lara Bezzina** (Malta) and **Cristina Cornea** (Romania). Cyprus has been covered by the author of this report. Without their contributions (that are only partly reflected in this report) and the national expertise provided, this study would not have been possible.

This report is structured in the following sections: after an **introductory chapter**, **chapter two** provides an overview of the nature and structure of SSGIs and the social economy in the European Union in general, including its weight in terms of employment shares and spending. The **third chapter** describes the organisation of SSGIs in terms of overall responsibilities and the level and type of service provision, focusing on the six countries addressed by this study.

Based on EU comparative data and analysis, on country-specific research conducted in the context of this study and on results of the three round-table workshops, the **fourth chapter** provides detailed information about the social dialogue and collective bargaining in relation to SSGIs. After a brief introduction to the EU social dialogue and representativity, the chapter mainly focuses on the structural pattern, characteristics and challenges in Bulgaria, Cyprus, Hungary Lithuania, Malta and Romania as regards social services. A brief overview of key aspects of the industrial relations systems (namely concerning social partner organisations, institutions and process of social dialogue) is followed by a focus on employer organisations and associations in the social service sectors. The data of this analysis have been gathered in the context of a mapping of social services in the six countries. The **concluding chapter five** summarises key conclusions and draws some recommendations for activities in order to strengthen the voice of social services and in particular the social economy in social dialogue at EU and national level.

In the **annex** of this report, a detailed table is included documenting those sector-related organisations that have been identified by the country-specific mapping of SSGIs.

It should be noted that this report covers situations and developments in the six focus countries until March/April 2019. While in some cases more recent developments and changes might have been addressed, the author and co-authors are aware that in some countries there have been more recent changes that are not covered by this report.

The author of this report would like to thank all those who contribute to this study by multiple channels – interviews, providing written or oral input in the context of the round table meetings and the technical training workshop, providing written documents and statements or comments on drafts of this and earlier version of the report. Only these inputs enabled the research team to gather information and data that make this report valuable, providing new evidence to the topic.

2. SOCIAL SERVICES OF GENERAL INTEREST – AN OVERVIEW

2.1 DEFINITION OF SSGIs

Building on the previous CEEP project on social services as well as on the CEEP mapping of public services study, Social Services of General Interest (SSGIs) for the purpose of this project are defined as **services with a distinct social objective**.

The historical development of these services varies from country to country but has been strongly influenced by the establishment of the welfare state and the role of the voluntary/ not-for-profit sector, including churches and community groups. In the Central and Eastern European Countries, SSGIs have evolved more recently in the context of the welfare policy regime change and the accession to the European Union.

Demarcation of SSGIs is difficult: As the following overview table shows, social services of general interest as defined for the purpose of this report, cut across traditional sectors such as education, healthcare, residential care or social work activities. Furthermore, SSGIs also cover social enterprises such as cooperatives, associations or mutual societies. Also, social enterprises have a cross-cutting sectoral nature as they are defined by a specific legal form and not by a specific sector. [2]

TABLE 1: **SCOPE OF THE ANALYSIS: SOCIAL SERVICES OF GENERAL INTEREST**

DEFINITION	NACE CODE
Other education - Includes education that is not definable by level, academic tutoring, learning centres offering remedial courses, professional examination review courses, language instruction and conversational skills instruction, computer training, religious instruction, lifeguard training, survival training, public speaking training, speed reading instruction. Does not include: adult literacy programmes see 85.20, general secondary education, see 85.31, technical and vocational secondary education, see 85.32, higher education, see 85.4	85.59
Hospital activities - *only part of the mapping of the sector as this sector is addressed by a current Eurofound Representativeness Study*	86.1
Medical and dental practices - *only part of the mapping of the sector as this sector is addressed by a current Eurofound Representativeness Study*	86.2
Other human health activities - activities of nurses, midwives, physiotherapists or other paramedical practitioners	86.9
Residential nursing care activities	87.1

[2] For further information on social enterprises such as mutual societies and their role in the European insurance market, please consult the specific website of the European Commission: https://ec.europa.eu/growth/sectors/social-economy/mutual-societies_en

DEFINITION	NACE CODE
Residential care activities for mental retardation, mental health and substance abuse	87.2
Residential care activities for the elderly and disabled	87.3
Other residential care activities - e.g. orphanages, children's boarding homes, temporary homeless shelters, institutions that take care of unmarried mothers and their children, juvenile corrections homes, halfway homes for persons with social or personal problems	87.9
Social work activities without accommodation for the elderly and disabled - includes social, counselling, welfare, referral and similar services which are aimed at the elderly and disabled in their homes or elsewhere and carried out by government offices or by private organisations, national or local self-help organisations and by specialists providing counselling services; visiting of the elderly and disabled; day-care activities for the elderly or for disabled adults; vocational rehabilitation and rehabilitation activities for disabled persons provided that the education component is limited	88.1
Child day-care activities - including activities of day nurseries for pupils, including day-care activities for disabled children	88.91
Other social work activities without accommodation - not elsewhere classified, including social, counselling, welfare, refugee, referral and similar services which are delivered to individuals and families in their homes or elsewhere and carried out by government offices or by private organisations, disaster relief organisations and national or local self-help organisations and by specialists providing counselling services; welfare and guidance activities for children and adolescents; adoption activities, activities for the prevention of cruelty to children and others; household budget counselling, marriage and family guidance, credit and debt counselling services; community and neighbourhood activities; activities for disaster victims, refugees, immigrants etc., including temporary or extended shelter for them; vocational rehabilitation and rehabilitation activities for unemployed persons provided that the education component is limited; eligibility determination in connection with welfare aid, rent supplements or food stamps; day facilities for the homeless and other socially weak groups; charitable activities like fund-raising or other supporting activities aimed at social work.	88.99

Health and social services[3] are a fundamental part of social protection systems as they cover different types of risks which an individual can face during one's life course. They play a pivotal role in ensuring effective and efficient social protection by promoting social inclusion and reducing the risk of poverty and inequalities as well as improving social cohesion. To achieve these goals, the quality, access, coverage, and affordability of social services are essential.

The Social Investment Package (SIP) published in February 2013[4] emphasised the important role of social services, highlighting that they represent a smart and sustainable investment. Indeed, they do not only assist people but also have a preventive, activating and enabling function if well-designed.

[3] The term "social services" covers a large variety of services such as, for instance, early childhood education and care (ECEC, also known as childcare), long-term care for the elderly and for people with disabilities, social assistance, social housing, training and employment services. See also Communication on "Implementing the Community Lisbon programme: Social services of general interest in the European Union" (COM (2006) 177 of 26 April 2006).

[4] See: https://ec.europa.eu/social/main.jsp?langId=en&catId=1044&newsId=1807&furtherNews=yes.

According to the 2006 Communication of the European Commission, social services often present in practice one or more of the organisational characteristics below:

- they operate on the basis of the solidarity principle, which is required, in particular by the non-selection of risks or the absence, on an individual basis, of equivalence between contributions and benefits,
- they are comprehensive and personalised integrating the response to differing needs in order to guarantee fundamental human rights and protect the most vulnerable,
- they are not-for-profit, they address the most difficult situations and are often part of a historical legacy,
- they include the participation of voluntary workers, expression of citizenship capacity,
- they are strongly rooted in (local) cultural traditions. This often finds its expression in the proximity between the provider of the service and the beneficiary, enabling the taking into account the specific needs of the latter,
- they are characterized by an asymmetric relationship between providers and beneficiaries that cannot be assimilated with a 'normal' supplier/consumer relationship and requires the participation of a financing third party.

Though both concepts are not overlapping, SSGIs in some EU countries (for instance in Austria and Germany) are also known as the "social economy" or as the "social profit sector" (as in Belgium and France - see textbox below).

DEMARCATION OF THE SOCIAL PROFIT SECTOR IN BELGIUM AND FRANCE

In **Belgium**, the social profit sector consists of public and private companies and providers of services in the following sectors:

- Hospitals
- Health centres and services
- Services to assist families and elderly people
- Education and residential facilities and services for the youth and disabled people
- Organisations providing public and social work and workshops
- Organisations and non-profit companies on socio-cultural issues
- Teaching
- Social activities organisations

In **France**, the social profit or solidarity economy has been legally defined in 2014.[5] The sector consists of legal entities taking the form of associations, mutual and cooperatives in a broad range of sectors:

- Culture
- Inclusion/integration
- Empowerment
- Popular education
- Support and residential shelter
- Health, social and medical social activities
- Health mutuals
- Insurance mutuals
- Agriculture cooperatives
- Craft cooperatives
- Banking cooperatives
- Trade cooperatives
- SCOP/SCIC*

Source: Unisoc and UDES

* SCOPs are participatory cooperative societies (SCOPs) are commercial enterprises of the "société anonyme" or "société anonyme à responsabilité limitée" type. They can take two different legal forms: the cooperative and participatory society or the collective interest cooperative society, SCIC.

[5] Law No. 2014-856 of 31 July 2014 on the Social and Solidarity Economy (SSE). See also chapter 7 in the joint OECD/EU Commission report: "Boosting Social Enterprise Development Good Practice Compendium, Paris, 2017".

2.2. DELIVERING SSGIs: PUBLIC VERSUS PRIVATE AND PROFIT VERSUS NON-PROFIT

SSGIs are delivered in very different ways across Europe as well as within the EU, depending for example on the evolution of the national welfare state and on the role of the voluntary or not-for-profit sector, including churches, community organisations, mutual societies or cooperatives. In several countries (for example in France, Belgium, Portugal) there is a specific notion and legal concept of 'social enterprises', the 'social economy' or the 'social profit sector' while this definition does not exist in other countries.

Key modes of delivering SSGIs are the following:

Public sector delivery or commissioning of SSGIs:

- In many countries, government (departments), public sector agencies or municipal authorities commission SSGIs and contract for-profit and / or not-for-profit providers to deliver social services.
- Also, public authorities (national, regional or local government) fund social services of general interest by providing money directly to individuals.
- And finally, in some countries social services are still delivered by municipal or regional government authorities.

Private sector delivery of SSGIs:

- *For-profit sector* providers of social services operate to make a profit. They may operate with shareholders or they may be private companies, owned by one or more individuals. The business structure of for-profit providers of SSGIs is characterised by many very small companies but also larger ones.
- Large multinational companies delivering private, for-profit social services, e.g. in hospital, residential care or social housing are also increasing.
- *Not-for-profit sector* providers of social services, which do not operate to make a profit. In some countries this sector may be called the voluntary or charitable sector.

Although several countries still have a large public sector provision, the contributions of not-for-profit and for-profit sectors are growing across EU countries. As reported in a recent comparative overview of 22 EU countries[6], in particular in Central and Eastern European countries such as Bulgaria, Hungary, Lithuania, Poland and Slovenia there has been an expansion of the not-for-profit sector. Furthermore, there is some evidence that the not-for-profit sector specialises in certain types of services, for example, for people with disabilities in France. Child-minding provision is most often found in the for-profit/ not-for-profit sectors.

In recent decades, there has also been an increase in private for-profit sector provision although it remains the smallest sector in the majority of EU countries (except in the UK where it is the largest sector). There has also been a reduction in state provision in many countries. The growth of for-profit providers is often accompanied by competition within the sector which affects wages and the position of not-for-profit providers. For-profit provision can be seen most clearly in the provision of home care services.

[6] Lethbridge, J. 2017: Promoting employers' social services in social dialogue. Project PESSIS 3. Final European Report 3, Brussels, July 2017, p. 14.

2.3. EMPLOYMENT IN SSGIs

It is difficult to compare different countries because definitions of social services may vary. In many countries, social services are the responsibility of more than one government department but are found most often in the health, local government or social welfare departments. According to data and analysis provided by the European Commission[7], more than 80% of employment in health and social services in four of the countries addressed by this research (namely Romania, Cyprus, Bulgaria, and Lithuania) is in human health activities because other segments are small. By contrast, in the Nordic Countries as well as in Belgium or France, residential care and social work are much larger sectors with a higher employment rate.

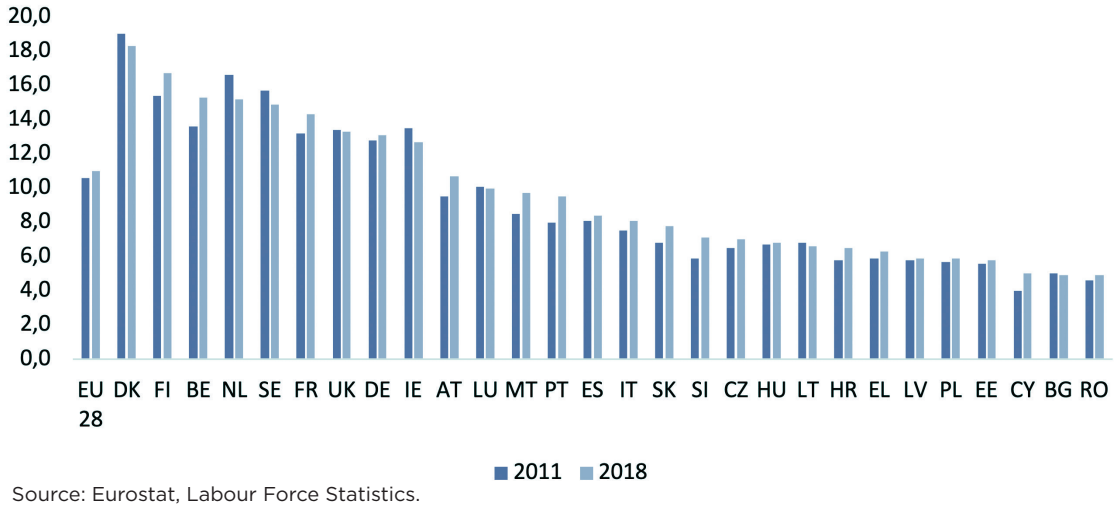
According to a Eurofound report[8], 2.1% of the EU workforce in 2012 was employed in the residential care sector.

Highest employment shares were in Sweden, the Netherlands and Denmark with more than 4% whereas the focus countries of our study ranked very low, e.g. Cyprus and Bulgaria 0.5% and Romania 0.4%. These gaps in employment in residential care according to a sectoral analysis carried out by the EU Commission in 2017/2018[9] result from the fact that care in most Southern, Central and Eastern European countries is either provided by family members or by the informal sector. Health and social services workers are often grouped together in national statistics, which makes it difficult to define the precise number of social services workers. In some countries, social services only refer to a non-market sector providing care services to different groups. In other countries, there are three distinct sectors: public, for-profit and not-for-profit.

The following **figure 1** presents the share of employment in the human health and social work sector in the 28 Member States as of 2018, and its evolution since 2011.

FIGURE 1:

SHARE OF EMPLOYMENT IN HUMAN HEALTH AND SOCIAL WORK ACTIVITIES IN TOTAL EMPLOYMENT (IN PER CENT, 2011 AND 2018)



Source: Eurostat, Labour Force Statistics.

[7] Figures are taken from the EU Commission's Quarterly Review Supplement and refer to the following NACE Rev. 2 classes: Human health (Q86) includes hospital activities, medical and dental practice activities, and other human health activities. Residential care (Q87) includes residential nursing activities, residential care activities for mental retardation, mental health and substance abuse, residential care activities for the elderly and disabled, and other residential care activities. Social work activities (Q88) include social work activities without accommodation, social work activities without accommodation for the elderly and disabled, and other social work activities without accommodation.

[8] Eurofound: Residential care sector: Working conditions and job quality, Dublin 2018.

