

**T.C.
MARMARA ÜNİVERSİTESİ
AVRUPA BİRLİĞİ ENSTİTÜSÜ**

**AVRUPA BİRLİĞİ SİYASETİ VE ULUSLARARASI İLİŞKİLER
ANABİLİM DALI**

**EUROPEAN SOCIAL DIALOGUE AND THE ROLE OF SOCIAL
PARTNERS WITH REFERENCE TO GOVERNANCE
IN THE EU**

DOKTORA TEZİ

N. Nevra ESENTÜRK

İstanbul – 2009

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ABSTRACT

The social dimension of the Community exists since the inception of the European integration process. However, as the primary rationale of the Community was economic integration among the member states in order to create an effective internal market within the Community in the initial phases, the role of social policy in overall Community policy was minor. There has never been consensus among the member states as to the role of the Community in the social field. However, in time, the member states of the Community perceived the necessity of effective social policies for the accomplishment of economic integration. Thus, increased attention was paid to the social dimension of the Community, with a clear commitment to its development from the late 1980s. This idea for an active social policy, which began to gain political support in the late 1980s, continued its progress with the successive Treaty revisions throughout the European integration process. In parallel to this progressive historical development of European Union (EU) social policy, there has been a transformation in the legal and governance aspects of social policy, starting with the Single European Act (SEA). Although the social policy field is still within the domain of the member states, especially in the 1990s, there has been a transformation in the governance of EU social policy from a hierarchical mode of governance to a non-hierarchical mode of governance, producing soft law rather than the regulatory mode of hard law. According to the governance approach, multiple actors at multiple levels of the EU are involved in the social policy-making process with deliberation and problem-solving efforts.

This development of EU social policy paves the way towards the European social dialogue through the active involvement of the European social partners in the social policy-making procedure. In that regard, the European social dialogue has been on the EU's agenda since 1985, when it was initiated with the 'Val Duchesse' talks under the presidency of Delors. With the institutionalization of the European social dialogue process through the Maastricht and Amsterdam Treaties, the influence of the European social dialogue has increased from merely issuing non-binding joint opinions to the point where it now makes framework agreements implemented by Council decision and monitored by the Commission. In this incremental development of the European social dialogue, the role of the social partners as the core actors of the process has come to the fore, since their representation at European level is important for the institutionalization

of the social dialogue at European level. Thus, since the Maastricht Treaty, the European social partners, which represent trade union and employer organizations, has enjoyed an institutional role in the policy-making process and can negotiate legally binding agreements on labour market issues. Moreover, the power of the social partners has been enhanced with the Laeken European Council, when they were granted greater independence in the preparation and implementation of ‘autonomous agreements’.

In this context, the study explores the extent of the influence of the European social dialogue and the role of the social partners in EU social policy-making procedure with reference to governance in the EU. It is notable that, despite the limited outcomes of the European social dialogue process regarding binding legislation, the limited scope of the European social dialogue, the limited influence of the EU institutional framework on the social dialogue, and the deficiencies in the representative structures of the social partners, the European social dialogue is a significant part of EU social policy in terms of its contribution to its legitimacy. In that regard, the European social dialogue has emerged not only as one of the vital parts of the European social model, which comprises the concepts of compromise, consensus, and cooperation, but also as an important mechanism in the general framework of European governance and democratization of the EU.

Key Words:

EU social policy, EU/ European social policy governance, European social dialogue, European social partners

ÖZET

Avrupa Topluluğu'nun sosyal yönü, Avrupa entegrasyon sürecinin başlangıcından beri vardır. Ancak, Avrupa Topluluğu'nun temel amacı, Topluluk üyeleri arasında etkin bir ortak pazar oluşturarak ekonomik bütünleşmeyi sağlamak olduğundan sosyal politikanın genel Topluluk politikaları içindeki rolü küçüktü. Üye ülkeler arasında Topluluk'un sosyal alandaki rolü konusunda hiçbir zaman bir konsensüs oluşmadı. Ancak, zaman içinde, Topluluk üyeleri ekonomik bütünleşmesinin başarısı için etkin sosyal politikaların gerekliliğini kavradılar. Dolayısıyla, Topluluk'un sosyal yönüne dikkat çekildi ve 1980'lerin sonlarında bu yönde adımlar atılmaya başlandı. Topluluk seviyesinde etkin bir sosyal politika 1980'lerin sonunda siyasi destek kazandı ve Avrupa entegrasyon süreci boyunca, birbiri ardına gelen Antlaşma revizyonlarıyla devam etti. AB sosyal politikasının bu tarihsel gelişme sürecine paralel olarak, Tek Avrupa Senedi (TAS) ile başlayarak, sosyal politikanın yasal ve yönetim yönlerinde bir dönüşüm gerçekleşmiştir. AB'de sosyal politika alanı hala üye devletlerin yetkisinde olmasına rağmen, özellikle 1990'lardan itibaren, AB sosyal politikasının yönetiminde hiyerarşik yapıdan hiyerarşik olmayan yapıya doğru bir gelişim olmuştur. Bu yönetim yaklaşımında, AB'de değişik katmanlardan çok sayıda aktör, sosyal politika yapım sürecine dahil edilmiştir.

AB sosyal politikasının geçirdiği bu gelişim süreci, Avrupa sosyal ortaklarının sosyal politika yapım sürecine katılmalarıyla sosyal diyalogun yolunu açmıştır. Bu açıdan, Avrupa sosyal diyalogu, 1985'te o günkü Komisyon Başkanı Delors'un başlattığı 'Val Duchesse' görüşmelerinden bu yana AB'nin gündeminde yer almaktadır. Avrupa sosyal diyalogunun Maastricht ve Amsterdam Antlaşmaları'yla kurumsallaşmasıyla sosyal diyalogun etkisi, bağlayıcı olmayan ortak görüşlerden, Komisyon tarafından denetlenen ve Konsey kararıyla uygulanan çerçeve anlaşmalara kadar ulaştı. Avrupa sosyal diyalogunun bu aşamalı gelişiminde, sürecin temel aktörlerinden olan sosyal ortakların rolü ön plana çıkmıştır, çünkü bunların Avrupa seviyesinde temsili, sosyal diyalogun Avrupa seviyesinde kurumsallaşması açısından önemlidir. Böylece, Maastricht Antlaşması'ndan beri, bir tarafta işçi sendikaları diğer tarafta işveren örgütlerini Avrupa seviyesinde temsil eden Avrupa sosyal ortakları, sosyal politika yapım sürecinde kurumsal bir role sahip olmuşlar, ve işgücü piyasası ile ilgili konularda yasal olarak bağlayıcı anlaşmaları görüşebilir duruma gelmişlerdir. Bu doğrultuda, sosyal ortakların

gücü, sosyal ortaklara Laeken Avrupa Konseyi ile ‘otonom çerçeve anlaşmalar’ hazırlama ve uygulama yetkisinin verilmesi ile daha bağımsız bir rol verilerek arttırılmıştır.

Bu bağlam içinde, çalışma Avrupa sosyal diyalogunun ve sosyal ortakların rolünün AB sosyal politika yapım sürecindeki etkisini yönetim yaklaşımı bağlamında araştırmaktadır. Avrupa sosyal diyalogunun bağlayıcılığı olan çıktıları ve kapsamı kısıtlı olduğu görülmektedir. AB kurumsal yapısının sosyal diyalog üzerindeki etkisi de kısıtlıdır. Avrupa sosyal ortakların temsil yapılarında da eksiklikler mevcuttur. Ancak, bütün bunlara rağmen, Avrupa sosyal diyalogu, AB sosyal politikasının meşruluğuna katkısı açısından AB sosyal politikasının önemli bir parçasıdır. Bu açıdan, Avrupa sosyal diyalogu, sadece temelinde uzlaşma, konsensüs, işbirliği olan Avrupa sosyal modelinin önemli parçalarından biri olarak değil, aynı zamanda genel çerçevede Avrupa yönetişimin ve AB’deki demokratikleşmenin önemli bir mekanizması olarak karşımıza çıkmaktadır.

Anahtar Kelimeler:

AB sosyal politikası, AB/ Avrupa sosyal politika yönetişimi, Avrupa sosyal diyalogu, Avrupa sosyal ortakları

ABBREVIATIONS

| | |
|-----------------------|--|
| AMCHAM-EU | Committee of the American Chamber of Commerce and Industry |
| BUSINESSEUROPE | Confederation of European Business |
| CAP | Common Agricultural Policy |
| CEECs | Central and Eastern European Countries |
| CEEP | European Centre of Enterprises with Public Participation |
| CFSP | Common Foreign and Security Policy |
| COREPER | Committee of Permanent Representatives |
| CU | Customs Union |
| DGs | Directorate Generals |
| EAFRD | European Agricultural Fund for Rural Development |
| EAGF | European Agricultural Guarantee Fund |
| EC | European Community |
| ECB | European Central Bank |
| ESC | Economic and Social Committee |
| ECSC | European Coal and Steel Community |
| ECOFIN | Economic and Financial Affairs Council |
| EEC | European Economic Community |
| EES | European Employment Strategy |
| EFC | Economic and Financial Committee |
| EMCO | Employment Committee |
| EMU | Economic and Monetary Union |
| EMS | European Monetary System |
| EP | European Parliament |
| EPC | Economic and Political Committee |
| EPSCO | Employment, Social Policy, Health and Consumer Affairs Council |
| ERT | European Round Table Industrialists |
| ESC | Economic and Social Committee |
| ESF | European Social Fund |
| ETUC | European Trade Union Confederation |
| ETUI | European Trade Union Institute |

| | |
|---------------------|---|
| EU | European Union |
| Euratom | European Atomic Energy Community |
| EUROCHAMBRES | The Association of European Chambers of Commerce and Industry |
| EUROCOMMERCE | Retail, Wholesale and International Trade Representation to the EU |
| EUROFOUND | European Foundation for the Improvement of Living and Working Conditions |
| EWCS | European Works Councils |
| GDP | Gross Domestic Product |
| IGC | Intergovernmental Conference |
| ILO | International Labour Organization |
| JHA | Justice and Home Affairs |
| MEPs | Members of European Parliament |
| MISEP | Mutual Information System on Employment Policies |
| MLG | Multi-level Governance |
| MNCs | Multi-National Companies |
| NATO | North Atlantic Treaty Organization |
| NAPs | National Action Plans |
| NGOs | Non-Governmental Organizations |
| QMV | Qualified Majority Voting |
| OECD | Organization of Economic Cooperation and Development |
| OMC | Open Method of Coordination |
| SAPs | Social Action Programmes |
| SEA | Single European Act |
| SEM | Single European Market |
| SMEs | Small and Medium-Sized Enterprises |
| SPC | Social Protection Committee |
| SYSDM | System of Documentation, Evaluation and Monitoring of Employment Policies |
| TBIK | Union of Turkish Public Enterprises |
| TEC | Treaty Establishing the Communities |
| TEU | Treaty on European Union |
| TISK | Turkish Confederation of Employer Associations |

| | |
|---------------|---|
| UEAPME | European Association of Craft, Small and Medium-sized Enterprises |
| UK | United Kingdom |
| UN | United Nations |
| UNICE | Union of Industries of the Community |
| US | United States |

INTRODUCTION

During the European integration process, many attempts have been made to explain the integration project through a number of theories from the 1950s to 2000s. Especially since the 1990s, within the context of Europeanization, the governance approaches have been used by several researchers as a conceptual tool to explain the progress and internal dynamics of European integration. During this ongoing, complex process of European integration, the EU has been affected by external factors as well as internal affairs, resulting in the initiation of governance in the EU.

Globalization is one of the most important external challenges that the EU has faced owing to the fact that there has been an increasing transformation of politics in terms of the decrease in the importance given to states' political boundaries and an increase in decision-making through coordination and cooperation with other states or non-state actors through multiple channels and growing interdependence among actors. In addition to the political point of view, in economic terms, globalization refers to the gradual world-wide spread of neo-liberal policy norms, the decline of national executive autonomy and the retreat from the practices of the Keynesian welfare state and social democracy.¹ There is no doubt that understanding this new world order launched by globalization, which has enforced a new stage of development of the world economic and political system, requires new modes of analysis and new approaches bringing together many actors and multiple channels of policy-making.² In that regard, the governance approach is characterized as a multi-level system in which various actors are involved in the policy-making procedure at multiple levels in a non-hierarchical way.

In the *White Paper on Governance*, the Union for the first time openly defines how it perceives governance. Openness, participation, accountability, effectiveness and coherence are highlighted as the main principles and the participation of civil society was highlighted as the strategic priority. In this framework, the recent emergence of the

1 Rosamond, B. (1999). "Discourses of Globalization and the Social Construction of European Identities", *Journal of European Public Policy*, (6) 4, p. 657.

2 Bache, I. and Flinders, M. (2004), "Themes and Issues in Multi-Level Governance", in Bache, I. and Flinders, M. (eds.), *Multi-level Governance*, Oxford: Oxford University Press, p. 2.

governance approach, which has been triggered by the internal affairs of the EU as well as external factors, can be seen mostly through their application to EU policy-making in different policy fields. In that regard, the governance approach is likely to have an explanatory value, especially in the areas where there is heterogeneity among the member states, and where the transfer of competence from state level to Community institutions is sensitive for all member states. One of these areas is EU social policy in which a method of cooperation includes both supranational elements and a broad multi-level participation of actors, such as the social partners and sub-national actors. Thus, the governance approach, which incorporates multi-level policy-making while respecting member state diversity, has come to the fore. This approach also supports policy cooperation through such methods as the Open Method of Coordination (OMC) and the social dialogue through the involvement of the European social partners in social policy-making

EU social policy is one of the policy areas which displays many features and characteristics of EU governance and where governance approaches can therefore be most successfully applied. Despite the relatively limited social policy remit in the founding Treaty of the Community, during the course of the European integration process, the EU has developed which can be described as a multi-tiered system of governance. Considering social policy making processes in the EU, the EU has established a broad array of multi-layered policy-making institutions and instruments. Thus, policy-making process is dependent on the ability of national and supranational actors to cooperate in setting objectives, initiating, enacting and implementing legislation. In this sharing responsibility, there is a process of negotiation and compromise. The historical evolution of EU social policy and the transformation in the legal and governance aspects of the issue are considered with an emphasis on policy-making through social dialogue and the developing role of soft law through OMC, leading overall to bottom-up approaches in the social policy-making procedure of the EU.

At this point, before going into detail about this issue, it is wise to set the conception of ‘social policy’ within the framework of the study, as the term ‘social policy’ covers a very wide area, ranging from the regulation of the labour market incorporating social

security, to education and training, housing and health.³ Such a wide definition would go far beyond what is usually understood as European social policy. It seems therefore more useful to apply a pragmatic understanding of social policy. In Europe, the scope and extent of social policy has been broadened since the Second World War, with the development of welfare states in Europe, as social policy is an instrument used by welfare states in order to provide welfare to their citizens. In that regard, in broad terms, according to Marshall's well-known definition of social policy, social policy is defined as "the use of political power to supersede, supplement, or modify operations of the economic system which would not otherwise be achieved on its own"⁴. The study sees the term 'social policy' within the EU context in a way that the social policy-making procedure, the European social dialogue and the role of the social partners can be scrutinized. Thus, in this pragmatic understanding of social policy, actions falling under the so-called 'social dimension of European integration' are taken into account. That is to say, any acts carried out under the social policy chapter of the EC Treaty include policies targeted at facilitating the freedom of movement of workers in the social realm and actions to harmonize the quite diverse social and labour law standards of the member states fall within this framework of the study.

In this framework, the governance approach may help to overcome not only internal institutional, representation and dialogue creation problems but also external economic and social challenges. It might also trigger a dynamic alternative to cope with highly diverse social policies of member states through new methods of governance and new mechanisms that respect national diversity and enhance the involvement of various actors in the EU social policy-making procedure. Thus, with the rapid increase of globalization and the enlargement process, the process and legal framework of the social dialogue have come to the fore and the influence of both the social partners and the institutions has increased. During this social policy-making process, it is necessary to understand the non-state actors, especially through the social dialogue between the social partners. The limitations, challenges and problems encountered during this process lead these actors to communicate and interact more in an attempt to reach further consensus and compromise.

3 Marshall, T. H. (1965), *Social Policy*, London: Hutchinson.

4 Marshall, T. H. (1975), *Social Policy in the Twentieth Century*, London: Hutchinson.

On these grounds, once the long and progressive evolution of the history of the social dimension of the EU is considered, it can be noted that there has been an evolution of governance regarding EU social policy from a regulatory, hierarchical mode of governance towards a more cooperative mode of governance including a wide network of actors operating at multi levels, particularly starting with the 1990s. This progressive history of the EU's social dimension dates back to the 1957 Treaty of Rome and continues up to recent developments including the Lisbon Treaty. In the Treaty of Rome the objectives of the social provisions of the Treaty are not defined explicitly, although it was hinted that the member states should begin to co-ordinate their social policies as part of the Communities' economic integration rationale for the achievement of a common market. The Lisbon treaty has broad social objectives which focus on the good of all EU citizens. This reveals that during the course of European integration, social affairs in the Union have advanced to the point where they are seen as a component of European integration and a necessary complement to economic policy.

Especially starting with the 1990s, EU social policy has experienced a change in the governance approach. Although most social policy decisions are still taken at the national level, there has been some degree of Europeanization, based on co-operation and shared responsibility for social policy goals between the various levels of governance and various actors at the Euro-level.⁵ The developments during the European integration process reveals the fact that EU social policy has evolved from a hierarchical towards a network style of governance, which is characterized by cooperative interaction based on negotiation and deliberation among a large variety of actors such as the Euro-level representatives of labour and industry.

In parallel to this progressive historical process of EU social policy, there has been a transformation in the legal and governance aspects of social policy starting with the Single European Act. The fields where the Community obtained policy-making competence were widened gradually with the successive Treaty revisions. Although EU social policy is still within the domain of the member states, thus, requiring unanimous decision-making, there has been a transformation in governance from a hierarchical to a non-hierarchical mode of governance, which tends to produce 'soft' law rather than

5 Falkner, G. (1999), "European Social Policy: Towards Multi-level and Multi-actor Governance", in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 93.

regulatory mode of 'hard' law. The actors in the new method of governance, mostly through multi-level governance, engage in deliberate negotiations in various networks.

Coming from the origins of the European integration project, the Europeanization process is based on the concepts of 'dialogue', 'consensus' and 'compromise', which are very much in line with the abovementioned characteristics of the governance approach illustrated in the evolution of EU social policy. Today, decision making by consensus on political issues in the European Council is one of the institutional implications of this process. Therefore, this mindset is the very basis of the process of EU social policy-making in which various actors try to reach a compromise through on-going negotiations in order to reach their specific interests. As such, the process of democratization of the EU institutional structure is shaped by this process of 'dialogue', 'consensus' and 'compromise'.

In Europe, the dialogue takes place between governments, employers' and workers' organizations. Thus, in EU social policy-making, European social dialogue practices, that is, negotiations and bargaining between trade unions, employers' organizations and the national government or EU institutions, play an important role, not only because they are seen as an integral part of the European social model but also because, from a purely legal point of view, the social partners can intervene in the social policy-making procedure.

The European social dialogue has undergone a transformation from a limited advisory role to formal representation at EU level in the form of semi-institutionalized interest representation in parallel to the transformation of governance in the EU concerning social affairs. The consultations between the social partners began in the mid 1960s within the consultative committees, the permanent committee on employment and tripartite conferences on economic and social questions. However, it was in 1985, with the launch of a bipartite social dialogue during the 'Val Duchesse' talks promoted by Jacques Delors, the President of the Commission at the time, when the social dialogue at the Community level evolved into a genuine European negotiating forum.

European social dialogue was entitled to take place under different forms, ranging from intersectoral to sectoral dialogue and even to the implementation of EU directives. Therefore, European social dialogue has become an important part of European social culture, and the Western European social partners, which have a long tradition of bargaining both at the national and at the EU level, will be essential parts of the study as they are illustrative both in terms of the accurate application of the theoretical framework and in the analysis of the effectiveness of the procedure for the future prospects of EU social policy. Moreover, they give a clear picture of how the governance approach in the EU works and an understanding of the extent to which the role of the European social dialogue and the social partners are effective in this process. With regards to the historical evolution of the European social dialogue, the process was institutionalized through the Maastricht and Amsterdam Treaties. The European social dialogue process is clearly defined in the Amsterdam Treaty under Articles 137-139. Under these Articles, the involvement of the European social partners at the European level is organized around three different types of activities; bipartite consultation, tripartite consultation, and the consultation of the social partners. Thus, the influence of the European social dialogue has increased from providing non-binding joint opinions to framework agreements implemented by Council decision and monitored by the Commission. With the setting up of the Tripartite Social Summit in 2003, a remarkable political step was taken concerning the European social dialogue in that the role of tripartite consultation was recognized at the highest level of European decision-making.

Upon this historical and legal basis, one might easily say that the European social dialogue process is not a homogenous one in which progress on all topics has been equal. However, the European social dialogue has brought many outcomes, ranging from joint opinions, declarations and tools, process oriented texts, and collective agreements covering framework agreements implemented by Council decision and monitored by the Commission, and autonomous agreements implemented by the procedures and practices specific to management and labour and the member states. With the institutionalization of the European social dialogue, it has added legitimacy to EU social policy, demonstrated an ability to produce solutions that has shown both in form and substance how new methods and approaches can be used to develop EU social policy. However, the major problems and challenges faced by the EU social policy-making process are short deadlines and capacity restraints concerning the social partners

relations with EU institutions. Although the European social dialogue is more influential outside the area of the individual rights of wage earners, it emerges as a vital component of EU social policy, as a driving force for the modernisation of the European economy and the European social model.

European social dialogue allows the social partners to make a significant contribution to the definition of European social standards. As the fundamental element of the European social model, it encompasses the discussions, negotiations and joint actions undertaken by the European social partners. In this incremental development of the European social dialogue, the role of the social partners as the core actors of the process has come to the fore, as their representation at European level is important for the institutionalization of the social dialogue at European level. Thus, since the Maastricht Treaty, the European social partners representing trade union and employer organizations, have enjoyed an institutional role in the policy-making process and can negotiate legally binding agreements on labour market issues. Moreover, the power of the social partners has been enhanced with the greater independence attained with the preparation and implementation of ‘autonomous agreements’ in the Laeken European Council.

The complex European social policy-making procedure is affected by external factors such as globalization in that it is one of the most important challenges faced by national welfare states, and has a dual dimensional impact on EU social policies. On the one hand, within the framework of the relationship between globalization and European integration, it has an impact on European social policy-making located in European governance. On the other hand, within the framework of the evolution of EU social policies as non-binding on the member states, it has an impact on national welfare states which are influential in the redistributive social policies, distinct in each member state. Taking this external factor as the independent variable of the study, globalization’s dual dimensional impact on EU social policy will be taken into account for the future prospects of EU social policy and innovative ways of overcoming the external pressures and challenges posed as a consequence of globalization. In addition social policy’s role in the achievement of ‘social and economic cohesion’ in the EU, a goal put forward in the SEA, will also be examined.

In a globalizing world, where social divisions have widened due to global economic restructuring and the development of the single market in Europe, it is obvious that not only economic integration but also social harmonization is needed for Europe to be more competitive in the global economy and more influential in world politics.⁶ In that respect, an active and effective EU social policy seems absolutely imperative if the EU is to catch up with the realities of the global world. Thus, social policy is an essential element in the creation of a single integrated market in the ongoing European integration process.

In light of this background, this study analyses the historical phases of the evolution of EU social policy, the European social dialogue process and the role of the European social partners in social policy-making in relation to the governance approach to figure out the question of the importance of the European social dialogue process and the effectiveness of the role of social partners in terms of creating a forward progress in EU social policy. It also focuses on the internal and external challenges faced by the EU and identified in the *2000 Lisbon European Council*. In that respect, this study intends to create an understanding of how the European social dialogue process affects EU social policy-making and the role the European social partners have undertaken in this process. Considering the problems of institutional challenges and representation as well as external economic and social challenges, the study also contributes to the understanding of these challenges as well as provides prospects and opportunities for the future of the European social dialogue. It is also anticipated that the study, through stipulating the analysis of the EU social policy-making procedure, the European social dialogue process and the main determinants in this process, will further contribute to the studies for the modernization of the European social model in the enlarged post-Lisbon era, which will be characterized by demographic changes, environmental and global challenges.

In order to attain this goal, both second hand and first hand sources have been gathered, and analyses concerning the issues in question have been carried out. With regard to the second hand sources, the literature research was carried out in several universities in Brussels such as *Universite Libre de Bruxelles (ULB)*, *Vrije Universiteit Brussel (VUB)*

⁶ Atkinson, R. and Davoudi, S. (2000), "The Concept of Social Exclusion in the European Union: Context, Development and Possibilities", *Journal of Common Market Studies*, 38(3), p. 427-448.

and *Leuven University* as well as the *Central Library of the Commission* and the *European Trade Union Institute (ETUI)*, during my traineeship period with the European Commission.

In addition, the field study of this thesis includes interviews with local and international academics, actors in the social dialogue, Commission representatives and delegates of ETUC, CEEP, UEAPME, and BUSINESSEUROPE. These interviews were conducted based on questionnaires designed in accordance with the aim of the thesis and its context.⁷ The interviews were conducted in the forms of on-line interviews, phone-call interviews and face-to-face interviews, in an informal format. This first hand source was made use of qualitatively in the analysis parts of the third and fourth chapters and in the conclusion part of the study. The interviews were transcribed without any changes made to the original documents.⁸ The interviewees were selected according to their relevance to the topic and their involvement in EU social policy making and the social dialogue. In total, 14 interviews were conducted between 2007 and 2009.

The interviewees⁹ in the field study are namely experts *Flippo STRATI* from Italy and *Elizabeth VILLAGOMEZ* from Spain; *Tobias MUELLENSIEFEN* and *Walter WOLF* from the Commission, DG EMPL; *Liliane VOLOZINSKIS*, from UEAPME; *Jørgen Rønne* and *Steven D'HAESELEER* from BUSINESSEUROPE; *Valeria RONZITTI* from CEEP; *Joel DECAILLON* and *Cinzia SECHI* from the ETUC; *Prof. Dr. Meryem KORAY* from Yıldız Technical University; *Bulent PIRLER*, from the Turkish Confederation of Employer Association (TISK); *Aziz CELIK* from Kristal-Is Trade Union; *Osman YILDIZ* from HAK-IS Trade Union Confederation.

After briefly setting out the structural framework of the study, the content of each chapter of the study will be outlined. The study consists of four chapters followed by a general evaluation and conclusion section. The first chapter of the study, entitled “*Theoretical Framework for Governance in the European Union*”, puts forward the theoretical framework necessary for the course of the study. In this chapter, the European integration phenomenon is explored in order to illustrate the evolutionary

⁷ See the *English/Turkish Questionnaires* in *Appendices -III*.

⁸ See transcriptions of the interviews in *Appendix – III.5*

⁹ Detailed information about the interviewees can be found in *Appendix –III.1*

process of the European integration phenomenon. In this respect, while focusing on the phases of evolution which have taken place in different historical periods of European integration, the theories which attempt to explain the process, each having some implications for EU policy-making, are highlighted in the first part. In particular, as far as they have had implications on the policy-making process, the internal and external factors leading to the emergence of these theories are discussed as well. In the second part, governance in the EU and the governance approaches are identified in terms of the rationale behind it and the actors involved, in relation to explaining the terms multi-level governance, policy networks approach and new modes of governance such as the OMC. Thus, in this chapter, the transformation in the European integration process and the development of governance in the EU are discussed in relation to their stance in the EU policy-making process, particularly in the EU social policy making process.

The second chapter entitled “*European Union Social Policy*” begins with reviewing the development of social policy in Europe. In that regard, crucial historical developments in Western Europe are analyzed in historical perspective that would shed light on the development of social policies in Europe both at the national and supranational level, which are increasingly based on the principles of negotiation, consensus and dialogue, and the increased participation of the social partners in the social policy-making at the European level. Thus, the first part of the second chapter elaborates the milestones in a historical perspective that forms the necessary background for the social movements, which have had a deep impact on the current European social structure. Next, the ideological roots of the European social dialogue are discussed, as both social distinctions and ideologies are necessary for the change in the social structure. Finally, this part ends with the development of welfare states in Europe, which is considered to be one of the concrete outcomes of the European social model. The analysis of welfare states in Europe is also necessary in order to comprehend the differences between the social policies of the member states, as competence in the area of social policy is still mostly in the hands of the member states. The second part the chapter focuses on the historical background of the EC’s social dimension through an analysis of the evolution of Community social policy adopted and implemented during the European integration process. EU social policy is discussed with reference to its governance and legal aspects. Although this part is written in a rather descriptive style, it is necessary in the

context of the study to provide a thorough overview of the social policy, which forms the basis of the study.

The third chapter, entitled the “*European Social Dialogue*”, is designed in three parts in order to comprehend the significance of European social dialogue for the EU and its influence in the EU social policy-making procedure with reference to governance in the EU, and European social dialogue. The chapter starts with an introductory part, which discusses the ‘social dialogue’ in a conceptual framework and its operation at national level, which provides the necessary background for its existence at European level. Then, the second part of the chapter focuses on the evolution of the European social dialogue. In that regard, the text is designed according to the context in which the European social dialogue was initiated, the historical evolution it has undergone, its legal basis, the forms and levels at which it operates, the outcomes it produces and the actors involved in the European social dialogue process. In the analysis part, the analysis is carried out based on the extent of the influence of the European social dialogue on EU social policy-making, institutional relations in European social dialogue process, the harmonization of the European social dialogue process to the theoretical aspects of the governance approach as a multi-dimensional, multi-level and multi-form process. Moreover, the outcomes of the European social dialogue are analyzed. Finally, considering the ambitious aims of the Lisbon European Council, which required the EU to undertake a cooperation role in the social policy field based on the new methods of cooperation developed on the basis of the governance approach, the European social dialogue is discussed as a tool for cooperation and conciliation in the EU.

In the fourth chapter entitled the “*European Social Partners*”, the establishment of the European social partners is analyzed first one by one, then on a comparative with reference to governance in the EU. Considering the evolution of the European social dialogue, the European social partners as the crucial actors at all levels of the European social dialogue and their role in the European social dialogue process are analyzed in this part of the chapter. After having discussed each of the four main cross-sectoral European social partners in relation to their historical background, objectives, institutional structure and their stance towards EU social policy, the European social partners and their role in the European social dialogue process are analyzed in relation to governance in the EU. The analysis part of this chapter begins with an examination of

the evolving role of the social partners in the European social dialogue process. It then, considers why such an emphasis has been placed on including the social partners in the governance of the EU. Moreover, the representativeness issue is discussed as crucial in determining the influence of the social partners in EU social policy-making. Finally, as the European social dialogue process can only take place with the interest and will of the two sides, employers on the one hand, and employees on the other, their different point of views towards EU social policy are discussed in to understand their stance and actions in the European social dialogue process.

CHAPTER ONE

1. THEORETICAL FRAMEWORK FOR GOVERNANCE IN THE EUROPEAN UNION

The still ongoing process of European integration that started in the 1950s can be regarded as a multi-faceted process. The beginning of the European integration process was characterized with classical international relations theories with the rationale of explaining why cooperation happens among the member states. However, by means of the change in focus during the course of the integration process, the EU has become the main level of analysis, which triggers the emergence of comparative politics approaches in the 1970s-1980s. Starting with the mid 1980s, this was pursued later by the *governance approach*, concentrating on how the Union functions, and putting emphasis not only on the interaction between actors, but also levels of action.

During the course of the European integration process, the trend towards the *governance approach* accelerated in the 1990s with the prompt of the internal and external dynamics of the EU. On the one hand, the completion of the internal market coincided with recession and rising unemployment in Europe and on the other, the successive enlargement waves of the EU increased the heterogeneity among the member states.¹⁰ The member states' inability to deal effectively with unemployment, the common challenges in the field of social protection and the loss of their autonomy in fiscal and budgetary policy due to the Growth and Stability Pact has increased not only the willingness of member states to consider co-coordinated action and voluntary convergence of individual policies in the labour market field but also the need for adaptability and flexibility in labour market policy and social security system.¹¹ In addition to these internal dynamics, the pressure that globalization has put on the member states in terms of the competitiveness of the European economy in the world market has had a profound impact on the modalities and mechanisms of governance. In this context, in order to cope with these challenges and to fulfill the objectives of the 2000 Lisbon European Council, it is essential that the EU put into practice new

¹⁰ Ekengren, M., and Jacobsson, K, (2000), "Explaining the Constitutionalization of EU Governance: The Case of European Employment Cooperation", *SCORE: Research Report*, 8.

¹¹ *Ibid.*

mechanisms to provide harmonization and cooperation. In this way, it can sustain unity among the member states especially in areas where they are sensitive in terms of delegating their powers to the supranational institutions of the EU. Thus, the long-lasting dominant perception that the member states saw no problem with the traditional Community method for European integration began to change.

In that framework, the governance approach is most readily applied to areas where there is heterogeneity among the member states, and the transfer of competence from state level to Community institutions is sensitive for all member states. Considering that the European integration phenomenon reached a phase in the 1990s in which the core areas of the welfare state such as employment policy, social policy and education are directly affected in all member states, it has recently been defined as an area of common concern among EU member states and is no longer exclusively a national responsibility.¹² Thus, in areas in which the ordinary supranational decision-making method has not met political support, new forms of regulations and governance are emerging based on and supported by new Treaty revisions. This is rather a method of cooperation which basically includes both supranational elements and a broad multi-level participation of actors, such as social partners and sub-national actors. EU social policy has been regarded as a subordinate policy area for the EU since its inception due to the basic rationale of economic integration. However, the European Economic Community (EEC) has given significance to this policy area as the economic integration of the Community has deepened and full implementation of Economic and Monetary Union (EMU) has enhanced economic interdependence. Thus, since the 1990s, social policy has no longer been considered merely a national issue but a common concern of all member states.

In that respect, the governance approach has emerged as a major paradigm of European integration by incorporating multi-level policy-making respecting member state diversity and supporting policy cooperation through such methods as the OMC and social dialogue through the involvement of the European social partners in the social policy-making. This kind of approach differs from the dominant Community approach in which legal harmonization is the main mechanism for policy coordination. However, as the harmonization of social policies is considered a sensitive and difficult matter due

¹² Ibid.

to the complexity of and differences between national welfare systems, the governance approach has emerged as a relevant approach for EU social policy, which aims to achieve voluntary co-ordination of member state policy and policy convergence of goals, but not means.

In this chapter, the structure and mechanisms of the European integration phenomenon is explored considering the three phases of the integration process mentioned above illustrating that the European integration phenomenon is on the way towards becoming a dynamic system in its own right. In this respect, while focusing on these phases which take place in different historical periods, the theories trying to explain the process, each having some implications on the policy-making of the EU is highlighted in the first part. Particularly, as far as they have had their implications on the policy-making process, the internal and external reasons for the emergence of the theories will be put forward as well. In the second part, the governance approach is identified in terms of the rationale behind it and the actors involved while the terms multi-level governance, policy networks approach and new modes of governance such as the OMC will be explained. Thus, in this chapter, the evolution in the European integration process and governance approach in the EU is discussed in relation to its stance in EU policy-making process, and particularly in the EU social policy making process. The framework that has been formed around the governance approach will be applied to EU social policy-making and how it affects the role of the social partners under European social dialogue in social policy-making of the EU.

1.1. OVERVIEW OF EUROPEAN INTEGRATION IN THEORETICAL PERSPECTIVE

The still ongoing, long-lasting European integration phenomenon has attested several scholarly attempts to explain the historical evolution of this process. The European integration process has been analyzed by several scholars in different ways focusing on different aspects, from classical approaches to comparative approaches and eventually the *governance approach*. However, they have certain similarities during certain periods of the integration process. In that respect, in the first part of the chapter, the European integration process is overviewed briefly in three phases, each of which is accompanied by a new theoretical debate. In addition, considering the abovementioned brief overview of the issue in question, their implications on the EU social policy making process are discussed. As can be inferred, in this part of the study, the focus is not on explaining all the theoretical approaches that emerged during the European integration process but to set up the background for the emergence of the governance approach to European integration in order to have a sound theoretical framework for the study.

Among prominent scholars of European integration theories, Pollack in his analysis explores the three dominant strands of theory. The first strand encompasses neofunctionalist models which focus on integration through spill over, in contrast to intergovernmentalist models which emphasize the continuing dominance of national governments.¹³ The second one is rational choice theory versus constructivist analyses, which was supplanted by the increasing number of studies that approach the EU through the lenses of comparative politics and comparative public policy.¹⁴

From a different perspective, Wiener and Diez divide the development of integration theory into three broad phases which are identified as *explanatory*, *analytical* and *constructive*.¹⁵ These phases signify a shift within European integration theory towards new approaches, which are outlined according to the time periods and the main themes of each phase of European integration. While in the first phase, encompassing the 1960s onwards, neofunctionalism, intergovernmentalism and federalism were regarded as

13 Pollack, A. (2005), "Theorizing EU Policy-Making", in Wallace, H. and W, and Pollack, M. A. (eds.), *Policy-Making in the European Union*, Oxford: Oxford University Press, p. 13-14.

14 Ibid.

15 Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 6-7.

explanatory approaches in the analysis of European governance, by the 1980s onwards, the focus has shifted to approaches that try to understand and analyze the EU as a type of political system.¹⁶ With the development of governance theory, normative, analytical and explanatory questions have been included in the framework of integration theory. Thus, through focusing on the analysis of policy-making processes, policy network approach and new institutionalizations have come to the fore. In the final phase of their categorization, Wiener and Diez deal with the constructed dimension of European integration and governance and add a critical dimension to studying the European Union, coupled with a discussion of social constructivist approaches.¹⁷

According to Jachtenfuchs, and Kohler-Koch, there are three separate discussions in terms of approaches to European integration, which are namely classical integration theory, policy analysis and the constitutional debate.¹⁸ For these scholars, *classical integration theory* is an analytical approach for explaining why states chose to empower the EU to perform certain tasks in specific areas, focusing on the competition between neofunctionalism¹⁹ and intergovernmentalism²⁰ in other words, between a society-centred model and a state-centred version.²¹ However, policy analysis has dealt with European integration from a totally different angle and developed in parallel with and independently from classical integration theory with the goal of finding out how public problems are solved in various institutional contexts and in different types of political processes.²² Then, from this mainly analytical perspective, this latter kind of studies has contributed to a better understanding of how the European multi-level system works. On the other hand, although many scholars would not even consider it as a theory, Jachtenfuchs, and Kohler-Koch in their analysis consider *the constitutional debate* as a third perspective which refers to the body of literature dealing with the question of what a legitimate and effective polity for the particular social and political setting of the

16 Ibid, p. 7-8.

17 Ibid, p. 11.

18 Jachtenfuchs, M. and Kohler-Koch, B. (2004), "Governance and Institutional Development", in Wiener, A. and Diez, T. (eds.), *European Integration Theory*, Oxford: Oxford University Press, p. 98.

19 Details about *neofunctionalism* can be seen in Haas, E. (1964), *Beyond the Nation-State: Functionalism and International Organization*, Stanford: Stanford University Press.

20 Details about *intergovernmentalism* can be seen in Hoffmann, S. (1966), "Obstinate or Obsolute? The Fate of the Nation-State and the Case of Western Europe", *Daedalus*, 95 (3), p. 862-915.

21 Jachtenfuchs, M. and Kohler-Koch, B. (2004), "Governance and Institutional Development", in Wiener, A. and Diez, T. (eds.), *European Integration Theory*, Oxford: Oxford University Press, p. 98.

22 Ibid.

European Union should look like.²³ The focus on constitutional policy sheds light on issues of legitimacy, democracy and community-building which are largely outside the explanatory scope of the first two approaches of integration theory.

Considering the similarities, categorizations and basic premises of the abovementioned primary literature about European integration theory and the related debates during the historical development of European integration, the European integration theories can be briefly overviewed in three phases within the scope of this study. Considering a general overview of the European integration process, starting with the 1950s, its first phase was dominated by the classical international relations approach to European integration, with the basic rationale of explaining why cooperation happens between and among nation-states. In that respect, international relations type theories such as neofunctionalism, intergovernmentalism and liberal intergovernmentalism were prominent in the first phase, each of which is going to be discussed within the line of revealing the prominent debates during the initial phase of the European integration process.

In that respect, *neofunctionalism*, which was founded by Ernst Haas in the late 1950s, has been one of the significant approaches to the study of European integration, and remained dominant in writings on European integration until the early 1970s. At that point of the European integration process, the remarkable dominance of this theory had underlying reasons connected with the realities of the ‘golden age’²⁴ of the European Community (EC). However, before going into detail about this, the background conditions of Western Europe and the procedural conditions of European integration should be highlighted, which is essential to interpret these integral reasons thoroughly.

Once the background conditions of Western Europe are considered, it is seen that Western Europe adapted itself to the changed conditions of international politics after the Cold War in the sense that it established pluralistic countries in which people are allowed to form group-based political activities with a multiplicity of interests. They also have common values of democracy, rule of law, human rights, and enhancing

²³ Ibid.

²⁴ Pentland, C. C. (1981), “Political Theories of European Integration : Between Science and Ideology “, in Lasok, D. and Soldatos, P. (eds.) , *The European Communities in Action*, Bruxelles : Etablissement Emile Bruylant, S. A. , p. 554.

economic and industrial growth. All of the conditions mentioned above fit in the background conditions of pluralistic social structures, substantial economic and industrial development and common ideological patterns among participating units identified by Haas for successful integration in the neofunctionalist sense.²⁵ There is no doubt that their existence in Western Europe forms the basic ground serving as a trigger for the integration of Europe. Apart from these background conditions of Western European countries as the prerequisites of neofunctionalism, the procedural conditions of European integration in relation to the main assets of neofunctionalism are to be mentioned briefly, as they serve as fundamental reasons behind the relevance of this approach for European integration in the initial years of European integration.

In the first place, as Pentland notes, Western European countries are required to work together interdependently and have a common authority to solve their shared economic problems to succeed in co-existing with other international actors in the international arena.²⁶ This very much fits the neofunctionalist reasoning of the integration of two or more countries to work together in one specific economic sector and the establishment of supranational bureaucracy as a ‘high authority’ to achieve the task.²⁷

In the second place, during the European integration process, with the establishment of a supranational authority for the integration of one sector of important low politics areas such as transportation, energy and trade, many pressures come from pressure groups, interest groups, individuals, states or groups of states. These can be described as functional, transactional and political spillover pressures for further integration. That is, as Rosamond states, the way in which the integration in one sector would entail further economic integration within and beyond that sector, at the European level.²⁸ This very much fits the neofunctionalist logic of expansion of integration through spill over, signifying the idea that joint action in one area will create new needs, tensions and problems that will increase the pressure to take joint action in another area.²⁹

25 Rosamond, B. (2000), *Theories of European Integration*. London: Macmillan, p. 69.

26 Pentland, C. C. (1981), “Political Theories of European Integration : Between Science and Ideology “, in Lasok, D. and Soldatos, P. (eds.), *The European Communities in Action*, Bruxelles : Etablissement Emile Bruylant, S. A. , p. 554.

27 Rosamond, B. (2000), *Theories of European Integration*. London: Macmillan, p. 58.

28 Ibid, p. 60.

29 McCormick, J. (1999), *Understanding European Union*. London: Macmillan, p. 14.

In the third place, within the process of European integration mentioned above, there has been seen a gradual pooling of national interests to a supranational authority for the sake of common interests via new institutions and common policies. This condition also fits the neofunctionalist strategy of the achievement of political spill over by the gradual process of loyalty transference on the part of political actors from the national to the supranational level.³⁰

The convenient background conditions of Western Europe and procedural conditions of European integration in relation to neofunctionalism, which have been discussed above, are materialized as the real experience of European integration during this period, which justifies the relevance of neofunctionalism for European integration, especially from the infancy of European integration to the end of its golden age.

In that respect, within the context of the European Community, the ideological framework of neofunctionalism helps to explain the realities of the EC. Initially, with the establishment of the European Coal and Steel Community (ECSC), through pooling German and French coal and steel sectors under a common supranational authority, the neofunctionalist logic of two or more countries' integrating in one low politics sector under a high authority was maintained. Subsequently, due to the emergence of pressure groups such as trade unions and political parties, pressure for integration in other sectors grew, which resulted in the spill over of the ECSC into the European Atomic Energy Community (Euratom). This reality of the EC can be explained with the 'expansive logic'³¹ of neofunctionalism, motivated by pressure groups. Moreover, the establishment of the ECSC and Euratom led to the establishment of the EEC. That is to say, economic integration in common market sectors led to integration in the form of the Common Market. Furthermore, as noted by Pentland, the neofunctionalist idea of expansion from economic to political integration is seen in the reality of the EC via the creation of the Customs Union (CU) and the Common Agricultural Policy (CAP) which surely envisages taking political decisions based on political spill over.³² In addition, the European Commission's commitment to an active constitutional role together with common policies in the EC revealed that there was some kind of shift in the loyalties of

30 Rosamond, B. (2000), *Theories of European Integration*. London: Macmillan, p. 66.

31 Ibid, p. 60.

32 Pentland, C. C. (1981), "Political Theories of European Integration : Between Science and Ideology ", in Lasok, D. and Soldatos, P. (eds.), *The European Communities in Action*, Bruxelles : Etablissement Emile Bruylant, S. A. , p. 556.

political actors from the national to supranational level, which supported the claims of neofunctionalism in the realm of the EC. In sum, in the context of the whole EC process, the EEC served as the testing ground of the approach, and the CU and CAP created within the EEC supported the approach in its relevance for European integration.³³

Taking into account the social, theoretical and empirical aspects of European integration in relation to neofunctionalism, it is inferred that no matter how criticized it is in the later periods of the European integration process, especially after the beginning of the 1970s and no matter how impossible it is to explain the whole process with just a single approach, it is believed that neofunctionalism is the basic and relevant classical approach for European integration in that the logic and ideas of the approach affected the integral parts of the Community in the first phase of European integration and is still significant for the European Union. Thus, neofunctionalism should benefit the European Union by way of the logic and the ideas of the approach in the pragmatic sense.

However, the limits of the approach should also be taken into account. Thus, neofunctionalism is limited in specifying an end product of the integration process, that is, the institutional structure of European integration. Moreover, it also fails to explain the ups and downs in the integration process, as it theorizes integration as a gradual and self-sustaining process.³⁴ The internal dynamics of European integration also have had an important role in the analysis of approaches to European integration. In this framework, neofunctionalism can be analyzed in respect to the first enlargement phase of the European Community. With the accession of new member states such as the United Kingdom (UK), Ireland, and Denmark in 1973, the member states made clear that they would resist the gradual transfer of sovereignty to the Community.³⁵ Thus, the EC decision-making would reflect the continuing primacy of the nation-state. In that sense, neofunctionalism was criticized due to its underestimation of the resilience of the nation-state.³⁶ According to critics, EU member state governments played central role in

³³ Ibid.

³⁴ Pollack, M. A. (2001). "International Relations Theory and European Integration", *Journal of Common Market Studies*, 39(2), p. 222.

³⁵ Pollack, A. (2005), "Theorizing EU Policy-Making", in Wallace, H. and W, and Pollack, M. A. (eds.), *Policy-Making in the European Union*, Oxford: Oxford University Press, p. 17.

³⁶ Ibid.

the historical development of the EU and were strengthened as a result of the integration process.

Considering the pros and cons of neofunctionalism as an explanation of European integration process, the impact of the approach on policy-making in the EU appears to be an important point. In that respect, the most important contribution of neo-functionalists to the study of EU policy-making was their conceptualization of a ‘Community method’ of policy-making.³⁷ Pollack argues that this type of Community method presented a distinct picture of EC policy-making as a process driven by an entrepreneurial Commission and featuring supranational deliberation among member state representatives in the Council.³⁸ Thus, in this view, this Community method, which characterized EEC decision-making during the period from 1958 to 1963, was considered not just a legal set of policy-making institutions but a ‘procedural code’ conditioning the expectations and the behavior of the participants in this process. In this way, the essential elements of the EEC, CU and the CAP were put in place by the six member states alongside the meetings with the Commission until the 1965 ‘Luxembourg crisis’ when de Gaulle insisted on the importance of state sovereignty, arguably violating the implicit procedural code of the Community method. With this internal dynamic, the EEC *de facto* continued to take most decisions by unanimity, and the Commission emerged weakened from its confrontation with de Gaulle, and the nation-state appeared to have asserted itself.³⁹ This event was reinforced with the internal dynamics of 1970s’ economic recession leading to the rise of new non-tariff barriers to trade among the EC member states and the 1974 creation of the European Council, a regular summit meeting of EU heads of states and government, which strengthened the intergovernmental aspects of the Community. These external and internal developments in the European integration process formed the first round in the dichotomy between neofunctionalism and intergovernmentalism, which will be discussed below.

³⁷ Ibid, p. 16.

³⁸ Ibid.

³⁹ Ibid.

Then, in the prominent debate about European integration in the first phase of European integration, *intergovernmentalism*, which was put forward by Hoffmann in the 1960s, stands on the other end of the continuum from neofunctionalism. Thus, in order to take into account the prominent debate of European integration between neofunctionalism and intergovernmentalism, it is wise to go over the concept of intergovernmentalism and the intergovernmental dimensions of the EU. The concept of intergovernmentalism relates directly to the central role of member states within the EU. That's to say, the member states are the dominant actors within the Union. In that respect, the theory is defined as a system of administration in which two or more organizational units keep their separate identities but give limited powers to a high authority.⁴⁰ In this system of administration, the organizational units keep their separate identities, but give limited powers to a higher authority in certain areas due to reasons such as security, efficiency and convenience. Then, the units involved in the system are still sovereign, and the higher authority is limited in terms of its power and the areas in which it is allowed to perform.

As in almost all approaches which attempt to explain European integration, intergovernmentalism has some limits and advantages. The intergovernmental principles are advantageous in explaining some parts of the institutional structure of the EU such as the establishment of the Council of Ministers in which decisions are taken via a process of negotiation and bargaining among national governments. Moreover, as McCormick states, the EU is intergovernmental in that the member states are still distinct units with separate identities, have their own systems of law, can sign bilateral treaties with other states, and can argue that the EU institutions exist at their discretion.⁴¹ He also adds that there is no European government with sole power to make policy for the EU member states.⁴² In addition, the second and third pillars of the Maastricht Treaty, namely Common Foreign and Security Policy (CFSP) and Justice and Home Affairs (JHA) which are relatively intergovernmental can be explained by this theory. However, intergovernmentalism fails to explain the first pillar of the Treaty, namely the EC which has a more federal structure and does not fit in with the supranational institutions of the Union. In that sense, although the EU is

40 McCormick, J. (1999), *Understanding European Union*. London: Macmillan, p. 4.

41 *Ibid*, p. 5.

42 *Ibid*.

intergovernmental in some ways, the complex institutional structure of the EU cannot be explained with this single theory, as discussed above.

Upon this framework, in more detail, the extent to which the EU is intergovernmental is explored in the following analysis:

1. The leaders of the member states give some of their authority to the European Commission while taking decisions, yet they still have the power of appointment to the EU institutions. Moreover, they possess decision-making power in the Council of Ministers, as the decisions are made by unanimity, especially in sensitive issues. The intergovernmental structures of the EU, then, such as the European Council of Ministers and their supplementary committees focus on the intergovernmental nature of the Union by means of setting the ground for negotiations in the decision-making processes of the Union. Thus, the functioning of the international system is run through a process of communication and interaction of states via their representatives. This negotiation and strategic bargaining environment among national governments in the EU is entered voluntarily. However, it should be noted that there has been an increase in the areas where qualified majority voting (QMV) is applied with the endorsement of Treaty revisions during the course of the European integration process.
2. The member states still maintain distinct identities having their own system of law.
3. The member states are able to sign bilateral treaties with other states and argue that the EU institutions exist at their discretion, meaning whenever they want they can they can put an end to the EU.
4. The EU is deficient in terms of having a European government with sole power to make policy for the EU member states. However, there is a room for European governance in order to provide cooperation and conciliation among the member states, especially in areas where there is huge diversity between the member states.
5. Although the EU has its own flag and anthem, most citizens feel closer to their own national flags, anthems. That is to say, there is not, as yet, a common sense of European identity.

Moreover, although the EU is intergovernmental in the ways mentioned above, it is not the same as classical intergovernmental bodies like the Organization of Economic Cooperation and Development (OECD) and the North Atlantic Treaty Organization (NATO). It differs from them in that although it incorporates intergovernmental elements, it also contains supranational institutional elements such as the Commission, Court and Parliament. However, even in the supranational bodies of the Union, the power of the member states is apparent, no matter to what extent it is. Thus, the debate in the EU concerning intergovernmentalism keeps still somehow valid during the still ongoing European integration process, despite suggestions of some scholars. For instance, according to Ash the solution lies in EU's commencing a new reform process in its institutional structure to initiate the required shift from intergovernmental to supranational institutional structure.⁴³ Yet, the crucial point is to be aware of the fact that the more supranational the EU is with a minimum of intergovernmental elements, the more influential and powerful it will be in the global world. In conclusion, the effective future course of European regional integration lies in its being deepened through the growth of European-level policy competence, institutional structure and the trigger of seeking joint solutions to common problems resulted from common European interests.

Due to the internal dynamics, the period from the mid-1960s through the mid 1980s was characterized as the doldrums era for the European integration process. Thus, only minor modifications to the theoretical language of the neofunctionalist /intergovernmentalist debate can be identified in this period. However, with the 'relaunching' of the integration process in the mid 1980s, the theoretical debate in the EU was revived. Andrew Moravcsik (1993-98) revised the intergovernmental model which emphasizes the power and preferences of EU member states. In other words, his 'liberal intergovernmentalism' is a three step model combining a liberal theory of national preference formation with, an intergovernmental model of EU-level bargaining and a model of institutional choice emphasizing the role of international institutions in providing 'credible commitments' for member governments.⁴⁴

⁴³Ash, T. (2002), *The EU's Future: The Federalism/Intergovernmentalism Debate*, <http://www.bigissueground.com/politics/ash-eufuture.shtml> (retrieved: March 10, 2006 on the World Wide Web)

⁴⁴ Pollack, A. (2005), "Theorizing EU Policy-Making", in Wallace, H. and W., and Pollack, M. A. (eds.), *Policy-Making in the European Union*, Oxford: Oxford University Press, p. 17.

Liberal intergovernmentalism has dominated the recent debates on European integration. Moravcsik, taking most of his inspiration from neofunctionalism, constructs ‘the new emphasis on the persistent gate-keeping role of national governments’⁴⁵. As Pollack puts forward, liberal intergovernmentalism is a two-step theory which is based on a sequential model of preference formation at the domestic level and international bargaining.⁴⁶ The first step is developed through national heads of governments’ assessing broader domestic and their own interests in order to reflect national preferences toward European integration. The national preferences formed in this way are then transmitted to the level of international bargaining which takes place via national governments’ bringing their preferences to the intergovernmental bargaining table in Brussels.⁴⁷

Within this analytical framework, the theory is advantageous in explaining some of the realities of European integration. Moravcsik tests his theory by applying it to historical events. Moravcsik applies liberal intergovernmentalism to five key events in the creation of the EU, namely in the negotiation of the Treaties of Rome (1955-58), in the consolidation of the common market and the CAP (1958-83), in the setting up of the first experiment in monetary co-operation and of the European Monetary System (EMS) (1969-83), in the negotiation of the Single European Act (1984-8), and in the negotiation of the Treaty on European Union (TEU) (1988-1991).⁴⁸

Although Moravcsik's ‘supply-demand’⁴⁹ based theory, in which he combines economics with politics as national preferences are mostly determined by economic issues, explains the processes in the construction of the EU outlined above, it is still limited in that it rejects a supranational authority which is a continuing feature of the institutional structure of the EU. In this way, the European integration process is reduced into a series of bargains, excluding all other determinants around the bargaining table. Furthermore, as Pollack argues, it ignores the endogenous effects of EU membership which are fundamental features of the integration process.⁵⁰ In short, although there are various open channels for the interference of national governments’

45 Pollack, M. A. (2001). ‘International Relations Theory and European Integration’, *Journal of Common Market Studies*, 39(2), p. 222.

46 Ibid.

47 Ibid, p. 225.

48 Moravcsik, A. (1998), *The Choice for Europe*, Ithaca: Cornell University Press.

49 The term in quotations was taken from the lecture given by Asst. Prof. Dr. Armağan E. Çakır on 10th March, 2003.

50 Pollack, M. A. (2001). ‘International Relations Theory and European Integration’, *Journal of Common Market Studies*, 39(2), p. 226.

preferences at national or European level in the EU, neither the complexity of EC policy-making nor the ‘multi-level’ institutional structure of the EU can be shaped via the assumptions of this theory. Thus, it is concluded that liberal intergovernmentalism cannot explain day to day decisions and interactions, but only high level decisions.

European integration can be considered a ‘journey without end’⁵¹; but the prominent debates and the focal points in this still ongoing process have changed during the course of European integration. In that respect, following the abovementioned debate between neofunctionalism vs. intergovernmentalism, which was primarily based on international relations theory associating the EU with processes of regional integration or international cooperation, the second phase of the phenomenon, especially in the 1970-1980s, was characterized by the perception of the EU as a newly established political system that can be compared to other systems.

In this framework, the transformation from international relations type European integration theories to comparative approaches took place with the change in the focus, that is, with the EU becoming the main level of analysis that can be compared with other types of political systems in the world. In this respect, federalism and consociationalism can be illustrative regarding a comparative politics approach to European integration, marking the second phase of European integration.

In the first place, *federalism*, the predominant theory in the 1950s, left profound traces in the history of European integration. The ‘founding fathers’ of the EU, namely the French statesman Jean Monnet and foreign minister Robert Schuman shared a ‘federalist’ vision of Europe and supported federalism in order to prevent war in Europe.⁵² Supporters of this theory, then, were in favour of ‘establishing a strong supranational body with the ability to make binding decisions’⁵³ at the European level. Therefore, the federalist integration process proposes a political system in which there is a division of authority between central and regional government.⁵⁴ This very much fits in with the case of the EU as it started with the idea of the ‘federalist’ model of Europe

51 Mazey, S. (2001). “European Integration: Unfinished Journey or Journey Without End ? “, Richardson, J. (ed.), *European Union: Power and Policy-Making*, London: Routledge, p. 27.

52 Ash, T. (2002), *The EU’s Future: The Federalism/Intergovernmentalism Debate*, <http://www.bigissueground.com/politics/ash-eufuture.shtml> (retrieved: March 10, 2006 on the World Wide Web)

53 Ibid.

54 Rosamond, B. (2000), *Theories of European Integration*. London: Macmillan, p. 24.

which was realized with the establishment of the ECSC through which the six founding countries of the Community decided to place their coal and steel production under a central authority with its own real powers.⁵⁵

On the other hand, as Rosamond argues, federalism emphasizes the idea of a constitutional settlement, where authority is dispersed into two or more levels of government. This does not fit in with the realities of the Community in that the attempt to prepare a treaty for the establishment of a federal constitution (1954 Draft Treaty).⁵⁶ It originated from the idea of the creation of a joint European defense under the establishment of a European Defence Community, failed with the veto of France.⁵⁷ That is to say, federalism's emphasis on constitutional structure does not fit in with the case of the Community. Thus, except the constitutional end-point and central authority's responsibility in all high politics issues such as defense and security, the EU incorporates the other federal principles in its institutional structure via establishing supranational institutions like the Commission, the directly elected Parliament, uniform system of law protected by the Court of Justice and EU budget. However, without a constitutional agreement, the EU cannot reach the destination of a clearly defined supranational state which is the end-product proposed by this theory.

From a different angle, in addition to federalism which is most typically seen in the United States (US), consociationalism is another type of political system with which the EU as a newly established political system was compared. This system which was influential until the 1990s was mostly seen in segmented societies in which the society was organized internally. In this construction in which there is insulation of the segments in the society, there is a cartel of elites in decision-making which represent their own segments, with the right of veto. Then, these segmented cleavages have their own international social organization. Belgium can be given as an example of a consociational type political construction in which there is vertical organization of society and national segments retain their decision-making and different subnational groups keep their separate identity in this elitist structure.

55 Vandamme, J. (1998). "European Federalism : Oppurtunity or Utopia ?", in Westlake, M. (ed.), *The European Union Beyond Amsterdam: New Concepts of European Integration*. London : Routledge, pp. 142.

56 Rosamond, B. (2000), *Theories of European Integration*. London: Macmillan, p. 24.

57 Ibid, p. 142-3.

Upon this basic ground, consociationalism can be defined as a system proposed for societies having profound religious, ethnic, linguistic and cultural cleavages in order to bring stability in these politically plural-structured societies.⁵⁸ This system has four basic elements which are summarized below⁵⁹:

- Grand coalition of the government is the first basic element of consociationalism. It means the joint governing of the political leaders of all of the segments of the plural society. This premise, allowing all major segmental groups to share and find security, may also be called the principle of ‘power-sharing’ or the ‘joint and consensual rule’⁶⁰.
- The second basic element is mutual veto or minority veto which is designed to give a guarantee to each segment of the plural society for the share of power they have at the central political level.
- Proportionality is the third basic element of consociationalism, serving as the basic standard of political representation, civil service appointments and the allocation of public funds, which is vitally important as it prevents the independent mandate of single actors, noted by Daalder.⁶¹
- Segmental autonomy is the fourth and last basic element, which means the delegation of decision-making authority to distinct segments as much as possible. This principle is absolutely complementary to the element of grand coalition in the sense that joint decisions are made by the segments’ leaders on all issues of common interests whereas decisions on all other areas are left to each individual segment. In this way, both the segments’ power in the area of common concerns and interests, and their independence to deal with their own affairs autonomously increases.

Within this framework, commencing with the beginning of the 1980s, European integration theories have gone beyond classical international relations theories and comparative politics approaches and made a transition towards governance approaches. This type of governance approach, which is discussed more fully under ‘Governance Approach in the European Union’, concentrates on how the EU functions. Thus, in the third phase of European integration, towards the end of the 1990s, the internal

58 McCormick, J. (1999), *Understanding European Union*. London: Macmillan, p. 5.

59 Lijphart, A. (1979), “Consociation and Federation: Conceptual and Empirical Links”, *Canadian Journal of Political Science*, 12(3), p. 500.

60 Daalder, H. (1974), “The Consociational Democracy Theme”, *World Politics*, 26 (4), p. 607.

61 Ibid.

functioning of the EU has come to the foreground, attracting attention to the study of policy-making in the EU, which is the case for the thesis, with specific focus on social-policy making and the role of the social partners in this process.

Before going into detail about the governance approach in the EU, two more approaches emerged in the 1990s for understanding the EU are briefly discussed, namely the *institutionalism* and *constructivism*. Institutionalism emerged as a new insight for understanding the EU based on the idea that “institutions are not solely neutral bodies”⁶² unlike the idea of the classical approaches based on the formal analysis of institutions as autonomous and neutral bodies. Upon this ground, three primary institutionalisms developed during the course of the 1980s and early 1990s, namely, *rational-choice approach*, *historical institutionalist* and *sociological institutionalist approaches*. In rational-choice approach, institutions are formally defined, as they are regarded as “strategic utility-maximizes whose preferences are taken as given”⁶³. In other words, political actors that are rational have certain set of preferences and pre-set interests with the aim to achieve these preferences and maximizing their utilities. Unlike rationalist choice institutionalists, sociological institutionalists define institutions much more broadly including informal norms, conventions, and ways of doing things.⁶⁴ According to sociological institutionalists, actor preferences are not always pre-set, but they are changed over time, shaped by the institutional context. In the institutionalization process, actors interact and they form their preferences in line with the variable in the institutional context. A deeper understanding of institutions take place in historical institutionalism in that institutions are regarded as entities which have a time-span during which they attain a character of their own.⁶⁵ Thus, this approach is interested in how institutions have long term effects as they have the power to gain autonomy of their own.

62 Pollack, A. (2005), “Theorizing EU Policy-Making”, in Wallace, H. and W, and Pollack, M. A. (eds.), *Policy-Making in the European Union*, Oxford: Oxford University Press, p.19.

63 Ibid, p. 20.

64 Ibid, p. 21.

65 Ibid, p. 20.

Constructivism has recently entered the field of EU studies, in 1999. Based on the idea that “the human agents do not exist independently from their social environment and its collectively shared systems of meaning”⁶⁶; constructivism focuses on how institutions as social structures impact on agents and their behaviors. According to this approach, institutions are seen in broad sense including not only formal rules but also informal norms which are expected to shape the actors’ identities and preferences.⁶⁷ At this point, considering this approach in line with the EU, constructivists put emphasis on the constitutive effects of European law, rules and policies to study how European integration shapes social identities and interests of actors.⁶⁸ Through this way, it is intended to provide a much deeper to understanding of the construction of the EU. Over the course of the 1990s, both institutionalism and constructivism which are mentioned briefly have become significant approaches to the study of European integration that contribute not only to the development of general theories of politics but also application of the basic concepts of institutionalist analysis both at the international level of the EU, and at the level of the member states.

1.2. GOVERNANCE APPROACH TO THE EUROPEAN UNION

Considering the evolution of theoretical approaches in explaining the European integration process, to which attention has been recalled above, it has been revealed that the basics of the theoretical study of European integration are based on approaches derived from international relations theories.⁶⁹ However, as the integration has progressed, it has been suggested by some scholars that theories of comparative politics and public policy are now required to replace integration theories anchored in the study of international relations.⁷⁰ Although some of them such as Hix have suggested that comparative politics and international relations theories need to be combined to

66 Ibid, p. 22.

67 Christiansen, T., Jørgensen, K. E. and Wiener, A. (2001), *Social Construction of Europe*, London: SAGE Publications.

68 Pollack, A. (2005), “Theorizing EU Policy-Making”, in Wallace, H. and W., and Pollack, M. A. (eds.), *Policy-Making in the European Union*, Oxford: Oxford University Press, p. 23.

69 Eilstrup-Sangiovanni M. (ed.) (2006), *Debates on European Integration: A Reader*, New York: Palgrave Macmillan, p. 327.

70 Hix, S. (2005), *The Political System of the European Union*, Basingstoke: Palgrave; Hooghe, L. and Marks, G. (2001), *Multi-level Governance and European Integration*, Lanham, MD: Rowman and Littlefield Publishing; Eising, R. and Kohler-Koch, B. (1999), “Governance in the European Union: A Comparative Assessment”, in Kohler-Koch, B. and Eising, R. (eds.), *The Transformation of Governance in the European Union*, London and New York: Routledge.

understand the governance approach,⁷¹ some of them such as Pollack has suggested that comparative politics approaches to the EU does not replace international relations study of regional integration, but making it now exist alongside it, currently, with governance approach as the third one existing with the other two.⁷²

The European integration process has seen the emergence of various overlapping approaches during the course of its historical development. If the process is considered in three stages, it commenced with the aim of explaining cooperation among nation-states through classical international relations type theories. Along with the existence of these approaches, this phase was pursued by the phase in which the EU commenced to be regarded as a system in its own right by means of comparative politics. Lately, towards the end of the 1990s, the third phase of European integration has been characterized with the focus on explaining the internal functioning of the EU through the *governance approach*.⁷³ In line with new theoretical approaches, the constructivist school of thought has attracted attention, as they see the EU not just a system of norms, ideas but also constructions.⁷⁴ However, in this sub-chapter the focal point is on the governance approach as a theoretical framework for policy-making in the EU, with a special focus on social policy-making and the role of the social partners in this process.

The emergence of the governance approach has occurred in the way discussed in the first part of the chapter during ongoing process of European integration. These different theories have contributed to the current development of the EU. Recently, the governance approach together with all the existing theories is being applied to EU phenomena by scholars. This approach suggests an emerging dynamic in the context of European integration pulling authority away from national governments and empowering subnational and supranational actors.⁷⁵ Although most social policy decisions are taken within the domain of the member states, EU social policy has experienced a change in governance since the 1990s.⁷⁶ According to this change,

71 Hix, S. (2005), *The Political System of the European Union*, Basingstoke: Palgrave.

72 Pollack, A. (2005), "Theorizing EU Policy-Making", in Wallace, H. and W, and Pollack, M. A. (eds.), *Policy-Making in the European Union*, Oxford: Oxford University Press.

73 Ibid.

74 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 21.

75 Bache, I. and Flinders, M. (2004), "Themes and Issues in Multi-Level Governance", in Bache, I. and Flinders, M. (eds.), *Multi-level Governance*, Oxford: Oxford University Press, p. 197.

76 Falkner, G. (1999), "European Social Policy: Towards Multi-level and Multi-actor Governance", in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 93.

commonly agreed principle of action has become co-operation and shared responsibility for social policy goals between the various levels of governance and various actors at the European level.⁷⁷ With the successive Treaty revisions, it has been observed the transformation of social governance from a hierarchical towards a network style of governance that is characterized by cooperative rather than competitive interaction patterns among a large variety of actors.⁷⁸ This transformation in the development of EC social policy governance has provided the ground for the applicability of the governance approach in this policy field. In that regard, for a solid theoretical background for the thesis, in this part of the chapter, the governance approach in the EU is analyzed in relation to the atmosphere in which it emerged, its basic principles, its institutional structure and its functioning in the policy-making of the EU with specific focus on the social policy-making of the EU, and its means used in the implementation of this process.

In this framework, in academic as well as in public discourse, the usage of the term ‘governance’ has seen a rapid increase.⁷⁹ The literature on the concept of ‘governance’ is used in two ways; in the broad sense, it implies every mode of political steering involving public and private actors, and in the restricted sense, it only comprises types of political steering in which non-hierarchical modes of governance, such as persuasion and negotiation are employed, and /or public and private actors are engaged in policy formulation.⁸⁰ In the latter sense, ‘governance’ is defined as “the continuous political process of setting explicit goals for society and intervening in it in order to achieve these goals”.⁸¹ Governance involves setting goals and making decisions for an entire collectivity including individuals or groups who have not explicitly agreed to them with a pressure for mutual information and empathy in a multi-level system of governance.⁸²

At this point, after having stated the concept of ‘governance’, it is wise to indicate the difference of ‘governance’ from ‘government’. ‘Governance’ differs in crucial ways from ‘government’ in that while ‘government’ traditionally reflects “a notion of a

⁷⁷ Ibid.

⁷⁸ Kohler-Koch, B. (1999), *The Evolution and Transformation of European Governance*, New York: Routledge.

⁷⁹ Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 99.

⁸⁰ Heriter, A. (2002), “New Modes of Governance in Europe: Policy Making without Legislating?”, *Political Science Series*, Vienna: Institute for Advanced Studies.

⁸¹ Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 99.

⁸² Ibid, p. 101.

unified state, comprising of a single locus of power”⁸³, ‘governance’ implies that “the regulation of societies has been supplemented by a wealth of political actors other than government”⁸⁴. In other words, “whereas government tends to rely on vertical, hierarchical forms of regulation, governance reflects patterns of horizontally dispersed power, taking various formal or informal institutional shapes”⁸⁵.

As a cluster of related theories emphasizing common themes, Hix argues that the governance approach has four dimensions: first, the governance approach theorizes EU governance as non-hierarchical, mobilizing networks of private as well as public actors, who engage in deliberation and problem-solving efforts guided as much by informal as by formal institutions.⁸⁶ It emphasizes the capacity of the EU to foster ‘deliberation’ and ‘persuasion’ – a model of policy-making in which actors are open to changing their beliefs and their preferences, and in which good arguments can matter as much as, or more than, bargaining power. The definition of governance offered by Rhodes, emphasizes the interdependence between organizations as ‘self-organizing, inter-organizational networks’, involving not only government but also non-state actors, and continuous interactions between network members, transfer of a significant amount of authority from the state as indirectly steering networks without occupying the sovereign position.⁸⁷ In that sense, it is inferred that in this multi-level governance model, decision-making competences are shared at different levels rather than monopolized by national governments.

Developments taking place in the international arena, especially after the Second World War had fundamental effects on the transformation and in the comprehension and explanation of the facts in the European integration process. European integration, which, in line with classical international relations theories, had commenced at the state level based on cooperation among the member states, was transformed towards the European level through supranational authorities. In the light of international developments, it can be seen that not only states, but also other actors intervene in the process of integration. These actors such as non-governmental organizations (NGOs),

83 Webber, M., Croft, S. and Howorth, T. (2004), “The Governance of European Security”, *Review of International Studies*, p. 5.

84 Ibid.

85 Eilstrup-Sangiovanni M. (ed.) (2006), *Debates on European Integration: A Reader*, New York: Palgrave Macmillan, p. 332.

86 Hix, S. (1998), “The Study of the European Union II: The ‘New Governance’ Agenda and Its Rival”, *Journal of European Public Policy*, 5(1).

87 Rhodes, R. A.W. (1996), “The New Governance: Governing without Government”, *Political Studies*, 44, p. 655.

social partners, independent experts and interest groups have increased their influence in the process of European integration day by day through the governance approach in the EU. In this context, the European social partners have appeared as crucial actors in relation of European social governance.

In this system of governance, which has drawn attention to the interaction among states at different levels, not only the governmental but also at the level of NGOs, the focus has been on multi-level governance, in which there is a complex web of relations in the policy-making process of the EU.⁸⁸ Thus, it does not take an ‘international relations’ but a ‘transnational relations’ approach. The governance approach overall has swept away the perception that the state is the only compatible entity then on. Thus, the dichotomy between low politics and high politics in classical international relations theories are criticized as the distinction between them has become meaningless. However, this does not mean that the significance of nation states is undermined. As it is pointed out by Hooghe and Marks, “nation states are still an integral and powerful part of the EU, but they no longer provide the sole interface between supranational and sub national arenas”.⁸⁹ They control over many areas, activities and actions.

Under these changed conditions in the world arena, there necessitates interdependence across boundaries, collective action to provide common goods that has to take place vertically across multiple levels of government and horizontally across multiple arenas involving public and private corporate actors.⁹⁰ In this international context, no single actor, public or private, has sufficient potential for action and/or sufficient power to solve problems of interdependence on her own, nor has she all the knowledge and information required to solve complex, dynamic and diversified international problems.⁹¹ In this changed international context, Europe is such a multi-level and multi-arena polity, and is faced with such complex problems of interdependence against a background of diverse social and economic conditions that public and private actors with very diverse interests depend on each other to provide common goods. In short, it

88 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press.

89 Hooghe, L. and Marks, G. (2003), “Multi-level Governance in the European Union”, in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: Readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 285.

90 Heriter, A. (2002), “New Modes of Governance in Europe: Policy Making without Legislating?”, *Political Science Series*, Vienna: Institute for Advanced Studies.

91 Kooiman, J. (ed.) (1993), *Modern Governance: New Government-Society Interactions*, London: Sage Publications., p. 4.

is faced with a need for multi-level governance which has opened up opportunities for public and private interests of all kinds to enter the policy-making process.⁹²

In this framework, starting in the 1980s and especially in the 1990s, and depending on the formation of a multi-level, complex, institutional EC, there has been a combination of supranational and intergovernmental elements, and a strong role for the judiciary.⁹³ Thus, we came across with the emergence of the governance approach due to the insufficiency of classical international relations theories and comparative politics, as the former is restricted to state level politics and the latter is rooted only in domestic politics with respect to explaining the European integration process and with some specific internal dynamics that came to the foreground in this period of European integration.

Concerning these specific developments, the SEA put into practice in the second half of the 1980s is to be the turning point for the trigger of developments for the emergence of the governance approach in that starting with the SEA, the delegation of competences to the EC level was increased, which strengthened the power of the EC. In other words, these limits on member states' control with the introduction of QMV through the SEA opened the way forward towards collective decision-making, despite the fact that the areas in which QMV was put into practice were limited and non-sensitive in content. With the Maastricht Treaty, the EU has become an entity for political issues as well. Thus, with this step by step development of Treaty revisions mentioned above, the internal dynamics of the EU, especially in various parts of policy-making has become crucially important in the European integration phenomenon, although there are mixed competences between national and European level in certain specific policy sectors in the complicated process of policy-making in the EU.

In addition to the Treaty based dynamics of the EU, the internal political dynamics of the EU had a notable impact on the way towards the increasing applicability of the governance approach. In this respect, the resignation of the Santer Commission in 1999 can be given as an illustration. This development was a turning point in the history of

92 Hooghe, L. and Marks, G. (2003), "Multi-level Governance in the European Union", in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 282.

93 Eising, R. and Kohler-Koch, B. (1999), "Governance in the European Union: A Comparative Assessment", in Kohler-Koch, B. and Eising, R. (eds.), *The Transformation of Governance in the European Union*, London and New York: Routledge, p. 269.

European integration in that it prompted a wider review of the future shape of the EU.⁹⁴ In this framework, from autumn 2000, the political momentum of the reform process was sustained and it was given operational form by the preparation of a Commission White Paper on European Governance, published in the summer of 2001. Not only does the White Paper place reforming the Commission in the broader perspective of the functioning of a system of multilevel governance, but it also highlights the neglected issue of ensuring effective performance in the EU as a whole.⁹⁵ Thus, it can be said that the fall of the Santer Commission seemed to transform the political climate from ‘reform impossible’ to ‘reform inevitable’, which have had a decisive influence on the future development of European integration.

The above mentioned impetus to the reform process includes the sacrifice of some independent control of national governments by participating in collective decision-making. One of the means of achieving this in social policy-making is social dialogue. In this way, policy coordination increases their control over the member states over domestic policy outcomes, permitting them to achieve goals that would not otherwise possible.⁹⁶ Although to what extent the participation of the social partners into the European social policy-making is effective brings forth question marks, and that the social policy field is still in the domain of the member states, the governance approach has become relevant for the social policy at European level. This may be due to the reason that the competence in some of the areas in the social policy area have been transferred to the European level specified in the Treaties, and that the Union has to find a way of cooperation, consensus and dialogue among the very heterogeneous frame of social policy structures at national level in order to cope with the challenges of the twentieth century and the goals of the Lisbon strategy. Thus, the governance approach appears to be a relevant theoretical basis for the study of EU social policy.

94 Committee of Independent Experts (1999), *First Report regarding Allegations of Fraud, Mismanagement and Nepotism in the European Commission*, Luxembourg: Official Publications of the European Communities.

95 European Commission (2001), *White Paper on European Governance*, COM (2001) 428 Final, 27 July 2001, Luxembourg: Official Official Publications of the European Communities.

96 Eising, R. and Kohler-Koch, B. (1999), “Governance in the European Union: A Comparative Assessment”, in Kohler-Koch, B. and Eising, R. (eds.), *The Transformation of Governance in the European Union*, London and New York: Routledge, p. 269.

1.2.1. Basics of EU Governance

With the trigger of the abovementioned developments, changes have occurred in the way the EU is governed. The governance approach, which is based on the internal functioning of the EU, that is, policy-making in the EU, tries to explain the effects of European integration. The basic changes are a multi-layered system in which multiple actors intervene in the process through multiple venues of policy-making. In other words, as Hooghe and Marks put forward, “there is a non-hierarchical organization in this system where at different levels, both at the national level (national bureaucrats, experts) and subnational level (representatives of interest groups) several actors intervene in the process of policy-making, resulting in interaction between different levels of authority”.⁹⁷ In such an apolitical system, ideologies are not that important. It is based on deliberative interaction and negotiation among different levels of actors.

Governance within this new system is described by Hix as ‘sui generis’, through a unique set of multi-level, non-hierarchical and regulatory institutions, and a hybrid mix of state and non-state actors.⁹⁸ The main principles that the governance system in the EU is based on are summarized by Hix as “the process of governing involving not only the exclusive conduct of the state but also all the activities of social, political and administrative actors under the non-hierarchical and dependent relationship between state and non-state actors for the key governance function of ‘regulation’ of social and political risk to produce a new ‘problem-solving’ rather than bargaining style of decision-making”.⁹⁹

Based on these principles, the governance approach argues that member states are still very important in the entire system.¹⁰⁰ Thus, the distribution of policy-making powers between the European and member state levels is more one of power-sharing between different levels with the member states that retain a very substantial role in decision-making. The resulting picture displays the specific feature of the EU’s institutional structure, the politics of which is not characterized by hierarchical decision-making and

97 Hooghe, L. and Marks, G. (2003), “Multi-level Governance in the European Union”, in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: Readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 285.

98 Hix, S. (1998), “The Study of the European Union II: The ‘New Governance’ Agenda and Its Rival”, *Journal of European Public Policy*, 5(1), p. 342.

99 Ibid, p. 343.

100 Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 102.

implementation but by negotiations among independent actors and institutions.¹⁰¹ The decisions which have to respect member state autonomy would prevent the resolution of collective action problems among EU member states evoking interest in a general orientation of decision-making that is compatible with Union-wide policies.¹⁰² Thus, it should not be forgotten in the sui generis structure of the EU that there are aspects incompatible with the principles of the governance approach outlined above.

1.2.2. Actors in EU Governance

How the institutions of the EU function in the governance approach is another important question to bring up while setting the theoretical ground for this study in terms of policy-making in relation to the governance approach in the EU. In a general overview of the institutional structure of the EU, starting from the very beginning of the integration process, it is seen that during the development of the EU Treaties, there has been a process of selective delegation of administrative powers from member state level to the supranational level. Thus, the transformation from state-centric to multi-level governance was one of the prominent topics of discussion during the development of European integration process, which is related very much with the functioning of the institutional structure of the EU to the extent it was affected from the governance approach in the EU during the European integration process.

1.2.2.1. The European Commission

In that respect, after setting the background conditions and the principles that the governance approach relies on, the institutional structure in which the governance approach functions is discussed, while the advisory institutions and the formal representation of interests groups will be discussed in the forthcoming chapter. The dichotomy between state level and multi-level governance has been at the foreground since the 1990s onwards in the European integration process. The unique institutional structure of the EU has also played an important part in this issue. Among the main actors of the institutional structure of the European Union, it is wise to commence the discussion with the main supranational institution of the EU, *the European Commission*. The Commission has the crucial tasks of being the guardian of the Treaties, and has

¹⁰¹ Ibid.

¹⁰² Ibid.

rule-making and monitoring functions for the national implementation of member states. However, among these many responsibilities of the Commission, the main one in relation to policy-making in the EU is that the Commission is the initiator of the decision-making process. The Commission has the formal power to initiate and draft legislation including the right to amend or withdraw its proposal at any stage in the process. It also acts similarly to a think tank for new policies which are illustrated in reports, white papers, green papers, other studies and communications that the Commission produces.¹⁰³

Although it has just been emphasized that the Commission is the initiator of the decision-making process, in the *sui generis* picture of the institutional structure, the Commission with a significant agenda setting power does not function on its own. The Commission has the power and ability to do the job, but it is subject to pressures from many actors. Thus, policy initiation in the EU is a multi-actor activity, including not only the Commission, but also the European Council, the Council of Ministers, and interest groups alongside individual member states.¹⁰⁴ Within the framework of the governance approach, the European social partners have emerged as one of the significant actors that cooperate with other non-state actors as well as with the EU institutions, particularly the European Commission, which has supported the actions of the social partners in terms of their inclusion into the European social policy-making under the European social dialogue since 1985, when the European social dialogue was initiated by Jacques Delors.

The organizational set-up of the Commission illustrates that the Commission works together with multiple actors. Within the framework of organization of the Commission, together with the core executive of the College of Commissioners who are responsible for all the acts of the Commission, and the bureaucracy is composed of Directorate Generals (DGs) in which the main tasks are carried out. In addition, there is a network of agencies that work in parallel with the Commission. These are quasi-autonomous agencies that do not have decision-making powers but conduct extensive work in related policy areas. Their agents have their interest and preferences of their own. They provide

103 Hooghe, L. and Marks, G. (2003), "Multi-level Governance in the European Union", in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: Readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 295.

104 *Ibid.*, p. 296.

feedback, research for the Commission and back up the work of the Commission. Thus, it has interaction with multiple actors and interest groups they try to affect the agency. Then, the Commission has become subject to the maneuver of the interest groups. Eurocrats are trying to increase their influence in the political process. They want to increase the budget, sources, staff, the profile and reputation of certain agencies. They want to increase their leverage over the political actors. This is something called 'bureaucratic drift'. For instance, concerning the social dimension if the president of the Commission, Jacques Delors did not intervene, the Social Charter would not have been approved in 1989. The Commission tries to stir a middle way that may shift the policy outcome to certain limits.

As an executive power, the Commission also has a political function as the leader of society. Throughout the proposal of the policy and legislation, it has political function for economic and social issues and third pillar issues. For the preparation of policy and legislation, the Commission is engaged in widespread contact with the committees. There has been widespread negotiation, and a network of advisory committees which give support to the bureaucracy of the Commission. There are expert committees in which national experts act on their knowledge. For social affairs, the *Foundation for the Improvement of Living and Working Conditions* (EUROFOUND) can be given as an example. Moreover, there are consultative committees in which representatives of sectoral interests present their own approach. There is an informal process going on between the Council and the Commission before the initiation of the legislation. In that respect, the Commission works closely with the Council and national bureaucrats. There is a greater cooperation between the Commission and the European Council, while the former is creative; the latter one is much more reactive.

However, the Commission has some weaknesses in that it has a limited capacity which is dependent on delegation granted by the member states.¹⁰⁵ Other than agriculture, competition and external trade, the Commission relies upon member state submissions, its extensive advisory system of public and private actors, and paid consultants. The Commission is flooded with work. It has a very rigid and hierarchical framework which makes communication within the Commission difficult.¹⁰⁶ Differences in policy styles

¹⁰⁵ Ibid.

¹⁰⁶ Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 263.

and differences among multi-national environments may be problematic for internal communication in the Commission.¹⁰⁷

All legislatures have a system of delegating detailed implementing measures to the executive. At European level, the EP and the Council of the European Union can confer such powers on the Commission via the *comitology procedure*. In that respect, comitology, which involves committees composed of the representatives of the governments of the member states at the level of civil servants, is a vital part of the adoption and implementation of Community law. Most EC acts, many of great importance, are taken by the Commission under powers delegated by the Council, and in such cases there is no formal involvement of the general public, national parliaments or the European Parliament.¹⁰⁸ Through the comitology procedure, the Council keeps the Commission under control, as in the committees the Commission must act in conjunction with representatives of member states who often have the power to block the Commission and refer the matter to the Council. In that sense, comitology can be regarded as ‘interface of dual executive power’¹⁰⁹.

The comitology decision was initially adopted in 1987, which was later amended in 1999 and in 2006. The initial comitology decision set out standard types of committees of national representatives which assist the Commission in the exercise of powers conferred upon it by the Council.¹¹⁰ With the amendment adopted in 1999, three implementation committees were set out, namely advisory, management, regulatory.¹¹¹ Advisory committees give opinions which the Commission must take account of, but it retains the power of decision. Management committees can block a proposed Commission measure by a qualified majority. A regulatory committee needs a qualified majority to approve a proposed Commission measure. Moreover, under the new procedure agreed in 2006, in addition to the committees set out, regulatory committee with scrutiny was established.¹¹² According to this new procedure, measures not adopted are referred to the Council for a decision or Council and Parliament under the

107 Ibid, p. 270.

108 Ibid, p. 271.

109 Hix, S. (2005), *The Political System of the European Union*, Basingstoke: Palgrave, p. 52.

110 See OJ L 197/33, 18.7.1987.

111 See OJ L 184/23, 17.7.1999.

112 See OJ L 200/11, 22.7.2006.

new regulatory committee with scrutiny.¹¹³ In that case, opposition from either will block the proposed measure.

In line with this evaluation of the European Commission in terms of EU governance, there emerges the question of whether the European Commission makes a real difference in exerting significant autonomous influence over the agents, as a multi-level governance perspective would suggest.¹¹⁴ This question is still on the agenda with no clear-cut answers. Upon the dichotomy that has continued going since the initial phases of European integration, there is fusion between the national and supranational levels in the institutional structure. However, they should not be completely considered as two opposing folds, as they come up with consensus and negotiations within the framework of a culture of cooperation. Despite the fact that direct constraints on the Commission originate from the European Parliament and the Council of Ministers, the power of initiative has increasingly become a shared competence, permanently subject to contestation, among the three institutions.¹¹⁵

The Commission also actively supports interest groups, provides financial assistance to them, which brings about their demand for the maximization of their strength and responsibilities in the policy-making procedure. During the preparation of policy and legislation, the Commission is engaged in widespread contact with committees such as consultative committees, expert committees that would provide technical expertise, widespread negotiation, policy networks and coalitions. With these instruments, the Commission deliberates governance in the EU and acts as a supervisor and facilitator of the involvement of various actors in the policy-making procedure. In that respect, the Commission has some amount of autonomy and socialization within the limits of the delegation of powers conferred by the member states.

113 Ibid.

114 Hooghe, L. and Marks, G. (2003), "Multi-level Governance in the European Union", in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: Readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, pp. 295.

115 Ibid, p. 290.

1.2.2.2. The Council of the EU

The Council of the EU is the other main institution of the EU constituting the other end of the continuum, the intergovernmental side, in the lasting dichotomy in the process of European integration mentioned above, as it has a crucial ground in the governance approach in the EU. The nature and structure of the Council of the EU can best be illustrative at this respect. The Council of the EU representing the member states works at four levels, namely at the levels of the European Council, ministerial level, Committee of Permanent Representatives (COREPER), committees and working groups. This structure infers a hierarchy of different levels of representation of the member states.

The Council of the EU works in patterns of compromise and consensus, problem solving and negotiation, and mutual accommodation in seek of consensus.¹¹⁶ Thus, there is detailed negotiation and bargaining in the Council. Although it is closed to interest groups and non-state actors coming from different levels unlike the Commission, it works in close cooperation with the Commission in the working pattern mentioned above, which sets up an important ground for the governance approach in the EU. In order to end up with common decisions, the methods of coalition-building, bargaining and package deals are put into practice in the Council of the EU. Thus, in this intergovernmental body of the EU, a process of close cooperation and socialization takes place rather than confrontation, problem-solving and struggle. This constitutes important aspect of EU governance and a subject of analysis for the governance approach. Within the framework of social policy-making, the Council of the EU has hardly any effect in the European social dialogue. However, as the principal decision-making institution of the EU, the influence of the Council in the Treaty revisions that has incrementally increased power of European social dialouge in legal terms and in the institutional structure of the EU concerning social policy-making should not be undermined.

116 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 279.

The Council is the most powerful institution in EU decision making. However, it has been argued that neither the Council of the EU nor the Treaties give national governments full control over EU decision-making.¹¹⁷ In this sense, it should not be forgotten that the decision-making of the Council exists alongside a directly elected Parliament that has a veto on legislation relating to a third of all treaty provisions. The power of the Parliament in the European political process has grown by leaps and bounds over the past twenty years, and collective national control of decision making has declined as a result.¹¹⁸ The Treaties act as a vehicle for national government control. While it is true that national governments have a formal monopoly in making Treaties, it is not all clear that treaty making, or the process of European integration in general, has strengthened national governments against parliaments, regional governments, or public pressures.¹¹⁹

It has been suggested that the control of the member states over EU policies and institutions is highly imperfect and that the member states no longer monopolize EU decision-making, partly due to the growing power of the European Parliament in EU policy-making.¹²⁰ In this respect, the Parliament and the evolution in the power of the Parliament is to be taken into account in the discussion of the institutional structure of the EU concerning the governance in the EU.

1.2.2.3. The European Parliament

The European Parliament (EP) has been called one of the most important supranational institutions of the EU in that it has ‘established itself’ during the European integration process. This phrase is really worth mentioning once the gradual evolution of the legislative powers of the EP is considered. Initially, the legislative power of the EP was only limited to the *consultation procedure* enacted with the Rome Treaty¹²¹. In this first phase, it is seen that through taking into account the opinion of the Parliament, the EP somehow intervened in the legislative processes, which was beforehand executed only

117 Ibid, p. 288.

118 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 279.

119 Ibid.

120 Hooghe, L. and Marks, G. (2003), “Multi-level Governance in the European Union”, in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: Readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 290.

121 See Article 137 of the Commission of the European Communities (1978), *Treaty of Rome, Treaties Establishing the European Communities*, Luxembourg: Office for Official Publications of the European Communities.

by the Council of Ministers and the Commission.¹²² The SEA can be seen as a turning point not only in the European integration process but also in the historical evolution of the legislative powers of the Parliament. With the SEA, the legislative power of the Parliament was strengthened through the *co-operation procedure*¹²³. With the Maastricht Treaty, a new step was taken on the evolution of strengthening the legislative power of the EU in that with the *co-decision procedure*¹²⁴ put into effect, the Parliament has become the co-legislator over much of EU policy. In other words, with this procedure, Parliament shares decision-making power with the Council of Ministers; it has taken the position of being the common decision-maker with the Council.¹²⁵ Although in 1992, the fields in which the co-decision procedure was applicable were very limited and deficient, with the forthcoming Treaty revisions, after the Amsterdam was signed, the scope of the co-decision procedure was broadened, which increased the participation of the EP in the legislative process of the EU. The use of co-decision was broadened at the Nice Summit until it has become the ‘ordinary decision making procedure’, covering 90 percent of the fields in the decision making procedure in the Treaty Establishing a Constitution for Europe under the Articles I-34 and III-396¹²⁶.

Another important development for the evolution of the legislative powers of the EP that was put into practice was the *assent procedure (avis)*¹²⁷. This development is considered as a considerable development for the growth of the power of the EP in that the Parliament depending on the report of the concerned committee decides to accept or reject on accounts of simple majority.¹²⁸ With this procedure, in the areas of accession of new member states, and the establishment and amendments of association relations, a proposal must be approved both by the Council of Ministers and the Parliament in order to be enacted.¹²⁹

122 Kabaalioglu, H. (1991), “Avrupa Parlamentosu”, *Marmara Üniversitesi Avrupa Araştırmaları Dergisi*, 1, p. 247.

123 Bu procedure was enacted under Articles 6 and 7 of the SEA.(OJ L 169, 29.6.1987), for the three-step procedure, see *ibid*, p. 26.

124 See, European Union (1992), *Maastricht Treaty, Agreement on Social Policy Concluded between the Member States of the European Community with the Exception of the United Kingdom of Great Britain and Northern Ireland*, <http://europa.eu.int/en/record/mt/protocol.html>, (retrieved: June 1, 2007, from World Wide Web: URL)

125 Tezcan, E. (2001), *Avrupa Birliği Kurumlar Hukuku*, İstanbul: Beta Yayınları, p. 30.

126 See <http://europa.eu.int/scadplus/constitution/parliament.en.htm> (retrieved on December 4, 2008, from World Wide Web: URL).

127 Bu procedure was enacted under Articles 8 and 9 of the SEA (OJ L 169, 29.6.1987)

128 Tezcan, E. (2001), *Avrupa Birliği Kurumlar Hukuku*, İstanbul: Beta Yayınları, p. 38.

129 Yörüng, M. T. (1991), “Avrupa Tek Senediyle Avrupa Parlamentosu’na Tanınan Yetkiler”, *Marmara Üniversitesi Avrupa Araştırmaları Dergisi*, 1, p. 306.

The EP is better explained in terms of the response of national governments to domestic pressures for greater democratic accountability in the EU. The emergence of the EP as a powerful European player has altered the institutional balance in the European Union.¹³⁰ The authoritative competences of the EP are more narrowly circumscribed than those of the Council, but the EP is nonetheless a weighty player. As a result, national governments cannot impose their collective will in many areas of policy making. In this perspective, the gradual growth in the power of the EP during the evolution of its history outlined above, means growth in the power of the citizens represented in the Parliament, which overall contributes to the democratization of the Union. In this respect, the evolution of the development of the EP sheds light on the process of democratization in the EU, for the EP which has been directly elected since 1979, has staged a process of development not only via its voting pattern, working style and organization structure but also through its openness and transparency towards the public.¹³¹ These are very big steps in terms of overcoming the ‘democratic deficit’ in the EU.

At this point, the scrutiny role of the EP over the executive is to be mentioned, as the EP has gained this role depending on the changes in the Treaty revisions addressing the democratic deficit of the EU. There are two main aspects of the ability of the EP to exercise control over the Commission. The first one is in its power over the appointment of the College of Commissioners, and the second is in its power to dismiss Commissioners if it disapproves of their conduct.¹³² Although the EP does not originally have the power of the in the appointment of a new Commission, with the Treaty amendments, the Parliament incrementally extended its powers concerning this issue, and with the Amsterdam Treaty, it was given a formal right of approval of their nominee for President of the Commission.¹³³ Having gained the right to approve the appointments of the President, and separately of the other Commissioners as whole, the EP did some procedural adaptations to increase the leverage of the modest extra powers granted in the Maastricht Treaty.¹³⁴ In that regard, the other aspect of parliamentary

130 Hooghe, L. and Marks, G. (2003), “Multi-level Governance in the European Union”, in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 291.

131 Auel, K. and Benz, A. (2000), “Strength and Weakness of Parliament in EU Multilevel Governance – Accountability in a Compounded Representative Democracy” (paper presented at the *IPSA World Congress*), 1-5 August 2000, Quebec.

132 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 302.

133 *Ibid.*

134 *Ibid.*

control over the Commission is in its power to dismiss Commissioners. At this point, the powers of the EP to approve the new Commission President and college of Commissioners took centre-stage, which can be seen in Prodi and Barroso Commissions. Concerning the democratic scrutiny function of the Parliament, the EP also has the right of inquiry through addressing written and oral questions to the members of the Commission and the Council and set up committees of inquiry.¹³⁵ The Parliament within the framework of the abovementioned scrutiny function over the executive, acts a watchdog over the institutions of the EU.

The growing power of the EP has an important place for the functioning of the governance approach, as EU decision-making has come under greater public scrutiny. Since the SEA, the technocratic European integration process has changed. As the reach of European policy making broadened, and as the stakes in most issue areas grew, domestic groups were drawn directly into the European arena.¹³⁶ Such mobilization has created new linkages between supranational institutions and subnational groups. EU decision making is no longer insulated from the kind of political competition that has characterized democratic politics in the member states.¹³⁷

In line with the main supranational institutions, and their abovementioned structure, it can be argued that EC's institutional set-up is characterized by a multi-level structure, a combination of supranational and intergovernmental elements, and a strong role for the judiciary.¹³⁸ Thus, the Commission operates in a system of multi-level governance involving competition and interdependence among it and the European Council, the Council of Ministers, and the EP, all of which share authority in the intricate game of policy initiation.¹³⁹ During the policy cycle, the EC's actors are largely restricted to agenda-setting and policy formulation and decision-taking, whereas implementation is organized by the member states. Formal powers are overshadowed by multi-layered negotiations and consultations. Owing to these characteristics, it is almost inevitable that the European Community's mode of governance will be of the network type, which

135 Hooghe, L. and Marks, G. (2003), "Multi-level Governance in the European Union", in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 297.

136 Ibid, p. 293.

137 Ibid, p. 291.

138 Eising, R. and Kohler-Koch, B. (1999), "Governance in the European Union: A Comparative Assessment", in Kohler-Koch, B. and Eising, R. (eds.), *The Transformation of Governance in the European Union*, London and New York: Routledge, p. 269.

139 Hooghe, L. and Marks, G. (2003), "Multi-level Governance in the European Union", in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, pp. 298.

differs from ideal type pluralism, statism and corporatism.¹⁴⁰ The actors have different interests and they are ‘mutually dependent, but at the same time autonomous’.

Within the framework of the dichotomy between state centric and multi-level governance, upon the evaluation of the key actors mentioned above, it can be seen that there is a diffusion of control even in this multi-level, heterogeneous composition and complex institutional set up of the EU. In addition to the mobilization of subnational interests beyond the reach of national governments directly in the European arena, interest groups have mobilized intensively in the European arena.¹⁴¹ In broad perspective, although the power of the interest groups is difficult to pinpoint, it is clear that among the supranational institutions of the EU, the Commission is the most open platform in that regard, especially with the passage of the SEA that precipitated a sharp increase in interest group representation in Europe. In that respect, most groups target their lobbying activity at the European Commission, then the EP, as these are perceived to be more accessible than the secretive Council of the EU. Akin to the evolution of the development of the Parliament in terms of its growing power over the last decade, a dramatic change has been prompted in its relationship with the lobbyists. This shows that the EP has adopted a mere open and practical approach for regulating the relationship between the institutions and outside interests, the practical side of which is going to be discussed in the forthcoming chapters.

1.2.2.4. The Court of Justice of the European Communities

The Court of Justice of the European Communities is the supreme judicial institution of the EU, undertaking the main task of examining the legality of Community measures and ensuring the uniform interpretation and application of Community law.¹⁴² The judgments of the Court have the absolute power of sanction and are binding for all Union citizens and the member states.¹⁴³ Concerning the structure of the Court of Justice, the Court which meets in Luxembourg comprises twenty-seven judges and eight

140 Ibid, p. 270.

141 Ibid, p. 297.

142 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 317.

143 Karluk, R. (2003), *Avrupa Birliği ve Türkiye*, İstanbul: Beta Yayınları.

advocates general, who are appointed by common accord of the governments of the member states and hold office for a renewable term of six years.¹⁴⁴

Upon this structural ground, the Court of Justice has significant functions in that it is responsible for the interpretation and implementation of EU law and acts as final arbiter in disputes arising from EU law.¹⁴⁵ In that regard, it has wide-ranging powers to hear various types of action and to give *preliminary rulings*¹⁴⁶ and direct actions. The types of action the Court may hear are namely, proceedings for failure to fulfill an obligation; proceedings for annulment of EC legislation; proceedings for failure of an EU institution to act; actions for damages; and appeals against judgments of *the Court of First Instance*^{147 148}.

The Court has had important contribution to the development of the EU in terms of ‘constitutionalization’¹⁴⁹ of EU law and policy development. Concerning the former issue, through its case-law, the Court identified the principles of direct effect (i.e. individuals gaining rights from the implementation of EU law), direct effect of Community law in the member states, the supremacy of Community law over national law and the liability of a member state to individuals for damage caused to them by an infringement of Community law by that State.¹⁵⁰ These principles which had profound impacts on the nature of EC law were the results of the cases such as *Van Gend en Loos* (1963), *Costa v. Enel* (1964), *Van Duyn v. Home Office* (1974), *Factortame* (1990), *Francovich v. Italy* (1991). Since 1991, European citizens have therefore been able to bring an action for damages against a State which infringes a Community rule. The subsequent rulings confirmed these principles of EU law.

144 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 318.

145 Wincott, D. (2001), “The Court of Justice and the European Policy Process”, in Richardson, J. (ed.), *European Union: Power and Policy-Making*, London and New York: Routledge, p. 182.

146 *Preliminary rulings* are judgments by the Court on the interpretation of the Treaties or secondary legislation arising from the Treaties.

147 In 1989, *the Court of First Instance* was created to help the ECJ with the sheer volume of business. The Court of First Instance is made up of at least one judge from each member state (27 in 2007). The judges are appointed by agreement of the member state governments for a renewable mandate of six years.

148 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 318.

149 The ‘constitutionalization’ of the Treaty of Rome refers to “the transformation of Community law from a system of conventional international law, which in principle imposes direct obligations on only states, to a new form of law, much more like the internal law of a state” (Wincott, D. (2001), “The Court of Justice and the European Policy Process”, in Richardson, J. (ed.), *European Union: Power and Policy-Making*, London and New York: Routledge, p. 181)

150 Wincott, D. (2001), “The Court of Justice and the European Policy Process”, in Richardson, J. (ed.), *European Union: Power and Policy-Making*, London and New York: Routledge, p. 182-86.

In addition to the contribution of the Court to the legal system of the Community, the Court has made substantial contribution to the integration process through its role in developing particular policy sectors. In that regard, concerning the policy-making in the EU, the ECJ acts as an activist actor in a supranational legal order.¹⁵¹ The development of the Court's case-law illustrates its contribution to creating a legal environment for European citizens by protecting the rights which Community legislation confers on them in various areas of their daily life. The progressive rulings of the Court of Justice have been seen in matters of free movement of goods, free movement of persons, freedom to provide services, equal treatment and social rights. Some of the significant cases, as samples for the Court's judgements in the abovementioned areas are Cassis de Dijon judgment in 1979 on the principle of free movement of goods, Kraus judgment in 1993 on the principle of free movement of persons, Cowan judgment of 1989 on the principle of freedom to provide services, Defrenne judgment of 1976 on equal pay for men and women for equal work, Brown judgement of 1998 on equal treatment for men and women.

Considering the active contribution of the Court of Justice to the European integration process in the abovementioned two respects, the relations of the Court with the European Commission is important to be noted. The Court has been active in transforming the legal order in a supranational direction in cooperation with the Commission.¹⁵² Through this activist stance, the Court has laid the legal foundation for an integrated European polity.¹⁵³ In particular, the development of the Community's legal system, and especially the doctrines of direct effect and supremacy, also increased the capacity of the Court to influence substantive policy-making in Europe. The EP has benefited from the Court's jurisprudence in supranational direction in that in series of judgments the Court has interpreted the powers of the EP in an expansive manner, based on the principle of 'institutional balance'.¹⁵⁴ Some important cases in this regard can be illustrated as Isoglucose Case (1979), Parti Ecologiste 'Les Verts' v. Parliament (1986), the Comitology Case (1988), the Chernobyl Case (1990). Through this way, the ECJ has helped for the progress of governance in the EU. In all these respects, the ECJ acts as an

151 Marks, G., Hooghe, L. and Blank K. (2006), "European Integration from the 1980s: State-Centric vs. Multi-level Governance", in Eilstrup-Sangiovanni M. (ed.), *Debates on European Integration: A Reader*, New York: Palgrave Macmillan, p. 374.

152 Ibid.

153 Hooghe, L. and Marks, G. (2003), "Multi-level Governance in the European Union", in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: Readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 308-9.

154 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 317

active actor in the European integration process and as an authoritative interpreter of both the Treaties and the secondary legislation put in place by the member states.

1.2.2.5. Interest Groups

In the European integration process, interest representation at the European level is conditioned by its fragmentation and the unique multi-level character of EU power, decision-making and policy processes.¹⁵⁵ The above mentioned institutional set up of the EU involves the engagement of sub-national, member state and supranational tiers of authority, and the complex interplay between them creates multiple arenas, venues and points of access. As the shifting of EU decision-making arenas, powers, and procedures occurs depending on the issue at stake and the Treaty specifications, there has been an incremental tendency towards Community decision-making rules over time in the European integration process, which has considerably influenced the character of EU interest representation by focusing it at the supranational level.¹⁵⁶

Considering policy-making in the EU, competence is contested among the four EU institutions. This has enhanced the mobilization of interest groups intensively in the European arena. Taking into account the basic characteristics and tasks of the Commission, it may be asserted that the Commission, the foremost institution which takes the input seriously among these four main EU institutions, is particularly supportive of interest group representation in Europe. Due to the difficulty in accessing the Council, interest groups tend to concentrate their efforts at the national level or in individual member states' permanent representations in Brussels. As discussed above, the vast bulk of lobbying is directed towards the Commission and the Parliament. The Commission's role in drafting legislation, together with its interdependencies with outside interests due to the specialized knowledge of organized groups, makes it the foremost channel for interest representation at the European level.¹⁵⁷ The Commission believes that the involvement of non-state actors in the policy-making process is fundamental to the development of its policies. This dialogue has proved valuable to both the Commission and to the interests of outside parties. In this framework, among various interest groups, the European social partners emerge as the semi-

155 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p. 29-45.

156 Ibid.

157 Ibid.

institutionalized ones under European social dialogue within the framework of European social policy-making.

Emphasizing the increased mobilization of interest groups in EU decision-making, it is vital to mention their role in this process with regard to the governance approach in the EU. The presence and role of organized interests in EU policy and politics have attested a transformation with the expansion of the membership of the Union and the successive Treaty changes and enlargement. The degree of power, status and influence of the many organized interests outside the formal institutions are still unclear; however, since the 1980s, there has been a dramatic increase in their number and influence as a manifestation of the EU's expanding remit.¹⁵⁸

For these reasons, there has been a rapid growth in interest group activity at the European level. Interest groups may be classified according to the main interests they represent and the membership composition of different groups. In this perspective, there are various forms of interest groups ranging in scope from those organizing 'horizontal' interests across a particular constituency (such as confederations of producer interests or citizens) into sectoral type interests, to specialist issue organizations.¹⁵⁹ The large groups representing 'horizontal' or cross-sectoral interests include the Union of Industrial and Employers' Confederations of Europe based around national federations, the European Association of Craft, Small and Medium-Sized Enterprises the lead organization for small and medium sized enterprises (SMEs), the European Centre of Employers and Enterprises providing Public Services representing public-sector employers and the European Trade Union Confederation the principal organization representing worker interests.¹⁶⁰ In addition, there are also private interests, public interest bodies, governmental actors, public-private interests and autonomous agencies among these interest groups. The European Round Table of Industrialists (ERT) works for business interest representation. It describes the role of private interests in helping

158 Watson, R. and Shackleton, M. (2003), "Organized Interests and Lobbying in the EU", in Bomberg, E. and Stubb, A. (eds.), *The European Union: How Does It Work?*, Oxford: Oxford University Press, p. 89.

159 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p. 29-45.

160 Ibid.

the Commission to develop policy drafts, or policy solutions, in low politics fields, in conditions favourable to access and influence by non-state actors.¹⁶¹

There is a competitive and complex interest representation. Whatever their type, interest groups seek to shape EU decision-making through lobbying. All lobbyists in Brussels try to intervene and influence the formal institutional decision-making structure of the EU. However, there are also less formal ways of doing this which is generally fulfilled particularly by organized interests, as they are important sources of information and advice for EU policy makers and add depth to a legislative process that in formal treaty terms only involves the Commission, the Parliament, the Council and the Economic and Social Committee and the Committee of the Regions.¹⁶² Interest groups are categorized in terms of the forms of interest representation that coexist in the EU. Within the framework of these forms of representation, the full institutionalization of interest representation of is carried out through the ESC, the semi-institutionalized representation is done through ‘social dialogue’, and the pluralist system is based on competitive lobbying.¹⁶³

1.2.2.6. The Economic and Social Committee

The Economic and Social Committee (ESC), which is the only formal channel of representation of interest groups in the social policy field, is worth mentioning. The ESC has its origins in the ‘corporatist’ institutions that were set up between the wars in Germany and France to bring together labour, management, the self-employed and the government.¹⁶⁴ The ESC consists of representatives of the various categories of economic and social activity in organised civil society, in particular representatives of producers, farmers, carriers, workers, dealers and craftsmen, professional occupations, consumers and representatives of the general public. In the social realm as in most other areas of European integration in the 1957 Treaty it had a merely consultative function, and the ESC’s interest groups have had to overcome the barriers established by the

161 Ruzza, C. (2002), “ ‘Frame Bridging’ and the New Politics of Persuasion, Advocacy and Influence”, in Warleigh, A. and Fairbrass, J. (eds.), *Influence and Interests in the European Union: The New Politics of Persuasion and Advocacy*, the UK and London: Europa Publications Limited, p. 93-110.

162 Ibid, p. 90.

163 George, S. and Bache, I. (2001), *Politics in the European Union*, New York: Oxford University Press, p. 291.

164 Watson, R. and Shackleton, M. (2003), “Organized Interests and Lobbying in the EU”, in Bomberg, E. and Stubb, A. (eds.), *The European Union: How Does It Work?*, Oxford: Oxford University Press, p. 89.

combination of weak, consultative powers, unclear roles and highly diverse memberships in order to be able to exert real collective influence.¹⁶⁵

The ESC, the establishment, composition and the working style of which is specified in the Articles 193-198 of the Treaty,¹⁶⁶ is still significant in that it is the first formal structure for the representation of the social partners at the European level. When the ESC was established, the Committee consisted of 101 members.¹⁶⁷ With the successive enlargements of the Union, the number of the members of the ESC increased to 222 in 1995. In Nice Treaty, it was stipulated that the number of members of the Committee should not exceed 350.¹⁶⁸ With the enlargement to the Central and Eastern European countries (CEECs) in 2004 and the recent accession of Bulgaria and Romania in 2007, the number of the members of the ESC reached to 344. In the recent Treaty of Lisbon, signed on 13 December 2007, not yet in force, the maximum number of advisers, set by the Treaty of Nice at 350 has not been amended.¹⁶⁹

The ESC, which was established with the abovementioned composition, can also be defined as the one example of European corporatism as an advisory institution gathering together the European social partners.¹⁷⁰ During the social dialogue practices, the differences that may come up in the stance of the social partners raise the question of whether it is possible to have consensus building in the ESC.¹⁷¹ Thus, the ESC has never found itself a lasting niche in European decision-making and is still deemed an insufficient form of representation for the interest groups concerned.

165 Jeffery, C. (2002), "Social and Regional Interests: ESC and Committee of the Regions", in Peterson, J. and Shackleton, M. (eds.), *The Institutions of the European Union*, Oxford: Oxford University Press, p. 335.

166 Commission of the European Communities (1978), *Treaty of Rome, Treaties Establishing the European Communities*, Luxembourg: Office for Official Publications of the European Communities.

167 See Article 194 of the EEC Treaty.

168 See OJ C80/01, 10.03.2001, http://europa.eu.int/eur-lex/en/treaties/dat/nice_treaty_en.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

169 See OJ C 306, Vol. 50, 17.12. 2007, <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:C:2007:306:SOM:EN:HTML>, (retrieved on June 20, 2008, from World Wide Web: URL)

170 Geyer, R. R. (2000), *Exploring European Social Policy*, Cambridge: Polity Press, p. 25.

171 Jeffery, C. (2002), "Social and Regional Interests: ESC and Committee of the Regions", in Peterson, J. and Shackleton, M. (eds.), *The Institutions of the European Union*, Oxford: Oxford University Press, p. 335.

1.2.3. Aspects of the Governance Approach

Based on the abovementioned dynamics in the institutional framework of the EU, the following means or ways for the practical use of the governance approach can be outlined as multi-level governance, policy networks, and the recent Open Method of Coordination. As mentioned above, together with the impacts of the international developments in the decade or more after 1990, namely globalization, devolution in Europe, and economic liberalization, new and different forms of governance, in which power was increasingly shared horizontally have appeared.¹⁷² Moreover, concerning internal dynamics, it is claimed that the very fragility of the EC's democratic legitimacy has important implications which in combination with the EC's institutional properties, contributed to the emergence of a network mode of governance.¹⁷³ The growing interest in network forms of governance reflects how modern society, culture and economy are all increasingly products of relations involving mutuality and interdependence, as opposed to hierarchy and independence.¹⁷⁴

1.2.3.1. Multi-level Governance

Multi-level governance (MLG) is a significant means for the implementation of governance in the EU, to be discussed in terms of its definition, logic, and characteristics. In the first place, it should be noted that the MLG approach is part of a new wave of thinking about the EU as a political system. According to this thinking, the EU is best understood as a new form of complex, multilevel system in which decision-making and implementation authority is shared across multiple 'tiers': sub-national, national, transnational, and supranational.¹⁷⁵

The first traces of the MLG approach goes back to 1992 when it was first introduced by Gary Marks to capture the developments in EU structural policy that made structural funds subject to administration through partnerships between local, national and supranational actors. However, with the growing increase in this trend of the governance approach since the 1990s expectations for its application to different policy

¹⁷² Ibid, p. 123.

¹⁷³ George, S. and Bache, I. (2001), *Politics in the European Union*, New York: Oxford University Press, p. 291.

¹⁷⁴ Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 117.

¹⁷⁵ Hooghe, L. (1996), "Introduction: Reconciling EU-Wide Policy and National Diversity", in Hooghe L. (ed.), *Cohesion Policy and European Integration: Building Multi-Level Governance*.

areas such as environmental and social policy have arisen. For the implementation of the multiple-venued policy-making, and policy coordination type new governance modes have been put into practice, such as policy networks and OMC as tools or ‘establishing regulation by persuasion and by negotiation’¹⁷⁶ in the form of soft law within the framework of the complex and constantly changing policy-making procedure of the EU. As *governance* involves setting goals and making decisions for an entire collectivity, OMC aims to spread best practices and achieve greater convergence towards the main EU goals.¹⁷⁷ Moreover, with the growth of multi-level networks, the EU system also produces what some call ‘soft law’, which includes action programmes, declarations by the European Council, guidelines, communications and the decisions taken in the second and third pillars of the EU.¹⁷⁸

However, it should also be noted that despite the progressive initiatives of the governance approach mentioned above, it has been criticized by some scholars in terms of its effectiveness due to the participation of several actors at different levels and its democratic legitimacy as a process closed to democratic scrutiny.¹⁷⁹ Thus, this issue shall also be taken into account during the analysis for the objectivity of the thesis in terms of illustrating not only the pros but also cons of the approach.

Based on the assumption that the sovereignty of the European state has been eroded from several directions both externally through deregulation of trade and financial markets and internally by collective decision-making within the EU, dispersing the decision-making authority across different spatial locations, the MLG approach describes the characteristics of EU governance with the following terms; namely ‘multiple actors’, ‘differentiation’, ‘technocracy’, non-hierarchical decision-making’, and ‘informal relations’.¹⁸⁰

176 Wallace, H. and Young, A. R. (1997), *Participation and Policy-Making in the European Union*, Oxford: Oxford University Press, p. 14.

177 Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 99.

178 Wallace, H. and Young, A. R. (1997), *Participation and Policy-Making in the European Union*, Oxford: Oxford University Press, p. 21.

179 Bache, I. and Flinders, M. (2004). “Themes and Issues in Multi-Level Governance”, in Bache, I. and Flinders, M. (eds.), *Multi-level Governance*, Oxford: Oxford University Press, p. 195.

180 Eising, R. and Kohler-Koch, B. (1999), “Governance in the European Union: A Comparative Assessment”, in Kohler-Koch, B. and Eising, R. (eds.), *The Transformation of Governance in the European Union*, London and New York: Routledge, p. 331.

Within the framework of governance, referring the patterns of horizontally dispersed power, taking various formal or informal institutional shapes, the above mentioned terms can be explained with the involvement of a variety of public and private actors at the national, supranational, and international level for policy-making and implementation with functional differentiation according to distinct policy sectors. This type of governance displays a political, and technocratic in nature, without any kind of classical hierarchical decision-making, within the framework of predominantly informal interactions between policy actors.¹⁸¹

At this point, one of the clear-cut values of consensus turned up to emerge in the following aspects. Having the above mentioned characteristics of MLG, as policy making in a multi-level system of governance includes the particular practice of coordinating the activities of different levels of governance; local, regional, national, supranational and transnational, it requires direct negotiation and bargaining between actors situated at different levels of decision-making.¹⁸² Thus, negotiation and coordination have emerged as vital for MLG approaches to reach consensus for policy-making in different policy areas. In this sense, several kinds of administrative arrangements are said to typify EU decision-making, including ‘policy networks’, ‘expert committees’, ‘regulatory agencies’, the ‘open method of coordination’ and ‘directly deliberative polyarchy’. Among the most frequently stressed arrangements is governance through so-called ‘policy networks’.¹⁸³ The concept developed during the 1990s and was characterized by predominantly informal interactions between public and private actors who cooperate to solve problems of collective action. In the EU context, an often-cited reason for the spread of policy networks is the relative scarcity of EU resources. Due to its limited budget and personnel, the only way for the Union to deal with the burden of decision-making and implementation is to encourage the formation of elite policy networks that facilitate exchange of information and ideas and build consensus through informal exchange and backroom bargaining.¹⁸⁴

181 Marks, G. (1996), *Multi-level Governance and European Integration*, United States: Rowman & Littlefield.

182 Jeffery, C. (2002), “Social and Regional Interests: ESC and Committee of the Regions”, in Peterson, J. and Shackleton, M. (eds.), *The Institutions of the European Union*, Oxford: Oxford University Press, p. 333.

183 Eising, R. and Kohler-Koch, B. (1999), “Governance in the European Union: A Comparative Assessment”, in Kohler-Koch, B. and Eising, R. (eds.), *The Transformation of Governance in the European Union*, London and New York: Routledge.

184 Ibid.

Considering the policy-making in MLG system of governance, a typical policy network may involve semi-autonomous parliamentary committees and bureaucratic agencies inhabited by experts as well as private actors with special expertise and competence in a policy area.¹⁸⁵ The formation of networks is significant in terms of facilitating exchange of information and ideas, and building consensus through informal exchange and backroom bargaining. In that regard, within the framework of institutional machinery for employment policy, the European Commission has prepared an information system on employment policies in collaboration with the national administrations.¹⁸⁶ This information system which is called *the European Employment Observatory* has undertaken the task to run a network between member states and the Commission with a view to pooling information. The Observatory provides services to the public in the form of periodic publications and regularly updated databases, and prepares comparative political analyses and tenders advice.¹⁸⁷

In the current form the Observatory, there are three information networks, which are namely MISEP (Mutual Information System on Employment Policies), SYSDM (System of Documentation, Evaluation and Monitoring of Employment Policies), and RESEARCH. In order to highlight these information networks in detail, MISEP is a network of representatives of the national administrations responsible for employment in the member states and the Commission, with the chief task of exchanging and disseminating information in the field of employment policies.¹⁸⁸ SYSDM is a network of independent market experts producing comparative and thematic studies of employment policies and labour market policies throughout the EU.¹⁸⁹ RESEARCH is a high-level group that tenders advice on employment policy and labour market policy issues and produces assessment reports on the employment situation and on employability.¹⁹⁰

The Commission makes use of the information obtained through the way mentioned above, while communicating to *the Standing Committee of Employment*, which is made up of representatives of the Commission, the Council and the social partners at

185 Peterson, J. (2004), "Policy Networks", in Wiener, A. and Diez, T., *European Integration Theory*, Oxford and New York: Oxford University Press, p. 117-33.

186 Moussis, N. (2006), *Access to European Union: Law, Economics, Policies*, Brussels: European Study Service, p. 232.

187 See <http://www.eu-employment-observatory.net/en/about/> (retrieved on June 18, 2009, from World Wide Web: URL)

188 See <http://www.eu-employment-observatory.net/en/about/abt03.htm> (retrieved on June 18, 2009, from World Wide Web: URL)

189 Ibid.

190 Moussis, N. (2006), *Access to European Union: Law, Economics, Policies*, Brussels: European Study Service, p. 232.

European level. By means of this, the Commission provides the representatives of the Committee with an opportunity of discussing the employment situation, the measures taken in each country and the coordination of employment strategy at Community level. The main task of this Committee is to ensure that there is continuous dialogue, concertation and consultation between the Council, the Commission and the social partners in order to enable the social partners to contribute to the coordinated employment strategy and to facilitate coordination by the member states of their policies in this field.¹⁹¹

It is important to highlight that the MLG model does not reject the view that state executives and state arenas are important, and consider them as the most important pieces of the European puzzle; but, it is asserted that the state no longer monopolizes European level policy-making, which put a different polity into focus. According to the MLG model, decision-making competencies are shared by actors at different levels rather than monopolized by state executives. That is to say, supranational institutions (EC, ECJ, EP) have independent influence in policy making that cannot be derived from their role as agents of state executives. State executives may play an important role but, according to the MLG model, one must also analyze the independent role of European level actors to explain European policy-making.

Although the MLG approach has contributed to the European integration process in enhancing the implementation of the governance approach for the internal functioning of the EU, it has some weaknesses stemming from the problem of administrative feasibility. A governance system which was arranged across multiple jurisdictions is liable to high transaction costs of coordinating multiple jurisdictions.¹⁹² The focus by MLG scholars on maximum decentralization and flexibility appears to throw up a conundrum.

In this context, the MLG is criticized on the grounds that it suffers from a lack of theoretical focus and explanatory power. It rather offers a descriptive rather than a theoretical approach to the study of European integration. Terms such as ‘multi-tiered’,

191 See OJ L 72/33, 18.3.1999, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1999:072:0033:0035:EN:PDF> (retrieved on June 18, 2009, from World Wide Web: URL).

192 Hooghe, L. and Marks, G. (2001), *Multi-level Governance and European Integration*, Lanham, MD: Rowman and Littlefield Publishing.

‘multi-level’ and ‘fragmented’ describe the complexity of the EU political system but do not provide a framework for explaining how this system functions and why.¹⁹³ It fails to supply an operational framework for policy analysis. It provides no clear predictions about the outcomes of the EU governing process. MLG studies are introspective.¹⁹⁴ Although the MLG approach is a descriptive approach not offering a theory of integration together with the weaknesses mentioned above, it is useful as it depicts complexity as the principle feature of the EU political system and invites us to draw on a combination of other theories to explain European policy outcomes, with a clear normative commitment to decentralized policy-making.

1.2.3.2. Policy Networks

Common to more specific definitions of governance is the view that policy-making is increasingly characterized by the wide participation of public, private and voluntary actors. In the context of the EU, as mentioned above, the multi-level governance framework brings together the increased ‘horizontal’ mix of actors with increased ‘vertical’ interactions between actors organized at different territorial levels, supranational, national and subnational.¹⁹⁵ In that respect, ‘policy networks’, which are characterized by predominantly informal interactions between public and private actors who cooperate to solve problems of collective action appears as the most stressed administrative arrangements in the structural domain of the governance approach and the most characteristic feature of EU governance.¹⁹⁶

Within the framework of multi-level governance, *policy networks* have become both more common in the policy literature and progressively more ambitious. The core hypothesis is based on the transformation towards a network mode of governance at the level of the European Community. Depending on the perception of governance as the ‘sharing of tasks and responsibilities between private and public actors’¹⁹⁷ and ‘heterogeneous composition and complex institutional set-up’¹⁹⁸, regimes around which

193 Jeffery, C. (2002), “Social and Regional Interests: ESC and Committee of the Regions”, in Peterson, J. and Shackleton, M. (eds.), *The Institutions of the European Union*, Oxford: Oxford University Press, p. 340.

194 Ibid.

195 Eilstrup-Sangiovanni M. (ed.) (2006), *Debates on European Integration: A Reader*, New York: Palgrave Macmillan, p. 333.

196 Jachtenfuchs, M. and Kohler-Koch, B. (2004), “Governance and Institutional Development”, in Wiener, A. and Diez, T. (eds.), *European Integration Theory*, Oxford: Oxford University Press, p. 100.

197 Keohane and Stanley, H. (eds.) (1991), “The New European Community: Decisionmaking and Institutional Change”, *Boulder*, CO: Westview Press.

198 Eising, R. and Kohler-Koch, B. (1999), “Governance in the European Union: A Comparative Assessment”, in Kohler-Koch, B. and Eising, R. (eds.), *The*

actors, expectations can converge are needed, in which subsidiarity, reciprocity and cohesion are given the utmost importance in all policy areas. It is contended that these structures shape the terms of European political discourse. Thus, we have seen the emergence of policy networks created by the Commission bureaucrats, national bureaucrats, a variety of different actors and experts and representatives of interest groups.

From this perspective, the multi-level policy-making procedure is different from the states' classical form of hierarchical decision-making. In other words, this approach is a top-down process realized with the involvement of multiple actors and negotiation process in policy networks, actors with very different strengths, level of power and instruments. In this modern governance in the EU, there has been a shift towards a 'sharing of tasks and responsibilities; towards doing things together instead of doing them alone'¹⁹⁹ to engage in collective action.

Based on the assumptions that policy network analysis is non-hierarchical governance involving mutuality and interdependence between public and non-public actors, as well as between different kinds of public actor, governments nevertheless remain ultimately responsible for governance.²⁰⁰ But, before policies are 'set' by elected political actors, policy choices are shaped and refined in bargaining between a diverse range of actors, including some who are non-governmental, all of whom have an interest in what policy is chosen. To display a specific example, the materialization of EU social policy regime can be explained in part as the product of collective action on the part of and emergent social policy network to create a more favourable environment for EU intervention.²⁰¹

EU policy networks are important supporters of multi-level governance, but it has also been criticized in the following ways. In the first sense, 'policy network' does not constitute a model or theory. The fluid, uncertain, overpopulated policy-making in Brussels with a diverse collection of interests does not comply with the existence of

Transformation of Governance in the European Union, London and New York: Routledge, p. 269.

199 Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 117.

200 Ibid.

201 Falkner, G. (1999), "European Social Policy: Towards Multi-level and Multi-actor Governance", in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science.

stable networks which is necessary in the policy network approach.²⁰² Moreover, policy network analysis lacks a theory of ‘power’ which weakens its functional position. Thus, the literature on policy networks often appears vague with insufficient debates about terminology. Although the policy network approach has been criticized mainly on the points mentioned above, EU policy network analysis has contributed to explaining the European integration process in terms of emphasizing the Union’s inescapable diversity and complexity.

Nonetheless, there are still question marks for the future development of policy network analysis, depending on the extent of its success in performing the functions of effectively describing, explaining, and even predicting outcomes of new EU policy methods and modes.²⁰³ Although there is a complex picture of the governance modes at EC level with the widely divergent member-state modes of governance and area specific variations, most EC policy areas are marked by the preponderance of network governance.²⁰⁴ Thus, it is widely regarded that in order to bridge the heterogeneity of EC member states and socio-economic actors as well as to compensate for the fragile democratic accountability, the elements of functional representation need to be introduced through policy networks.²⁰⁵ In conclusion, despite the question marks for the future of the policy networks approach, the significant impact of the policy network approach on the process of the European integration should not be underestimated in that it provides the means of explaining what European integration has wrought in terms of a governance system, which has made the EU more eclectic as a polity as its policy competence has expanded, and more polycentric.

1.2.4. Governance of Social Policy and Open Method of Coordination

In light of the governance approach, this section intends to probe the relevance of the concept in relation to EU policy making, in particular social policy formation. Therefore, after briefly summarizing the governance approach in policy making, this part explains one of the main governance mechanisms, namely the Open Method of Coordination that is important in the process of social policy configuration.

202 Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 133.

203 Ibid.

204 Eising, R. and Kohler-Koch, B. (1999), ‘Governance in the European Union: A Comparative Assessment’, in Kohler-Koch, B. and Eising, R. (eds.), *The Transformation of Governance in the European Union*, London and New York: Routledge, p. 285.

205 Ibid.

The Open Method of Coordination (OMC) process was launched at the Luxembourg summit in 1996 and developed in the so-called European Employment Strategy (EES). The Lisbon summit conclusions of 23-24 March 2000, which set out to charter the Union's trajectory for the next decade, endorsed the OMC as an alternative method of supranational governance to guide various policies on employment, the social exclusion, including such issues as poverty, long-term unemployment, social protection, and pensions.²⁰⁶

It is declared in the conclusion of the Lisbon European Council that through this alternative new mode of policy-making, "Europe was to become the most competitive, dynamic, knowledge based economy in the world, capable of sustainable economic development, with more and better jobs and social cohesion."²⁰⁷ Technically, this method is to be brought about through such means as benchmarking, target setting and peer review which were developed in the Luxembourg, Cardiff and Cologne processes.²⁰⁸ The OMC thus elevates the governance regime developed by the EES to a general method of cooperation that may be adopted in other areas, but does not add anything new to it.

Concerning the reasons behind the introduction of the OMC, it is important to mention the context in which the OMC was initiated. In the context where the OMC was introduced, it was widely perceived that any contradictions between the economic and social policies are to be overcome through the development of productive social policy, and that the problems of rising unemployment, and the inability of the member states to deal with this problem put the issue at the top of the Lisbon Agenda. The Lisbon Agenda specified the challenges that the EU has faced are specified as 'politically sensitive areas' (pensions, social inclusion and employment) where the use of the existing Community method would be impossible.²⁰⁹ Thus, the context reveals that the areas where national interests are very strong and in which there is no Treaty mandate for European level action, and where there is a huge diversity among the member states emerged as significant challenges for the future of the European integration

206 European Union (2000), *Lisbon European Council, Presidency Conclusions*, Retrieved: May 4, 2007, from World Wide Web: URL http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm

207 Ibid.

208 Dale, R. (2004), "Forms of Governance, Governmentality and the EU's Open Method of Coordination", in Lamer, W. and Walters, W. (eds.), *Global Governmentality: Governing International Spaces*, London: Routledge, p.174.

209 Ibid, p. 176.

phenomenon. In other words, since EU policy-making moves into politically sensitive areas where the use of the Community method is problematic due to difficulties in achieving policy convergence, new methods of governance are required to be developed where coordinated action is possible.²¹⁰

The basic reason behind the emergence of the OMC was that there was an urgent need to consider national policies as a ‘common concern’, and that a certain amount of policy coordination and convergence was required to be attained at the European level.²¹¹ In that regard, the need to achieve a certain policy convergence has led to the development of particular procedures for establishing common objectives and achieving member state compliance, including the setting of common objectives and guidelines at the European level which the member states are expected to implement in their national policies.²¹² Thus, in the Lisbon Summit, the key elements of the OMC are defined as ‘fixing guidelines, translating the European guidelines into national and regional policy, setting specific and adapting measures, establishing quantitative and qualitative indicators and benchmarks as a means of comparing best practice, periodic monitoring, evaluation and peer review’²¹³.

In the process of the development of the OMC, the Lisbon Summit is the point in which the method was named, linking it to the new agenda for socio-economic development. Based on the abovementioned key elements, the OMC emerged as a decentralized mode of decision-making which complements the more traditional Community method in which the Commission does not function as the ‘motor’ of integration. Rather, the member states form their own way of policy coordination and convergence. They accomplish this by means of placing objectives at a central level from which common guidelines are prepared to be translated into national policy, measuring through certain indicators, decentralized implementation and systemic monitoring in the form of

210 Hodson and Maher, I. (2002), “The Open Method of Coordination as a New Method of Governance: the Case of Soft EU Policy Coordination”, *Journal of Common Market Studies*, 39(4): 719-746.

211 Jacobsson, K. (2001), “Innovations in EU Governance: the Case of Employment Policy Co-ordination”, *SCORE (Stockholm Center for Organizational Research)*, Research Report, 12.

212 Ibid.

213 European Union (2000), *Lisbon European Council, Presidency Conclusions*, Retrieved: May 4, 2007, from World Wide Web: URL http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm

periodic reporting and evaluation of progress that is put into practice through ‘best practice’ exercises and peer review.²¹⁴

Considering the institutional structure under which the OMC operates, there are four main Council Committees involved in the OMC, which are mainly the Economic and Financial Committee (EFC), Employment Committee (EMCO), Social Protection Committee (SPC) and Economic and Political Committee (EPC), revealing OMC’s close cooperation between the Commission and the member states.²¹⁵ Upon this procedures and structure, OMC can be considered as an alternative method of supranational governance to be brought through such means as collective recommendations, review and monitoring, and benchmarking.²¹⁶

The OMC which is originated and structured on these grounds represents the emergence of ‘new forms of governance’.²¹⁷ The OMC using the abovementioned means provides real flexibility and marks a further maturation of the integration process. This new approach to EU governance suggests a non-hierarchical, de-centred and dynamic process, supporting the principle of subsidiarity and suggesting an alternative to the Treaty rules on enhanced cooperation and addresses some of the legitimacy issues inherent in the EU.²¹⁸ It is a method in which “the Union, the member states, the regional and local levels, as well as the social partners and civil society, will be actively involved, using variable forms of partnership”²¹⁹.

Therefore, the OMC is used for economic and social policies, as well as applied in the fields of research and education, and the question has appeared whether it can be extended to other policy areas. In that respect, the application of OMC to social policies has attracted most interest. However, it should be taken into account that whether the OMC can be applied effectively in other policy sectors depends on whether there are

214 Walters, W. and Haahr, J. H. (2005), *Governing Europe: Discourse, Governmentality and European Integration*, London and New York: Routledge, p. 114.

215 Zeitlin, J. and Pochet P. (2005), *The Open Method of Coordination in Action: The European Employment and Social Inclusion Strategies*, Brussels: P.I.E-Peter Lang S.A., p. 726.

216 Dale, R. (2004), “Forms of Governance, Governmentality and the EU’s Open Method of Coordination”, in Larmer, W. and Walters, W. (eds.), *Global Governmentality: Governing International Spaces*, London: Routledge.

217 Walters, W. and Haahr, J. H. (2005), *Governing Europe: Discourse, Governmentality and European Integration*, London and New York: Routledge, p. 134.

218 Zeitlin, J. and Pochet P. (2005), *The Open Method of Coordination in Action: The European Employment and Social Inclusion Strategies*, Brussels: P.I.E-Peter Lang S.A.

219 See 2000 Lisbon European Council, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm, (retrieved on May 4, 2007, from World Wide Web: URL).

equivalent conditions to those which exist for economic policy.²²⁰ Concerning the social policy field, the OMC has been applied not only to issues of education, training, research and development and enterprise policy, but also to social protection and social inclusion.²²¹ These areas are beyond direct Community competence such as pensions, family and disability benefits, health care and long-term care. The areas within the Community competence are regulated with directives.

The OMC is the key to the EU social agenda, having helped member states to develop a shared vision of social challenges, fostered a willingness to cooperate and learn from each other's practices, created a new dynamism in furthering and implementing reforms, and promoted more knowledge-based policy-making, geared towards openness, transparency and participation. The first EES, launched in 1997, has contributed to the creation of more and better jobs and thus improved well-being.

The OMC which has been utilized as a 'soft' strategy to achieve greater integration in policy fields emerged as an enhancing method for multi-level governance, as the explicit intention of the method is the involvement of a wide range of actors that denote a wider understanding of democracy as a participatory mechanism.²²² Thus, the participation of social, sub-national and local actors becomes essential for a successful definition and implementation of national plans, as seen in the case of employment. In a world of economic globalization, in order to fulfill the Lisbon strategy and achieve a stable framework of governance, the OMC emerges as an important tool to be utilized to enhance new governance in the EU especially in the social policy field.

220 Zeitlin, J. and Pochet P. (2005), *The Open Method of Coordination in Action: The European Employment and Social Inclusion Strategies*, Brussels: P.I.E.-Peter Lang S.A.

221 De la Porte T. C. and Pochet, P. (eds.) (2002), *Building Social Europe Through the Open Method of Co-ordination*, Brussels: P.I.E.-Peter Lang.

222 Borras, S. and Jacobsson, K. (2004), "The Open Method of Co-ordination and New Governance Patterns in the EU", *Journal of European Public Policy*, Vol. 11(2), p. 199.

1.3. ANALYSIS OF EU GOVERNANCE IN RELATION TO EU POLICY MAKING

In this chapter, the governance approach in the EU has been discussed in a broad perspective. Considering the European integration phenomenon as a still ongoing process explained through overlapping theories of integration, but never with clear-cut results, was the chapter designed in two parts in order to have a grounded theoretical background for the thesis.

In that regard, the chapter started with a brief overview of the European integration process in a theoretical perspective in order to depict the evolution of theoretical approaches to explaining the European integration process starting with classical international relations theories moving through comparative politics up to the recent governance approach.

In the second part of the chapter, the governance approach in the EU is discussed on the grounds of the reasons and the circumstances in which the approach emerged, the principles and characteristics it is based on, the means and ways it utilizes, and the effects it causes to the institutional structure and policy-making of the EU. In this way, it is believed that the social policy-making process and the role of the social partners in this process are studied in a better sense in the forthcoming chapters of the thesis.

On this broad framework of the European integration process, it is clear that there has always been a dichotomy between supranationalism and intergovernmentalism. As Pollack states, in the place of the traditional neo-functionalist/ intergovernmentalist debate, the 1990s witnessed the emergence of a new dichotomy in EU studies, pitting rationalist scholars in favour of formal models against constructivists focusing on the relevance and importance of soft law, construction of meanings, values, and identities.²²³ In that regard, depending on the internal dynamics of the EU concerning economic integration and enlargement as well as the external ones such as globalization and the adoption of neoliberal policies, necessitating interaction at different levels and cooperation among various actors internally and interdependence across boundaries

223 Pollack, A. (2005), "Theorizing EU Policy-Making", in Wallace, H. and W, and Pollack, M. A. (eds.), *Policy-Making in the European Union*, Oxford: Oxford University Press.

externally. This has prompted a general move towards the governance approach in the EU since the 1990s. Then, coupled with the formation of the multi-level, complex, institutional set up of the EC characterized by negotiations among independent actors and institutions, and respecting member state autonomy, the governance approach, which is based on the internal functioning of the EU has evoked interest in a general orientation of decision-making that is compatible with Union-wide policies.²²⁴ This system requires a non-hierarchical organization in which actors at both national and subnational levels, intervene in the process of policy-making, resulting in interaction between different levels of authority.²²⁵

In contextual terms, the application of the governance approach to the EU comes to the fore with a view to the fulfillment of the objectives of 2000 Lisbon European Council. It is essential that the EU has to put into practice new mechanisms to provide harmonization and cooperation to sustain harmony among the member states, especially in areas where the member states are sensitive in terms of delegating their powers to the supranational institutions of the EU.

Therefore, decision-makers in the EU in the 1990s perceived that the core areas of the welfare state such as employment policy, social policy and education have become an area of common concern for all EU member states, requiring new forms of regulations and governance that include both supranational elements and a broad multi-level participation of actors, such as the social partners and sub-national actors.²²⁶ Thus, in line with the internal changes of the EU, the governance approach has become prevalent and has explained the EU social policy-making procedure as the social policy field is not totally in the domain exclusive competence but shared competence in which several actors in different levels enter in the process. This approach incorporates multi-level policy-making respecting member state diversity and supports policy cooperation through such methods as the OMC and social dialogue through the involvement of the European social partners in social policy-making. Taking this into account, the governance approach, which has been discussed throughout this chapter, has been selected as the theoretical ground of this thesis, which is based on European social

224 Hooghe, L. and Marks, G. (200), "Multi-level Governance in the European Union", in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 285.

225 Hix, S. (1998), "The Study of the European Union II: The 'New Governance' Agenda and Its Rival", *Journal of European Public Policy*, 5(1), p. 342.

226 Ibid.

dialogue and the role of the European social partners in the EU social policy-making procedure.

The governance in the EU in relation to EU policy-making is to be taken into account in a critical perspective as well. In the first place, the governance approach in the EU is criticized due to lack of theoretical focus and explanatory power. Jachtenfuchs argues that the governance approach has been widely faulted for offering a descriptive rather than a theoretical approach to the study of European integration.²²⁷ Moreover, the terms of the approach such as ‘multilevel’, ‘multi-tiered’, and ‘fragmented’ describe the complexity of the EU political system but do not provide a framework for explaining how this system function and why. The governance approach also fails to supply an operational framework for policy analysis and clear predictions about the outcomes of the EU governing process.²²⁸ Thus, the governance approach is not likely to be applied in a wide comparative context than the EU.

In a general evaluation, in this chapter the emergence of governance in the EU as a contribution to the overall evolution of the European integration process together with the various European integration theories has been examined. The new modes of governance allow in principle for the coordination and steering of national policies towards common EU objectives, while also respecting the autonomy and the diversity of each member state, and providing policy convergence through non-legislative instruments.²²⁹ This reveals the fact that there is a combination of national and supranational and transnational factors in the governance approach. In this framework, networks and consensus formation emerge as appropriate ways of governing the EU. Moreover, with this approach, it is also possible to bridge the heterogeneity of the EC’s members and compensate for the lack of democratic accountability by introducing elements of functional representation.²³⁰

227 Jachtenfuchs, M. (2001), “the Governance Approach to European Integration”, *Journal of Common Market Studies*, 39 (2), 245-64.

228 Peterson, J. and Bomberg, E. (1999), *Decision-making in the European Union*, Basingstoke: Palgrave.

229 Hooghe, L. and Marks, G. (2003), “Multi-level Governance in the European Union”, in Nelsen, B. F. and Stubb, A. (eds.), *The European Union: readings on the Theory and Practice of European Integration*, New York: Palgrave Macmillan, p. 285.

230 Ibid.

In line with these elements of the governance approach, the approach is based on the so-called 'European values', such as participatory democracy, consultation, dialogue, consensus formation and collective action, which have been mentioned in the introduction of the thesis. Although there is no focus on these terms conceptually, it is essential that they are mentioned as they provide the foundation of the governance approach. Thus, in a Europe in which a culture of consultation, dialogue and consensus formation is prevalent, the governance approach appears to be relevant, and to have made an important contribution to the European integration process. In accordance with these elements of the governance approach as well as the internal and external dynamics of the EU, the governance approach has become as the ground for the study of EU social policy and the role of social partners in the social policy-making procedure. This chapter is expected to provide the necessary theoretical background to make the necessary analysis and comparison of the issue in concern in the forthcoming chapters of the thesis.

CHAPTER TWO

2. EUROPEAN UNION SOCIAL POLICY

At the beginning of the European integration process, the heads of state of the six founding countries (Benelux, France, Italy and West Germany) gathered together to sign the Treaty on the EEC. This had the basic rationale of achieving a common market among the member states without any discrimination against other members in product markets and without any restrictions on factor movements within the area that would equalize tariffs and quotas on trade with non-member states.²³¹ Thus, the member states of the EC, depending on this primary rationale of economic integration to create an effective internal market within the Community, were reluctant to delegate their sovereignty to the Community level regarding social issues, partly because of the differentiated picture of their national social welfare systems and their perception regarding the improvement of social standards as an end product of economic integration rather than a product on its own, which is vital for effective and thorough economic integration.²³² For this reason, only a restricted commitment was made for social as well as economic cohesion in the Treaty of Rome²³³. In that respect, the politics of the social dimension of European integration, that is, the interests and institutions involved in developing social policy, was constrained to the fields of protecting and improving the rights, and the quality of life of workers throughout the Community, as the integration process went on. The EC's 'remarkably diverse and complicated'²³⁴ way of dealing with social issues in the very restricted fields of employment and 'workplace' interests rather than other social activities and needs involving all EC citizens was stated specifically in the very few articles of the 1957 Treaty of Rome, and could not be regarded as a whole scale policy until the mid 1970s.