[9] European Commission: Challenges in long-term care in Europe. A study of national policies, Brussels 2018.

The share of employment in human health and social work is the highest in Denmark with more than 18.3%, followed by Finland (16.7%), Belgium (15.3%), the Netherlands, Sweden, France, the UK, Germany and Ireland that are ranking above the EU average of 11%.

By contrast, the share of employment in human health and social work activities in our focus countries are markedly lower: 9.7% in Malta, 6.8% in Hungary, 6.6% in Lithuania, 5.5% in Cyprus and – ranking lowest – 4.9% in Bulgaria and Romania

As regards the change of employment between 2011 and 2018, change on average (EU28) was positive but not very significant (0.4 percentage points). It was highest in Belgium (1.7) and was around 1 percentage point in Cyprus, Malta and France, only slightly increased in Hungary and Romania, but decreased slightly in Lithuania and Bulgaria.

However, national sources have stressed quite different employment development trends. For example, the Ministry of Social Security and Labour of the Republic of Lithuania in a presentation to a round table workshop of the CEEP project highlighted a strong growth of employment in social services as the **figure 2** below shows.

The employment size of the social profit sector in Belgium and France according to the employer organisations Unisoc and UDES is quite significant:

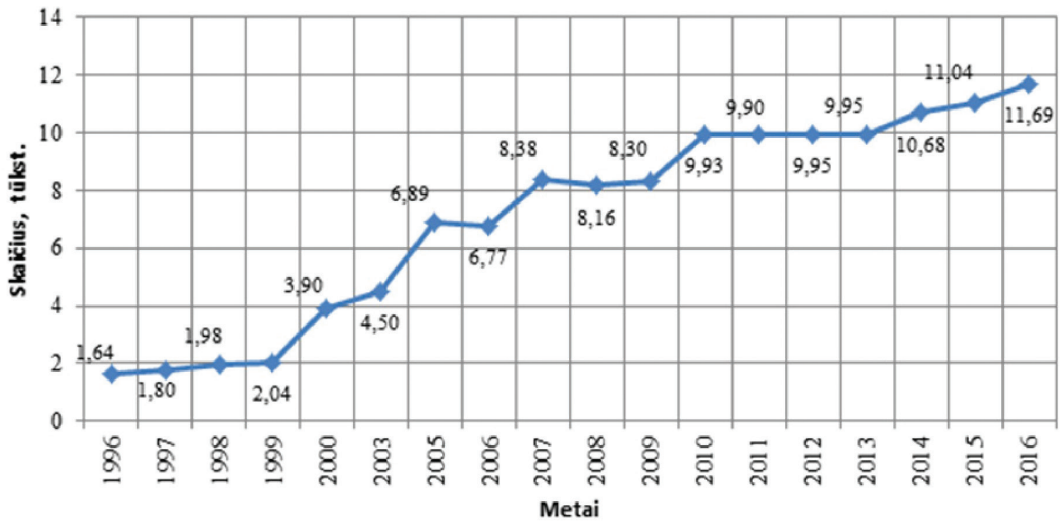
In France the sector represents 2.3 million employees and 10.5% of total employment. The share of the sector in private business is 14%. The sector is characterised by more than 200,000 mainly micro and small enterprises.

In Belgium, the social profit sector according to Unisoc employs more than 700,000 persons which translates into 18.3% of the total national workforce. Around one-quarter of the social profit sector's workforce are employed in the public sector and three quarters by private companies.

In both countries, the social profit sector has been growing quite steadily in the past decade and is also expected to grow further in the future.

FIGURE 2:

EMPLOYMENT IN SOCIAL SERVICES IN LITHUANIA (IN THOUSANDS, 1996 – 2016)



Source: Ministry of Social Security and Labour of the Republic of Lithuania. Presentation held on 18 December 2018 in Vilnius.

2.4. WORKING CONDITIONS

As regards the structural features of the workforce of the health and social services, the high share of female work – with women representing nearly 80% of all employment – stands out. According to the EU Commission's 2014 analysis[10], also more than 80% of all newly created jobs are occupied by women. Further features are the higher than average skills levels of workers in the health and social services and higher shares of part-time work. The share of part-time work has also increased during the 2008 crisis.

As labour-intensive activities, in a period of rising unemployment, social services make for a significant contribution to employment provision as well as to value-added activities, although there is yet to be full recognition of the potential of these activities. There are signs that the austerity measures, adopted by some European governments, are beginning to impact on this expansion even though demand for social services will remain high because of the expanding percentage of the population aged 65+.

Reductions in social services budgets across the EU are affecting the negotiation of wages and working conditions. This is making recruitment and retention more difficult because low wages are unable to compete with higher-paying sectors.

Social services have a high proportion of women workers. In some countries around (Latvia, Lithuania, Finland) or even more (Estonia) than 90% of workers are women, many working part-time, as mentioned above. A large percentage of women workers are aged 40 or above in many countries.

In several countries, a relatively high proportion of social services workers are migrant workers, for example, Austria, Netherlands and the United Kingdom. In some Central and Eastern European countries, social services workers leave to work in other European countries in search of higher wages, which results in a 'care deficit'. Countries then have to recruit social services workers from other countries, e.g. Ukraine, Vietnam.

This profile of social services workers has several implications for the future. The rapid growth rate of these activities must be met by an expansion in either a younger workforce or by drawing in more male workers or more migrant workers. It will require changes in the image of employment in social services, which is currently characterised often by low paid, and part-time work, in order to attract a wider range of workers.

2.5. SPENDING ON SOCIAL SERVICES – SIGNIFICANT GAPS AND NO SIGNALS OF CONVERSION

Expenditure on social protection is mainly financed by public budgets. It can be disaggregated into cash benefits and benefits-in-kind. Cash benefits include pensions, maternity payments, sick and parental leave, family allowances and unemployment benefits. Benefits-in-kind i.e. benefits granted in the form of goods and services, encompassing healthcare services, social assistance and services such as childcare and care for the elderly and disabled. While only part of the spending on cash benefits is intended for the consumption of social services, practically all the spending on benefits in kind finances social services.

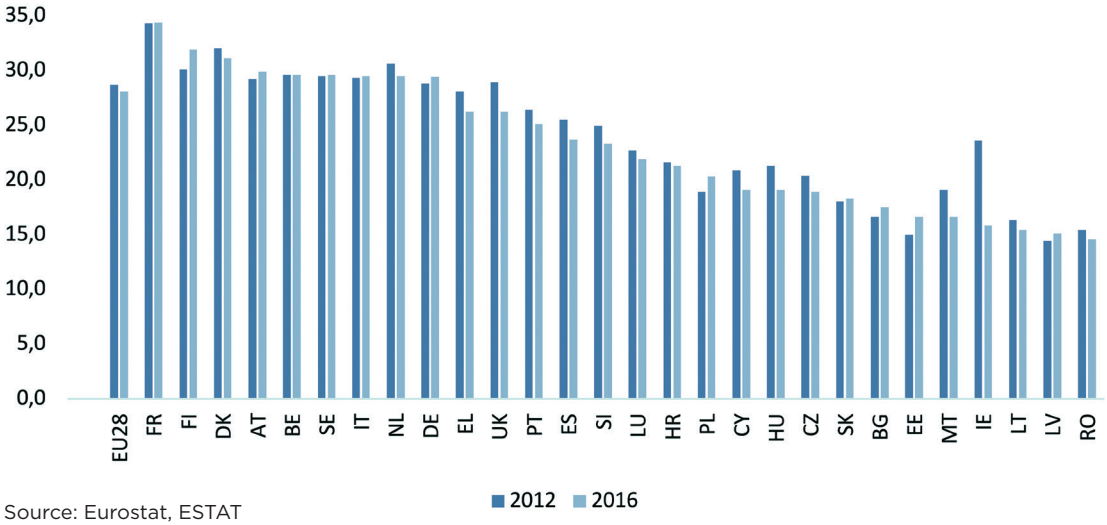
The following **figure 3** provides information on social protection spending in the EU28 and the evolution of spending between 2012 and 2016.

In 2016, expenditure on all types of social protection in the EU was equivalent to 28.1 % of GDP (see **figure 2**). Compared to 2012, the share decreased by 0.6 percentage points. There is a huge gap of social protection spending

[10] European Commission: EU Employment and Social Situation. Quarterly Review Special Supplement 'Health and social services from an employment and economic perspective', Brussels 2014.

FIGURE 3:

SOCIAL PROTECTION SPENDING AS % GDP, 2012 AND 2016



Source: Eurostat, ESTAT

between countries in North-Western Europe such as France (34.4%) or Belgium (29.6%) and the focus countries of this study: Cyprus and Hungary 19.1%, Bulgaria 17.5%, Malta 16.6%, Lithuania 15.4%, Romania 14.6%. Furthermore, according to Eurostat figures, social expenditure as a share of the national GDP decreased between 2012 and 2016 in Romania, Lithuania, Malta, Hungary and Cyprus. Only in Bulgaria, the share slightly increased during that period.

2.6. KEY POINTS

- Against demographic, social and other trends, social services are very dynamic, also becoming more important in terms of employment contribution and economic value – though official employment figures not always indicate this role
- Depending on their demarcation (SSGIs, social services, social profit sector) Social Services have experienced significant growth in employment
- Social services are labour intensive activities and employers face a growing demand for workers, leading to problems of recruitment and retention within social services organisations
- Key actors in delivering SSGIs are the state/government as well as private non-profit organisations
- The private social services activities are fragmented with a majority of small- sized enterprises in the for-profit and not-for-profit sectors

SOCIAL SERVICES OF GENERAL INTEREST IN THE SIX COUNTRIES – ORGANISATION, SERVICE PROVISION, TRENDS AND KEY CHALLENGES

3.1. OVERALL RESPONSIBILITIES AND ORGANISATION

The historical development of social services varies significantly from country to country and is strongly influenced by national welfare state traditions, government centralisation and decentralisation and the role of the voluntary/ not-for-profit sector, including churches and community groups. In the six countries covered by this analysis, the entry to the European Union, EU policy coordination and social policy initiatives (e.g. the social investment package, European Pillar of Social Rights and specific initiatives such as in the field of child support or integration of disadvantaged groups) as well as the access to funds had a strong influence on the social services covered by our analysis.

Namely in Bulgaria, Hungary, Lithuania and Romania the regimes' changes at the beginning of the 1990s have significantly changed the system of welfare policy, the organisation of social services, the role of the state and non-governmental actors in social services and their provision.

TABLE 2:

ORGANISATION OF SOCIAL SERVICES: RESPONSIBLE MINISTRIES

COUNTRY	
Bulgaria	**Ministry of Labour and Social Policy**: Under the supervision of the Ministry, the *Social Assistance Agency* manages activities related to the provision of sufficient funds, social care and family benefits. In 2005 the *Agency for people with disabilities* was created. It implements different activities in the field of integration of people with disabilities. **Ministry of Health**: Organisation of the healthcare system.
Cyprus	**Ministry of Labour, Welfare and Social Insurance**: The Ministry, via the *Social Welfare Services,* provides and promotes social welfare services. Social Welfare Services aim to address social risks and to advance social cohesion within the general framework of the state policies for social and economic development. Services focus on individuals, families, social groups as well as on communities. **Ministry of Health**: Organisation of the healthcare system.
Hungary	**Ministry of Human Capacities**: out of ten affiliated state secretaries, three cover healthcare, family and youth affairs, social affairs and social inclusion. Also, this Ministry is responsible for services - including, but not exclusively, residential care - for people with disabilities, care and residential services to homeless people, also services to drug addicts. **Ministry of Finance**: employment issues are covered by state secretariat for employment policy and company relations.

COUNTRY	
Lithuania	**Ministry of Social Security and Labour**: covers the whole sphere of social security (except for health care). It is responsible for the development and implementation of an effective system of social assistance, social insurance and labour, harmonised with the EU standards. Responsibilities include residential care for children, elderly and disabled persons and those with addiction disorders. **Ministry of Health**: manages medical and dental activities, including hospital practices of nurses and midwives, amongst others.
Malta	**Ministry for the Family, Children's Rights and Social Solidarity**: through its departments and entities, aims at ensuring a better quality of life by providing an array of professional support programmes and quality services, which mainly cover social benefits for individuals and families in need; social welfare services; the welfare and the protection of children, the promotion of children's rights; decent housing; long-term care and services for the elderly with a strong focus on active ageing and keeping such people in the community for as long as possible; and the safeguarding of equal opportunities for all persons with disability. **Ministry for Health**: is responsible for healthcare services.
Romania	**Ministry of Labour and Social Justice**: Coordinates the implementation of the Government's policies and strategies in the field of labour, family, adoptions, equal opportunities and social protection. **Ministry of Health**: Organisation of the healthcare system.

Sources: wmp consult on the basis of MISSOC (https://www.missoc.org/)

3.2. LEVEL AND TYPE OF PROVISION OF SSGIs

Comparing national social services data to obtain a picture of the contribution of public, for-profit and not-for-profit providers[11] to overall social services provision is difficult because of the use of different terminology in each country as well as the diversity of the sectors covered by this research.

The social services in **Bulgaria** experienced a profound change during the post-communist period. Being exclusively public at the beginning of the transition, they are carried out by a multitude of public and private actors since the reform at the end of the 1990s.

According to the legislation, the mayor of the municipality manages the social services in the municipality. Those social services are state delegated activities and local activities, and the mayor is the employer of the heads of these services. Legislation in the field of social services allows the mayor to entrust the management of social services to private providers (individuals carrying out commercial activities and legal entities established under the laws of another EU Member State or another country of the European Economic Area to provide social services in Bulgaria) by competition or by negotiation with a single candidate, while exercising control on them. In response to the need of developing a sustainable and flexible system for social services, one of the priorities of the Ministry of Labour and Social Policy is to improve the quality of services, including for children, and to improve their planning, financing, monitoring and control.

[11] Definitions: For-profit sector: Providers of social services which operate to make a profit. They may operate with shareholders or they may be private companies, owned by one or more individuals. In some countries, family businesses deliver social services. They may be large or small in size. Not-for-profit sector: Providers of social services, which do not operate to make a profit. In some countries this sector may be called the voluntary or charitable sector. In some countries, volunteers deliver some of the services for the not-for-profit sector.

The provision of social and healthcare services in **Cyprus** is administered by the Social Welfare Services that is under the control and supervision of the Ministry of Labour, Welfare and Social Insurance. It provides and promotes services that address social risks and advance social cohesion within the general framework of the state policies for social and economic development. Services focus on individuals, families, social groups as well as communities. Local government and in particular the municipalities and communities play an important role in the provision (direct or via contracting out) of social services such as family welfare services, nursing homes or health protection.

By contrast, healthcare services in Cyprus are provided by a highly centralised public sector which is regulated and coordinated by the Ministry of Health and financed mostly by general taxation and to a lesser extent by contributions and co-payments. Health services are provided by six hospitals, four specialist centres, three small rural hospitals and 36 health centres, as well as many sub-centres (primary services). The services provided by the public system include primary care, specialists' services, paramedical services, diagnostic tests, emergency services, hospital care, dental care, pharmaceutical care, rehabilitation and home care. Health professionals in the public sector are salaried employees and have the status of civil servants.

In June 2017, the Cyprus Parliament unanimously passed a legislation that established a new public National Health Insurance Scheme (NHIS), given the many shortcomings of the existing health system.[12]

Long-term care services for older and/or disabled citizens are provided by public, private and community entities, while the role of informal care is substantial.