However, at the present point in the integration process, although EU social policy is still in the domain of national competence of the member states, it covers a broad-based area of provisions related to a variety of topics such as the 'free movement of workers

²³¹ Bean, C., Bentolila, S. and G., Doledo, J. (1998), *Social Europe: One for All?*, United Kingdom: Centre for Economic Policy Research, p. 1.

²³² Bames, I. and Barnes, P. M. (1995), *The Enlarged European Union*, The United Kingdom: Pearson Education Limited, p. 321.

²³³ See Article 130a of the Commission of the European Communities (1978), *Treaty of Rome, Treaties Establishing the European Communities*, Luxembourg: Office for Official Publications of the European Communities.

²³⁴ Geyer, R. R. (2000), *Exploring European Social Policy*, The United Kingdom: Polity Press, p. 203.

and social security for migrant workers, equal treatment for men and women, employment legislation, working conditions, and health and safety at work, public health programmes, the elderly, poverty, social exclusion and disadvantaged groups, employment for the disabled, vocational training in particular for the long-term unemployed, young people and social protection'²³⁵. This reveals the fact that in the course of time, the social dimension of European integration has undergone a long and progressive historical process with crucial landmarks, originating from several Treaty revisions, the Community Social Charter, Social Protocol and Social Action Programmes.

Starting from the late 1960s and 1970s, due to the common perception that alongside 'market Europe', there should be a social Europe with a 'human face'²³⁶, and that European integration can only be completed with a broader social dimension as well as an efficient internal market, there has been a revival of interest in social issues, leading social policies to be increasingly prevalent in both domestic and Community politics. Thus, as can be inferred from the picture drawn above, even though the social dimension of the Community was insufficient and deficient in some points, there was the need for progress at European level for the regulation and implementation of social policies, social policies began to be regarded as fundamental policies rather than flanking policies of the Community, or 'an adjunct to economic policies'²³⁷. It is highly appreciated if, from now on, social policies are regarded with a broader scope, as a means of promoting a 'people's Europe'²³⁸. It is, then, not in vain to be optimistic about a progressive social policy with relevance to complete and effective European integration, both politically and economically, in the future, once the steps taken throughout the whole historical process are considered.

In parallel to this progressive historical process of EU social policy, there has been a transformation in the legal and governance aspects of social policy starting with the SEA. The fields where the Community obtained policy-making competence were widened gradually with the Treaty revisions. EU social policy is still within the domain

235 Friso, M.(2005), "From a European Social Model to a Globalised Social Model: Issues and Challenges", *European Trade Union Institute (ETUI)*, Report 90, Hans Böckler Foundation, Brussels, p.12.

236 Lodge, J. (1990), "Social Europe", *Journal of European Integration*, 13, p. 2.

237 Friso, M.(2005), "From a European Social Model to a Globalised Social Model: Issues and Challenges", *European Trade Union Institute (ETUI)*, Report 90, Hans Böckler Foundation, Brussels, p.12.

238 Dinan, D.(1999), *Ever Closer Union: An Introduction to European Integration*. London: Lynne Rienner Pub., p. 422.

of the member states, thus, requiring unanimous decision-making in areas such as free movement of people and workers' rights, social security, termination of employment and third country worker protection, freedom of association, and strike and lock-out and fiscal provisions such as wages. However, in the EU social policy domain, there are also areas where shared competence is in force such as the health and safety of workers, working conditions, consultation of workers, equality between men and women. Then, there has been a transformation in the governance from 'hierarchical mode of governance'²³⁹ to 'non- hierarchical mode of governance'²⁴⁰, producing the kind of soft law rather than regulatory mode of hard law. Actors to the new method of governance, mostly through multi-level governance in which networks of private as well as public actors are involved in the social policy-making process engage in deliberation and problem solving efforts guided as much by informal as by formal institutions.

The social partners are influential actors with their problem-solving capacity between management and labour through mostly social dialogue. Although a vague mention of the 'management and labour' was made at the very beginning of the European integration, the social dialogue was first put forward during the Val Duchesse talks in 1985 by Delors²⁴¹ and initiated legally with the SEA. The role of the social partners in the EU social policy-making has undergone a progressive development from the very limited stance of advisory status, to the initiation of legislation in social policy field, being formally represented in the European Economic and Social Committee.

However, before going into detail about the development of EU social policy that paves the way to the European social dialogue and the role of the social partners in the social policy making procedure, it is essential that Western Europe be highlighted in social perspective to figure out the development of social policies in Europe based on the principles of negotiation, consensus and dialogue, that would shed light on the increased participation of the social partners into the social policy-making at European level. In that respect, in the first part of the chapter, the crucial historical developments in

239 Falkner, G. (1999), "European Social Policy: Towards Multi-level and Multi-actor Governance", in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New York: Routledge/ ECPR Studies in European Political Science, p. 88.

240 Pollack, A. (2005), "Theorizing EU Policy-Making", in Wallace, H. and W, and Pollack, M. A. (eds.), *Policy-Making in the European Union*, Oxford: Oxford University Press, p. 36.

241 Jacques Delors was the President of the between the period 1985 to 1995, which saw great changes and unprecedented development towards the European Union.

Western Europe are analyzed in a historical perspective, framing crucial historical developments that form the necessary background for the later social movements having deep impacts on the current social structure of Europe. Upon this background, the development of social policies in Europe is discussed in relation to the factors triggering this process and the adverse ideologies of the social classes that emerged due to the abovementioned social developments. As both social distinctions and ideologies are necessary for a change in the social structure, the evolution of the adverse ideologies displays the way taken towards compromise on the ‘liberal-social synthesis’,²⁴² that forms the basics of social structure in Europe. In addition, the development of welfare states in Europe is highlighted as it is considered as one of the concrete outcomes of the European social model. The analysis of welfare states in Europe is necessary to figure out the differences between social policies of the member states, as the competence of social policies is still mostly in the hands of the member states.

Following this introductory part, the chapter focuses on European Union social policy through analyzing the evolution of social policy at European level in historical perspective and analyzing it with reference to governance in the European Union.

2.1. DEVELOPMENT OF SOCIAL POLICY IN EUROPE

Western Europe has had a very profound and long lasting history, which is still in progress. The EU has constituted an important stage in this history. Although it is not possible to go over all this wide historical background of Western Europe, for a study focused on EU social policy, it is necessary to go beyond EU social policy and set the background to understand ‘Europeanization’, defined by Koray as the story that had commenced with ‘outgrowing’ and ended up with ‘turning inside’.²⁴³ Although this is an impressive term implying many dynamics related to Europe, here it is implied in terms of the social and cultural principles that form the basics of social policies and social structure at national level and the European social model at European level, all of which were hidden in the chain of circles that affects the social structure of Europe.

242 Koray, M. (2002). *Avrupa Toplum Modeli? Nereden Nereye...*, İstanbul: TÜSES Yayınları, s. 97.

243 Koray, M. (2005). *Avrupa Toplum Modeli? Sosyal Bütünleşme Mümkün mü?*, İstanbul: İmge Kitabevi, s. 25.

In that respect, crucial historical developments in Western Europe are analyzed in a historical perspective in order to shed light on the development of current social policies in Europe both at the national and supranational level, based on the principles of negotiation, consensus and dialogue, with the increased participation of the social partners in social policy-making at European level.

2.1.1. Milestones in Historical Perspective

The basic historical development of Western Europe has had certain turning points which need to be emphasized in order to shed light on the road towards westernization by means of transformation in the social structure of Europe. In this dialectic process of development, the milestones that would form the evolution of leading social movements for the transformation in the social structure of Western Europe go back to the middle Ages.

In the Middle Ages, the feudal era can be seen as the period when the basic determinants of class structure were shaped. Feudalism was a system in which the major source of wealth was land. The owners of the land were the Church and the feudal lords. In the feudal system, the dominant power of the Middle Ages in Europe, even above the feudal lords, was the Church. Although this picture seems to reveal that this was a static period, it was not the case. The feudal system which included not only the contradictory powers and dynamics that would change itself but also the structure and some aspects of the feudal system that gave hints for the subsequent developments within itself. One of the most important outcomes of this conception is that the division of land among the feudal lords would mean the division of power. The divided nature of power weakened the power of the central authority and opened the way for the masses to seek ‘powerful’ against the authority.²⁴⁴ Thus, the Middle Ages is the period based on the feudal system which brought about the exploitation of the vassals by the feudal lords, which provides the basic dynamics for further social developments in the history of Europe.

The second milestone in the evolution of Europe towards modernism, which emerged from the mobility among the feudal lords in the middle Ages, can be outlined under three major developments which took place in the New Age, namely the *Renaissance*

²⁴⁴ Macflane, A. (1993), *Kapitalizm Kültürü*, İstanbul: Ayrıntı Yayınları.

putting the ‘man’ as the measure of all things, implying the revival of humanity, the *Discoveries* implying the West’s setting out to the open sea, and the *Reformation* implying the reform movements in Christianity, the emergence of national churches and the end of the repression of the Catholic Church. These three developments are important in the history of Western Europe in that they caused deep transformations in the social, economic, cultural and intellectual life of Europe.²⁴⁵

In fact, the Renaissance and the Reformation period symbolize the transition from the period of the Middle Age Europe outlined above. There is no doubt that these developments are very deep topics on their own, which require profound analysis from different angles at the social, cultural, and intellectual levels. However, our aim in this study is just to depict these developments as important cornerstones in the history of Europe that have had profound effects on its social structure. Thus, through these developments the perception which put ‘man’ at the centre and religion not only for faith but also ‘reason’ affected the social structure of Europe profoundly.²⁴⁶ The importance of ‘reason’ is that the person is able to make their own choices using their own will. The concept of a life based on ‘will’ emerged. This occasion gives hints about the revival of Europe and the Renaissance.

The Renaissance is a very important turning point in the transformation of Europe in social terms, which can be described through the escalation of the authority of the Church, the discovery of ‘man’ and science’s achieving autonomy against religion.²⁴⁷ The Reformation period, Protestantism and the separation of religious and earthy matters reveal the development that the King was the head of the Church at the same time.²⁴⁸ According to Russel, at the end of the religious wars in this period, there emerged *tolerance* in the nineteenth and eighteenth centuries which acted as the source of liberalism that would appear in the forthcoming milestones.²⁴⁹ This tolerance of the independence of religion and faith had an important role in the development of secularism, which would constitute one of the basic principles of the social structure in Europe.

245 West, D. (1998), *Kıta Avrupası Felsefesine Giriş*, İstanbul: Paradigma Yayıncılık.

246 Ibid.

247 Clark, K. (1969), *Civilisation*, England: Penguin Books.

248 Ibid.

249 Russel, R. (1983), *Batı Felsefesi Tarihi*, İstanbul: Say Yayınları.

Starting with the period of science and discoveries in Europe, important developments opened the way towards industrialization and capitalism. The capital which came into existence through plunder and exploitation led to the emergence of the period of colonialism which enabled some leading countries such as Britain to become the first country to experience industrialization and capitalism.

The developments in Britain until industrialization emerged like the growth of a snowball. These developments included the disintegration of the feudal system and the emergence of a new social class, bourgeoisie, which is important for the forthcoming social developments in Europe. The growth of trade with the Far East, the discoveries of new continents, the emergence of the new rich and the flood of money to Europe, without doubt, are important dynamics that affected the social dynamics in Europe to a considerable extent. With these developments, Europe was badly shaken not only due to the above mentioned religious and cultural developments but also in the socio-economic sense.

Under these conditions in the growing cities, a new social class came into being; this resulted in the growth of trade and the loss in the ascendancy of agricultural production. These resulted in the emergence of private property, which constitutes the background for the emergence of the liberal ideology.²⁵⁰ With the increasing capacity of trade, a new city-elite type social class, the *bourgeoisie* entered onto the stage of European history. Then, a social system developed in which this social class gradually gained dominance. With the withering of the central authority of religion and feudalism, a new period in which the source of wealth was gained from trade rather than land commenced which was called 'mercantilism'²⁵¹. However, the disintegration of feudalism unfortunately did not mean a more balanced social system as there was no other newly established system to replace the older one. In this vacuum, there were deeper social distinctions in society, a very imbalanced social structure, hinting at forthcoming social movements in Europe.

The *French Revolution* signifies one of the most important cornerstones in the history of Europe. Ironically, it began as an aristocratic attempt to recapture the state.²⁵² The social group that gave the revolutionary movement effective unity is the bourgeoisie whose

250 Ibid.

251 Clark, K. (1969), *Civilisation*, England: Penguin Books.

252 Hobsbawm, E. (1998), *The Age of Revolution: 1789-1848*, New York: Vintage Books, p. 79.

ideas were those of classical liberalism. The demands of the bourgeoisie of 1789 are laid down in the famous declaration of *the Rights of Man and Citizens* of that year.²⁵³ This document can be regarded as a manifesto against the hierarchical society of noble privilege, in favour of democratic and egalitarian society. The declaration laid down that “all citizens have a right to co-operate in the formation of the law”, “either personally or through their representatives”.²⁵⁴ Behind this development, the logic was based on the classical liberal bourgeoisie of 1789 believing in constitutionalism, a secular state with civil liberties and guarantees for private enterprise, and government by tax-payers and property owners.²⁵⁵ According to them, such a regime would express the general will of ‘the people’, the French nation, the King representing the French. Putting the source of all sovereignty in the nation, the social structure of French rural feudalism and the state machine of royal France lay in fragments with the French Revolution. Although this was not the absolute abolishment of feudalism, this development appears as an important link in the chain of the transformation of social structure in Europe through the formal manifesto of the Declaration of the Rights of Man and Citizen.

The Industrial Revolution which took place first in Britain, is the most indispensable circle in the chain of developments of Europe, not only for its economic but also for its social impacts. The change in industrial relations, technological innovations, the emergence of bourgeoisie commenced the transformation in the social structure of Europe towards capitalism. The revolution in the techniques and organization of manufacture occurred first in Britain. In order to understand the basics of this development, it is necessary to mention about them. In that sense, first of all, Britain had the background conditions such as wealth as she was one of the biggest traders in Europe at that time. The emergence of the capital-owners first took place in Britain. The eighteenth century witnessed the transformation in the system of production in England via a series of inventions that transformed the manufacture of cotton in England and gave rise to a new mode of production, the factory system.²⁵⁶ Moreover, British society was more open than any other society in Europe in terms of consumption pattern favorable to the growth of manufacturers.²⁵⁷ British commerce of the eighteenth century

253 Ibid.

254 Ibid, p. 80.

255 Ibid.

256 Landes, D. S. (2003), *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the Present*, Cambridge, UK: Cambridge University Press, p. 41.

257 Stearns, N. P. (2007), *The Industrial Revolution in the World History*, the United States: Westview Press, p. 21.

was open to innovation. On the whole, in Britain, there was readiness to leave old ways for new; there was a certain separation of the producer from production, and an orientation to the market instead of to the shop.²⁵⁸

The innovations that constitute the Industrial Revolution may be outlined in three principles, which are the substitution of machines for human skill and effort to have rapid, regular, precise, tireless production, the introduction of engines for converting heat into work, the use of new and far more abundant raw materials.²⁵⁹ These improvements, which caused an unprecedented increase in man's productivity and a substantial rise in income per head, constitute the Industrial Revolution. More specifically, with the advent of the Industrial Revolution in the society, the conditions of existence got better, economic opportunity and population increased, investments and technological innovations were generated.²⁶⁰ The Industrial Revolution, thus, opened a new age of promise. It also transformed the balance of power, within nations, between nations, and between civilizations and revolutionized the social order, and as much changed man's way of thinking as his way of doing.²⁶¹

The changes caused by the Industrial Revolution and its implications are multi-dimensional. In the first place, the technological changes caused a very drastic break with the past in several ways, namely on the entrepreneurial side through a sharp redistribution of investment and a concomitant revision of the concept of risk, and on the social and professional side in that there occurred a fundamental transformation not only of workers' professional role, but also their social role.²⁶² For many workers, with the introduction of machinery, workers were for the first time separated from the means of production completely. The workers who became a 'hand' of a machine in the production process had to work in a factory, at a pace set by tireless, inanimate equipment as part of a large team that had to begin, pause and stop in unison, under the close eyes of overseers. The factory, thus, became a new kind of prison; the clock a new kind of jailer, which would result in the exploitation of labour.

258 Ibid.

259 Ashton, T. S. and Hudson, P. (1998), *The Industrial Revolution, 1760-1830*, Oxford: Oxford University Press., p. 48.

260 Ibid, p. 49.

261 Stearns, N. P. (2007), *The Industrial Revolution in the World History*, the United States: Westview Press, p. 69.

262 Frader, L. L. (2006), *The Industrial Revolution: A History in Documents*, Oxford: Oxford University Press.

Upon these technological changes, industry as a whole prospered impressively, especially the wool industry through the technological innovations which mechanized the manufacture of almost any textile.²⁶³ Accordingly, coal and steam has an important role in the Industrial Revolution, permitting its extraordinary development and diffusion. It should not be forgotten that machines and new techniques alone do not constitute industrial revolution. They meant gains in productivity, a shift in the relative importance of the factors of production from labour to capital.²⁶⁴ By revolution, it is meant a transformation of the organization as well as the means of production, in particular, the gathering of large bodies of workers in one place to accomplish their tasks under supervision and discipline. This system of production which emerged with industrialization is known as the factory system.

In this system of capitalist production, the relationship between the supply of labour and the extension of the new mode of production is significant in that provides the enormous change in the social structure of Europe. During the period of industrialization, by 1830, there were hundreds of thousands of men, women, and children employed in factories. However, workers worked under fierce working conditions and rules. According to the rules of the early factories, it is seen that the heaviest fines were reserved for absence, lateness and distraction from the job. This harsh relation between labour and capital and the fierce working conditions provided the seeds of the labour movements that would appear in the nineteenth century.

On the economic side, with the advent of industrialization, in the nineteenth century, the economic conditions in Europe began to get better. However, industrial progress was striking only in certain trades, particularly textiles.²⁶⁵ A high extent of industrial change appeared in the most developed countries of Europe such as Britain, France and the Netherlands, which resulted in the growth of major industries, especially the textile industry.²⁶⁶ Upon the main social and political consequences of this economic change, the numbers, wealth, and influence of the men engaged in manufacturing, business and trade strengthened.²⁶⁷

263 More, C. (2000), *Understanding the Industrial Revolution*, New York: Routledge.

264 Stearns, N. P. (2007), *The Industrial Revolution in the World History*, the United States: Westview Press, p. 192.

265 Thomson, D. (1964), *Europe Since Napoleon*, London: Longman, p. 160.

266 Stearns, N. P. (2007), *The Industrial Revolution in the World History*, the United States: Westview Press, p. 53.

267 Thomson, D. (1964), *Europe Since Napoleon*, London: Longman, p. 165.

There occurred liberal upheavals led by the wealthy middle classes against the shortcomings of the conservative policies adopted since 1815.²⁶⁸ At this point, the direct connection between the early phases of the industrial revolution and the growth of liberalism, the ideology of capitalist social structure should be made, as the advent of industrialization not only causes economic development and change in the production technologies and relations, but also change in ideological terms, which was revealed by the *liberal revolutions of 1830-3*. In that respect, the second half of the year 1830 witnessed revolutions in France, Belgium, parts of Germany, Italy, Switzerland and Poland.²⁶⁹

Due to the economic conditions mentioned above and the very limited extent of the purposes of the liberal revolts, which was basically to bring governments into closer relationship with society, the revolutions were successful. However, they failed to extend the influence of liberal revolutions in that they could not carry the revolutionary movement beyond their limited common purposes and lost their impetus.²⁷⁰ Despite the expansion of the liberal revolutions, they are significant as one of the links in the chain of events that had affected the social structure of Europe in a historical perspective, and thus opened the way for the emergence of different political movements in Europe. While in Germany, Italy and Poland, the forces of conservatism triumphed over those of liberalism, in France, Belgium, Switzerland, Portugal, Spain and Great Britain liberalism triumphed,²⁷¹ These social developments, which remained the basic fact in international relations until 1848, reveal the fact that the social classes, and transformation in production relations when supported by relevant ideologies provides change in the social structure.

At the beginning of the twentieth century, *the First World War* which caused deep social and economic changes is the last circle of events which depicts the transformation in the social structure of Europe within the framework of this study. Once the domestic consequences of the First World War are taken into account, the social and economic changes can be summarized by the emancipation of women in professional and political life through flocking into factories and giving them the right of parliamentary vote (for

²⁶⁸ Ibid.

²⁶⁹ Ibid.

²⁷⁰ Ibid.

²⁷¹ Ibid, p. 175.

women over thirty) in 1918.²⁷² Thus, from social perspective, the barriers of class and wealth were weakened although they were not totally demolished. However, in economic terms, the weight of capitalist enterprise and big business created what came to be called, quite correctly ‘war socialism’, a special agency in the control of prices and rationed food.²⁷³ In this context, labour was allocated under a National Service Law and trade unions allied with the military leaders to militarize the country’s economic life. This reveals the fact that national needs in wartime goes beyond the struggle of the labour against the capitalist social structure.

In the abovementioned context, due to the legacies of wartime collectivism, and the needs of postwar recovery and stabilization, states pursued national economic policies at the expense of the more long-term expansion of international trade. However, this wartime nationalism commenced to be a conflict with internalization both in economics and politics by 1929 as the well-being of industrialized nations of Europe ultimately depended on the prosperity of international trade.²⁷⁴ The wheels of business and industry turned with the wheels of international trade. The standardization, mass production, and the growth of new industries combined to make a boom in trade.

An era of prosperity started in the postwar years known as the ‘Locarno era’. This period was based on the prosperity of international trade on which the well-being of the industrialized nations of Europe ultimately depended. With these wheels of international trade, they wanted to boom in industry. In fact, in this context, the centre of the boom was the United States which encouraged credit inflation and a policy of easy money, producing a period of speculative investment.²⁷⁵ However, as the increased prices of stocks did not correspond with a rise in the supply of real goods or in world trade, the stock market and the system of credit became a time bomb ready to explode. Thus, this era of economic expansion, which was fluid due to speculative investment and feverish activity on the stock markets, resulted in the sudden collapse, *the Great Depression* throughout Europe and the rest of the world.

272 Ibid, p. 575.

273 Ibid, p. 576.

274 Ibid, p. 680.

275 Ibid.

The Great Depression, which left deep marks on the social and economic structure of Europe, displays the destructive effects of the connection between speculative boom on the stock markets and the decline in world trade. The Crash of 1929 had multi-dimensional repercussions. While in economic terms, it affected the governmental finances and industry which spread from one sector to another, in social terms, due to the occurrence of bankruptcies, many workers were thrown out of work and became unemployed.²⁷⁶ In this context, there was a breakdown of capitalism, a severe crisis in the whole of the economic structure which had developed during the previous centuries. This economic crisis and social trouble brought about severe increase in inflation rates, leading sharp increase in unemployment rates as a result of uncertainty and fear in the society.²⁷⁷ As a consequence of this development, faith in the liberal values of personal freedom and equality of rights, and confidence in the capitalist system began to be shaken, which was coupled with a loss of confidence in the democratic institutions as well, all of which resulted in the rise of rapid nationalism and inhuman ideologies, that would ultimately lead to the Second World War. The development of welfare states marked the period after the end of the Second World War in Western Europe, which will be going to be highlighted in the forthcoming sections of this chapter.

After the Great Depression, in 1930, there was a transformation of emphasis on the microeconomic policies towards macroeconomic policies based on the ideas of John Maynard Keynes. Keynes proposed the idea that once the capitalist economy cannot provide, production and employment, the capitalist states should intervene into the economic affairs by means of budgetary expenditure that will be financed through bank loans. This idea which put the state to the fore of the market as an important actor was accepted and put into practice worldwide. Starting in the 1930s and 1940s, in most European countries, Keynesian policies were implemented. These ideas which were in use in this period accompanied the economic growth that took place in the period between 1940 to the 1970s. However, during the 1970s when capitalist growth reached a downfall due to oil crises, and monetary system crises, neo-liberals found the necessary medium for the approval of their policies to decrease the intervention of state into economy and to revive growth through the liberalization of trade and capital movements at international level.

²⁷⁶ Ibid, p. 683.

²⁷⁷ Jackson, J. (2002), *Europe 1900-1945*, Oxford: Oxford University Press.

In this period, neo-liberalism emerged as a challenge to communism with the attempt to decrease the role of the state. The solution the neo-liberals proposed not only complicates the globalization oriented problems but also challenges the legitimation of the system through increasing global inequalities, leading to more questioning of the capitalist system.²⁷⁸

2.1.2. Origins and Development of Social Policy in Europe

Given the milestones in the historical evolution of Western Europe that had profound impacts on the development of European social policy, it is significant to probe these developments within the framework of adverse ideologies. Therefore, the major points that are analyzed in this section are as follows. First, it is crucial to comprehend the struggle that has taken place between labour and capital, and between the individual and the state. Second, given the ideological influences, it is required to analyze how they have reached the ‘liberal social synthesis’²⁷⁹ on which the current European social model is based.

2.1.2.1. The Concept of Citizenship within the Framework of Social Policy

While considering the origins and development of social policy in Europe, in the light of the basic social events that took place in Western Europe, our attention is drawn to the context in which industrialization took place, as it forms the basis of the origins of social policy in Europe. Towards the mid nineteenth century, the economic imbalances based on widespread poverty and misery on the one hand and the extreme accumulation of capital commenced with the Industrial Revolution on the other, led to social breakdown in most European countries. Unemployment and the harsh working conditions of men and women working in industry, conflicts in factories as well as the growing problem of unemployment brought European societies to the point of collapse and polarization.

At this point, it is important to focus on the relevance of the evolution of the concept of citizenship in relation to the institutional framework after the Enlightenment and the emergence of nation-states. The concepts of ‘citizenship’ and ‘nation’ coincide and

278 Goldthorpe, J. H. (1984) (ed.), *Order and Conflict in Contemporary Capitalism*, Oxford: Oxford University Press.

279 Koray, M. (2002). *Avrupa Toplum Modeli? Nereden Nereye...*, İstanbul: TÜSES Yayınları, s. 97.

share the same historical processes.²⁸⁰ The very idea of the concept of modernization and Enlightenment is based on the two concepts: rationality and individual autonomy. Accordingly, rational individuals together with their self-autonomy demand assets including individual rights form the central authority, which is the state, in exchange of liabilities for the sacrifice they made of this authority. Therefore, it is assumed that rational individuals prefer to be a member of a society or not. This is a kind of individual autonomy, which is the basis of the contract with the authority figure. The institutionalization of rationality and individual autonomy is based on the idea of a contract in which the two parties are free to enter the deal; and if one party does not agree on the conditions; s/he can leave. On a theoretical basis, the whole notion of the state and government is a total contract into which people can freely engage.²⁸¹

Wiener defines ‘constitutive elements of citizenship’, which are the individual, the community and the relation between the two that is the citizenship practices.²⁸² This model refers to the acquiescence of entitlements in order to belong to a political community, whose members have rights and duties to represent community’s internal and external interests. As Tilly claimed, citizenship forms a special kind of contract in such a way that relations between the citizen and the state entails enforceable ‘rights’ and ‘obligations’ based on individuals’ status, role and category.²⁸³ It can be said that citizenship is a legal concept as a sum of rights. Here, Tilly’s argument of ‘protection cost’ should be mentioned, since states want to legitimize themselves in the eyes of their citizens, and they gave social rights to citizens in exchange of justifying their state practices.²⁸⁴ In other words, state formation went hand-in-hand with the emergence of citizenship: giving rights on the one hand and legitimizing state formation on the other hand.²⁸⁵

After the Enlightenment, people opposed to living under the monopoly of force created by ‘state-maker’ authorities; they tried to establish relations between the individual and the state on the basis of negotiations acquiring more social and democratic rights and to

280 Marshall, T. H. (2000), *Yurttaşlık ve Toplumsal Sınıflar*, Ankara: Gundogan Yayınları.

281 Tilly, C. (1996), *Citizenship, Identity and Social History*, Cambridge: Cambridge University Press.

282 Wiener, A. (1997), “Making Sense of the New Geography of Citizenship: Fragmented Citizenship in the European Union”, *Theory and Society*, 26, p. 529-560.

283 Tilly, C. (1996), *Citizenship, Identity and Social History*, Cambridge.: Cambridge University Press, p. 175.

284 Ibid.

285 Tilly, C. (1985), “War Making and State Making as Organized Crime”, in Evans, Ueschemeyer and Skocpol (eds.), *Bringing the State Back*, Cambridge: CUP.

increase the bargaining power of the individual citizen.²⁸⁶ In the mean time, state makers established property rights that permitted individuals to obtain the outcome of their production which they generate for the advantage of the state. In these stages of capitalism, the notion of citizenship gradually developed.

The evolution of citizenship can be analyzed from various perspectives. One of them is the argument of war-making and state-making. If the figure of authority of the state decreases the protection cost (i.e. domestic disorder, rebellion against the state) by giving individuals several entitlements, the state gets more in external struggles.²⁸⁷ In other words, as the state goes into war, it should get the will of its citizens. Since it cannot be realized through concrete democratic ways, the state gives individuals basic, civil rights.

At that point, it is crucial to understand the social and economic structure in the world system in the nineteenth century in the sense that as one of Marshall's starting points, peoples experienced universal suffrage as a result of the disfunctioning of state mechanisms and the construction of market system (debates on either market-based or society-based approaches).²⁸⁸ Marshall scrutinized these developments within the citizenship framework in such a way that class struggle, polarization, capitalism and market expansion prevent societies from being able to survive.²⁸⁹ Therefore, against polarization, a 'we-feeling', 'mutual consideration'²⁹⁰ should be created. Independent of social class, he supports the creation of a social status, which depends on how individual sees society. The idea is that all members of the society should perceive society as a place where they are already a member and where they can realize their individual autonomy.

However, according to Marshall, it is a step-by-step mechanism, based firstly on giving citizens 'basic rights', the second step is 'political rights' and the last is to create 'social citizenship'. In the twentieth century, citizenship is not only for political rights but also for gaining rights to social services. Wiener formalized Marshall's perspective of

286 Tilly, C. (1996), *Citizenship, Identity and Social History*, Cambridge.: Cambridge University Press, p. 177.

287 Ibid, p. 175.

288 Marshall, T. H. (2000), *Yurttaşlık ve Toplumsal Sınıflar*, Ankara: Gundogan Yayınları.

289 Ibid.

290 Deutsch, K., Emanuel A. and Michael B. (1998), "Security Communities in Theoretical Perspective", in Adler and Barnett, *Security Communities*, Cambridge: Cambridge University Press, p. 5.

citizenship in such a way that the ‘historical elements’ of citizenship refer to ‘rights’, ‘access to participation’ and ‘belonging’.²⁹¹ These elements were characterized as dynamic and self-evolving because their development requires step-by-step improvement in parallel with the developments of nation-state and democracies, capitalism, and welfare regimes. In other words, the notion of citizenship reflects historical, cultural, socio-economic and political backgrounds of societies.

Regarding the emergence of the nation-state with the notion of citizenship, Habermas argues that the making of the modern state first necessitates creating a ‘national self-consciousness in order to create a homogeneous society by the transformation of pre-modern states into democratic regimes.’²⁹² Therefore, self-conscious citizens will be more active in political representation, legal equality and social freedoms thanks to cultural unification. According to Habermas, it is possible to establish democratic legitimacy and social integration.²⁹³ This argument also refers to the one of the modernity components, individual autonomy.²⁹⁴ However, Habermas claims that by giving the citizens political rights in order to create a more solidified community, the state make individuals ‘subject’ to the figure of authority.²⁹⁵ Since the only aim of the state was to create a community-based, corporatist type of society regardless of the active participation of individual citizens, political liberalism could not be realized.²⁹⁶ Therefore, it can be said that rather than such a populist approach, the authority should grant individuals individual autonomy and create self-consciousness apart from the obligation of nationalistic belonging.

The development of capitalist market economies also gave way to the evolution of citizenship. It is a fact that the transformation of societies involves painful internal resistance to change; however, the power dynamic eliminates these differentiations in various ways in order to keep the *status quo*. The resistance to keeping the characteristics of pre-capitalist societies against the hegemonic class in post-capitalist societies led central administrations to give both political and social rights to people in

291 Wiener, A. (1997), “Making Sense of the New Geography of Citizenship: Fragmented Citizenship in the European Union”, *Theory and Society*, 26, p. 529-560.

292 Habermas, J. (1995), “The European Nation-State: Its Achievements and Its Limits: on the Past and Future of Sovereignty and Citizenship”, *Mapping the Nation*, London: Verso Publications.

293 Ibid.

294 Ibid.

295 Ibid.

296 Keyder, C. (1996), *Ulusal Kalkınmacılığın İflası*, İstanbul: Metis Yayınları.

order to justify liberal policies. Habermas relates this argument to welfare regimes in such a way that national states adopt national welfare policies in order to foster the modernization of their national economies.²⁹⁷

In this context, workers discovered that they can only stand for their rights in an organized way. With this conception which opened the way towards class awareness among workers, working-class movements emerged. It is important to understand the way they developed from 1815 to 1914, as it prescribes the labours' long road to citizenship.

Considering the working class movements in the nineteenth century and early twentieth century as a journey, we can take the starting point around 1815, when workers were without any means to defend their way of life, possessing neither the vote nor the right to form trade unions.²⁹⁸ Through travelling in this road slowly they were able to overcome many setbacks and reached a point in the early twentieth century, when they achieved both the vote and legal status for their unions, and became full political members of a mature industrial nation, a situation exemplified in the growing strength of the newly formed Labour Party in Britain.²⁹⁹ On these social struggles and gains that the basis of fiscal provisions such as wages, social policy and fiscal provisions such as wages, and social Europe are based on.³⁰⁰

In the capitalist social system, the lack of state intervention in regulating industrial relations put the working class in a weak position. It was an essential requirement that workers should be able to get organized and acquire political rights in order to establish a balance between classes and establish a fair and free social structure.³⁰¹ In line with the developments discussed above, workers started to get organized in 'trade unions' to improve and protect industrial relations. However, as can be inferred from the long, rocky road of workers stated above, the organized workers could only come up against the employers and the wide adoption of the trade union and the idea of trade unionism

297 Habermas, J. (1995), "The European Nation-State: Its Achievements and Its Limits: on the Past and Future of Sovereignty and Citizenship", *Mapping the Nation*, London: Verso Publications.

298 Behagg, C. (2000), *Labour and Reform: Working-Class Movements 1815-1914*, London: Hoddes and Stoughton Publishers, p.2.

299 Ibid.

300 Hyman, R. (1989), *The Political Economy of Industrial Relations. Theory and Practice in Cold Climate*, London: Macmillan, p. 99-100.

301 Guven, S. (2001), *Sosyal Politikamn Temelleri*, Bursa: Ezgi Kitapevi Yayınları, p. 71.

in countries were realized only towards the mid nineteenth century.³⁰² Concerning trade unions, the evolution was observed at national levels, where the class struggle and workers mobilization inspired national trade unions, the emergence of a European trade unionism occurred on the basis of some political (European Social Policy) and institutional reforms (European Social dialogue).

The labour movements thus appeared as a reaction to the Industrial Revolution. However, after the escalation of the struggle of workers, towards the mid nineteenth century, they became legal first in Britain, the first country in which the Industrial Revolution appeared in 1824. These movements were subsequently legalized in France in 1864, in Germany in 1861, and in Italy in 1899.³⁰³

Considering that the concept of social policy in the modern sense is the result of industrialization, it is worth mentioning the context in which it was brought about, the changes it caused in these countries briefly is wise to state here. Starting with Germany, industrialization in this country was delayed due to the late formation of the required structure for industrialization. As in other European countries, industrialization brought adverse working and life conditions, long working hours for women and children workers, the breakdown of family life and unemployment.

The Industrial Revolution, which emerged and developed for the first time in the United Kingdom in the eighteenth century, had an impact on France towards the end of this century. This development naturally delayed the emergence of class conflicts in this country. For this reason, the changes caused by the impact of this development on industrial relations and social life and the transition towards social policy practices were delayed in France. Italy continued to be an agricultural country until the middle of the nineteenth century. For this reason, there was a delay in the introduction of social policy practices resulting from labour movements. In Italy, trade unions were under the influence of socialist ideology and the Church.

302 Yıldırım, E. and Demirkan, M. (2000), *Endüstri İlişkileri*, Sakarya: Sakarya Yayınları.

303 Ekin, N. (1994), *Endüstri İlişkileri*, İstanbul: Beta Yayınevi, p. 90-91.

As it is seen from the above panorama, with the emergence of the labour movements, the approach of both the government and employers towards the workers changed. In these countries where industrialization prevailed, social policies were applied in a narrow-scope, comprising general social insurance schemes. The labour movements which had a profound place in the development of social policy, emerged as an important power of economic, social and political areas. Workers movements also triggered governments to enact social reforms to solve the social problems and moderate class conflict.

2.1.2.2. Impacts of Ideological Roots on European Social Policy

Europe has seen the emergence of diverse ideologies such as liberalism, nationalism, socialism, communism, social democracy, conservatism, Christian democracy, and fascism. Such ideologies have had an important role in shaping today's EU, either as a driving force such as liberal democracy or as a current that should be buried in history such as fascism and communism.

The main ideology which has affected the emergence of the European integration project is liberalism. The origins based on the eighteenth century Enlightenment with Hobbes, Locke and Rousseau. Today's Europe is not a Leviathan state because it carries the legacies of liberal thinking in which rational individuals can decide on their need for an authority and they got into a contract with power. As opposed to the 'Monster state', people have their basic rights not in exchange of being protected by the state authority, but, just by being an individual or a citizen. Besides these basic rights, with Locke, property rights were introduced which are the main outputs of the capitalist and market based system.

The significant engine for liberal policies is to challenge the communist movement in Europe after the 1917 Soviet Revolution. There are various opinions regarding this. For instance, Euro-communists such as Bernstein insisted that revolutionary Marxist or anarcho-syndicalist movements cannot be applicable to the Western European countries. Therefore, Bernstein's revisionist policies argued that socialism could be achieved through constitutional means in the post-war era. These revisionist policies gave way to the evolution of social democracy, supporting limited state intervention, the

nationalization of major utilities and basic industries but privatization of most industry and commerce. As opposed to Smith's liberal economic policies, social democrats were characterized by Keynesian policies.

Given that capitalist social structure emerged as a result of the Industrial Revolution, according to Mandel, the turning point from a pre-capitalist society to capitalism is the entry of capital into the production area.³⁰⁴ In the capitalist production system, capital does not have the intermediary role or the benefit from the simple Meta production.³⁰⁵ In sum, Mandel describes capitalist production as a system in which all the ways of earning money have been seized by one class and the producers who are separated from the means of production, although they are free, they had to sell their labour force to the ones in possession of the means of production to continue their existence.³⁰⁶

Wallerstein considers capitalism as a historical social system in the first place. In this system, the concept of capital from which capitalism has been derived has had a very big importance, as capital wants to grow larger and larger.³⁰⁷ Notwithstanding, the most distinguishing feature of this social system is that the capital is put in use by means of investment with the basic rationale of growing itself. Thus, the capital is regarded as capital in the extent that the previous accumulation of capital would serve more and more growth of capital. Although Wallerstein accepts that the only rationale in the production process cannot be the accumulation of capital, in the logic of the capitalist system, the accumulation of capital has been put on the fore among the other rationales of the capitalist system.³⁰⁸ In the light of these definitions of capitalism, in general capitalism can be considered as a system in which the means of production are in the hands of private property and the society was divided into two basic classes, with the basic aim of to obtain more and more capital and the addition of the capital to the production process continuously.

304 Mandel, E. (1998), *Marksist Ekonomi Kuramına Giriş*, İstanbul: Toplumsal Dönüşüm Yayınları, p. 35-40.

305 Ibid.

306 Ibid.

307 Wallerstein, I. (2002), *Tarihsel Kapitalizm*, İstanbul: Metis Yayınları.

308 Ibid, p. 11-12.

In the period of Industrial Revolution, Adam Smith put forward the necessary liberal ideology with concepts such as division of labour, the ‘hidden hand’ of the market, ‘laissez faire’, which will be discussed in detail.³⁰⁹ In this system, the individuals as economic actors act on their own interests and orient to the activities which provide them the highest profit. Adam Smith argues that people who get into proper economic activities on their own interests maximize the wealth of the society.³¹⁰

In line with these social developments discussed above, the new social classes, and the changed production relations can only cause transformation in the social structure with the support of ideologies. In that respect, *liberalism* emerged as the ideology of capitalism. Thus, in the light of these definitions, in economic liberalism, while the individual is put at the foreground with the right to shape his own destiny, the state is left out of the economy.³¹¹

Economic liberalism does not contemplate a redistributive and welfare-provider role of the state as a cure for inequality and injustice. It argues that the ‘hidden hand’ of the market arranges the division of labour through the mechanisms of supply and demand, and through the market, the division of labour and expertise that will be valid also at the international level.³¹² Then, the market will serve for the general benefit of all. It is clear that this approach lays the required atmosphere for the capitalist market economy in this period. However, very soon after a new ideology emerged contrary to economic liberalism, which is called socialism. It is discussed in the following pages to see how two conflicting ideologies end up with the ‘liberal-social synthesis’ distinct in the current social structure of Europe and EU social policy.

Moreover, economic liberalism has been affected from the developments taking place in the international arena. In that respect, the capitalist system needs to be discussed in relation to changes in the ideological perspective. After the Great Depression, in between the two World Wars, there emerged approaches against the intervention to the market in the second half of the twentieth century. These approaches were put forward by neo-liberalists. One of the leading figures of liberalism who objected to the social

309 Smith, A. (2004). *Ulusların Zenginliği*, I. Cilt, İstanbul: Alan Yayıncılık

310 Ibid.

311 Laski, H. J. (2005), *The Rise of European Liberalism: An Essay in Interpretation*, Delhi: Aakar Books, p. 17.

312 Ibid, p. 25.

duties of state was Frederick von Hayek. In his masterpiece called ‘the Road to Serfdom’, he opposed to state’s social protectionist arrangements and all the interventionist approaches to the market radically and argued that fascism and Nazism were in fact the inevitable result of collectivist, interventionist approaches.³¹³ Thus, this radical neo-liberalism depended on the belief that economic planning is totally incoherent with the individual freedom.

Another prominent figure arguing against the social policy precautions and the interventionist role of the state was Milton Friedman. In his masterpiece ‘Capitalism and Freedom, which is known as the manifesto of neo-liberal approach, Friedman defined state’s role as only the provider of the legal framework for the operation of the market and as a referee and rejected state’s social expenditure.³¹⁴ Thus, at the beginning of the 1970s and the 1980s, this new political and economic approach emerged which have focused on progress and development through the means of free market and less limitations in trade. This neo-liberal approach which is against the intervention of state into the economy attempts to minimize state intervention into market system, and favors free trade and market principles protecting atomistic individual rights to entry into market. Moreover, neo-liberalism favours increased competition among the nations, the globalization economic and cultural activities and widespread acceptance and improvement of new information and communication strategies.³¹⁵ In today’s Europe, the ideological structure is mostly based on liberalism and social democracy. On the one hand, market principles are fully applied in the market setting. On the other hand, social policy is concerned with limiting free market principles in violating individual civic and social rights.

On the other side of the coin, in the eighteenth century, the adverse ideology, *socialism*, emerged as a reaction of the proletariat. It came into existence with labour force due to the changed production relations with the bourgeoisie who holds the capital in hand with the industrialization. The struggle that commenced between labour and capital

313 Hayek, F. A. Von, (2001), *The Road to Serfdom*, London: Routledge.

314 Friedman, M. (2002), *Capitalism and Freedom*, Fortieth Anniversary Edition, Chicago: University of Chicago Press.

315 Peters, M. (1999), *Neo-liberalism*, *Encyclopedia of Philosophy of Education*, [http://edcacao.pro.br/philosophy © loso® a.htm](http://edcacao.pro.br/philosophy%20loso%20a.htm) (retrieved on March 10, 2009 on the World Wide Web)

swept all Europe in the nineteenth century, and turned into a systematic struggle between capitalism and socialism.

Socialism, which for a long time has represented the struggle of labour against the capital, has had profound impacts on the social structure of Europe. Socialism has not had a straight line of development, but a gradual transformation of development from ‘revolutionary’ towards ‘evolutionary’ socialism. In order to comprehend the place of labour in the current social structure of Europe and how it has turned its struggle with capital into a framework of compromise and consensus, it is necessary to analyze the transformation process that socialism has undergone, which would also help to understand the basics of ‘liberal-social synthesis’³¹⁶, the basis of the European social model. In that respect, it is anticipated that discussing the issue in relation to laying how to deal with the struggle between the labour and capital within a framework of compromise, which forms one of the significant principles of Europe, will shed light on the social policy making at European level.

The social classes which emerged with the industrialization in Europe and the ideologies they were brought up with them constitutes the basics of the change in the social structure of the continent. In this perspective, in the mercantilist period of Europe, two classes emerged, *bourgeoisie* who held the capital that was obtained due to trade of Europe with the outer world and the changed production relations, and the proletariat that emerged to fulfill the need of labour force for industrialized production relations. In that respect, socialism is the product of the awareness of the social distinction between bourgeoisie that hold the possession of the means of production and proletariat.³¹⁷ The struggle between the capital and the labour which form the basics of the social structure of Europe commenced like this and socialism emerged in the eighteenth century as a reaction to the outcomes of industrialization and the increasing exploitation of the capital. From the eighteenth century onwards, socialism flourished especially in three big industrialized countries of Europe, namely France, Germany and Britain and as of the twentieth century started to be discussed in most countries of the world.

316 Koray, M. (2002). *Avrupa Toplum Modeli? Nereden Nereye...*, İstanbul: TÜSES Yayınları, s. 97.

317 Tucker, R. C. (1972). *The Marx- Engels Reader*, New York and London: W.W. Norton & Company, p. 683.

With the emergence of socialism, the ideological force underlying the long lasting struggle of labour against capital appeared. This struggle and the force of socialism have had a formative influence on the current political, social and economic structure of Europe. Marx's 'scientific socialism' emerged as the main critic of liberal ideology. In Marx's scientific socialism based on the idea of dialectic and materialist history, it is argued that the powers and relations of production that form the sub structure determine all the super structures.³¹⁸ In production relations, although the only productive factor is labour, it is argued that different production relations would generate various dominant social classes and ideas, and materialization of everything by the capital. In that sense, every thing that is exchanged on the basis of the pursuit of surplus value becomes commoditized.

Marx explains his logic of ideas in the following way;³¹⁹ there are two basic social classes in society, namely labour and the capital. In this capitalist social structure, as the means of production are in the possession of the capitalists, the dominance of this class depends on the exploitation of labour. The surplus value that labour produces maintains the growth of capital. In this system, Marx considers the state as the defender of the benefit gains of the capital. It is put forward that with the revolution made by the proletariat, it would be possible to get rid of class-based society. After the revolution, the private property of the means of production would be eliminated, and it would be replaced by social property; the proletariat would demand the establishment of a socialist society, and prepare conditions to establish a classless society in time. Thus, in a society without classes and exploitation, there would be no need for a state and the state would be demolished. As can be inferred from the above mentioned logic of Marx's 'scientific socialism', socialism reached its 'revolutionary' phase.

Although the Marxist socialist system did not succeed in putting into practice the long term international worker movement and the integration of the ideology, as was proposed in a theoretical sense, Marx and Engels did not accept it and explained this situation in the Communist Party manifesto "putting into practice of the principles, every time and every where depends on the current historical conditions"³²⁰.

318 Tuncay, M. (1976), *Sosyalist Siyasal Düşünüş Tarihi*, Ankara ve İstanbul: Bilgi Yayınevi, p. 137.

319 Ibid.

320 Tuncay, M. (1976), *Sosyalist Siyasal Düşünüş Tarihi*, Ankara ve İstanbul: Bilgi Yayınevi, s. 140.

In Western Europe, depending on the existing capitalist production relations, the workers who work in the factories together with the spirit of ‘synergy’ and ‘solidarity’ started to get organized in the nineteenth century as a reaction to capital. The internal and external reformists of the governmental machinery and the common support of the ideologies through widespread education influenced the process, and from the mid 1880s on the common labour organizations organized under this category became a threat.³²¹ These trade unions, which were formed with socialist ideals, were determined to come up against the employers and the government. They started a struggle against the disaster which resulted from industrialization at the beginning of the nineteenth century. Since the state in Europe is strong, these kinds of attempts could not succeed in overthrowing the government. However, these kinds of attempts managed to disturb the governing classes and increase their fears about the worker organizations against the state and capitalism, and about a probable economic downturn or revolutionary social change.³²²

The feared ‘revolution’ never happened in Europe. However, these worker groups who became more aware of their unacceptable poverty behaved determinedly in order to reduce inequalities, which caused fear in the governing classes. It had positive effects on the working class in that the working class through this way managed to bring fore the welfare trend through the destruction of the slum houses, new home projects, retirement, health, unemployment insurance, improved education facilities and inclusion of the masses to the political process without threatening the interests of the growing technocratic middle class.³²³ These increasingly powerful militant organizations swept Europe with big scale strikes at the beginning of the twentieth century. Although they were not put down easily, the outbreak of the First World War hindered the solidarity among worker organizations. When the War broke out, most of the workers were not against the War, or they did not go on strike in order not to damage the policies of the government.³²⁴ In line with these developments, the reaction of worker organizations against employers became institutionalized in the forms of trade unions and political movements and the use of force became less common. Considering the impact of the socialist approach on the improvement of the social policy, the principle of poll suffrage

321 Robertson, R. T. (1986), *The Making of the Modern World: An Introductory History*, London: Zed Books Ltd., p.79.

322 Ibid.

323 Ibid.

324 Ibid.

became widespread, and led to more radical search for social policy. In that sense, the widespread use of poll suffrage and political rights paved the way towards taking into consideration of the social demands and social protection against the market.³²⁵

During this period, another development was the division among socialists. On the one hand, the revisionist socialists who were predominantly from the German Social Democrat Party defended the idea that the revolution can be carried out in a peaceful way through working within the capitalist system and that the most practical way to reach socialism is to make internal reforms. On the other hand, other socialists defended the idea that the working class cannot gain power spontaneously, but a revolutionary party that would get rid of all the contradictions of capitalism can do it on behalf of them and that this party would be the pioneer of the revolution.³²⁶ In line with this discrepancy, the evolution of revolutionary socialism within the framework of a party caused polarization in the socialist movement, but at the same time, provided seeds for the transformation of socialism from the revolutionary to evolutionary socialism.

The transformation of socialism has been affected by international developments. The international conjuncture changed after the Second World War and changes occurred in the European economic, social and political structure and the external factors maintained by globalization triggered the transformation process and led to the gradual transformation of socialism towards its evolutionary form. It was obvious that revolutionary socialism cannot exist in the global economic structure of the twenty-first century in Western Europe.³²⁷ Thus, according to newly emerged conditions, new socialist ideas began to be put forth.

In the 1970s, the European integration process intended to focus on domestic policies following the impacts of economic downturn as a result of the Oil Crisis. These times might be characterized by economic problems particularly stagflation so that states decoupled in an attempt to restructure their national economies. However, toward the end of the decade, the European Communities started thinking about further integration on the basis of the common market idea. The *Cassis de Dijon* Decision of the European Court of Justice is associated with the first attempt to create the mutual recognition

325 Celik, A. (2006), *AB Sosyal Politikası: Uyum Sürecinin Uyumsuz Alanı*, İstanbul: Kitap Yayınevi, p. 40.

326 Robertson, R. T. (1986), *The Making of the Modern World: An Introductory History*, London: Zed Books Ltd., p. 81.

327 Wright, T. (1996). *Socialisms: Old and New*, London and New York: Routledge, p. 131.

principle as the very origin of the common market idea that was first materialized and instituted by Jacques Delors.

Once the position of socialism after the Cold War is analyzed, socialists who have faced with the current social structure and changed conditions, rather than focusing on the expropriation of the capitalists' possession of the means of production, through new means, should focus on the rationale of providing social equality, which is the basic objective of socialism.³²⁸ Based on this fact, in economic terms, with the end of the Cold War, due to the new dynamics which resulted from the collapse of communism and the emergence of the free movements of capital in every national market, the new socialist idea accepts the capitalist principles, and focuses on how the financial distribution of the means of production could be done and how social policies are formed to correct market mechanisms instead of public property.³²⁹ They bear in mind the use of the market and the state for the benefit of the public although these two determinants have disadvantages.

Under the dynamics of globalization, the capital was pushed under the increasing global competition pressure, leading the establishment of multi-national companies, which would decrease the existence of national economies and the role of nation-state.³³⁰ That is to say, in economic terms, they defend the idea of controlling the economy and planning against existent distrust and inequality.³³¹ However, in global plane, while underdeveloped countries and the labour were the losers of globalization, the globalised market has given way to more inequality and inequity than the national level due to the lack of global power to balance this inequality.³³²

On the social side, the neo-socialists in favour of a non-polarized social structure with work mobility argue that although the newly established economy would trigger social polarization, this can be overcome through political will.³³³ In order to establish a society in which social inequalities would be minimized, in their approach, they put

328 Ibid, p. 127.

329 Ibid, p. 137.

330 Cole, M. (1998) Globalisation, Modernisation and Competitiveness: a Critique of the New Labour Project in Education, *International Studies in Sociology of Education*, 8(3), p.316.

331 Little, A. (1998), *Post Industrial Socialism: Towards a New Politics of Welfare*, London and New York: Routledge, p. 21.

332 Koray, M. (2002), *Avrupa Toplum Modeli? Nereden Nereye...*, İstanbul: TÜSES Yayınları, p. 318.

333 Ibid.

emphasis on the opportunities for democratic dialogue between employee-employers, the state and local authorities, non-governmental organizations, individuals and the groups they are in, women and men.³³⁴ Therefore, this dialogue, might lead to the discussion on how the fair distribution of work would be carried out in relation to human activity and methods of technological developments, changed work, and production.

In brief, the ideas of neo-socialists which are mentioned briefly are known as ‘socialism with the market’, market-focused socialism’ or ‘liberal socialism’. Although they are called by different names, their common point is that in the current conditions, as the influence of the market can be minimized, but not totally removed, the state and the market should compromise to form a ‘social market’.³³⁵ In other words, neo-socialists believe in the integration of a market economy with the social responsibility. In this way, it is argued that the individualization created by the market would come to an end through finding a median way between the states and the market. Then, a new socialist approach would be established based on socialist values adding humanity to capitalism and against the global that makes everything and everybody helpless.

Towards the end of the transformation that socialism has undergone, the newly established conciliatory and participatory approaches which are known as ‘liberal socialism’ has had a profound impact on the social structure of Europe, and emphasizes that the struggle between the labour and the capital can be overcome through compromise, contributing to the ‘liberal social synthesis’³³⁶ on which the current European social model is based. Accordingly, social policies and market principles have been introduced in a single framework with the idea to accomplish efficient market principles with an effective institutional structure. In other words, economics and politics have been constituted in the social sphere with the aim to protect the social. All these factors determined the main motives of European integration as a social and political project. These firstly resulted in the launch of the single market, supranational institutions and common social policies in order to eliminate inter-state differences and polarization.

334 Gorz, A. (2001), *Farewell to the Working Class: An Essay on Post-Industrial Socialism*, London: Stylus Publishing Inc., p. 78.

335 Wright, T. (1996). *Socialisms: Old and New*, London and New York: Routledge, p. 139.

336 Koray, M. (2002). *Avrupa Toplum Modeli? Nereden Nereye...*, İstanbul: TÜSES Yayınları, s. 97.

2.1.3. Overview of European Welfare States

The transformation in the European social structure was depicted within the framework of milestones in historical perspective, which became materialized with ideologies and political movement. The welfare states which constitute the basis of social policies in most European countries can be considered as one of the concrete outcomes of the compromise among the social partners, and the ‘liberal-social synthesis’³³⁷ on which the European social model relies. In that sense, in the final part of the chapter, the development of European welfare states is discussed in relation to the origins, theories, types and the challenges they are faced with for future prospects. In this way, it is anticipated that before going into detail about social policy at the European level, the differences in national social policies that have an impact on the development of EU social policy will be helpful for the progress of the study.

The concept of ‘welfare state’, the emergence of which dates back to the eighteenth and nineteenth centuries, started to be used widely in Europe in the nineteenth century. At the beginning, the concept was used in the 1880s Germany of Bismarck for the social security services for workers. In this initial phase, although this concept is far away from today’s welfare state both in terms of its purposes and scope, it is significant in that it emerged as a valid word upon the wish of the King to suppress the increasing labour movements and to control the social affairs of the society. In other words, the first use of the term welfare state signifies a kind of ideological change in Western Europe towards the idea of maintaining not only market principles but also the social rights of individuals. Thus, the use of the term indicates that the working class increased its influence and power, in demand of political and social rights, and emerged as a serious threat in order to achieve this.³³⁸

The development of welfare states has been analyzed by several scholars. Flora and Hecló are the prominent ones to be mentioned in this study. Within the framework of the point view of Flora which goes around the three phases of ‘modest beginning, continuous growth, acceleration in recent years’³³⁹, the development of European welfare states is defined according to what is called ‘sociological macro economic

³³⁷ Ibid.

³³⁸ Ibid, p. 181-82.

³³⁹ Flora, P. (1981), “Solution or Source of Crisis? The Welfare State in Historical Perspective”, in Mommsen, W. J. (ed.), *The Emergence of the Welfare State in Britain and Germany*, London: Croom Helm, p. 359.

constellation'.³⁴⁰ The foundations of the particular macro-constellation which led to the development of European welfare states are the 'nation state', 'capitalism', 'mass democracy', 'industrial society', 'family population' and the 'international system'.³⁴¹ This macro-constellation is said to be completed by developments in international relations between European countries. According to this view, macro-constellation whereby the modern welfare state gradually came into being, has served as the ground on which the welfare state emerged as a system in Europe. Nevertheless, the welfare state as discussed within the perspective of this macro-constellation was still in its primitive form, far from its modern version.

Heclø analyzes the development of the welfare state within the framework of the stages that European welfare states have gone through. Heclø identifies four distinct periods for the evolution of the idea of the welfare state.³⁴² The initial period between 1870 and 1920 signifies the original emergence of the welfare state, which worked by rising workers' demands for universal suffrage. However, due to existing poor laws which were not enough to the rising demands of the masses, the measures adopted by the European countries were not enough for the rising demands of the masses. Thus, it is not possible to classify such attempts as social or welfare policy. The pursuant period between 1920 and 1940 attests the unification of the existing social policy arrangements. The increased volume of workers' movements that marked this period necessitated a society-wide solution on the basis of social consensus. Social security arrangements were instituted on permanent grounds. The modern welfare state emerged during this period while Keynesian macroeconomic policies that rested on full-employment were adopted in European countries. The third period starts from the 1950s and lasts until the 1970s.

As mentioned above one of the impacts of industrialization is related with the advent of the welfare state. It has various definitions in its development process. Once the transformation in the definition of the welfare state is taken into account, we have to go back to the very first usage of the term in its development. The term welfare state was first used in Bismarck's Germany in the 1880s, after the initiation of social security

³⁴⁰ Ibid, p. 354.

³⁴¹ Ibid, p. 350-52.

³⁴² Heclø H. (1990), "Towards a New Welfare State?", in Flora P. and Heidenheimer, A. J. (eds.), *the Development of Welfare States in Europe and America*, London: Transaction, p. 385-86.

arrangements for workers.³⁴³ His usage of the term welfare state did not encompass the extensive meaning of the term associated with the modern welfare state. The main objectives of these arrangements were to protect the workers from the dangers and the risks posed by the new mode of social and economic life, to emphasize the paternalistic nature of the German state, and to ensure loyalty to the state and contain rising labour movements. Following these developments, social rights were first constitutionalised in Germany with the Weimar Constitution of 1920. Social insurance for workers became obligatory in all parliamentary democracies during the period between the two World Wars. After the 1950s, the differences in social security arrangements between European countries were eliminated, and the welfare state acquired its current definition.³⁴⁴

The catastrophic development of the 1929 Great Depression had dramatic social and economic impacts. As a reaction to the collapse of laissez-faire liberalism, there emerged increase in state involvement in the economy, leading different countries to pursue various ways.³⁴⁵ It is a fact that Keynesian economic policies, in light of the dramatic effects of the 1929 Depression, proposed state involvement in the economy in order to provide more employment opportunities and stable prices.³⁴⁶ Keynesian economics argues that “private sector decisions sometimes lead to inefficient macroeconomic outcomes and therefore advocates active policy responses by the public sector, including monetary policy actions by the central bank and fiscal policy actions by the government to stabilize output over the business cycle.”³⁴⁷ Thus, through this way, Keynes proposed macro solutions with micro-based economy. Although the ideas forming the basis of Keynesian economics were first presented in *The General Theory of Employment, Interest and Money*³⁴⁸ was published in 1936, the realization of the ideas he put forward in this work of art took place after the Second World War. However, in the 1930s, the solutions were put in force in the US and the Scandinavian countries for the recovery of the Great Depression.

343 Koray, M. (2005), *Avrupa Toplum Modeli? Sosyal Bütünleşme Mümkün mü?*, İstanbul: İmge Kitabevi, p. 181.

344 Ibid, p. 182.

345 Jackson, J. (2002), *Europe 1900-1945*, Oxford: Oxford University Press.

346 Flora, P. and Heidenheimer, A. (1981), *The Development of Welfare States in Europe and America*, New Jersey: Transaction Inc.

347 Sullivan, A. and Sheffrin, S. M. (2003), *Economics: Principles in Action*, New Jersey: Pearson Prentice Hall.

348 For details, see Keynes, J. M. (1936), *The General Theory of Employment, Interest and Money*, Cambridge: Macmillan Cambridge University Press.

In the 1930s, in order to recover the socio-economic breakdown of the Great Depression, the first interventionist solution came up from the US. With the policies called the ‘*New Deal*’ put in force under the presidency of Roosevelt, the systematic intervention of the government into the economy began, and wages were increased while the work time was declined.³⁴⁹ New Deal was the ideological initiative to combine institutional reconfiguration in terms of providing market principles. It was the state involvement into the economy that led to the emergence of welfare state practices in the Scandinavian countries. In other words, the control of central administration facilitates and resolves any market distortions in the economy.

In Sweden where there was a strong compromise among the social partners, the social protection legislation was adopted towards the beginning of the twentieth century and the December Compromise that gave the right of association and collective bargaining to the labour was reached in 1906.³⁵⁰ These developments were pursued by the adoption of the general pension insurance in 1913 and legislation of work time constraint in 1919.³⁵¹ Upon this social background in Sweden, in 1932 the social democrat government initiated certain measures to protect the society from the impacts of the Great Depression. In that respect, in 1933, *the Folkhem project* which included several social measures was initiated.³⁵² In 1935, the public retirement legislation was put into practice.³⁵³ The basic aim of these initiatives was to reach peaceful solution to social conflicts.

Upon the dynamics which took place after the Second World War, the welfare state emerged as a response to increasing conflicts within society due to rapid industrialization. One of the initial objectives of the welfare state was to eliminate the discontent of the most severely affected segments of society. In this context, Flora argues that initially, the fundamental purpose of the welfare state was to achieve ‘integration and stabilization’³⁵⁴. Integration referred to the containment of the working class potential to rebel against the capitalist system, while stabilization concerned the

349 Townson, D. (1994), *Dictionary of Modern History 1789-1945*, London: Penguin Books.

350 Ibid.

351 Edlund, S. (1988), *Developments in Swedish Labour Law*, Stockholm: Swedish Institute.

352 Townson, D. (1994), *Dictionary of Modern History 1789-1945*, London: Penguin Books.

353 Ibid.

354 Flora, P. (1981), “Solution or Source of Crisis? The Welfare State in Historical Perspective”, in Mommsen, W. J. (ed.), *The Emergence of the Welfare State in Britain and Germany*, London: Croom Helm, p. 341.

maintenance of existing economic and political structures. Therefore, the main theme in the emergence of the welfare state was to keep the system functioning without disturbances and to find a compromise between its liberal and social aspects.

The concept of the welfare state refers to the state's provision of public measures and support to achieve basic living standards and help the ones in need across society, with the rationale of relieving poverty, reducing inequality, and achieving greater social integration and solidarity. In that respect, the modern welfare state is said to be mainly of British origin and its cornerstones were set by William Beveridge after the Second World War. The welfare state policies which were initiated only in a few countries and for only a limited population, namely the working class before the Second World War, commenced to change with the envisioning of William Beveridge, who offered a departure from the previous arrangements designed for only one specific group of people in society.³⁵⁵ More specifically, the Beveridge Report was designed to counter the five giants of illness, ignorance, disease, squalor and want.³⁵⁶ It considered the whole question of social insurance, arguing that want could be abolished by a system of social security organized for the individual by the state.

Beveridge recommended the establishment of a National Health Service, national insurance and assistance, family allowances, and stressed the importance of full-employment. Thus, welfare services under the modern welfare state were provided for every member of society and were tied to citizenship in principle. Therefore, through the proposal of Beveridge, 'a comprehensive system of social insurance, which was seen as covering people from cradle to grave' was undertaken.³⁵⁷ Therefore, the welfare systems of European countries became more comprehensive and covered the majority of the population after the Second World War. Although not entirely as Beveridge wished, the measures were adopted and formed the basis of the British post-war Welfare State. Family allowances were enacted in 1945, and National Insurance and the National Health Service in 1946; full employment became government policy.³⁵⁸ Together, these developments created the welfare state, a system of social security guaranteeing a

355 Spicker, P. (2002), "Poverty and the Welfare State- Dispelling the Myths", a Catalyst Working Paper (London: Catalyst), Retrieved: May 10, 2007 on the World Wide Web: <http://www.catalystforum.org.uk/pdf/paper9.pdf>

356 http://www.lse.ac.uk/resources/LSEHistory/beveridge_report.htm, retrieved on 28.11.2007 from World Wide Web.

357 Spicker, P. (2002), "Poverty and the Welfare State- Dispelling the Myths", a Catalyst Working Paper, London: Catalyst, <http://www.catalystforum.org.uk/pdf/paper9.pdf> (retrieved on May 10, 2007 on the World Wide Web)

358 Ibid.

minimum level of health and social services.

In this framework, the developments, which began between the 1930s and 1970s, characterized the 'golden years' of the European welfare state, as the basis of the European social model. The two World Wars and the Great Depression had an impact on the formation of the conciliation between the social partners together with the involvement of the government. In this period, Keynesian policies, which proposed mainly full employment, active state intervention and welfare policies were initiated.³⁵⁹ Therefore, it was widely accepted that the economy and society cannot be taken for granted as separate spheres; instead, they are consolidated within a single framework in which the state is the major allocator of resources.

In light of Keynesian welfare policies, between the periods of the two World Wars, European-wide social security practices were extended both in terms of kinds and degree. In the forthcoming period, further reforms have been introduced such as developments in the social security area. After the 1950s, the insurance systems gained a more comprehensive superiority; hence, the social security systems have started to be initiated.³⁶⁰

Once the reasons behind the significant expansion of welfare states are considered, it is found out that there are many which gathered around the economic and social conditions of the post-war period such as the continuous economic growth after the Second World War, the need to strengthen national solidarity, the necessity of protecting citizens against the defects of the market economy, the impact of Keynesian macroeconomic policies, and increasing demands in the social field.³⁶¹ In this period, it was claimed that the welfare state rested on four building blocks: "shared experience of the Great Depression and the two World Wars; the belief in social solidarity, and Marshallian view of social citizenship and solidarity; finally, the assumptions concerning the economic and social conditions such as full-employment, family and population structures."³⁶²

359 Leibfried, S. (1992), "Towards a European Welfare State", in Ferge, Z. and Kolberg, J. E. (eds.), *Social Policy in a Changing Europe*, Boulder: Westview Press, p. 245-279.

360 Flora, P. and Heidenheimer, A. (1981), *The Development of Welfare States in Europe and America*, New Jersey: Transaction Inc.

361 Flora, P. (1985), "On the History and Current Problems of the Welfare State", in Eisenstadt, S. N. and Ahmeir, O. (eds.), *The Welfare State and Its Aftermath*, London: Croom Helm.

362 Lazar, H. and Stoyko, P. (1998), "The Future of the Welfare State", *International Social Security Review*, 51, 4-5.

Particularly, the welfare state practices developed in countries in which the working class was entitled with the right of poll suffrage and further political power. Moreover, other factors that have significant impacts on the development of the idea of welfare state were related to democratic rights and the political quality of the workers' movements and their acquisition of social power.³⁶³

The European welfare states that had matured after the Second World War were subject to increasing criticisms during the 1970s. European countries experienced high unemployment rates, rising inflation and dwindling growth rates due to the global economic downturn precipitated mainly by the Oil Crisis of 1973.³⁶⁴ In this context, welfare provisions became vital, as the fundamental aim of welfare provisions is to protect citizens from unfavourable economic conditions. This period which was marked by the global economic recession and corresponding high unemployment rates in Europe paved the way for the beginning of crisis of the welfare state in the 1970s. Economic recession coupled with rising unemployment posed problems for the maintenance of European welfare states in that welfare states faced the dual challenge of increasing demands for welfare on the one hand, and decreasing availability of resources devoted to welfare purposes, on the other.³⁶⁵ Since welfare state reforms were initiated in European countries to ease the conditions against the welfare state, the welfare state survived the crisis period to continue being an integral element of the European socio-economic network.³⁶⁶ Thus, it could be concluded although European welfare states have also been affected by European and global context, the welfare state is institutionalized in Europe to the extent that its dismantling could not be realized even during the most challenging economic times as indicated in the case of the 1970s.

The basis of the European welfare state has been constituted by the synthesis of liberal and socialist articulations, since European countries possess different social and economic structures from each other. Their social policies become diverged among multifaceted European societies. In that sense, while the liberal approach focuses on the individual and civil liberties, the socialist approach pays attention to social justice, solidarity and the necessity of state intervention; conservative approaches on the other

363 Mishra, R. (1990), *The Welfare State in Capitalist Society*, Havel Hemstead: Harvester Wheatsheaf.

364 Flora, P. (1985), "On the History and Current Problems of the Welfare State", in Eisenstadt, S. N. and Ahimeir, O. (eds.), *The Welfare State and Its Aftermath*, London: Croom Helm; Flora, P. (ed.) (1986/87), *Growth to Limits: the European Welfare States Since World War II*, Berlin and New York: De Gruyter.

365 Flora, P. (ed.) (1986/87), *Growth to Limits: the European Welfare States Since World War II*, Berlin and New York: De Gruyter.

366 Ibid.

hand focus on more traditional social security practices.³⁶⁷ In fact, all of these approaches form the basis of the European social model.

During the rapid development of welfare state practices, the rise of state intervention led to a considerable increase in welfare standards. For example, countries experienced various changes in the traditional family structure, increases in the level of public expenditure, the progress in qualitative and quantitative social security methods, increases in employment and in the participation of women workers, the rise of wages, and the emergence of strong trade unions.³⁶⁸ In that sense, the role of women in the society has been redefined notably regarding the participation of woman into labor force and the protection of their rights by central administration. The abovementioned changes also reveal the emergence of transition to post-industrial society which is characterized with changes in social, economic, technical structures of societies. In that respect, in addition to the changes in the family structure, the status of women in the society and the life standards, the social structure of a post-industrial society is shaped with transition from goods production to the provision of services within the economy, the predominance of professional and technical work rather than manual work in the working place, the prominence of theoretical knowledge instead of practical know-how, and the search for new technologies for systematic technological growth.³⁶⁹

There are different theories explaining the emergence of the welfare state. Esping-Andersen argues that there are two predominant sets of theories for explaining the emergence and development of the welfare state. The first set of theories emphasizes ‘structures’ while the other focuses on ‘institutions and actors’ as central subjects of their analysis.³⁷⁰

Esping-Andersen argues that both approaches are insufficient to explain the variations in welfare states, which have capitalist economic systems with similar levels of economic development, and the existence of welfare states in non-capitalist economic systems.³⁷¹ At this point, Esping- Andersen introduces the *class-coalitional approach* in order to account for different welfare state structures in countries with similar levels of

367 Koray, M. (2005), *Avrupa Toplum Modeli? Sosyal Bütünleşme Mümkün mü?*, İstanbul: İmge Kitabevi, p. 189.

368 Esping – Andersen, G. (1996), *Welfare States in Transition*, London: SAGE Publications.

369 Bell, D. (1999), *The Coming of Post-Industrial Society*, USA: Harper Colophon Books.

370 Esping-Andersen, G. (1990), *The Three Worlds of Welfare Capitalism*, Cambridge: Polity Press, p. 13.

371 Ibid.

economic development, democratic institutions, and relatively strong working class mobility.³⁷²

According to the categorization of Kleinman, there are three types of welfare state. The first is liberal welfare state that aims to strengthen the market; the social benefits are relatively moderate.³⁷³ The second is conservative / corporatist welfare state, that to a great extent takes the place of the market and the social rights are bound to the social classes and status. The third is the social democratic welfare state that relies on a system of solidarity including every individual in the society. It is the model in which the social rights are the most institutionalized and widespread in the society in which social needs are provided out of the market.³⁷⁴ The welfare state in the periphery of the Latin world is also called the underdeveloped welfare state.

On the whole, the abovementioned theory provides explanations concerning the emergence of the welfare states in Europe in relation to social conflict and contradictions within different social groups. In addition, the rise of capitalism was surely a driving force behind welfare state development in Europe. Government action was introduced at the point when social unrest appeared as a threat to the maintenance and the productivity of the economic system.

However, welfare state development cannot be attributed to industrialization and capitalism alone, as such an explanation is sufficient in explaining the differences among welfare state structures in Europe. The tripartite structure emphasized by Flora comprising a capitalist market economy, democratic mass policy and the welfare state offers a more comprehensive approach to European welfare states.³⁷⁵ Esping-Andersen emphasizes the role of social classes and their coalitions in bringing about welfare state development and expansion in Europe.³⁷⁶

372 Ibid.

373 Kleinman, M. (2002), *A European Welfare State?: European Union Policy in Context*, London: Palgrave, p. 53.

374 Ibid.

375 Flora, P. (1985), "On the History and Current Problems of the Welfare State", in Eisenstadt, S. N. And Ahimeir, o. (eds.), *The Welfare State and Its Aftermath*. London: Croom Helm.

376 Esping-Andersen, G. (1990), *The Three Worlds of Welfare Capitalism*, Cambridge: Polity Press.

Studying welfare state typologies is necessary in order to capture the peculiarities of European welfare states. As such, it is possible to analyze European welfare states as a category where extensive welfare provisions exist and are handled by the state; where all citizens are covered by social security; where mutual help and solidarity are guiding concepts of society; and more importantly where the social model is based on a consensus between democracy and capitalism as Flora argues.³⁷⁷ Yet, there is no single type of European welfare state. There is a variety of welfare states in Europe which are different from each other in terms of the scope of welfare provisions and the level and content of benefits provided to citizens

Among the studies on different types of welfare state regimes in Europe, in this study the one that have been proposed by Esping-Andersen is adopted. Depending on the differences and changing processes, he argues that there are three clusters of welfare states. In Europe upon noting the existence of different types of welfare states in Europe, it is stated that these different European welfare states could nevertheless be grouped with respect to their crucial similarities. These welfare state models are namely, 'the liberal model', 'the corporatist model' and 'the social democratic model'.³⁷⁸

It is said that political and economic considerations and state's concerns to control the economy (unemployment, wages, economic policies etc.) are all parts of welfare state mechanisms, which refer to the terms of the 'Keynesian welfare state' or 'welfare capitalism'.³⁷⁹ However, the approaches of states vary accordingly, because the internal engines of welfare regimes, which are the market, family and state, are very dynamic.

According to this categorization, *the liberal model* (Anglo-Saxon model) is characterized by 'means-tested assistance' and 'modest universal transfer'.³⁸⁰ This group is based on liberal ideology, which determines all dynamics according to the market mechanism. In this model, the market has the dominant power. Cost-benefit analysis is always aimed to give rights to their citizens on the basis of a merit system and 'means-testing'. This means that social benefits are delivered on a testing of need

377 Flora, P. (1981), "Solution or Source of Crisis? The Welfare State in Historical Perspective", in Mommsen, W. J. (ed.), *The Emergence of the Welfare State in Britain and Germany*, London: Croom Helm.

378 Esping-Andersen, G. (2005), "The Three Worlds of Welfare Capitalism", in Egan, D. and Chorbajian, L. A. (eds.), *Power: A Critical Reader*, New Jersey: Pearson Education Limited, p. 147.

379 Esping-Andersen, G. (1990), *The Three Worlds of Welfare Capitalism*, Cambridge: Polity Press, p. 26.

380 Ibid.

and the coverage of social insurance is universal, although in low amounts. In this perspective, the market would provide the optimum outcome and government should act as a last resort. The progress of social reform has been limited by traditional, liberal and work-ethic norms. Examples of the liberal type of welfare states are the United States, Canada and Australia.

The second type of welfare state model is *the corporatist model* for which continental European countries such as Germany, Austria, France and Italy can be given as examples.³⁸¹ This group is represented by conservatives who pursue national solidarity through protecting family and gender. Conservatism creates such a system in which society is based on a common ground through the collective consciousness of the nation by the state elites and upper classes. In this model, the government assumes greater responsibility in providing social security, benefits and social rights. Yet, the peculiarity of this model is that corporatist welfare states maintain class and status differences. Accordingly, social insurance is mainly designed for the work force, services such as day care are underdeveloped and the “principle of subsidiarity serves to emphasize that the state will only interfere when the family’s capacity to service its members is exhausted”.³⁸²

The third category in Esping-Andersen’s modeling is *the social democratic model* that is based on the ‘principle of universalism’.³⁸³ This model is also known as the Scandinavian model. One group, especially, Scandinavian countries perceive citizenship on the basis of a universalistic mindset without allowing commodification and any polarization within their society. They make neither class nor gender discrimination; hence, they give the same rights to all individuals under the equal conditions within the framework of ‘social citizenship’³⁸⁴. The name of this category (social-democratic) is closely related to the dominance of social democratic governments in these countries. The most distinctive characteristic of this model is that services are provided at a high level, that is, welfare services are “upgraded to levels commensurate with even the most discriminating tastes of the middle class”.³⁸⁵ In this context, the state does not leave much space to the private sector to function in the welfare realm. Finally, the universal

381 Ibid, p. 27.

382 Ibid.

383 Ibid.

384 Marshall, T. H. (1950), *Citizenship and Social Class, and Other Essays*, Cambridge: Cambridge University Press.

385 Esping-Andersen, G. (1990), *The Three Worlds of Welfare Capitalism*, Cambridge: Polity Press, p. 26.

and de-commodifying characteristic of the welfare state that operate in line with individual rather than family needs also encourage women to participate in the work force. The most powerful ideological support behind the European welfare states has been the social democratic ideology. The focus of this model is the institutionalization of social rights through which social needs are provided on the basis of the practices covering the whole society. The basic goal is to provide full employment; hence, the model depends especially working on life procedure of welfare policies.

The analysis of these different welfare state systems in Europe is significant in the sense that industrial development and capitalism do not necessarily result in similar welfare structures. Even though the role of industrialism cannot be underemphasized in the emergence of the welfare state in Europe, the analysis of the differences among developed welfare states provides a better assessment of each peculiar welfare state in the sense that each welfare state is also the product of unique economic, political and social factors. This issue is also necessary to understand social policy-making at European level with reference to governance in the EU.

As far as different models of European welfare state are concerned, one might understand the difficulties in creating a social integration in Europe and in comprehending how contradictory and contested process to provide a European wide social policy that includes all European countries.

The development of welfare states in Europe, which were structured according to different welfare state models, experienced their heydays in the period lasting from the end of the Second World War until the 1970s. In this period, there was a great leap forward in welfare state development and expansion in terms of scope and coverage. However, although there was a consensus on the necessity of the welfare state and its expansion, the optimistic scenario about the welfare state changed sharply after the 1970s. At first, the positive economic growth rates and Keynesian macroeconomic policies proved workable for a long time without disturbances. However, the end of the golden age in the beginning of the 1970s coincided with the abandonment of the fixed exchange rate regime of the Bretton-Woods system and the Oil Crisis. These developments were generally interpreted as the end of the welfare state in post-war Europe. Although in the post-1970s period there was not a sharp decrease in the level of

welfare state provisions in European countries, and the welfare state institutions did not leave the ground to pure market forces, there was obviously a crisis related to the welfare state.

The arguments against the large welfare state in Europe were not unprecedented. The debates over the welfare state after the 1970s concentrated mostly on the costs of sustaining welfare, which was caused by the expansive nature of European welfare states because Keynesian macroeconomic policies ceased to function as a sound economic policy in the midst of the crisis.³⁸⁶ Moreover, European welfare states have been faced with common internal and external problems. While slower growth, changes in labour markets ending the Keynesian full employment policy, demographic changes, and mass attitudinal change emerged as internal factors that shape the futures of European welfare states, globalization can be regarded as the external factor.³⁸⁷

The second half of the twentieth century is characterized by increasing inter-state relations, international co-operation and transnational governance. These developments in the international system are the result of developments in a globalized economy. According to Rodrik, the dilemma of the welfare state in a global economy is the increase in demands on the state to provide social insurance while the ability of the state to perform that role is effectively reduced.³⁸⁸ Consequently, as globalization proceeds, the social consensus required to keep domestic markets open to international trade is endangered. Since the European social market economy has a tradition of expansionary welfare democracy; state transfers and taxes have been the real sources for welfare state management. However, multinationals always have a chance to go to another country in which there are no social benefits and welfare state provisions. The result is the increase in race-to-bottom conditions with capital outflow, unemployment and more elastic demand for less-skilled workers. For example, in the Bismarckian version of the welfare state, the financing of social security is linked to employment via payroll taxes.³⁸⁹ In the face of increasing global competition, payroll taxes make jobs too expensive, at the same time the advantages of German industry (advanced technology, higher labor

386 Flora, P. (1985), "On the History and Current Problems of the Welfare State", in Eisenstadt, S. N. and Ahimeir, O. (eds.), *The Welfare State and Its Aftermath*, London: Croom Helm, p. 13.

387 Kleinman, M. (2002), *A European Welfare State?: European Union Social Policy in Context*, London: Palgrave.

388 Rodrik, D. (1998), "Why Do More Open Economies Have Larger Governments?", *Journal of Political Economy*, 106, October.

389 Esping-Andersen, G. (1999), "Social Risks and Welfare States", in Gosta Esping-Andersen, *Social Foundations of Postindustrial Economies*, Oxford: Oxford University Press, p. 32-46.

productivity, qualified workforce) are melting away. On world markets, many German companies can no longer command prices generous enough to finance the welfare state. As a result, the welfare state is being dismantled.³⁹⁰

In relation to the globalization debate and the ‘welfare state crisis’, Habermas, contends that national governments try to compensate the lack of influence on their national economies by adapting national welfare systems.³⁹¹ However, there may be several internal threats from the sub-cultures and sub-groups within the society. He claims that these ‘under classes’ may create social tensions; also, these groups may constitute a subversive effect in the infrastructure of cities; lastly, their actions may result in the demolishing democratic citizenship because of the segmented minority position demolish the harmonization of the public sphere.³⁹² It is a fact that the segmentation and polarization within societies may create deformation in the harmony of the society especially in the EU, there are varieties of nations, ethnic groups, sub-groups with numerous languages and cultures; however, rather than rejecting cultural differences within society, it is possible to integrate them by giving their members civil and political rights to eliminate polarization.³⁹³

Although European welfare democracies have various characteristics, today, the member states have been trying to create common social policy at the European level. According to Scharpf, one way to create a European social policy is to have a financing mechanism in which each state contributes with a proportion from its Gross Domestic Product (GDP).³⁹⁴ Rather than denying this supra-nationalist approach, it is also possible to combine both the inter-governmentalist and supranationalist approaches towards a multi-tiered system of governance in the EU. The most recent system of governance in the EU is a multi-tiered structure in which local, national and European levels of decision-making mechanisms from different sociologies come together.

390 Pierson, P. (2001), *The New Politics of the Welfare State*, Oxford: Oxford University Press.

391 Habermas, J. (1995), “The European Nation-State: Its Achievements and Its Limits: on the Past and Future of Sovereignty and Citizenship”, *Mapping the Nation*, London: Verso Publications.

392 Ibid.

393 Ibid.

394 Scharpf, F. W. (1996), “Negative and Positive Integration in the Political Economy of European Welfare States”, *Governance in the European Union*, London: Sage Publications.

The European welfare states which were hit by the global economic crisis of the early 1970s and the subsequent fall of the Bretton-Woods fixed exchange rate regime in 1974 came face to face with the abovementioned challenges. However, they responded to the crisis not by converging to a minimum amount of social expenditure, but by enforcing reform in their welfare policies and economic policies. Although these reforms have not significantly altered the fundamental characteristic of European welfare states, they provide certain adjustments especially in response to the issues rising unemployment, increasing social exclusion, slower economic growth.³⁹⁵ This, then, proves the fact that economic crisis and the existence of large welfare states can co-exist through the integration of the welfare state into the economic, political, social and institutional networks of European countries.

Therefore, the development of a global economy has implications for national welfare policies. The nation state is being 'hollowed out', with power being dispersed to localities, independent organizations, and supra-national bodies (like NAFTA or the European Union). Mishra argues that globalization limits the capacity of nation-states to act for social protection.³⁹⁶ Global trends have been associated with a strong neo-liberal ideology, promoting inequality and representing social protection as the source of 'rigidity' in the labour market. International organizations like the World Bank and International Monetary Fund have been selling a particular brand of economic and social policy to developing countries, and the countries of Eastern Europe, focused on limited government expenditure, selective social services and private provision.³⁹⁷

Although European welfare democracies have various characteristics, today, Member States try to create common Social Policy at the European level. According to Scharpf, one way to create a European Social Policy is to have a financing mechanism in which each state contributes with a proportion from its GDP.³⁹⁸ Rather than denying this supra-nationalist approach, it is also possible to combine both inter-governmentalist and supranationalist approach towards a multi-tiered system of governance in the EU. Recent system of governance in the EU is a multi-tiered structure in which local, national and European levels of decision-making mechanisms from different sociologies

³⁹⁵ Ibid.

³⁹⁶ Mishra, R. (2000), *Globalization and the Welfare State*, UK: Macmillan Press.

³⁹⁷ Ibid.

³⁹⁸ Scharpf, F. W. (1996), "Negative and Positive Integration in the Political Economy of European Welfare States", *Governance in the European Union*, London: Sage Publications.

came together.

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European countries have devised different policies to overcome the above mentioned common problems. In fact, on the one hand, there is convergence between European welfare states; on the other hand, they are still diverged in terms of their internal social structure. Concerning the future of European welfare states, it is argued that the sovereignties of national welfare states have been eroded as a result of European integration and globalization. However, although they deliver some of their competencies to the European level for European social policy-making, they are still distinct. In that regard, it is necessary to take into account the origins and development of the different welfare state models in European social policy-making with reference to governance in the EU due to the variety of economic, political, social and institutional identities in each of these countries.

³⁹⁹ Ibid.

2.2. EU SOCIAL POLICY IN HISTORICAL PERSPECTIVE

The EU has a long and progressive history concerning its social dimension, which dates back to 1957 Treaty of Rome and continues up to recent developments. While the social objectives are not defined explicitly in the social provisions of the Treaty, co-ordination among the member states was stated as part of the Communities' economic integration rationale for the achievement of a common market. Broad social objectives focus on the good of all EU citizens, revealing the fact that during the course of European integration, social affairs in the Union has begun to be seen as a component of European integration and a necessary complement to economic policy, rather than simply a spillover from it.⁴⁰⁰ In this part, a brief overview of the historical development of the social dimension of the EU within the context of the revision of the Treaties, the Community Social Charter, the Social Protocol and SAPs will be discussed, followed by an overall discussion of the historical evolution in relation to governance in the EU.

2.2.1. Social Policy in the Treaty of Rome: Implicit Provisions in EU Social Policy

The *Treaty of Rome*⁴⁰¹, signed in 1957, was the founding document of the EC, which contained a number of implicit social policy provisions.⁴⁰² These social provisions of the Treaty of Rome are relatively limited; but, they extend to concerns beyond those necessary for the creation of a common market. The Treaty has binding provisions that seek to establish freedom of movement of workers (Art. 48-49), freedom of establishment (Art. 52-58), equal pay for men and women (Art. 119), rights to social security of migrant workers (Art. 51)⁴⁰³. Non-binding provisions covered including paid holidays (Art. 120), the commitment to improving living and working conditions (Art. 117-118), and the laying down of the general principles for implementing a common vocational training policy (Art. 128). In addition, it established the European Social Fund (ESF) (Art. 125).

400 Hantrais, L. (2000), *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 1.

401 It is also known as 'Treaty Establishing the Communities' (TEC).

402 The social provisions of the *ECSC Treaty* was restricted to coal and steel sector and focus on the improvement and harmonization of work and life conditions of workers, the possibilities of employment in the coal and steel industries, the guarantee of wages and the free movement of workers with the save for their social protection rights. The *Euratom Treaty* consists of less social policy provision. The Treaty particularly includes occupational safety and health measures in the sector and focus on the development of common health and safety standards for workers in the sector and for the public.

403 The directives and regulations were as follows: freedom of movement (68/360, 1968), equal treatment of migrants (1612/68, 1968), and social security for migrant workers (1408, 1971 and 574/72, 1972), in Bean, C., Bentolila, S. and G., Doledo, J. (1998), *Social Europe: One for All?*, United Kingdom: Centre for Economic Policy Research, p. 3.

In a general framework, the Treaty is characterized with vague expressions regarding its provisions in the social realm. For instance, Article 130a⁴⁰⁴ of the Treaty stated “The Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion.” In this Article, although the term ‘social cohesion’ was specified, it was not stated how or through which channel it could be achieved. The term ‘social cohesion’, as used in the Treaty of Rome, is very specific including the harmonization of some social measures to enable the movement of workers within the EU.⁴⁰⁵ Additionally, no timetable was set out for the harmonization of social systems; it was left to the member states and the Commission to decide upon this at some future point.⁴⁰⁶

In addition to the above-mentioned social provisions of the Treaty in more detail, another vague statement was laid in Article 117, which set out the main objective of social policy in so far as this was to be conducted at the Community level. The Article contained a recognition by the member states of the need to improve living and working conditions; however, it was not explicitly stated whether the Community is competent or not to regulate in the area of social policy.⁴⁰⁷ Moreover, in the third part of the Treaty, under Article 118, a number of ‘social fields’ where member states should cooperate closely, namely employment, labour law and working conditions, vocational training; social security, health and safety at work, collective bargaining and the right of association were enumerated.⁴⁰⁸ In the following Article, the member states were urged to “maintain the application of the principle that men and women should receive equal pay for equal work”⁴⁰⁹. In these Articles, it is inferred that improvement of working conditions was sought so as to make possible the harmonization, including approximation of national legal provisions, equal pay between men and women, and paid holiday schemes as stated in Article 120.

404 See Commission of the European Communities (1978), *Treaty of Rome, Treaties Establishing the European Communities*. Luxembourg: Office for Official Publications of the European Communities.

405 Barnes, I. and Barnes, P. M. (1995), *The Enlarged European Union*. The United Kingdom: Pearson Education Limited, p. 321.

406 Ibid.

407 Carter, C. A. (2002), “Debates on Social Policy”, in Gower, J. (ed.), *The European Union Handbook*, London: Fitzroy Dearborn Publishers, p. 187.

408 See Commission of the European Communities (1978), *Treaty of Rome, Treaties Establishing the European Communities*. Luxembourg: Office for Official Publications of the European Communities.

409 Ibid.

The second Chapter of the TEC deals with the establishment of the *European Social Fund (ESF)*, under Articles 123-128. Article 125 of the Treaty of Rome established the ESF with the goal of improving employment opportunities and facilitating the geographical and occupational mobility of workers.⁴¹⁰ The Fund was established in 1958 as the basic instrument of the Community's social policy, and was designed to ameliorate social costs arising from the impact of European economic integration on labour markets in the Community.⁴¹¹ The ESF originally aims at improving employment opportunities by securing the geographical and occupational mobility of workers in the Community.⁴¹²

According to the EC Regulation of the European Parliament and the Council of 12 July 1999 on the ESF⁴¹³, it is stated that within the framework of the task entrenched to the ESF, the Fund shall support measures to prevent and combat unemployment and to develop human resources and social integration into the labour market in order to promote a high level of employment, equality between men and women, sustainable development, and social and economic cohesion. Moreover, the financial support of the Fund shall mainly take the form of assistance to persons and be devoted to the activities to develop human resources such as education and vocational training, employment aids and aids for self-employment, in the fields of research, science and technology development, post-graduate training and the training of managers and technicians at research establishments and in enterprises; development of new sources of employment including in the social economy. The Fund shall contribute to the implementation of the Community Initiative for combating discrimination and inequalities in connection with the labour market.

According to Article 146 (TEC), the ESF aims to “render the employment of workers easier and to increase their geographical and occupational mobility within the Community, facilitate their adaptation to industrial changes and to changes in production systems, in particular through vocational training and retraining”. Under Article 147 of the TEC, the ESF is administered by the Commission, which is assisted in this task by a Committee composed of representatives of the governments, trade

410 Ibid.

411 Evans, A. and Martin S. (1994), “EC Regional Policy and the Evolution of the Structural Funds”, in Martin, S. (ed.), *The Construction of Europe: Essays in the Honour of Emile Noel*, Dordrecht, the Netherlands: Kluwer Academic Publishers, p. 43.

412 See Article 123 of the Treaty of Rome.

413 See OJ L213, 13.08.1999, p. 5-8.

unions and employers' organizations. However, as is explicitly seen from the Articles of the Treaty, some of which are mentioned above, these social provisions were not extended and broad enough to be a social policy, but were rather limited and fragmented. As Burrows, Denton and Edwards noted, the provisions just covered the aspects of the workings of the labour market, that is, the terms and conditions of employment in its broadest aspects.⁴¹⁴

While the goals expressed in the preamble to the Treaty of Rome (1957) exhibit broad aims concerning the nature of the new socio-economic order in the making, the actual social provisions of the Treaty, having the underlying rationale of economic integration are vague and often ambiguous and gave the EU competence in a limited number of areas.⁴¹⁵ The leading figures of the European integration process believed in the idea that social integration in the Community would be brought with successful economic integration. In that regard, only those provisions referring to the freedom of movement for workers, social security for migrant workers; freedom of establishment and equal treatment for male and female workers require binding legislation. Meanwhile, Art. 117 and 118 are highly ambiguous and have caused intense inter-institutional conflict between the Commission and the Council of Ministers over their interpretation.⁴¹⁶ Moreover, the limited role given to the EC Commission in Title III to promote co-ordination of national policies, to undertake studies, deliver opinions and arrange consultations reveals the fact that the social policy domain was originally considered to be outside the supranational competence of the institutions of the Community.⁴¹⁷

In the Treaty of Rome, the main emphasis was put on the provisions that would support the establishment of the free movement of workers and to a limited extent, the achievement of social harmonization. In other words, the Rome Treaty attaches the social dimension of the Community to the market, that is, to the economic integration of the Community. In that respect, Commission activity in the area of social policy and social regulation was quite modest. Since there were no explicit social competences in the original EEC Treaty such as the subsidiarity competence, social policy competences

414 Burrows, B., Denton, G. and Edwards, G. (eds.) (1978), *Federal Solutions to European Issues*, London: Macmillan, p. 212-232.

415 Cram L. (1997), *Policy-Making in the EU*, London and New York: Routledge, p. 28.

416 Ibid.

417 Majone, G. (1993), "The European Community between Social Policy and Social Regulation", *Journal of Common Market Studies*, 31(2), p. 124.

were to remain a largely national affair in the Treaty.⁴¹⁸ Considering the above mentioned limited and fragmented scope and range of EU social policy, it is concluded that the Treaty did not establish a framework for comprehensive European social policy; yet, it was still an important founding Treaty laying the basis for EC social policy and not totally excluding social policy from the European integration project.

The developments that took place in the initial phase of EC social policy did not happen in a vacuum out of any development occurring at the national level but rather were affected by them in that the economic modernization in this period, expansion of the welfare state, proactive Keynesianism and moderate social partners triggered the Europeanization of social policy in the line outlined above.⁴¹⁹ The expansion of the welfare state in this period led to the implementation of extensive social policies at national level with the support of high economic growth rates, political and ideological consensus concerning the welfare states and Keynesian macroeconomic policies based on his view about the regular intervention of the state in the economy.⁴²⁰

These Keynesian policies, which emphasized need for governments to implement fiscal policies as a tool of economic regulation, paved the way towards period of welfare and prosperity in many countries after the Second World War until the 1970s.⁴²¹ Moreover, the *European Social Charter* adopted by the Council of Europe in 1961, guarantees a number of fundamental rights for workers and citizens, making explicit reference to the rights of the family, mothers and children to social, legal and economic protection. This enhanced the development of social policies through establishing a comprehensive and coherent set of policy objectives.⁴²² In this context, the Community, rather than adopting far-reaching policies in the social field or aiming at harmonization in this respect, committed itself to dealing with the social issues directly related to economic integration in the initial phases of European integration such as freedom of movement for workers, and underlines that the establishment of a common market would lead the

418 Falkner, G. (2007), "The EU's Social Dimension", in Cini, M. (ed.), *European Union Politics*, Oxford: Oxford University Press, p. 272.

419 Hemerijck, A. (2004), "Beyond the Double Bind of Social Europe", in Magnusson, L. and Strath, B. (eds.), *A European Social Citizenship? Preconditions for Future Policies from a Historical Perspective*, Brussels: P.I.E. (Presses Interuniversitaires Europeennes), p. 98-99; and Hooghe, L. and Marks, G. (1997), "The Making of a Polity: the Struggle over European Integration", *EIOP Online Papers*, No. 004, <http://eiop.or.at/eiop/texte/1997-004a.htm>, (retrieved on December 8, 2008, from World Wide)

420 Aykac, M. and Parlak, Z. (ed.) (2002), *Tüm Yönleriyle Türkiye AB İlişkileri*, Istanbul: Elif Kitabevi.

421 Cohn, T. H. (2003), *Global Political Economy: Theory and Practice*, London and New York: Longman, p. 97.

422 Hantrais, L. (2000), *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 4.

accumulation of social benefits automatically.⁴²³

2.2.2. Social Policy in the 1970s: Preparing the Ground for the Forthcoming Actions in EU Social Policy

The developments that took place both concerning the national welfare states and the European integration process changed the abovementioned initial stance of the Community towards social issues. In the first place, following the two oil shocks of the 1970s which created global economic dislocation, national welfare regimes were put under pressure. Keynesian macroeconomic policies, which were implemented in many European countries from the end of the Second World War, were gradually replaced by neo-liberal economic policies, which hindered the further expansion of national welfare states. Although European welfare states survived the economic crisis period of the 1970s, they were seriously shaken. In this period, the transition towards the post-industrial society has a deep impact on European welfare states in that a post-industrial society implies a society in which an economic transition has occurred from a manufacturing based economy to a service based economy, and a diffusion of national and global capital, and mass privatization, which overall spurs a restructuring in society as a whole.⁴²⁴ Thus, the society is restructured with the predomination of professional and technical work over low skilled manual work, theoretical knowledge over practical know-how, theoretical knowledge over empirical knowledge. With the transition to high-technological industry, the need for systematic technological growth increased in the post-industrial period.

As Dinan argues, in the European integration process, starting from the early 1970s, social policy became broader due to ‘Europhoria’ generated by the 1969 Hague Summit and the leadership of Willy Brandt, Germany's Social Democratic chancellor, as stated by Dinan.⁴²⁵ By means of the ‘uneven growth within the EEC and the effects of the common market’⁴²⁶ and the accession of three members, namely Britain, Denmark and Ireland, enlarging the EEC to nine members, the Community increased its interest in the social field. These external and internal developments necessitated closer cooperation in the social field. Although this does not mean a complete harmonization of social

423 Geyer, R. R. (2000), *Exploring European Social Policy*, Cambridge: Polity Press, p. 21-22.

424 Bell, D. (1999), *The Coming of Post-Industrial Society*, USA: Harper Colophon Books.

425 Dinan, D. (1999), *Ever Closer Union: An Introduction to European Integration*, London: Lynne Rienner Publishers, p. 422.

426 Kleinman, M. (2002), *A European Welfare State?: European Union Policy in Context*, London: Palgrave.

systems, the member states with the inclusion of three new members with lower social standards felt the necessity for closer cooperation and interest in the social policy field. In that respect, in this period, the member states unanimously approved directives aimed at combating these effects on employment and industrial relations. Two key directives which were milestones in European social policy were the directives on *collective dismissals* (directive 75/129) and on the *transfer of undertakings* (directive 77/187/EC).

At about this time, other directives in the employment field were stimulated by the decisions of the ECJ concerned with equality between women and men. These were based Article 119 (now Article 141 EC), which guaranteed equal pay for equal work.⁴²⁷ Judgement of the ECJ, in the *Defrenne Case* can be given as in illustration. This case which was brought to the Court due to not implementing Article 119 In this case, the Court, which was called upon the non-implementation of Article 119 of the EEC, ended with the judgement of the Court that the elimination of discrimination based on the sex of workers forms part of the general principles of Community law.⁴²⁸ With this prospective judgement, this principle equality between women and men may subsequently take the form of precise rules of law, which are directly applicable and which would guarantee the effective equality of men and women workers. Moreover, the ECJ carried the matter further on the agenda and activated other institutions through this case. During the 1970s, the development of a legislative programme of EU directives aimed at harmonizing labor standards in the member states depended on unanimity in the Council of Ministers in adopting the Commission's proposals. However, other than in legislation on gender equality, social policy had made little progress by the mid-1980s.

In this context, although the Council stated the creation of European social union, social concerns were overwhelmed by the forces of recession that swept through Europe as its goal.⁴²⁹ However, despite the economic difficulties, the attempts to add a 'social dimension' to the process of economic integration need to be taken into consideration. By means of the *1972 Paris Summit's* endorsement of an active social policy, the first concrete expression of this new concern was realized with the EC's first *Social Action Programme (SAP)* which was proposed by the Commission and accepted by the Council

427 Hantrais, L. (2000), *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 4.

428 See Case 149/77 (15 June 1978).

429 Amin, A. and Tomaney, J. (eds.) (1995), *Behind the Myth of European Union: Prospects for Cohesion*, London and New York: Routledge, p. 26.

in 1974. The first SAP can be regarded as a milestone in EEC social policy in that the several of the proposed measures were adopted by the Council in the years leading up to the early 1980s, particularly those on equal treatment at the workplace; labour law, and minimum standards such as early warning in cases of mass redundancies.⁴³⁰

The SAP clearly reveals the increased commitment of the Community for social integration in that the programme included wide-ranging measures to achieve full employment, better living and working conditions, increased participation of management and labour in economic and social decision-making, and equal treatment of men and women in the workplace.⁴³¹ Moreover, one of the three central goals of the Action Programme along with full employment and the improvement of living and working conditions was the growing participation of the social partners in the economic and social policy decisions of the Community. The establishment of a European Trade Union Institute (ETUI) was supported by the Council of Ministers, and the Council planned to facilitate the conclusion of European collective pay agreements in appropriate areas. This pledge made as early as 1974, reveals the long history behind the innovations of the social partners in concluding European-level agreements. Besides, two institutions were established by the EC, namely *the European Foundation for the Improvement of Living and Working Conditions* and *the European Center for the Development of Vocational Training*, to set up research on social issues.⁴³² The establishment of these European networks and observatories for stimulating action and monitoring progress in the social field reflects a spate of action in the areas of education and training, health and safety at work, workers' and women's rights and poverty.⁴³³ Thus, this pragmatic approach of the SAP also reveals the broad political consensus among the nine members and the political will to pursue an active Community social policy.⁴³⁴

In the 1970s, while the European Commission can point to some success in establishing common standards in areas such as health and safety and gender equality in the workplace, its success has been markedly less in areas such as the regulation of working

430 Falkner, G. (1999), "European Social Policy: Towards Multi-level and Multi-actor Governance", in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 85.

431 See OJ C 013 , 12/02/1974 P. 0001 – 0004.

432 Ibid.

433 Hantrais, L. (2000), *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 4.

434 Cram, L. (1997), *Policy-Making in the EU*, London and New York: Routledge, p. 37.

hours and worker representation within companies.⁴³⁵ For instance, during the 1970s a series of draft directives and resolutions were prepared, aimed at increasing employee participation in company decision-making. Although the idea behind the attempts was promising in terms of providing a platform for the development of social policy, the EC's performance faded, as seen in the rejection of the *Vredeling Directive*⁴³⁶ It proposed the introduction of formal consultation and information procedures into large enterprises within the EU.⁴³⁷ The inspiration for this approach to employment policy was the tradition of co-determination which operates in Germany and some other member states. The *Vredeling Directive*, however, was fiercely opposed by the European Employers' organization and was never implemented. This resulted in disappointment in the EC's performance in the area of social policy in the mid 1970s. It can be argued that the Community was under the shadow of the turbulent years of the 1970s due to the consequence of the 1971 Monetary Crisis that emerged basically from the measures of the United States (US), strengthening the dollar against other currencies, and the 1973 Oil Crisis which appeared after the Middle East war. These external factors had long-lasting effects not only on economic but also on social affairs in terms of increasing the problem of unemployment, thus, dragging the system for a prolonged period of stress, uncertainty and recession.

All in all, although the number of Directives adopted in the 1970s on various aspects of employees' rights were limited, the developments that took place in the 1970s are significant in terms of preparing the ground for the forthcoming actions in EU social policy, which commenced with the passing of the SEA that gave new impetus to the evolution of EU social policies, and continued with the Social Charter of the Maastricht Treaty.

435 Amin, A. and Tomaney, J. (eds.) (1995), *Behind the Myth of European Union: Prospects for Cohesion*, London and New York: Routledge, p. 26.

436 *Vredeling Directive* is a proposal, presented to the European Council of Ministers in 1980, for obligatory information, consultation, and participation of workers at headquarters level in multinational enterprises (COM (83) 292 Final).

437 See COM (83) 292 Final, <http://aei.pitt.edu/5893/> (retrieved on May 2, 2007, from World Wide Web: URL)

2.2.3. The ‘European Social Space’: A Boost to the Development of EU Social Policy

Central to these abovementioned developments has been the debate as to whether action in the social policy field should extend beyond the immediate needs of the establishment of an internal market.⁴³⁸ Under these circumstances, the Community, which was ‘conditioned by the external environment to a great extent’⁴³⁹, entered the 1980s with a decreased concern for social policy due to a combination of repeated economic recession and emerging market forces. However, the *1985 White Paper*⁴⁴⁰ touched upon social policy regarding the free movement of people including workers and professionals. In this period, the president of the Commission, Jacques Delors played a key role in shaping the European agenda.⁴⁴¹ Upon the pressure that was building up for a more regulatory social policy by the mid 1980s, Delors made a clear commitment to the social dimension of the Community focusing on employment, intensification of dialogue between management and labour, and the co-operation and consultation on social protection.⁴⁴² However, the member states generally remained sensitive to the transfer of policy competencies in the social domain due to the variety of national types of welfare provision among the member states.

The harmonization of social policies among the various European welfare states and resisting the reluctance of the member states in terms of delegating their power to the supranational level was a complicated issue. However, the idea of creating a ‘European social space’ was put forward in this period, as Delors regarded it as a natural complement to the completion of the internal market and a means of a new opening for a stronger European social policy through legislation.⁴⁴³ This new idea implying the upwards harmonization of standards, also received political support, from socialist and social democratic parties across frontiers.⁴⁴⁴ The idea was put into practice with the Commission’s new *Medium-term Social Action Programme*. This was approved by the Fontainebleau European Council in order to forge ahead with the work on technological

438 Dearden, S. (1999), ‘Social Policy’, in Mcdonald, F. and Dearden, S. (eds.), *European Economic Integration*, England: Longman Pearson Education Limited, p. 180.

439 Henig, S. (1997), *The Uniting of Europe: From Discord to Concord*, New York and London: Routledge, p.59.

440 See COM (85) 310 Final, http://aei.pitt.edu/1113/01/internal_market_wp_COM_85_310.pdf (retrieved on May 30, 2007, from World Wide Web: URL)

441 Tsoukalis, L. (2005), *What Kind of Europe?*, Oxford: Oxford University Press, p. 119.

442 Hantrais, L. (2000), *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 5.

443 Ibid, p. 6.

444 Tsoukalis, L. (2005), *What Kind of Europe?*, Oxford: Oxford University Press, p. 119.

change and social adjustment and with that on production organization.⁴⁴⁵ The programme emphasized the significance of social policy for the completion of the internal market, which was the basic rationale for EU intervention and sought to revitalize the social dialogue between employers and trade unions.⁴⁴⁶ In this framework, this programme can be considered as the basis on which the Commission built its plans for the social dimension in this period.

The *Single European Act*⁴⁴⁷ was signed in the context of neo-liberalist movements, economic internalization and market integration at the national level and of the entrance of new member states to the Community, namely Greece, Portugal and Spain which had significantly lower per capita incomes and labour costs than the other members of the EU, increasing the diversity of social systems within the Community. The Commission's promotion of the SEA, with the prime aim of developing the provisions made necessary by the internal market, based on the economic and political reasons mentioned above, which provided a new stimulus to the development of the social dimension with the introduction of significant changes to speed up and facilitate the social policy-making process.⁴⁴⁸

Nonetheless, although the idea was promising, the outcomes were comparatively disappointing. Relatively little progress was made towards building social policy into the legislative framework of the Community. Only two new Articles and a Title were added. Article 118a, a supplement of Article 118 of the EEC Treaty, stressed the importance of the working environment and the health and safety of workers, and provided for decisions to be taken in this area by QMV.⁴⁴⁹ Thus, with this Act, the requirement of unanimity was relaxed in the abovementioned areas to quicken the decision making process in the social policy field for directives setting minimum requirements for gradual implementation. However, although this form of voting was extended, it is important to note that certain reservations about the use of QMV continued. In the social field, the unanimity rule was still required for fiscal provisions,

445 European Community (1984), *Fontainebleau European Council*, Presidency Conclusions, <http://www.ena.lu/> (retrieved: June 18, 2008, from World Wide Web: URL)

446 Ibid.

447 SEA was signed in 1986 and entered into force in 1987. It was a single legal instrument to ensure the completion of the EEC's internal market by the end of 1992. It inserted into the EEC Treaty a number of new legal bases for Community action, esp. on economic and social cohesion. See OJ L 169, 29.6.1987, <http://europa.eu.int/abc/obj/treaties/en/entr14a.htm> (retrieved on May 4, 2007, from World Wide Web: URL)

448 Amin, A. and Tomaney, J. (eds.) (1995), *Behind the Myth of European Union: Prospects for Cohesion*, London and New York: Routledge, p. 26.

449 See OJ L 169, 29.6.1987, <http://europa.eu.int/abc/obj/treaties/en/entr14a.htm> (retrieved on May 4, 2007, from World Wide Web: URL).

free movement of people and worker's rights, the rights and interests of employed persons and for the passing of directives which would require alteration in the methods of training for, and practice in, some professions.⁴⁵⁰ Under subsection IV, a new Title V was added on economic and social cohesion (Articles 130a-e).⁴⁵¹ Another new 118 Article (118b) placed emphasis on the idea of a social dialogue at EC level, as initiated in the Val Duchesse talks in 1985,⁴⁵² and the Commission was invited to promote dialogue between management and labour at the European level. This can thus be considered as an additional level of harmonization in the social policy field.

The idea for a European social space can be traced back to 1981 when Mitterrand was elected the French President. This idea which was supported by Jacques Delors gained strength with Delors' presidency of the Commission, and social policy field emerged as an important topic of European social agenda.⁴⁵³ In that regard, during the period of Delors Commission, the social problems of unemployment became the central issue of the Community and the dialogue between the employers and employees and the cooperation and solidarity in the social protection issue came to the fore. On this ground, the two sides of social partners gathered together via a series of meetings to discuss socio-economic problems, which was known as the abovementioned Val Duchesse talks.⁴⁵⁴ Although this initiative was not efficient concerning the outcomes of the meetings, it was significant in that the participants of the meetings, namely the European Trade Union Confederation, Union of Industrial and Employers' Confederation of Europe, European Centre of Enterprises with Public Participation, agreed to meet regularly and that Val Duchesse talks signifies the initiation of the process of the governance approach in which supranational as well as subnational actors intervene in the social policy-making process.

The attempt to develop the dialogue between management and labour at Community level was also one of the contributions enforced by the SEA. In addition, the SEA influenced the ESF indirectly. As pointed out by Leonard points out, the ESF, being at the center of the EC's social policy, had the purpose of improving employment

450 Collins, D. and Salais, R. (2004), "Social Policies", in El-Agraa, A. M. (ed.), *The European Union: Economics and Politics*, England: Pearson Education Limited, p. 423.

451 See OJ L 169, 29.6.1987, <http://europa.eu.int/abc/obj/treaties/en/entr14a.htm> (retrieved on May 4, 2007, from World Wide Web: URL)

452 Hantrais, L. (2000), *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 7.

453 Leonard, D. (1989), *A Pocket Guide to the European Community*, London: The Economist Publications.

454 Ibid.

opportunities for workers in the common market, increasing their standard of living and their geographical and occupational mobility within the Community.⁴⁵⁵ In 1983, it was decided that the Fund should have two priorities which were training and employment opportunities for young people by means of schemes prepared by several of the member states such as ‘Youth Training Scheme’, ‘Employment/Training Contacts’; and projects focused on ‘the most disadvantaged regions’. By means of the member states’ commitment in the SEA, the size of this small-scaled Fund was increased. Thus, by acquiring new missions and more money, the ESF has become an instrument, used to co-finance projects for young people looking for employment, for the long-term unemployed, for disadvantaged groups, and for promoting gender equality in the labour market, with the aim of improving people’s ‘employability’ through strategic long-term programmes, to upgrade and modernize workforce skills, and to foster entrepreneurial initiative.⁴⁵⁶

Underlying these legislative provisions provided considerable uncertainty among the member states. These took three broad lines. While some member states were in fear of losing their competitiveness under the EC standards imposed upon them, some were afraid of lowering their standards to meet competition from members with lower labour costs.⁴⁵⁷ In addition to these fears deriving from the northern vs. southern dichotomy of the member states, the others feared the import of goods, livestock and plants that would introduce new forms of disease.⁴⁵⁸ Thus, although the SEA seems not that satisfactory for the development of EU social policy concerning its legislative outcomes, under the abovementioned circumstances, the SEA is to be considered as a boost to the development of EU social policy as it not only began the process of widening the concept of social policy but also extended the social policy content, with the new initiatives to encourage language teaching, student exchanges and better vocational training and to establish health and safety norms.

455 Ibid.

456 Falkner, G. (2007). “The EU’s Social Dimension”, in Cini, M. (ed.), *European Union Politics*, Oxford: Oxford University Press, p. 279.

457 Collins, D. and Salais, R. (2004), “Social Policies”, in El-Agraa, A. M. (ed.), *The European Union: Economics and Politics*, England: Pearson Education Limited, p. 423.

458 Ibid.

2.2.4. The Social Charter: A Non-Binding Solemn Declaration of Political Intent

With the help of the success in the single market and the economic boom, the idea for an active social policy began to gain political support at the very end of the 1980s, together with the contribution of Delors who criticized ‘the one way to one class benefit’⁴⁵⁹ that the completion of the single market would provide by the end of 1992. In 1988, then, the European Council focused on the social dimension's relevance to the 1992 program, in order to make it beneficial for all the people in the Community. With Delors’ proposal of a charter of basic social rights, the positive opinion of ESC, and the determination of French government in favor of improving social policy during its 1989 Council presidency, the *Community Charter of the Fundamental Social Rights of Workers*, which was also known as the *Community Social Charter*, was prepared in 1989.⁴⁶⁰

In the social policy field, there were relatively few outcomes in terms of concrete measures at the Union level until the late 1980s. This can be explained partly by the wide diversity of national regulatory frameworks, and wage levels and partly by the large diversity in the productivity levels among different members of the Union.⁴⁶¹ Since the variety of welfare states among the member states makes common legislation on such matters as part-time employment, working time or minimum wages close to impossible, only vague principles and objectives or the lowest common denominator could be agreed upon in this period.

The Social Charter was adopted by all the member states except Britain on 9 December 1989. In addition to its being a keystone of the social dimension of the construction of Europe, and the preliminary step for the development of social policy at European level, the Social Charter included twelve categories of workers' basic social rights, namely the freedom of movement, employment and remuneration, improvement of living and working conditions, social protection, freedom of association and collective bargaining, vocational training, equal treatment of men and women, information, consultation, and participation for workers, health protection and safety at the workplace, protection of children and adolescents, protection of elderly persons, and protection of disabled

459 Hantrais, L. (2000). *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 6.

460 Ibid, p. 8.

461 Tsoukalis, L. (2005), *What Kind of Europe?*, Oxford: Oxford University Press, p. 119.

persons.⁴⁶²

The Community Social Charter was built upon the objective of improving the living and working conditions stated in the Treaty of Rome, and consolidated in the SEA, as the existing ones are found inadequate by the member states in providing for the needs of the successful creation of the Single European Market (SEM).⁴⁶³ Thus, the Social Charter both addressed the conditions necessary for the completion of the SEM and attempted to create the social guarantees that the Commission regarded as essential to maintain broad political support for these developments. However, the Social Charter was not a decisive step in social policy-making within the Community, since it did not have binding provisions. It was rather considered as ‘soft’ law that took the form of a solemn declaration, leaving decisions on implementation procedures to individual member states.⁴⁶⁴

Although the Social Charter is a non-binding solemn declaration of the political intent of the member states, it is still an important landmark in the evolution of EU social policy, since it served the purpose of focusing attention on a number of important issues concerning the social dimension of the SEM, or internal market, which came into operation on 1 January 1993. Moreover, although it lacked any direct legal means of enforcement, a provision was made in the Community Social Charter for an action programme.⁴⁶⁵ On this basis, an action programme was produced relating to the implementation of the Charter. *The SAP* stipulated forty-seven specific proposals for the implementation of the principles agreed to in the Charter, which relied heavily on the consultation process, mediated by advisory committees and social dialogue.⁴⁶⁶ On the whole, the importance of the Social Charter should not be underestimated, as both the Social Charter and its Action Programme identified the EC's social agenda during and beyond the single market program and displayed that the EC was determined to be active in the realm of social policy and provided an impetus for a more concerted and coherent approach to social affairs.

462 European Commission (1990), *Community Charter of Fundamental Social Rights for Workers*, Luxembourg: Commission of the European Communities.

463 Dearden, S. (1999), “Social Policy”, in Mcdonald, F. and Dearden, S. (eds.), *European Economic Integration*, England: Longman Pearson Education Limited, p. 192.

464 European Commission (1990), *Community Charter of Fundamental Social Rights for Workers*, Luxembourg: Commission of the European Communities.

465 *Ibid.*, p. 10.

466 Watson, P. (1991), “The Community Charter”, *Common Market Law Review*, 28, pp. 37-68.

Britain was the only member state of the EC that did not adopt the Social Charter, as has been briefly pointed out above. This can be regarded as a big discrepancy among the member states, especially between Britain and the rest of the member states of the Community. The reasons behind Britain's negative posture on the Social Charter are worth mentioning within the scope of this part of the chapter. According to Watson, Britain did not find it appropriate to be a party to the Charter because she had the strong opinion that most of the matters addressed by the Charter were not within the Community's competence, but they were matters for national level regulation by the member states.⁴⁶⁷ That is to say, Britain found the matters in the Charter to be specific to each nation of the Community. Since Britain was opposed to the supranationality of the Charter, and was in favour of maintaining a more flexible labour market, she did not adopt the Charter. In fact, due to Britain's strong belief in national sovereignty and her reluctance to share it with a supranational institution, Britain's skeptical view towards European integration was not surprising. In addition, Britain's political ideologies affected her posture on the Charter in that Britain's Conservative Party's being in power under the Prime Minister Margaret Thatcher was a determining factor in Britain's not adopting the Social Charter; the Party was against it on ideological grounds and implemented neo-liberal agenda.⁴⁶⁸

2.2.5. The Maastricht Treaty and the Social Protocol: A 'twin-track'⁴⁶⁹ Social Europe

The next step towards social harmonization was taken during the *Maastricht Treaty*⁴⁷⁰ negotiations with the attempt to include a Social Chapter in the Treaty. The fundamental aim of the Chapter can be taken to be the harmonization of employment and social protection legislation.⁴⁷¹ However, due to Britain's firm opposition to the Social Charter and a common social policy, the 1991 Intergovernmental Conference (IGC) did not give importance to the social chapter prepared on the basis of the Social Charter. After the rejection of the social chapter by the British Prime Minister, the social chapter was completely removed from the Treaty and instead, 'the Social Protocol' was attached to

467 Ibid.

468 Ibid.

469 Shaw, J. (1994), "Twin-Track Social Europe – the Inside Track", in O'Keefe, D. and Tworney, M. P. (eds), *Legal Issues of the Maastricht Treaty*, London: Chancery Law.

470 It is also known as 'Treaty on European Union' (TEU).

471 Rhodes, M. (1992), "The Future of the 'Social Dimension': Labour Market Regulation in Post-1992 Europe", *Journal of Common Market Studies*, 30(1), p. 31.

the Treaty.⁴⁷² *The Social Protocol* was signed by all twelve member states, and except Britain, all of them gained the right to proceed along the lines laid down in the Social Charter and to use the EU's institutions and decision making procedures for that purpose. However, Britain would not apply any legislation adopted by the Social Protocol, as she was not one of the parties of the Protocol.

The Social Protocol included the following matters⁴⁷³:

- *Revised policy objectives, such as the promotion of employment,*
- *An extension of qualified majority voting procedures to cover proposals on working conditions, consultation of workers, and equality between men and women with regard to labour market opportunities and treatment at work,*
- *Unanimous decision-making in areas such as social security, termination of employment, and third-country worker protection,*
- *A greater role in the formulation of social policy for the employers' and employees' representatives.*

Under the terms of this 'Social Agreement', the Commission is obliged to consult the 'social partners' on proposed legislation under the Social Chapter twice, first on the principle, then on the content of draft legislation. At either stage, the social partners may inform the Commission that they wish to initiate discussions to reach a collective agreement. This effectively stops the formal procedure for at least nine months. If a collective agreement is reached in that time, the partners can ask the Commission to present it to the Council of Ministers for formal approval, which is normally expected to be given, so that their agreement then becomes law. Thus, the Agreement delegates power to the Council of Ministers to adopt directives in order to provide the minimum standards in the social policy realm. Moreover, with the Agreement the method of decision making in social policy issues was changed and the use of QMV which was initiated with the SEA was extended. However, the areas where unanimity rule was used were specified in the Treaty as well as the areas in which the Community has no competence such as wages, the freedom of association and strike and lockout. The

472 See OJ C 191, 29.07.1992, http://europa.eu.int/eur-lex/en/treaties/dat/EU_treaty.html, (retrieved on May 4, 2007, from World Wide Web: URL).

473 European Union (1992), *Maastricht Treaty, Agreement on Social Policy Concluded between the Member States of the European Community with the Exception of the United Kingdom of Great Britain and Northern Ireland*, <http://europa.eu.int/en/record/mt/protocol.html>, (retrieved on June 1, 2007, from World Wide Web: URL).

provisions of the Agreement concerning the participation of the European social partners are significant in that these provisions became a part of the Community law after they were added to the Maastricht and the Amsterdam Treaties, establishing the institutionalization of European social dialogue and social partners.

The significance of the Social Protocol lies in its implications for European integration, which caused great concern in the early 1990s. Britain's being excluded from the Social Protocol revealed that there was a big discrepancy in the EU with regard to the social policy issue and that there was the danger of it's spilling over to other issues in the Union. Due to these concerns, no new social policy legislation was introduced and only *two directives* were enacted under the Social Protocol. The first one was on *European Works Councils (EWCs)*⁴⁷⁴, that is, mechanisms for worker information and consultation in large companies and the other one was the *collective agreement* on establishing a worker's right, regardless of gender, to unpaid parental leave or time off for other important family reasons.⁴⁷⁵ These directives indicated both the specific EU social policy and the isolation it experienced due to Britain's not applying them. The anomaly of the Social Protocol lasted until the Labour Party gained power in Britain in May 1997. The new government supported social policy's being brought into the Treaty. In this way, both British exceptionalism and differentiated integration regarding social policy ended. The Amsterdam Treaty incorporated the Social Protocol into the TEU, and made EU social policy united and coherent again.

In addition to the directives stated above, the two successive consultative documents, namely the *1993 Green Paper* and the *1994 White Paper*, indicated that the issue of a European social policy remained firmly on the agenda. The 1993 Green Paper⁴⁷⁶ on European social policy announced a wide-ranging review of social policy in the Union, the *acquis communautaire* and the areas in need of further action. The *1994 White Paper*⁴⁷⁷ on European social policy, went on to set the scene for European social policy up to the end of the decade by providing a comprehensive statement of policy directions and goals. It endorsed a more controlled approach to the development of social policy in

474 OJ L 254, 30/09/1994 pp. 0064 – 0072.

475 Ibid.

476 See COM (93) 551 Final, 17 November 1993, http://aei.pitt.edu/1229/01/social_policy_options_gp_COM_93_551.pdf, (retrieved on May 30, 2007, from World Wide Web: URL).

477 See COM (94) 333 Final, 27 July 1994, http://aei.pitt.edu/1118/01/social_policy_white_paper_COM_94_333_A.pdf, (retrieved on May 30, 2007, from World Wide Web: URL).

the period 1995 to 1999. Considering social policy as a key element of economic growth, it focused on themes such as job creation, labour mobility, equal opportunity, and the integration of social and economic policies.

With regard to the priority issue of the EU's agenda in the mid 1990s, that is, unemployment, the Commission focused on the social policy measures that were flexible and employment enhancing. In that regard, a *European Employment Strategy (EES)* began to take form with the *1994 Essen European Council*. The Council identified the struggle against unemployment as the paramount and long-term aim for the European Community and identified a number of specific objectives, which were investment in vocational training, increasing employment intensive growth, reducing non-wage labour costs, increasing active labour market policies and fighting long-term and youth unemployment.⁴⁷⁸ The result was that the employment dimension remained a matter of co-operation, lacking any legal base, systematized methodology, permanent structure, control process or even long term vision.⁴⁷⁹

The Social Action Programmes for 1995-2000 reflect the same stance towards social policy in the EU. Upon the White Paper offering a long-awaited framework for the management of change and for action until the end of the century, the Commission launched a medium-term *Social Action Programme for 1995-97*. It was based on the concept of social policy as ‘a productive factor facilitating change and progress, rather than a burden on the economy or an obstacle to growth’⁴⁸⁰, reflecting the Commission’s increasingly proactive approach. The report also stressed the importance of the dialogue between political (member states), social (employers and unions) and civil (NGOs) actors in enabling the successful implementation of the programme. The *1998-2000 Social Action Programme* maintained the social pressure for recognizing the importance of the social dimension in responding to the major social challenges the Union was facing at the turn of the century, such as the economic conditions created by EMU, the ageing of the workforce, and the prospect of enlargement.⁴⁸¹ Thus, the Programme took the idea that ‘economic and social progress go hand in hand’ as its starting point.

478 See *1994 Essen European Council*, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00300-1.EN4.htm, (retrieved on May 4, 2007, from World Wide Web: URL).

479 Jenson, J. and Pochet, P. (2002), “Employment and Social Policy Since Maastricht: Standing up to the European Monetary Union”, *Canada Research Chair in Citizenship and Governance*, Montreal University.

480 See COM (1995) 134 Final, http://aei.pitt.edu/5018/01/001218_1.pdf, (retrieved on June 2, 2007, from World Wide Web: URL).

481 See COM (1998) 259 Final, http://ec.europa.eu/employment_social/docs/sap_en.htm, (retrieved on June 2, 2007, from World Wide Web: URL).

2.2.6. The Amsterdam Treaty and the Employment Chapter: Re-Unifying EU Social Policy?

The ‘twin track’⁴⁸² social Europe continued for six years, until the signing of the Amsterdam Treaty in 1997. Persistent unemployment throughout the EU and a changed political environment in Britain, with a new Labour government committed to ending the previous government’s ‘opt-out’, altered the dynamics of the Treaty negotiations.⁴⁸³ This led to the signing of the *Amsterdam Treaty* in 1997, according to which member states’ governments agreed to a variety of Treaty reforms in the field of social and employment policy, leading reunification in EU social policy, that is, making all member states subject to common Treaty provisions. With the entry into force of the Treaty in 1999, the Agreement on social policy (SPA) was incorporated into the main body of the consolidated Treaty, leading to the creation of a new Social Chapter (within Title XI, Articles 136-45 TEC) and a new Title on Employment Policy (within Title VIII, Articles 125-130), which called for a ‘co-ordinated’ strategy for employment.⁴⁸⁴

The immediate legal effects of the new ‘Social Chapter’ can be found in Articles 136-45 in the amended EC Treaty of Amsterdam. On a more detailed examination of these Articles, Article 136 is significant in that it contains two important changes to the preamble of the SPA, namely the reference to the fundamental social rights and the increased attention of the member states on taking into account ‘the diversity of national and competitiveness’ while implementing measures in the social field.⁴⁸⁵ Thus, it can be inferred from these changes that the member states released themselves from the regulatory social agenda of the 1980s by emphasizing the diversity of member state welfare systems. Moreover, through reference in the social provisions to the term ‘fundamental social rights’, the ECJ as the constitutional guardian of the fundamental rights of Union citizens, attained the potential for development of this concept as part of the general principles of law. This will be a supplementary means of Treaty interpretation similar in effect to the foundation of the principles of non-discrimination and equality, under Article 119 EC.⁴⁸⁶ Considering Article 136 as the main social policy

482 Shaw, J. (1994), “Twin-Track Social Europe – the Inside Track”, in O’Keeffe, D. and Twomey, M. P. (eds), *Legal Issues of the Maastricht Treaty*, London: Chancery Law.

483 Carter, C. A. (2002), “Debates on Social Policy”, in Gower, J. (ed.), *The European Union Handbook*, London: Fitzroy Dearborn Publishers, p. 190.

484 See OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

485 Ibid.

486 Kenner, J. (2000), “the Paradox of the Social Dimension”, in Lynch, P., Neuwahl, N. and Rees, G. W. (eds.), *Reforming the European Union – from Maastricht to Amsterdam*, England: Pearson Education Limited, p. 119.

Article, it contains the social objectives as the promotion of employment, improved living and working conditions, proper social protection, and dialogue between management and labour, as well as the development of human resources with a view to lasting high employment, and the combating of exclusion.⁴⁸⁷

The following Article, Article 137 specifies the areas where the Community has competence. With the division of the Community directives into two spheres either subject to QMV or unanimity rule, Community competence is granted to support and complement member states' activities in areas such as social security, and the social protection of workers, subject to unanimity in the Council of Ministers.⁴⁸⁸ Areas such as pay, the right of association and the right to strike are excluded from the scope of action under the social provisions.⁴⁸⁹ Another important Article is Article 141 which particularly strengthens provisions related to equality between the sexes. In the first paragraph of the Article, the provision for sexual equality was added to the principle of equal pay, by defining the principle as 'equal pay for equal work or work of equal value'⁴⁹⁰. Moreover, the third paragraph of the Article outlines the sphere and the content of the related area, which provides for QMV and co-decision concerning the sex equality provisions and extending the content of the issue to encompass matters such as sexual harassment at the workplace.⁴⁹¹ Developments in the equalities field are not narrowly confined to sex equality in the social provisions, but it may be furthered by the insertion of a new Article 13 forming part of the general principles of the Community. This Article, building on the well-established principle of non-discrimination on the grounds of nationality, have not only widened the legal competence of the member states to act against discrimination, but also defines the scope of what the Community means by non-discrimination, as part of an established general principle of law.⁴⁹²

487 See OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

488 Carter, C. A. (2002), "Debates on Social Policy", in Gower, J. (ed.), *The European Union Handbook*, London: Fitzroy Dearborn Publishers, p. 190.

489 See Article 137 (6) in OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

490 See OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

491 Ibid.

492 Kenner, J. (2000), "the Paradox of the Social Dimension", in Lynch, P., Neuwahl, N. and Rees, G. W. (eds.), *Reforming the European Union – from Maastricht to Amsterdam*, England: Pearson Education Limited, p. 119.

The new Title on Employment (Title VIII) under Articles 125-130 was in fact the result of a political process initiated with the 1994 Essen Summit, the conclusions of which prioritize job creation.⁴⁹³ It was launched at the 1996 Florence European Council, and resulted in a ‘Confidence Pact’⁴⁹⁴ for employment. The political process behind the creation of the Employment Title was given ‘effect’ by the political decisions taken at the ‘Jobs Summit’ held in Luxembourg in November 1997. At this Summit, a strategy was agreed on that became the model for what the later 2000 Lisbon European Council was to entitle the Open Method of Coordination (OMC). The Luxembourg process involves agreement on a common set of European targets, with member states drawing up National Action Plans (NAPs) for Employment. The NAPs are then submitted to the Commission and Council for scrutiny and recommendations may be made. Although no member state is obliged to adopt a particular approach to achieving its objectives, the emphasis on emulating best practice has led to a focus on labour markets freeing from restrictions and providing training for the unemployed, an emphasis more in line with the Anglo-Saxon model of capitalism than with the various continental models that have traditionally focused more on protecting the rights of those in work.

Originating from this ground of political process, at the core of the Employment Title, there appears a renewed commitment to the elusive objective of a coordinated employment strategy among the member states which is necessary for the consistency of employment and labour market policies with the broad economic guidelines adopted by the Community.⁴⁹⁵ In addition, the necessary institutional structure for the coordination and formulation of opinions about the issue in question was created under Article 130. According to this Article, the Council has been empowered to set up an *Employment Committee*, with advisory status, to monitor the employment situation and formulate opinions, in consultation with management and labour.⁴⁹⁶ Despite the vagueness of the overall employment target, the existence of the Employment Title, the Employment Guidelines and the Employment Committee should serve to enhance the status of the Community’s employment and social policies.

493 See 1994 *Essen European Council*, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00300-1.EN4.htm, (retrieved on May 4, 2007, from World Wide Web: URL).

494 See 1996 *Florence European Council*, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/032a0002.htm (retrieved on December 9, 2008, from World Wide Web: URL)

495 See Article 126 (1) and (2) in OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

496 See OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

Other reforms enshrined in the Treaty are the Title IX on social policy, education, vocational training and youth, which endorses the member states' commitment to the development of the social dimension as an important component of the process of European integration,⁴⁹⁷ and the Title XIII introducing Article 152 on public health, and the Title IV covering visas, asylum, immigration and other policies related to the free movement of persons across the Union's external borders. In that respect, on the whole, there has been a shift in the direction of EU social policy to depend more on discussion and conciliation rather than on legal instruments to protect and strengthen workers' rights. That is to say, through the Amsterdam Treaty, a flexible and loose path was pursued reflecting the decrease in the power of EU social policy. Thus, there is progressive but cautious evolution of how the Union extended its intervention in social affairs.

Taking into account all the above mentioned aspects of the Amsterdam Treaty, it can be concluded that the most significant innovation in the social field is the incorporation of the SPA into the main body of the Treaty which ended the 'two-track' social Europe and reunified EU social policy, the provisions of which were subject to all member states. Under the social provisions of the Amsterdam Treaty, since the establishment of the Communities, the Community for the first time gained a broad competence in the field of social policy and labour law by means of the social dialogue, and the involvement of the Council of Ministers and the European Parliament.⁴⁹⁸

2.2.7. The Nice Treaty: Broad Responsibility of the EU in the Social Field?

The developments from the Nice Treaty up to the recent Lisbon Treaty constitute the last landmark in the evolution of EU social policy from a historical perspective. With the time of the *Treaty of Nice*, the EU had acquired a broad responsibility in the social field in that the Treaty amended the EC Treaty's Chapter on social policy, allowing for the possibility of QMV on proposals in areas of employment and industrial relations which had previously required unanimity.⁴⁹⁹ Although the Treaty specified the areas where QMV is possible were specified, it is important to note that no license was given to any harmonization of social security systems. The Nice provisions explicitly state

497 Hantrais, L. (2000), *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 15.

498 European Trade Union Institute (ETUI) (2001), *Manifesto Social Europe*, Ed. Ulrich Mückenberger. Brussels, p. 2.

499 See OJ C80/01, 10.03.2001, http://europa.eu.int/eur-lex/en/treaties/dat/nice_treaty_en.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

that the Council may adopt measures to encourage cooperation between the member states in the above areas ‘excluding any harmonization of the laws and regulations of the member states’⁵⁰⁰. Then, the central core of the Community policy became issues related to employment, industrial health, and the social costs of industry, labour mobility and the role of social spending in social affairs. Moreover, although it was agreed by the member states that social problems need a common response, they are always sensitive to the transfer of their competences to the European level. In that regard, the development of a common response at the EU level is limited to exchanges of information and best practice, promotion of innovative approaches, and adoption of directives that set minimum requirements for gradual implementation but ‘shall not affect the right of the member states to define the fundamental principles of their social security systems and must not significantly affect the financial equilibrium thereof’⁵⁰¹.

The European Council meeting in Nice also approved the *Social Policy Agenda 2000-2005* which had been adopted by the Commission in June 2000. The European social agenda which applies the Luxembourg process to social policy is based on the central aim of the renewal and improvement of the ‘European social model’. In accordance with the Luxembourg process, the social agenda provided the main framework for action until 2005, including ‘the promotion of social inclusion on the basis of the Commission’s aims of eradicating poverty and exclusion, and promoting the integration and participation of everybody in economic and social life’⁵⁰².

The Commission’s new social policy agenda was designed to confront the social challenges arising from the transformation of Europe’s economy, as well as creating more and better jobs. In that respect, the Social Policy Agenda can be regarded as a response to the Lisbon goals in that following the call at *Lisbon European Council*, for the modernization of the European social model, the agenda is designed to give practical effect to the social policy provisions of the Amsterdam Treaty and to implement the reform agenda agreed in March 2000.⁵⁰³ Thus, based on the new objective for Europe to

500 See new Article 137 (1) in OJ C80/01, 10.03.2001, http://europa.eu.int/eur-lex/en/treaties/dat/nice_treaty_en.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

501 See new Article 137 (4) in OJ C80/01, 10.03.2001, http://europa.eu.int/eur-lex/en/treaties/dat/nice_treaty_en.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

502 See COM (2000) 379 Final, http://ec.europa.eu/employment_social/social_policy_agenda/com379_en.pdf(retrieved on June 2, 2007, from World Wide Web: URL).

503 Kassim, H. (2002), “Internal Policy Developments”, in Edwards G. and Wiessala G. (eds.), *The European Union: Annual Review in the EU 2001/2002*, *Journal of Common Market Studies*, 40, UK: Blackwell Publishing Ltd., p. 63.

become ‘the most competitive and dynamic knowledge-based economy in the world capable of sustained economic growth with more and better jobs and greater social cohesion’⁵⁰⁴, a comprehensive programme of social protection was outlined. The responsibility for implementing the agenda is shared between the Commission, the Council, the social partners and the member states.⁵⁰⁵ In this way, emphasis was placed on the dual role of social policy as a productive factor, and a means to protect individuals, reduce inequalities, and enhance social cohesion.⁵⁰⁶

Concerning the considerable scope for policy development in the implementation of the Agenda, three distinctive features of the Luxembourg process as it is applied to social policy come to the fore. The first one is the emphasis on the developmental dimension of policy coordination and implementation.⁵⁰⁷ In other words, in the implementation of the agenda, not only the combination of the action of Community institutions and the intergovernmental action of the member states are involved in the process but also member states’ contribution at national level and the contribution of the various other actors to the process are improved. According to the Agenda, this coordination is done through means such as benchmarks, peer review and exchange of ‘best practice’.⁵⁰⁸ Outputs are in the form of ‘soft law’; compliance is based on the self-interests of the member states. Along with the OMC, other methods for implementation are noted in the Agenda such as legislation, social dialogue, the structural funds, the support programmes, the integrated policy approach, analysis, and research.⁵⁰⁹ Thus, the Agenda endorses a mixture of political and legal incentives for complying with recommendations and benchmarks.

In the second place, involving multiple actors in the implementation of the strategy is the second distinctive feature of the process. In that respect, the Agenda lists the actors involved in the process as Community institutions, the member states, local and regional authorities, the social partners, civil society, and business. This reveals the participatory

504 See 2000 *Lisbon European Council*, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm, (retrieved on May 4, 2007, from World Wide Web: URL).

505 *Ibid.*

506 Kassim, H. (2001), “Internal Policy Developments”, in Edwards G. and Wiessala G. (eds.), *The European Union: Annual Review in the EU 2000/2001*, *Journal of Common Market Studies*, 39, UK: Blackwell Publishing Ltd., p. 62.

507 Carter, C. A. (2002), “Debates on Social Policy”, in Gower, J. (ed.), *The European Union Handbook*, London: Fitzroy Dearborn Publishers.

508 See COM (2000) 379 Final, http://ec.europa.eu/employment_social/social_policy_agenda/com379_en.pdf (retrieved on June 2, 2007, from World Wide Web: URL).

509 *Ibid.*

and integrated approach which was adopted in the Agenda for policy development, as the third distinctive feature of the process⁵¹⁰ By means of the ‘integrated approach’, ‘soft law’ is meant against substantive EC law in the field of social policy.

Through the emphasis on the integrated policy coordination and the involvement of multiple actors in the implementation process, it is clear that the Agenda was intended to give birth to an improved form of governance. In that regard, the Commission was given a dynamic and interactive role that would enable it to have a regular exchange of views with representatives of nongovernmental organizations and the social partners and promote active partnership and dialogue between all the partners involved in the Agenda for the success of an integrated and coordinated approach.⁵¹¹ In addition to the pioneering role given to the Commission, the Agenda, reflecting the member states interests, views national governments as key players and expressly instructs the Council of Ministers to implement the Agenda by means of the establishment of a new institution at ministerial level, the Social Protection Committee.⁵¹² This new institution-building took place to enable the Council to fulfill this function, and has been given a legal basis in the Nice Treaty amendments.

In addition, at the Nice European Council, the member states unanimously adopted the *EU Charter of Fundamental Rights*. Two directives aimed at providing a minimum level of protection against discrimination were included in this Charter.⁵¹³ Although its legal status was limited to a political declaration, it has now been integrated as Part II of the Treaty Establishing a Constitution for Europe. If the Constitutional Treaty is ratified by the Member States, the Charter will acquire a legally binding status.

With the endorsement of a joint report at the *2001 Laeken European Council* in which the role of social partners were repositioned in the light of the challenges posed by the debate on Europe’s future and governance, the future of the enlargement of the European Union, and the completion of economic and monetary union, the dual role of social policy, as a productive factor and a key instrument to reduce inequalities and

510 Ibid.

511 See Point 3.2. of the *Social Policy Agenda* (COM (2000) 379 Final, http://ec.europa.eu/employment_social/social_policy_agenda/com379_en.pdf (retrieved on June 2, 2007, from World Wide Web: URL) and COM(2000)368 Final, Art. 5

512 See COM (2000) 379 Final, http://ec.europa.eu/employment_social/social_policy_agenda/com379_en.pdf (retrieved on June 2, 2007, from World Wide Web: URL).

513 See OJ C 364/01, 18.12.2000, http://www.europarl.eu.int/charter/pdf/text_en.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

promote social inclusion was emphasized.⁵¹⁴ In financial terms, *Agenda 2000* saw the ESF become the main financial instrument for supporting the adaptation and modernization of policies and systems of education, training and employment.⁵¹⁵ Within the social dialogue, the social partners signed a framework agreement in March on fixed-term work, which the Council agreed in June to implement. In this way, action in the social field as part of the pre-accession strategy continued.⁵¹⁶

In parallel with the recent development in the evolution of EU social policy, it should be mentioned lastly that the *Draft Treaty Establishing a Constitution for Europe*, which failed to be ratified both in France and the Netherlands in 2005, did not suggest any major changes in the social policy realm. Social policy provision for migrant workers was the only new issue area to fall within QMV.⁵¹⁷ It mainly confirms the EU competences regarding social policies, which were laid down in the previous Treaties, the Treaty of Nice being the last one. Although this situation caused great disappointment on the side of the European Trade Union Confederation, the fact that the insertion of the Charter for Fundamental Rights of the Union into the Treaty would give it, legal status makes it an important landmark in EU social policy.⁵¹⁸ Its incorporation would result in delivering a legally binding catalogue of fundamental rights within the EU.

The failure in the Draft Constitutional Treaty lies in the contradiction that although the Treaty contains ambitious social goals, as contained in Articles III-209 and III-213, with a number of competences for the EU itself as well as for the social partners, it does not contain sufficient legal measures.⁵¹⁹ The task given to the Commission is to encourage cooperation between the member states and facilitate the coordination of their action in all social policy fields particularly in matters relating to employment, labour law and working conditions, basic and advanced vocational training, social security, prevention of occupational accidents and diseases, occupational hygiene, the right of association

514 See 2001 *Laeken European Council*, Presidency Conclusions, http://ec.europa.eu/governance/impact/docs/key_docs/laeken_concl_en.pdf, (retrieved on June 2, 2007, from World Wide Web: URL).

515 European Commission (1997), *Agenda 2000: For a Stronger and Wider Union*, *Bulletin of the European Union*. Luxembourg: Office for Official Publications of the European Communities.

516 Kassim, H. (2000), "Internal Policy Developments", in Edwards G. and Wiessala G. (eds.), *The European Union: Annual Review in the EU 1999/2000*, *Journal of Common Market Studies*, 38, UK: Blackwell Publishing Ltd., p. 73.