Also, the provision of pre-primary education services in Cyprus is highly centralised. Pre-primary education is mandatory for children aged 4 years and 8 months to 5 years and 8 months. Children of this age attend approved public, private or communal kindergartens. Attendance in public kindergartens is free of charge for children of mandatory age, while community kindergartens are subsidised. Public schools accounted for 41% of the total number of children in pre-school education. Non-educational childcare includes infant care centres, day-care and afternoon kindergartens.

In **Hungary**, the public authorities play a role in financing, setting quotas (capacity), quality control and staff training. Basic and specialised services are obligatory provided by the State, but the State has the right to outsource (contract) these tasks, most often to churches, local government organisations and, to a lesser extent, to non-governmental organisations (NGOs).

The financial fund to fulfil these social service tasks is provided directly or indirectly by the Hungarian State Treasury.

Different financial rules and amount of financial support apply to providers, depending on their status: services run by the State or churches, local government organisations or private (non-state, non-church) providers. The general rule is that social services provided by local government organisations need to be financed out of the local governments' own resources and the provided State support could be only used for specified social tasks.

Most of the social services provided by the various operators have a fee for the user. The fee is set by the respective operators (the payable fee depends on personal income). Some services – such as farm-stead and village trustees' services, meals provided by community kitchens, family support, community services, street social work, daycare for homeless people and night shelters – has to be provided free of charge by the operators.

[12] See: European Commission: A bold step towards reforming healthcare in Cyprus. ESPN Flash Report 2017/39.

In **Lithuania**, social services are mostly provided by national and local government including residential care for children, elderly and disabled. According to the mapping of providers of SSGIs performed in the framework of this project, public social services are considerably more commonplace compared to the private sector.

Distinguishing between the different levels of service organisation from management to financing and implementation, the state in Lithuania participates in all three levels, though this varies from sector to sector. For example in healthcare the state manages, finances and provides services through public clinics and hospitals, while also financing private provision of the same services by eligible private providers. Long-term, residential care and daycare activities are financed by the state and provided through a mix of third-sector and public providers, whereas existing private provision is paid for out of pocket by the users.

In **Malta**, social services are governed by the Ministry for the Family, Children's Rights and Social Solidarity that, through its departments and entities, provides an array of professional support programmes and services, which mainly cover social benefits for individuals and families in need; social welfare services; the welfare and the protection of children, the promotion of children's rights; decent housing; long-term care and services for the elderly with a strong focus on active ageing and keeping such people in the community for as long as possible; and the safeguarding of equal opportunities for all persons with disability. The Ministry for Health is responsible to provide healthcare services.

Malta has a free childcare scheme whereby the government provides free childcare services to those parents/ guardians who are in employment or pursuing their education. These services are delivered either through government services or registered childcare centres, whereby pre-school childcare is dominated by private providers.

The mapping of SSGI's in Malta has shown that nearly all such services are provided at the national level. However, there are different types of providers ranging from public agencies and institutions to religious organisations, the voluntary sectors, NGOs and commercial providers.

In **Romania**, the Ministry of Labour and Social Justice coordinates the implementation of the Government's policies and strategies in the field of labour, family, adoptions, equal opportunities and social protection.

According to the Romanian system of social assistance, there are social assistance benefits that are providing financial support for individuals or families in need as well as social services provided in-kind. These social services according to the Romanian legislation are provided by staff of local government authorities and as well by natural or legal persons, public or private. Ideally, services should be organised at community level, depending on the identified needs, on the number of potential beneficiaries, on the complexity of situations and degree of social risk. However, the coverage of services is limited, with significant differences between urban and rural areas. The low level of staffing and excessive bureaucratic paper work impedes social workers (especially those from smaller localities) to proactively outreach and identify social needs in the local communities, hence services provided are often reactive and potential beneficiaries underserved. Moreover, the local provision of services is underdeveloped and more complex services for approaching situations of different degrees of social risks are needed. Regarding their classification, social services are social care services and socio-medical care services. In turn, each category involves other types of activities and services. Social care services, for example, are divided into primary services and specialised services.

Local and county authorities play an important role in the provision of social services (offices of the mayor as well as county general directorates for social assistance and child protection subordinated to the county councils).

The following table provides and overview of major SSGI sub-sectors, levels of service provision and the role of public and private providers.

TABLE 3:

LEVEL AND TYPES OF SOCIAL SERVICES PROVISION IN THE SIX COUNTRIES

SSGIs	LEVEL OF SERVICE PROVISION	ROLE OF PUBLIC AND PRIVATE SERVICE PROVIDERS
Other education	National (Malta, Cyprus) Decentralised (other countries)	Strong and increasing role of private, for-profit-organisations
Hospital activities	Centralised Homecare activities provided at local government/ community level	Traditional mix of public and private providers Increasing number of private for-profit hospitals
Medical and dental practices	Decentralised	Private doctors
Other human health activities	Very diverse (nursing/ midwifery, therapists, physiotherapists, paramedics	Diverse with all types of public and private provision
Residential nursing care activities	Central and decentral provision	Mixed public and private provision
Residential care activities for mental retardation, mental health and substance abuse	Mainly public provision at central and decentral level	Few private providers (charities, religious organisations)
Residential care activities for the elderly and disabled	Decentralised	Mixed, in some countries part of community care provisions
Other residential care activities	Both the national and local level are important for provision	Mixed public and private, non-profit and for-profit-provision
Social work activities without accommodation for the elderly and disabled	Community care services at local level, in some countries (Lithuania, Hungary, Romania – limited development) 'personal assistance'	Predominantly public, often contracted to NGOs, charities and churches
Child day-care activities	Provided at local/community level in most countries apart from Cyprus and Malta	Public-private mix. In Lithuania, the majority is private, though financed partly by public funds. Increasing role of private, for-profit organisations
Other social work activities without accommodation	Local provision, e.g. day-care for the elderly	Mostly public providers as well as religious organisations

Source: wmp consult on the basis of mapping analysis in six countries

3.3. EMERGENCE OF PRIVATE COMMERCIAL PROVIDERS OF SOCIAL SERVICES

As a general trend, the analysis carried out at national level indicate an increase in the private for-profit provision of social services (such as in the field of healthcare, day-care or residential care services), although it remains still significantly lower in the six focus countries compared to the Western Europeans.

The growth of for-profit providers is often accompanied by competition within the sector which affects wages and the position of not-for-profit providers. For-profit provision can be seen most clearly in the provision of home care services. New providers also challenge existing systems of employer representation as new types of providers, in particular commercial businesses, are emerging in this area.

Although in all six countries the public sector provision of social services still is the most dominant form of social service provision, the contributions of not-for-profit and for-profit providers seem to play an increasing role. As reported by interview partners, in Bulgaria, Hungary as well as in Lithuania there has been a considerable expansion of the for-profit sector.

There is also evidence that the private sector specialises in certain types of services, for example, other education, child-minding or residential care activities for the elderly.

In Cyprus as well as in Lithuania, private providers play also an increasing role in (pre-school) child-day-care activities, residential care of the hospital sector, though the share of private providers in these services is still very small.

It has been reported that the private sector in Cyprus works in a rather unregulated environment and is financed mostly by out-of-pocket payments and by private insurance. It largely consists of independent providers[13] with doctors acting usually as shareholders. The private sector provides services to those who can afford to pay for their treatment from own resources or through private insurance schemes.[14]

3.4. KEY SOCIAL CHALLENGES IN THE SIX COUNTRIES

The following table summarise on a country-by-country basis major social problems in the six countries as highlighted in interviews and survey responses in the context of this study or during the round table meetings. Further evidence has been gathered from the country-specific analysis and recommendations in the context of the European Semester 2019.[15]

[13] Around 67% of the total number of) doctors are working in the private sector; while there are 134 private health-care group practice facilities (hospitals, polyclinics and clinics) (Cyprus Health and Hospital Statistics, 2014)

[14] In addition to these two dominant sectors, some other healthcare delivery sub-systems of minor importance exist, such as the Workers' Union schemes, which mostly provide primary care services. These schemes are offered by semi-state organisations such as the Cyprus Telecommunication Authority (ATHK) and the Electricity Authority of Cyprus (AHK). The first mostly have their own network of providers, while the second use private contracted providers.

[15] See:https://ec.europa.eu/info/publications/2019-european-semester-country-specific-recommendations-commission-recommendations_en

TABLE 4:

KEY SOCIAL CHALLENGES IN THE AREA OF SOCIAL SERVICES

COUNTRY	SOCIAL CHALLENGES
Bulgaria	• The **social security system** does not cover all people in employment and the social protection system is insufficient to tackle significant social issues. This reflects the low level of social spending, the uneven availability of social services across the territory and the limited redistributive effects of the taxation system. • **Social services are hampered by low quality and lack of an integrated approach** towards active inclusion. Disparities in access to social services, healthcare and long-term care persist. This undermines their ability to provide comprehensive support for the most vulnerable, such as the Roma, children, the elderly, persons with disabilities and people living in rural areas. • **Educational outcomes** are still low and continue to be strongly influenced by parents' socio-economic status. This reflects challenges relating to the quality and inclusiveness of the education and training system. Bulgaria invests insufficiently in education, particularly in pre-primary and primary education, two areas that are instrumental in creating equal opportunities from an early age. Participation in early childhood quality education and care is low, in particular for Roma and children from other disadvantaged groups. The rate of early school leaving is still high. • **Employment**: The labour market has improved but challenges remain. The employment rate has reached the highest level since Bulgaria joined the EU and the unemployment rate is below the EU average. Despite these positive developments, some groups such as the low-skilled, young people, Roma and people with disabilities still face difficulties to find work. • **Poverty** remains an issue, in particular amongst vulnerable groups such as children at risk, older people, disabled and Roma people. Minimum pension of around 100 Euro/month is significantly below the basic minimum income threshold that was set by the Government at 160 Euro. • The **healthcare sector** is still characterised by low public spending. People in Bulgaria face limited access to healthcare caused by an uneven distribution of limited resources and low health insurance coverage. Out-of-pocket payments are considerable, as they need to compensate for the low level of public expenditure. The low availability of general practitioners is constraining the delivery of primary care. There is a significant shortage of nurses with the number per capita being among the lowest in the EU. Social services staff have low salaries and bad working conditions.
Cyprus	• **NEETs**: The proportion of young people not in employment, education, or training (NEETs) is still one of the highest in the EU. • **Education**: Early school leaving, while well below the EU average, has increased significantly. • The provision of **long-term care** is low and remains a challenge given the ageing population. Long-term care system is fragmented and characterised by relatively low coverage and limited financing.

COUNTRY	SOCIAL CHALLENGES
Hungary	• **Children in care**: the number of children in care has been increasing. Poverty is a significant factor in decisions to take children into care, especially in rural areas, despite laws prohibiting children being taken into care because of poverty. • **Child protection services** also struggle to provide quality support to children and families due to high workloads for professionals. • **Discrimination of Roma**: The social inclusion of Roma does not show signs of improving. There are particular concerns in the field of education where in a large number of schools Roma children are segregated into Roma-only classes despite this practice being illegal. • **Early childhood education and care**: Quality standards are high but levels of enrolment are low. • **Active labour market policy**: There are no policies in place, nor institutions and resources to implement these. • **Education** outcomes for basic skills are significantly below the EU average, especially for children from disadvantaged socioeconomic background such as Roma. Disadvantaged children, including Roma children, tend to be concentrated in vocational secondary schools which are characterised by poorer levels of basic skills and higher dropout rates, and people who leave these schools receive lower wages on average. • **Healthcare**: The Hungarian healthcare system is one of the weakest in terms of efficiency in Europe. The healthcare system is still in-patient and hospital focused. • **Residential care activities for elderly and disabled**: The main challenges are the lack of capacity and well-trained staff, quality issues, and a few reports of abuse in case of dementia. Private operators' fees are not affordable by the majority. • **Other residential care activities**: challenges include understaffing due to low wages and poor working conditions, a lack of capacity and a lack of short term family shelters in crisis situations. Low capacity and poor quality of temporary homeless shelters also represent an issue.
Lithuania	• **Poor working conditions**: Overall, the key issues in relation to the quality and effectiveness of social services can largely be attributed to the relatively low wages in this sector which range from extremely low in social work, for example, to rather low in health care, with the difference cancelling out compared against the number of years needed to complete education in the latter. This dynamic, together with negative population change results in skills shortages, and low level of professionalisation in some specific sectors. Safety at work particularly for, for example, social workers working with risk group families or persons with severe mental disabilities, is also an issue that is not adequately addressed at the national level. • The **education sector** both at secondary and higher levels is at the time of this project (in 2018-2019) in transition and under considerable stress. Firstly, negative population change and the reducing number of students is putting pressure on the sustainability of universities and schools alike. Secondly, both sectors are under reform. Higher education reform underway in 2018 obliged universities to join forces to form bigger higher education units which is met with considerable criticism and doubts as to how this will result in better effectiveness. Secondary education also underwent reform in 2018 with the specific aim to improve the conditions for teachers, but the result of the measures put in place has led to even worse conditions for some teachers in relation to wages, leading to teacher's strikes and replacement of the Minister of Education in late 2018.

COUNTRY	SOCIAL CHALLENGES
Lithuania	• **Early childhood education**: There are significant differences between urban and rural ECEC services, including the level of funding for the service, the quality of the facilities, and quality of the care and education. Another issue in Lithuania is the poor pay and status of ECEC staff, leading to difficulties in staff retention and recruitment.
Malta	• **Education**: The early school leaving rate remains the highest in the EU and with little improvement compared to the previous year. Malta also has the highest early school leaving rate for people with disabilities, which is double the EU average. Moreover, learning outcomes are strongly influenced by socioeconomic background, type of school and disability status. • **Health care**: There is a drastic nurse shortage in Malta: as of May 2018, 500 nurses were needed to fill nurse vacancies in public hospitals, nursing homes and especially in mental health facilities. The Health Minister stated that this is due to expanding health services[16] and "better healthcare services that are creating a higher demand for nurses"[17]. But the Malta Union of Midwives and Nurses (MUMN), in 2017 cited stress and burnout[18].
Romania	• The **risk of poverty or social exclusion** has been very high. Families with children, people with disabilities, Roma, and the rural population have been particularly affected. • **Employment policy and discrimination**: the **labour market** has been tightening due to employment growth along with a reduction of the labour force due to demographic ageing and emigration. At the same time, several groups such as young people, Roma, the long-term unemployed and people with disabilities have difficulties in accessing the labour market. There is little progress made to strengthen targeted activation policies and integrated public services, focusing on those farthest away from the labour market. • The weak performance of the **education system** contributes to the high inequality of opportunity and Romania's long-run growth prospects. Particular challenges exist as regards the provision of and access to quality inclusive mainstream education Roma and children in rural areas and children with disabilities, the development of a monitoring methodology to tackle school segregation and practise to identify reasons and respond to the high rate of early leavers from education and training. Tertiary education attainment is very low. Investment in education is relatively low, and disadvantaged schools, in particular, are lacking appropriate support. • **Access to healthcare** remains a challenge, with negative impacts on child development, workforce employability and healthy ageing. Low funding and the inefficient use of resources limit the effectiveness of the healthcare system, against the background of a sizeable shortage of doctors and nurses. Access to healthcare is limited by lack of development of basic services (long-term care, community care, community mental health, etc.), and the prevalence of informal payments and distance to health infrastructure. Though addressed frequently by previous Country Specific Recommendations (CSRs), the shift to outpatient care has seen limited progress so far. The ongoing implementation of the national health strategy is marred by shifting priorities and poor investment planning.