517 See OJ C310 (47), 16.11.2004, <http://europa.eu.int/eur-lex/lex/JOhtml.do?uri=OJ:C:2004:310:SOM:EN:HTML>, (retrieved on May 4, 2007, from World Wide Web: URL).

518 Uçkan, B. (2005), "Avrupa Anayasası'nın Genel Çerçevesi ve Sosyal Politikalara İlişkin Temel Düzenlemeleri", *Çalışma ve Toplum Dergisi*, 3.

519 Blanpain, R., Colucci, M. and Sica, S. (eds.) (2006), *The European Social Model*, Antwerpen and Oxford: Intersentia, p. 5.

and collective bargaining between employers, and workers. The implementation of European collective agreements is to be carried out by way of a Council decision (Article III-212(3)). In addition, the Union shall support and complement member state activities (Article III-210). In that regard, these measures are designed to encourage cooperation between the member states by means of European laws and framework laws, aimed at improving knowledge, developing exchange of information and best practices, promoting innovative approaches and evaluating experiences, excluding any harmonization of the laws and regulations of the member states (Article III-210 (2a)). In general, European framework laws may establish minimum requirements for the gradual implementation of EU social policy. Then, European laws or framework laws shall be adopted by QMV after consultation with the Committee of the Regions and the Economic and Social Committee. Regarding the coordinated employment strategy, it is the member states, which have the primary competence as regards employment policy. The role of the EU is merely supplementary and coordinating. According to the section on Employment (Article III-205), the member states must coordinate their employment strategies at European level. Thus, the member states and the Community shall work towards developing a coordinated strategy on employment.

2.2.8. The Lisbon Treaty: Adjustments and Innovations

The Lisbon Treaty was signed on 13 December 2007. The treaty will not apply until and unless it is ratified by each of the EU's 27 members. The adjustments that have been initiated with the Treaty should be approved one day before the ratification in Strasbourg. One of these innovations is the European Union Charter of Fundamental Rights which has been approved by the member states except the United Kingdom and Poland. The Charter became binding for these member states, which approved it.

Concerning this very recent development of the *Lisbon Treaty*, there are very slight differences in the field of social policy when it is compared with the abovementioned Draft Constitutional Treaty. While the slight differences between the Draft Constitutional Treaty and the Lisbon Treaty lies in changes in some titles and numbering of the Articles, the insertion of Article 136a reveals the significance attached to the European social dialogue in that “the Union recognizes and promotes the role of the social partners at its level, taking into account the diversity of national systems. It

shall facilitate dialogue between the social partners, respecting their autonomy”⁵²⁰. Moreover, Article 137 of the Treaty shall be amended providing greater involvement of the European Parliament in the EU social policy-making procedure.⁵²¹ Other than these, the main line of the Draft Constitutional Treaty has been kept intact in the recent Lisbon Treaty which is in the process of ratification by the member states. The ratification of the Lisbon Treaty is still in progress. Until now, while *twenty-three member states*⁵²² have so far approved and ratified the Treaty, in *three member states*⁵²³ the ratification is still in progress, as the parliaments’ of these member states approved the Treaty, but the ratification instrument has not yet been signed.⁵²⁴ Ireland has voted against the Treaty.

The Lisbon Treaty might be characterized as the way towards the EU social policy via the introduction of the Charter of Fundamental Rights as primary law. Moreover, the Treaty aims to create a more democratic and transparent Europe, by giving a stronger role to the European Parliament and national parliaments as well as more opportunities for citizens’ participation.⁵²⁵ In that framework, the concept of *subsidiarity* has gained importance in the sense that national parliaments will have greater opportunities to be involved in the work of the EU. In other words, the Union will only act where results can be better attained at EU level. Together with the strengthened role for the European Parliament, it will enhance democracy and increase legitimacy in the functioning of the Union.

Furthermore, the Treaty proposed a more efficient Europe, with simplified working methods and voting rules, streamlined and modern institutions for a EU of 27 members and an improved ability to act in areas of major priority for today's Union.⁵²⁶ In light of these targets, the Union aims to provide more effective and efficient decision-making mechanisms such as the extension of qualified majority voting in the Council. A more stable and streamlined institutional framework was another focus of the Treaty which creates a longer term position of the President of the European Council elected for two

520 See OJ C 306, Vol. 50, 17.12. 2007, <http://eur-lex.europa.eu/JOhtml.do?uri=OJ:C:2007:306:SOM:EN:HTML>, (retrieved on June 20, 2008, from World Wide Web: URL)

521 Ibid.

522 Countries where the Treaty has been approved and ratified are the United Kingdom, Sweden, Finland, Denmark, Belgium, the Netherlands, Luxembourg, Estonia, Latvia, Lithuania, Hungary, Slovenia, Slovakia, Austria, Italy, France, Spain, Portugal, Greece, Bulgaria, Romania, Malta, Cyprus,

523 Countries where the Treaty has been approved but the ratification instrument has not yet been signed are Poland, Czech Republic and Germany.

524 See http://europa.eu/lisbon_treaty/countries/index_en.htm (retrieved on June 17, 2009, from World Wide Web: URL).

525 Ibid.

526 Ibid.

and a half years. It also introduces a direct link between the election of the Commission President and the results of the European elections. Moreover, the Treaty provides for new arrangements for the future composition of the European Parliament and for a smaller Commission, and includes clearer rules on enhanced cooperation and financial provisions.⁵²⁷

As regards social policy, the idea of ‘improving the life of Europeans’ was initiated with the Treaty with the aim of improving the EU's ability to act in several policy areas of major priority for European citizens.⁵²⁸ This is the case in particular for the policy areas of freedom, security and justice, such as combating terrorism or tackling crime. It also concerns to some extent other areas including energy policy, public health, civil protection and climate change, services of general interest, research, space, territorial cohesion, commercial policy, humanitarian aid, sport, tourism and administrative cooperation.

In addition, the Treaty of Lisbon guarantees the enforcement of the Charter of Fundamental Rights in the areas of European rights and values, freedom, solidarity and security. Promoting the Union's values, it was introduced with the aim of providing for new solidarity mechanisms and ensuring better protection of European citizens. The EU therefore acquires for itself a catalogue of civil, political, economic and social rights, which will be legally binding not only on the Union and its institutions, but also on the Member States as regards the implementation of Union law. The Charter lists all the fundamental rights under six major headings, which are dignity, freedom, equality, solidarity, citizenship and justice. It also proclaims additional rights not contained in the European Human Rights Convention, such as data protection, bioethics and the right to good administration. It reaffirms important steps to outlaw discrimination on the grounds of gender, race and colour. It also mentions social rights applied within companies, e.g. workers’ rights to be informed, to negotiate and take collective action – in other words, the right to strike.

⁵²⁷ Ibid.

⁵²⁸ Ibid.

Furthermore, in light of the adjustments in social policy, public services of general economic interest have been targeted in the Treaty which recognizes the role of public services in social and regional cohesion such as transport, schooling, and health care.⁵²⁹ A special protocol is attached to the Treaty, which sets out the key ways to make services of general interest effective and relevant. Also, with the Treaty, the concepts of human dignity, freedom, democracy, equality, the rule of law and the respect for human rights are revisited as the core values of the EU. The Treaty aimed to enhance these values including the promotion of social justice and protection, and the fight against social exclusion and discrimination, as well as peace and the well-being of the EU citizens. Last but not least, the Treaty of Lisbon introduces a new right, which will enable European citizens to have their say on European matters such as a the right to write a petition with at least one million signatures obtained from a number of Member States to be sent to the Commission.

As a result of these developments, the Treaty is a response to the constantly changing and interconnected world in which globalization, demographic shifts, climate change, the need for sustainable energy sources and new security threats are becoming vital and challenging for the EU. Given the enlarging borders of the EU, the Treaty provides an institutional guard against all political, economic and social changes in the world by taking into consideration the social and political needs and expectations of the European public.

2.2.9. Latest Developments: 2008 Renewed Social Agenda

Due to external reasons such as technological advances and globalization as well as the ageing population of the European societies, new family configurations and working patterns have developed in the EU. Despite the fact that European citizens face unprecedented opportunities and improved living conditions with the initiation of the Lisbon strategy that introduced a roadmap strategy for growth and jobs, greater market integration and macroeconomic stability, the rate of inactive or unemployed population in the EU has increased.⁵³⁰ Therefore, EU institutions have maintained their positions to strengthen social policies to keep pace with changing conditions by acting as be flexible

⁵²⁹ Ibid.

⁵³⁰ See COM (2008) 412 final, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0412:FIN:EN:PDF> (retrieved on January 2, 2009, from World Wide Web: URL).

and responsive to citizen's expectations.

However, although the involvement of all levels of EU governance are required to overcome this challenge, the EU's powers and responsibilities in the social field are limited with the reason that actions in the social field are enacted as primarily the responsibility of the member states themselves.⁵³¹ In other words, the EU aims to work in partnership with the member states and stakeholders and foster cooperation to manage socio-economic and technological changes driven by globalization. Given the shared values, common rules and solidarity mechanisms that are the basis of European social policy, the EU fosters cooperation among actors to respond to emerging possible social challenges by pursuing a renewed social agenda. The focus needs to be on empowering and enabling individuals to realize their potential while at the same time helping those who are unable to do so.

This agenda cannot be confined to traditional social domains; it must be cross-cutting and multi-dimensional, covering a wide range of areas from labour market policies to education, health, immigration and intercultural dialogue. Therefore, this renewed social agenda is coherent with and reinforces the Lisbon Strategy for Growth and Jobs. The renewed social agenda is constructed around opportunities, access and solidarity such as creating more and better jobs; increasing welfare by removing barriers to the labor market; facilitating mobility, fighting discrimination, fostering gender equality, supporting families and tackling new forms of social exclusion.

The renewed social agenda takes into account the results of the broad consultation that was launched by the Commission in 2007 to prepare the EU for the changing 'social reality'. It set out a series of concrete measures in the priority areas identified in the European Commission's recent Communication.⁵³² In this renewed Agenda, the fundamental social objectives of Europe have been maintained namely to protect a strong commitment to harmonious, cohesive and inclusive societies respecting fundamental rights in healthy social market economies. This is also spelt out in the

531 Ibid.

532 See COM (2007) 726 final , 20.11.2007, http://eur-lex.europa.eu/LexUriServ/site/en/com/2007/com2007_0726en01.pdf (retrieved on January 2, 2009, from World Wide Web: URL)

objectives of the Union and the Charter of Fundamental Rights of the EU.

However, the EU aims to review the means of the objective. In the 1980 and 1990s, the focus was on employment protection and the need to secure consensus between the social partners in order to facilitate industrial change. However, today, a much wider social agenda that allows Europe to take full advantage of the opportunities brought about by globalization, to help citizens adapt to changing realities and to show solidarity with those who are affected negatively is needed.

On this ground, the renewed social agenda is based on three interrelated goals of equal importance: creating opportunities (generating more and better jobs and facilitating mobility), providing access (improving access for the most disadvantaged), and demonstrating solidarity (action to help those who are disadvantaged, fostering social inclusion and integration, participation and dialogue and combating poverty).

As regards social policy, with the renewed Social Agenda, social dialogue at European level has become essential to facilitate change. The Directive on the European Works Councils provides a platform for dialogue between employers and workers and could be further improved. As part of this package, the Commission has initiated a directive to improve the functioning of EWC to ensure effective social dialogue on restructuring operations. The renewed Social Agenda is also accompanied by staff working documents, one encouraging and supporting the social partners to step up their efforts to anticipate and manage structural change and another highlighting the importance of company-based trans-national agreements. Furthermore, for combating poverty and social exclusion as well as promoting gender equality, the EU is helping to coordinate efforts to promote active inclusion, including labour market integration, work pay and life-long learning, particularly for those who are furthest from the labour market, as part of the fight against poverty.

The Commission also reaffirms its commitment to promote the internationally-agreed agenda for decent work, through cooperation with the ILO and other partners, and through the mobilization of all relevant EU policies. The Commission aims to continue promoting Corporate Social Responsibility in cooperation with all relevant stakeholders. The renewed social agenda also proposes the promotion of opportunities, access and

solidarity with instruments such as the social reality stocktaking, the European social dialogue, the open method of coordination, EU funding and partnership, the dialogue and communication.⁵³³

The Social Reality Stocktaking has confirmed that citizens and stakeholders expect the EU to bring added value to social development, while remaining mindful of subsidiarity, proportionality and diversity. The instruments for this initiation are mainly legislation, social dialogue, the Open Method of Coordination, EU funding, and the involvement of civil society.

The European social dialogue is one of the cornerstones of the European social model and has an essential role in EU policy-making. The right of the social partners, enshrined in the EC Treaty, to be consulted prior to any employment or social affairs initiative from the Commission, to negotiate between themselves on issues submitted by the Commission or to conclude autonomous agreements on their own initiative, has had many positive results, e.g. their agreements on parental leave, on violence and stress at work, on telework and on the ILO Convention on seafarers. Moreover, the Commission calls upon the social partners to make full use of the possibilities offered by the European social dialogue. With their knowledge and experience they are best placed to identify changing social realities and have a specific role to play in providing responses.

The OMC is the key to the EU social agenda, having helped the member states to develop a shared vision of social challenges, fostered a willingness to cooperate and learn from each other's practices, created a new dynamism in furthering and implementing reforms, and promoted more knowledge-based policy-making, geared towards openness, transparency and participation. The first EES, launched in 1997, has contributed to the creation of more and better jobs and thus improved well-being. The effect of the OMC on Social Protection and Social Inclusion (henceforth the "social OMC") in areas beyond direct Community competence (e.g. pensions, family and disability benefits, health care and long-term care) show that this process is an essential complement to EU legislation.⁵³⁴ It attempts to illustrate how voluntary cooperation

⁵³³ See COM (2008) 412 final, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0412:FIN:EN:PDF> (retrieved on January 2, 2009, from World Wide Web: URL).

⁵³⁴ Goetschy, J. (1999), "The European Employment Strategy: Genesis and Development", *European Journal of Industrial Relations*, 5 (2), p. 117-37.

among member states supported by the EU can give practical effect to the principle of subsidiarity in their joint efforts to combat poverty and exclusion, and to secure modern, sustainable and equitable welfare systems.

EU Funding, including the cohesion policy and the Structural Funds, makes a vital contribution to the promotion of opportunities, and to the right of access and solidarity by strengthening both competitiveness and social cohesion. The European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) also contribute to the EU's social agenda by ensuring an affordable supply of good quality food, improving the competitiveness of the agricultural, forestry and food-processing sectors and the quality of employment within them, enhancing the quality of life in rural areas and improving employment opportunities in rural areas as a whole. Similarly, the 2007-2013 Programme on employment and social solidarity helps to apply EU law, creating a shared understanding of the EU objectives and priorities, and strengthening partnerships with key EU and national stakeholders.

In light of these initiatives of the social agenda and strategies, it is necessary to articulate new social realities in order to provide new responses to the rapid changes and challenges of globalization, technological advances and demographic developments. The demography of the EU has changed during the European integration process in that on the one hand, the Union has achieved to increase life expectancy; but, on the other, once it was combined with declining fertility, the ageing of Europe's population, there has emerged the need to change the way people live, work and prepare for retirement.⁵³⁵ In that regard, this societal change derived from demographic change need to be tackled with Demographic change which is driving societal change needs to be tackled with innovative policy responses. Thus, this renewed social agenda provides an integrated policy response, complementing the Lisbon Strategy and demonstrating a commitment to delivering results for citizens.

⁵³⁵ See COM (2008) 412 final, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0412:FIN:EN:PDF> (retrieved on January 2, 2009, from World Wide Web: URL).

2.3. ANALYSIS OF THE EU SOCIAL POLICY WITH REFERENCE TO GOVERNANCE IN THE EU

The analysis part of this chapter intends to provide a conceptual examination of EU social policy with reference to EU governance and specific modes of governance in the formation of EU social policy, and the actors involved in this process. Therefore, this analysis section includes the principles of social policy and their relations to the EU governance structure, the institutional composition of the process of policy making in terms of the relationships between and within actors involved in the process. In addition, the means, methods and outcomes have been examined within a critical perspective.

The analysis of EU social policy and its evolution over time within the governance approach provides a rich insight in relation to the EU policy making structure, and the actors that constitute this structure. Hence, the analysis part is structured as follows: firstly, the analysis looks at the evolution of EU social policy from the Treaty of Rome to the recent developments; secondly, this section provides a discussion on the EU governance approach in accordance with its principles, which the social policy is in harmony with.

As regards the evolution and development of EU social policy, one might say that the configuration and characteristics of the policy formation is very much related to the nature of the EU governance. In principle, the EU governance is composed of a multi-layered system including multiple actors involved in the process of policy-making. Therefore, the participation of these actors in this process creates new areas of politics in which actors pursue their own self-interests and constitute new policy mechanisms in the multi-layered framework.

In that regard, one might say that the position of the member states in the formation of social policy is dominant. This is a finding in line with EU governance in the sense that in the governance approach similar importance has been given to member states, as well. The heterogeneity and diversity among and between member states became a barrier in this process. Hence, the decision-making structure has been organized in a non-hierarchical way based on the coordination of national positions, guidelines,

voluntary and indirect convergence rather than regulatory hard law. In other words, the institutional framework is structured on the basis of soft law with mechanisms of OMC, network interactions, and benchmarking.

In this framework, the long and progressive evolution of EU social policy outlined above is analyzed in this part of the chapter with reference to governance in the EU. The theoretical background reveals the implications of the governance approach in the EU regarding EU social policy from a regulatory, hierarchical mode of governance towards a more cooperative mode of governance including a wide network of actors operating at multi levels regarding social policy-making of the EU.

At the very beginning of the European integration process, based on the primary rationale of economic integration and the developments at the national level such as economic modernization, expansion of the welfare state, and proactive Keynesian politics, the Treaty of Rome covered vague and limited social provisions in that the only legal basis for social policy was Article 118a (1) of the Treaty, providing “Member states shall pay particular attention to encouraging improvements, especially in the working environment, as regards health and safety of workers”⁵³⁶. Thus, focusing mainly on the objective of a common market in labour, the legal competences which the Treaty of Rome granted to the EEC’s institutions instructed them to propose the harmonization of standards. There is no doubt that the institutional structures of the EU have undergone further modifications in later Treaties. However, the Treaty of Rome granted the institutions of the EEC a relatively narrow set of legal social competences to achieve these objectives.⁵³⁷

Since the EEC Treaty did not require a social programme, and the Community did not have the powers of intervention, its responsibility was set to promoting co-operation between member states. In that respect, action had to be justified on political rather than legal grounds.⁵³⁸ Then, in this very first phase of the European integration process, only the limited areas of the free movement of workers, equal pay for men and women, common security of migrant workers, and the establishment of the European Social

536 See Commission of the European Communities (1978), *Treaty of Rome, Treaties Establishing the European Communities*. Luxembourg: Office for Official Publications of the European Communities.

537 Streek, W. (1994), “European Social Policy After Maastricht: The ‘Social Dialogue’ and ‘Subsidiarity’”, *Economic and Industrial Democracy*, 15, p.157.

538 Hantrais, L. (2000), *Social Policy and the European Union*, London: Macmillan Press Ltd., p. 4.

Fund came to the fore for the harmonization of social policy based on political ambitions for market driven social policy convergence.⁵³⁹

Upon this legally very insufficient initiation of EU social policy with the Treaty of Rome, the limited field of the social policy continued during the 1970s, as at that time the development of a legislative programme of EU directives aimed at harmonizing labor standards in the member states depended on unanimity in the Council of Ministers in the adoption of the Commission proposals. In this period, the developments at national level such as stagflation, polarization, and social conflict prepared the ground for the harmonization of the social policy areas such as protection of workers' rights, equal treatment of men and women, protection and safety at work.⁵⁴⁰ However, these ambitions for harmonization achieved only limited results and became part of the symptoms of 'euro sclerosis' of the EC during the 1970s, ending the period with disappointment in terms of progress in EU social policy.

In relation to social policy, one of the important developments was the launch of Social Policy Agreement. In fact, the social policy provisions retained from the Social Policy Agreement are institutional rather than substantive in nature. For example, subsidiarity, which is one of the key principles of Community governance, is applied through the granting of consultation and negotiation rights to management and labour, the 'social partners', which is a longstanding objective of the Commission. This process can be traced via initiatives such as the Social Action Programme (1974), the Val Duchesse dialogue, and the provisions of the Single European Act. In addition, Treaty provisions enable a transfer of policy negotiation from the national level to a collective bargaining process at the level of the EU.

Two new tracks for involving the social partners co-exist, which are a consultation track and a negotiation track. The significance is that ETUC, UNICE and CEEP can be classified as formal co-actors in the process. A consequence of the Treaty reforms has thus been an increase in the number of transnational actors involved in the policy process. Hence, the Treaty provisions provide an altered institutional framework for policy delivery through which directives covering atypical employment and parental

539 Hemerijck, A. (2004), "Beyond the Double Bind of Social Europe", in Magnusson, L. and Strath, B. (eds.), *A European Social Citizenship? Preconditions for Future Policies from a Historical Perspective*, Brussels: P.I.E. (Presses Interuniversitaires Europeennes), p. 98-99.

540 Ibid.

leave have been adopted following these new routes.⁵⁴¹

Moreover, the SEA can be regarded as a major step in the course of the evolution of EU social policy in that matters concerned with the working environment to protect workers' health and safety were included within the realm of social policy field. Following the SEA, the 1989 Community Social Charter, despite its apparently non-binding status, constituted another milestone for European social policy, in which 'social partnership' was a central topic, depending on the active participation of the EC social partners in many areas for its implementation. However, it was insufficient in that it mostly focused on employment-related social rights, which were sometimes seen by the European Parliament as ineffective in safeguarding the interests of employed people. Moreover, Archer and Butler argued that the Social Charter was insufficient in that it included only limited measures to overcome the problem of poverty.⁵⁴² In addition, as Coffey noted, there were two areas in the Social Charter leading to confusion or tensions, namely the concept 'equitable wage', that is, a wage sufficient to enable the workers to have a decent standard of living and 'freedom of association'.⁵⁴³ Regarding these two areas, the Social Charter was insufficient in that it did not use clear expressions, for instance, for the former area; it was not clear what precisely the standard was. Thus, the Charter was weak in substance and legal status.

The SAP, which was prepared for the implementation of the principles agreed to in the Social Charter, was not sufficient either to encourage an upgrading of working conditions in poor areas of the Community or in preserving the present standards in the prosperous ones.⁵⁴⁴ Moreover, as noted by Archer and Butler, in these proposals within the SAP, social policy legislation remained employment-centered.⁵⁴⁵ Thus, it can be argued that the EU has a poor record in social policy legislation.

541 Falkner, G. (1998), *EU Social Policy in the 1990s: Towards a Corporatist Policy Community*, London and New York: Routledge.

542 Archer, C. and Butler, F. (1992), *The European Community: Structure and Process*, London: Pinter Publishers.

543 Coffey, P. (1995), *The Future of Europe*, England: Cambridge University Press.

544 Rhodes, M. (1992), "The Future of the 'Social Dimension': Labour Market Regulation in Post-1992 Europe", *Journal of Common Market Studies*, 30(1), p. 23-49.

545 Archer, C. and Butler, F. (1992), *The European Community: Structure and Process*, London: Pinter Publishers.

The national level developments in this period such as the advent of neoliberalism, deregulation, economic internalization, and market integration prompted the developments that took place at European level in the period 1984-1994. In the Protocol on Social Policy in particular and EU social policy in general, there is an inconsistency in the free movement of workers which may lead to a problem of ‘social dumping’, that is, the movement of capital and services to the sectors of the European economy with lower wage costs and social security provisions. If such a problem arises, the adoption of a strong Community social policy will become an instrument to lower existing social standards.⁵⁴⁶

At this point, it might be necessary to analyze the recent situation in terms of the legislative initiatives and the procedure that has been taking place in this process. In particular, starting with the 1990s, EC social policy has indeed experienced a change in the mode of governance. Although most social policy decisions are still taken at the national level, there has been some degree of Europeanization, based on co-operation and shared responsibility for social policy goals between the various levels of governance and various actors at the Euro-level.⁵⁴⁷ It was deemed inevitable during the 1991 IGC that employers agreed to participate in a *quasi-corporatist mode of governance* under the Social Agreement.⁵⁴⁸ Thus, the developments under the Maastricht Social Agreement can be viewed as a good example of what has been described as the transformation of governance evolving around the EU-level; a shift away from a hierarchical towards a network style of governance, which is characterized by cooperative rather than competitive interaction patterns among a large variety of actors such as the Euro-level representatives of labour and industry.⁵⁴⁹ In legal terms, Article 118, as an autonomous legal basis for social policy measures was amended in the Social Policy Agreement annexed to the Maastricht Treaty in that it extended the areas to which qualified majority voting (the co-operation procedure) is applied.⁵⁵⁰

546 Laske, C. (1993), “The Impact of the Single European Market on Social Protection for Migrant Workers”, *Common Market Law Review*, 30, p. 515-539.

547 Falkner, G. (1999), “European Social Policy: Towards Multi-level and Multi-actor Governance”, in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 93.

548 Ibid, p. 83.

549 Ibid, p. 93.

550 Adnett, N. and Hardy, S. (2005), *The European Social Model: Modernization or Evolution?*, the UK: Edward Elgar Publishing Ltd., p. 32.

Especially, after the 1990s, as a reference to the concepts of transnationalism and the significant involvement of the private, namely Multi-national Companies (MNCs), regulatory bodies and experts into the public, namely bureaucratic institutions and government apparatus⁵⁵¹, the formation of EU social policy involves the dynamics of the transformation of the actors themselves, their characteristics and their relationship with each other. In that sense, it is obvious that the role of MNCs and transnational capital is considerable in terms of policy configuration.

In that regard, the significance of the social partners and the partnership between each other need to be analyzed. The social partners at the EC level played an active role in the 1991 discussions on the intergovernmental document setting up the EU, resulting in the incorporation of the social dialogue mechanism into the decision-making procedure of the EU's social policy in the Protocol on Social Policy annexed to the Maastricht Treaty⁵⁵²: "Before submitting proposals in the social policy field, the Commission shall consult management and labour on the possible direction of Community action." If, after such consultations, the Commission considers Community action advisable, "it shall consult management and labour on the content of the envisaged proposal. Management and labour shall forward to the Commission an opinion or, where appropriate, a recommendation." Article 4 of the Protocol on Social Policy postulates that: "Should management and labour so desire, the dialogue between them at Community level may lead to contractual relations, including agreements." The Council will apply qualified majority voting in approving the agreements between the labour and the management.⁵⁵³

Furthermore, with the ending of the UK opt out and the incorporation into the EC Treaty of the Agreement on Social Policy, now part of the Treaty's Chapter on Social Policy with the Amsterdam Treaty, the transformation in governance and legal terms were set out. With the establishment of the EES which is based on the OMC and inclusion of the European social dialogue in the Chapter, the multi-level and multi-actor type of governance in EU social policy was put into practice. Moreover, the legal basis was further revised. Accordingly, Articles 137(1) and (2) now enable the Community to

551 Apeldoorn, B. V. (2002), *Transnational Capitalism and the Struggle over European Integration*. London: Routledge.

552 European Union (1992), *Maastricht Treaty, Agreement on Social Policy Concluded between the Member States of the European Community with the Exception of the United Kingdom of Great Britain and Northern Ireland*, <http://europa.eu.int/en/record/mt/protocol.html>, (retrieved on June 1, 2007, from World Wide Web: URL).

553 Ibid.

adopt measures, by Article 251, through a co-decision procedure, based on the rationale of encouraging cooperation between member states.⁵⁵⁴

Under the Community method, the traditional mode of EU governance, the social partners developed social dialogues, participated in the Tripartite Conferences and provided consultations for legislation. Along with the signing of the Maastricht Treaty, the social partners at the EU level have gained the right to participate directly in the legislating procedure related to social partnership. Under the OMC, the new mode of EU governance, the social partners, together with civil society, play pivotal roles in the formulation, implementation, and overseeing EU policies.

However, the EU failed to enforce the required legislation for the implementation of an effective social policy due to the lack of efficient decision-making procedure. Before the SEA, agreement on new directives or regulations improving the working environment and on health and safety provisions required unanimity within the Council of Ministers, which led to a slowing-up of decision-making in this area. In fact, unanimity was required for most social legislation. With the establishment of SEA, some provisions were made that were not enough because, since then, the Council can vote by qualified majority on only the measures of social policy that concern the health and safety of workers; however, other measures are still subject to unanimity procedure and the veto of a disapproving government. In addition, EU social policy was deficient in that no legislation at all was proposed in two care areas of the social dimension, namely 'social protection' and 'freedom of association and collective bargaining'.

The Social Policy Agreement attached to the Maastricht Treaty is significant in terms of governance in the EU in that innovations under this agreement concern the full range of major governance components such as member states' resource to the institutions, procedures and mechanisms of the Treaty for the purposes of implementing their social policy agreement.⁵⁵⁵ In that regard, there is an explicit Community competence for a wide range of social policy issues, including working conditions; information and consultation of workers; equality between men and women with regard to labour market opportunities and treatment at work; and the integration of persons excluded from the

554 See OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

555 Falkner, G. (1999), "European Social Policy: Towards Multi-level and Multi-actor Governance", in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 90.

labour market.⁵⁵⁶ All of these areas are mainly driven by economic internalization, deregulation of markets, budgetary and debt constraints imposed by EMU.⁵⁵⁷ Thus, both the EC member states and the Community share the power to act in the social realm, and both are now in that sense partial governance systems. Once the action under the Social Agreement is considered, it is seen that in most cases it was taken under the supranational mode of QMV, for example, in the area of information and consultation of workers.⁵⁵⁸ Moreover, another important point to figure out is the restriction of the functional boundaries, which implies that the matter such as pay, the right of association, and the right to strike or to impose lockouts are excluded from the scope of the Agreement.⁵⁵⁹

With regards to the policy-making process, an important aspect of change took place with the Social Agreement in that the Agreement contains social partner involvement in the policy process. Thus, European representatives of labour and industry are incorporated in a pattern of ‘corporatist’, cooperative social policy-making.⁵⁶⁰ Although the first application of the new procedures, which concerned the establishment of EWCs, was not fruitful, a significant sign of the change can be inferred in that the social partners conferred the responsibility for the failure of the talks on each other.⁵⁶¹ This implies that under the conditions of institutionalized co-operation, which is typical of EU governance, behavioural norms have a tendency to become binding.

With the incorporation of the Social Policy Agreement into the main body of the consolidated Treaty, the new Social Chapter was created with the Amsterdam Treaty, and a new Title on Employment Policy was created.⁵⁶² With respect to governance in the EU, these developments imply a renewed coordinated employment strategy and the establishment of the required institutional structure for coordination such as the formulation of Employment Committee with advisory status. Thus, OMC was used as

556 See Article 2 of the *Agreement on Social Policy Concluded between the Member States of the European Community with the Exception of the United Kingdom of Great Britain and Northern Ireland*, <http://europa.eu.int/en/record/mt/protocol.html> (retrieved on June 1, 2007, from World Wide Web: URL)

557 Hemerijck, A. (2004), “Beyond the Double Bind of Social Europe”, in Magnusson, L. and Strath, B. (eds.), *A European Social Citizenship? Preconditions for Future Policies from a Historical Perspective*, Brussels: P.I.E. (Presses Interuniversitaires Europeennes), p. 98-99.

558 Falkner, G. (1999), “European Social Policy: Towards Multi-level and Multi-actor Governance”, in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 90.

559 See Article 2 (6) of the *Agreement on Social Policy Concluded between the Member States of the European Community with the Exception of the United Kingdom of Great Britain and Northern Ireland*, <http://europa.eu.int/en/record/mt/protocol.html> (retrieved on June 1, 2007, from World Wide Web: URL)

560 Falkner, G. (1999), “European Social Policy: Towards Multi-level and Multi-actor Governance”, in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 91.

561 Ibid.

562 See OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

the new mode of governance to cope with structural unemployment, ageing population, constraints imposed by EMU in context of strong welfare heterogeneity. Moreover, social dialogue emerged as an important tool for policy-making based on fundamental guidelines concerning employment opportunity, social inclusion and retirement.⁵⁶³

With the Nice Treaty, the EC Treaty's chapter on social policy was amended, allowing the possibility of QMV on proposals in areas of employment and industrial relations which had previously required unanimity.⁵⁶⁴ Although no license was given to any harmonization of social security systems, coordination was enhanced through means such as benchmarks, peer review and exchange of best practices, which produced outputs in the form of soft law. In addition, multiple actors were involved in the development dimension of policy coordination and in the implementation process.

Compared with the normal legislative procedure under the Community method, the social partnership procedure is a special decision-making mechanism, having changed the allocation of powers among the EU institutions, has enabled the social partners to become direct legislators and increased the democratic legitimacy of the EU's decision making, which is complementary to the traditional mode of governance.⁵⁶⁵ Therefore, one might say that under the social partnership procedure, the social partners at the EU level have acquired the power to conclude framework agreements through negotiations, which will either be transposed into EU legislations by way of directives, or carried out by the social partners themselves at both the EU and national levels. The introduction of the social partnership procedure not only incorporates the social partners into the legislative procedure, making them important participants and thus increasing the democratic legitimacy of EU's decision-making, but also changed the power allocation of the EU's principal institutions, among which the Commission and the European Parliament have been affected most greatly.

In the light of the developments experienced since 1990s, both the EU governance and EU institutions together with the actors involved in this process, the power balance between institutions tends to be dominated by private actors. Given the multi-layered

563 Hemerijck, A. (2004), "Beyond the Double Bind of Social Europe", in Magnusson, L. and Strath, B. (eds.), *A European Social Citizenship? Preconditions for Future Policies from a Historical Perspective*, Brussels: P.I.E. (Presses Interuniversitaires Europeennes), p. 99.

564 See OJ C80/01, 10.03.2001, http://europa.eu.int/eur-lex/en/treaties/dat/nice_treaty_en.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

565 Xiepu, Y. (2008), "Transformation of the Roles of Social Partners through EU Governance", *Association of European Journalists (AEJ)*, 6, p. 441-453.

structure of EU governance, a more diverse structure has come on the scene. In this framework, the Commission is not the sole initiator anymore, but it works in close cooperation with the Council of Ministers and the involvement of several other actors at multi-levels is possible.

On the whole, as social issues are perceived as supplementary instead of fundamental by the member states of the EU, the Commission's action programmes do not put emphasis on the social priorities of the member states. This reveals the fact that on the part of national, social and political actors the most crucial thing that is deficient in EU social policy is interest and mobilization with regard to European social policy.

As regards the outcomes of this transformation in terms of EU social policy, one might say that the social policy is still a regulatory mode of governance. However, Hodson and Maher argue that the OMC can be seen as a new approach to governance in the light of three characteristics, which are the principles of subsidiarity, flexibility and legitimacy.⁵⁶⁶ When assessing its impact it may be fruitful to distinguish between goals achieved in terms of process and outcomes. Although the outcomes of OMC have not been observed yet, it might be useful to mention the limitations of implementation in terms of EES and OMC. As regards the key elements of OMC, it is possible to list some limitations as follows: legally non-binding guidelines, heavy bureaucracy, and time-consuming processes at each institutional and decision making level.

It is found out that innovations in relation to the traditional Community method might overcome these limitations, which are as follows: 1. institutional mixes with peer group review bodies in addition to the 'classic' set of EU institutions, and the involvement of actors at supranational, national and sub-national levels; 2. procedural mixes with collective self-coordination instead of regulatory or redistributive policies, and cyclical instead of sequential deliberation and problem-solving processes; 3. new administrative committees; 4. new policy outcomes: guidelines, benchmarks as a result of joint monitoring instead of 'classic' norms that are regulations and directives.⁵⁶⁷

⁵⁶⁶ Hodson and Maher, I. (2002), "The Open Method of Coordination as a New Method of Governance: the Case of Soft EU Policy Coordination", *Journal of Common Market Studies*, 39(4): 719-746.

⁵⁶⁷ GOVECOP, (2000), "EU Governance by Self Coordination? Towards a Collective Gouvernement Economique", *GOVECOP project proposal*.

Employment policy, for instance, was the first field where the new method of EU cooperation was introduced in 2000. The first common employment policy guidelines were decided in 1997. Already in Essen in 1994, the European Council had agreed on five common priorities in employment policy and a first procedure for coordinating policies started. This was later developed and institutionalized in the Employment Title of the Amsterdam Treaty (Art. 125-130) and at the Luxembourg ‘job summit’ in 1997. In the employment policy field, therefore, it should be possible to start to evaluate the functioning and the impact of the new method of cooperation. Moreover, the Amsterdam Treaty initiated employment policy as a ‘joint responsibility’ of the member states, which can be seen as enshrining a new approach to cooperation by providing an institutional framework for mutually reinforcing measures at both EU and member state level.

Further, employment policy-making also constitutes an example of multi-level governance in which the ESF is the key financial instrument and sub-national actors are instrumental in implementing European employment policy. A key role in implementing the EES is also given to the social partners at all levels, such as the adaptability pillar, life-long learning, and wage formation.⁵⁶⁸ Tripartite cooperation has also been strengthened with the social pacts in several member states and at the European level by the macro-economic dialogue and the Standing Committee on Employment.⁵⁶⁹

The problems of the implementation of the employment policy process are summarized in Commission’s evaluations and the Joint Employment Reports, and by the NAPs themselves. Some of the implementation problems are as follows: poor coordination of the policies of various pillars, insufficient social partner involvement, budgetary implications not spelled out, no extra financial resources added, most NAPs tend to reflect national employment plans already adopted or planned, a lack of appropriate indicators, and the scarcity of EU financial resources.⁵⁷⁰

568 Ekengren, M and Jacobsson, K. (2000), “Explaining the Constitutionalization of EU Governance: the Case of European Employment Cooperation”, *SCORE Research Report*, 2000, 8.

569 Ibid.

570 Goetschy, J. (2000), “The European Employment Strategy”, *European Community Studies Association Review*, 13 (3).

Given the example of employment policy in relation to the EU governance, one might ask to what extent the cooperation method contributes to ‘good governance’ in the EU. On the one hand, the system of governance is inclusive in terms of the ‘social partners’, civil society and sub-national actors. On the other hand, the issue here is about the parliamentary anchorage of the EES in which the EP has only an advisory role.

As regards the cooperation method, including the subsidiarity principle and thus national democratic systems, it fosters a European outlook on issues of common concern. Therefore, the cooperation method, which pays respect to national contexts, is especially appropriate in the social field with marked differences in welfare models and systems.

In the global world, where social divisions are widened due to global economic restructuring and the development of the single market in Europe, it is obvious that not only economic integration but also social integration is needed for Europe to be more competitive in the global economy and more influential in world politics.⁵⁷¹ In that respect, not only a EU social policy, an active and effective social policy seems absolutely imperative in order to conflict with the realities of the global world, in which social policy can no longer be regarded as a trivial or luxurious issue, but rather an essential element in the creation of a single integrated market in the ongoing European integration process. That is to say, the full realization of the economic aims of the single integrated market can only be fulfilled via an EU social policy.⁵⁷²

There is no doubt that these conditions have increased the interest of the governments and academics of the Union in social policy issues. However, once the historical evolution of the social dimension of the EU is considered and the analysis of this incremental evolution process is carried out in relation to its governance and legal aspects, all of which are discussed throughout this part of the chapter, it is seen that although the initial attempts of the EC concerning social policy issues were narrow in scope and incoherent in content, legally focusing on setting minimum standards with regulator mode of governance towards, EU social policy has evolved into a cooperative mode of governance in which a network of actors are involved in the policy-making

571 Atkinson, R. and Davoudi, S. (2000), “The Concept of Social Exclusion in the European Union: Context, Development and Possibilities”, *Journal of Common Market Studies*, 38(3), p. 427-448.

572 Watson, P. (1993), “Social Policy After Maastricht”, *Common Market Law Review*, 30, p. 481-513.

process at multi-levels with a broadened scope of the fields in QMV, starting with the SEA, and put into practice with the Maastricht Treaty.

Although there has been this progressive evolution regarding the governance and legal aspects of EU social policy, there are still certain question marks about ‘what should be done to rehabilitate the existing social policy or/and create new one for an active and effective social dimension in the process of European integration?’. In the light of the findings, notable suggestions, proposals and solutions to the question noted above will be discussed without exceeding the scope in content.

Among prominent scholars, for Lange, the complexity of decision-making in the social dimension should be reduced for an active EU social policy.⁵⁷³ In this way, the governments will be able to find the required incentives to gather support positions on the social dimension. Diaz lays emphasis on the unemployment problem in the EU and its impacts on EU social policy.⁵⁷⁴ Thus, he focuses on the establishment of a European Employment Policy, if the Economic Union is to be realized.⁵⁷⁵ He also comments on the decision-making process and proposes the solution of a new type of strengthened qualified vote, instead of the suppression of the unanimity vote.⁵⁷⁶ The final and most important point he touches upon is the necessity that the European social dimension has to be reflected not only inside the Community, but also outside it.⁵⁷⁷ For him, it would, then, be possible to extend European solidarity at a global level procuring the further development of European integration, together with a social dimension.

When it comes to the social issues to be kept on the agenda to enforce an effective EU social policy in the future, it is suggested that the highest priority should be given to employment, education and training as it is stated in the renewed European social agenda.⁵⁷⁸ However, it is not wise to underestimate the fact that the direction and impact of social policy should be widened by means of keeping a wide range of issues such as poverty, inequality, childcare provision for working parents, protection of children from

573 Lange, P. (1992), “The Politics of the Social Dimension”, in Sbragia, M. A. (ed.), *Euro-Politics*, Washington D. C.: The Brookings Institution, p. 225-256.

574 Diaz, P. L. G. (1992), “The Social Deficit of the European Community”, in Pijpers, A. (ed.), *The European Community at the Crossroads*, The Netherlands: Martinus Nijhoff Publishers, p. 127-134.

575 Ibid.

576 Ibid.

577 Ibid.

578 See COM (2008) 412 final, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0412:FIN:EN:PDF> (retrieved on January 2, 2009, from World Wide Web: URL).

economic exploitation, initiatives for elderly and disabled people etc. on the European policy agenda. Moreover, the scope of social policy should be gradually expanded via regulatory means by the use of ‘civil dialogue’⁵⁷⁹ and associated institutions to create a consensus among the member states to proceed and sustain development in the field of social policy.

If the abovementioned suggestions of scholars are taken into account, and proposals and solutions to some of the problems in EU social policy are seriously considered in several different platforms, they might stimulate further discussions of new suggestions, proposals and solutions for an active and effective EU social policy in the future. Thus, the necessary efforts to modernize the European social model will be enhanced in the enlarged post-Lisbon EU.

As a last word for the analysis part, one might say that the development of EU social policy with reference to the governance approach is a relevant topic. It may be said that especially after the launch of the Lisbon strategy, there has been change towards a multi-level governance approach in which social partners play the main role implemented through OMC, network governance, and MLG governance. This kind of multilateralism represents democratic legitimacy due to the involvement of the social partners. In other words, within EU social policy-making, social dialogue at European level refers to the main pillars of the European social model, which comprises the concepts of dialogue, consensus, conciliation, cooperation, and a means of problem-solving.

⁵⁷⁹ Atkinson, R. and Davoudi, S. (2000), “The Concept of Social Exclusion in the European Union: Context, Development and Possibilities”, *Journal of Common Market Studies*, 38(3), p. 427.

CHAPTER THREE

3. EUROPEAN SOCIAL DIALOGUE

European social dialogue has emerged as one of the main pillars of *the European Social Agenda*⁵⁸⁰ to achieve the objectives of the Lisbon Strategy to encourage growth and create more jobs in Europe within a framework of economic sustainability, more and better jobs, and greater social cohesion by 2010.⁵⁸¹ The European social dialogue has been on the agenda of European integration since 1985 when the initiative was launched by Jacques Delors, the then president of the Commission, in the context of the developments taking place with the development of the SEA. This initiative gathered together representatives of the European employers' organizations UNICE (Union of Industrial and Employers' Confederation of Europe), later joined by UEAPME (European Association of Craft, Small and Medium-sized Enterprises) representing small and medium-sized enterprises, CEEP (European Centre of Enterprises with Public Participation) and ETUC (European Trade Union Confederation) with the aim of completing the internal market through bipartite dialogue among them as the first step towards creating a European bargaining area.⁵⁸² At this meeting, the organizations agreed to engage in furthering the European social dialogue, which would be reflected in meetings in subsequent years that gradually gave the social dialogue more and more importance. Thus, social dialogue, that is, deliberations and negotiations of management and labour at the EU level, has become progressively more important in the almost twenty years since the SEA was ratified. By means of this initiative, the social partners have begun to adopt non-binding joint opinions.⁵⁸³

European social dialogue, which is based on the above mentioned context and the main objectives, has undergone a transformation process since the SEA and has become institutionalized with the Maastricht and Amsterdam treaties. Then, the influence of European social dialogue has reached the stance from non-binding joint opinions to

580 European Commission (2005), *Communication from the Commission on Social Agenda 2005-2010*, COM (2005) 33 final, <http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2005:0033:FIN:EN:PDF>, (retrieved: June 2, 2008, from World Wide Web: URL)

581 See *2000 Lisbon European Council*, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm, (retrieved on May 4, 2007, from World Wide Web)

582 Falkner, G. (2007), "The EU's Social Dimension", in Cini, M. (ed.), *European Union Politics*, Oxford: Oxford University Press, p. 282.

583 Hantrais, L. (2000), *Social Policy in the European Union*, London: Macmillan Press Limited, p. 6.

framework agreements implemented by the Council decision and monitored by the Commission. Thus, it is inferred that European social dialogue has incrementally increased its powers in legal terms and in the institutional structure of the EU concerning social policy-making.

This process of European social dialogue has also become an important instrument in the general framework of European governance and the democratization of the EU, as conceptually ‘social dialogue’ is based on the principles of conciliation, compromise and cooperation. In that respect, European social dialogue has come to the fore as a crucial process evoking and motivating the actors in the policy-making procedure for better governance in the EU. Thus, the main actors in this process, namely the European social partners and their influence and position towards EU social policy-making have emerged as important issues to discuss in this chapter, in addition to the evolution process of European social dialogue.

On this basis, the third chapter is entitled “*European Social Dialogue*”, in order to comprehend the significance of European social dialogue for the EU and its influence in EU social policy-making procedure with reference to governance in the EU. The chapter is divided into three parts. It starts with an introductory part, which discusses ‘social dialogue’ in a conceptual framework and its operation at national level that provides the necessary background for its emergence at European level. Then, the second part of the chapter focuses on the evolution of European social dialogue. In that regard, the text is designed according to the context in which European social dialogue was initiated, the historical evolution it has undergone, the legal basis it is based on, the forms and levels at which it operates, the outcomes it produces and the actors involved in the European social dialogue process. In the analysis part, the analysis of European social dialogue with reference to governance in the EU is carried out based on the extent of the influence of the European social dialogue on EU social policy-making, the institutional relations in European social dialogue process, the harmonization of the European social dialogue process to the theoretical aspects of the governance approach as a multi-dimensional, multi-level and multi-form process. Moreover, the outcomes of the European social dialogue are analyzed. Finally, considering the ambitious aims of the Lisbon European Council, which necessitates the EU to undertake a cooperation role in the social policy field depending on the new methods of cooperation developed on

the basis of the governance approach, European social dialogue is discussed as a tool for cooperation and conciliation in the EU.

3.1. CONCEPTUAL FRAMEWORK OF SOCIAL DIALOGUE

In the twenty-first century, social dialogue has come to the fore as an important process in social policy-making for prosperous, stable, peaceful and democratic societies because it is believed that conditions of economic prosperity, stability, and social progress cannot be achieved by governments, employers or workers acting alone.⁵⁸⁴ Social dialogue provides the social partners and their stakeholders with the opportunity to participate in deciding their future.⁵⁸⁵ The aim of this participation and cooperation is to facilitate agreements on a socially acceptable combination of wealth creation, economic and social progress, social security, stability and equity.

In that respect, social dialogue is regarded as a means aimed at achieving the above mentioned goals. Although it is widely admitted that the concept is surrounded with ambiguity, an increasing number of employers, trade unions and governments have embraced social dialogue, because it is an effective tool for solving collective challenges through creating the structure and environment suitable for more efficient problem-solving. In other words, it is about facilitating constructive interaction in order to arrive at *social compromise* among the stakeholders in a society.⁵⁸⁶ This embracement can be analyzed in a dual perspective. From the employers' viewpoint, social dialogue is attractive due to its tendency to inspire a spirit of collaboration and harmony, triggering a win-win or mutual gain process, rather than a zero-sum game.⁵⁸⁷ In other words, employers are mostly attracted by the peaceful process of social dialogue covering the search for consensus. From the workers' viewpoint, on the other hand, social dialogue signifies 'upstream participation' in managerial or governmental decision-making.⁵⁸⁸ In this respect, compared to traditional collective bargaining, through participating in this process from the beginning, workers and trade unions are attracted by social dialogue due to the possibility of having a broader range of options

584 Ishikawa, J. (2003), *Key Features of National Social Dialogue: A Social Dialogue Resource Book*, Geneva: International Labour Office.

585 Ibid.

586 Ibid.

587 Ozaki, M. and Rueda-Catry, M. (2000), "Social Dialogue: An International Overview", in Ozaki, M. and Rueda-Catry, M., *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120., Geneva: International Labour Office.

588 Ibid.

for solution and having a greater influence on decisions to be adopted with the governments undertaking the conciliator role.

Social dialogue can take various forms which are interlinked and which influence each other continuously depending on the relationship among the above mentioned social dialogue triangle. In general, consultation, collective bargaining, concertation as well as bipartite and tripartite dialogue can be stated as basic forms of social dialogue. *Consultation* is a process whereby a party, who has decision-making power, asks for the opinion of the other party concerning a decision to be taken and/or the consequences thereof.⁵⁸⁹ In this form of social dialogue, the entity having the decision-making power seeks the advice of the social partners, before enacting legislation or making a decision. It can take forms ranging from a mere opinion to a reasoned opinion to which the decision maker has to reply by justifying the decision.⁵⁹⁰ Although it implies no real discussion or action on the issues concerned, consultation is a means by which the social partners not only share information, but also engage in more in-depth dialogue about the issues raised.⁵⁹¹ Compared to consultation, *concertation* is a broader process of interaction between parties, whereby they exchange information, leading to suggestions, recommendations, guidelines, joint action programmes, seminars and study trips.⁵⁹²

In addition to these rather soft forms of social dialogue, *collective bargaining* is one of the most widespread forms of social dialogue and is institutionalized in many countries. Collective bargaining, the traditional form of social dialogue, consists of negotiations between employers, a group of employers or employers' representatives and workers' representatives to determine the issues related to wages and conditions of employment.⁵⁹³ These agreements can be legally binding or voluntary according to the applicable legal system or to the will of the parties. Successful collective bargaining results in collective agreements. Collective bargaining can be centralized at national

589 Blanpain, R., Colucci, M. and Sica, S. (eds.) (2006), *The European Social Model*, Antwerpen and Oxford: Intersentia.

590 Ibid.

591 Edigheji, O. and Gostner, K. (2000), "Social Dialogue: the South African Experience", in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

592 Blanpain, R., Colucci, M. and Sica, S. (eds.) (2006), *The European Social Model*, Antwerpen and Oxford: Intersentia.

593 Edigheji, O. and Gostner, K. (2000), "Social Dialogue: the South African Experience", in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

level or decentralized at sectoral, regional, enterprise or bargaining unit level.⁵⁹⁴ Any of these forms of social dialogue can be informal and ad hoc or formal and institutionalized.

With regard to the *tripartite* and *bipartite social dialogue*, which is crucially important for European social dialogue, bipartite relations take place between the social partners themselves, dealing with their core business, namely employment relations in their broadest sense, while tripartite relations involve governmental authorities as well as the social partners.⁵⁹⁵

Social dialogue, which is described as “a process in which actors inform each other of their intentions and capacities, elaborate information provided to them, and clarify and explain their assumptions”⁵⁹⁶ has come to the fore not only due to the ways, levels and aura of the process, and but also the actors involved in the process and the possible outcomes of the process. Thus, before going into detail with the main issue of European social dialogue, the concept of ‘social dialogue’ which is increasingly gaining ground is discussed as the introductory part of the chapter in terms of the conceptual framework and national level social dialogue in relation to the actors, outcomes, and prerequisites and benefits of national social dialogue. Finally, in the final part of the chapter, the challenges of national social dialogue are brought up for the possible future prospects of national social dialogue.

An analysis of ‘social dialogue’ in a conceptual framework reveals that there are many definitions and interpretations surrounding the concept, since an increasing number of employers, trade unions and governments have embraced social dialogue.⁵⁹⁷ Thus, although there is not yet a commonly accepted, precise definition of the concept of ‘social dialogue’, it is wise to point out the main perceptions of the concept, that would pave the way towards the traditional line of social dialogue in Europe. This would hopefully lay the basic ground to step forward to the social dialogue at the European

594 Ibid.

595 Trebilcock, A. (1994), “Tripartite Consultation and Cooperation in National-Level Economic and Social Policy-Making: An Overview”, in Trebilcock, A. et al., *Towards Social Dialogue: Tripartite Cooperation in National Economic and Social Policy-Making*, Geneva: International Labour Office.

596 European Commission (2002), *Report of the High Level Group on Industrial Relations and Change in the European Union*, Luxembourg: Office for Official Publications of the European Communities.

597 Ermida, O. (2000), “Social Dialogue: Theory and Practice”, in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

level, the focus of the study.

In a broad perspective, the concept of ‘social dialogue’ signifies the mechanisms for consultations between the actors involved in the broader issue of labour, which are employers, workers and governments.⁵⁹⁸ According to this definition, these mechanisms can take place at various levels, at the international or the national level in the broad sense or at the sectoral or the company level in more specified sense, depending on the context. In the context of the International Labour Organization (ILO), social dialogue is defined more specifically in Article 2, paragraph 1, of Convention (No. 144) concerning Tripartite Consultations on International Labour Standards, 1976.⁵⁹⁹ According to this Convention of ILO, social dialogue is defined as tripartite institutions between government, trade unions and business that regularly act in a consultative manner on labour, social or economic policy, which primarily aim at ensuring industrial peace.⁶⁰⁰ It is inferred in this definition that the ILO has a broad working definition of social dialogue, reflecting a wide range of processes and practices which are found in different countries and that of including all types of negotiation, consultation or simply exchange of information between representatives of governments, employers and workers, on issues of common interest relating to economic and social policy.

Like the ILO, Hethy defines social dialogue as a “system of institutions for the reconciliation of interests on labour and economic issues” by representatives of government, business and trade unions (tripartism) or between representatives of business and labour (bipartism).⁶⁰¹ This could occur at national, sectoral and municipal levels as well as enterprise level depending on the socio-economic context. However, the contrast between Hethy and ILO differs from the ILO definition in that social dialogue could either be institutionalized or non-institutionalized (informal) especially in negotiation and consensus building.

598 Linard, A. (2000), “Engaging in Dialogue without Selling One’s Soul”, in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

599 International Labour Office (ILO) (1976), *Convention Concerning Tripartite Consultations to Promote the Implementation of International Labour Standards*, C 144, Geneva: International Labour Office.

600 Ibid.

601 Héthy, L. (2000), “Hungary: Social Dialogue within and outside of the Framework of Tripartism”, *Social Dialogue Papers*, No. 4, Geneva: International Labour Organization.

Social dialogue is also defined as “processes and institutions which facilitate the participation of social partners in socio-economic policy processes”.⁶⁰² According to this definition, social dialogue arrangements, which could be either institutionalized or non-institutionalized, range from bipartism to tripartism, and might also take the form of quadripartism. It is, therefore, argued that social dialogue goes beyond the preserve of the golden triangle of state-business-labour (corporatism) to include other actors of civil society such as organizations of women, youth, disabled, unemployed, and in some cases it includes representatives of political parties, environmental groups and community associations. These actors can gather in various formats to engage in social dialogue.

Social dialogue, which occurs at different levels such as global, regional, national, sectoral, community, enterprise-level, etc., covers issues not limited to the focus of classical corporatist institutions such as labor markets and macroeconomics but address issues ranging from women workers, environment, human rights to political reform.⁶⁰³ Due to the fact that the globalization process has been marked by inequalities and social exclusion, this broad range of issues has become a dominant theme of social dialogue, which are also supported by civil society, NGOs.

As it is clearly inferred from this very brief panorama of the concept of ‘social dialogue’, there is not yet a commonly accepted, precise definition of the concept. Some people perceive ‘social dialogue’ to mean all forms of bipartite and tripartite dialogue, negotiations and consultations on social issues, taking place at any level of society – nation, industry or enterprise – involving the government, the employers (or their organizations) and the workers’ organizations.⁶⁰⁴ Some others conceive ‘social dialogue’ mainly as a process to take place at a relatively high level, such as the national, regional or sectoral level, excluding the enterprise and workplace levels.⁶⁰⁵ Some limit the use of the concept to cooperative relationships. In countries where procedures for negotiating collective agreements are explicitly established by law, social dialogue may refer to flexible forms of negotiation, which may take place outside

602 Edigheji, O. and Gostner, K. (2000), “Social Dialogue: the South African Experience”, in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

603 Ibid; and Tokol, A. (2000), “Çeşitli Boyutları ile Sosyal Diyalog”, Ankara: *KAMU-İŞ Yayınları*, p. 525-536.

604 Ozaki, M. and Rueda-Catry, M. (2000), “Social Dialogue: An International Overview”, in Ozaki, M. and Rueda-Catry, M., *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120., Geneva: International Labour Office.

605 Ibid.

the established mechanisms for the conclusion of formal collective agreements.⁶⁰⁶ Social dialogue is sometimes used to refer to dialogue that involves more than the traditional social partners such as NGOs and other representatives of the so-called ‘civil society’. They are often invited to take part in negotiations and consultations together with the traditional social partners. However, this study will focus on social dialogue at regional level, that is, at European level.

Whatever the definition of social dialogue is, it includes a tripartite process that gives a voice to employers and workers in the formulation of national and local policy on work-related and other social economic issues. The concept of ‘social dialogue’ also normally covers bipartite dialogue between employers’ and workers’ organizations. In this case, it is a process that enables workers to participate in managerial decision-making in industry. In both cases, social dialogue in itself is significant in that it constitutes an element of a democratic society, like the right of workers to organize and bargain collectively, and represents a practice to be upheld for its intrinsic value.⁶⁰⁷

The broad spectrum of ‘social dialogue’ is depicted in conceptual framework to provide the conceptual framework for European social dialogue which covers the negotiations between European social partners themselves and between them and the institutions of the EU, in particular.

3.2. NATIONAL-LEVEL SOCIAL DIALOGUE

Social dialogue at national level refers to cooperation between the social partners, that is, workers’ and employers’ organizations, with the government.⁶⁰⁸ In this process, the government may be a full partner in the dialogue or may play the role of facilitator. As social dialogue has proven to be an invaluable means to address social concerns, it can address a wide range of issues from labour relations to wider social and economic challenges. In this framework, national-level social dialogue in economic and social policy-making has a fundamental role to play in furthering democracy, social justice

⁶⁰⁶ Ibid.

⁶⁰⁷ Isigicok, O. (2007), *Sosyal Diyalog*, Bursa: Ezgi Kitabevi

⁶⁰⁸ Edigheji, O. and Gostner, K. (2000), “Social Dialogue: the South African Experience”, in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

and a productive and competitive economy in many countries.⁶⁰⁹ Considering it, then, as a central element of democratic societies, social dialogue, that can take place in the above mentioned forms, requires the existence of strong and viable social partners, both free and independent trade unions and legitimate employers' organizations at national level to be effective in national social policy-making.⁶¹⁰

National level social dialogue, which takes place in the abovementioned framework, is widely known in Europe. In Europe, tripartite consultation at national level, as well as central bipartite negotiation on framework agreements have been prominent features of the traditional industrial relations systems in Western Europe.⁶¹¹ In the member states of the EU, both tripartite and bipartite social dialogue is currently a fairly widespread well-established practice. However, national level social dialogue in Western Europe takes a variety of forms. In a number of countries, there are established advisory bodies in which representatives of employers and workers, other interest groups as well as experts, discuss and adopt recommendations to the government on social and economic policy.⁶¹² For instance, in France, Spain, Belgium and the Netherlands, there are *Economic and Social Councils* in which social dialogue takes place in the form mentioned above. There are also cases in which the social partners negotiate with central governments on social and economic policy issues, with or without government participation.

Different from the forms of national social dialogue stated above, some Western European countries, such as Austria and Ireland, have developed tripartite approaches to the negotiation of central agreements, at peak-level consultation, on social and macroeconomic issues.⁶¹³ Moreover, while in Germany, there have been practices with national tripartite social dialogue under the current Government, in the Netherlands the centre of gravity in central social dialogue has been shifting from tripartite consultation towards bipartite negotiations.⁶¹⁴ In Spain, central agreements take the tripartite or bipartite form, depending on the objectives pursued by parties, the opportunities for

609 Ibid.

610 Ibid.

611 Ozaki, M. and Rueda-Catry, M. (2000), "Social Dialogue: An International Overview", in Ozaki, M. and Rueda-Catry, M., *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120., Geneva: International Labour Office.

612 Ibid.

613 Jensen, C. S. (2006), "Trade Unionism: Similarities and Differences – A Comparative View on Europe, USA and Asia", *Journal of Industrial Relations*, 48 (59), London: Sage Publications, p. 59-83.

614 Moses, J. A. (1982), *Trade Unionism in Germany from Bismarck to Hitler, 1869-1933*, New York: Barnes and Noble.

compromise and the attitude of the Government towards the autonomy of the social partners.⁶¹⁵ In some countries, such as Belgium, Spain, France and Italy, negotiation is conducted at various levels, namely at national, sectoral and lastly, local, that is, the corporate level. In other countries, such as the United Kingdom, collective bargaining is predominantly conducted at the enterprise level.⁶¹⁶

As it is seen from this miniature depiction of the practice of different forms of collective bargaining throughout Europe, this diversity which resulted from over one hundred years of industrial culture has been an asset.⁶¹⁷ Irrespective of national negotiation cultures, three dimensions are common to all countries. They are namely the national, the sectoral and the corporate levels. A fourth level has resulted from European integration phenomenon, that is, the Community, which is the main focus of the following parts of the chapter.

3.2.1. Actors and Outcomes of National Social Dialogue

National social dialogue which, as mentioned above, takes place at many levels and in many forms, involves various actors. Traditionally, the actors involved in social dialogue are the social partners, representatives from employers' and workers' organizations, with or without the involvement of the government.⁶¹⁸ The logic behind the involvement of these actors lies in the origins of social dialogue which is related to the world of work. Workers' rights and conditions related to production have been the dominant themes of dialogue between employers and employees, with the government coming in as facilitator, mediator, regulator, and law enforcer.⁶¹⁹

Although the abovementioned social partners and the government continue to be the major players in national social dialogue, in addition to these core actors, some countries have expanded the participation in social dialogue to other stakeholders in the society. In that sense, social dialogue that includes the traditional social partners,

615 Magone, J. M. (2001), *Iberian Trade Unionism: Democratization Under the Impact of the European Union*, London: Transaction Publishers.

616 Lapeyre, J. (2000), "A New Collective Bargaining Dimension", in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office, and Roberts, B. C. and Rothwell, S. (1973), "Recent Trends in Collective Bargaining in the United Kingdom, in *Collective Bargaining in Industrialised Market Economies*, Geneva: International Labour Office.

617 Ibid.

618 Edigheji, O. and Gostner, K. (2000), "Social Dialogue: the South African Experience", in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

619 Ibid.

government and other relevant parties is called tripartite plus social dialogue.⁶²⁰ For instance, in Ireland, some representatives from civil society participate in the negotiation of social agreements. In addition to the involvement of new actors, since the 1990s, social dialogue on wider issues has emerged in many other countries as a means of coping with economic crises, structural change in the economy, as well as regional integration.

Among the traditional core actors of the social dialogue, the critical role of the government in the advancement and sustainability of national social dialogue should be mentioned. The responsibility of the government is to ensure the social partners' independence and fundamental rights, such as 'the freedom of association and the right to bargain collectively'⁶²¹ and 'the right to organize and collective bargaining convention'⁶²². Moreover, in order to promote tripartism, the labour administration establishes suitable fora or institutions of national social dialogue.

In the first place, it is essential that the government has confidence in the tripartite consultation process and encourages the pro-active participation of the social partners in policy-making processes.⁶²³ Then, the government can engage in active social dialogue with its own employees, that is, public sector workers, by respecting the principles of 'labour relations'⁶²⁴. By doing so it not only promotes bipartite social dialogue in the public sector but also helps establish a culture of social dialogue. Moreover, in order to promote tripartism, the labour administration establishes suitable fora or institutions of national social dialogue. Then, it is likely that successful social dialogue is attained.

In relation to social dialogue beyond the public sector, the government takes part in tripartite social dialogue as a full partner or as a facilitator.⁶²⁵ It is indispensable that the government recognizes workers' and employers' organizations as viable partners capable of making valuable contributions to economic and social policy formation. The government in cooperation with social partners should ensure that the fora or

620 Ibid.

621 It is stipulated in the *Freedom of Association and Protection of the Right to Organize Convention, 1948* (No. 87) of ILO.

622 It is stipulated in the *Right to Organize and Collective Bargaining Convention, 1949, C 98*, on ILO.

623 Edigheji, O. and Gostner, K. (2000), "Social Dialogue: the South African Experience", in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

624 It is stipulated in *Labour Relations (Public Service) Convention 1978*, (No. 151) of ILO.

625 Edigheji, O. and Gostner, K. (2000), "Social Dialogue: the South African Experience", in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

institutions established to facilitate social dialogue at national level are effective and sustainable.

When the governments fulfill the above mentioned roles and responsibilities and strong, independent and responsible social partners get together, it is highly likely that successful national social dialogue will end up with various outcomes such as social agreements, recommendations and pacts. *Social pacts* are one of the most visible outcomes of successful social dialogue. In many European countries, social pacts became an important instrument in dealing with the economic and social challenges of globalization, economic restructuring and monetary integration.⁶²⁶

3.2.2. Prerequisites and Benefits of National Social Dialogue

In addition to the above mentioned objectives and actors involved in national level social dialogue, there are certain prerequisites to fulfill in order to attain successful outcomes. Their successful fulfillment will lead to certain benefits of social dialogue at national level. In this part of the chapter, the prerequisites and benefits of national social dialogue are discussed.

Taking the starting point to be the actors of social dialogue, the prerequisites for the operation of social dialogue are the existence of strong, independent and responsible social partners.⁶²⁷ In that regard, the structural prerequisites for social dialogue to take place can be considered as respect for freedom of association, democracy, an appropriate legal framework and legitimate social partners. Social dialogue does not operate in a vacuum; for effective social dialogue, an appropriate context for the dialogue to take place must exist. That is to say, beyond the creation of the institutions mentioned above, the political will of the parties to engage in social dialogue, in particular on the part of the government, is also an indispensable factor as well as the existence of concrete economic, social and labour issues.⁶²⁸ Then, it is necessary to develop a shared strategic vision among the parties regarding the problems facing the country, as well as a mutual understanding between the parties, so that each of them can

626 For detailed information, see the ILO Website, <http://www.ilo.org/public/english/dialogue/ifpdial/info/pacts/index.htm> (retrieved: May 2, 2008, from World Wide Web: URL)

627 Ozaki, M. and Rueda-Catry, M. (2000), "Social Dialogue: An International Overview", in Ozaki, M. and Rueda-Catry, M., *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120., Geneva: International Labour Office.

628 Ibid.

consider the concerns and objectives of the other, without abandoning the commitment to protect the interests of those they represent.⁶²⁹

The abovementioned context is to be supported by a culture of participation and acceptance of the distribution of power. It is only then that not only an effective but also a sustainable practice of social dialogue can take place on a regular basis and conducted through appropriate structures and mechanisms that will avoid the arbitrariness of case-by-case consultation.⁶³⁰ In this way, the continuity of social dialogue in the event of a change of government will be secured.

Social dialogue based on the above mentioned prerequisites provides certain benefits at national level such as the democratization of decision-making, the legitimacy of the decisions and policies adopted and easing the social tensions during economic hardship and transition periods. In the first place, social dialogue as an inclusive process seeking for compromise enhances the democratic means of policy-making and decision-making at national level.⁶³¹ For instance, many EU countries have to reach a socially acceptable compromise about the measures needed to meet the requirements imposed by the Maastricht Treaty for participation in EMU.

In a democratic society, any unilateral action by the state without the consent of the social partners often meets with resistance from them.⁶³² However, once the stakeholders in society have participated in the policy-making processes, policies made through social dialogue are considered as more 'legitimate'⁶³³ with this bottom up approach.

Social dialogue is also considered a beneficial means to ease economic and social tensions during periods of economic crisis or transition. For instance, many central and eastern European countries have managed their transition from socialist to market economies through social dialogue. Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, the Slovak Republic and Slovenia are among the new

629 Hyman, R. (2000), "Social Dialogue in Western Union: The State of the Art", *Social Dialogue Papers*, 1, Geneva: International Labour Organization.

630 Ozaki, M. and Rueda-Catry, M. (2000), "Social Dialogue: An International Overview", in Ozaki, M. and Rueda-Catry, M., *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120., Geneva: International Labour Office.

631 Ishikawa, J. (2003), *Key Features of National Social Dialogue: A Social Dialogue Resource Book*, Geneva: International Labour Office.

632 Ibid.

633 Ibid.

member states of the EU that established tripartite national bodies at the beginning of the transition period. In this way, social dialogue is facilitated through these bodies in order to cope with the economic adjustments associated with the move to a market economy.

Although it is up to each country to develop its own social dialogue regime that corresponds with the existing social and industrial relations, it may be generally contended that social dialogue at national level has been useful in reaching compromises in a wide variety of public measures. Pursuing open dialogue between the government and social partners is important for a democratic society. However, it is ultimately the willingness and the ability of the core tripartite actors, the social partners and the government, that make social dialogue meaningful and successful.

3.3. EUROPEAN-LEVEL SOCIAL DIALOGUE

European social dialogue practices play an important role in the EU, not only because they are seen as integral parts of the European social model but also because, from a purely legal point of view, the social partners can intervene in the social policy-making procedure. Their involvement in this regard has undergone a transformation from the very limited stance of advisory status, to formal representation at EU level in parallel to the transformation of governance in the EU concerning social affairs which is discussed in the theoretical framework of the study. Therefore, it is essential to have a clear picture of the European social dialogue and the social partners in this chapter for a good understanding of how the governance approach in the EU works and how effective the European social dialogue and the European social partners are in this process.

Once the evolution of the social dialogue at the EU level is analyzed, it can be noted that ever since the Treaty of Rome, workers and employers have had a say in the EU social policy-making, although this was very limited and vague at the beginning of the European integration process with the ESC as the only way for trade unions and employers' organizations to have a formal and institutionalized say on draft EU legislation.⁶³⁴ Thus, in the 1960s and the 1970s, the representation of workers and

634 Franssen, E. (2002), *Legal Aspects of the European Social Dialogue*, Antwerpen: Intersentia.

employers at the EU level was limited to the mechanisms of consultation and cooperation through the ESC. In addition, information and consultation type relations were established via tripartite conferences. However, the basics of the origins and emergence of the European social dialogue was laid down in the period of the SEA when Delors launched the *European Social Dialogue* through an initial meeting held at Val Duchesse in January 1985. With this initiative, the bipartite sectoral social dialogue commenced at European level. The real step towards European social dialogue took place in the 1990s when the European social dialogue process attained efficacy with its institutionalization and the social partners gained strength at European level. This results in the extension of the EU social policy field. Before going into detail about the first initiative regarding European social dialogue, it is wise to set the context in which certain developments played an important role in triggering the emergence of the European social dialogue and figure out its impacts on the European social policy-making procedure.

3.3.1. Context of European-Level Social Dialogue

The period of the 1970s, which began with great hope with the 1969 Hague Summit, ended with disappointment due to stagnation in the development of EC institutions and recession in the economy of Europe. However, two important developments in this period are worth mentioning in terms of forming the background for the forthcoming actions in the European social dialogue. The first one is *1972 Paris Summit* which signifies the inception of a new phase in EU social policy in that according to the conclusions of the Summit, it was stated that the Community should have a social policy beyond the four basic freedoms and that the social policy is as significant and necessary for the Community as economic and monetary union. The second one is the *1974 Social Action Programme*, which reveals that the Community needs to undertake an active role in Community social policy.⁶³⁵ It formed the ground for the perception that there was a need for social dialogue at European level. It proposed that the Community should work to develop objectives for national social policies but without seeking to standardize solutions to social problems and without removing responsibility for social policy from member states. In this context, in the period between 1972-78, the workers' and employees' organizations, experts from EU member states and the

⁶³⁵ See OJ C 013 , 12/02/1974 P. 0001 – 0004.

Commission gathered together six times under ‘Tripartite Conferences’ in which the issues of full employment, inflation, wage curb and fiscal policy were discussed.⁶³⁶ Although this initiative ended with disappointment due to the withdrawal of the workers’ organization from the ‘Tripartite Conferences’, it is still an important development that gathered together the concerned parties for the issues discussed in these conferences. For the first time, a context for a new framework for industrial relations came to the fore. In legal terms, the two directives that were adopted in the 1970s concerning the social dialogue were the 75/129 (98/59) Collective Redundancies Directive, and the 77/187 (2001/23) Transfers of Undertakings Directive.

On this basis, a development took place in the mid 1980s that marked a turning point for European integration, that is, the SEA. Although at first sight the SEA can be seen as just an economic impetus for European integration through the idea of completing the Community’s internal market, as the first Treaty amending the Treaties of Rome, it is also significant in the institutional reforms it brought forward, especially regarding the decision-making procedure of the EC, which had far reaching political implications in the European integration process. There is no doubt that they have also direct consequences for the social policy-making of the EU. Thus, the significance of the SEA comes not only from the market liberalization project but also from the institutional reforms it brought and their implications, although the latter were not apparent immediately. In that respect, while setting the context in which the European social dialogue was launched, the significance of the SEA is discussed depending on the two parameters stated above to provide a wide spectrum of the issue.

The Single Market project of the SEA has come to the fore as the first parameter to be discussed at first sight. In this perspective, the global economic challenges, which held back the progress of European integration in the 1970s, continued in the first few years of the 1980s. There were still internal and external problems concerning the Community. The economic problems between France and Western Germany were coupled with the problem of unemployment in France and that of British budgetary contribution, which put strain to the solidarity of the member states.⁶³⁷ Moreover, the EC was beginning to be left behind by the more dynamic economies of Japan and the

636 Carter, C. A. (2002), “Debates on Social Policy”, in Gower, J. (ed.), *The European Union Handbook*, London: Fitzroy Dearborn Publishers, p. 191.

637 George, S. and Bache, I. (2001), *Politics in the European Union*, Oxford: Oxford University Press, p. 116.

US, which caused a decline in the EC's economic competitiveness.⁶³⁸ This situation revealed that the Community had to modify European industrial production to make itself competitive in the coming technological era.

In this context, the continuation of this problematic trend triggered 'the collective response of European Community states'⁶³⁹. The growing problem of unemployment put the issue of 'employment' at the centre of Community social policy. On the other hand, the perception of dialogue between the workers and employees came to the foreground, which led the member states to enter a new phase in European integration, which was revived under the Commission led by Jacques Delors that took office in 1985.⁶⁴⁰ The first signs of reaching the light at the end of the dark tunnel of the 1970s, in fact, appeared with the 1984 Fontainebleau Summit, in which the issue of British budgetary contributions was resolved and the creation of the Dooge Committee for institutional structure was decided. All of these developments required institutional reforms in the decision-making process of the EC to be successful and opened the way for the SEA.⁶⁴¹

The *1985 Brussels European Council* marked the starting point of the developments rejuvenating the process of European integration. Upon Jacques Delors' proposal for achieving the target of liberalizing the internal market through 'removing a whole series of barriers to free trade and free movement of capital and labour until the end of 1992'⁶⁴², the Commission was instructed by the Council to draw up a timetable for the completion of the single market.⁶⁴³ The White Paper, which was produced by the Internal Market Commissioner Lord Arthur Cockfield, included the list of the barriers that were required to be removed for the achievement of the single market in the EC and the timetable for the completion, with a final target date of the end of 1992.⁶⁴⁴ This project, after the objectives of the White Paper and the timetable for its completion by the end of 1992 were agreed by the member states at the Milan European Council in June 1985, formed the basic economic part of the SEA, which entered into force in 1987

638 Baun, M. J. (1996), *An Imperfect Union: The Maastricht Treaty and the New Politics of European Integration*, United States: Westview Press, p. 21.

639 George, S. and Bache, I. (2001), *Politics in the European Union*, Oxford: Oxford University Press, p. 115.

640 Ibid, p. 114.

641 Ibid, p. 115.

642 Ibid.

643 Ibid, p. 116.

644 Ibid.

after its ratification in the national parliaments of the member states.⁶⁴⁵

The SEA initiating the single market project was economic in focus. In fact, it was a craftily chosen issue for the Commission to put forward as it would be a good means to increase the powers of supranational institutions through the approval of the member states to revitalize the goal of completing the single market. In that regard, in addition to the pressure coming from the Commission, led by the President Delors and Lord Cockfield, transnational business interest groups also lobbied for the reforms of supranational institutions, since in a single European market, companies would have increased specialization of production which opened the way for greater economies of scale, leading to more competitive firms.⁶⁴⁶ Then, with the support of the European business leaders for the freeing of the market, the Roundtable of Industrialists in 1983 was formed to press for the removal of the barriers to trade that had developed.⁶⁴⁷

In addition to the economic needs mentioned above, the political stance of the three big member states towards the single market project and the convergence of their national interests were effective in the SEA's success. Germany continued its consistent support since the beginning of European integration, as it would profit directly from economic integration due to its dependence on the EC for nearly half of its exports,⁶⁴⁸ and as it matched with the Europeanist foreign policy of German Chancellor, Kohl.⁶⁴⁹ In France, after Mitterrand's unsuccessful socialist policy which resulted in increased inflation and flow of investments to more deregulated countries, starting from 1982, there emerged a pragmatic shift in his policies, from socialist oriented to more market oriented ones.⁶⁵⁰ This shift in France's policies made it to be supportive of the liberalization of internal market project. Britain, which was always skeptical about European integration and opposed to increasing the powers of supranational institutions, even although reluctantly, supported the White Paper for the sake of the completion of the single market, after the Prime Minister, Thatcher was convinced that the single market could

645 Dinan, D. (1999), *Ever Closer Union? An Introduction to the European Community*, London: The Macmillan Press Ltd., p. 120.

646 Moravcsik, A. (1994), 'Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community' in Nelsen, B. F. and Stubb, A. C-G. (eds.), *The European Union*, London: Lynne Rienner Publishers, p. 213.

647 George, S. and Bache, I. (2001), *Politics in the European Union*, Oxford: Oxford University Press, p. 118.

648 Moravcsik, A. (1994), 'Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community' in Nelsen, B. F. and Stubb, A. C-G. (eds.), *The European Union*, London: Lynne Rienner Publishers, p. 219.

649 Baun, M. J. (1996), *An Imperfect Union: The Maastricht Treaty and the New Politics of European Integration*, United States: Westview Press, p. 21.

650 Moravcsik, A. (1994), 'Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community' in Nelsen, B. F. and Stubb, A. C-G. (eds.), *The European Union*, London: Lynne Rienner Publishers, p. 220.

only be achieved through institutional reforms.⁶⁵¹ Thus, the big member states supported the freeing of the internal market and the project became alive again via the intergovernmental bargaining of the member states.

Although the SEA was based on economic integration with a focus on the liberalization of the internal market, the institutional reforms brought forward through the SEA to achieve the target of single market had far-reaching political implications for further European integration. The Dooge Committee, which was established for the institutional reforms upon the decision made in the Fontainebleau Summit mentioned above, focused on opportunities for improving the legislative process, strengthening the Commission and the EP, and ending decision making deadlock in the Council.⁶⁵² Intensifying the European Political Cooperation was also discussed in the Committee.⁶⁵³

Once the political implications derived from the institutional reforms of the SEA are taken into account, in the first place, the SEA introduced QMV in the Council of Ministers for single market measures to increase the speed of the decision-making procedure through reducing the areas in which the member states had the right of veto.⁶⁵⁴ Thus, Delors' crafty idea of 'completing the single market' was used as a means to increase the powers of the Commission. In that regard, the SEA included the expansion of the Community policy areas related to the single market such as competition policy, environment, research and technology, and the social rights of workers.⁶⁵⁵

In addition to the Commission, the EP was also demanding to increase its powers.⁶⁵⁶ Through the SEA, the legislative powers of the EP were increased in areas where QMV was applied, and European political co-operation was incorporated into the Treaty for the first time.⁶⁵⁷ In this way, the European political co-operation procedure became a part of the legal basis of the EC. The legislative powers of the EP were increased through the co-operation and assent procedures. The *co-operation procedure* involved a

651 Ibid, p. 221.

652 Dinan, D. (1999), *Ever Closer Union? An Introduction to the European Community*, London: The Macmillan Press Ltd., p. 114.

653 Ibid.

654 George, S. and Bache, I. (2001), *Politics in the European Union*, Oxford: Oxford University Press, pp. 117.

655 Baun, M. J. (1996), *An Imperfect Union: The Maastricht Treaty and the New Politics of European Integration*, United States: Westview Press, p. 24.

656 Moravcsik, A. (1994), 'Negotiating the Single European Act: National Interests and Conventional Statecraft in the European Community' in Nelsen, B. F. and Stubb, A. C-G. (eds.), *The European Union*, London: Lynne Rienner Publishers, p. 214.

657 George, S. and Bache, I. (2001), *Politics in the European Union*, Oxford: Oxford University Press, p. 117.

much stronger role for the Parliament in the decision-making process and a rather quicker operation.⁶⁵⁸

Having discussed the significance of the SEA depending on these economic and political parameters, it is seen that although the single market project was at the center of the Act, its significance was not limited to this project. SEA was significant not only due to this market liberalization project having economic implications but also due to the institutional reforms having political implications, which increased the powers of the supranational institutions in the EC through member states' transferring some of their powers to supranational institutions of the Community for the realization of the single market project. There is no doubt that the social dimension is one of these areas which was widened, especially regarding the fundamental civil, political and social rights of citizens, and for better health and safety standards, in which minimum standards were to be introduced gradually by directives and passed by QMV in the Council of Ministers.⁶⁵⁹ This clear commitment to the social dimension of the Community focusing on employment, intensification of dialogue and cooperation and consultation on social protection, gave way to the establishment of a dialogue between management and labour at the EC level. All in all, the institutional reforms made for the sake of the liberalization of the single market not only made the project successful but also made it a good starting point for the revival of European integration and opened the way for further steps toward economic and political union.

Upon these developments, Delors laid the foundations for a promising approach to extending the social dimension, that is, the initiative for European social dialogue, which is also known as the 'Val Duchesse' process. In that regard, he gathered together representatives of the European employers' organizations UNICE, later joined by UEAPME representing small and medium-sized enterprises, CEEP and ETUC to propose an ongoing negotiation on social legislation.⁶⁶⁰ Delors supported his idea through putting emphasis on the existence of the social partners in the social dialogue. The implicit reason behind Delors' strategy to extend the social policy legislation by means of dialogue between the social partners was to overcome the blockage in the

658 Borchardt, K. D. (2000). *The ABC of Community Law*. Luxembourg: Office for Official Publications of the European Communities, p. 76.

659 Collins, D. and Salais, R. (2004), "Social Policies", in El-Agraa, A. M. (ed.), *The European Union: Economics and Politics*, England: Pearson Education Limited, p. 423.

660 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 365.

social policy field that had become evident with the refusal of some initiatives in the 1970s such as the Vredeling Directive. In addition, it also aimed to overcome the fear of any possible UK veto in the Council of Ministers against the extension of social policy at the Community level, as some member states were against the delegation of competence in the social policy field.⁶⁶¹

Within this framework, upon the Commission's refraining from introducing further items of social legislation, two working groups were set up for the social partners to emerge out the dialogue.⁶⁶² These working groups were on employment policies and on new technology at work. With the basic aim of internal market completion through bipartite dialogue among social partners, this can be considered as the first step towards creating a European collective bargaining area.⁶⁶³ However, with the emergence of different opinions regarding the kind of outcome of the discussions between the two sides, the UNICE and the ETUC, this first step ended with disappointment, as they managed to agree upon just a single report, representing the lowest common denominator of what the two sides could agree.⁶⁶⁴

Following this false start, the process was revived towards the end of the 1980s. Organizations agreed to engage in furthering the European social dialogue, which would enhance meetings in subsequent years that gradually gave the social dialogue more and more importance. Thus, social dialogue, that is, deliberations and negotiations of management and labour at EU level, has become progressively more important in the almost twenty years since the SEA was ratified. By means of this initiative, the social partners have begun to adopt non-binding joint opinions.⁶⁶⁵

3.3.2. Historical Evolution and Legal Basis

The historical evolution of the European social dialogue can be considered in three steps. The first step was taken in 1985 with the initiative of the European Commission President Jacques Delors, embarking on a sectoral bipartite dialogue between the UNICE and the ETUC, the first step towards creating a European bargaining area. The

661 Carter, C. A. (2002), "Debates on Social Policy", in Gower, J. (ed.), *The European Union Handbook*, London: Fitzroy Dearborn Publishers, p. 189.

662 Ibid.

663 Falkner, G. (2007), "The EU's Social Dimension", in Cini, M. (ed.), *European Union Politics*, Oxford: Oxford University Press, p. 282.

664 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 365.

665 Hantrais, L. (2000), *Social Policy in the European Union*, London: Macmillan Press Limited, p. 6.

social policy Protocol and Agreement attached to the Maastricht Treaty and subsequently incorporated into the Amsterdam Treaty, gave rise to the second step, in which agreements were implemented by means of Council directives. In December 2001, the Laeken European Council was a crucial step for the social dialogue, taking a third step of independent European-level dialogue with the initiatives ‘EU level developments in 2002’ concerning Industrial Relations Developments in Europe 2002.⁶⁶⁶ In this part of the Chapter, the historical evolution and legal basis of the European social dialogue is analyzed in three subheadings in line with the three steps of the evolution of the European social dialogue mentioned above.

3.3.2.1. The Single European Act (SEA): The Starting Point for the European Social Dialogue

Considering the evolution of the European social dialogue, the initial phase took place between the period 1985 and 1991. In this initial step, the SEA marks the insertion of ‘social dialogue’ in the Treaty, thus creating a specific Treaty basis for the process and making possible the existence of collective agreements at Community level. Article 118b of the SEA enshrined the importance of the social dialogue into the Treaty via the phrase “which could, if the two sides consider it desirable, lead to relations based on agreements”⁶⁶⁷. Nevertheless, no procedures were prescribed and Article 118b seemed to be more about the political legitimation of the Val Duchesse process than a clear description of social dialogue mechanisms. With the SEA, the Commission was given the task to support and enhance the social dialogue.⁶⁶⁸ Moreover, as mentioned in the section about the context of the European social dialogue, the process of institutional reforms of the EU, which commenced with the SEA and continued with the Maastricht Treaty, produced not only the deepening of the market but also new policy-making and decision-making process through the participation of the supranational, national and sub-national actors. In that regard, this idea of multi-level governance opened the way forward for social policy at European level. In this context, the importance of the European social dialogue began to be perceived, as this process provides the participation of various actors into the social-policy making of the EU, based on the

666 European Foundation for the Improvement of Living and Working Conditions (2003c), *A New Organization of Time over Working Life*, Office for Official Publications of the European Communities, Luxembourg, <http://www.eurofound.eu.int/pubdocs/2003/36/en/1/ef0336en.pdf>. (retrieved on May 18, 2007, from World Wide Web: URL).

667 See Article 118b in OJ L 169, 29.6.1987, <http://europa.eu.int/abc/obj/treaties/en/entr14a.htm> (retrieved on May 4, 2007, from World Wide Web: URL)

668 See OJ L 169, 29.6.1987, <http://europa.eu.int/abc/obj/treaties/en/entr14a.htm> (retrieved on May 4, 2007, from World Wide Web: URL)

idea of negotiation, consensus and conciliation. However, the results of the social dialogue after the SEA were not much more than a series of joint opinions on general issues such as the economic situation of the community, informing and consulting employees, etc. Thus, the first period of the European social dialogue was characterized by limited social dialogue among the social partners producing outcomes without any binding effect.

3.3.2.2. The Maastricht and the Amsterdam Treaties: Towards ‘Euro-Collective Agreement’⁶⁶⁹ in European Social Dialogue

Following the initiative of the SEA, the Commission made an attempt to revive the process in 1989 through extending the dialogue to all areas covered in the Social Charter.⁶⁷⁰ Although the attempt led to no real achievements, it was incorporated in the Social Policy Protocol which the European social partners had concluded on 31 October 1991. Against the background of the 1991 Intergovernmental Conference, the social partners negotiated the Agreement of 31 October 1991, proposing reforms to the Treaty decision-making provisions in the social policy field. The social partners’ proposals are incorporated virtually verbatim into the Protocol on Social Policy annexed to the Treaty on European Union. The Maastricht Treaty, from the period of the Delors presidency, defines the new role of the social partners and the introduction of social dialogue in Articles 3 and 4.⁶⁷¹ With the introduction of QMV in several new areas mentioned in the previous part, an unprecedented role as co-legislators in areas related to the world of work was conferred on the European social partners.⁶⁷² In other words, with the provisions of the Treaty, not only the power of the EP was strengthened but also certain provisions were enacted that facilitated the negotiation and agreement of the social partners at European level.⁶⁷³ In that regard, as the Maastricht Treaty extended the competences of the Union, the need for the social dialogue at European level increased. Depending on these developments, after this initiative, the representation of labour has

669 De Boer R., Benedictus, H. and Van der Meer, M. (2005), “Broadening without Intensification: The Added Value of the European Social and Sectoral Dialogue”, *European Journal of Industrial Relations*, 11 (1), p. 52.

670 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 365.

671 Schmögnerova, B. (2005), *The European Social Model: Reconstruction or Destruction? A View from a Newcomer*, International Policy Analysis Unit, Bonn: Friedrich Ebert Foundation.

672 Friso, M. (2005), “From a European Social Model to a Globalised Social Model: Issues and Challenges”, *European Trade Union Institute (ETUI)*, Report 90, Hans Böckler Foundation, Brussels, p. 10.

673 European Union (1992), *Maastricht Treaty, Agreement on Social Policy Concluded between the Member States of the European Community with the Exception of the United Kingdom of Great Britain and Northern Ireland*, <http://europa.eu.int/en/record/mt/protocol.html>, (retrieved on June 1, 2007, from World Wide Web: URL).

been given utmost importance, which changes the Union's relations with the social partners.⁶⁷⁴ Thus, in this second phase of the evolution of the European social dialogue, between 1991 and 2001, the social partners were given a central role in formulating EU policy in the field of employment and industrial relations at EU level. The first item to be taken under this new consultation procedure was the European Works Councils, although the agreement in it was never achieved, and legislation was adopted under the normal procedures in 1994.⁶⁷⁵ The framework agreements reached by the social partners turned into directives by the Council of Ministers through the new procedure. They were subsequently on parental leave, on the rights of part-time workers and on the rights of workers on fixed-term contracts, all of which are discussed in the following parts of the Chapter.

The second phase of the European social dialogue which began with an agreement signed between the social partners in 1991 was marked as the real impetus for the further developments of the European social dialogue. This agreement (an annex to the Maastricht Treaty) was added to the Agreement on Social Protocol, and later on inserted into the Amsterdam Treaty. According to this Protocol, the agreements negotiated and concluded by the social partners gained a legal status with the decision adopted by the Council. In this way, the new legal provision was to be transposed to the national legislation of the member states.⁶⁷⁶ The innovations brought with the SPA concerning the participation of the social partners and the social dialogue were that the Commission legally has to consult the social partners and that the way of adopting collective agreements and contracts at European level was opened. With this development, the social dialogue became one of the central conditions for the European integration process.⁶⁷⁷ The more the European integration process progressed, the more the social dialogue was needed. Moreover, it is considered that social dialogue facilitates social dialogue at European level and increases the legitimacy of the decisions taken.

674 Koray, M. and Çelik A. (2007), *Avrupa Birliği ve Türkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 160.

675 Falkner, G. (2000), "The Council or the Social Partners?", *EC Social Policy between Diplomacy and Collective Bargaining*, *Journal of European Public Policy*, 7, p.707-8.

676 European Union (1992), *Maastricht Treaty, Agreement on Social Policy Concluded between the Member States of the European Community with the Exception of the United Kingdom of Great Britain and Northern Ireland*, <http://europa.eu.int/en/record/mt/protocol.html>, (retrieved on June 1, 2007, from World Wide Web: URL).

677 Koray, M. and Çelik A. (2007), *Avrupa Birliği ve Türkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 159.

Provisions regarding the European social partners were incorporated into the Social Chapter of the Treaty after the British Labour government signed up to the Protocol at Amsterdam in 1997.⁶⁷⁸ The principles stated in the SPA became part of the Treaty through the Amsterdam Treaty. In particular, the role of the social partners in the European social dialogue process is clearly described in Articles 137-139 of the Amsterdam Treaty. Their prerogatives can be summarized as follows⁶⁷⁹:

- *Implementation of Community directives (Article 137)*
- *Consultation (Article 138)*
- *Self-regulation (Article 139)*

It can easily be inferred from these three categories what a huge impact the European social partners can, theoretically, have on the development of the EU social policy. They enjoy a unique position in the institutional system of the EU Treaty, not granted to any other interest groups. With the above mentioned Articles, the place for social dialogue at European level was determined through a strong institutional recognition. Thus, stated that both at the sectoral and inter-sectoral levels, the social partners can engage in European-level collective bargaining and see the outcome of their negotiations turned into compulsory EU law.

The social partners negotiated certain issues through the use of the above stated mechanism and some of the negotiated issues turned into agreements. In order to comprehend the mechanism fully, it is worth analyzing the Articles in details. Article 137 specifies the areas in which the Community has competence. This Article included the representation of the interests of workers and employees within its remit.⁶⁸⁰ However, it is essential to mention that while the issues of partnership and involvement in governance is included in the competence of the Community, the issues of wages, unionization and strike and lock-out were excluded from the competence of the Community.

In the following Article of the Treaty, it was stated that the Commission has a responsibility to encourage consultation of the social partners at community level and to take every useful measure to facilitate their dialogue, taking care to ensure a balanced

678 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 365.

679 See OJ C 340, 10.11.1997, <http://europa.eu.int/eur-lex/en/treaties/dat/amsterdam.html>, (retrieved on May 4, 2007, from World Wide Web: URL).

680 Ibid.

support of the social partners.⁶⁸¹ In particular, Article 138 of the EC Treaty provides for a compulsory two-stage consultation procedure. According to this Article, the Commission is required to consult the social partners on the possible direction of Community action before presenting proposals in the social policy field.⁶⁸² If the Commission considers that the Community action is desirable, it must consult the social partners on the actual content of the envisaged proposal. Moreover, the Social partners are also consulted within advisory committees in the context of procedures aimed at gathering the views of interested parties, such as Green Papers, and systematically on the reports on transposal of Community legislation.⁶⁸³ In this framework, the Commission consults social partners to open the way for them to engage in dialogue. According to article 139 of the Treaty, the Community level dialogue between the social partners can lead, if they wish it, to contractual relations, including agreements concerning issues specified in Article 137, which will be valid at Community level.⁶⁸⁴ The implementation can be made either by a legal instrument or through national channels. The social dialogue at this level resembles to some extent ‘partnership governance’ at the national level.⁶⁸⁵

The social dialogue has been on the agenda of the EU since 1985. In addition to the Treaty revisions mentioned above, in the White Papers on *Growth, Competitiveness and Employment*⁶⁸⁶ and *Social Policy*⁶⁸⁷, the importance of the creation of an effective framework for industrial relations was emphasized. In particular, in the latter document, the conceptualization of the ‘European Social Model’ is premised on three social bargains, namely, a system of industrial relations based on a system of collective bargaining, the welfare state including a social security system, the public provision of health services and minimum guarantees in law, such as a guaranteed minimum wage, and the process of economic policy-making which recognizes the principle of social partnership in the production and distribution of wealth and in the creation of employment.⁶⁸⁸ The European social model, thus, presented as the legacy of a

681 Ibid.

682 Ibid.

683 Ibid.

684 Ibid.

685 Koray, M. and Celik A. (2007), *Avrupa Birliği ve Türkiye’de Sosyal Diyalog, AB’ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 174.

686 European Community (1993), *White Paper on Growth, Competitiveness and Employment: The Challenges and Way Forward into the 21st Century*, Luxembourg: Official Publications of the European Communities.

687 COM (94) 333 Final, http://aei.pitt.edu/1118/01/social_policy_white_paper_COM_94_333_A.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

688 Carter, C. A. (2000), “The European Social Model: Framework or Fallacy?”, in Usher, J. A. (ed.), *The State of the European Union*, England: Longman/

democratic Western Europe, is based on the principles of democracy and individual rights, free collective bargaining, the market economy, equal opportunities for all, and social welfare and solidarity.⁶⁸⁹ The policy is, then, devised and implemented in the spirit of consensus and social cooperation.

Every step in the integration process aims to improve the inclusion of the European social partners into the social policy-making process through social dialogue at European level. In the 2000 Lisbon European Summit, the Heads of State and Government set out a ten-year strategy for the economic and social development of the EU. The common vision requires an integrated approach across a range of economic, social and environmental policy areas, in order to achieve sustainable economic growth, more and better jobs, with greater social cohesion.⁶⁹⁰ The successful implementation of the Lisbon Agenda requires the active involvement of the social partners.

The EU Charter of Fundamental Rights is an important milestone in the development of European social dialogue in that the Charter's fundamental rights of association, information and consultation, collective bargaining and action, anchors the role of the social partners in EU social policy and ascribes legitimacy to collective bargaining and collective action, and information and consultation at the level of enterprise.⁶⁹¹ It sustains a model based on the distinctive role of the social partners at all levels of the economy and society, from the level of macro-economic policymaking to the day to day experience of the workplace.

Developed by the Commission in response to the call at Lisbon for the modernization of the European Social model, the Social Policy Agenda endorsed at the Nice European Council in December 2000 underlines the importance of social dialogue in promoting competitiveness, solidarity and an appropriate balance between flexibility and security in employment.⁶⁹² In the European Council meeting in Nice in December 2000, among the common objectives established, it was stressed that the social partners, working with other actors, have an essential part to play in achieving social cohesion through their

Pearson Education Limited, pp. 105-121.

689 Hyman, R. (2005), "Trade Unions and Politics of the European Social Model", *Economic and Industrial Democracy*, 26(9), London: Sage Publications, p. 8.

690 See 2000 Lisbon European Council, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm, (retrieved on May 4, 2007, from World Wide Web)

691 See OJ C 364/01, 18.12.2000, http://www.europarl.eu.int/charter/pdf/text_en.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

692 See COM (2000) 379 Final, http://ec.europa.eu/employment_social/social_policy_agenda/com379_en.pdf(retrieved on June 2, 2007, from World Wide Web: URL).

contribution to the development of employment and to the modernization and organization of work at national, sectoral, intersectoral and European level.⁶⁹³ Moreover, one of the developments that took place in the first progress report after the agenda's endorsement in Nice is about social dialogue in that the Commission decided under Article 138 to continue dialogue between the social partners to modernize and improve employment relations in teleworking, while the social partners completed sectoral agreements in telecommunications and commerce.⁶⁹⁴ The social partners are also invited to play a full part in the implementation and monitoring of the social agenda, starting at its meeting in Stockholm in March 2001.⁶⁹⁵

3.3.2.3. Laeken European Council and Onwards: 'Joint Contribution' of the Social Partners in the European Social Dialogue and 'Autonomous Agreements'

The last phase in the evolution of the European social dialogue commenced in 2001 when we witnessed the 'joint contribution' of social partners to the Laeken European Council at the social summit in which they expressed their willingness to develop social dialogue by jointly drawing up a multi-annual work programme before the European Council at the end of 2002.⁶⁹⁶ In this way, in the light of the challenges posed by the debate on Europe's future and governance, the future enlargement of the European Union, completion of economic and monetary union and the associated development of coordination of economic, employment and social policies, they affirmed their intention to develop a work programme for a more autonomous social dialogue in the joint declaration to the Laeken European Council in December 2001.⁶⁹⁷

Upon this development, the European social partners that are fully aware of the strong involvement of national employer and trade union leaders for the progress of the European social dialogue presented their work programme on the occasion of the social

693 See OJ C80/01, 10.03.2001, http://europa.eu.int/eur-lex/en/treaties/dat/nice_treaty_en.pdf, (retrieved on May 4, 2007, from World Wide Web: URL).

694 Kassim, H. (2002), "Internal Policy Developments", in Edwards G. and Wiessala G. (eds.), *The European Union: Annual Review in the EU 2001/2002, Journal of Common Market Studies*, 40, UK: Blackwell Publishing Ltd.

695 Kassim, H. (2001), "Internal Policy Developments", in Edwards G. and Wiessala G. (eds.), *The European Union: Annual Review in the EU 2000/2001, Journal of Common Market Studies*, 39, UK: Blackwell Publishing Ltd.

696 See 2001 *Laeken European Council*, Presidency Conclusions, http://ec.europa.eu/governance/impact/docs/key_docs/laeken_concl_en.pdf, (retrieved on June 2, 2007, from World Wide Web: URL).

697 Ibid.

dialogue summit, in Brussels on 28 November 2002.⁶⁹⁸ This initiative is significant in that due to the limits of the European social dialogue, this phase paved the way towards the social partners' and the member states' selecting their implementation means and methods rather than creating legally binding instruments.⁶⁹⁹ In other words, the final phase of the European social dialogue has been a period in which the 'open cooperation method' has come to the fore. This backs up the broad participation in the social policy field, the coordination of administration at different levels, the importance attached to gathering information, coordination, comparisons, and the need for diversity in terms of using different means to achieve the common determined goals.⁷⁰⁰ In a way, this method reveals the transformation from hard law to soft law in the social policy field, and the deliberate participation of various actors in the social policy-making process through dialogue and conciliation, which are the basic characteristics of the governance approach in the EU.

In 2002, a new generation of texts entailing greater implementation and monitoring for the social partners was initiated. Firstly, in March 2002, the framework of actions for the lifelong development of competencies and qualifications were adopted, which is to be implemented by the open method of coordination. Secondly, in July 2002, the telework agreement was adopted as the first 'autonomous' Article 139 framework agreement, to be implemented and monitored by the social partners themselves. As 2002 was the first year of follow-up to the Laeken contribution, the groundwork was laid for the social partners' independence in terms of their social dialogue. They presented their first multiannual work programme for 2003-05 in November 2002 at a social dialogue summit held at Genval, Belgium. The social partners are thus called upon, at least at European level, to involve themselves in both traditional employment matters and macroeconomic issues.⁷⁰¹ This should take the form of concluding agreements and, in a wider context, monitoring their implementation, which reveals that their field of competence has been widened substantially.⁷⁰²

698 Ibid.

699 Ersoz, H. Y. (2008), *AB ve Türkiye'de Sosyal Diyalogun Gelişimi*, İstanbul: İstanbul Ticaret Odası (İTO) Yayınları.

700 Koray, M. and Celik A. (2007), *Avrupa Birliği ve Türkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 167.

701 European Foundation for the Improvement of Living and Working Conditions (2004), *Foundation Paper No.5*, Luxembourg: Office for Official Publications of the European Communities.

702 Ibid.

In 2003, the first Tripartite Social Summit for Growth and Employment was held with the Council Presidency, the President of the Commission and the highest-level representativeness of the social partners.⁷⁰³ The Tripartite Social Summit is established to ensure, that there is continuous consultation between the Council, the Commission and the social partners.⁷⁰⁴ In this way, it will enable them at European level to contribute, in the context of their social dialogue, to the various components of the integrated economic and social strategy, including the sustainable development dimension as launched at the Lisbon European Council in March 2000.⁷⁰⁵

The recent developments in the evolution of the European social dialogue can be stated as 2005 mid-term Lisbon strategy which was decided at the European Council held on 22-23 March. It reiterates the importance of the social partners' active involvement in order to achieve the strategy's objectives on growth and employment.⁷⁰⁶ On 29 September of the same year, 20 years of European social dialogue was celebrated at Social dialogue Summit in Palais d'Egmont in Brussels. In the following year, the first European sectoral social dialogue conference was held. The European social partners presented their second multi-annual work programme (2006-2008) at the Tripartite Social Summit.

On examining the historical evolution and the Treaty revisions, it is inferred that in legal terms, the concept of social dialogue can be regarded as 'bargaining in the shadow of the law'⁷⁰⁷. The legitimacy of the social partners' action is based on their representativeness and their legitimacy empowers them to negotiate agreements.⁷⁰⁸ The legislative procedure in EU social policy works as follows⁷⁰⁹: when the Commission consults on any planned social policy measure, European level employer and labour groups may inform the Commission of their wish to initiate negotiations on the matter under discussion in order to reach a collective agreement. This process brings standard EC decision-making to a standstill for nine months. If a collective agreement is signed,

703 See OJ L 70 of 14.03.2003.

704 Ibid.

705 See 2000 Lisbon European Council, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm, (retrieved on May 4, 2007, from World Wide Web: URL).

706 See 2005 Brussels European Council, Presidency Conclusions, http://ue.eu.int/ueDocs/cms_Data/docs/pressdata/en/ec/84335.pdf (retrieved on June 10, 2008, from World Wide Web: URL).

707 Adnett, N. and Hardy, S. (2005), *The European Social Model: Modernization or Evolution?*, the UK: Edward Elgar Publishing Ltd., p. 36.

708 Falkner, G. (2007), "The EU's Social Dimension", in Cini, M. (ed.), *European Union Politics*, Oxford: Oxford University Press, p. 273.

709 Ibid.

it can, at the joint request of the signatories, be incorporated in a ‘Council decision on the basis of a prior Commission proposal’. In this framework, then, upon the EU’s launching an initiative, the social partners had the power to postpone the legal process and instead to negotiate a European collective agreement which may subsequently be incorporated into European legislation following a decision by the Council.⁷¹⁰

Falkner states that in recent years, bargaining on social policy issues has been pursued in two quite distinctive but interdependent arenas; one of them is the traditional pattern of social policy-making which is dominated by the Council and its working groups, and the other one is a different arena surrounding negotiations between management and labour, the procedures of which are not prescribed in the Treaties.⁷¹¹ While in the former ‘intergovernmental arena’ for EU social policy, negotiations proceed according to the detailed rules about decision-taking that are specified in the EC Treaty, involving the interests represented by politicians that are predominantly territorial (in the Council) and partly political (in the EP), the latter arena surrounds negotiations between management and labour. Here, procedures are not prescribed in the Treaties. The Maastricht Social Agreement only contains provision about ‘interface situations’ where the intergovernmental procedure and collective bargaining meet, specify the rules on bringing standard decision processes to a standstill, or initiate Council negotiations on implementation.⁷¹²

3.3.3. Forms and Levels of European Social Dialogue

Taking into account all the developments discussed above that took place in the evolution of the European social dialogue, it is found out that the viewpoint and stance of the EU towards the social problems has displayed a significant change. In respect to this change, the increased participation of the social partners in EU social policy-making is significant in terms of getting public support regarding the legitimacy deficit of European integration.⁷¹³ The Union’s quest for an enhanced role in this field may be discerned in this way. Thus, as has been discussed in the second chapter, due to the

710 Dolvik, J. (1997), “The ETUC and Development of Social Dialogue and European Negotiations after Maastricht”, *ARENA Working Paper*, 2, Oslo: ARENA - Advanced Research on the Europeanization of the Nation-State.

711 Falkner, G. (2007), “The EU’s Social Dimension”, in Cini, M. (ed.), *European Union Politics*, Oxford: Oxford University Press

712 Dolvik, J. (1997), “The ETUC and Development of Social Dialogue and European Negotiations after Maastricht”, *ARENA Working Paper*, 2, Oslo: ARENA - Advanced Research on the Europeanization of the Nation-State.

713 Falkner, G. (1999), “European Social Policy: Towards Multi-level and Multi-actor Governance”, in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 96-97.

internal and external challenges that the EU faces, importance has been attached to the social policy field as a policy area in its own right as a result of the transformation process it has undergone since the establishment of the Communities. The Union has been committed to providing *coordination* among the member states based on the logic of the governance approach and through the means and objectives stated in the action programmes and social agendas.

Considering the increase in the directives adopted after the 1990s under the Articles 138 and 139, the transformation of social policy is not only significant for EU social policy but also for the European social dialogue. The most important directive adopted in this regard was the establishment of the Works Council (94/45), which is going to be mentioned in detail in the forthcoming parts of the chapter. Moreover, the increased interest in the European social dialogue process enhanced the efficacy of the consultation procedure in the European social dialogue under Article 138.

In this framework, it is clear that EU social policy is focused on solving the social problems through the coordination of the member states and establishing minimum standards and the use of the social dialogue between workers and employees. In this framework, the social dialogue at European level is defined as both discussions and negotiations among the European social partners and those between the European social partner organizations and the EU institutions.⁷¹⁴ A kind of tripartite cooperation between the EU institutions and the European social partners takes place. It is also essential to consider the procedure of the European social dialogue, the transformation it has undergone and the forms, levels and outcomes of the procedure.

Considering all the forms and levels of social dialogue discussed in the introductory part of this chapter, it is seen that European social dialogue takes place in various forms ranging from consultation to tripartite social dialogue and at various levels ranging from cross-industry to sectoral and inter-sectoral levels. Then, this various faceted and highly complicated procedure of European social dialogue leads to various kinds of outcomes ranging from consultations to framework agreements implemented by Council decision. In this part of the chapter, the operation of European social dialogue is analyzed in

714 See EC COM (2004) 557 Final, p. 15, http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0557en01.pdf (retrieved on June 2, 2007, from World Wide Web: URL).

relation to the forms, levels and outcomes of the social dialogue process.

Among the basic forms of ‘social dialogue’ discussed previously, the forms of *tripartite* and *bipartite social dialogue* are crucially important for the European social dialogue. In the case of the European social dialogue, the European Commission is represented as the governmental authority, so that at European level there would be three parties around the table, namely the EU Commission, the national authorities and the social partners. In addition to the different forms of social dialogue, social dialogue can take place at various levels, namely at sectoral level, cross-industry level and company level.⁷¹⁵ The dialogue can cover the private as well as the public sectors. In this framework, the collective agreements can be concluded as well at enterprise level, as at sectoral level and at cross-industry level. At European level, there are three levels of social dialogue, which are namely cross-industry, sectoral level and company level. In that respect, the bipartite autonomous European social dialogue takes place at cross-industry level, through gathering together the cross-industry European social partners, at sectoral level through sectoral social dialogue committees, and at company level through European Work Councils (EWCs) for transnational agreements.⁷¹⁶

The European social dialogue has been institutionalized with the tripartite social dialogue. The *tripartite social dialogue* takes place at the occasion of the Tripartite Social Summit for Growth and Employment, which contributes to social dialogue.⁷¹⁷ In this form of social dialogue, in addition to employment and social protection issues, macroeconomic, education and training issues are discussed. Concerning macroeconomic issues, following the European Council of Cologne in June 1999, a macroeconomic dialogue was set up to encourage growth and employment, involving the social partners in the discussion of economic, monetary, budgetary and fiscal policy.⁷¹⁸ In this new initiative, technical meetings take place with the Employment Committee (EMCO) and the Economic Policy Committee (EPC), and political-level meetings with the Employment and the Economic and Financial Affairs Ministers, the Commission

715 Blanpain, R., Colucci, M. and Sica, S. (eds.) (2006), *The European Social Model*, Antwerpen and Oxford: Intersentia.

716 Ibid.

717 See OJ L 70 of 14.03.2003.

718 See 1999 Cologne European Council, Presidency Conclusions, http://www.europarl.europa.eu/summits/kol1_en.htm (retrieved on June 10, 2008, from World Wide Web: URL).

and the European Central Bank (ECB).⁷¹⁹

The decision setting up the Tripartite Social Summit for Growth and Employment established a tripartite dialogue on employment along the lines of the macroeconomic dialogue.⁷²⁰ In this framework, with regard to employment issues, while technical meetings take place with the EMCO, political level meetings take place with the Informal Employment and Social Affairs Council usually held at the beginning of each presidency. Tripartite concertation in the field of social protection was strengthened in 2002, in particular by the closer association of the social partners in the work of the Social Protection Committee (SPC), and in the preparation and implementation of the national social action plans (NAPs) for social inclusion. While technical meetings take place with the SPC, political-level meetings take place with the Informal Employment and Social Affairs Councils. Upon the Council decision establishing a new process of structured dialogue between the troika of ministers, the social partners and the Commission, the first political level meeting was held on 5 February 2003, at which all parties expressed a desire to promote ongoing concertation on the questions of lifelong learning, the development of competencies, and research.⁷²¹

Upon a Commission decision *on the establishment of Sectoral Social Dialogue Committees promoting the Dialogue between the social partners at European level*, sectoral dialogue committees are established in those sectors where the social partners make a joint request to participate in a European-level dialogue.⁷²² The role of these Committees is to be consulted on developments at Community level with social implications, and to develop and promote the social dialogue at sectoral level.⁷²³ Sectoral social dialogue committees are established on the base of the autonomy of the social partners. The committees adopting their own rules of procedure and work programme hold one plenary meeting per year, with additional meetings scheduled depending on the nature of their plan of work.⁷²⁴

719 Ibid.

720 See OJ L 70 of 14.03.2003.

721 Ibid.

722 See OJ L 225 of 12 August 1998, pp. 0027-0028.

723 Ibid.

724 Ibid.

The composition and operation of sectoral social dialogue takes place by means of the 34+3 *sectoral social dialogue committees*⁷²⁵ in the fields of transport, railways, road, sea, civil aviation. The procedure for establishing the new sectoral dialogue committees starts with a joint request from the sector's European-level social partners.⁷²⁶ Then, upon this request, the establishment of sectoral social dialogue committees takes place according to a set of criteria to be fulfilled by the organizations representing both sides of industry. According to criteria set out in Commission decision 98/500/EC, in order to be established as a sectoral social dialogue committee, the organizations must relate to specific sectors or categories and be organized at European level, and consist of organizations which are themselves an 'integral and recognized part of member states' social partner structures', and have 'adequate structures to ensure their effective participation' in the work of the Committees.⁷²⁷

In a thematic framework, the topics which are covered by the social dialogue at sectoral level include equal opportunities, corporate social responsibility and fundamental rights, a social clause, modernization of work, teleworking, training, mutual recognition of qualifications, vocational training, health and safety. Thus, social dialogue at sectoral level has led to the adoption of 'agreements'. In a textual framework, most of the texts produced in sectoral social dialogue committees can be categorized as common opinions and declarations, codes of conduct and protocols of agreements. This issue which is combined with a series of laws on health and safety, and on minimum standards for equal pay and working conditions has made it possible to constitute a set of European workers rights gradually.⁷²⁸ Thus, this process has served principally to raise standards in less developed European countries, but also helped to improve the protection of workers in the UK and to forestall any attack on labour rights already established in several northern European countries.

With regard to the sectoral social dialogue, some examples can be given as follows. An agreement on fundamental rights and principles at work was produced in the European commerce sector that was concluded between Euro-Commerce (for employers) and

725 The list of the sectoral social dialogue committees can be seen in *Appendix-I.1*.

726 Blanpain, R., Colucci, M. and Sica, S. (eds.) (2006), *The European Social Model*, Antwerpen and Oxford: Intersentia.

727 OJ L 225 of 12 August 1998, pp. 0027-0028.

728 Friso, M. (2005), "From a European Social Model to a Globalised Social Model: Issues and Challenges", *European Trade Union Institute (ETUI)*, Report 90, Hans Böckler Foundation, Brussels, p. 10.

Euro-FIET Commerce (for employees) in 1999. Moreover, the European social partners in the footwear industry signed a common accord to extend the coverage of their charter on child labour in 1998, as the issue of child labour has been one of the key concerns of the social dialogue in the footwear sector. The European social partners in the commerce sector, namely the EuroCommerce for the employers and UNI-Europa Commerce for trade union signed a European agreement on guidelines on telework in commerce in 2001. More recently, examples for some outcomes of sectoral dialogue can be given as EU bank social partners' joint declaration on lifelong learning in the banking sector (31/3/2003), European agreement on vocational training in agriculture (05/12/2002), Joint recommendation: Guidelines for training and development, especially in SMEs, in the hotel, restaurant and café sector (11/06/2004). As can be inferred from this very tiny selection of the various outcomes of sectoral social dialogue, sectoral dialogue, which commenced in 1985, has gained in significance as a result of the prompt of several negotiations and agreements at this level.

In addition to the cross-sectoral and sectoral level social dialogue at European level discussed above, there are also some European social dialogue developments at company level. The origins of the developments at company level can be traced back to the 1990s when there was acceleration in the adoption of the social policy directives, because it is clear that this acceleration occurred in parallel with the Community interest in the social policy field. In this context, among the social policy directives adopted, the one concerning social dialogue at company level was the Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees. This Directive is significant in that it reveals that the future of participation in management rests at European level.⁷²⁹

The issue of the participation of employees in management at company level in terms of informing and consulting them has been a controversial issue both at national and European levels. Despite different practices and rules and regulation of this issue in the member states, in general terms, in line with the European Social Model and the 'social partnership' principle, it can be said that it is a highly accepted view that employees have

729 Koray, M. (2000), *Sosyal Politika*, Bursa: Ezgi Yayınevi, p. 91.

the right to know the developments occurring at the company where they work.⁷³⁰ In that respect, this issue of employees' right to be consulted and to know about the developments taking place in the company where they work is not only an issue of their individual right, but also this consultation and information is a part of the social dialogue mechanism.⁷³¹

The regulations relating to the issue of information and consultation have evolved in a fragmented way since the 1970s. Among the directives adopted two of them are significant in terms of forming the general framework of the issue of information and consultation. For this reason, these two basic directives are discussed in this part of the study, namely *Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees*⁷³², and *Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community*⁷³³.

The former Directive, *the European Works Councils (EWC) Directive*, was adopted with the aim to improve the right to information and to consultation of employees in Community-scale undertakings and Community-scale groups of undertakings.⁷³⁴ With this Directive, it was stressed that employees who work at Community level companies are to be informed and consulted about the issues regarding the company where they work. The Directive includes very specific definitions for the companies that fall within the framework of the Directive. In that regard, the Community-scale undertaking is described as 'any undertaking with at least 1000 employees within the member states and at least 150 employees in each of at least two member states or companies with more than 1000 employees in the EU'⁷³⁵ and Community-scale group of undertakings as 'a group of undertakings incorporating the characteristics of; at least 1000 employees within the member states, at least two group undertakings in different member states, and at least one group undertaking with at least 150 employees in one member state and

730 Koray, M. and Çelik A. (2007), *Avrupa Birliği ve Türkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 201.

731 Keller, B. (2003), "Social Dialogue at Sectoral Level: The Neglected Ingredient of European Industrial Relations", in Keller, B. And Platzer, H. W. (eds.), *Industrial Relations and European Integration: Trans and Supranational Developments and Prospects*, Aldershot, UK: Ashgate, p. 30-57.

732 It is briefly called as "European Works Councils (EWC) Directive".

733 It is briefly called as "Information and Consultation of Employees Directive".

734 See Article 1 of OJ L 254, 30/09/1994 pp. 0064 – 0072.

735 See Article 2 of OJ L 254, 30/09/1994 pp. 0064 – 0072.

at least one other group undertaking with at least 150 employees in another member state⁷³⁶ With these very limited and specific definitions, it is inferred that this Directive is not valid for the national-scale companies and Community-scale companies falling below or above the quantitative criteria stated in the Directive.

According to the same Directive, the purpose of the Directive is fulfilled through the establishment of a European Works Council or an employee information and consultation procedure stated in the second section of the Directive. The important point to be mentioned here is that the responsibility for the establishment of a European Works Council or an employee information and consultation procedure is given to the central management which has the responsibility for creating the conditions and means necessary for the setting up of a European Works Council or an information and consultation procedure.⁷³⁷ The central management commences the negotiations for the establishment of a European Works Council or an information and consultation procedure upon its own initiative or at the written request of at least 100 employees or their representatives in at least two undertakings or establishments in at least two different member states.⁷³⁸ This procedure is operated through a special negotiating party. This kind of means and the way of its operation reveals the decentralized mode of governance in the European social dialogue.

Upon the framework of the abovementioned Directive, it can be noted that the principle of autonomy of the parties is respected as the representatives of employees and the management of the undertaking or the group's controlling undertaking determine by agreement the nature, composition, the function, mode of operation, procedures and financial resources of European Works Councils or other information and consultation procedures so as to suit their own particular circumstances. Moreover, the directive is in line with the principle of subsidiarity, as it is in the hands of the member states to determine who the employees' representatives are and to provide for a balanced representation of different categories of employees. The Directive is also in line with the principle of cooperation of the governance approach in that for the operation of European Works Council and information and consultation procedure for workers, the central management and the European Works Council shall work in a spirit of

736 Ibid.

737 See Article 4 of OJ L 254, 30/09/1994 pp. 0064 – 0072.

738 See Article 5 of OJ L 254, 30/09/1994 pp. 0064 – 0072.

cooperation with due regard to their reciprocal rights and obligations.⁷³⁹

Upon this basis, European Work Councils operate as an information and consultation mechanism between representatives of the employees working in the Community-scale groups of undertakings and the central administration of the Companies falling under the strict criteria of the Directive. Currently, there are 858 multinational companies⁷⁴⁰ that have EWC, 51 multinational companies that have EWC negotiations ongoing, and 170 multinational companies that had a EWC that is dissolved or merged into another.⁷⁴¹ There are currently 2204 companies that fall within the scope of EWC directive. Once the number of EWCs established from the date on which the the directive was adopted until today, an acceleration has been observed in the number of the EWCs. While in 1994, there were only 50 EWC, in the year 1995 alone the number of existing EWCs grew to 80. The 323 EWCs set up in 1996 illustrate the incentive effect of Article 13 of the EWC directive. In the following ten years, the number of companies having established EWCs doubled, but much more gradually compared to 1996, and recently exceeded the average of 850 in 2005.⁷⁴²

Considering the evolution of EU social policy, in 1994 when the Directive was adopted, due to the British opt-out from the Social Charter, problems occurred in the progress of this first Directive to use the procedures attached to the Social Protocol in 1994.⁷⁴³ The UK was excluded from the Directive due to her opt-out from the Community social policy. It was in 1997 when the ‘two-track’ social Europe was over with the Amsterdam Treaty that the UK was included in the Directive upon the adoption of the *Directive 97/74/EC of 15 December 1997, extending to the United Kingdom of Great Britain and Northern Ireland, Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees*⁷⁴⁴.

739 See Article 9 of OJ L 254, 30/09/1994 pp. 0064 – 0072.

740 *Multinational companies* are described as companies employing 1000 persons within the European Economic Area (EEA) as a whole, and 150 or more employees in each of at least two member states.

741 *EWC Database*, http://www.ewcdb.eu/list_other_documents.php?webchapter_ID=4&type=National%20legal%20provisions&sort=default (retrieved on December 2, 2008, from World Wide Web: URL).

742 *EWC Database*, http://www.worker-participation.eu/european_works_councils/facts_figures (retrieved on December 2, 2008, from World Wide Web: URL).

743 Bames, I. and Barnes, P. M. (1995), *The Enlarged European Union*. The United Kingdom: Pearson Education Limited, p. 347.

744 See OJ L 10, 16/01/1998, p.0022-0023.

In almost all member states, there are certain mechanisms for the representation of employees working at companies. In terms of these work structures which are known as works councils, a framework was formed with the latter Directive, *the Information and Consultation of Employees Directive*.⁷⁴⁵ With this Directive, the mechanism of information and consultation has been generalized to ‘establish a general framework setting out minimum requirements for the right to information and consultation of employees in undertakings or establishments within the Community’⁷⁴⁶. Thus, with this Directive, the mechanism of information and consultation of employees has been generalized going beyond the national practices and certain conditions such as worker health, mass dismissals, etc. In the preamble of the Directive, there was reference to the Article 136 of the Treaty which draws attention to the promotion of social dialogue between management and labour by the Community and the member states, point 17 of the Community Charter of Fundamental Social Rights of Workers which draws attention to the respect that should be taken into account for the different practices of the member states concerning the issue of information, consultation and participation for workers. The Directive was adopted not through the agreement of the social partners, but through the initiation of the Commission and the decision of the Council of Ministers.⁷⁴⁷

Regarding the objectives and content of the Directive, the right to information and consultation of employees and procedures ensuring the exercise of this right make up the core of the Directive, which necessitates using precise definitions of these terms. The Directive itself provides the definitions of the terms ‘information’ and ‘consultation’. In that regard, ‘information’ was described as ‘transmission by the employer to the employees’ representatives of data in order to enable them to acquaint themselves with the subject matter and to examine it’⁷⁴⁸ and ‘consultation’ was described as ‘the exchange of views and establishment of dialogue between the employees’ representatives and the employer’⁷⁴⁹. However, these definitions have been criticized as they are not precise enough either in terms of the timing of such an ‘exchange of views’ and the content of the issues to be informed or consulted.⁷⁵⁰ The

745 See OJ L 80, 23/03/2002, p.0029-0033.

746 See Article 1 of the OJ L 80, 23/03/2002, p.0029.

747 See OJ L 80, 23/03/2002, p.0029-0033.

748 See Article 2 of the OJ L 80, 23/03/2002, p. 0031.

749 Ibid.

750 Koray, M. and Celik A. (2007), *Avrupa Birliği ve Türkiye’de Sosyal Diyalog, AB’ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 207.

transposition of the Directive into the national legislation should not be later than 23 March 2005.⁷⁵¹

All in all, taking into account the two important Directives in relation to European social dialogue at company level, these initiatives should not be underestimated. However, they are widely criticised due to the high threshold levels for the companies to fall under the scope of the Directives, as they may cause some employers to abstain from the responsibility of information and consultation of employees.⁷⁵² Moreover, as mentioned above, due to the vagueness of the definitions in the Directives concerning the timing of information and consultation, the necessity of giving information about original texts continuously has emerged.

3.3.4. Outcomes of European Social Dialogue

Following the publication of the Commission's document on *Partnership for Change in an Enlarged Europe – Enhancing the Contribution of European Social Dialogue*⁷⁵³, the outcomes of the European social dialogue were categorized, and then named according to the differences resulting from the social partners and the European social dialogue process. In that respect, the outcomes of the European social dialogue can be placed in four categories. They are consultations, framework agreements implemented according to Article 139 (2)⁷⁵⁴, joint opinions, declarations and tools and process-oriented texts.

In this categorization of the outcomes of the European social dialogue, the *consultation* of management and labour by the European Commission goes on continuously, producing several outcomes.⁷⁵⁵ The collective agreements which are implemented for minimum standards are either implemented according to the Council decision monitored by the Commission, or through autonomous agreements implemented by the procedures and practices specific to management and labour and the member states.

751 See Article 11 of the OJ L 80, 23/03/2002, p. 0033.

752 Koray, M. and Celik A. (2007), *Avrupa Birliđi ve Türkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İř Sendikası Yayınları, p. 209.

753 See COM (2004) 557 Final, http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0557en01.pdf, (retrieved on June 2, 2007, from World Wide Web: URL).

754 The framework agreements implemented according to Article 139 (2) are also known as 'collective agreements'.

755 The list of European social partner consultations can be seen in *Appendix-I.2*.

*Collective agreements*⁷⁵⁶ establish minimum standards and entail the implementation of certain commitments by a given deadline. Two main types of agreement fall within this category, the main difference between them relates to the method of implementation foreseen. In this framework, three cross-sectoral agreements that were transformed in EU directives under Article 139 were adopted. The first European social dialogue agreement on parental leave was accorded in 1996 and incorporated into a directive binding on all the member states (except UK). Others were on part-time work (1997) and fixed-term contracts (1999). These agreements are implemented by the Council decision. In addition, other agreements implemented by the Council decision are the European agreement on the organization of working time of seafarers (1998), the European agreement on the organization of working time of mobile workers in civil aviation (2000), and the European agreement on certain aspects of the working conditions of mobile workers assigned to interoperable cross border services (2004). The autonomous agreements are the framework agreements on telework (2002), work related stress (2004), the European license for drivers carrying out a cross-border interoperability service (2004), and the recent agreement on harassment and violence at work (2007).

Within the scope of the study, it is wise to include more detailed information about the Community-wide collective agreements, namely about parental leave, part-time work and fixed-term contracts, and autonomous agreements on telework, work related stress and harassment and violence at work. The above mentioned agreements are discussed in relation to their origin, purpose, content and scope.

The foundations leading to the conclusion of *the framework agreement on parental leave* and its implementation by way of a Directive is found in; paragraph 16 of the Community Charter of the Fundamental Social Rights of Workers on equal treatment for men and women providing that “measures should also be developed enabling men and women to reconcile their occupational and family obligations”⁷⁵⁷. The agreement was concluded in accordance with Articles 138(2-3) TEC and Article 139(2) EC and the Council implemented the Agreement on Parental Leave by way of a Directive of 3 June

⁷⁵⁶ The chart for agreements implemented in accordance with Article 139(2) can be seen in *Appendix-I.3*.

⁷⁵⁷ European Commission (1990), *Community Charter of Fundamental Social Rights for Workers*, Luxembourg: Commission of the European Communities.

1996.⁷⁵⁸ According to the Council directive 96/34/EC, the content of the framework agreement is grounded to set out minimum requirements on parental leave and time off from work as an important means of reconciling work and family life and promoting equal opportunities and treatment between men and women.⁷⁵⁹ In that respect, the framework agreement is based on the values of family life, equal treatment, in keeping with the principles of subsidiarity and proportionality. With regard to these principles, it has meant that the framework agreement is confined to the minimum required to achieve the objectives and does not go beyond what is necessary to achieve that purpose. That is to say, the agreement is only a framework agreement setting out minimum requirements and provisions for parental leave and refers back to member states and social partners for the establishment of the conditions of access and detailed rules of application in order to take into account of the situation in each member state.⁷⁶⁰

The *framework agreement on part-time work* is originated from negotiations between the social partners that started on 21 October 1996, when the Commission decided to involve the social partners on this issue, as the adoption of a Directive on ‘atypical work’ did not seem possible.⁷⁶¹ The agreement covering only *part-time workers*⁷⁶² has the dual purposes of providing for the removal of discrimination against part-time workers and improving the quality of part-time work; and facilitating the development of part-time work on a voluntary basis.⁷⁶³ In respect of employment and conditions, the principle of non-discrimination is crucial for the framework agreement to prevent less favourable treatment compared to full-time workers.

The *framework agreement on fixed-term work* came up upon the Commission’s consultation of management and labour on the substance of the proposal for a Directive on certain employment relationships with regard to distortions of competition and the general cross-industry organizations’ (UNICE, CEEP and the ETUC) desire to initiate the procedure leading to a collective agreement.⁷⁶⁴ On this ground, they concluded a framework agreement on fixed-term work which was based on the wish of both

758 See Directive 96/34/EC (OJ L 145, 19.6.1996)

759 Ibid.

760 Ibid.

761 See Directive 97/81/EC (OJ L 014 , 20/01/1998)

762 According to Directive 97/81/EC, *part-time worker* is defined as an employee, whose normal hours of work whose normal hours of work, calculated on a weekly basis or on average over a period of employment of up to one year, are less than the normal hours of work of a comparable full-time worker.

763 Ibid.

764 See Directive 99/70/EC (OJ L 175 , 10/07/1999)

management and labour, while at the same time indicating that it was their intention to consider the need for a similar agreement relating to temporary agency work.⁷⁶⁵ In this framework, according to clause 1 of the Agreement which is applied to *fixed-term workers*⁷⁶⁶ who have an employment contract, the general principles and minimum requirements for fixed-term employment contracts and employment relationships were set out with the aim to improve the quality of fixed-term work by ensuring the application of the principle of non-discrimination and by establishing a framework to prevent abuse arising from the use of successive fixed-term employment contracts or relationships.⁷⁶⁷

In the context of the European Employment Strategy, upon the invitation of the European Council and the Commission, a new strategy between the social partners in the area of social dialogue was embarked on, which ended with the conclusion of an *autonomous agreement on telework*.⁷⁶⁸ The autonomous agreement on *telework*⁷⁶⁹ which covers teleworkers is voluntary for the worker and employer concerned. The Agreement aims at establishing a general framework at the European level to be implemented by the members of the signatory parties in accordance with the national procedures and practices specific to management and labour.⁷⁷⁰ In the context of Article 139 of the Treaty, this European framework agreement shall be implemented by the members of UNICE/UEAPME, CEEP and ETUC in accordance with the procedures and practices specific to management and labour in the member states. The implementation will be carried out within three years after the date of signature of this agreement. Member organizations will report on the implementation of this agreement to an ad hoc group set up by the signatory parties, under the responsibility of the social dialogue committee. This ad hoc group will prepare a joint report on the actions of

⁷⁶⁵ Ibid.

⁷⁶⁶ According to Directive 99/70/EC, *fixed-term worker* means a person having an employment contract or relationship entered into directly between an employer and a worker where the end of the employment contract or relationship is determined by objective conditions such as reaching a specific date, completing a specific task, or the occurrence of a specific event.

⁷⁶⁷ See Directive 99/70/EC (OJ L 175, 10/07/1999)

⁷⁶⁸ See ETUC, UNICE, CEEP and UEAPME (2002), *Framework Agreement on Telework*,

http://ec.europa.eu/employment_social/social_dialogue/docs/300_20020716_agreement_telework_en.pdf (retrieved on June 15, 2008, from World Wide Web: URL).

⁷⁶⁹ According to the framework agreement on telework, *telework* is defined as a form of organizing or performing work, using information technology, in the context of an employment contract/relationship, where work, could be performed at the employers' premises, is carried out away from those premises on a regular basis.

⁷⁷⁰ See ETUC, UNICE, CEEP and UEAPME (2002), *Framework Agreement on Telework*,

http://ec.europa.eu/employment_social/social_dialogue/docs/300_20020716_agreement_telework_en.pdf (retrieved on June 15, 2008, from World Wide Web: URL).

implementation taken. This report will be prepared within four years after the date of signature of this agreement.

The European social partners, having identified work related stress as an important issue in the their work programme of 2003-2005, produced an autonomous agreement on *stress at work* in 2004, with the purpose of increasing the awareness and understanding of employers, workers and their representatives of work-related stress, and drawing their attention to signs that could indicate problems of work-related stress.⁷⁷¹ Thus, with this Agreement, employers and workers are provided with a framework to identify and to prevent or manage problems of work-related stress through management and communication measures, training managers and workers to raise awareness and understanding of stress. The implementation and follow-up of the Agreement takes place in the context of Article 139 as mentioned above for the autonomous agreement on telework.

Depending on the idea that mutual respect for the dignity of others at all levels within the workplace is one of the key characteristics of successful organizations, condemnation of all forms of harassment and violence was underscored with the recent *autonomous agreement on harassment and violence at work* by BUSINESSEUROPE⁷⁷², UEAPME, CEEP and ETUC on 26 April 2007.⁷⁷³ Similar to the above mentioned Agreement, the framework agreement on harassment and violence at work focuses on awareness raising in that the aim of the Agreement is to increase the awareness and understanding of employers, workers and their representatives of workplace harassment and violence and to provide employers, workers and their representatives at all levels with an action-oriented framework to identify, prevent and manage problems of harassment and violence at work.⁷⁷⁴ The implementation and follow-up of the Agreement takes place in the same way as in the abovementioned two autonomous Agreements.

771 See ETUC, UNICE, CEEP and UEAPME (2004), *Framework Agreement on Stress at Work*, http://www.workerparticipation.eu/eu_social_dialogue/interprofessional_esd/outcomes/framework_agreements/framework_agreement_on_stress_at_work ((retrieved on June 15, 2008, from World Wide Web: URL).

772 UNICE has been named as BUSINESSEUROPE since beginning of 2007.

773 See ETUC, BUSINESSEUROPE, CEEP and UEAPME (2007), *Framework Agreement on Harassment and Violence at Work*, http://209.85.135.104/search?q=cache:4mcXI7puNzAJ:ec.europa.eu/employment_social/news/2007/apr/harassment_violence_at_work_en.pdf+%22harassment+and+violence+at+work+%22&hl=tr&ct=clnk&cd=1&gl=tr (retrieved on June 15, 2008, from World Wide Web: URL).

774 Ibid.

*Process oriented texts*⁷⁷⁵ consist of a variety of joint texts which are implemented in a more incremental and process-oriented way than agreements.⁷⁷⁶ In these texts, the European social partners make recommendations of various kinds to their members for follow up. This process should involve regular evaluation of the progress made towards achieving their objectives in order to ensure they have real impact. In that framework, these texts are useful and helpful in terms of reaching common objectives, especially if the issue in concern requires complex arrangements and contains wide national diversity, and the social partners have the intention to cooperate on this issue. Frameworks of action, guidelines and codes of conduct, and policy orientations are varieties of process-oriented texts. Frameworks of action are texts framing the definition of the policy priorities that the social partners have undertaken. There have been two frameworks of actions adopted up to now through the European social dialogue procedure, namely, the framework of action on lifelong development of competences and qualifications which was adopted in 2002 and the framework of action on gender equality which was adopted in 2005. Guidelines and codes of conduct are texts that involve the basic principles and standards for the members at national level in order to reach a goal in a certain issue.

*Joint opinions, declarations and tools*⁷⁷⁷ are texts produced by the European social partner which contribute to exchanging information, either upwards or downwards through explaining the implications of EU policies to national members.⁷⁷⁸ Although the outcomes in this category do not entail any implementation, monitoring or follow-up provisions, they are important in that joint opinions include the majority of social partner texts adopted over the years such as their joint opinions and joint statements which are generally intended to provide input to the European institutions and/or national public authorities.⁷⁷⁹ Among this category of outcomes, there are also declarations which are usually directed at the social partners themselves, outlining future work and activities which the social partners intend to undertake.⁷⁸⁰ There are also tools that are developed by the social partners such as guides and manuals

775 The list of process oriented texts can be seen in *Appendix-I.4*.

776 See COM (2004) 557 Final, http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0557en01.pdf, (retrieved on June 2, 2007, from World Wide Web: URL).

777 The list of joint opinions, declarations and tools can be seen in *Appendix-I.5*.

778 Blanpain, R., Colucci, M. and Sica, S. (eds.) (2006), *The European Social Model*, Antwerpen and Oxford: Intersentia.

779 Ibid.

780 Ibid.

providing practical advice to employees and companies on subjects such as vocational training, health and safety and public procurement, often with the assistance of Community grants.⁷⁸¹ These can make a very practical contribution at the grassroots level.

3.3.5. Actors Involved in European Social Dialogue

After having discussed the historical evolution, legal basis and the forms, levels and outcomes of the European social dialogue, it is necessary to analyze the role of actors taking place in the European social dialogue process. As mentioned above, the social dialogue at European level has been put into operation in various forms and at various levels and results in various outcomes. The actors in this complicated process of European social dialogue play an important role in the operation and follow-up of the process.

Once the evolution of European social dialogue is taken into account, the European social partners have the crucial role in the operation and follow-up of European social dialogue. However, as the European social partners are analyzed in the following chapter, this chapter focuses on the EU institutions and committees involved in the European social dialogue. Basically, the ESC which has been the institution in which European social partners are formally represented since the establishment of the EEC is analyzed. Secondly, since the beginning of the 1990s, with the institutionalization of European social dialogue, the European Commission, which is the initiator and supporter of the European social dialogue process, is discussed in relation to its crucial roles in the operation and follow-up of the process, especially regarding the tripartite and bipartite social dialogue process. Moreover, the contribution of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) of the Council of the EU and EMCO of the EP is mentioned very briefly.

The ESC has a key role in the consultation process of European social dialogue, as it is a consultative body at the European level. Basically, the consultation process takes place by means of the ESC which is composed of the representatives of the social partners since the very beginning of the establishment of the EEC. In that respect, the

⁷⁸¹ Ibid.

ESC is the main actor in the operation of the consultation process in the European social dialogue. Although it is not possible to consider the ESC as an influential actor in the social policy-making procedure of the EU, it is still significant as the only institution in which European social partners are formally represented.

The ESC⁷⁸² was established with the Rome Treaty, in the post-war era of corporatist interventionism, as a consultative institution designed to bring in the advice of social and economic interests, above all business and labour, to European level decision-making.⁷⁸³ It has its origins in the ‘corporatist’ institutions that were set up between the wars in Germany and France to bring together labour, management, the self-employed and the government.⁷⁸⁴

During the European integration process, it has also undergone an evolution in its definition in the founding texts from the expression in the Rome Treaty as ‘the representatives of different categories of economic and social activities’⁷⁸⁵ to the description in the 2001 Nice Treaty as ‘an institution composed of different economic and social components of the civil society’⁷⁸⁶ Thus, it is inferred that the ESC has become a consultative organ of the European Commission, the European Parliament and the Council of the EU. In that respect, the Economic and Social Committee, which is composed of employers’ representatives, workers’ representatives and other interest groups, is the oldest and most institutional provider of the opinions of the social partners to the decision-making bodies.⁷⁸⁷ The members of the ESC are proposed by the member state governments and are appointed by the Council of Ministers through QMV after the Treaty of Nice.

With regards to the structure of the ESC, it has a diffuse membership that forms a coherent forum of the social partners of business and labour as a more broadly based

782 It is named as the European *Economic and Social Committee (EESC)*.

783 Wallace H. and W. (2006), “Overview: The European Union Politics and Policy-Making”, in Jorgensen, K. E., Pollack, M. A. and Rosemand, B. (eds.), *Handbook of European Union Politics*, London: SAGE Publications Limited, p. 346.

784 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 237.

785 Commission of the European Communities (1978), *Treaty of Rome, Treaties Establishing the European Communities*, Luxembourg: Office for Official Publications of the European Communities.

786 European Economic and Social Committee (2004). *The EESC: a Bridge between Europe and Organized Civil Society*, <http://eesc.europa.eu/documents/publications/pdf/booklets/CESE-2004-009-EN.pdf> (retrieved June 5, 2008, from World Wide Web: URL)

787 Moussis, N. (2006), *Access to European Union: Law, Economics, Policies*, Brussels: European Study Service, p. 244.

body representing the various categories of economic and social activity.⁷⁸⁸ In particular, according to the Article 257 TEC, the ESC consists of representatives of producers, farmers, workers, professionals, and of the general public. It is divided into three Groups representing employers, workers, and ‘various interests’, although Members are not obliged to join any of the Groups.⁷⁸⁹ The ‘various interests’ Group includes farmers, the professions, the self-employed, consumers, and environmental groups. They sit on the ESC in a personal capacity and may not be formally bound by any mandate or instructions from their organizations.

The main work of the ESC is carried out by its six Sections, one of which is *employment, social affairs and citizenship*. A secretariat general is responsible for the Committee’s administration. The Commission, or the Council as appropriate, has to consult the ESC on a range of issues including agricultural matters, freedom of movement for workers, the right of establishment of companies, social policy, internal market issues, measures for economic and social cohesion, and environmental policy.⁷⁹⁰ In addition, the Commission may consult it on any matter that it thinks appropriate; and the ESC has the right to issue opinions on any matter on its own initiative, except for subjects that fall under the remit of the ECSC, which still has its own Consultative Committee.⁷⁹¹ In practice, the ESC is not particularly influential. This is because it has chosen not to be selective in issuing opinions, which are of very variable quality. There is thus a lot of paper coming out of the secretariat of the ESC much of which is not very constructive, and as a result little of it is read with very great attention.⁷⁹²

There is no doubt that the ESC as the only institution gathering together the two sides of the social partners at European level is an established institution in the EU. However, due to the mere advisory status of the body, the ESC cannot go beyond its limited influence in EU social policy-making. Moreover, trade unions, in particular, are not content with the operation of the ESC. In that respect, the ESC is found disappointing due to the sensitivity of the member states to delegating their power in the social policy field, the neo-liberal approaches and some workers’ and the member states’ stance

788 Jeffery, C. (2002), “Social and Regional Interests: ESC and Committee of the Regions”, in Peterson, J. and Shackleton, M. (eds.), *The Institutions of the European Union*, Oxford: Oxford University Press, p. 327.

789 Bache, I. and George, S. (2006), *Politics in the European Union*, Oxford: Oxford University Press, p. 237.

790 Ibid.

791 Ibid.

792 Bennett, R. (1997), *European Business*, England: Prentice Hall, Pearson Education Limited.

towards the European social dialogue.⁷⁹³

Within the framework of tripartite concertation among the European social partners and EU institutions, *the European Commission, the European Parliament* by means of EMCO and, *the Council of the EU* by means of EPSCO take part in the institutional European social dialogue. In this framework, the EU has a role in promoting social dialogue. As mentioned in the legal basis of European social dialogue, the primary role of the EU is established with the Amsterdam Treaty, especially Article 138 which is based on the Commission promoting the consultation of management and labour at Union level.

The EU has also a role in collective bargaining, in the conclusion of European collective agreements which have binding effect. In that respect, the EU not only indicates that collective agreements between the social partners are a possibility but it expressly reminds them of this. As is mentioned in the Maastricht Treaty, in Article 118b it is enshrined that “should management and labour so desire, the dialogue between them at Union level may lead to contractual relations, including agreements”⁷⁹⁴. In other words, the Treaty goes further and invites the social partners to conclude agreements by offering the possibility to negotiate agreements on the issues the Commission would consult them on.