[16] http://www.independent.com.mt/articles/2017-11-10/local-news/Fearne-highlights-need-for-more-nurses-in-light-of-expanding-healthcare-services-6736181285

[17] https://www.maltatoday.com.mt/news/national/86600/shortage_of_nurses_persists_despite_higher_recruitment_health_minister_says

[18] https://www.timesofmalta.com/articles/view/20170520/local/nurses-shortage-is-critical-union-warns.648479

COUNTRY	SOCIAL CHALLENGES
Romania	• **Medical services**: main challenges are the low level of funding, and the excessive bureaucracy (despite repeated governmental attempts to make the flow of information electronic and more integrated). The uneven country-wide distribution of family doctors with rural remote communities lacking family doctors is an important barrier to the access to basic health services of the rural population (which is also rapidly ageing). • **Hospital and community nurses**: in general, the ratio of nurses per bed in hospitals or per patient is much smaller than the one of EU countries, main challenge of the nurses being the high workload. Community nurses are hired at local level only in a limited number of localities (about a third of rural localities). Where they exist, they are working without a team (solo practitioners) and face the challenges to have a wide catchment area (the area of a whole community), to proactively outreach children and pregnant women at risk; other potential beneficiaries at community level (elderly, persons with mental health, patients needing palliative services) are not yet addressed. • **Residential nursing care**: main challenges are the low offer of services and hence overcrowded facilities, the low range of services provided, the lack of care staff/ overload of existing staff. • **Residential care activities for mental retardation, mental health and substance abuse**: the main challenges are the low capacity and the lack of mental health services support at community level. • **Residential care activities for elderly**: main challenges are of the low capacity in the context of rapid population ageing, reports of abuse, need for specialized staff, and low financial possibility to access services of elderly people who would need them and their families.

Source: wmp consult on the basis of information gathered in the context of interviews, survey responses and round table discussions. Additional information gathered from country-specific recommendations for 2019 in the context of the European Semester. https://ec.europa.eu/info/publications/2019-european-semester-country-specific-recommendations-commission-recommendations_en

3.5. KEY POINTS

- Due to various trends (including decentralisation, deinstitutionalisation as well as budgetary constraints and social protection reforms), the provision of SSGIs by public/government authorities is declining in many countries
- At the same time private organisations and their role for delivering SSGIs have become more important
- There has also been an increased entry of private, for-profit commercial providers of SSGIs, in fields such as childcare, education, hospitals and residential care
- This has resulted in an expansion of competition between for-profit and not-for-profit providers
- The six countries analysed in this study are facing multiple challenges in almost all fields of social services that urgently need to be addressed, also in order to avoid a significant erosion of societal cohesion and democratic values

4. SOCIAL DIALOGUE AND SOCIAL PARTNERS IN SOCIAL SERVICES

4.1. UNDERSTANDING SOCIAL DIALOGUE

Social dialogue is defined by the ILO to include all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official part of the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers' organisations), with or without indirect government involvement. Social dialogue processes can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or at enterprise level. It can be inter-professional, sectoral or a combination of these.

4.1.1. SOCIAL DIALOGUE IN THE EU

In many EU countries – and in particular those with a well-established system of collective bargaining, the term "social dialogue" is rather unknown, and actors prefer to speak of collective agreements, co-determination or workers participation. This perhaps is one of the reasons why at EU level there is no clear-cut definition of social dialogue.

Research on industrial relations, collective bargaining and the role of social partner organisations in Europe have identified quite different types and groups of social dialogue contexts and models. The following table summarizes the main features of each of these groups:

TABLE 5:
INDUSTRIAL RELATIONS AND SOCIAL DIALOGUE MODELS IN THE EU

	NORDIC EUROPE	CENTRE-WESTERN EUROPE	SOUTHERN EUROPE	ANGO-SAXON	CENTRAL-EASTERN EUROPE
Cultures of industrial relations	Organised corporatism	Social partnership	Polarise/ state-centred	Liberal pluralism	Fragmented / state-centred
Social Dialogue	No formal structures but strong tradition of dialogue and bargaining	Varying as regards formal structures but based on strong influence of social partners	Alternating Recently reformed structures	No formal structures	Formal tripartite social dialogue structures but no or weak tradition of bipartite social dialogue
Role of the state	Limited (mediator)	"Shadow of hierarchy"	Frequent intervention	Non-inter-vention	Organiser of transition
Principal level of bargaining	Sector		Variable/unstable	Company	
Bargaining style	Integrating		Conflict-oriented	Acquiescent	
Collective bargaining coverage	High coverage	High coverage	Variable	Low coverage	

Source: Industrial Relations in Europe 2008, p. 50/51. Own assessments with view on trends and changes.

Recent EU-level policy debates have highlighted that, particularly since the 2008 crisis, the emergence of new debates on social justice, democracy, the quality of work and new models for labour relations have been challenging traditional industrial relations and social dialogue systems.

4.1.2. SOCIAL DIALOGUE AT EU LEVEL

Social dialogue as part of the EU level system of governance exists since 1985. In March 2015, thirty years after the historic inauguration of European social dialogue at Val Duchesse in Brussels, the Commission relaunched the process of a new start for social dialogue at a high-level event bringing together social partner organisations from across Europe. European social dialogue is an instrument of EU social policy, contributing directly to shaping EU labour legislation and policies.

The Treaty on the Functioning of the European Union (Lisbon Treaty) states that the Union and its member states shall share competencies in the area of social policy, for the aspects defined in the Treaty. Articles 151, 152, 154 and 155 refer to specific processes that together constitute social dialogue.

Article 151 refers to 'fundamental social rights' and recalls the objects of the Union and its Member States to promote employment, improve living and working conditions, proper social protection and 'dialogue between management and labour'.

Article 152 refers to the facilitation of social dialogue by the EU. 'The Union recognizes and promotes the role of the social partners at its (EU) level, taking into account the diversity of national systems. It shall facilitate dialogue between social partners, respecting their autonomy'. The Tripartite Social Summit for Growth and Employment, which meets annually, contributes to social dialogue by ensuring the effective participation of social partners in implementing EU social and economic policies.

Article 154 sets out the form of consultations between the EC and the social partners. The European Commission has a specific role in 'promoting the consultation of management and labour at EU level and shall take any relevant measures to facilitate their dialogue by ensuring balanced support for the parties'. The EC 'shall consult management and labour on the possible direction of Union action, before submitting proposals in the social policy field'. The EC may also 'consult management and labour on the content of the envisaged proposal'

Article 155 outlines how negotiations between the social partners should be arranged, especially when social dialogue '*may lead to contractual relations, including agreements*'.

Social dialogue at sectoral level was set up in 1998 after the Commission decided to cover specific branches of the economy, for example, retail trade, construction, agriculture, transport, financial services. There are now around 40 sectoral dialogue committees.

4.1.3. THE CONCEPT OF REPRESENTATIVITY

The representativeness of social partners provides legitimacy for their various roles in industrial relations, whether through social dialogue, collective bargaining or their involvement in government policymaking or implementation. Their representativeness entitles the social partners to act on behalf of their members or, in some cases, all companies and the entire workforce.

Almost all EU Member States have a legal framework that defines how representativeness operates for social partner organisations. The role that legislation plays in national concepts of representativeness, however, differs vastly. This role can include setting the conditions to allow them to engage in collective bargaining or to extend agreements, making them generally binding.

Another way in which legislation can shape representativeness is by imposing thresholds, in terms of membership, organisational density, or as a minimum outcome of elections. There is also great variation in the extent to which legislation can play a role. In some countries, conformity with legal requirements is crucial, while in others mutual recognition is more important, or the only basis for representativeness. Today, while employers and unions in certain Member States still rely on self-regulation through mutual recognition to establish representativeness, most have a legal framework that regulates the representativeness of social partners. In some countries, ongoing clarifications are still taking place. At EU level, the concept of representativeness was first delineated by the European Commission in 1993 and defined more clearly in 1998. Representativeness forms the basis for allowing the European social partners to be included in the list of organisations to be consulted by the European Commission as set out in Article 154 of the Treaty on the Functioning of the European Union (TFEU), and for providing legally binding implementation of their agreements, as laid down in Article 155 of TFEU.

4.2. EMPLOYERS REPRESENTING SSGIs IN THE EU

While in some countries a strong system of social dialogue in social services exists (for example, the Netherlands, Austria, Belgium, France), a key feature of social dialogue in social services in Europe is the weakness of employer organisations. This not only relates to those countries were social dialogue and collective bargaining is comparatively weak. For example, in Germany, there is no unifying organisation for not-for-profit employers whereas in Austria the single employer organisation (*Sozialwirtschaft Österreich*) was only established in 2012.

Also, the two examples of Belgium and France illustrate that the establishment of employer organisations in the social economy or social profit sector needs a suitable institutional framework of national-level social dialogue at sector level and also requires at least a minimum level of political support by the national government.

Belgium has a well-defined social dialogue system that addresses key issues in each sector and reaches agreement in labour law. Representativeness is defined by law with different terms for employers' and workers' organisations. The social dialogue system is organised at national, regional, local and commune levels. Government plays a key role in representing the public authority that defines the terms of negotiations and funding. In the social profit sector, joint committees and sub-committees cover the following sectors: home help and elderly care services, enterprises and 'sheltered' workshops employing the disabled, social welfare, and the non-market sector. Employers' organisations are formally recognised as representative by the national administration and are represented in these committees. As public authorities are funders of the social profit sector, negotiations are tri-partite. Most social profit companies/enterprises are represented in these structures and non-market agreements have developed. Once these have been signed, committees negotiate collective labour agreements.

UNISOC

The Union of Social Profit Enterprises Unisoc is the organisation recognised as the representative organisation of the Belgian social profit companies. Unisoc organises sectoral federation that bring together and defend the interests of individual public and private non-profit employers in social, health, cultural and other services.

Unisoc supports its members and represent their interest in the Belgian society and political arena. Furthermore, Unisoc is promoting the vision for a sector with sustainable social profit. It thus takes a position on major societal themes and challenges. Unisoc aspires to sound socio-economic policy, enabling socially profitable companies to develop and strengthen.

Unisoc also defends the interests of socially profitable companies within the Belgian and European inter-professional socio-economic dialogue: it is the recognised and representative organisation of socially profitable companies within the interprofessional social dialogue at federal level. In this capacity, Unisoc has a seat at the National Labour Council and the Central Economic Council, institutions that embody social dialogue at the federal and inter-professional levels. It concludes intersectoral collective labour agreements and collective bargaining agreements and, alongside the other social partners, advises public authorities on how to develop policy to meet tomorrow's challenges.

In addition, Unisoc is a member of the recognised employers' organisation CEEP (European Centre of Employers and Enterprises providing Public services), which defends the interests of service providers of general interest in the European inter-professional social dialogue. With CEEP, Unisoc is trying to create a European regulatory framework that takes into account the realities of the social profit sector.

Unisoc also has a seat at the High Council for Prevention and Protection at Work, the Joint Auxiliary Commission for the Non-Market Sector (CP 337), the Special Committee of the Business Closure Fund, the National Pensions Committee, the Interprofessional Employers' Consultation, the Interprofessional Experts Group and the Standing Committee on Pricing and Benefits (CSPPT.

Source: Unisoc

In **France**, the state plays a key role in defining and organising social dialogue and has recently tried to reform social dialogue with changes to systems of representation for workers. Social dialogue is negotiated between the state, employers' organisations and trade unions. Social services social dialogue is subject to the collective approval of conventions and agreements by the state, while social services are covered by three 'branches': social and health, domestic help and social and family. Although there is a recognised social dialogue structure for social services at branch levels, the social services social dialogue partners are not recognised in the national social dialogue plan.

However, the social profit or solidarity sector is represented in a different way with UDES being the recognised sectoral employer organisation.

UDES

UDES, the union of employers in the social and solidarity economy, brings together 23 groups and employers' unions (associations, mutuals, cooperatives) and 16 branches and professional sectors. With more than 60,000 companies and more than 1 million employees, UDES is the multi-professional organization of the social and solidarity economy. It brings together 80% of the federated employers of the social and solidarity economy.

UDES has four main missions:

- organise the representation of employers in the social and solidarity economy by offering them a forum for exchange, coordination and concerted action of joint concern;
- express the positions, needs and concerns of its member organizations to act in their common interest and measure the weight of its collective organization;
- represent employers in the social and solidarity economy, particularly with the public authorities of elected representatives and social partners in order to promote their proposals and enhance the specificities of the social and solidarity economy's modes of entrepreneurship;
- negotiate and sign collective labour agreements at the multi-professional level of the social and solidarity economy.

Source: UDES

4.3. SOCIAL DIALOGUE ACTORS, STRUCTURES AND PRACTICES IN THE SIX COUNTRIES

4.3.1. STRUCTURES AND INSTITUTIONS OF TRIPARTITE SOCIAL DIALOGUE

As the following table shows, tripartite institutions of social dialogue, consultation and exchange exist in all six countries. Apart from the national level cross-sectoral and interprofessional tripartite institutions, tripartite bodies in all six countries also exist at the level of economic sectors and – with the exception of Hungary and Cyprus – of districts, regions, municipalities or prefectures.

TABLE 6:

TRIPARTITE SOCIAL DIALOGUE

COUNTRY	NATIONAL LEVEL	SECTORAL LEVEL	REGIONAL, LOCAL
Bulgaria	National Council for Tripartite Cooperation; Economic and Social Council	Under umbrella of respective ministries	At district and municipal level
Cyprus	Labour Advisory Board, Economic Consultative Committee	Under umbrella of respective ministries, e.g. social security committee	---
Hungary	After the abolition of National Reconciliation Council in 2011, four advisory bodies operate, including the National Interest Reconciliation Council for the Public Sector	Under the umbrella of respective ministries, e.g. Social Sector Interest Reconciliation Forum	---
Lithuania	Tripartite Council	Under umbrella of respective ministries	Tripartite councils in municipalities
Malta	Malta Council for Economic and Social Development (MCESD)	Under the remit of the MCESD, there is the Civil Society Committee (CSC) which, through their respective Chairperson has a seat on the MCESD. CSC brings together various NGOs representing a wide range of organisations in fields such as consumer rights, gender equality, health, elderly, disabled persons, pensioners, youth and students, sports, agriculture and fisheries, environmental protection, education, social and community advancement and local councils/communities	Gozo Regional Committee – under the remit of the MCES and also represented by a seat at the MCES.
Romania	Social and Economic Council National Tripartite Council for Social Dialogue	Permanent and ad-hoc social dialogue committees under umbrella of different ministries	Social dialogue committees at prefectural, regional and local level

Source: wmp consult on the basis of desk research and co-authors in the focus countries.

In **Bulgaria** 'Social dialogue' is not defined in legislation, however the term is used in the Labour Code: "*The purpose of this Code shall be to ensure the freedom and protection of labour, equitable and dignified working conditions, as well as the conduct of social dialogue between the State, the workers and employees, the employers and their organisations, for settlement of industrial relations and other relations immediately associated with industrial relations*".

Social dialogue in Bulgaria takes place at national, sectoral, regional (municipal) and enterprise-level: at national level, the key institution is the National Council for Tripartite Cooperation (NCTC) that was established in 1993 under the umbrella of the Council of Ministers. The NCTC is dealing with labour-related issues, social security and quality of life issues. The NCTC has several committees. Another tripartite body is the Economic and Social Council, established in 2001. In addition, there are different tripartite governing or supervisory bodies within the employment and social security administration.

Tripartite sectoral social dialogue in Bulgaria takes place at sectoral/branch councils under the umbrella of the respective ministries (in about 50 different councils).

The regional level tripartite social dialogue could take place at district or municipal level.

In **Cyprus**, tripartite social dialogue has a strong tradition and influence. Since the establishment of the Republic, one of the basic principles of the voluntary industrial relations system is the importance and relevance of tripartite cooperation through the use of social dialogue. The Ministry of Labour and Social Insurance has a large number of tripartite social dialogue bodies functioning under its auspices, dealing with a variety of subjects.

Tripartite Social Dialogue Bodies have real responsibilities and authority even though their role is advisory. It should be noted that any issue or subject pertaining to work, labour law, employment policy, and any other programmes dealing with the labour market are discussed by the tripartite social dialogue bodies. Furthermore, in the case of examining special issues, then these are dealt with in Tripartite Technical Committees of the interested social dialogue body.

For example, during the preparation process for the adoption of any new labour legislation, the Labour Advisory Board appoints a tripartite technical committee, with terms of reference, to examine in detail the proposed draft legislation.

The tripartite technical committees are made up of representatives of the trade unions (SEK, PEO, DEOK), and the employers organisations (OEB, KEBE), and are presided by an Officer or the Director of the Department of Labour Relations.

The usual procedure followed is the discussion of the draft legislation in detail, with each participating organisation expressing and submitting its views and opinions on possible changes/amendments. This procedure is a democratic form of discussing issues that at the end of the day have an effect on the whole population, whether these are employers or employees. Furthermore, on the basis of conflicting interests that may be expressed by employer and employee organisations, discussions at tripartite technical committees in many cases may take the form of "bargaining", with each side trying to ensure to the best interest for its members. This "bargaining" is considered to be a healthy democratic method of problem-solving since it is the result of dialogue and consultations undertaken by the social partners. This procedure has the effect of preventively dealing with possible social unrest, disagreements and misunderstandings, thus essentially safeguarding social cohesion.

Besides the tripartite social dialogue, social partners in Cyprus have voluntarily reached bipartite national and cross-sectoral agreements that have had the result of increasing either terms and conditions of employment or

improving various labour relations practices. Such examples are the signing of the Industrial Relations Code, on the 25th of April 1977, the Agreement between PEO, SEK and OEB on the gradual reduction of working hours, which was signed in 1992, and the signing of the National Plan for Productivity and Health and Safety, signed on the 15th of May 1995, by OEB, CCCI, PEO, SEK, DEOK, POAS and PASYDY, and in 2004, the signing of an Agreement on the Procedure for Labour Disputes in Essential Services.

Social dialogue in **Hungary** takes place at three levels: national (central), sectoral and local (company) level. Traditionally, the strongest, dominant level is the local level, while the weakest is sectoral.

Since 2011, when the tripartite National Reconciliation Council (*Országos* Érdekegyeztető *Tanács*, OÉT) ceased to exist, there is no tripartite body at national level that would cover all sectors or involve all social partners.[19] Instead, the following bodies at national level were established:

- NGTT - National Economic & Social Council. NGTT is a multipartite forum to consult on wide-range of socio-economic issues, involving a large number of actors (social partners, chambers of commerce, civic organisations, arts and churches). It is a symbolic consultative civil dialogue body, without any negotiation function, and cannot be considered as a social dialogue body. The State only has an observer role.
- OKÉT - National Interest Reconciliation Council for the Public Sector. OKÉT is a national level tripartite forum and the State is a full member, but it only covers the public sector. OKET is a consultative body and has no legal power e.g. to set wages.
- VKF - Standing Consultative Forum for the Private Sector and the Government. The operation of VKF is not regulated by law. Its sessions are organised on an ad hoc basis, without an annual agenda and in a way that does not enable parties to have profound debates. Its meetings usually are not open to the public. There are annual consultations and negotiations on national minimum wages and wage recommendations between the parties.
- KVKF – Consultative Forum for the Public Service Enterprises. Established only in 2018, the goal of KVKF is setting up the new Forum was that governments, trade unions and representatives of companies can directly negotiate decisions affecting workers in state-owned enterprises.

There are around 30 sectoral social dialogue committees in Hungary that have been established after 2004 in order to facilitate sectoral dialogue in general, including sectoral collective bargaining. Sectoral social dialogue committees (Ágazati *Párbeszéd Bizottságok* - APBs) are governed by the Act LXXIV of 2009, which regulates the operation of sectoral social dialogue. The legislation also stipulates in detail the criteria for representativeness at the sectoral level. Legislators had the explicit intention when drawing up the new Labour Code (introduced in 2012) to foster trade unions' bargaining activity and shift collective bargaining from the traditional company level to the level of sectors.

Against all the effort, by 2018, the sectoral dialogue still operates in many sectors, but the operation of sectoral dialogue committees stopped. Several reasons are behind this, one of which is that in 2016 the State financial support of APBs was reduced to a minimum.

In general, social dialogue is not supported by the State and the consultation of social partners by the Hungarian government is weak. This has also been highlighted by the EU Commission in the context of the Country Specific Recommendations. One of the recommendations relates to the poor performance of social dialogue. According to the Commission, this does "*not allow for a meaningful involvement of social partners in policy design and implementation.*

[19] See: Eurofound 2017 Living and Working in Hungary https://www.eurofound.europa.eu/country/hungary#actors-and-institutions

The deficiencies in stakeholders' engagement and the limited transparency have an impact on the evidence base for and quality of policy making, creating uncertainty for investors and slowing down convergence."[20]

As regards sectoral social dialogue, in many cases, there is simply no negotiating partner on the employers' side. The relevant ministries also tend to ignore initiatives to negotiate or consult in certain sectors.

However, there are also exceptions: The Ministry of Human Capacities / State Secretariat for Social Affairs and Social Inclusion[21] has been negotiating with the interest representation bodies in the social sector since in 2014 and 2015, which led to the establishment of the Social Sector Interest Reconciliation Forum (*Szociális* Ágazati Érdekegyeztető *Fórum*, SZÁÉF).[22] The aim of the government is to ensure that the consultation is as wide as possible, where all the relevant interest-representing organisations can participate and state their point of view (previously the State only consulted with the Social Sector Strike Committee).[23]

Social dialogue as a term is not legally defined in **Lithuania** but is used as a synonym for 'social partnership'. 'Social partnership' is implemented in several forms, inter alia, by forming bipartite or tripartite councils, participating in their activities and concluding agreements on labour, social and economic matters. The Lithuanian Tripartite Council was established in 1995 by the tripartite agreement concluded between trade unions, employers' organisations and the Government. Its activities were further developed by tripartite agreements concluded in 1999, 2002 and 2005.

The national cross-sectoral Tripartite Council of the Lithuanian Republic is composed of 21 members equally representing government, employer organisations and trade unions. As regards employer organisations, there are six members: Lithuanian Confederation of Industrialists, Lithuanian Employers' Confederation, Chamber of Agriculture of the Republic of Lithuania, the Association of Lithuanian Chamber of Commerce, Industry and Crafts, Lithuanian Business Confederation, Association Investors' Forum.

The Tripartite Council is tasked with addressing labour, social and economic-related issues by formulating relevant policy conclusions and proposals, engaging in tripartite dialogue, and negotiating tripartite and bipartite agreements. Furthermore, the Council cooperates with the European Economic and Social Committee (EESC) and tripartite and bipartite institutions of individual EU Member States.

Tripartite councils exist in the minority of Lithuania's 60 municipalities[24] and function on regular basis only in several municipalities.

In **Malta**, the highest forum of tripartite consultation is the Malta Council for Economic and Social Development, MCESD that is described in more detail in the following textbox.

[20] 2018 European Semester: Country Specific Recommendations / Commission Recommendations for Hungary: https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-specific-recommendation-commission-recommendation-hungary-en.pdf.

[21] http://www.kormany.hu/hu/emberi-eroforrasok-miniszteriuma/szocialis-ugyekert-es-tarsadalmi-felzarkozasert-felelos-allamtitkarsag/hirek/iden-elso-alkalommal-ult-ossze-a-szocialis-agazati-erdekegyezteto-forum

[22] http://www.mkksz.org.hu/html/main/2015/szaefugyrend.pdf

[23] From the employees' side, the representative trade unions of the social sector participate in the Forum: Trade Union of Teachers (Pedagógus Szakaszervezet, PSZ / SZEF), Hungarian Public Officials, Public Employees and Public Service Workers 'Trade Unions (MKKSz / SZEF), Democratic Trade Union of Nursery workers (Bölcsödei Dolgozók Demokratikus Szakszervezete BDDSZ / SZEF). On the employers' (operators) side: Association of Hungarian Local Governments (MÖSZ), Federations of County Cities (MJVSZ), National Association of Local Governments (TÖOSZ), National Federation of Social Institutions, Directorate-General for Social and Child Protection, representatives of the churches that have comprehensive agreements with the State covering social care. State side: Ministry of Human Capacities (EMMI), Ministry of Finance, National Rehabilitation and Social Agency, further ad-hoc state authorities – as the agenda requires.

[24] As of June 2019, there were 8 tripartite councils in these municipalities: Anykščiai, Kaunas town, Kaunas district, Klaipėda, Mažeikiai, Radviliškis district; Ukmergė district, Utena district, Šiauliai.

THE MCESD AND SOCIAL DIALOGUE IN MALTA

The MCESD is the national economic and social council of Malta. It is the highest forum of tripartite consultation in Malta including Government, employers' associations and trade unions. There is also one representative from civil society organisation. It is an advisory council that issues opinions and recommendations to the Maltese Government on matters of economic and social relevance. In view of this, the MCESD's vision is one of continuous improvement of social dialogue.

Issues discussed in Council meetings follow an annual agenda as well as ad hoc issues that may arise. A number of Working Groups with experts appointed from the member organisations are also set up to discuss priority issues in detail. Following consultations and consensus amongst members, recommendations are presented to Government.

A process to set up the National Productivity Board for Malta was initiated in 2018 as per Council Recommendation (2016/C 349/01), under the auspices of the MCESD, to track developments and inform the national debate in the field of productivity and competitiveness through recommendations presented to Government as well as the production of the Annual Productivity report. The setting up of this Board has involved: the development of a legal framework to define its aims and modus operandi; appointment of Board members, allocating a specific share of the National Budget towards its operation as well as engagement in discussions with the Economic Policy Department and other external consultants involved in the field of productivity and competitiveness analysis.

An important milestone is the Agreement on the increase in the Minimum Wage which was signed in April 2017 between Government, the opposition, and Social Partners represented on the MCESD, following a series of consultative meetings. This agreement addresses the minimum wage issue (not directly to reduce poverty) by: providing an immediate measure to reduce the number of persons on the current minimum wage, and to minimise the period in employment that a person may remain on the minimum wage, providing temporary supplements to COLA increases for 2018 and 2019 and through the setting up of a Low Wage Commission by 2020 to establish an effective mechanism to determine whether the minimum wage will need reviewing.

Other topics that have been discussed in 2018 at the MCESD were mental health and well-being (2018), education and training and new legislative initiatives on skills development and work-based learning (apprenticeship), poverty and poverty prevention (including collaboration with NGOs).

Work planned for the Council for 2019 includes the setting up of a Working Group on Living Income benchmarks and further discussions on Sustainable development within the context of developing a long term economic and spatial strategy for balanced development.

Discussions on social services related themes ranging from further exchanges on real estate, rental market issues and social housing to working conditions of third-country nationals and regional labour supply.

Over the years, a number of key recommendations proposed by social partners covering social services were implemented by the Government. As regards social services these include for example the system of in-work benefits, subsidies for rent, and incentives for property owners, more social housing, regeneration for housing estates and reorganisation of the Housing Authority or several social and human capital measures ranging from the extension of medical services and medicines to education and training issues.

Source: Presentation of a representative of the MCESD at the CEEP round-table meeting in Paris, 29 March 2019

The system and practice of tripartite and bipartite social dialogue in **Romania** have been influenced more recently by quite significant policy changes and legal reforms. As a result, the involvement of social partners in the design and implementation of economic and social reforms has been very limited. The views of social partners are frequently not taken into account even when they converge. Romania's collective bargaining framework is not conducive to a well-functioning system of industrial relations. Social dialogue is characterised by a low level of collective bargaining, especially at sectoral level, and low membership of trade unions and employers' organisations. High representativeness thresholds and the vague definition of sectors are among the key obstacles to more effective social dialogue. Legislative amendments to improve the framework have progressed little so far. These problems and shortcomings of social dialogue in Romania have also been addressed in the 2018 Country Specific Recommendations that the Romanian government has received in the context of the European Semester.[25]

More recent developments include the establishment of a Ministry for Public Consultation and Social Dialogue that was set up in 2017, but was closed down following a change of government. National social dialogue is carried out on the basis of Law No. 62/2011. A 'National Strategy for Social Dialogue' was adopted in 2015.

The tripartite dialogue takes the form of consultation, mutual information, negotiation. It is carried out within institutionalized tripartite structures defined through Law 62/2011 at national, central, and local levels (National Tripartite Council for Social Dialogue, Social Dialogue Commissions), and also within parliamentary working committees, ad-hoc built tripartite structures.

Tripartite dialogue at the sectoral level takes place in social dialogue committees constituted at national level (in ministries and other public central organisations). Tripartite dialogue at local and regional levels is carried out within social dialogue committees constituted at prefecture level. These committees are formed by representatives of local public administration, named by their respective confederations at national level.

4.3.2. BIPARTITE SOCIAL DIALOGUE AND COLLECTIVE BARGAINING AT THE CROSS-INDUSTRY AND SECTORAL LEVEL COVERING SOCIAL SERVICES

Social dialogue and collective bargaining at the sectoral or professional level is highly fragmented in the six countries. This reflects an overall situation of sectoral industrial relations and collective bargaining patterns characterised by two key features: first, a polarisation between public and private sectors, whereas collective bargaining in public sectors is quite prevalent, due to strong trade union organisations, but hardly exist at sectoral level in private business, due to very weak trade union organisation/membership and weak or non-existing employer organisations at sectoral level. Against, secondly, collective bargaining in the private sectors, therefore, is taking place with very few exceptions at the company level without any practices of extending collective agreements to all companies.

These patterns characterise all our focus countries in Central and Eastern Europe. Amongst the four countries, Lithuania is the only case where there has been some more recent dynamics in social services collective bargaining.

The situation in Cyprus and Malta is slightly different: in those countries, quite strong private cross-sectoral employer organisations exist that also represent some private social service

[25] 2018 European Semester: Country Specific Recommendations / Commission Recommendations. Available at: https://ec.europa.eu/info/publications/2018-european-semester-country-specific-recommendations-commission-recommendations_en.

branches. However, in both countries there are no collective agreements concluded in private social services.

The following table summarises key features of actors and bargaining processes in SSGIs in the six countries.