At this point, within the institutional framework, it is wise to discuss the stance of the Commission towards the European social partners. The European Commission aims to facilitate and assist the development of the social partners’ role towards greater independence. It invites them to develop the fields of, and instruments for, social dialogue. As the Commission puts it, the “development of social dialogue at European level, as a specific component of the Treaty, is a key tool for the modernization and further development of the European social model, as well as the macro-economic strategy”⁷⁹⁵. The social partners are thus called upon, at least at European level, to involve themselves in both traditional employment matters and macro-economic issues, with their specific nature conditioned by the autonomy of the social partners in the

793 Ates, M. (2005), “Avrupa’da Sosyal Diyalogun Kurumsal Yapısı: Ekonomik ve Sosyal Komite”, Ankara Avrupa Çalışmaları Dergisi, 1 (5), Güz, p.45-66.

794 See OJ C 191, 29.07.1992, http://europa.eu.int/eur-lex/en/treaties/dat/EU_treaty.html, (retrieved on May 4, 2007, from World Wide Web: URL).

795 Kassim, H. and Hine, D. (1998), “The European Union, Member States and Social Policy”, in Hine, D. and Kassim, H. (eds.), *Beyond the Market: the EU and National Social Policy*, London: Routledge Publishing Limited, p. 216.

sphere of industrial relations. This implies that European collective agreements can develop independently from regulatory initiatives by the Community Institutions.⁷⁹⁶

Concerning the framework agreements implemented by Council decision, the Commission has the role of implementing reports. Regarding autonomous agreements, the Commission has the role of monitoring and providing financial support. Concerning frameworks of action, guidelines, codes of conduct and policy orientations, the Commission has the role of follow-up and financial support.⁷⁹⁷

Based on the responsibility given to the Commission by the Treaty for promoting and supporting European social dialogue, the Commission, starting as early as the entry into force of the Maastricht Treaty, published certain Communications such as the Commission Communication ‘concerning the implementation of the Protocol on social policy’⁷⁹⁸ in 1993, ‘concerning the development of the social dialogue at Community level’⁷⁹⁹ in 1996 and on ‘adopting and promoting the social dialogue at Community level’⁸⁰⁰ in 1998. All of these Communications reveal the Commission’s intention to support and promote the development and implementation of the European social dialogue. For instance, the last Communication stated above defines the criteria for the establishment, composition and operation of sectoral dialogue committees and constitutes a new departure for the development of social dialogue within sectors at European level.⁸⁰¹

The Commission has recently published Communications related to the European social dialogue. The increased significance to the European social dialogue and the crucial role given to the European social partners for the attainment of the strategic goals set out in Lisbon European Council come to the fore in these recent Communications. For instance, in the Commission Communication on the *European social dialogue, a force for innovation and change*, “the Commission fleshes out its views on the future of social dialogue both as a key to better governance of the enlarged Union and as a driving force

⁷⁹⁶ *European Model of Employment and Industrial Relations*, <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/dictionary0.htm>, (retrieved on May 14, 2007, from World Wide Web: URL).

⁷⁹⁷ Ibid.

⁷⁹⁸ See COM (1993) 600 Final.

⁷⁹⁹ See COM (1996) 448 Final.

⁸⁰⁰ See COM (1998) 322 Final.

⁸⁰¹ Ibid.

for economic and social reform.”⁸⁰² The Commission also wishes to promote and improve the contribution of European social dialogue to better European governance; that is, greater involvement of all actors in decision-making and also in the implementation process.⁸⁰³

According to the same Communication, since the social dialogue is regarded as a force for economic and social modernization, the attainment of the strategic goals of the Lisbon Council, that is, full employment and reinforced social cohesion, depends largely on the active participation of the social partners.⁸⁰⁴ In addition, it is stressed in the Communication that in order to improve consultation between the social partners, tripartite consultation processes are organized and certain means such as macroeconomic dialogue and EES are set up.⁸⁰⁵ Moreover, the Commission points out that there is a lot to be done to strengthen the capacities of social partners in the member states and to the system of social partnership and independent social dialogue in the candidate countries.⁸⁰⁶ The Commission also asks whether the European social dialogue can be implemented against the challenges of globalization in a democratic and equal way.⁸⁰⁷ In short, this Communication emphasizes the significance attached to European social dialogue, its objectives and the concrete means to reach these objectives.

Considering this incremental evolution of European social dialogue, it is seen that at European level the social partners occupy a unique position and one which has changed considerably in recent years, not only because they are ‘best placed to address issues related to work and can negotiate binding agreement’⁸⁰⁸, but also because they have now become ‘genuine partners in establishing European social standards’⁸⁰⁹ in addition to their role of reacting the Commission’s initiatives. The EC Treaty contains the institutional framework for the EU social dialogue in the Social Chapter. However, there is still an apparent lack of influence of the EU institutional framework on the

802 See COM (2002) 341 Final.

803 Ibid.

804 Ibid.

805 Ibid.

806 Ibid.

807 European Commission (2002), *Report of the High Level Group on Industrial Relations and Change in the European Union*, Luxembourg: Office for Official Publications of the European Communities.

808 European Foundation for the Improvement of Living and Working Conditions (2003b). *Third European Survey on Working Conditions*, Luxembourg: Office for Official Publications of the European Communities.

809 Ibid.

dialogue in that the only European institution in which various representatives of social partners are formally involved in social dialogue is the ESC which is a largely a consultative body with relatively little impact on the decision-making process in the EU.⁸¹⁰

In this context, it has been generally agreed that the concrete results of the social dialogue process do not match its strong legal basis and potential important impact. The results of the negotiations have been modest. There seems to be no serious commitment from the employers' organizations to engage in collective bargaining at the EU level and the trade unions have no real power to force them to do so. Without pressure from other political actors, there is little chance of agreement between management and labour. Thus, governments own willingness to make progress in the 'social dimension' of the EU has come to the foreground.⁸¹¹ On the other hand, even when the social partners do engage in negotiations under their self-regulations prerogative (Article 139), there appears another serious lack of commitment from the employers' organizations to engage in debate about the democratic legitimacy of the process, as the European Parliament is completely left out of this process that ultimately culminates in an EU directive. This has opened a wide debate in this issue.

3.4. ANALYSIS OF EUROPEAN SOCIAL DIALOGUE WITH REFERENCE TO GOVERNANCE IN THE EU

As has been mentioned at the beginning of the chapter, European social dialogue is significant both as one of the vital parts of the European Social Model and as one of the means to reach the objectives of the European social agenda. For this reason, it was stated by the Commission that there was a need to institutionalize the social dialogue at European level.⁸¹² In that regard, European social dialogue has emerged as an important part of European social governance which developed in line with the onset of the governance approach in the EU in the 1990s. This, then, has had an impact in the evolution of EU social policy, and is discussed in the second chapter of the thesis.

810 Wallace H. and W. (2006), "Overview: The European Union Politics and Policy-Making", in Jorgensen, K. E., Pollack, M. A. and Rosemand, B. (eds.), *Handbook of European Union Politics*, London: SAGE Publications Limited, p. 346.

811 Falkner, G. (1999), "European Social Policy: Towards Multi-level and Multi-actor Governance", in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 97.

812 See COM (2004) 557 Final, http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0557en01.pdf, (retrieved on June 2, 2007, from World Wide Web: URL).

In this framework, after a discussion of the evolution of the European social dialogue in the preceding part of the chapter, European social dialogue is analyzed with reference to governance in the EU in this part of the chapter. While making the analysis, the following issues will be focused on: the extent of the influence of the European social dialogue on EU social policy-making process, institutional relations in the European social dialogue process and whether the European social dialogue process can be explained according to the theoretical aspects of the governance approach, as a multi-dimensional, multi-level and multi-form process. Moreover, the European social dialogue process is analyzed according to whether it produces satisfactory outcomes regarding the evolution, independence and autonomy of European social dialogue, and according to its impact on the development of the European social dialogue. Finally, considering the ambitious aims of the Lisbon European Council, which required the EU to undertake a facilitating role in the social policy field, in line with the new methods of cooperation developed on the basis of the governance approach, European social dialogue is discussed as a tool for cooperation and conciliation in the EU. In that regard, the main focus point of the analysis is to evaluate whether European social dialogue is effective as a pragmatic initiative for the social dimension of the EU.

In the first place, two important points are to be taken into account regarding European social dialogue. The first one is its significance in EU social policy, as the social dialogue has an important ground both in the legislation and the institutionalization of EU social policy. Secondly, as economic integration deepens, it is increasingly necessary to improve the social dialogue at European level.⁸¹³ Once the evolution of EU social policy is considered, it can be noted that there has been a transformation in EU social policy-making from hard law towards soft law, from a hierarchical mode of policy making towards a non-hierarchical mode of policy-making, envisaging a role of cooperation and conciliation for the EU in the social policy field. These are in line with the theoretical principles of the governance approach, which is based on multi-level governance in which multiple actors are involved in EU policy-making at multiple levels.

The practical implications of the governance approach, which emerged in the 1990s, came to the fore with the establishment of the European Employment Strategy.

813 Koray, M. and Celik A. (2007), *Avrupa Birliđi ve Türkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 155.

Considering the evolution of the European social dialogue, it is seen that this is the point which signifies the importance of the European social dialogue and the enhanced involvement of the European social partners in the process of EU social policy-making. The role of the European social partners will be analyzed in the following chapter, but before that in this part of the chapter, the extent of the influence of the European social dialogue on EU social policy-making is discussed.

Within the abovementioned framework of analysis, the extent of the influence of the European social dialogue in EU policy making can best be analyzed upon taking into account the evolution of the European social dialogue, which reveals the transformation it has undergone since it was initiated with the SEA to the Laeken European Council and onwards. In this process, the status of the European social dialogue was strengthened in that, while the social partners had a very limited role with the initiation of the European social dialogue through the SEA, producing merely non-binding joint texts, after it was institutionalized with the Maastricht and the Amsterdam Treaties it was given the competence to conclude framework agreements implemented by the Council decision and monitored by the Commission. Recently, with the Laeken European Council it has reached the stage where the conclusion of ‘autonomous agreements’ that paved the way towards the social partners’ and the member states’ selecting their implementation means and methods rather than creating legally binding instruments. Thus, it is inferred that European social dialogue has incrementally increased its powers in legal terms and in the institutional structure of the EU concerning social policy-making.

In light of the important role of European social dialogue and its increasing significance in the policy shaping process, its central position has been justified by the actors who are involved in the policy-making process themselves. Therefore, it is useful to refer to in-depth interviews that have been conducted with various actors in the social policy making process both in Turkey and in the EU.⁸¹⁴

Accordingly, the Director of Social Affairs and Employment Policy at UEAPME, Liliane Volozinskis, pointed out the fact that European social dialogue has become one

814 All the interview questions prepared for each European social partner and the experts can be seen in Appendices-III.

of the main parts of EU social policy-making by giving the example of the inclusion of European social dialogue in the formation of the Maastricht Treaty.⁸¹⁵ Similarly, Jørgen Rønneſt stressed the significance of social dialogue in relation to its contribution to the legitimacy of the EU social policy and to solutions that provide the means of developing EU social policy through new methods and approaches.⁸¹⁶ As far as the solution producing and balancing positions of the European social dialogue is considered, one might say that this is the basis of the mechanism of European governance, which includes elements of compromise and negotiation. Therefore, the cooperation of various actors with different interests requires a structure that brings them together to create compromise. In that sense, it might be useful to refer to the interview that was conducted with Steven D’Haeseleer who is the Director of Social Affairs Department at BUSINESSEUROPE. According to him, the institution confronts ‘the issues sometimes from a different angle, sometimes from a radically different angle’; hence, they try to create ‘an agreement’ between these diverse perspectives.⁸¹⁷ Therefore, these intermediary actors also have a significant position for European social dialogue that it characterizes as ‘the center of everything’.⁸¹⁸ In light of these opinions, the institutionalization of the European social dialogue within the multi-tiered structure of the EU creates an arena of both confrontation and corporation through concessions and conciliations.⁸¹⁹

In this framework, the extent of the influence of European social dialogue in EU social policy-making raises question marks as there is a dichotomy between the above mentioned incremental progress of European social dialogue and the limited outcomes of the process which have binding effects. The outcomes of the European social dialogue process are discussed in the forthcoming paragraphs, but it must be pointed out that the incremental progress of the European social dialogue in the EU social policy-making process should not be underestimated. There have been considerable steps taken so far in terms of the institutionalization of the process and the intervention of many actors in EU social policy-making procedure, which is in line with the governance in the EU. It is within the framework of the European social dialogue that interest organizations at the European level are enabled to conclude agreements on a wide range

815 See Appendix-III.5.6, Phone-call interview with Liliane Volozinskis (Director of Social Affairs and Employment Policy) from UEAPME, Date: 18.03.2008.

816 See Appendix-III.5.7, Phone-call interview with Jørgen Rønneſt (Chairman of Social Affairs Committee) from BUSINESSEUROPE, Date: 25.08.2008.

817 See Appendix-III.5.8, Face to face interview with Steven D’Haeseleer (Director of Social Affairs Department) from BUSINESSEUROPE, Date:03.02.2009.

818 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02..2009.

819 See Appendix-III.5.11, Face to face interview with Prof. Meryem Koray (Yıldız Technical University), Date: 21.07.2008.

of social policy issues at various levels and forms, all of which have been discussed in the preceding part of the chapter.

The final phase of the evolution of the European social dialogue, which commenced with the Laeken European Council, is to be emphasized in the analysis of this process with reference to governance in the EU. In that regard, the final phase of the European social dialogue is significant in that it was a period in which the OMC came to the fore. It facilitated the broad participation of the social partners in the social policy field and the coordination of administration at different levels, focusing on the importance attached to gathering information and comparisons, and the need for diversity.⁸²⁰ In a way, this method reveals the evolution from hard law to soft law in the social policy field, which is one of the basic elements of the governance approach in the EU. In that sense, it might be wise to refer to the importance of the mutual compatibility between the governance approach and development of the European social dialogue. This compatibility emerges in such a way that the European social dialogue functions within hybrid mechanisms of European governance that is legitimized, sustained and maintained by the European social dialogue. For that reason, as Tobias Müellensiefen, from DG Employment and Social Affairs, working in Unit F1 responsible for Social Dialogue and Cross-Industry Social Dialogue, mentioned, European governance constitutes an arena in which the social partners gained the right to autonomous social dialogue as a reference to the Laeken European Council in 2001.⁸²¹ Therefore, European social dialogue might be associated with both ‘trust building’ and ‘a more open EU’.⁸²²

Moreover, the European social partners, having gained greater autonomy to implement and monitor agreements themselves and to conclude ‘autonomous agreements’ with the Laeken European Council, ruled out the possibility of concluding framework agreements to be submitted to the Council for implementation as a Directive.⁸²³ Thus, the Laeken European Council set out the vision of the European social partners in the future of the European social dialogue, which reveals the direction in which the European social dialogue is developing, away from the path of legally binding

820 Koray, M. and Celik A. (2007), *Avrupa Birliđi ve Türkiye’de Sosyal Diyalog, AB’ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 167.

821 See Appendix-III.5.3, Phone-call interview with Tobias Müellensiefen (DG EMPL, Employment and Social Affairs, Unit F1), Date: 26.05.2008.

822 Ibid.

823 De Boer R., Benedictus, H. and Van der Meer, M. (2005), “Broadening without Intensification: The Added Value of the European Social and Sectoral Dialogue”, *European Journal of Industrial Relations*, 11 (1), p. 55.

agreements to the conclusion of voluntary, non-legally binding agreements via an autonomous, bipartite dialogue of the European social partners. This recent path of the European social dialogue has been backed up both by the Commission and the social partners.⁸²⁴ Nevertheless, in relation to economic developments and changes in employment policies, the diversion of the European social dialogue is assumed to enclose a different direction, especially after the third stage. As Valeria Ronzitti mentioned, after the third stage, there will be a fourth stage in which there will be various adjustments on the way to solving ‘controversial issues’.⁸²⁵

With regards to the institutional relations in European social dialogue, it can be noted that, in line with the strengthening of the status of the European social dialogue in the EU social policy-making process through the revised Treaty provisions, the European social partners are privileged in relation to both the Commission and the Council. As a result of the incremental progress of the European social dialogue, the social partners are furnished with a mixture of the tasks of the Commission, the Council and the EP in that the European social partners have gained the right of initiative and the right of policy formulation.⁸²⁶ The important point derived from this picture is that small changes in governance procedures at the European level had a considerable impact throughout the system.⁸²⁷ The position of the European social partners as the core actors under this new ‘negotiated legislation’⁸²⁸ procedure best illustrates that the European social dialogue is a multi-level and multi actor process. However, despite the fact that the role of the Commission is crucial in terms of overcoming disputes among the European social partners, there are various views about the part it plays in the European social dialogue. On the one hand, the institution is criticized because it is said that the Commission “does not always work”⁸²⁹. On the other hand, the Commission is seen as neither a mediator nor a conciliator; instead, its role should be to facilitate and support actions that governments and social partners can take.⁸³⁰

824 See COM (2002) 341 Final.

825 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02.2009.

826 De Boer R., Benedictus, H. and Van der Meer, M. (2005), “Broadening without Intensification: The Added Value of the European Social and Sectoral Dialogue”, *European Journal of Industrial Relations*, 11 (1), p. 57.

827 Wiener, A. and Diez, T. (2004), *European Integration Theory*, Oxford: Oxford University Press, p. 107.

828 Falkner, G. (2000), “The Council or the Social Partners?, EC Social Policy between Diplomacy and Collective Bargaining”, *Journal of European Public Policy*, No. 7, p. 719.

829 See Appendix-III.5.3, Phone-call interview with Tobias Müellensiefen (DG EMPL, Employment and Social Affairs, Unit F1), Date: 26.05.2008.

830 See Appendix-III.5.8, Face to face interview with Steven D’Haeseleer (Director of Social Affairs Department) from BUSINESSEUROPE. Date: 03.02.2009.

Nonetheless, although the multi-actor and multi-level institutional set up of the EU provides the relevant environment for the European social dialogue process to operate in, it should be mentioned that the influence of the EU institutional framework on the social dialogue has been limited.⁸³¹ In that sense, although the institutional mechanisms are constructed in terms of social dialogue, the implications and significance of them are perceived as limited and inadequate.⁸³²

Taking the very beginning of the European integration process as the point of departure, the Treaty of Rome established certain institutions within which the various representatives of the partners involved in the social dialogue could meet. In that sense, it might be useful to refer to the ESC.⁸³³ The ESC (Brussels-based advisory body), which emerged from the negotiations preceding the Treaty of Rome, comprises representatives of trade unions, professional bodies and other interest groups which express opinions on Commission proposals.⁸³⁴ Moreover, specific reasons for the formation of ESC included the recognition of the need for an influential forum in which sectional interests could express their views. In general, its institutional structure, areas of activities, internal structure and composition aim to ‘represent groups of people active in economic and social life’. Moreover, it scrutinizes Commission proposals and suggests amendments. However, the ESC is criticized in relation to its role of coordination and cooperation as the organizational capacities of the institutions are inadequate and too weak to have an influence on the social policy making procedure.⁸³⁵

However, despite being an official institution of the EU, the ESC remains a largely consultative body with relatively little impact on the EU decision-making process. The function of the 220 member body remains largely advisory.⁸³⁶ Nevertheless, one cannot deny the significance of the role of the ESC, which is in a position to represent directly the interests of important business groups. Therefore, it is necessary for the Commission to consult on any proposal that has a social aspect in a way that its opinions have to be expressed before the proposal goes to the Council of Ministers. According to Jeffery,

831 Barnes, I. and Barnes, P. M. (1995), *The Enlarged European Union*, The United Kingdom: Pearson Education Limited, p. 321-356.

832 See Appendix-III.5.7, Phone-call interview with Jørgen Rønneest (Chairman of Social Affairs Committee) from BUSINESSEUROPE, Date: 25.08.2008.

833 Barnes, I. and Barnes, P. M. (1995), *The Enlarged European Union*. The United Kingdom: Pearson Education Limited, p. 321-356.

834 Bennett, R. (1997), *European Business*, England: Prentice Hall, Pearson Education Limited.

835 See Appendix-III.5.5, Face to face interview with Joel Decaillon (Confederal Secretary and Responsible for Lifelong Learning and Lisbon Strategy) at ETUC, Date: 09.01.2007.

836 Barnes, I. and Barnes, P. M. (1995), *The Enlarged European Union*, The United Kingdom: Pearson Education Limited, p. 321-356.

the ESC is one of the routes for social interests to bring their concerns to bear in Europe; also, it is the notion of the ESC as a representative body; hence, the absence of mandate and the patchy membership of the ESC have always undermined its claims to ‘supply’ representativeness.⁸³⁷

In that sense, it is necessary to explain the areas in which the social dialogue is influential. The social dialogue is perceived as more influential in areas outside individual rights for wage earners.⁸³⁸ Indeed, the scope of social dialogue regarding individual rights is limited. Similarly, the related issues where social dialogue is implemented are employment, labour and other areas more relevant to substantial employment related issues.⁸³⁹

Over the years, the European social partners in both the cross-sectoral and the sectoral social dialogue produced over 300 official outcomes, most of them in the form of joint opinions. Looking at the outcomes from the point of view of the advisory role of the European social dialogue, it is necessary to examine the consultations between the European social partners. The consultation on European Work Councils was initiated via Appendix-I.2 in 1993, and thus since 2004 issues related to work and employment has been involved. In recent years, with the development in social policies, these issues have been extended towards discrimination, harassment and violence at work as well as flexibility. Moreover, issues discussed included European works councils, reconciling working life and family life, adaptation of the burden of proof in cases of discrimination based on sex, flexibility in working time and workers’ security, prevention of sexual harassment at work, worker information and consultation, protecting workers against employers’ insolvency, modernising and improving employment relations, protecting workers against the risks connected with exposure to asbestos at work, health and safety at work for the self-employed, protecting employees’ personal data, anticipating and managing change. a dynamic approach to the social aspects of corporate restructuring, the portability of supplementary pensions, stress and its effects on health and safety at work, extension of the scope of the directive on carcinogenic substances, psychosocial risks, harassment and violence at work, revision of the working time directive and the

837 Jeffery, C. (2002), “Social and Regional Interests: ESC and Committee of the Regions”, in Peterson, J. and Shackleton, M. (eds.), *The Institutions of the European Union*, Oxford: Oxford University Press, p. 343.

838 See Appendix-III.5.7, Phone-call interview with Jørgen Rønne (Chairman of Social Affairs Committee) at BUSINESSEUROPE, Date: 25.08.2008.

839 See Appendix-III.5.4, Phone-call interview with Walter Wolf (DG EMPL, Social Protection and Inclusion Unit), Date: 30.05.2008.

revision of the European works council's directive.⁸⁴⁰

As a reference to Appendix-I.3, the European social dialogue has been institutionalized with the Agreements implemented in 1995 in accordance with article 139 (2) on 'Minimum Standards Agreements', framework agreement on part-time work initiated in 1997, a framework agreement on fixed-term work initiated in 1999, the European agreement initiated in 1998 on the organization of the working time of seafarers, the European agreement initiated in 2000 on the organization of the working time of mobile workers in civil aviation, and the European agreement initiated in 2004 on certain aspects of the working conditions of mobile workers assigned to interoperable cross-border services.⁸⁴¹

In general, the outcomes of EU social dialogue from 1986 to 2008 include six framework agreements on parental leave, part-time work, fixed-term contracts as EU directives and agreement on telework, work-related stress, harassment and violence which are implemented by the social partners as well as over 50 joint initiatives such as recommendations, opinions, declarations etc. Moreover, it includes two joint work programmes. Concerning the first Work Programme 2003-2005, the focus was on employment and enlargement.⁸⁴² In the second Work Programme 2006-2008, the focus was on the reinforcement of the social partners' autonomy, development of a common understanding of social dialogue instruments and their impact, as well as on Europe's major economic and social challenges, contribution to and promotion of growth, jobs and the modernization of the EU social model.⁸⁴³

At this point, it is important to refer to the work program of 2006-2008 adopted in October 2007 in detail in relation to its joint analysis on the key challenges of Europe's labour markets⁸⁴⁴, contributions of social partners to the flexicurity⁸⁴⁵ debate at EU level, joint recommendations of social partners to public authorities at EU and national

840 See Appendix-I.2.

841 See Appendix-I.3.

842 ETUC, UNICE, CEEP and UEAPME, (2002), *Work Programme of the European Social Partners 2003-2005*, http://www.etuc.org/IMG/pdf/work_programme2-2.pdf (retrieved on May 17, 2008, from World Wide Web: URL)

843 ETUC, UNICE, CEEP and UEAPME, (2006), *Work Programme of the European Social Partners 2006-2008*, http://www.etuc.org/IMG/pdf/Depliant_EN_HD2006-2008.pdf (retrieved on May 17, 2008, from World Wide Web: URL)

844 ETUC, BUSINESSEUROPE, CEEP and UEAPME (2007), *Key Challenges Facing European Labour Markets: a Joint Analysis of European Social Partners*, http://www.ueapme.com/docs/pos_papers/2007/071018_cross_key_challenges.pdf (retrieved on May 10, 2008, from World Wide Web: URL)

845 COM (97) 128 Final, http://europa.eu/documents/comm/green_papers/pdf/com97_128_en.pdf ((retrieved on May 12, 2007, from World Wide Web: URL)

levels, key areas of focus, active labour market policies and economic policies, social protection, cohesion and inclusion, labour regulation and industrial relations. Moreover, within this work program, the continuation of activities, the negotiation of a framework agreement on inclusive labour market, a framework of actions on employment as well as the ongoing implementation of the European social dialogue tools are included in relation to work-related stress, harassment and violence and actions on gender equality.⁸⁴⁶

As far as the tools of the European social dialogue are considered, the framework of action on gender equality adopted in March 2005 has emerged as important due to its contribution to the Lisbon Strategy. It might be characterized as a practice-oriented instrument, based on case studies. It is a tool constituted by the social partners for the social partners with an assessment of the current situation and integrated strategies for gender equality in the labour market. In the frameworks of action on gender equality, there are four priorities for action as examples of key elements and practical tools for inspiration such as addressing gender roles in the labour market, promoting women in decision-making, supporting work-life balance, and tackling the gender gap pay.⁸⁴⁷

In relation to the outcomes of social dialogue and particularly the joint labour market analysis, it is seen as the best example of an instrument that has been extremely helpful at the political level in terms of its influence on the debate of flexicurity.⁸⁴⁸ Similarly, the joint labour market analysis is taken as an attempt to meet the challenges of European labour market and as a tool for the broadened content of European social dialogue.⁸⁴⁹

Although the above mentioned framework agreements are indeed collectively concluded agreements, while analyzing these outcomes, it is essential to take into account that these agreements are not like any form of collective agreement as commonly understood in the national conception.⁸⁵⁰ That is to say, the scope of the

846 ETUC, UNICE, CEEP and UEAPME, (2006), *Work Programme of the European Social Partners 2006-2008*, http://www.etuc.org/IMG/pdf/Depliant_EN_HD2006-2008.pdf (retrieved on May 17, 2008, from World Wide Web: URL)

847 ETUC, UNICE, CEEP and UEAPME, (2005), *Frameworks of Action on Gender Equality*, http://www.etuc.org/IMG/pdf/framework_of_actions_gender_equality_010305-2.pdf (retrieved on July 2, 2008, from World Wide Web: URL)

848 See Appendix-III.5.8, Face to face interview with Steven D'Haeseleer (Director of Social Affairs Department) from BUSINESSEUROPE., Date: 03.02.2009.

849 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02.2009.

850 De Boer R., Benedictus, H. and Van der Meer, M. (2005), "Broadening without Intensification: The Added Value of the European Social and Sectoral

issues in these agreements is narrower than that in the national collective agreements and does not cover issues such as wages. A similar argument has also been mentioned by Tobias Müellensiefen.⁸⁵¹

Once the outcomes of European social dialogue have been taken into account, it can be concluded that the outcomes falling under all of the four categories seems satisfactory in terms of their number. However, this is a false satisfaction in that the outcomes which have a legal impact are fewer than those that do not. Thus, the outcomes are unsatisfactory in quantitative terms. However, given the availability of necessary institutional infrastructure, it might be possible to adjust the deficiencies. In other words, as a reference to the interview held with Valeria Ronzitti, setting priorities and creating a new work programme might be a useful way to rethink the social dialogue and to improve it.⁸⁵²

As far as the multi-level, multi-actor, multi-form type of social dialogue process is concerned, it appears to be related to cross-sectoral process at European level and at sectoral level. On the one hand, in the sectoral social dialogue, employment issues, working conditions, vocational training, industrial restructuring, etc are emphasized. On the other hand, among the European social partners, BUSINESSEUROPE and CEEP on behalf of employers, and ETUC on behalf of employees, participate in social dialogue at cross-sectoral level that has existed since 1985. Cross-sectoral social dialogue at the European level is concerned with the development of the internal market, the implementation of the Charter of Fundamental Rights of Workers, the preparation for economic and monetary union, etc. Therefore, the sectoral social dialogue focuses more on concrete issues of employment and work while social dialogue at cross-industry level focuses more on general conditions of employment.⁸⁵³ There are different views about the influence of the cross-sectoral and sectoral level social dialogue, which are influenced by the ideological approach of the parties or the viewpoints of the European social partners. Tobias Müellensiefen stresses that, although the cross-industry level is the most influential, there are also micro issues such as the social aspects of the

Dialogue", *European Journal of Industrial Relations*, 11 (1), p. 55.

851 See Appendix-III.5.3, Phone-call interview with Tobias Müellensiefen (DG EMPL, Employment and Social Affairs, Unit F1), Date: 26.05.2008.

852 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02.2009.

853 See Appendix-III.5.11, Face to face interview with Prof. Meryem Koray (Yıldız Technical University), Date: 21.07.2008.

liberalization of transportation, the civil aviation industry and the textile industry.⁸⁵⁴ Thus, the relative importance of the cross-industry or the sectoral levels is subjective.

The content of these agreements indicates that the impact on employees in the member states will most likely to be small or non-existent. Three quarters of all joint statements are targeted at EU politics. The issues addressed in these texts are rarely 'social' and the texts are usually aimed at influencing European policy in some way, rather than at concluding agreements on the content and regulation of the employment relationship at the level of the EU.⁸⁵⁵ The joint statements usually contain quite general statements on such issues as child labour, fundamental labour rights, training, lifelong learning, technology, violence and crime, racism and xenophobia, and health and safety. In no way do these results commit the signatories to anything beyond the endorsement or denunciation of certain practices. In that regard, as the subjects cover only a small part of the content and regulation of the employment relationship, the outcomes of the European social dialogue are also unsatisfactory in qualitative terms. However, the content of the outcomes has been extended to the areas of environment, migration and mobility of workers with the third Work Programme that is in the process of adoption.⁸⁵⁶

Another important issue to put forward in the analysis of European social dialogue with reference to governance in the EU is 'diversity'. It is important discuss whether it appears as a challenge or obstacle in the development of the European social dialogue. It is a clear fact that there is wide diversity across the member states with respect to national sectoral boundaries, the representative structures of interest organizations, and the institutional structure and traditions of industrial relations.⁸⁵⁷ In brief, cross-national differences inhibit the establishment of representative structures at EU level capable of concluding framework agreements. In that regard, diversity may be regarded as an obstacle for the development of the European social dialogue. However, this 'new style' of European social dialogue based on the concept of 'same targets, different paths' relies on national governments for the implementation of its targets. Thus, the

854 See Appendix-III.5.3, Phone-call interview with Tobias Müllensiefen (DG EMPL, Employment and Social Affairs, Unit F1), Date: 26.05.2008; and See Appendix-III.5.11, Face to face interview with Prof. Meryem Koray (Yıldız Technical University), Date: 21.07.2008.

855 Ibid.

856 See Appendix-III.5.10, Face to face interview with Cinzia Sechi (Advisor for Social Affairs Department) from ETUC, Date: 03.02.2009.

857 De Boer R., Benedictus, H. and Van der Meer, M. (2005), "Broadening without Intensification: The Added Value of the European Social and Sectoral Dialogue", *European Journal of Industrial Relations*, 11 (1).

implementation of agreements in the European social dialogue relies on the institutions of industrial relations in the various member states. The national implementation reports prepared by the member states on various framework agreements can be illustrative in terms of indicating the various implementation methods and pace of framework agreements in different member states.⁸⁵⁸

In addition, it is necessary to analyze the European social dialogue according to the national context. Since there is a considerable diversity among member states in terms of national interest based on national competences, national context is important for the transposition of the directives. For example, while the negotiation is conflictual in some member states, it is easier for the parties in others. Also, they can sometimes see that the directive cannot be transposed into their national law and adopted. Therefore, the national context in relation to the governance approach has become important.⁸⁵⁹

Accordingly, in the Commission's White Paper on growth, competitiveness and employment and social policy, the importance of the creation of an effective framework for industrial relations was emphasized.⁸⁶⁰ The idea of dialogue between the representatives of the workers, the employers, the national governments and the EU as a means of developing effective EU social policy is not new. It was a primary concern of the founder states of the EU. The rationale for such a dialogue about working conditions and wages at EU level was that, as positive relations were established, there would be a resulting improvement in working conditions and social security benefits throughout the EU. However, it has proved to be a contentious issue for the EU for a variety of reasons. The barriers to the participation of workers and employers (the so-called 'Social Partners' in the 'social dialogue') in the decision-making process are difficult to overcome because of the national context of the dialogue, the apparent lack of an institutional framework for the dialogue to take place, and influences that have ensured that the question of industrial relations remains at the company sectoral level.⁸⁶¹

⁸⁵⁸ *National Implementation Reports on Telework Agreement*, for instance, can be seen on

http://ec.europa.eu/employment_social/news/2006/oct/telework_implementation_report_en.pdf (retrieved on May 11, 2009, from World Wide Web: URL)

⁸⁵⁹ See Appendix-III.5.3, Phone-call interview with Tobias Müellensiefen (DG EMPL, Employment and Social Affairs, Unit F1), Date: 26.05.2008.

⁸⁶⁰ European Commission (1993), *White Paper on Growth, Competitiveness and Employment: The Challenges and Way Forward into the 21st Century*, Luxembourg: Official Publications of the European Communities.

⁸⁶¹ Bames, I. and Barnes, P. M. (1995), *The Enlarged European Union*, The United Kingdom: Pearson Education Limited, p. 345.

Within the member states, the dialogue between the partners in industry takes place in a predominantly national context, based on one of the two approaches. In France, Greece, Italy and the Netherlands, dialogue is regulated by the government. Labour laws or more or less compulsory negotiations exist.⁸⁶² In the UK, Denmark and Germany, the approach is more voluntarist, taking place at the sectoral level and in response to collective bargaining.⁸⁶³ A midway approach is adopted in Belgium, Spain, Portugal and Luxembourg, where the state does not act as controller, but as arbiter to ensure that consensus is reached rapidly.⁸⁶⁴ For example, in Spain, although reforms in social policy are limited, for instance in the area of benefits affecting employment, tripartite consultation is strong in the country through the Economic and Social Council and also through specific tripartite negotiations which end with the signing of agreements.⁸⁶⁵

In conclusion, the power, status and effectiveness of the social partners and social dialogue in EU social policy-making should not be underestimated but rather be debated. European social dialogue is a decision-making process at the crossroads between the ‘regulatory and new governance approaches’⁸⁶⁶. It has appeared as the best alternative route to arrive at EC social standards, which was stressed by the Commission in its latest Communication from 8 August 2004, in which the European Commission characterized European social dialogue as playing a pivotal role in society and in improving European governance.⁸⁶⁷ Since social dialogue is considered to be an example of ‘good practice for improved consultation and the application of the principle of horizontal subsidiarity’⁸⁶⁸, it is widely recognized as making an essential contribution to better governance, and one of the best opportunities for cooperative public-private governance as well as multi-level governance as stipulated within the framework of the governance approach in the EU.

862 Wallerstein, M., Golden, M. and Lange, P. (1997), “Unions, Employers’ Associations, and Wage-Setting Institutions in Northern and Central Europe, 1950-1992”, *Industrial and Labour Relations Review*, 3.

863 Ibid.

864 Ibid.

865 See Appendix-III.5.2, On-line interview with Elizabeth Villagomez (Expert at Almenara Estudios Económicos y Sociales, Spain); and see Appendix-III.5.12., Face to face interview with Bulent Pirlir (Secretary General of TISK), Date: 18.07.2008.

866 Ibid.

867 See COM (2004) 557 Final, http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0557en01.pdf, (retrieved on June 2, 2007, from World Wide Web: URL).

868 Falkner, G. (1999), “European Social Policy: Towards Multi-level and Multi-actor Governance”, in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 97.

Moreover, the European social dialogue between the two key partners at the European level has played a significant role in the legislative process, for instance in legislation regulating working conditions (temporary work, fixed term work, part time work), workers' protection (e.g. in the event of the insolvency of the employer), work safety, conditions of collective bargaining and the right to information and the activities of European Works Councils.

In relation to barriers at company level, it has been ensured that the question of industrial relations remains at the company sectoral level. There has been a movement away from direct government involvement in the pay-bargaining and conditions-setting process. This has come as much from the ideological stance adopted by the member states as from the most recent economic crisis in Western Europe. The increasing number of unemployed has resulted in a fall in the influence of the trade unions, especially in Denmark, the UK, France and the Netherlands and to some extent in Germany.⁸⁶⁹

Within industry itself, a major restructuring has been taking place since the 1970s. The introduction of new technology has altered working practices in many industries. The massive swing into the service sector, where trade unions have traditionally not been well represented, has further undermined the possibility of dialogue.⁸⁷⁰ The role of multinational and multi-locational companies has also grown.⁸⁷¹ Industry in Europe does not operate just in a European context, but also in an international context. There has been an increasing tendency of the workforce to change jobs during their working life. These job changes carry an increased need for training, which in some instances is met within the industry or the particular company.⁸⁷² With the growth in the number of small businesses across the Union, SMEs now make a significant contribution to the European economy. They account for over 99% of all enterprises in Europe, creating over 100 million jobs and representing 67.1% of private sector jobs.⁸⁷³ In that regard, the EU has in recent years committed itself to the SME sector both through political and

869 Baker, J. (2000), "Trade Unions and Social Dialogue: the Global Dimension", in Ozaki, M. and Rueda-Catry, M. (eds.), *Trade Unions and Current Situation and Outlook*, Labour Education 2000/3 No. 120, Geneva: International Labour Office.

870 Ibid.

871 ETUC, BUSINESSEUROPE, CEEP and UEAPME (2007), *Key Challenges Facing European Labour Markets: a Joint Analysis of European Social Partners*, http://www.ueapme.com/docs/pos_papers/2007/071018_cross_key_challenges.pdf (retrieved on May 10, 2008, from World Wide Web: URL)

872 Bames, I. and Barnes, P. M. (1995), *The Enlarged European Union*, The United Kingdom: Pearson Education Limited, p. 345.

873 European Commission (2008), *Putting Small Businesses First: Europe is Good for SMEs, and SMEs are Good for Europe*, DG Enterprise and Industry, http://ec.europa.eu/enterprise/entrepreneurship/docs/sme_pack_en_2008_full.pdf (retrieved on June 11, 2009, from World Wide Web: URL)

economic commitments. The former commitment was made with a number of high level initiatives such as the *European Charter for Small Enterprises* adopted in 2000 and the *Entrepreneurship Action Plan* in 2004, as well as the *Small Business Act* which was adopted in 2008 to improve market conditions for small and medium-sized enterprises and boost the economy.⁸⁷⁴ These political commitments have been backed financially in that a great part of the €200 billion was allocated to SMEs for the period 2007-13 with the purpose of promoting business, jobs and growth.

In relation to the outcomes, one might say that market liberalization creates common goals in terms of the ongoing liberalization of the European market for various public services such as telecommunications, postal services, gas and electricity, and transport. The vast majority of the results were achieved between 1992 and 2000, with a strong peak in 1996.⁸⁷⁵ It seems that the liberalization of previously shielded markets gives employers and employees a common goal: employers fear a loss of competitiveness for their own companies, while the unions fear loss of employment as a result of strong competition from new entrants.

It is crucial to analyze the European social dialogue as an alternative lobbying channel in relation to European governance. As an example of BUSINESSEUROPE, it has two missions: being a lobby organization and a social partner with the competence to conclude social dialogue agreements.⁸⁷⁶ In that sense, one might also refer to Valeria Ronzitti who claims that lobbying an easy way of doing business, because it gives you less obligations in the end.⁸⁷⁷

When considering the distribution of the results by status, it is clear that voicing common opinions is greatly preferred to negotiating binding agreements: there have been 243 joint statements but only 21 framework agreements. The framework agreements in the intersectoral dialogue cannot be equated to collective agreements. This leaves 17 framework agreements concluded at sectoral level. The other framework agreements at the sectoral level appear to be mutual commitments to the establishment

874 See COM (2008) 394 Final, http://ec.europa.eu/enterprise/entrepreneurship/docs/sba/com_2008_394_sba.pdf (retrieved on February, 24, 2009, from World Wide Web: URL)

875 Bames, I. and Barnes, P. M. (1995), *The Enlarged European Union*, The United Kingdom: Pearson Education Limited, p. 55-60.

876 See Appendix-III.5.8, Face to face interview with Steven D'Haeseleer (Director of Social Affairs Department) from BUSINESSEUROPE, Date: 03.02.2009.

877 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02.2009.

of a sectoral dialogue committee or the continuation of social dialogue, ‘formal’ recommendations on employment issues in the sector, or guidelines on teleworking. The content of these agreements shows that the impact on employees in the member states will most likely to be small or non-existent. Three quarters of all joint statements are targeted at EU politics, purely at influencing European policy in some way. The joint statements usually contain quite general statements on such issues as child labour, fundamental labour rights, training, lifelong learning, technology, violence and crime, racism and xenophobia, and health and safety. In no way do these results commit the signatories to anything beyond the endorsement or denunciation of certain practices.⁸⁷⁸

In conclusion, European social dialogue has emerged as a vital ‘means of added value’⁸⁷⁹ in EU social policy-making despite the institutional and contextual deficiencies. In the light of the wide cross-national differences and the Commission’s limited ‘shadow of hierarchy’⁸⁸⁰, it is clear that the success of the European social dialogue mostly depends on the voluntary cooperation of at least two parties, that is, employers’ organizations and trade unions. If either is unwilling, there will be no favourable prospect for the development of a fruitful dialogue. In the words of Streeck, European employers, like employers generally, prefer markets to institutions, and free markets to regulated markets.⁸⁸¹ However, agreements on social issues will be concluded only if both employers and employees see a distinct ‘added value’ for themselves. In the end, the decision of the European social partners to engage in social dialogue hinges predominantly on their perception of potential benefits.⁸⁸² If there seems to be a lack of such benefits at European level, it appears very unlikely that the abovementioned problems of diversity will be overcome. The potentially powerful position of the Commission as the initiator of EU social policy that can force the social partners to come to the bargaining table is constrained by the EU’s limited social agenda.⁸⁸³

878 De Boer R., Benedictus, H. and Van der Meer, M. (2005), “Broadening without Intensification: The Added Value of the European Social and Sectoral Dialogue”, *European Journal of Industrial Relations*, 11 (1), p. 62.

879 Ibid, p. 55.

880 Adnett, N. and Hardy, S. (2005), *The European Social Model: Modernization or Evolution?*, the UK: Edward Elgar Publishing Ltd., p. 36.

881 Streeck, W. (1994), “European Social Policy after Maastricht: The ‘Social Dialogue’ and ‘Subsidiarity’ ”, *Economic and Industrial Democracy*, 15, p.170.

882 Ibid.

883 Keller, B. and Bansbach, M. (2001), “Social Dialogues: Tranquil Past, Troubled Present and Uncertain Future”, *Industrial Relations Journal*, 32 (5), p. 427.

CHAPTER FOUR

4. EUROPEAN SOCIAL PARTNERS

Upon the evolution of the European social dialogue, the European social partners have acquired an increasing importance not only due to the rapid change in working relations but also as a result of the peace, consensus and collaborative approach they employ in the social dialogue process. As discussed in the previous chapter concerning social dialogue practices at national level, the existence of strong, independent social partners is a crucial factor for the effectiveness of the social dialogue. In order to have an effective social dialogue, one of the prerequisites, as discussed above, is the existence of strong social partners. However, it should also be taken into account that in Europe where there are various trades unions based on different ideologies, the establishment and recognition of an umbrella association at European level representing employees was not easy.

In line with the developments that took place in the 1990s, which had a profound impact on the evolution of EU social policy and the European social dialogue, the importance attached to the representation of the social partners at European level has come to the fore as they are important for the institutionalization of social dialogue at the EU level. It can be noted that the EU institutions have paid attention to the issue of the representation of the social partners at European level. For instance, the Commission, in one of its Communications, defines the European social dialogue as the dialogue between employees and management, and adds that it is one of the basic principles of the European social model.⁸⁸⁴ In that respect, in line with the evolution that the European social dialogue has undergone, the perspectives and behavior of the European cross-sectoral organizations in the social partnership has undergone a transformation since 1985, that is, since the initiation of the ‘Val Duchesse process’.⁸⁸⁵ In overview, the European social dialogue has evolved from a non-binding, consultative forum into an arena, since Maastricht, in which the social partners enjoy an institutional role in the

884 COM (2004) 557 Final, , http://eur-lex.europa.eu/LexUriServ/site/en/com/2004/com2004_0557en01.pdf (retrieved on June 2, 2007, from World Wide Web: URL).

885 Greenwood J. (2002), “Advocacy, Influence and Persuasion: Has It All Been Overdone?” (Ch. 2), in Warleigh, A. and Fairbrass, J. (eds.), *Influence and Interests in the European Union: The New Politics of Persuasion and Advocacy*, the UK and London: Europa Publications Ltd..

policy-making process and can negotiate legally binding agreements on labour market issues.

The accelerated formation of the European social partners, representing trade union and employer organizations, in the 1990s took place in line with the developments in the European integration process. The legitimacy of the social partners' action is based on their representativeness and this legitimacy empowers them to negotiate agreements.⁸⁸⁶ Starting with the 'Val Duchesse process' in 1985, it has been observed that the Commission has always supported the involvement of the social partners in the EU social policy-making process. This intention of the Commission was realized with all the Treaty revisions which gradually enhanced the power of the social partners, somehow making it the co-legislator with the Council, as it can negotiate legally binding agreements on labour market issues.

In addition to the Treaty revisions, the Commission, through certain Communications, aims to facilitate and assist the development of the social partners' role towards greater independence.⁸⁸⁷ As the Commission puts it, "the development of the social dialogue at European level, as a specific component of the Treaty, is a key tool for the modernization and further development of European social model, as well as the macro-economic strategy"⁸⁸⁸. This statement clearly reveals the Commission's stance towards the European social partners.

Moreover, in the course of the European integration process, since the Luxembourg process which initiated the OMC in employment policy, the social partners have been invited to play an important role in the preparation of Employment policy. At the same time, the 2001 White paper on European Governance requires the strengthening of the active participation of social partners in the European decision-making process, and in European institutions.

886 Koray, M. and Celik A. (2007), *Avrupa Birliđi ve Trkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İř Sendikası Yayınları.

887 See COM (2002) 341 Final.

888 Ibid.

There are various European social partners. The structure of the social partners at the European level is composed of several dozen organizations representing workers and employers but the most important ones are the umbrella organizations, namely BUSINESSEUROPE (UNICE) for private industry, the CEEP for public enterprises and UEAPME for SMEs on the employers' side, and the ETUC on the employees' side. These organizations are the social partners at cross-sectoral level so far recognized by the Commission. In the first part of this chapter, each of these main umbrella organizations, which are the main actors in the European social dialogue process, is analyzed in relation to its historical background, objectives, institutional structure and stance towards EU social policy as well as its achievements and failures. The European social partners and their role in the European social dialogue process are analyzed in relation to governance in the EU in the second part of the chapter, based on an examination of the evolving role of the social partners in the European social dialogue process and on the representativeness issue, which is crucial in determining the influence of the social partners in EU social policy-making and an on-going subject of discussion between the two sides of the European social partners.

4.1. EUROPEAN TRADE UNION CONFEDERATION (ETUC)

Considering the heterogeneous structure of trade unionism in Europe, which is based on different ideologies, it was not easy for the trade unions to get together to form an umbrella organization until the 1970s. Thus, although there were problems in establishing a central confederation representing the workers, *The European Trade Union Confederation (ETUC)* was first established in 1973 and since then it has acquired a unifying structural role over the mosaic of trade unions in Europe, which are based on different political, religious and ideological differences.⁸⁸⁹

4.1.1. Basics and Institutional Structure of ETUC

The origins of the ETUC can be traced back to the history of European trade unionism, which provides certain clues to the ETUC's historic difficulties in collective action. In that regard, once European trade unionism prior to the formation of the ETUC is considered, it can be noted that European unionization was split between Socialist

889 Koray, M. and Celik A. (2007), *Avrupa Birliđi ve Trkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İř Sendikası Yayınları.

(International Confederation of Free Trade Unions), Christian Democratic (World Confederation of Labour), and Communist (World Federation of Trade Unions) confederations.⁸⁹⁰ These types of cleavage can be found in the national organization of labour interests, and are reflected among the ETUC affiliates. For instance, the ETUC has several national confederations from big European states, as well as from Turkey and even small countries such as San Marino, Iceland and Luxembourg. In addition to this diversity, as Abbott states there are differences in the organizational relationships between national confederations and their members, ranging from the highly centralized Dutch *Federatie Nederlandse Vakbeweging* to the British Trades Union Congress, which is less able to co-ordinate the activities of its affiliates.⁸⁹¹ Although these cleavages have to some extent become less important within the ETUC over time, it is important to note them as they are a constant presence in the background of the ETUC, encompassing the design and the nature of ETUC.

Based on this background, the ETUC was founded with the rationale of speaking with a single voice, on behalf of the common interests of workers, at European level.⁸⁹² Initially, it represented 14 European countries, covering 36 million workers. Currently, the ETUC represents 82 trade union organizations in 36 European countries, and 12 industry-based federations, covering over 60 million workers.⁸⁹³ Thus, it now represents nearly 90 percent of the organized workers in Europe. In that respect, as the only representative of employees in Europe, the ETUC has certainly influenced European decision-making. In this perspective, it campaigns for an EU with a strong social dimension and a balanced macroeconomic framework that takes full account of the needs and aspirations of its people.⁸⁹⁴ To this end, the ETUC is involved in economic and social policy-making at the highest level, working with all the EU institutions such as the Presidency, Council, Commission and Parliament due to its strong representative power as the only international union organization at the European level.⁸⁹⁵

890 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p.163.

891 Abbott, K. (1997), "The European Trade Union Confederation: Its Organization and Objectives in Transition", *Journal of Common Market Studies*, 35, Oxford and Britain: Blackwell Publishers Ltd., p. 465-481.

892 See ETUC Website, <http://www.etuc.org/r/2> (retrieved on May 12, 2008, from World Wide Web: URL).

893 The table indicating *the members of ETUC* can be seen in *Appendix-II.3*.

894 See ETUC Website, <http://www.etuc.org/r/2> (retrieved on May 12, 2008, from World Wide Web: URL).

895 *Ibid*.

The ETUC has a confederate structure. In addition to the 11 sectoral European industry federations, its principal membership pillar comprises 66 full national confederation members from 28 European countries, drawing members from a geographical area stretching from Iceland to Turkey as well as eight further observer confederations from six countries.⁸⁹⁶ These member organizations together represent 60 million unionized workers across Europe, and include all the major labour federations in Europe.

As with all confederations, both the parent and its affiliates therefore seek to build positions between diverse ranges of constituents. The majority of the ETUC's time is spent in seeking to overcome its internal diversity, and some commentators who have examined member positions and coalitions on key issues have viewed the ETUC's collective action problems as insurmountable.⁸⁹⁷ A further weakness it shares with BUSINESSEUROPE is that it lacks a wide-ranging collective bargaining mandate from its members.

Regarding the internal structure, decisions on all policies and activities are taken through a democratic structure of elected representatives.⁸⁹⁸ In that regard, it fulfills the other prerequisite for effective social dialogue to take place, as discussed previously. In this structure, the Congress, composed of delegates from the affiliated organizations in proportion to their membership, is the overall policy-making body and the supreme authority of the ETUC.⁸⁹⁹ The Executive Committee and smaller Steering Committee are responsible for implementing policy between Congresses, while the Brussels-based Secretariat runs the ETUC's day-to-day activities.⁹⁰⁰ The secretariat comprises an elected General Secretary and two Deputy General Secretaries, and four Confederal Secretaries, each with responsibilities for different functional areas.

Within the institutional structure of the ETUC, there are a number of decision-making tiers, of which the most important are its Congress, the Executive Committee and the Steering Committee. The ETUC decides on all policies and activities through a democratic structure of elected representatives. The Congress is the supreme authority of

896 Ibid.

897 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p.173.

898 Abbott, K. (1997), "The European Trade Union Confederation: Its Organization and Objectives in Transition", *Journal of Common Market Studies*, 35, Oxford and Britain: Blackwell Publishers Ltd., p. 465-481.

899 See ETUC Website <http://www.etuc.org/r/11> (retrieved on May 12, 2008, from World Wide Web: URL).

900 Ibid.

the ETUC and overall policy-making body. It meets once every four years, comprised of delegates from affiliated organizations in proportion to their membership.⁹⁰¹ Its main functions are long-term strategy, accountability, the admission of new members, and elections.⁹⁰² It is empowered to take decisions on the basis of a two-thirds majority, but like BUSINESSSEUROPE does so reluctantly.⁹⁰³

The Executive Committee and smaller Steering Committee are responsible for implementing policy between Congresses. The Executive, also drawn from members in proportion to their membership, is also invested with a ‘reluctant’ two-thirds majority decision-making capacity, and is concerned with medium-term strategy.⁹⁰⁴ This is the key level that engages in the social dialogue, sets the budget, and determines the positions of the ETUC within the general framework laid down by Congress. The Steering Committee is responsible for carrying out policies determined by the Executive Committee, oversees negotiations with employers and the EU institutions, and deals with operational financial and administrative matters. Its elected members are drawn from the Executive Committee, and it meets eight times each year.⁹⁰⁵ In practical terms, the issue in concern is debated in the Executive Committee. The position is adopted, and voted on according to qualified majority; then, the common text is produced, and lobbying can be carried out, followed by its publicization in the media.⁹⁰⁶ For instance, concerning the adoption of a directive for the *public service framework*, a campaign was organized based on a petition signed by 1 million people regarding that directive.⁹⁰⁷

The Women’s Committee is generously represented throughout the decision-making structures of ETUC, with ten seats on the Congress, three seats on the Executive, and one representative on the Steering Committee.⁹⁰⁸ In addition, the Brussels-based Secretariat runs the ETUC’s day-to-day activities. Concerning the relation with the EU,

901 ETUC Resolution (2002), *Our Priorities 2002*, http://www.etuc.org/IMG/pdf/Prior_2002_EN_-17_02_03.pdf (retrieved on March 10, 2008, from World Wide Web: URL).

902 Abbott, K. (1997), “The European Trade Union Confederation: Its Organization and Objectives in Transition”, *Journal of Common Market Studies*, 35, Oxford and Britain: Blackwell Publishers Ltd., p. 465-481.

903 ETUC Resolution (2002), *Our Priorities 2002*, http://www.etuc.org/IMG/pdf/Prior_2002_EN_-17_02_03.pdf (retrieved on March 10, 2008, from World Wide Web: URL).

904 Ibid.

905 Ibid.

906 Please look at Appendix-III.5.5, Face to face interview with Joel Decaillon (Confederal Secretary and Responsible for Lifelong Learning and Lisbon Strategy) at ETUC, Date: 09. 01.2007.

907 Ibid.

908 ETUC Resolution (2002), *Our Priorities 2002*, http://www.etuc.org/IMG/pdf/Prior_2002_EN_-17_02_03.pdf (retrieved on March 10, 2008, from World Wide Web: URL).

meetings are held between the EU Economic and Financial Affairs Council (ECOFIN), the ECB, the Commission and the social partners within the framework of the macro-Economic dialogue twice a year.⁹⁰⁹ Internally structured in this framework, the ETUC is recognized as the only international trade union organization at the European level.

The abovementioned internal structure and executive procedures of the ETUC have been criticized by commentators in that the organization has failed to develop into an effective social actor on the European stage.⁹¹⁰ Accordingly, its main weaknesses have been specified as a focus on institution-building rather than mobilization⁹¹¹, an overdependence⁹¹² on the European Commission, and ideological and tactical divisions between and within its constituent confederations heterogeneity.⁹¹³ While the level of national trade union mobilization against EMU was limited, it led to internal social dialogue as national confederations make compromises in order to secure directives on paternity leave, part-time work, and fixed-term contracts.⁹¹⁴

For Portelli, the ETUC is a complex, top-down organization in a way that a ‘confederation of confederations’ extends beyond the boundaries of the EU, encompassing organizations at sectoral and regional levels.⁹¹⁵ Consequently, it lacks power and organizational capacity and is ‘heard but not widely followed’⁹¹⁶. Moreover, growing indications have been observed that the ETUC is undergoing a shift in strategic orientation from an exclusive focus on institutional ‘social partnership’ within the EU towards a protested ‘social movement’ model. As a reference to the dichotomy between the European Charter of Fundamental Rights and the Convention on the Future of Europe, one might ask how far these developments are implied in trade union awareness

909 Schmögnerova, B. (2005), *The European Social Model: Reconstruction or Destruction? A View from a Newcomer*, International Policy Analysis Unit, Bonn: Friedrich Ebert Foundation.

910 Taylor, G. and Mathers, A. (2004), “European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism”, *European Journal of Industrial Relations*, 10 (3), p. 267.

911 Goetschy, J. (1996), “The European Trade Union Confederation (ETUC) and the Construction of European Unionism”, in Leisink, P., Leemput, van J. and Vilrocx, J. (eds.), *The Challenges to Trade Unions in Europe. Innovation or Adaption*, Cheltenham: Brookfield, p. 253-265.

912 Martin, A. and Ross, G. (1998), “European Integration and the Europeanization of Labor”, in Gabaglio, E. and Hoffmann, R. (eds.), *The ETUC in the Mirror of Industrial Relations Research*, Brussels: ETUI, p. 247 – 94.

913 Gobin, C. (1998), “The European Trade Union Confederation and Collective Bargaining at the European Level”, in Gabaglio, E. and Hoffmann, R. (eds.), *The ETUC in the Mirror of Industrial Relation Research*, Brussels: ETUI, p. 171 – 206.

914 Taylor, G. and Mathers, A. (2004), “European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism”, *European Journal of Industrial Relations*, 10 (3), p. 267.

915 Portelli, H. (1990), “La Confederation Europeenne des Syndicats”, in Devin, G. (ed.), *Syndicalisme, Dimensions Internationnelles*, La Garenne – Colombes: Erasme, p. 150-72.

916 Ibid.

at European level.⁹¹⁷

According to Hyman, the identity of the ETUC within an analytical framework recognizes the dynamic and changing nature of trade union consciousness within the variable geometry of European governance.⁹¹⁸ He argues that the identity of trade unions is to be found within the ‘eternal triangle’ between class, market, and society.⁹¹⁹ These are fluid and dynamic processes of contestation and struggle. Since trade unions are marginalized in the EU, it might be difficult to remobilize autonomous trade unionism at the European level. In fact, these developments have been associated with the impacts of globalization on trade unions in relation to the free movement of capital but not labour.

Similarly, this is also a problem for the ETUC, if it is to become an effective and autonomous agent of regulation in European markets and institutions. Therefore, the ‘path dependency’ in its development presents a serious obstacle to the development of such an identity. Hyman illustrated this kind of path by exploring the development of the ETUC in terms of the basic dimensions of trade union identity: interest representation, democratic structure, agenda framing and power mobilization.⁹²⁰ As such, there has been limited democratic accountability within the operations of the ETUC’s decision making. Its top down development has tended to produce a form of ‘political subsidiarity’ within European trade unionism. Unlike the Secretariat in Brussels, the Presidium and Executive Committee are primarily national representatives and tend to prioritize national over European issues.⁹²¹ Consequently, the resulting ‘democratic deficit’ is compounded by the financial, operational, and political dependence of the ETUC on the European Commission. There is, therefore, a tension between the need for democratic accountability and legitimacy in order to coordinate the interests of diverse national confederations and the need to operate as part of the

917 Taylor, G.; Mathers, A. (2004), “The European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism”, *European Journal of Industrial Relations*, 10.3. p: 267-285.

918 Hyman, R. (2001), *Understanding European Trade Unionism: Between Market, Class and Society*, London: Sage Publications..

919 Ibid.

920 Ibid; Hyman, R. (1994a) “Changing Trade Union Identities and Strategies” in Hyman, R, Ferner, A. (eds.), *New Frontiers in European Industrial Relations*, p. 108–39. Oxford: Blackwell; Hyman, R. (1994b). “Changing Union Identities in Europe”. in P. Leisink, J. van Leemput; J. Villokx (eds.), *The Challenges to Trade Unions in Europe*., Cheltenham: Edward Elgar, p. 53–73.

921 Lecher, W. (1998), “Outlines of a Structure for European Industrial Relations as Seen from the Trade Union Viewpoint”, in E. Gabaglio and R. Hoffmann (eds.), *the ETUC in the Mirror of Industrial Relations Research*, Brussels: ETUI , p. 47-65.

institutional machinery of the EU.⁹²²

In essence, the ETUC is developing a vision of a social Europe as a ‘repertoire of contention’ or a ‘transnational utopia’, but it lacks the organizational capacity and the democratic legitimacy that are necessary to translate this vision into a reality of improved substantive rights for European workers and citizens.⁹²³

4.1.2. The Stance of ETUC towards EU Social Policy and the Social Dialogue

It is vitally important to draw attention to the fact that, in order to be influential at the European level, the associations at the European level need a mandate for negotiation from their national member organizations.⁹²⁴ It was only in 1995, that ETUC members realized the need to change their statutes and to give a mandate to the ETUC by qualified majority decisions within the ETUC decision making structure.⁹²⁵ The changes were intended to strengthen and to increase the bargaining capacity of the European-level association. In this way, the ETUC would be able to increase its influence at European level and become a motor towards the internalization of interest intermediation. Moreover, the ETUC has also strengthened its role vis-à-vis its national members, since it provides the main route for them to address the European level.⁹²⁶

Despite the contradictory and contested process of bargaining and negotiations within the institutions of social dialogue as well as between these institutions, following the fulfillment of this prerequisite, ETUC has played a key role in formulating vital pieces of EU legislation including the European Works Councils Directive (1994), and the Information and Consultation Directive (2002), and in drawing up the EU Charter of Fundamental Rights and the EU Constitutional Treaty. In that regard, the activities of the ETUC are mainly in areas such as social dialogue and industrial relations, economic and employment policies and *flexicurity*⁹²⁷.

922 Portelli, H. (1990), “La Confédération Européenne des Syndicats”, in Devin, G. (ed.), *Syndicalisme, Dimensions Internationales*, La Garenne – Colombes: Erasme, p. 150-72.

923 Hyman, R. (1996) “Union Identities and Ideologies in Europe”, in P. Pasture, J. Verberckmoes and H. de Witte (eds.), *The Lost Perspective: Trade Unions Between Ideology and Social Action in the New Europe*, Aldershot: Avebury, p. 60–89.

924 Keller, B. and Sörries B. (1999), “The New European Social Dialogue: Old Wine in New Bottles”, *Journal of European Social Policy*, 9 (2), p. 114.

925 See Article 13 of the ETUC Constitution, European Trade Union Confederation (2007), *ETUC Constitution*, amended by the 11th ETUC Congress in Seville, 21-14.05.2007, http://www.etuc.org/IMG/pdf_CES-Statuts_CES-Uk_def-3.pdf (retrieved: December 8, 2008, from World Wide Web: URL)

926 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p.173.

927 *Flexicurity* is the name given to a form of labour market organization combining a flexible labour force able to adapt to new markets and technologies, with security that guarantees workers’ living and working standards

The ETUC believes that the consultation of workers, collective bargaining, social dialogue and good working conditions are the keys to promoting innovation, productivity, competitiveness and growth in Europe.⁹²⁸ Thus, it is in favour of harmonization in the social policy field at European level through EU legislation, on the condition that the social dialogue, collective bargaining and consultation processes take place. In that respect, the primary objective of the ETUC is to promote the European social model and work for the development of a peaceful and stable Europe where workers and their families can enjoy full human and civil rights and high living standards.⁹²⁹ Within the ETUC framework, “the European social model embodies a society combining sustainable economic growth with ever-improving living and working standards, including full employment, social protection, equal opportunities, good quality jobs, social inclusion, and an open and democratic policy-making process that involves citizens fully in the decisions that affect them”⁹³⁰.

More specifically, the ETUC has embraced wide-ranging social objectives within its own mission statement, including the extension and consolidation of political liberties and democracy, respect for human and trade union rights, the elimination of all forms of discrimination, the promotion of equal opportunities and equal treatment, environmentally sound economic and social development, the democratization of the economy, a society free from exclusion and based on freedom, justice and solidarity and productive employment for all.⁹³¹

By the late 1980s, the encouragement given by Delors, and the progressive advancement of EU social integration, demanded that the ETUC move up a gear to respond more quickly and flexibly to the new European agenda.⁹³² It also needed to respond to changes in the orientation of the trade union movement towards the EU. A number of key reforms were therefore agreed at the ETUC’s seventh Congress in 1991. These were repeated in the latest Constitution of the ETUC as: incorporation of the Industry Federations within a dual membership pillar structure; allocation of voting rights according to the size of membership; enhanced women’s representation and the

928 Degryse, C. (2002), *European Social Dialogue: A Mixed Picture*, Brussels: ETUI Publications, p. 8.

929 See ETUC Website <http://www.etuc.org/r/2> (retrieved on May 12, 2008, from World Wide Web: URL).

930 Ibid.

931 Ibid.

932 Taylor, G. and Mathers, A. (2004), “European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism”, *European Journal of Industrial Relations*, 10 (3), p. 269.

role of the Women's Committee in its decision-making structures; the introduction of structures for the participation of interests from Central and Eastern Europe, and the interregional trade union councils, reform in decision-making structures, the introduction of a qualified majority (two-thirds requirement) voting system, the strengthening of the role of the secretariat in internal decision-making, and an increase in staff numbers to levels that remain to the present day.⁹³³

Despite these substantial changes, the heterogeneity of the ETUC and the tensions between its members who wanted a minimal role, and those who sought a more supranational role for the ETUC overwhelmed the 'supranational' label of the ETUC in the mid-1990s.⁹³⁴ Most analyses of the ETUC during this period continued to emphasize its problems including its fragmentation and diversity, the unwieldy nature of its federal structure, its inability to harness the resources of its members to good effect, its lack of ability to co-ordinate both within its secretariat and between the individual activities of its members, its over-dependence upon its members to influence EU policy making through their national governments, the lack of a feminist perspective, and its high tendency to poor quality lowest common denominator positions.⁹³⁵

In light of these limitations, one might say that prospects appear bright for the continuing expansion of these institutional arrangements and regularized contacts, both among union officials within the ETUC and among other elected workforce representatives within firm-level workforces. As the European market continues to develop internally, there is more and more incentive for unions and other workforce representatives to collaborate in ways ranging from information exchange to the coordination of bargaining demands and the mobilization of pressure on firms and governments.

The ETUC negotiates with employers at European level through the European social dialogue process. This process has taken place in 35 different industrial sectors so far, coordinated by the European Industry Federations. After the ETUC was recognized as

933 European Trade Union Confederation (2007), *ETUC Constitution, amended by the 11th ETUC Congress in Seville*, 21-14.05.2007, http://www.etuc.org/IMG/pdf_CES-Statuts_CES-Uk_def-3.pdf (retrieved: December 8, 2008, from World Wide Web: URL)

934 Taylor, G. and Mathers, A. (2004), "European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism," *European Journal of Industrial Relations*, 10 (3), p. 266.

935 Ebbinghaus, B. and Visser, J. (1997), "European Labour and Transnational Solidarity: Challenges, Pathways, and Barriers", in Klausen, J. and Tilly, L. A. (eds.), *European Integration in Social and Historical Perspective: 1850 to the Present*, Oxford: Rowman and Littlefield Publishers, p. 205.

one of the formal European social partners and gained the right to negotiate framework agreements at European level, it signed three cross-sectoral European framework agreements with its European employer counterparts, which have been ratified by the Council of Ministers and implemented as Directives on parental leave (1996), part-time work (1997), and fixed-term contracts (1999). Since the Laeken European Council, trade unions and employers themselves have implemented further European-level deals under the system of 'autonomous' social dialogue, covering conditions for teleworkers (2002), work-related stress (2004), and harassment and violence at work (2007). Finally, the signing of frameworks of action such as the framework of actions for the life-long learning development of competencies and qualifications (2002) and for equality between men and women (2005) should also be emphasized. In this process, as illustrated through the abovementioned outcomes, the ETUC has managed to come to agreement mostly on work-related issues such as parental leave, macro-economic policies to achieve long-term qualitative growth, and minimum employment standards.

Considering that the power of peak confederations is enhanced to the extent that they succeed in protecting and advancing the interests of union members, the ETUC's agreement with national affiliate is important.⁹³⁶ In that regard, the ETUC can call upon its affiliates to take action to support trade unions rights. It has coordinated major campaigns to achieve the inclusion of new provisions on employment in the EU Treaty, to mobilize voters for European elections, and to strengthen the European Charter of Fundamental Rights and Constitutional Treaty. In recent years, the ETUC has organized regular European demonstrations to coincide with EU summit meetings, for example in Lisbon in June 2000, Nice in December 2000 in support of Social Europe, and Laeken (Belgium) in December 2001; as well as Europe-wide Action Days in spring 2003 and 2004, and major Euro-demonstrations on 19 March 2005, on 14 February 2006 in Strasbourg against the Services Directive, on 5 April 2008 in Ljubljana for more pay and purchasing power and on 16 December 2008 against longer working hours.⁹³⁷

936 Compston, H. and Greenwood, J. (eds.) (2001), *Social Partnership in the European Union*, Basingstoke: Palgrave, p. 156.

937 See ETUC Website <http://www.etuc.org/spip.php?page=recherche&lang=en&recherche=campaigns> (retrieved on May 12, 2008, from World Wide Web: URL).

The 'social democratic vision', on which the ETUC was founded, is identified as a common framework of social democratic visions. Therefore, their diversity has entailed tensions in the context of European integration and the increasingly hostile terrain of social Europe.⁹³⁸ The range of interests represented by the ETUC is broad and inclusive, yet also narrow and fragmented in order to maintain transnational unity despite differing national responses to the pressures of neo-liberal restructuring.⁹³⁹ Considering its relations with the employers within the social dialogue, the ETUC seeks to come to concrete accords with the employers on important social policy objectives such as access to vocational training, parental leave, macro-economic policies to achieve long-term qualitative growth, and minimum employment standards.⁹⁴⁰ The ETUC is in favour of moving away from the generally non-binding declarations which the social dialogue has led to so far, and argues for both sides regarding these declarations as binding obligations, as something which they in turn should argue for both at Community level and in the member states. This has caused tension between labour and employers.

The ETUC has faced numerous tensions in its internal structure as well. Firstly, the ability to act has been constrained by the unwillingness of national confederations to cede power to a transnational organization. Therefore, the ETUC has focused on integration in the institutions of the EU as a lobbying organization and on coordinating the national policies of its constituent confederations. This has created three structural weaknesses, which are the following: affiliated unions remaining embedded in their national contexts; the ETUC's political independence from the European Commission; and its failure to develop a transnational worker identity or articulate a positive vision of social Europe.⁹⁴¹ Consequently, it has thus failed to become an effective and autonomous agent of regulation within the emergent institutions of the EU. The potential democratic gains associated with the shift from intergovernmentalism to multilevel governance have not been realized.

938 Groux, G., Mouriaux, R. and Pernot, J-P. (1998) "The Europeanization of the Trade Union Movement: the European Trade Union Confederation", in E. Gabaglio and R. Hoffmann (Eds.), *the ETUC in the Mirror of Industrial Relations Research*, Brussels, ETUI, p. 67-94.

939 Portelli, H. (1990), "La Confederation Europeenne des Syndicats", in Devin, G. (ed.), *Syndicalisme, Dimensions Internationnelles*, La Garenne – Colombes: Erasme, p. 150-72.

940 Buschak, W. and Kallenbach, V. (1998), "The European Trades Union Confederation", in Lecher, W. E. and Platzer, H. W. (eds.), *European Union – European Industrial Relations?*, London and New York: Routledge, p. 171.

941 Waddington, J., Hoffmann, R. and Lind, J. (1997), "European Trade Unionism in Transition: A Review of the Issues", *Transfer*, 3 (3), p. 465-95.