TABLE 7:
BIPARTITE SOCIAL DIALOGUE AND COLLECTIVE BARGAINING IN SSGIS

COUNTRY	ACTORS AND COLLECTIVE BARGAINING
Bulgaria	• Trade unions and government, municipalities • Municipal CLAs, e.g. education, healthcare, social care, nurseries
Cyprus	• SSGIs represented by cross-sectoral employer organisation OEB • OEB affiliates in social services (e.g. tertiary education, pre-school child education, private hospitals) not involved in collective bargaining or dialogue with unions
Hungary	• Some actors identified (hospitals, child protection) but not involved in collective bargaining • No collective agreements at the sector level • Fragmented system of collective bargaining and bargaining outcomes in the public sectors, if any, between trade unions and local authorities (e.g. nursery employees)
Lithuania	• SSGIs not represented by employer organisations • Sector collective agreements signed with respective Ministries, i.e. two in healthcare sector August 2018; December 2018), education (2017), residential care activities or the agreement of May 2018 on social services
Malta	• No sector-level bargaining in SSGIs • MEA affiliates in sectors such as health and professional services
Romania	• No sector-level bargaining in SSGIs • Sector level bargaining made very difficult by Social Dialogue Act 2011, very restrictive representativeness criteria

Source: wmp consult on the basis of information provided by national co-authors and in the context of round table meetings.

In **Bulgaria**, the bipartite social dialogue between employers and employees takes place at the company level and at the sectoral level (industry or branch).

Collective bargaining is defined in the Labour Code of Bulgaria: according to the Labour Code, collective agreements shall be concluded by enterprise, branch, industry and municipality. Only one collective agreement may be concluded at the level of enterprise, branch and industry. There is no national-level collective bargaining in Bulgaria.

Industry (sectoral) level collective labour agreements (CLAs) include general sector-specific issues such as details on bonuses for productivity, quality of work, hazardous working conditions, working time, health and safety at work, redundancy procedures, protection against discrimination, work-life balance, and information and consultation issues. Collective bargaining might also take place at municipal level. However, municipal agreements cannot define less favourable employment and working conditions than the sectoral collective agreements.

Company level collective agreements are more detailed and cover qualification requirements, specific working time and leave, pay rates, health and safety, social insurance, trade union activities, disputes procedures and social benefits.

As regards social partners in social services, most trade union members belong to one of the two main national trade union confederations, CITUB and CL "Podkrepa"[26], belonging respectively to the federations of health and in some cases – of education. Those trade union federations cover a larger scope of activities.

The nationally representative employers' organisations (5 in total[27]) do not have specific structures in the economic activities covered by the study. However, SSGIs are not represented by employer organisations: in fact, in the collective agreement concerning employees of social service providers, social dialogue takes place directly between trade unions and the municipalities (in several municipalities).

In social services, there is no social dialogue and collective bargaining, except at municipal level. Municipal level agreements exist in the field of education, healthcare, culture or social care that are financed by the municipality budgets.[28]

An example is the CLA (for nurseries) signed at a municipal level. In the capital, Sofia, a new CLA was signed between the Municipality and the trade unions in May 2017 (usually the length of such CLA is 2 years). This CLA envisages a 14% average increase in basic monthly wages for the employees in the municipal nurseries, the health offices in the kindergartens and schools, and the dairy kitchens. The CLA was signed between the Sofia municipality and the trade unions of the children and school healthcare professionals at the two main trade union confederations, CITUB and CL "Podkrepa".

As regards terms and conditions of employment and working conditions in social services, it should be noted that in Bulgaria the institutions and the activities of social security are subject to statutory supervision, which is implemented by the three branches of the Central Government: the Parliament, the Cabinet of Ministers and the Judiciary in cooperation with the representative organisations of workers and employers and other organisations of the public society, e.g. organisations for protection of patients. In addition, the overall control for observance of labour legislation in all sectors and activities is exercised by the General Labour Inspectorate Executive Agency, at the MLSP.

[26] Konfederatziata na nezavisimite sindikati v Balgaria (KNSB) (CITUB, Confederation of Independent Trade Unions of Bulgaria) is the largest trade union in Bulgaria, and member of the ETUC at the European level. CITUB was established in 1990, on the basis of the old unique trade union during the communist period. The membership of the confederation stands at about 250,000 in 2014. Konfederatziata na truda "Podkrepa" (Confederation of Labour (CL) "Podkrepa") was formed on February the 8th, 1989 by a small group of dissidents. However, after the political changes in 1989 the CL "Podkrepa" rapidly became the second largest trade union confederation in Bulgaria with strong presence in all sectors and regions. According to the last available data Podkrepa CL has about 91,738 members in 2012.

[27] According to the last publicly available census data in 2012, employer organisations cover approximately 14% of the companies in Bulgaria. Compared to the trade union movement, on the employers' side pluralism is much more prominent. At present, five organisations have the statute of nationally representative (since the last Census of 2016). The inheritors of the old structure of managers of state-owned companies, BSK, the Bulgarian Industrial Association, BIA, and the Bulgarian Chamber of Commerce and Industry, BCCI co-exist with the more recently established organisations, such as the Confederation of Employers and Industrialists in Bulgaria, CEIB, claiming to be representing significant part of the country's GDP and employment, or the Association of the Industrial Capital in Bulgaria - AICB, representing the former mass privatisation funds. Since the beginning of 1990 until 2012, two organisations of small businesses, the Union for Economic Initiative, SSI and the Union of Private Employers "Renaissance" were active members of the employers' movement, being recognized as nationally representative. Since 2016, SSI was again recognised as nationally representative. Till 2012 one company could be member of more than one employers' organisation, but the rules changed and now can be member only of one employers' organisation.

[28] According to the National Institute for Conciliation and Arbitration, the number of municipalities' CLAs practically does not change for the last three years, with 152 as of 31 December 2011 reaching 153 at the end of 2016.

In **Cyprus**, there are two employers' organisations: The OEB (Employers and Industrialists Federation), and the CCCI (Cyprus Chamber of Commerce and Industry). Both organisations have equal representation in the various tripartite bodies, like the Labour Advisory Board, the Economic Consultative Committee, the Social Security Committee, and others. They also offer extensive services to their members, and between them, they represent nearly the entirety of the business/entrepreneurial community of Cyprus, since all individual professional associations are affiliated with either the OEB or the CCCI, or in some cases with both. Individual enterprises can become direct members to either, or both, of these organisations, or they can be affiliated with them through their membership to their professional association, which in turn is a member of the employers' organisations.

The CCCI is a member of EUROCHAMBERS, the International Chamber of Commerce (ICC), the European Association of Craft, Small and Medium-Sized Enterprises (SMEunited), etc. The OEB is a member of the International Organisation of Employers (IOE), the BUSINESS EUROPE and others.

As regarding the Trade Unions: the main national, multisectoral workers' organisations are the Pancyprian Federation of Labour (PEO), the Cyprus Workers Confederation (SEK), the Democratic Labour Federation of Cyprus (DEOK), and the Pancyprian Federation of Independent Trade Unions (POAS).

PEO is a member of the World Federation of Trade Unions (WFTU), SEK is a member of the European Trade Union Confederation (ETUC), the International Confederation of Free Trade Unions (ICFTU), and the Greek General Confederation of Workers, whilst DEOK and POAS are members of the World Confederation of Labour (WCL).

Other independent sectoral workers' organisations are the Pancyprian Union of Public Servants (PASYDY), the Pancyprian Organisation of Greek Teachers (POED), the Organisation of Greek Secondary Education Teachers (OELMEK) and the Union of Banking Employees of Cyprus (ETYK).

Trade union and stakeholder positions on the reform of the national health system: in spring 2017, healthcare workers, NGOs and doctors that had asked the government to take more time for the implementation of a national health system reform, urged the parliament to speed up. Besides problems related to pay, the recruitment of new staff was on the agenda. The unions complained in the beginning about a lack of dialogue but started later on an alliance with NGOs to support the planned reform.

The health system consists of a public and a private sector. Low-income workers, public sector workers and patients with chronic illnesses are eligible for public-sector care coverage. The government pays for public-sector healthcare while individual patients and private health insurers pay for private-sector health care. During a meeting in Parliament of the health committee in mid-April 2017, it became apparent that a planned reform of the health system still needed more reflection. Several stakeholders expressed doubts about the proposals. In the following weeks the health ministry held talks with the most relevant actors. Soon after, an alliance of patients' and consumers' associations, together with the trade unions, launched an online signature campaign to raise as much support as possible for the implementation of the plans.

There is no cross-sectoral bipartite dialogue in **Hungary** (the new forum for State-owned companies might be a development in this direction). In the national-level social dialogue, sectoral interests are not sufficiently represented. There is regular consultation mostly on wages in the OKET but only as general interest. The wage system in the public sector is very much fragmented, there are more than 20 types of wage boards and the system exists for different groups of public employees. There are also nearly 20 types of public employee legal employment status.

The most discussed topic is the wage situation in social services. One of the issues recently discussed is the possibility of establishing sectoral collective agreements. However, since no formal social partner exists on the employers' side, it is not feasible these days. Currently, no sectoral-level collective agreements exist in the social service sectors. Collective agreements – if any – are established between the local government organisations and the social services employees (e.g. nursery employees) at the local level.

There are nine employers' organisations at the national level. Due to historical reasons, some of them are actually sectoral organisations (e.g. agriculture or commerce and hospitality), which are active both at national and sectoral level. However, none of these employer organisations represents social service providers/ operators.

As regards social services of general interest, there is only one quasi-sectoral employers' organisation that however does not belong to the "big" 9 – i.e. in the healthcare sector – the Hungarian Hospital Association, MKSZ. Furthermore, in the field of childcare and protection, the General Directorate of Social and Child Protection (SZGYF) has been identified as a key actor at the national level.

As regards local government, important associations (not involved in collective bargaining) are the National Association of Local Government of Settlements (TOOSZ) and the Association of Towns with County Status (MJVSZ).

Interviews at the national level and the mapping of organisations and associations representing providers in the field of SSGIs have identified a number of additional organisations. However, most of them seem not involved in any form of social dialogue with trade unions or involved in cross-sectoral social dialogue practice.

In addition to the social partners, the Social Alliance (*Szociális Szövetség*) represents the interest in the social service sectors, but its member organisations do not count as employers' organisations.[29]

Unfortunately, the fragmented statistical classifications do not help either institutions or operators to make more formal social associations and to establish formal social partner organisations. Since the State is the most significant provider, public social institutions also try to act as interest groups, however de facto, they cannot act as formal social partners.

As noted by workshop participants and social partners interviewed in the context of this study, collective bargaining in **Lithuania** is still a relatively new phenomenon at its early stages. As concerns specifically social services of general interest, the first collective agreement was signed earlier in 2018 and remains to be implemented in practice. There are two collective agreements valid on healthcare sector: the first was signed in August 2018 covering employees in Lithuanian national health system and the second was signed in December 2018 covering employees in municipal public health bureaus (see below for more details); a similar one on education in November 2017.

The groundwork for collective labour relations is laid down by the Labour Code, which regulates levels, parties, procedural aspects of collective bargaining and collective agreements as well as collective labour disputes. Notably, the new Labour Code (came into force in July 2017) establishes more detailed procedures for collective bargaining and collective labour disputes. Furthermore, it stipulates that collective agreements are applied only for trade union members (there is an exception at the employer level) also it sets forth an obligation for companies employing 20 or more employees to have work councils.

[29] Members are: Hilscher Rezső Society of Social Politics; National Association of Regional Resource Centres; Association of Hungarian Social Professional Training Schools and Teachers (School Association); Hungarian Association of Family Support and Child Welfare Services; The Hungarian Association of Social Workers; National Association of Services for the Homeless; Federation for Community Participation Development; Association of Social Workers in Healthcare Institutions; Association of Farm-stead and Village Trustees; Association of School Social Workers.

Apart from above-mentioned sector collective agreements, bipartite social dialogue between employers and employees mostly takes place at the company level and all collective agreements are registered in a common database as of the entry into force the new Labour Code in 2017.

As regards collective bargaining, SSGIs and social services more broadly are not represented by employer organisations in private sector, in fact, in the collective agreement concerning employees of social service providers in public sector, social dialogue and bipartite negotiations take place directly between trade unions and the government as an employer organisation which authorised the Ministry of Social Security and Labour to conduct collective bargaining and to sign a sector agreement.[30]

In 2018 the Ministry of Health and relevant Trade Unions signed a Collective Agreement encompassing branches of hospital activities (i.e. medical, nursery and pharmaceutical employee organisations). The Ministry of Social Security and Labour and respective trade unions reached another Collective Agreement covering employees in residential care activities. However, it should be noted that only those employees are covered by the agreement that are also members of the trade unions that signed the agreement. As such, social service employees do not have one umbrella collective agreement or body representing them. In fact, due to the division of social and health services, there are social workers – for instance in the health sector - that fall between the cracks and are not covered by the collective agreements of neither of the two sectors (for more on collective bargaining see the social dialogue section).

SSGI providers are not directly represented in national bilateral or tripartite social dialogue but they may be indirectly represented by their membership in cross-sectoral employer organisations. There are few organisations that could be considered as employer organisations[31] in the strict sense of the term. These are:

- *Cross-sectoral*: The Confederation of Lithuania's Employers which is also represented in the Tripartite Council;
- *Social care*: The Association *"Rūpestinga globa"* representing 36 public service providers and long-term care providers that are governed at different levels;[32]
- *Daycare*: Association of Lithuania's children's day centres (*Lietuvos vaikų dienos centrų asociacija*, LVDCA), representing both public and private, children day-care providers;
- *Healthcare (private)*: Association of Lithuanian Private Healthcare Organizations (*Lietuvos privačių sveikatos priežiūros įstaigų asociacija*).[33]

Furthermore, there are a number of intermediary organisations that are important in the field of SSGIs but that are not employer organisations, for example the Association of Local Authorities in Lithuania (ALAL), which represents leaders and administrative managers of all municipalities in Lithuania.

Relevant actors of social dialogue are also professional organisations. These include the Lithuanian Association of Social Workers (LSDA), a professional organisation of social care workers (1,300 members according to the survey response) that represents the interests of this professional group among others.

[30] The involved trade unions are: Trade Union of Lithuanian Social Institutions' Employees (LSIDPS); Trade Union of Lithuanian Social Services Providers' Employees; Lithuanian Civil Servants, Budgetary and Public Institutions Employees' Trade Union; Trade Union of Lithuanian social employees Solidarumas; Lithuanian Public Service's Trade Unions' federation; Republican United Trade Union.

[31] The term of employer organisations is defined in the Lithuanian Labour Code and the

[32] This association cannot be considered as an employer organisation according to the definition of the Labour code, because the law makes a difference between public and private employer organisations. The government usually is considered as an employer organisation at a higher than employer level collective bargaining and it can authorise the respective institutions to conduct collective bargaining and sign a sector collective agreement, as it was done with 4 valid collective agreements.

[33] The Association is a member of the Confederation of Lithuania's Employers which is represented in the Tripartite Council.

LITHUANIA: COLLECTIVE AGREEMENT ON SOCIAL SERVICES OF MAY 2018

The agreement on social services illustrates a general upward trend of collective bargaining in public social services. The agreement focuses on basic salary levels but also provides for a stronger role for trade unions and social dialogue on non-wage issues.

The agreement applies to trade union members in 35 social service enterprises which operate in 24 municipalities (19 budget enterprises and 16 social care institutions) under the Ministry covering around 1,900 trade union members (of around 4,000 total social workers in the country).

Apart from salary issues, the agreement contains a number of normative clauses such as a framework for the remuneration system, conditions for the improvement of professional competences and guarantees for trade union activity.

The agreement was renewed and an amendment to it was signed in September 2019. Now the collective agreement is applied to 50 social service enterprises. In the context of the renewal, also higher wage level has been negotiated and the bilateral sector council of social services has been established.

Source: Presentation of a representative of the Ministry of Social Security and Labour at the CEEP round-table workshop in Vilnius, 18 December 2018 and update of 2019 09 09, available here: https://socmin.lrv.lt/lt/naujienos/aktualu-daliai-socialiniu-darbuotoju-pasirasyta-antnaujinta-sutartis-del-darbo-uzmokescio.

Employer organisations (all these organisations covering the whole national territory) in **Malta** do not normally take part in collective bargaining with trade unions at the sector-level collective bargaining normally takes place at company level between individual employers and trade unions representing majority of workers. However, upon request of its members, the MEA statute says that it may act on behalf of its members in "regulating the relations between employers and employees" and that it may become involved in settlement through negotiations and/or arbitration". Some employer associations have engaged in bargaining with government authorities in order to achieve favourable conditions for their members.

Union density is relatively high in Malta, with around half of all employees belonging to unions. Two main union groupings, the GWU and UHM, face one another, both organising a wide spectrum of workers, although some occupations, such as teachers, bank employees and nurses, are in independent unions. There are political differences between the two main groups and relations are often tense, although there have been some recent attempts to develop a more collaborative spirit among trade unions.

As regards **social services**, there seems to be no employers' association specifically for social service employers. As per the Department of Industrial and Employment Relations (DIER) list of trade unions and employer associations[34], no employer associations represent employers of SSGIs, except for the Malta Employers' Association (MEA). The MEA represents sectors such as educational services, parastatal and government authorities as well as health and professional services[35], which might include SSGI sectors. MEA operates at the national level.

In April 2018, the Childcare Centre Providers Association (CCPA) announced an industrial dispute with the government and asked for a raise in wages.[36]

[34] https://dier.gov.mt/en/Industrial%20Relations/Registrar%20of%20Trade%20Unions/Pages/List-Of-Trade-Unions.aspx
[35] http://www.maltaemployers.com/en/sector-groups
[36] https://www.timesofmalta.com/articles/view/20180420/local/child-centre-providers-announce-industrial-dispute-with-government.676968

In addition, there are chambers and professional or occupational organisations that are relevant to social services:

- Kamra tal-Ispizjara (Malta Chamber of Pharmacists);
- Medical Association of Malta;
- Malta Association for the Counselling Profession;
- Malta Chamber of Psychologists;
- Malta Association of Family Therapy and Systematic Practice.

The bipartite dialogue in **Romania** is poorly developed due to a highly centralised government in the past[37]. Bipartite dialogue takes place for mandatory collective bargaining, regulated by law, and in procedures of solving collective labour disputes, between employers and trade unions, without government involvement in its regulation or organisation. One type of bipartite dialogue for amiable conflict resolution can be carried out under the procedure of counselling, mediation and arbitration of the Nation Office for Mediation and Arbitration, under the Ministry of Labour. There is also bipartite dialogue taking place within permanent or occasional consultations between government and trade unions or government and employers, which are held in the framework of organised meetings, committees or bipartite committees.

The system has been fundamentally changed by legislation passed in 2011 and collective bargaining at the national level, which previously set minimum pay and conditions for the whole economy, has been abolished. There are also new rules for bargaining at industry and company level, which has weakened the position of unions.

So far, no employer organisations representing social services of general interests have been identified.

For specific professions and NGOs in social services, the national mapping has identified thematic networks and associations that were set up to lobby on key issues and NGO rights (including workers' rights, access to funding). They are, however, not formally organised as employer organisations.

Further organisations have been identified in the context of the SSGI mapping in Malta, though none of these are employer organisations engaged in social dialogue/collective bargaining.

4.3.3. FRANCE AS AN EXAMPLE OF GOOD FUNCTIONING SOCIAL DIALOGUE IN THE SOCIAL PROFIT SECTORS

As a contrast to the situation in the six countries, France and the employer organisation UDES can serve as an example of a social dialogue and collective bargaining system that performs well and has produced some remarkable outcomes in the social profit/solidarity economy.

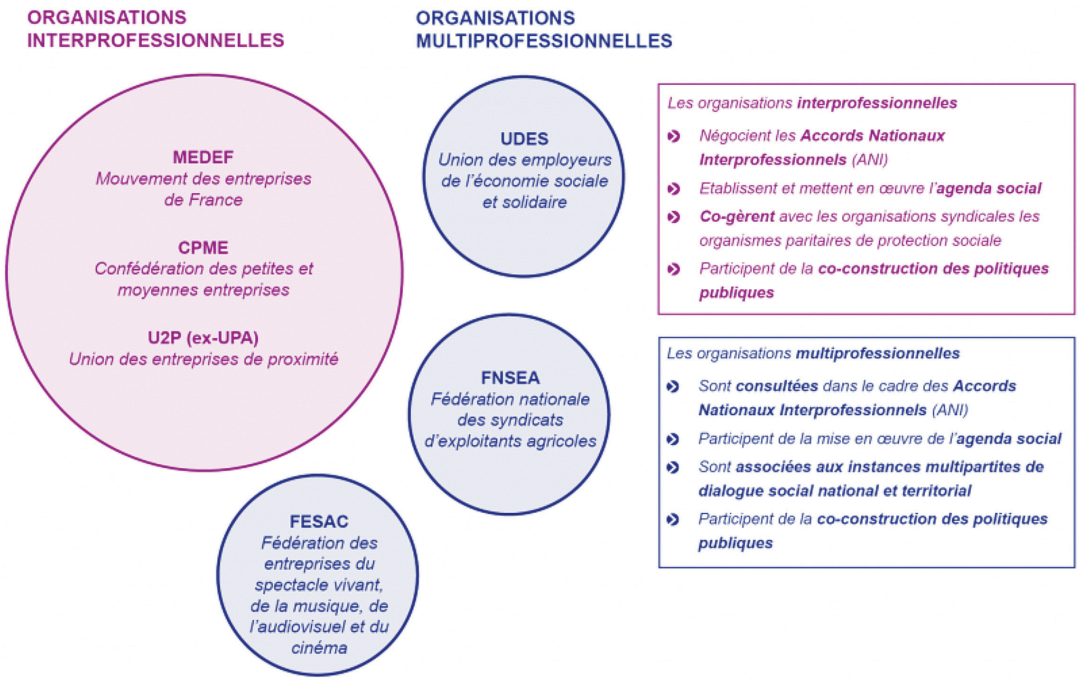
It should be noted that the acknowledgement of UDES as the representative employer organisation in social economy is quite recent (after decades of campaigning and lobbying): the law of 5 March 2014 on vocational training, employment and social democracy marks an important step in the recognition of UDES as a full-fledged social partner. The law established a multi-professional level between the different social profit sectors and the inter-professional level of social dialogue and collective bargaining. As a multi-professional employers' organisation, UDES represents the social economy in consultation forums at national and territorial level vis-à-vis the other main inter-professional employer organisations (MEDEF, CPME, U2P) in the context of ANI negotiations (national inter-professional agreements).

[37] http://dialogsocial.gov.ro/despre/

The following **figure 4** illustrates the position of UDES in the broader landscape of cross-sectoral employer organisations in France.

FIGURE 4:

UDES IN THE FRENCH EMPLOYERS' LANDSCAPE

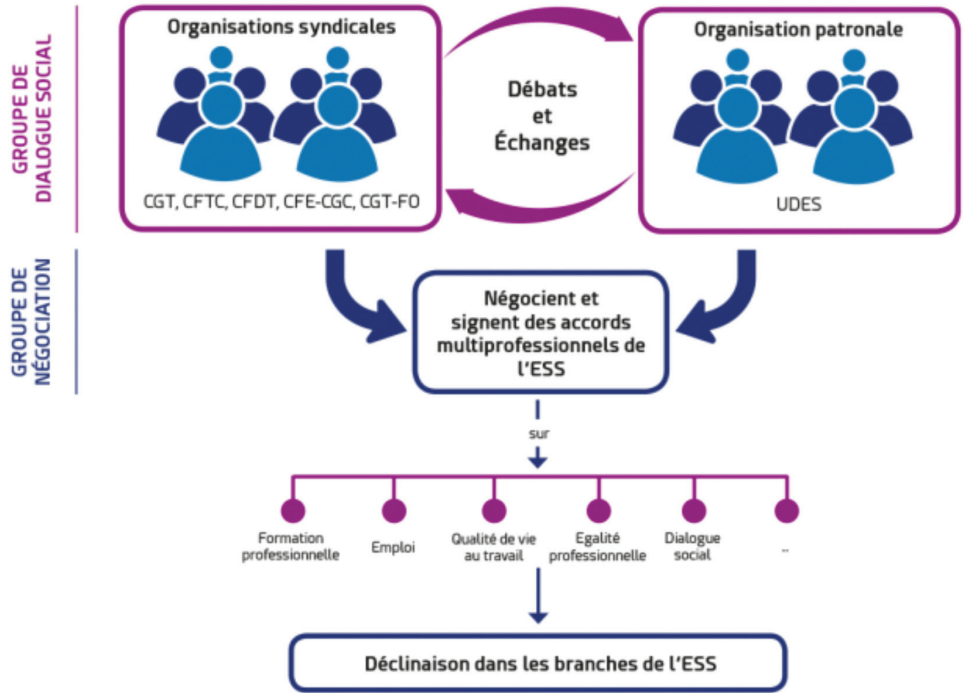


Source: UDES

In the context of the sectoral social dialogue between UDES and the French trade unions, the Social Dialogue Group of the Social and Solidarity Economy (GDS, see **figure 5** below) is a forum for debate, proposals and recommendations on the practice of transversal social dialogue in the fields of employment and training. It plays a role in social balancing and consultation and can thus prepare for the negotiation of agreements in the social and solidarity economy.

FIGURE 5:

THE SOCIAL DIALOGUE GROUP OF THE SOCIAL AND SOLIDARITY ECONOMY (GDS)



Source: UDES

Even before the social dialogue in the social and solidarity economy was institutionally framed in the GDS, UDES has signed several collective agreements with the sector-related trade unions organisations.

In 2006, UDES signed an agreement on lifelong vocational training in the social economy with GEMA, Unifed and the three trade union federations CFDT, CFTC, CGT. This agreement defines and sets a framework for the multi-professional field of the social and solidarity economy. It was approved by the General Directorate of Social Action of the Ministry of Labour in 2009 and thus declared generally binding for the whole sectors.

A number of further collective agreements have addressed specific important issues related to the social and solidarity sectors.

Examples are:

- Agreement on employment of people with disabilities signed on 9 January 2019;
- Agreement on professional equality between women and men signed on 27 November 2015;
- Agreement on the professional integration and employment of young people signed on 21 February 2014 and extended by an order of 7 April 2016;
- Agreement on training of volunteer leaders signed on 8 April 2011 and extended by decree on 27 February 2012 amended by amending decree on 14 August 2012;
- Agreement on equality and prevention of discrimination signed on 23 May 2011 and extended by the decree of 30 May 2012 amended by the amending decree of 30 July 2012;

- Agreement on professional development course signed on 15 January 2011 and extended by decree on 5 March 2013;
- Agreement on the prevention of psychosocial risks, including stress at work signed on 31 July 2010 and extended by decree on 5 March 2013.

Besides these agreements, UDES in December 2015 signed a joint declaration with three trade union confederations of employees (CFDT, CFE-CGC and CFTC) in order to develop the practice of territorial social dialogue specific to the social and solidarity economy within the regional social dialogue spaces (ERDS).

4.4. KEY POINTS

- In all six countries, tripartite social dialogue is established by legal regulation at national, sectoral and municipal/local level (with the exception of Cyprus and Hungary)
- Influence of social partners on policies and legislation varies significantly – while tripartite social dialogue can be regarded as quite mature and based on organisational strength in Cyprus and Malta, the situation in the four Central and Eastern European countries is more fragile with significant changes and phases of weaknesses of social dialogue more recently
- As in Cyprus, private social services currently are represented at best via cross-sectoral employer organisations in national tripartite institutions and bodies
- Social dialogue and collective bargaining in social service are dominated by central government departments and local and regional government representing the employer side on the one hand and sectoral/professional trade union organisations on the other
- Both the private non-profit and the private for-profit sectors are generally not represented by own employer organisations and neither is the social enterprises /social profit sector
- There is evidence that some existing arrangements are threatened by the lack of recognition of social services partners
- The role of the state is thus crucial for social dialogue in social services in both positive and negative ways. But here, the situation in some countries (Hungary, Romania) has worsened in recent years
- The examples of Unisoc in Belgium and UDES in France and the development of sectoral collective bargaining as well as institutional structures of social dialogue in the social profit and solidarity economy in these two countries illustrate the clear added value of a genuine and strong representation of SSGIs by employer organisations and within social dialogue at national level
- Both country examples also illustrate that the State plays an important role (via legislation and representativeness rules) for the development of an enabling environment for social dialogue as well as legal regulation are a precondition for the development of social dialogue in the social service sectors.

5. THE CASE FOR A STRONG AND DEEPER INVOLVEMENT OF SSGIs IN CROSS-SECTORAL SOCIAL DIALOGUE AT EU LEVEL

SSGIs are an important driver of economic and social development and employment in Europe. According to recent estimates[38], the social economy, with 2.8 million companies, employs a workforce of 13.6 million employees. This represents around 8% of the EU's GDP. SEEs play a major role in creating and maintaining jobs, contribute to the success of the European Pillar of Social Rights, social cohesion and the implementation of common European goals in the field of social and employment policy.

As noted in a recent opinion of the European Economic and Social Committee (EESC) at the request of the Romanian Presidency, the state of the social economy in Europe is currently uneven. While in some Member States historical factors and recent national policies support its development, in others the challenges are still persistent. This context, combined with the insufficiency of financial resources, prevents the social economy from contributing to economic recovery and renewed business dynamism, alleviating the social tensions caused by rising inequalities and poverty, lowering unemployment in particular regions and combating precarious working conditions, which are phenomena fuelling the rise in populism.

This uneven situation is quite strongly illustrated also by this study, when comparing national examples such as Belgium and France with the current situation in the four Central and Eastern European countries.

The economies of the new Member States have undergone long and sometimes difficult processes of transitioning from planned communist systems to regulated market economies. Institutional and political adjustments have had an impact on their societies and economies. As highlighted in the recent ESSC opinion, these changes have also affected SMEs, particularly the cooperative sector in each of these countries, which has been used for several decades, including during the transition to a market system. The development of the social economy in these countries could push further the EU's goal of consolidating an integrated European area in which social and economic inequalities between the EU-15 and the 12 new Member States of eastern and southern Europe would be reduced and eliminated.

On the other hand, after half a century of near-total extinction, mutual societies, associations and foundations are undergoing a gradual rediscovery and expansion, alongside the development of civil society, social movements and trade unions in these countries. The development of this "third pillar" in the new Member States according to the EESC opinion should be seen as part of their proper integration into the European social model.

The mapping of professional organisations, NGO networks and associations in the field of the social economy and SSGIs that has been carried out in the context of this study, identifying around 130 different organisations that are related to social services, quite strongly shows that the potentials identified by the EESC exist in the new Member States.

[38] See: European Economic and Social Committee: Social economy enterprises' contribution to a more cohesive and democratic Europe – exploratory opinion at the request of the Romanian Presidency of the Council, EESC, INT/875, adopted at plenary session 15/05/2019

However, our report has shown also that the private, non-profit social services are highly fragmented and isolated without any significant voice in public policies. With few exemptions (in Cyprus and Malta) those are also not represented in the tripartite and bipartite social dialogue. This results on the one hand in significant diversity of social services that stretches across different social sectors and many professional organisations. On the other hand, public as well as private SSGIs have no voice in national-level social dialogue because of sectoral social dialogue and collective bargaining still is underdeveloped and lacks efficient employer as well as employee representation.

At the same time, the impressive outcomes of the representation of the social profit sector in social dialogue at the cross-sectoral and multi-professional levels in Belgium and France illustrate how important a strong voice and representation of SSGIs in national and territorial social dialogue is for the development of these activities. It also constitutes a strong response to the many challenges SSGIs are facing (underfunding, unattractive working conditions, demographic and social challenges, new emerging needs, etc.).

Our study found very little practices that indicate positive trends of giving SSGIs a stronger voice. It was not possible for example to identify one single employer organisation that is actively and directly engaged in bipartite or tripartite social dialogue in one of the six focus countries. If collective agreements exist, they have been negotiated either by private cross-sectoral employer organisations or by public authorities as employers. However, there seems to be some movement, as the example of a new type of collective agreements that have been recently concluded in Lithuania shows.

As illustrated by the two reference countries (Belgium and France), the strong voice of SSGIs, is closely related to the success of organising a sector and establishing efficient organisations for lobbying and bargaining. Interestingly, the acknowledgement of SSGI employer organisations in these two countries only happen after they have concluded a number of innovative collective agreements with trade unions (which also illustrated joint concerns and interest of the social partners).

Against the weakness of industrial relations and social dialogue in particular in the four Central and Eastern European countries, such a process of self-organisation will not happen without external support. Even if national actors would join forces, there will be a need for EU level institutions, and social partners to support such a process through capacity building, exchange of practices and other activities.

SSGIs are arising from the study and there are several possible activities by which EU institutions and social partners can provide support:

The European Commission should highlight in the exchange and dialogue with Member States the important contribution of SSGIs in developing active citizenship and common good, promoting the European social model, social and labour market inclusion.

EU institutions as well as Member States should provide active support for social innovation, which includes recognition and political support for SSGIs and civil society as key stakeholders in society and providing an enabling environment.

This should also be done in parallel with more research on the social impact of SSGIs.

The added value of social dialogue and the representation of SSGIs in national tripartite and bipartite social dialogues and collective bargaining for achieving positive outcomes, improving the image of the sectors and making it fit for responding to the many future social, societal and other challenges should be actively highlighted and promoted.

In particular the development of SSGI related employer organisations should be actively promoted by EU and national level political actors as well as cross-sectoral social partners.

In this latter context, considering the wide spectrum of SSGI related activities, their representation in social dialogue at cross-sectoral level could help overcome fragmentation issues. CEEP as a cross-sectoral social partner at EU level should pursue its work in ensuring SSGI's employers' representation at European level.

ANNEX:
OVERVIEW OF SSGI RELATED ORGANISATIONS IDENTIFIED IN THE SIX COUNTRIES

NO	ORGANISATION	COUNTRY	TYPE OF ORGANISATION	SECTORAL SCOPE
1	Agency for Social Development- Vision	Bulgaria	NGO Association	social work
2	Bulgarian Association for Persons with Intellectual Disabilities (BAPID)	Bulgaria	Association	persons with disabilities
3	Center for Social Activities Angelovi	Bulgaria	NGO Association	social work
4	Foundation NET	Bulgaria	NGO Association	social work
5	Karin dom foundation	Bulgaria	NGO Association	social work
6	Private Hospitals Association	Bulgaria	Association	hospitals
7	Federation of social associations in Bulgaria (FSAB)	Bulgaria	Association	social work
8	National Alliance for Social Responsibility (NASO)	Bulgaria	Association	social work
9	Bulgarian Red Cross	Bulgaria	NGO Association	various SSGIs
10	The "Child and Space" Association	Bulgaria	NGO Association	childcare
11	The Bulgarian Center for Not-for-Profit Law (BCNL)	Bulgaria	NGO Association	NGO representation
12	The International Social Service Bulgaria Foundation (ISS-Bulgaria)	Bulgaria	NGO Association	various SSGIs
13	Institute for Community-based Social Services Foundation (ICSS)	Bulgaria	NGO Association	education
14	Maria's World Foundation	Bulgaria	NGO Association	
15	The Social Activities and Practices Institute	Bulgaria	NGO Association	social activities
16	"Animus Association" Foundation	Bulgaria	NGO Association	various SSGIs
17	Hope for the Little Ones Foundation	Bulgaria	NGO Association	childcare
18	SOS Children's Villages	Bulgaria	NGO Association	childcare
19	Association "Information and Consultation"	Bulgaria	NGO Association	various SSGIs
20	Foundation Grija za sotzialno blagopoluchie	Bulgaria	NGO Association	various SSGIs
21	Lumos	Bulgaria	NGO Association	

NO	ORGANISATION	COUNTRY	TYPE OF ORGANISATION	SECTORAL SCOPE
22	Caritas	Bulgaria	NGO Association	various SSGIs
23	Health without borders	Bulgaria	NGO Association	health
24	Initiative for health	Bulgaria	NGO Association	health
25	For Our Children Foundation	Bulgaria	NGO Association	childcare
26	Health and Social Development Foundation	Bulgaria	NGO Association	health
27	Foundation Concordia Bulgaria	Bulgaria	NGO Association	various SSGIs
28	Centre for Independent Living	Bulgaria	NGO Association	various SSGIs
29	The Foundation for Social Change and Inclusion (FSCI	Bulgaria	NGO Association	various SSGIs
30	Bulgarian Chamber of Commerce and Industry (BCCI)	Bulgaria	Chamber	cross-sector
31	Bulgarian Industrial Association (BIA)	Bulgaria	Employer Organisation	cross-sector
32	Confederation of Employers and Industrialists in Bulgaria (CEIB)	Bulgaria	Employer Organisation	cross-sector
33	Bulgarian Industrial Capital Association (BICA)	Bulgaria	Employer Organisation	cross-sector
34	Union for Private Economic Enterprise (UPEE)	Bulgaria	Employer Organisation	cross-sector, SME
35	National Association of Municipalities in the Republic of Bulgaria (NAMRB)	Bulgaria	Local and Regional Government	various public services
36	OEB - Cyprus Employers And Industrialists Federation	Cyprus	Employer Organisation	cross-industry
37	Cyprus Association of Private Pre-School Education	Cyprus	Association	child day care
38	Cyprus Association of Private Tertiary Education Institutions	Cyprus	Association	higher education
39	Cyprus Association of Private Hospitals	Cyprus	Association	hospitals
40	Cyprus Association of Dental Technicians	Cyprus	Association	dental care
41	Cyprus Medical Association (CYMA)	Cyprus	Association	medical care
42	Pancyprian Volunterrism Coordinative Council	Cyprus	NGO Association	various SSGI
43	Union of Municipalities	Cyprus	Local and Regional Government	various SSGI
44	Union of Communities	Cyprus	Local and Regional Government	various SSGI
45	Union of the Social Professional Organisations	Hungary	NGO Association	professional organisation

NO	ORGANISATION	COUNTRY	TYPE OF ORGANISATION	SECTORAL SCOPE
46	Civic Advocacy Network of Service Providers for Persons with Disabilities	Hungary	NGO Association	social care
47	National Association of Social Organisations and Foundations in the Service of Mentally Handicapped (ÉTA)	Hungary	NGO Association	social care (mental handicapped)
48	Foundation For Equal Rights (FEER)	Hungary	NGO Association	social care
49	Hand in Hand Foundation	Hungary	NGO Association	social care
50	Rehabilitation Centre for Physically Disabled People (MEREK)	Hungary	NGO Association	social care (rehabilitation)
51	Symbiosis Foundation	Hungary	NGO Association	social care (mainly autism)
52	Confederation of Hungarian Employers and Industrialists / BusinessHungary (MGYOSZ)	Hungary	Employer organisation	cross-sector
53	Associations of Hungarian Local Governments (MÖSZ)	Hungary	Local and Regional Government	various local governments
54	National Association of Local Governments (TÖOSZ)	Hungary	Local and Regional Government	various local governments
55	Federation of County-level Municipalities (MJVSZ)	Hungary	Local and Regional Government	varous local governments
56	National Federation of Social Institutions	Hungary	Federation	various social service providers (public financed)
57	Caritas Hungarica / Hungarian Catholic Church	Hungary	Provider formally in NGTT (National Economic and Social CGU	religious - social care
58	Kolping Educational and Social Institution Maintenance Organization (connected to the Catholic Church)	Hungary	NGO Association	social care
59	Hungarian Charity Service of the Order of Malta	Hungary	NGO Association	religious - social care
60	Charity Service of the Reformed Church in Hungary	Hungary	Provider formally in NGTT (National Economic and Social CGU	religious - social care
61	Hungarian BaptistAid	Hungary	NGO Association	religious - social care
62	Diaconal Services of Evangelical Lutheran Church of Hungary	Hungary	Provider formally in NGTT (National Economic and Social CGU	religious - social care
63	Federation of Jewish Communities in Hungary	Hungary	Provider formally in NGTT (National Economic and Social CGU	religious - social care

NO	ORGANISATION	COUNTRY	TYPE OF ORGANISATION	SECTORAL SCOPE
64	Hungarian Directorate-General for Social Affairs and Child Protection	Hungary	NGO Association	chilld protection - social care
65	Telki Hold Otthon Senior Care	Hungary		elderly care
66	TÉMASZ Elderly Home / Nexus Fűzfő Ltd.	Hungary		elderly care
67	Olajág Homes	Hungary		elderly care
68	National Association of Social Cooperatives - Hungary	Hungary	Association	optional child and social basic care (not supported by the state)
69	Euro-Region Social Professional Community	Hungary	Association	experts, practitioners, academics in social field
70	Hungarian Association of Social Directors and Professionals	Hungary	Association	experts, managers, practitioners in social field (institutes and individuals too)
71	Association of Directors of Lithuanian Long-term Care Institutions	Lithuania	Association	long-term care
72	Association of Directors of Municipal Social Care Institutions	Lithuania	Association	social care
73	Association of Lithuanian Private Healthcare Organizations	Lithuania	Association	healthcare
74	Association of Lithuania's children's day centres	Lithuania	Association	children's day centres
75	Association of Local Authorities in Lithuania	Lithuania	Local and Regional Government	various public services
76	Association of Public Health Bureaus	Lithuania	Association	healthcare
77	Association of Regional Hospitals	Lithuania	Association	hospitals
78	Association of Social Enterprises	Lithuania	Association	social enterprise
79	Lithuanian Association of Distance and e-Learning	Lithuania	Association	education
80	Lithuanian Association of Physicians Executives	Lithuania	Association	physicians
81	Lithuanian Association of Social workers	Lithuania	Association	social work
82	Lithuanian Medical Staff Union	Lithuania	Association	medical staff
83	Lithuanian National Association of Healthcare Organisations	Lithuania	Association	healthcare

NO	ORGANISATION	COUNTRY	TYPE OF ORGANISATION	SECTORAL SCOPE
84	Lithuania's Association of Hospitals	Lithuania	Association	hospitals
85	Lithuania's Confederation of Employers / Lietuvos darbdavių konfederacija	Lithuania		cross-industry
86	National Association of Healthcare Organisations	Lithuania	Association	healthcare
87	National platform for non-governmental development cooperation organisations	Lithuania	Association	NGOs
88	Union of Associations of Humanitarian and Social Sciences	Lithuania	Association	social work
89	Young Doctors' Association	Lithuania	Association	medical care
90	Malta Employers' Association (MEA)	Malta	Employer Organisation	cross-industry
91	Foundation for Social Welfare Services (FSWS)	Malta	Public Agency	social welfare / social work: children & families; substance abuse
92	Sapport Agency	Malta	Public Agency	community & residential services - disability
93	Lino Spiteri Foundation (LSF)	Malta	Public Agency	employment - disability; mental health; vulnerable groups
94	Caritas Malta	Malta	NGO Association	residential & community services - substance abuse, prison inmates
95	Inspire Foundation	Malta	NGO Association	inclusion - disability
96	Paulo Freire Institute	Malta	NGO Association	literacy & community development - vulnerable groups
97	Richmond Foundation	Malta	NGO Association	residential care & social work - mental health
98	OASI Foundation	Malta	NGO Association	residential services - substance abuse
99	Id-Dar tar-Providenza	Malta	Church Organisation	residential services - disability
100	Care Malta	Malta	Private Organisation	residential care / elderly & disabled
101	Malta Midwives Assocation	Malta	Association	midwifery
102	Association of Speech Language Pathologists Malta	Malta	Association	speech Therapy

NO	ORGANISATION	COUNTRY	TYPE OF ORGANISATION	SECTORAL SCOPE
103	Malta Association of Occupational Therapists (MAOT)	Malta	Association	occupational therapy
104	Malta Association of Physiotherapists (MAP)	Malta	Association	physiotherapy
105	Maltese Association of Psychiatric Nurses (MAPN)	Malta	Association	psychiatric nursing
106	Platform of Human Rights Organisations Malta (PHROM)	Malta	NGO Association	human rights activities
107	Medical Association of Malta (MAM)	Malta	Professional Association	medical services
108	Childcare Centre Providers Association (CCPA)	Malta	Association	childcare
109	Alpha Transilvana Foundation	Romania	NGO Association	early education and child protection, disabilities
110	Association of County Councils	Romania	Local and Regional Government	various public services
111	Caritas Alba Iulia	Romania	NGO Association	homecare services, residential services for the elderly, day centres for children, etc.
112	Caritas Iasi	Romania	NGO Association	homecare services, residential services for the elderly, day centres for children, etc.
113	Caritas Satu Mare	Romania	NGO Association	homecare services, residential services for the elderly, day centres for children, etc.
114	Center for Training and Assessment in Social work (CFCECAS)	Romania	Public provider	social work and social assistance - public institution
115	Confederatia Patronala Concordia	Romania	Employer Organisation	cross-industry employer organisation
116	Dizabnet (the Network of Organizations provider of social services to the disabled)	Romania	Network	care for the persons with disabilities
117	Employer association of dental services providers in Romania	Romania	Association	healthcare services/ dentistry
118	Federation of Non Governmental Services for social Services	Romania	NGO association	social services
119	FONPC	Romania	NGO Association	child protection

NO	ORGANISATION	COUNTRY	TYPE OF ORGANISATION	SECTORAL SCOPE
120	General Direction of Social Assistance and Child Protection - Arad	Romania	Public provider	social work and social assistance - public institution
121	General Direction of Social Assistance and Child Protection - Sector 4, Bucharest	Romania	Public provider	social work and social assistance - public institution
122	Hans Spalinger Association – Cluj Napoca	Romania	NGO Association	early education and child protection, disabilities
123	Hospice Casa Speranței	Romania	NGO Association	lead hospice care provider in Romania
124	Orbán Foundation	Romania	NGO Association	early education and child protection, disabilities
125	Palmed Patronat	Romania	NGO Association	healthcare services
126	Pentru Voi Foundation	Romania	NGO Association	adults with disabilities
127	Social assistance services of the Municipality of Baia Mare	Romania	Public provider	social work and social assistance - public institution
128	Social Care Directorate Arad	Romania	Public provider	social work and social assistance - public institution
129	Societatea Romana Speranta	Romania	NGO Association	children and adults with disabilities
130	Step by Step Center for Education and Professional Development	Romania	NGO Association	child education and development including early education
131	The Employer Association of Family Doctors	Romania	NGO Association	primary healthcare services
132	The National Alliance of Rare Diseases Associations	Romania	NGO Association	rehabilitation, day care, care for persons with disabilities, etc.
133	UGIR' North-East Regional organization	Romania	Employer Confederation	cross-sector
134	Foreign Investors Council	Romania	Business Organisation	cross-sector

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