In light of this analysis, one might say that the lack of an effective strategy and vision vis-a-vis the development of social Europe is an indication of the failure to develop a coherent transnational identity. Although the ETUC has a wide and inclusive interest base, it has sought to represent this primarily around a narrow agenda of uncontroversial workplace issues, attempting to integrate itself within the institutions of the EU while democratic accountability to its constituents has remained undeveloped.

Nevertheless, the limitations of the ETUC strategy have become increasingly evident since the Maastricht Treaty, which gave new competences to social dialogue, but also established the restrictive criteria for EMU. There has also been reform of the internal organization of the ETUC to enable majority voting on issues of 'general interest'. These developments highlight a tendency for the ETUC to develop a more autonomous presence in European civil society. The context for the two initiatives that address this agenda of democratic reform includes the development of a European Charter of Fundamental Rights and the formulation of a European Constitutional Treaty as well as the Lisbon Treaty.

The restricted level of democratic participation was also evident in the ETUC's response to the constitutional debate that was again focused around a rather remote campaign structure in Brussels in 2001, entitled "A Constitutional Treaty that Makes Europe Work for the People". This campaign highlighted two elements of an emerging ETUC strategy already evident during the campaign on the Charter, that is, a closer alignment with other European NGOs in an attempt to develop a common agenda and the mobilization of European trade unionists on key European issues.⁹⁴² Despite these initiatives and mobilizations, the ETUC campaign produced limited results beyond cementing its institutional role as a social partner within the recent Lisbon Treaty.

The campaign is significant in that it demonstrated how the ETUC is currently exploring the possibility of alternatives to institutionalized social partnership and has been tentatively moving towards a role as 'social movement'.⁹⁴³ While this strategic

942 Taylor, G. and Mathers, A. (2004), "European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism, *European Journal of Industrial Relations*, 10 (3), p. 267.

943 Kirches, C (2007), "The European Trade Union Confederation (ETUC) Development and role of a Bound Giant", Paper presented at the International Academic Conference "Towards Transnational Trade Union Representation? National Trade Unions and European Integration" Institute for Social Movements, Bochum, 6-8 December 2007.

shift is still embryonic and subordinate to the dominant strategy of social partnership, it demonstrates the potential for the ETUC to develop a distinctive identity with a positive vision of a social Europe capable of mobilizing European workers around European issues.

Despite everything, the ETUC is a solid organization whose principal strength lies in its stability and breadth, and its institutionalization in EU politics. Over time, the ETUC has embraced more of the diversity of the European trade union movement within itself. Its most recent achievements have been the affiliation of the French Communist Union CGT, and the full incorporation of members from the CEECs.⁹⁴⁴ Thus, the ETUC has consistently been ahead of EU enlargement. Through these achievements, the organization's membership has been broadened.

The issues on which ETUC has been most active in institutional decision-making in recent years include those concerned with the economy and employment, democratization of the economy, social dialogue and social policy.⁹⁴⁵ Its activities on issues such as gender equality, immigration and asylum, racism and discrimination, social inclusion, and young people are fruitful for strategic alliance building with public interest constituencies. In order to realize its actions, ETUC officials meet several times a year with the President of the Commission, with individual commissioners, and, periodically, with the entire College of Commissioners.⁹⁴⁶ Due to regular interaction with the Commission, the stance of ETUC towards EU social policy has changed. ETUC has come to be a strong supporter of European integration and, together with the Commission; it does share an interest in the development of European rules.⁹⁴⁷

In the 10th ETUC Congress in 2003 in Prague, the organization was brought under the obligation to: “encourage and support a reform of the economic, monetary and fiscal policy framework to meet the objectives of the Lisbon summit; seek changes to the Stability and Growth Pact to ensure that the growth aspect acquires the same status as the stability aspect; encourage greater coordination and harmonization of taxation

944 Dolvik, J. E. and Visser, J. (2001), “ETUC and European Social Partnership: a Third Turning Point?”, in Compston, H. and Greenwood, J. (eds.), *Social Partnership in the European Union*, Houndmills: Palgrave, p. 11-40.

945 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p.171.

946 See ETUC Website <http://www.etuc.org/r/11> (retrieved on May 12, 2008, from World Wide Web: URL).

947 Ebbinghaus, B. and Visser, J. (1997), “European Labour and Transnational Solidarity: Challenges, Pathways, and Barriers”, in Klausen, J. and Tilly, L. A. (eds.), *European Integration in Social and Historical Perspective: 1850 to the Present*, Oxford: Rowman and Littlefield Publishers, p. 205.

policy; and to promote the minimum company tax rate in order to prevent harmful tax competition”⁹⁴⁸. In addition, the ‘Vision of Europe’ has been initiated with objectives on peace, freedom, democracy, fundamental rights, equal opportunities, and gender equality; sustainable development, solidarity, and social justice, full employment, and quality jobs; economic, social and territorial cohesion; a high level of physical and mental health, education; training and lifelong learning, well-being and prosperity.⁹⁴⁹ Moreover, the principles of the European social model, protection of minorities, universal and equal access to services of general interest which are of a high quality, and organized on the basis of solidarity and a social market economy was emphasized in the 10th ETUC Congress.⁹⁵⁰ Thus, without abandoning the old values of solidarity and collective bargaining, the unions have to give more attention to quality of employment such as workplace discrimination, training, childcare facilities and more flexible hours.⁹⁵¹

In general, the ETUC favours both deepening and broadening the social dimension of the internal market and the social dialogue at the EU level in particular in order to provide the social regulation social dialogue at the EU level.⁹⁵² Therefore, the priorities of the organization might be classified into two groups, which are European industrial relations and the collective bargaining power of trade unions.⁹⁵³ As regards industrial relations, the ETUC aims to stress the importance of economic and monetary union as a regulatory mechanism on social dialogue as well as the maintenance of justice in the area of wages and working conditions. Regarding the collective bargaining power of trade unions, the ETUC focuses on trade union policies in relation to globalization and the Europeanization of trade unions in this process. In an interview conducted with the ETUC representative, it was pointed out that there is a need to create a consensus in providing economic and social equality.⁹⁵⁴ Therefore, the ETUC aims to provide an arena of compromise and negotiation for the social partners in their decisions on economic and social change by means of lobbying, consultation and participation in the

948 European Trade Union Confederation (2003), “Make Europe Work for the People”, *The 10th ETUC Congress*, 26-29 May 2003, Prague, http://www.etuc.org/IMG/pdf/Congres_Brochure_APS_EN.pdf (retrieved: March 17, 2008, from World Wide Web: URL)

949 Ibid.

950 Ibid.

951 Taylor, R. (2003), “The Workers of Europe Unite”, *New Statesman*, Britain’s Award-Winning Current Affairs Magazine, London, the United Kingdom.

952 Keller, B. and Sörries B. (1999), “The New European Social Dialogue: Old Wine in New Bottles”, *Journal of European Social Policy*, 9 (2), p. 115.

953 Degryse, C. (2002), *European Social Dialogue: A Mixed Picture*, Brussels: ETUI publications, p. 8.

954 See Appendix-III.5.5, Face to face interview with Joel Decaillon (Confederal Secretary and Responsible for Lifelong Learning and Lisbon Strategy) at ETUC, Date: 09. 01.2007.

social dialogue .

4.2. CONFEDERATION OF EUROPEAN BUSINESS (BUSINESSEUROPE)

The Confederation of European Business (BUSINESSEUROPE) is a large and powerful confederation on the employers' side. It is an umbrella organization representing not only employer organizations from 33 countries but also private sector employers in big branches of business. In general terms, BUSINESSEUROPE is the employer organization which is a counterpart to the ETUC and is one of the recognized corporate social partners at the European level acting in the process of the European social dialogue. In addition, BUSINESSEUROPE representing the world of business establishes relations with the decision-making bodies of the EU and attempts to influence the policy-making in favour of the interests of its members.⁹⁵⁵ In that regard, compared to the ETUC, which is only the representative of trade unions and employees, the dual role of BUSINESSEUROPE attracts attention.

4.2.1. Basics and Institutional Structure of BUSINESSEUROPE

The organization of employers dates back to the establishment of the EEC. As the European integration process was initiated with an economic rationale, the business circle and employer organizations started to get organized at European level and established relations with the Community institutions after the establishment of the EEC. In that regard, UNICE was established in 1958. However, its history goes back in time under another name. The basic structure of the organization was established with a view to the need for a period of re-construction and co-operation in economic development throughout the continent due to the chaos and disruption of the Second World War. The result of this kind of cooperation was the founding in 1949 of the *Conseil des Federations Industrielles d'Europe (CIFE)*, and within this organizational framework, the *Union des Industries des pays de la Communauté Européenne*.⁹⁵⁶ The cooperation began by the national industrial federations from the six member states of the European Coal and Steel Community, initially aimed to monitor this Community. It was a natural evolution for this body to become the *Union des Industries de la*

955 Koray, M. and Celik A. (2007), *Avrupa Birliđi ve Türkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları.

956 See BUSINESSEUROPE Website, <http://www.busesseurope.eu/Content/Default.asp?> (retrieved on May 12, 2008, from World Wide Web: URL)

*Communaute Europeenne (UNICE)*⁹⁵⁷ in March 1958.

With regards to the institutional structure of **BUSINESSEUROPE**, the Council of Presidents, which determines the general strategy, is the supreme governing body of the organization, determining the general strategy and the Executive Committee which monitors the implementation of the decision.⁹⁵⁸ This structure is complemented by seven main committees, and about sixty working groups.⁹⁵⁹ In 2008, 40 members from 34 countries, including the European Union countries, the European Economic Area countries, and some CEECs were members of **BUSINESSEUROPE**.⁹⁶⁰ Almost three-quarters of UNICE members have offices in Brussels, including many with offices in the same building complex as UNICE. These supplement the work of the 48 staff members of UNICE, and much of their work is highly co-coordinated with UNICE, helping it to address national points of influence in EU decision-making and to widen its network of access to information.⁹⁶¹ Their presence in Brussels also helps to build internal consensus through personal relationships, with informal caucuses between groups of them.⁹⁶² Thus, with regard to its tasks, objective, institutional structure and members, it is a powerful European social partner.

At the beginning, UNICE was founded by eight employers' organizations from the six countries of the first European Community with the basic task of promoting solidarity among European employers' organizations, and supporting European industrial policy.⁹⁶³ **BUSINESSEUROPE** has undertaken more than one role in that in addition to its role as a social partner with the ETUC within the framework of the European social dialogue, it also represents the business sphere and aims to get into contact with EU institutions to defend and promote the interests of its members vis-à-vis the institutions of the EU.⁹⁶⁴ Moreover, once the ETUC and **BUSINESSEUROPE** are compared according to the groups that they represent, the same phenomenon is observed. While the ETUC is only the representative of trade unions and workers, **BUSINESSEUROPE**

957 In 2007, the UNICE changed its name into *BUSINESSEUROPE*, the Confederation of European Business.

958 See *BUSINESSEUROPE* Website, <http://www.businessseurope.eu/Content/Default.asp?> (retrieved on May 12, 2008, from World Wide Web: URL)

959 *Ibid.*

960 The table indicating the members of *BUSINESSEUROPE* can be seen in *Appendix-II.4*.

961 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p. 86.

962 *Ibid.*

963 Schmögnorova, B. (2005), *The European Social Model: Reconstruction or Destruction? A View from a Newcomer*, International Policy Analysis Unit, Bonn: Friedrich Ebert Foundation.

964 Koray, M. and Celik A. (2007), *Avrupa Birliği ve Türkiye'de Sosyal Diyalog, AB'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları.

represents both ad hoc ‘business’ groups and ‘Europe’ in general.

The problem that **BUSINESSEUROPE** faces is that it consists of a federation of confederations, which is a heavily bureaucratic system.⁹⁶⁵ This makes the organization reactive although it is the only recognized body that formally represents the whole of European industry. UNICE seeks to defend the broad interests of the entire constituency of European business across the board of everyday public affairs, based around national representative business wide associations.⁹⁶⁶

4.2.2. The Stance of **BUSINESSEUROPE towards EU Social Policy and Social Dialogue**

The priorities of **BUSINESSEUROPE** include a well functioning market, support for competition rules, the long-term stability of EMU, the continuation of trade and investment liberalization, EU enlargement on a mutually beneficial basis, and support for innovations.⁹⁶⁷ It prefers market solutions to state intervention, and self-regulation to regulation.⁹⁶⁸ One of its requirements is less and better legislation. Therefore, its working groups thoroughly elaborate positions concerning European legislation that could have effects on the European business environment. **BUSINESSEUROPE** criticizes the excessive intervention of European institutions in business, and prefers national social and tax policy to European policy; in other words, it is against their harmonization.⁹⁶⁹ It prefers autonomous social dialogue, that is, dialogue ‘free from political pressure’⁹⁷⁰. In other words, **BUSINESSEUROPE** is in favour of the balanced integration of economic, societal and environmental concerns without too much binding legislation.

BUSINESSEUROPE is part of the consultation arrangements existing at the EU level, namely the ESC, the Standing Committee on Employment, the Tripartite Conferences, the Social Dialogue, meetings with the Troika of Presidencies and the Macroeconomic Dialogue, that allow for the participation of the social partners in collective bargaining,

965 Ibid, p. 87.

966 Ibid.

967 Greenwood, J. (2001), *Inside the EU Business Associations*, Basingstoke: Palgrave.

968 See **BUSINESSEUROPE** Website, <http://www.business-europe.eu/Content/Default.asp?> (retrieved on May 12, 2008, from World Wide Web: URL)

969 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p. 80-81.

970 Ibid.

whilst displaying a more cohesive structure.⁹⁷¹ In the existing procedures, *BUSINESSEUROPE* takes part along with other EU business associations. However, within the framework of this study, which focuses on social dialogue, these business associations shall be only briefly mentioned. These business associations are namely the Association of European Chambers of Commerce and Industry (*EUROCHAMBRES*)⁹⁷², the Retail, Wholesale and International Trade Representation to the EU (*EUROCOMMERCE*)⁹⁷³, *ERT*, *UEAPME*⁹⁷⁴ and the EU Committee of the American Chamber of Commerce and Industry (*AMCHAM-EU*)⁹⁷⁵.

In brief, these institutions, which have been operating as business organizations at the EU level, have a secondary status and thus are not always included in existing consultative procedures. For instance, *EUROCHAMBRES* is classified as a ‘specific organization’ by the Commission while *BUSINESSEUROPE*, *ETUC* and *CEEP* are labelled as general cross-industry organizations; and *UEAPME* is classified as a cross-industry organization representing certain categories of workers or undertakings.⁹⁷⁶ In that regard, *EUROCHAMBRES* participates in the social dialogue as outlined by the provisions of the Maastricht Treaty as a second-level social partner. Accordingly, *EUROCHAMBRES* is consulted by the European Commission on matters of social and employment policy. In addition, *EUROCHAMBRES* provides information on all of its activities to the national member organizations, while raising their profile at the EU level.⁹⁷⁷ To this end, *EUROCHAMBRES* proposed a more convincing communication

971 Compston, H. and Greenwood, J. (eds.) (2001), *Social Partnership in the European Union*, Basingstoke: Palgrave.

972 *EUROCHAMBRES* was founded in 1958 with the aim to represent the interests of the European enterprise. It represents “the interests of over 19 million member enterprises in 45 European countries through a network of 2000 regional and local Chambers represented by 45 national and one transnational organizations” *EUROCHAMBRES* Website, <http://www.eurochambres.be/content/default.asp?PageID=4> (retrieved on May 12, 2008, from World Wide Web: URL). Through its structure, *EUROCHAMBRES* guarantees pan-European coverage, and is the “sole European body that serves the interests of every sector and every size of European business” *EUROCHAMBRES* Website, <http://www.eurochambres.be/content/default.asp?PageID=4> (retrieved on May 12, 2008, from World Wide Web: URL).

973 *EUROCOMMERCE* was established in 1993. Its membership includes “commerce federations in 31 countries, European and national associations representing specific commerce sectors and individual companies” *EUROCOMMERCE* Website, <http://www.eurocommerce.be/content.aspx?PageId=40666> (retrieved on May 12, 2008, from World Wide Web: URL). It defends the common interests of its members at EU level and keeps them informed on European dossiers that impact their activities. *EUROCOMMERCE* Website, <http://www.eurocommerce.be/content.aspx?PageId=40666> (retrieved on May 12, 2008, from World Wide Web: URL).

974 As *UEAPME* has been classified as one of the cross-industry organizations which represents certain categories of workers or undertaking since 1998, it is discussed separately in this chapter.

975 *AMCHAM-EU* represents the views of companies of American parentage committed to Europe with the aim to ensure a growth-oriented business and investment climate for our member companies in the EU. As the representation body for US business in the EU, *AMCHAM-EU* is regarded as the most valued lobbying force in the EU. *AMCHAM-EU* Website, <http://www.amchameu.be/> (retrieved on May 12, 2008, from World Wide Web: URL)

976 See annex – I of COM (98) 322 final, http://aei.pitt.edu/6813/01/003690_1.pdf (January 8, 2009, from World Wide Web: URL)(retrieved on January 8, 2009, from World Wide Web: URL).

977 See *EUROCHAMBRES* Website, <http://www.eurochambres.be/content/default.asp?PageID=4> (retrieved on May 12, 2008, from World Wide Web: URL).

policy based on information distribution networks in the form of partnerships.

Within the framework of sectoral social dialogue, EUROCOMMERCE emerged as a recognized sectoral social partner, actively engaged in European social dialogue. The main priorities of this trade association include: to promote and foster free trade in a world-wide context; to enable a smooth enlargement of the EU to the East; to ensure the free movement of goods and services within the EU while guaranteeing consumer protection; to ensure a high level of food safety and appropriate information on food products; to promote a consumer oriented CAP; to ensure a better balance between the interests of the users and issuers of electronic means of payment; to defend the interests of commerce within the social dialogue; to encourage a sound and fair development of E-Commerce; to foster ethical and sustainable trade; to support environmental policies based on legal certainty, scientific and economic objectivity and the fair sharing of responsibilities.⁹⁷⁸

Among these Europe-wide employer organizations, BUSINESSEUROPE is the main general cross-sectoral European social partner. However, before it attained this function, the role of BUSINESSEUROPE in the EU has undergone an evolution during the European integration process. When it was established in 1958, with the start of the common market, it was mainly a pressure group for industry in the EC, merely with some advisory functions.⁹⁷⁹ Then, in the 1970s, UNICE undertook the additional role of coordinating the national employer associations, mainly in response to the establishment of the Standing Committee on Employment and other forms of social dialogue.⁹⁸⁰ Currently, BUSINESSEUROPE represents both producer and labour-market interests and thus encompasses business and employer associations across Europe.

Upon reaching the abovementioned role, as the main formally recognized European social partner for the employers, the stance of BUSINESSEUROPE towards European social dialogue has evolved since 1985. At the beginning, private sector employers had a long-standing opposition to the principle of bargaining at European level. However, after the European social partners had obtained a quasi-legislative role with the

978 See EUROCOMMERCE Website, <http://www.eurocommerce.be/content.aspx?PageId=40666> (retrieved on May 12, 2008, from World Wide Web: URL).

979 Ebbinghaus, B. and Visser, J. (1997), "European Labour and Transnational Solidarity: Challenges, Pathways, and Barriers", in Klausen, J. and Tilly, L. A. (eds.), *European Integration in Social and Historical Perspective: 1850 to the Present*, Oxford: Rowman and Littlefield Publishers, p. 218.

980 Ibid.

Maastricht Treaty, which enabled them to negotiate legally binding agreements on labour market issues, BUSINESSSEUROPE consented to negotiate with trade unions.⁹⁸¹ Under the terms of the social partnership, which is defined as “the co-ordination of EU policy by means of agreements struck between EU institutions and European-level employer organizations and trade union confederations”⁹⁸², the change in the stance of BUSINESSSEUROPE is explained in terms of the logic of self-interest defined as economic benefit and institutional power.⁹⁸³ The attitude of the employers has been shaped by the pragmatic self-interest of business seeking to make and protect and enhance the conditions for profit maximization, because the better they represent the interests of their members, the more powerful they will be as an institution.

All in all, the evolution in the stance of BUSINESSSEUROPE towards greater cooperation with trade unions at European level through the social dialogue can be regarded as instrumental, reflecting not a conversion to a new philosophy, but a change in strategy in response to changing political realities. With this new strategy, BUSINESSSEUROPE will be able to minimize what it perceives as the negative impact of European social legislation on European companies.

4.2.3. Comparison between ETUC and BUSINESSSEUROPE

It is important to understand the vitality of the interaction and partnership between the European social partners. In that sense, it is worth referring to the relationship between BUSINESSSEUROPE and the ETUC. As Cinzia Sechi mentioned, the relationship has evolved with more complicated issues to deal with especially as the EU has enlarged from 15 to 27. This has had an impact on social policy-making as well as the European social dialogue, because the need to meet together within an institutionalized system is important to reach compromise.⁹⁸⁴ However, there are also problems between the two institutions, as Osman Yıldız mentioned, as the balance of power between business and workers is dispersed in the favor of employers.⁹⁸⁵ For this reason, employers do not support any autonomous stance of ETUC; however, the ETUC aims to create a set of

981 Branch A. and Greenwood J. (2001), “European Employers: Social Partners?”, in Compston, H. and Greenwood J. (eds.), *Social Partnership in the European Union*, New York: Palgrave Publishers, p. 41.

982 Compston, H. (2001), “Introduction”, in Compston, H. and Greenwood, J. (eds.), *Social Partnership in the European Union*, Basingstoke: Palgrave, p. 1.

983 Branch A. and Greenwood J. (2001), “European Employers: Social Partners?”, in Compston, H. and Greenwood J. (eds.), *Social Partnership in the European Union*, New York: Palgrave Publishers, p. 42.

984 See Appendix-III.5.10, Face to face interview with Cinzia Sechi (Advisor for Social Affairs Department) from ETUC, Date: 03.02..2009.

985 See Appendix-III.5.14, Phone-call interview with Osman Yıldız (External Relations Expert) at HAK-İŞ, Date: 01.07.2008.

standards and disciplinary principles.⁹⁸⁶ Therefore, the free market principles, as a reference to Hayek who defines any rule and order as totalitarianism, have been implemented by employers by restraining further social dialogue.⁹⁸⁷

Moreover, as regards the strategic stance of BUSINESSEUROPE, it might be useful to refer again to Jørgen Rønneest who mentioned that BUSINESSEUROPE and its members believe that only by reforming the European social model will the EU be able to protect the values of the organization.⁹⁸⁸ However, BUSINESSEUROPE's problem is that it does not differentiate between ideal and real conditions either within or outside the social dialogue. Also, the significance of the social partners and BUSINESSEUROPE varies over time and from case to case. Therefore, in his view, the influence of both the social partners and of BUSINESSEUROPE has increased with the rapid increase of globalization and the enlargement process.⁹⁸⁹ Moreover, it is also more crucial than ever for both parties to be involved. Nevertheless, the relations between ETUC and BUSINESSEUROPE are satisfactory in relation to the level of professionalism as the main differences between ETUC and BUSINESSEUROPE reflect the different quality of their membership and their different interests.⁹⁹⁰ The ETUC demands further rights for its members and detailed regulation of labour markets. Fundamental differences such as heavy bureaucracy might prevent the social partners from reaching agreement.

4.3. EUROPEAN CENTER OF ENTERPRISES WITH PUBLIC PARTICIPATION (CEEP)

In addition to BUSINESSEUROPE, two other important organizations represent the interests of the business sphere in the EU: *CEEP (European Center of Enterprises with Public Participation and of Enterprises of General Economic Interest)* and *UEAPME*, the latter of which is to be discussed in the next section. The CEEP has a narrow organizational domain and, compared to the ETUC and BUSINESSEUROPE, it has a low political influence in EU social policy-making.

986 Ibid.

987 Ibid.

988 See Appendix-III.5.7, Phone-call interview with Jørgen Rønneest (Chairman of Social Affairs Committee) at BUSINESSEUROPE, Date: 25. 08.2008.

989 Ibid.

990 See Appendix-III.5.7, Phone-call interview with Jørgen Rønneest (Chairman of Social Affairs Committee) at BUSINESSEUROPE, Date: 25.08.2008; and see Appendix-III.5.8, Face to face interview with Steven D'Haeseleer (Director of Social Affairs Department) from BUSINESSEUROPE, Date: 03.02..2009.

4.3.1. Basics and Institutional Structure of CEEP

The CEEP, which was founded in 1961, is a cross sectoral social partner speaking at the European level for individual enterprises, associations of enterprises and employers working in the public services sector.⁹⁹¹ The CEEP, which was organized by the European Commission, was recognized as a European social partner, together with BUSINESSEUROPE and the ETUC.⁹⁹² It represents the public employers in the European Social Dialogue with the original aim of uniting the national public enterprises' federations to foster solidarity between them. In that regard, the CEEP is in a position to issue opinions and take other steps to ensure that the interests of its members are considered at an early stage. The CEEP believes in the continuous and balanced progress of economic and social policies and rejects the sole goal of competitiveness on its own. The CEEP supports the idea that the efforts provided in the financial field are to be accompanied with those in social protection.⁹⁹³

The CEEP's institutional structure is composed of a general assembly, delegate committee, administration council, committees and working groups. In this structural framework, the membership of the CEEP takes place according to national sections or as individual members.⁹⁹⁴ With regard to its activities, the CEEP works closely with other European industry associations. Although many of its members belong to these sector-specific umbrella organizations, the CEEP provides them with an additional lobbying instrument in Brussels by virtue of its role as a Social Partner and the European association representing all enterprises providing services of general interest.⁹⁹⁵ Many of these events are organized in conjunction with the European Commission as well as with other social partners. The CEEP also carries out research projects on behalf of the Commission along with its support.

The membership of the CEEP is organized according to national sections. The public enterprises gather under a national section and this section becomes a member of the CEEP. CEEP has 20 national sections including Turkey. Moreover, the CEEP has two individual members, namely the European Hospital and Healthcare Employers

991 See CEEP Website, <http://www.ceep.eu/> (retrieved on May 12, 2008, from World Wide Web: URL).

992 Ibid.

993 Gulmez, M. (2003), *Avrupa Birliğinde Sosyal Politika*, Ankara: Türkiye-AB Sendikal Koordinasyon Komisyonu Yayını, p. 70.

994 The tables indicating the members of CEEP can be seen in *Appendix-II.1*.

995 Ibid.

Association (HOSPEEM) and the EBU – the European Broadcasting Union. The Turkish national section of the CEEP is the Union of Turkish Public Enterprises (TBIK). As TBIK is not a social partner or employer organization, the employer associations of public enterprises are members of TISK (Turkish Confederation of Employer Associations). Thus, as TISK is a member of BUSINESSEUROPE, the representation of Turkish public enterprises as a social partner at European level is fulfilled by BUSINESSEUROPE.

4.3.2. The Stance of CEEP towards EU Social Policy and Social Dialogue

The stance of CEEP leaders is slightly different from that of BUSINESSEUROPE. While state-owned enterprises, like private sector firms, aim to make a profit, Branch and Greenwood point out that they often have other objectives as well, deriving from their ownership by the state.⁹⁹⁶ In relation to EU social policy this means that cost considerations would not be expected to be of such overriding importance as they are for private sector employers, so EU-level social legislation is not quite as threatening. In addition, Branch and Greenwood point out that institutional self-interest provides incentives for CEEP to support partnership because involvement in discussion and negotiation at EU level is the principal factor sustaining CEEP at its present scale of activity and organization.⁹⁹⁷ Indeed, social partnership has acted as a ‘recruiting sergeant’ for CEEP. This characterization of CEEP self-interest implies that it would be expected to be less negative towards the social partnership procedure than BUSINESSEUROPE.⁹⁹⁸

996 Branch A. and Greenwood J. (2001), “European Employers: Social Partners?”, in Compston, H. and Greenwood J. (eds.), *Social Partnership in the European Union*, New York: Palgrave Publishers, p. 47.

997 Ibid.

998 Compston, H. and Greenwood J. (eds.), *Social Partnership in the European Union*, New York: Palgrave Publishers, p. 159.

4.4. EUROPEAN ASSOCIATION OF CRAFT SMALL AND MEDIUM – SIZED ENTERPRISES (UEAPME)

The *European Association of Craft, Small and Medium-Sized Enterprises (UEAPME)* is the employers' organization representing the interests of European crafts, trades and small and medium-sized enterprises (SMEs) at EU level.⁹⁹⁹ UEAPME is a recognized European Social Partner and acts on behalf of crafts and SMEs in the European Social Dialogue and in discussions with the EU institutions since 1998.¹⁰⁰⁰

4.4.1. Basics and Institutional Structure of UEAPME

As the European SME umbrella organization, UEAPME incorporates 81 member organizations consisting of national cross-sectoral SME federations, European branch federations and other associate members.¹⁰⁰¹ The fragmented and variable organization of SME interests at the national level is reflected in EU organization through the UEAPME which is itself the product of an amalgamation of various EU SME organizations, dating from 1979, most recently with the largest EU SME organization.¹⁰⁰² Across the whole Europe, UEAPME represents over 11 million enterprises with nearly 50 million employees.¹⁰⁰³ These figures provide an indication of the 'constituency profile' from which UEAPME draws.¹⁰⁰⁴

The institutional structure of UEAPME is constructed on committees and working groups which have been set up with the aim of giving the members of UEAPME the opportunity to discuss European SME policy and directing the lobbying work of the secretariat. Concerning the formal governing structures, it has an Executive Committee, a Presidency Group, an Administrative Council, and a General Assembly. The General Assembly comes together twice a year, and strategies are decided at this level.

999 See UEAPME Website, <http://www.ueapme.com/EN/index.shtml>(retrieved on May 12, 2008, from World Wide Web: URL).

1000 Schmögnerova, B. (2005), *The European Social Model: Reconstruction or Destruction? A View from a Newcomer*, International Policy Analysis Unit, Bonn: Friedrich Ebert Foundation.

1001 The table indicating the members of *UEAPME* can be seen in *Appendix-II.2*.

1002 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p.107.

1003 See UEAPME Website, <http://www.ueapme.com/EN/index.shtml> (retrieved on May 12, 2008, from World Wide Web: URL).

1004 Greenwood, J. (2003), *Interest Representation in the European Union*, New York: Palgrave, Macmillan, p.107.

Regarding the organization's strategy, the real power lies with an informal committee of general secretaries drawn from the members. As with most EU business associations, the real driving forces behind platform building are the functional committees, together with the working parties tied to them. Experts coming from different national members work in these committees. They exchange information on challenges and problems faced by entrepreneurs and craftsmen, and debate and analyze of the proposed EU legislation led to consensual opinion on these proposals. These opinions, which are then explained in EUAPME position papers, truly reflect the view of European crafts and SMEs on any given issue. The UEAPME secretariat is responsible for the promotion of its members' views towards the EU institutions.

4.4.2. The Stance of UEAPME towards EU Social Policy and Social Dialogue

Acting as the voice of crafts, trades and SMEs in Europe, the main objective of UEAPME is to monitor EU policy-making and the legislative process and to keep its members informed on all matters of European Union policy with relevance to crafts, trades and SMEs.¹⁰⁰⁵ Thus, the goal of UEAPME is to cover all European policy areas that have an SME angle. In that regard, although the focal point of UEAPME is specific, that is, the SMEs, the stance of UEAPME towards EU social policy and social dialogue is close to *BUSINESSEUROPE*, with which it acts when the issue in concern is related with the interests of SMEs.

In conclusion the social partners' organization at European level is promising. However, it is not easy to say that they have powerful representativeness at European level, as working relations are still constructed at national level. Thus, although we cannot currently talk about the full Europeanization of either social policies or working relations, the experience of the social partners at European level and the practices of the European social dialogue should be taken as important for reaching better governance in the EU based on the principles of compromise, conciliation, cooperation, possibly the only way to cope with EU social policy in a 27-member EU.

¹⁰⁰⁵ See UEAPME Website, <http://www.ueapme.com/EN/index.shtml> (retrieved on May 12, 2008, from World Wide Web: URL).

4.5. ANALYSIS OF THE EUROPEAN SOCIAL PARTNERS WITH REFERENCE TO GOVERNANCE IN THE EU

Considering the evolution of the European social dialogue, the European social partners and their role in the European social dialogue process as the crucial actors at all levels of the European social dialogue are analyzed in this part of the chapter. The behavior and stance of European cross-sectoral organizations has also changed in line with the transformation process that the European social dialogue has undergone since 1985. The social dialogue evolved from a non-binding, consultative forum into an arena, since the Maastricht Treaty, in which the social partners enjoy an institutionalized role in the policy-making process and can negotiate legally binding agreements on labour market issues.¹⁰⁰⁶ Thus, it is revealed that since the Maastricht Treaty, the EC Treaty and the Community institutions have envisaged a substantial role for the social partners in EU policy-making. Then, after having discussed each of the four main cross-sectoral European social partners in relation to their historical background, objectives, institutional structure and their stance towards EU social policy, the European social partners and their role in the European social dialogue process are analyzed in relation to governance in the EU.

The analysis part of this chapter begins by examining the evolving role of the social partners in the European social dialogue process. It, then, considers why such emphasis has been placed on including the social partners in the governance of the EU. Moreover, the representativeness issue is discussed as crucial in determining the influence of the social partners in EU social policy-making. Finally, as the European social dialogue process can only take place with the interest and will of the two sides, employers on the one hand and employees on the other, the question of whether their differing points of view towards EU social policy represent a ‘never ending dispute’ is also discussed.

The Evolving Role of the Social Partners in the European Social Dialogue Process: With reference to the analysis of the European social dialogue in relation to governance in the EU, it is seen that the most legally significant function of the social partners at EU level by far is their engagement in the bipartite social dialogue, which involves

1006 Branch A. and Greenwood J. (2001), “European Employers: Social Partners?”, in Compston, H. and Greenwood J., *Social Partnership in the European Union*, New York: Palgrave Publishers, p. 41.

negotiating collective agreements which can be given *erga omnes* effects by a Council decision.¹⁰⁰⁷ This has led to the enactment of collective agreements which became Council directives, as discussed in the preceding chapter. In essence, the Directives adopted via the legislative route introduced with the Maastricht Treaty reveal the normative role of the social partners at EU level.

The Commission, as the ‘guardian’ of the Treaties, controls the transposition and implementation of the directives. Every five years, an implementation report is prepared based on the member states’ transposition and implementation of the directives. Moreover, if necessary, the Commission launches the infringement procedure. Also, autonomous agreements are implemented by the social partners themselves. Thus, there is no Treaty obligation for this kind of agreements. However, in its 2005 recommendation, the Commission undertook the role of monitoring, as provided by Article 139 of the Treaty. Every three years, implementation reports are prepared by the European social partners. The Commission also launches its monitoring in a month depending on the views of the European social partners and the member states.¹⁰⁰⁸

The European social partners also have an input into the policy-making process at EU level. For example, the Luxembourg EES envisages a major role for the social partners. The first set of employment guidelines made specific appeals to the cross-sectoral and sectoral social partners at European and national level to take new initiatives, especially under the adaptability and employability pillars.¹⁰⁰⁹ The Lisbon Summit also emphasized the need for the social partners to be more closely involved in ‘drawing up, implementing and following up the appropriate guidelines’¹⁰¹⁰, focusing particularly on ‘modernizing work organization’¹⁰¹¹ and equal opportunities. Consequently, as discussed in the second chapter, the NAPs which have been employed as useful means for the implementation of the OMC form an integral part in the feedback process under the EES that has offered the social partners the opportunity to contribute to the

1007 Barnard, C. (2002), “The Social Partners and the Governance Agenda”, *European Law Journal*, 8 (1), p. 80.

1008 See Appendix-III.5.3, Phone-call interview with Tobias Müllensiefen (DG EMPL, Employment and Social Affairs, Unit F1), Date: 26.05.2008.

1009 See OJ C 30/1, 1998.

1010 See 2000 Lisbon European Council, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm, (retrieved on May 4, 2007, from World Wide Web: URL).

1011 European Union (2000), Santa Maria da Fera European Council of 19-20 June 2000, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00200-r1.en0.htm (retrieved on May 4, 2007, from World Wide Web: URL).

development of employment policy.¹⁰¹²

On this basis, the Lisbon Summit envisaged that the social partners would also have a significant role in modernizing the European social model, especially in respect to lifelong learning,¹⁰¹³ to help achieve the ‘strategic goal’ of the Union becoming ‘the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion’¹⁰¹⁴. The restructuring of the European social model is associated with the development of democracy. For example, Joel Decaillon who is responsible for Lifelong Learning and the Lisbon Strategy in the ETUC mentions that social compromise is related to the democratic mechanism on which social policy formation depends.¹⁰¹⁵

This strategy is to be achieved via the OMC, and involves fixing guidelines for the Union, establishing quantitative and qualitative indicators and benchmarks as a means of comparing best practice, translating these European guidelines into national and regional policies by setting specific targets, and periodic monitoring, evaluation and peer review organized as a ‘mutual learning processes’¹⁰¹⁶. The active involvement of the European social partners in OMC, ‘using variable forms of partnership’¹⁰¹⁷ especially in benchmarking best practices, reveals the role of the European social partners in relation to governance in the EU.

The utmost importance attached to the European social partners is illustrated in the Nice Council’s European social agenda which promotes the full participation of the social partners in implementing and monitoring the European social agenda based on the required principles of ‘strong partnership, dialogue and participation’¹⁰¹⁸. Thus, the Commission again envisages that the social partners will have a particular role in respect to modernizing and improving social protection and systems, and promoting

1012 COM (98) 316 Final.

1013 European Union (2000), *Santa Maria da Faria European Council of 19-20 June 2000*, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00200-r1.en0.htm (retrieved on May 4, 2007, from World Wide Web: URL).

1014 See *2000 Lisbon European Council*, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm, (retrieved on May 4, 2007, from World Wide Web: URL)

1015 See Appendix-III.5.5. In-depth Interview with Joel Decaillon (responsible for Lifelong Learning and Lisbon Strategy) from ETUC, Date: 09. 01.2007.

1016 Walters, W. and Haahr, J. H. (2005), *Governing Europe: Discourse, Governmentality and European Integration*, London and New York: Routledge.

1017 See Para. 38 of *2000 Lisbon European Council*, Presidency Conclusions, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/00100-r1.en0.htm, (retrieved on May 4, 2007, from World Wide Web: URL)

1018 See COM (2000) 379 Final.

social inclusion, and quality in industrial relations.¹⁰¹⁹

In addition to the abovementioned general aspirations towards the involvement of the European social partners in line with governance in the EU, formal (tripartite) concertation with the social partners occurs, largely in the reformed Standing Committee on Employment¹⁰²⁰ and the newly-created Employment Committee which was set up under Article 130 of the Employment Title. Consultation of the social partners via these institutional mechanisms is obligatory. This increased interaction among the EU institutions and the social partners paves the way towards multi-actor and multi-level governance in the EU in which the European social partners have a crucial role.

The European Social Partners in the Governance of the EU: The nature and intensity of the involvement of the social partners varies. At the one end of the spectrum, the social partners are involved in negotiating the content of laws while fulfilling their normative role. Falkner characterizes this as the corporatist cooperation of interest associations and the incorporation of public authorities within the process of authoritative decision-making and implementation.¹⁰²¹ At the other end of the spectrum, the social partners are being informed and consulted about the content of policy depending on the revised Treaty provisions.¹⁰²² Thus, in line with the principle of multi-level governance, it is important to maintain the involvement of the European social partners in the social policy-making process. With regards to the institutional structure of the EU, with the exception of the European Parliament, the formal institutions retain an important role in ensuring the realization of the social dialogue. In particular, the Commission functions as a facilitator, the Council of Ministers as an adopter of the legislation, and according to the Articles 257-262 EC, the Economic and Social Committee, which incorporates representatives of management and labour, has a formal consultative role in much Community legislation. In this multi-level and multi-partner policy environment, the European social partners have a considerable part to play in the social governance of the

1019 Ibid; and see Appendix-III.5.5, Face to face interview with Joel Decaillon (Confederal Secretary and Responsible for Lifelong Learning and Lisbon Strategy) at ETUC, Date: 09.01.2007.

1020 See OJ L 72, 18.3.1999.

1021 Falkner, G. (1999), "European Social Policy: Towards Multi-level and Multi-actor Governance", in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 91.

1022 Weiler, J. H. H. (1999), "European Democracy and Its Critics: Polity and System", in *The Constitution of Europe*, Cambridge: Cambridge University Press, p. 283.

EU.

In the light of the policy dialogue between the institutions, the relationship between them becomes important in terms of the contradiction and struggle as well as negotiation among the institutions that are involved in the European social dialogue process. In that sense, the institutions might be characterized as areas of struggle and negotiation of the social partners where they can reveal their interests and thus influence implementation.¹⁰²³ For instance, most ESC members are also members of the ETUC. The relations proceed in line with coordination or through the activities of study groups, to which the ESC nominates experts from the ETUC. According to Joel Decaillon, members of the ESC are not strong enough to influence the social policy-making procedure.¹⁰²⁴ The ESC has more cooperation with the EP in a way that the EP helps a lot in obtaining a compromise.¹⁰²⁵

Similarly, the ETUC's cooperation activities with the EP are also mentioned by Cinzia Sechi. She claimed that they organize inter working group with the EP, operated by the MEPs, which might be characterized as an activity at the EU level.¹⁰²⁶ Also, the MEPs regularly meet with NGOs and share the EP's priorities. In that sense, it is pointed out that the informal activities that ETUC conducts are more influential than the formal ones.¹⁰²⁷ Nevertheless, the personal relationships with different MEPs become the key point in intensifying relations with the EP.¹⁰²⁸

In terms of the ETUC's relation with the Commission, Cinzia Sechi also mentioned the close relations of the ETUC with the Commission. Further, apart from the institutional relations, the ETUC has good relations with specific DGs in the Commission, such as Employment and Social Affairs, Education and Training, and a fairly close relationship with other DGs, such as Development, External Relations, and the Environment. She said that "for two years we have been more and more involved in discussions with the

1023 Wallace, H. and Young A.R., (1997), *Participation and Policy-Making in the European Union*, Oxford: Clarendon Press.

1024 See Appendix-III.5.5, Face to face interview with Joel Decaillon (Confederal Secretary and Responsible for Lifelong Learning and Lisbon Strategy) at ETUC, Date: 09..01.2007.

1025 Ibid.

1026 See Appendix-III.5.10, Face to face interview with Cinzia Sechi (Advisor for Social Affairs Department) from ETUC, Date: 03.02.2009.

1027 Ibid.

1028 Ibid.

Environment DG”¹⁰²⁹.

As regards the relations of *BUSINESSEUROPE* with the other EU institutions, as Jørgen Rønne mentioned, “the relations with EU institutions can only be characterized as excellent”¹⁰³⁰. However, the only problem is of a technical and practical nature, such as short deadlines or capacity restraints.¹⁰³¹

In addition, with regards to the CEEP’s relations with the EU institutions, Valeria Ronzitti described the nature of the relationships with the EU institutions as *ad hoc* meaning that the relations depend on the field that is negotiated.¹⁰³² For instance, in the social dialogue field, the problem is the ambiguous position of the Commission in relation to decision making and autonomy.¹⁰³³ According to Valeria Ronzitti, the Commission is said to exceed its mandate and use the scope of the social partners to artificially launch initiatives that would not be naturally in the Commission’s remit.¹⁰³⁴ This may cause misuse Commission’s competence. Nevertheless, she is satisfied with the open communication of the Commission in terms of accessibility. Again, she similarly refers to informal ties and corporations as opposed to the institutionalized mechanisms at the national level.¹⁰³⁵ Therefore, multi-tiered governance seems to be functioning in that sense.

Within the framework of EU governance, the basic explanation for the involvement of the European social partners in EU policy-making can best be found in the ‘subsidiarity’ principle. This can be illustrated by the Council’s Resolution on EU Social Policy which ‘welcomes the strengthening role of the two sides of industry within the social dialogue as a forward-looking result of the Maastricht Treaty and a concrete contribution to the attainment of the subsidiarity principle in social policy’¹⁰³⁶. This message was reinforced in the Commission’s European social agenda through the emphasis put on the principle of subsidiarity enshrined in the Treaties, according to which interaction takes place not only between the Community and member state levels, but also between the

1029 Ibid.

1030 See Appendix-III.5.7, Phone-call interview with Jørgen Rønne (Chairman of Social Affairs Committee) at *BUSINESSEUROPE*, Date: 25.08.2008.

1031 Ibid.

1032 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02.2009.

1033 Ibid.

1034 Ibid.

1035 Ibid.

1036 See OJ C368/6.

social partners and public authorities at all levels.¹⁰³⁷ Although the negotiation of European collective agreements that have binding effects is an example of centralized law making, the OMC, in which the social partners are supposed to be involved, has clear links with the principle of subsidiarity where coordination involves decentralized learning networks. However, the subsidiarity principle differs from the OMC in that while the former is often associated with the principle of proximity, the latter underlines the need to proceed through an interactive process in which the actors intervene in the process in a multi-level logic.¹⁰³⁸

The crucial point regarding the use of the principle of subsidiarity in favour of the involvement of the social partners in EU social policy-making is that the will of the European social partners should be enhanced and the disagreements between them should be dissolved via the social partnership principle.¹⁰³⁹ The main disagreement between the European social partners is that although both of them regard social dialogue at European level in a positive manner, their viewpoints towards the perception of the European social dialogue differs. In that regard, employers consider the European social dialogue as a means to create employment, abstaining from any strict rules or interventionist approaches that may harness the interests of the business circle or organizations that they represent.¹⁰⁴⁰ In contrast, the ETUC is in favour of establishing certain rules of principles at European level that would lead them to negotiate collective agreements at European level regarding employment issues.¹⁰⁴¹ Thus, due to this everlasting dispute between the European social partners, it is not possible for them to reach mutual agreement, especially on issues such as collective bargaining and wages.

The European social partners have a crucial role in the European social dialogue process. In order to have an effective and fruitful social dialogue, the social partners must have the right of representation at European level. For this reason, during the evolution of the European social dialogue starting with the SEA, the Union has not only paved the way towards the institutionalization of the social dialogue at European level, but also puts emphasis on the establishment and representation of the social partners at

1037 See COM (2000) 379 Final, http://ec.europa.eu/employment_social/social_policy_agenda/com379_en.pdf (retrieved on June 2, 2007, from World Wide Web: URL).

1038 Barnard, C., Deakin and Hobbs (2001), "Capabilities and Rights: An Emerging Agenda for Social Policy", *Industrial Relations Journal*, (32), p. 464.

1039 Koray, M. and Celik A. (2007), *Avrupa Birliđi ve Türkiye 'de Sosyal Diyalog, AB 'ye Sosyal Uyum Dizisi*, Ankara: Belediye-İş Sendikası Yayınları, p. 179.

1040 Degryse, C. (2002), *European Social Dialogue: A Mixed Picture*, Brussels: ETUI publications.

1041 Ibid.

European level. Although the two sides of the European social dialogue certainly have different viewpoints, the effects of which are seen in the outcomes of the European social dialogue, and that the industrial relations are still structured at national level, the recognition and representation of the social partners at European level should not be undermined. This is because these developments strengthen both the ETUC and UNICE's organization and increase their influence on their members as umbrella organizations at European level.

Even though the European-level representatives of employers and employees have a generally favourable approach to the social dialogue, there are certain differences between their viewpoints. For the ETUC, the important and necessary issue is the establishment of social policy at European level that, like the social dialogue, would enhance the social dimension in the European integration process.¹⁰⁴² However, the role of the ETUC becomes contradictory in the sense that since the ETUC aims to organize trade unions and worker's organizations; its position has become offensive to a more social Europe, more solidarity and sustainable development since the 2007 Seville Congress. Therefore, this situation might harm the compromising and negotiative roles of the ETUC.¹⁰⁴³

As regards the role of the ETUC in the integration process, Joel Decaillon mentioned the importance of the ETUC's agreement with its national affiliates, the ETUC's pressure on different governments to explain its position, the ETUC's different letters to different members of the EP, the ETUC's lobbying activities with the EP and the Commission, different member state governments and the Council, the ETUC's public explanation and media exposure at the European and national level, the ETUC's demonstrations and its different conferences (especially with the EP).¹⁰⁴⁴

In this context, there is no doubt that this is a result of the realization of EMU. The nation states have been stretched to their limits while forming policies. The pressure of supranational effects on national level bargaining has also had an important role. On the other hand, although **BUSINESSEUROPE** has also looked favourably on the social

1042 Mermet, E. (2002), *European Trade Union Strategies on Europeanization of Collective Bargaining – an Overview*, Brussels: ETUI.

1043 See Appendix-III.5.14, Phone-call interview with Osman Yıldız (External Relations Expert) at HAK-IS, Date: 01.07.2008.

1044 See Appendix-III.5.5, Face to face interview with Joel Decaillon (Confederal Secretary and Responsible for Lifelong Learning and Lisbon Strategy) at ETUC, Date: 09.01.2007.

dialogue, it objects to the idea that social policy is formed at European level. A similar viewpoint is valid for the member states. As Degryse argues, the member states and owners of capital are reluctant about the formation of European-level social policy.¹⁰⁴⁵ For this reason, in his view it seems that it will be difficult to broaden the content of the social dialogue at European level.¹⁰⁴⁶ However, as Ronzitti and Sechi also point out, the recent work programme of the social partners can be seen as an ambitious challenge in that it proposes the broadening of the content of European social dialogue to areas such as migration and the environment.¹⁰⁴⁷ Although it is difficult to extend the scope of the social dialogue, the attempt to broaden the scope with work programmes, especially those proposed by the social partners, should be noted.

Since the nature of social policy is not homogeneous and standardized, the dynamics of the relationship between and within the partners are also significant in the sense that the expectations of the partners shape the structure of social policies. The characteristics of formation of the European social dialogue within the framework of the EU governance include the two major partners, which are capital and labor; business organizations and trade unions. According to Meryem Koray, the expectations of the two parties constitute an imbalanced situation in which, on the one hand, the workers propose a social integration that would bring economic prosperity and employment, while on the other hand business supports economic prosperity in favor of capital instead of social cohesion.¹⁰⁴⁸ Therefore, the difference between the interests of the two parties makes the social dialogue more difficult.¹⁰⁴⁹ Similarly, Aziz Celik also refers to the powerful role of employers and the weak position of workers to change the actions and decisions of employers.¹⁰⁵⁰ As regards the different attitudes toward social dialogue, Bulent Pirler mentioned that employers do not see European social dialogue as a feasible project, and gave the examples of *BUSINESSEUROPE*'s transnational agreements.¹⁰⁵¹

1045 Degryse, C. and Pochet, P. (eds.) (2000), *Social Developments in the European Union*, Brussels: ETUI, p. 17.

1046 Ibid.

1047 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02.2009; and see Appendix-III.5.10, Face to face interview with Cinzia Sechi (Advisor for Social Affairs Department) from ETUC, Date: 03. 02..2009.

1048 See Appendix-III.5.11, Face to face interview with Prof. Meryem Koray (Yıldız Technical University), Date: 21.07.2008.

1049 Ibid.

1050 See Appendix-III.5.13, Face to face interview with Aziz Celik (Education and Research Director) at Kristal-İş, Date: 09.07.2008.

1051 See Appendix-III.5.2, On-line interview with Elizabeth Villagomez (Expert at Almenara Estudios Económicos y Sociales, Spain); and see Appendix-III.5.12, Face to face interview with Bulent Pirler (Secretary General of TISK), Date: 18.07.2009.

In addition, the different points of view of the institutions have also shaped the current situation. For instance, on the one hand, the ETUC sustains a decision making mechanism in social policy and the social dialogue at the EU level; on the other hand, although BUSINESSEUROPE supports the social dialogue, it is opposed to EU level decision making. Therefore, one might ask whether there could be a balance between these two perspectives.

The European Social Dialogue Process from the viewpoints of Employers and Employees: At this point, it is important to understand the vitality of the interaction and partnership between the European social partners. In that sense, it is worth referring to the relationship between BUSINESSEUROPE and the ETUC. As Cinzia Sechi mentioned, the relationship has evolved as the issues involved become more complicated, especially in the context of the EU's enlargement from 15 to 27. This has had an impact on social policy-making as well as the European social dialogue, because meeting together within an institutionalized system is important in order to reach compromise.¹⁰⁵² However, there are also problems between the two institutions, because, as Osman Yıldız mentioned, the power balance between business and workers lies in favor of employers. For this reason, employers do not support any autonomous stance of the ETUC; however, the ETUC aims to create a set of standards and disciplinary principles.¹⁰⁵³ Therefore, the free market principles, as a reference to Hayek who defines any rule and order as totalitarianism, have been supplied by employers by restraining further social dialogue.¹⁰⁵⁴

Moreover, as regards the strategic stance of BUSINESSEUROPE, it might be useful to refer again to Jørgen Rønne, who mentioned that BUSINESSEUROPE and its members believe that only by reforming the European social model will the EU be able to protect the values of BUSINESSEUROPE.¹⁰⁵⁵ However, the problem of BUSINESSEUROPE is that it does not differentiate ideal and real conditions both within and outside the social dialogue. Also, the significance of the social partners and BUSINESSEUROPE varies over time and from case to case. Therefore, in his view, the influence of both the social partners and of BUSINESSEUROPE has increased with

1052 See Appendix-III.5.10, Face to face interview with Cinzia Sechi (Advisor for Social Affairs Department) from ETUC, Date: 03.02.2009.

1053 See Appendix-III.5.14, Phone-call interview with Osman Yıldız (External Relations Expert) at HAK-IS, Date: 01.07.2008.

1054 Ibid.

1055 See Appendix-III.5.7, Phone-call interview with Jørgen Rønne (Chairman of Social Affairs Committee) at BUSINESSEUROPE, Date: 25.08.2008.

rapidly increasing globalization and the enlargement process.¹⁰⁵⁶ Moreover, the intensive involvement of the two sides is more important than ever. Nevertheless, the relations between ETUC and BUSINESSEUROPE are satisfactory in relation to the level of professionalism, although there are important differences between the ETUC and BUSINESSEUROPE, which reflect the different quality of their membership and their different interests.¹⁰⁵⁷ The ETUC demands further rights for its members and detailed regulation of labour markets. Moreover, fundamental organizational differences such as heavy bureaucracy might prevent the social partners from reaching agreement.

It might be useful to refer to the transformation of the European cross-sectoral employers' organizations since 1980s. The role of employers' actions was instrumental in bringing about the transformation of European cross-sectoral employers' organizations in the social partnership. In particular, European-level negotiations only became possible when, in the run-up to the 1991 IGC, private sector employers abandoned their long-standing opposition to the principle of bargaining at European level and consented to negotiate with trades unions. For public sector employers, the concept was relatively easy to accept, and the representative organization embraced it with some enthusiasm. Therefore, the extent to which this evolution can be explained in terms of the logic of self-interest is characterized as economic benefit and instrumental power.¹⁰⁵⁸

More importantly, the role of BUSINESSEUROPE as the main cross-industry European employers' body became a keystone in the social dialogue. In other words, as opposed to the CEEP, the role of BUSINESSEUROPE has been pivotal to the development of the social dialogue. BUSINESSEUROPE is the principal employers' body which negotiates agreements at European level, while its mainly private sector constituency means that its role in the social partnership has been the most complex and difficult to define.

¹⁰⁵⁶ Ibid.

¹⁰⁵⁷ See Appendix-III.5.7, Phone-call interview with Jørgen Rønne (Chairman of Social Affairs Committee) at BUSINESSEUROPE, Date: 25.08.2008; and, See Appendix-III.5.8, Face to face interview with Steven D'Haeseleer (Director of Social Affairs Department) from BUSINESSEUROPE, Date: 03.02.2009.

¹⁰⁵⁸ Branch A. and Greenwood J. (2001), "European Employers: Social Partners?", in Compston, H. and Greenwood J., *Social Partnership in the European Union*, New York: Palgrave Publishers, p. 41.

The other three private sector organizations have all contested BUSINESSEUROPE's representativeness, claiming that they should be entitled to play a greater role in cross-sectoral dialogue. Furthermore, at BUSINESSEUROPE's initiative, EUROCOMMERCE has actually participated as an 'expert' in the preparations for the three sets of negotiations, while UEAPME recently concluded a cooperation agreement with BUSINESSEUROPE and has been included in the negotiations since 1998. The role of the CEEP is also given some attention, although in a more limited way because the nature of its constituency, together with its need for a role in European public affairs, makes its involvement in the social partnership less complex than that of BUSINESSEUROPE, although it is not necessarily straightforward. Notwithstanding this latter qualification the CEEP, unlike BUSINESSEUROPE, has only rarely equivocated on a decision to negotiate on an issue in the social partnership, reflecting the familiarity of its members, who are state enterprises, with managing social goals alongside performance criteria.¹⁰⁵⁹

For CEEP members, there has been little that is unfamiliar about the content and style of the social partnership. While it shares with BUSINESSEUROPE the natural caution about the costs imposed upon employers by the social partnership, the CEEP as an organization appears to exude optimism about the future of the social partnership and the opportunities it presents for them. Indeed, the very presence of the social partnership is central to the continued prosperity of CEEP as an organization. Although the social partnership is not restricted to negotiations under the Maastricht procedures, and includes consultative forums such as the Standing Committee on Employment, troika meetings and meetings with the Social Affairs Councils, the chapter concentrates on social partnership negotiations according to the October 1991 Agreement on parental leave, part-time work and fixed-term contracts as it is here that the most impressive developments have taken place.¹⁰⁶⁰

It is argued that although a considerable shift has occurred in UNICE's attitude to the social partnership over the years, towards greater cooperation with the trade unions at European level, this evolution has been driven mainly by economic and partly by

¹⁰⁵⁹ See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02.2009.

¹⁰⁶⁰ Branch A. and Greenwood J. (2001), "European Employers: Social Partners?", in Compston, H. and Greenwood J., *Social Partnership in the European Union*, New York: Palgrave Publishers, p. 42.

institutional self-interest.¹⁰⁶¹ Above all, it contends that although UNICE's strategy for pursuing its objectives may have changed in response to a changing institutional environment and changing institutional incentives, its fundamental goal, to minimize what it perceives as the negative impact of European social legislation on European companies, has not. Although institutional forces, socialization and learning have been important, the attitudes of these organizations towards the social partnership and the social dialogue are nevertheless instrumental. The shift in UNICE's position did not, then, reflect a conversion to a new philosophy. Instead, its attitude was one of 'realpolitik' namely a change in strategy in response to changing political realities.

In the case of the CEEP, institutional self-interest helps explain its apparently different role in EU-level social partnership. Unquestionably, the CEEP's role and interests in the EU level social partnership is different from that of BUSINESSEUROPE, and as an organization the continued prosperity of the CEEP is more dependent upon institutionalized social partnership than is that of BUSINESSEUROPE. Historically, the organization was formed on the initiative of its southern members, and these continue to be powerful within it. The CEEP lost a significant number of its members, as a result of privatization, and the social partnership has been an important recruiting sergeant for it, particularly among the northern European members. To date, every single position of the CEEP in the social partnership has been endorsed unanimously in its General Assembly, while most of the work of CEEP is now devoted to the social partnership, and it is difficult to envisage it having an important role in European public affairs without it.

Compared to BUSINESSEUROPE, the CEEP maintains a softer public stance to social partnership while conveniently relying on BUSINESSEUROPE to draw a line in the sand where necessary. In that sense, the role of UEAPME in this process becomes significant in a way that UEAPME, recognized as a European social partner in 1998, has not become involved in the process since its inception. Before 1998, as the recognized employers' partner, UEAPME was considered within the framework of UNICE and titled as UNICE/UEAPME; today, however, the title has been changed to

1061 Taylor, G. and Mathers, A. (2004), "European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism, *European Journal of Industrial Relations*, 10 (3), p. 267.

BUSINESSEUROPE, UEAPME.¹⁰⁶² Therefore, there is a fragile relationship between the two institutions in a way that the role of decision maker and policy creator has been carried out by BUSINESSEUROPE and UEAPME acts as a spokesman.¹⁰⁶³

Following the analysis of the employers and business partners, the role of the ETUC as a party representing trade unions and workers is also important. However, its strategic stance is ambiguous in the sense that the ETUC aims to provide a more effective use of the social dialogue and collective bargaining at European level. In that regard, in its Ninth Congress held in 1999, the ETUC adopted two proposals stating its political priorities. The first one was the proposal for ‘European industrial relations’.¹⁰⁶⁴ With this proposal, the importance of the social dialogue was drawn attention to and the Congress emphasized the importance of the development of a European system of industrial relations and greater coordination of economic and social policies in the European Union.¹⁰⁶⁵

In this Congress, the ETUC called upon decision-makers to move away from the ‘one-sided’ pursuit of monetary stability towards a more balanced policy approach, combining the safeguarding of economic and monetary stability with active and concerted policies to achieve higher growth. In particular, taxation policies were considered to be in need of revision in order to combat harmful tax competition. Most importantly, the ETUC called for ‘maximum synergy’ between: the European employment strategy, the “Cardiff process” of structural reform and modernization to improve the innovative capacity and efficiency of the labour market and the markets in goods, services and capital, and the new macroeconomic dialogue agreed at the June 1999 Cologne European Council.

In addition, the Congress adopted a resolution entitled ‘Towards a European System of industrial relations’, in which the ETUC reiterates its call for a stronger “social Union”. It argues that, with the deepening of economic and monetary integration, the need for European social regulation grows. The ETUC believes that this regulation must lead to

1062 See Appendix-III.5.7, Phone-call interview with Jørgen Rønneest (Chairman of Social Affairs Committee) at BUSINESSEUROPE, Date: 25.08.2008.

1063 See Appendix-III.5.2, On-line interview with Elizabeth Villagomez (Expert at Almenara Estudios Económicos y Sociales, Spain); and see Appendix-III.5.12, Face to face interview with Bulent Pirlir (Secretary General of TISK), Date: 18.07.2009.

1064 Taylor, G. and Mathers, A. (2004), “European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism, *European Journal of Industrial Relations*, 10 (3), p. 267.

1065 Degryse, C. (2002), *European Social Dialogue: A Mixed Picture*, Brussels: ETUI publications, p.7.

‘upward harmonization in working and social conditions in the integrated economic area’.

While the ETUC welcomes the increasing emphasis placed on the European social dialogue process at sectoral and intersectoral level, it is argued that the Commission must continue to play an important role in stimulating negotiations on social regulations. This is seen to be particularly important, as the UNICE is viewed as being willing to negotiate only on issues where there is a threat of legislative action on the part of the EU.

In the belief that the intersectoral and sectoral social dialogue will need to be supplemented with a strong network of autonomous negotiations between employers and trade unions, the ETUC calls for the definition of ‘an adequate framework for collective bargaining at European level including, where appropriate, rules for settling disputes and for the full recognition of specific trade union rights in the EU Treaty, beginning with the ILO Conventions on freedom of association, collective bargaining, the right to strike, child work and forced labour’. In that sense, the ETUC is keen to develop a sectoral social dialogue in a number of sectors where employers’ organisations have so far been opposed to entering into a dialogue. It calls upon the support of the European Commission to achieve a comprehensive coverage for the social dialogue in every sector. It is argued that a procedure should be in place to exert pressure on reluctant employers and, if necessary, to establish concertation only with the trade unions.

The resolution also calls for the establishment and development of a coordinated collective bargaining policy aimed at ensuring that workers obtain a fair share of income, promoting employment and improving living and working conditions. This is seen to be particularly important in order to combat the perceived trend towards ‘social dumping’ and to counter increasing income inequalities. What is seen to be required is a solidaristic pay and collective bargaining policy, developed at sectoral or intersectoral level across national boundaries.¹⁰⁶⁶

1066 Degryse, C. (2002), *European Social Dialogue: A Mixed Picture*, Brussels: ETUI publications, p.7.

In conclusion, the Europeanization of the social partners and their organization at European level has emerged in parallel with the recent development of ‘Euro Associations’. However, it is difficult to say that they are truly representative. In other words, with reference to the interview with Prof. Meryem Koray, industrial relations are to a great extent within the domain of the nation-states, and thus have a nationally-structured relation.¹⁰⁶⁷ On the other hand, neither the EU nor the social partners have had the power to bring industrial relations to European level. Still, as a reference to the previous section, the recognition of the social partners at European level and has strengthened both the ETUC and BUSINESSEUROPE in organizational terms, and has increased in parallel with the recent development of their influence on their members. The social partners have been strengthened at European level, as an umbrella organization that has had technical contributions in agenda setting, as an institutional intermediary to express their problems and future projects, in providing a central mechanism to get together and to implement actions; in providing finance and engaging in more partnership and networks.¹⁰⁶⁸

For these reasons, BUSINESSEUROPE claims that it does not have a collective bargaining mandate with the ETUC at European level and prefers to work on common issues concerning both sides. The two work programmes prepared are a significant step in this regard in that they have listed the issues in their agenda and regulations. However, it is widely accepted that after the end of the three sectoral agreements, the expectation that the scope of the social dialogue will cover the area of EU social policy has proved abortive due to the reluctance of the employers in this area. As the employers are not in favour of the idea that the European-level social policy will be broadened and more legally binding, they are also not in favour of the use of the social dialogue in that regard.

The most important regulations include those on employment guidelines, joint declarations and actions in relation to lifelong learning, stress at work, gender equality, restructuring, disability, young people, racism, harassment, telework Themes relating to enlargement are also discussed, including industrial relations through joint seminars on

¹⁰⁶⁷ See Appendix-III.5.11, Face to face interview with Prof. Meryem Koray (Yıldız Technical University), Date: 21.07.2008.

¹⁰⁶⁸ See Appendix-III.5.14, Phone-call interview with Osman Yıldız (External Relations Expert) at HAK-İŞ, Date: 01. 07.2008; and see Appendix-III.5.13, Face to face interview with Aziz Celik (Education and Research Director) at Kristal-İş, Date: 09.07.2008.

industrial relations, restructuring, lifelong learning through including the candidate countries in follow-up to framework of actions, and the implementation of legal acquis. Moreover, EU social and employment policies will arise in the EU after enlargement with the increase in diversity, migrations, transborder work, etc. Again, themes on mobility included action plan on skills and mobility, through a seminar to identify areas where joint actions by the social partners at EU level will help address obstacles to mobility, including supplementary pensions.

In general, the European social dialogue work programme for 2003-2005 has successfully contributed to the implementation of this strategy. It has also been useful in that it has provided a better focus for the European social dialogue over the past three years and has enhanced its autonomy. Through this second work programme for 2006-2008, the European social partners want to contribute to and promote growth, jobs and the modernization of the EU social model. The ETUC, UNICE/UEAPME and CEEP see this work programme as a means of further reinforcing the social partners autonomy. Maintaining its quality of outcome in the enlarged EU implies a renewed focus on jointly agreed measures accompanied by effective use and efficient organization of the follow-up provisions and monitoring activities.

In order to contribute to enhancing Europe's employment and growth potential and the impact of the European social dialogue, the social partners have undertaken to carry out a joint analysis of the key challenges facing Europe's labour markets, looking at issues such as macro-economic and labour market policies, demographic change, active ageing, youth integration, mobility and migration, lifelong learning, competitiveness, innovation and the integration of disadvantaged groups into the labour market, the balance between flexibility and security and undeclared work.¹⁰⁶⁹

Within the framework of these work programmes, one might pay attention to the priorities of the social partners and the ways they reach practical outcomes. At first sight, the current agenda of the social dialogue includes issues on work and family, life, employment and labour law, flexurity, EWCs, black labour work (in relation to undeclared work activities), preventing unfair competition, labour and labour market

¹⁰⁶⁹ See Appendix-III.5.6, Phone-call interview with Liliane Volozinskis (Director of Social Affairs and Employment Policy) from UEAPME, Date: 18.03.2008.

needs, training for small businesses due to lack of a qualified work force, labour law, and the qualification of the labour force and labour law.¹⁰⁷⁰

As regards BUSINESSEUROPE regulations and their outcomes, the most important reference has been the *Joint Labour Market Analysis* in terms of flexicurity. According to a report produced by BUSINESSEUROPE, the ETUC, UEAPME and the CEEP, the following objectives have been defined: to design a right mix of policy measures addressing the flexibility and security dimensions (labour law and contractual arrangements, effective and high quality active labour market policies, lifelong learning policies, efficient and sustainable social protection systems and social dialogue) for workers and employers in a holistic and balanced way.¹⁰⁷¹ In that sense, it is emphasized that flexicurity policies must be accompanied by sound macroeconomic policies, a favourable business environment, adequate financial resources and the provision of good working conditions. Also, it is proposed that social partners should be involved in the design of policy measures and develop their capacity where needed; to integrate the various policy measures in their National Reform Programme; to strengthen efforts for a real and effective implementation of the various flexicurity measures at the appropriate level.

In addition, the European social partners call upon the Commission and the Council to involve them in the ongoing debate on defining flexicurity principles at European level and to take into consideration the present contribution. Therefore, the social partners must actively contribute to the design and implementation of policy measures addressing the flexibility and security dimensions.¹⁰⁷²

In relation to these objectives and the importance of the Joint Labour Market Analysis, the key challenges of European labour market have been defined as the primary issue in the broadened content of European social dialogue.¹⁰⁷³ Similarly, the Joint Labour Market Analysis is characterized as the best example of an instrument that has been extremely helpful at the highest political level of the EU to come to an agreement on

1070 Ibid.

1071 Taylor, G. and Mathers, A. (2004), "European Trade Union Confederation at the Crossroads of Change? Traversing the Variable Geometry of European Trade Unionism, *European Journal of Industrial Relations*, 10 (3), p. 267.

1072 BUSINESSEUROPE, UEAPME, CEEP and ETUC (2007), *Key Challenges Facing European Labour Markets: a Joint Analysis of European Social Partners*, http://www.ueapme.com/docs/pos_papers/2007/071018_cross_key_challenges.pdf (retrieved on May 10, 2008, from World Wide Web: URL)

1073 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03. 02..2009.

and influence the debate in this case that on flexicurity.¹⁰⁷⁴ Moreover, flexicurity is also one of the key issues that UEAPME gives importance.¹⁰⁷⁵ In that sense, the need for employment security to balance flexibility in the labour market is also reflected in the European social dialogue. For instance, the framework agreement on part-time work (concluded 6 June 1997) and the framework agreement on fixed-term work (concluded 18 March 1999) both refer to ‘flexibility in/of working time and security for workers’. Employment security is a particular concern in relation to fixed-term work. In the Commission’s Explanatory Memorandum to the proposed draft directive implementing the Agreement, the Commission emphasizes that ‘...the social partners’ contribution is positive in itself in that it guarantees that consideration is given both to business competitiveness and to the interests of workers’.¹⁰⁷⁶ Nevertheless, one might say that the European social partners do not cover all the fields to the same extent. The most fashionable issues are employment and labour and those more relevant to substantial employment related issues.

Apart from the role of both employers and workers as social partners, it is necessary to analyze their lobbying activities in the formation of the European social dialogue. Firstly, as regards *BUSINESSEUROPE*’s role in the European social dialogue process, it is both a lobby organization and a social partner.¹⁰⁷⁷ Moreover, these institutions are also defined as the areas in which lobbying activities are operated in competitive bargaining conditions.¹⁰⁷⁸ Similarly, as regards the CEEP, lobbying is defined as an easier way of doing business due to its flexible nature.¹⁰⁷⁹ In other words, the party concerned might choose another solution to achieve the preferred outcome in any contradictory situation.

1074 See Appendix-III.5.8, Face to face interview with Steven D’Haeseleer (Director of Social Affairs Department) from *BUSINESSEUROPE*, Date: 03.02..2009.

1075 See Appendix-III.5.6, Phone-call interview with Liliane Volozinskis (Director of Social Affairs and Employment Policy) from UEAPME, Date: 18.03.2008.

1076 See Eurofound Official Web Site., <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/flexicurity.htm> (retrieved: July 13, 2008, from World Wide Web: URL)

1077 See Appendix-III.5.8, Face to face interview with Steven D’Haeseleer (Director of Social Affairs Department) from *BUSINESSEUROPE*, Date: 03.02..2009.

1078 See Appendix-III.5.2, On-line interview with Elizabeth Villagomez (Expert at Almenara Estudios Económicos y Sociales, Spain); and see Appendix-III.5.12., Face to face interview with Bulent Pirlir (Secretary General of TISK), Date: 18.07.2008.

1079 See Appendix-III.5.9, Face to face interview with Valeria Ronzitti (Head of Social Affairs Department) from CEEP, Date: 03.02.2009.

In this process of bargaining and contradiction, the Commission is supposed to act as an intermediary. For instance, the Commission applied the consultation procedure for the revision of the directive on the European Work Councils in 1994. Years later, the Commission has wanted it to be revised for transnational companies and at the same time to be negotiated among the social partners. However, although the trades unions favored this kind of solution, employers were against it. In the end, they failed in negotiation. Thus, it might be said that the Commission's role as conciliator does not always work.¹⁰⁸⁰

In relation to the needs of both sides in the process of the social dialogue, it is useful to analyze the practical outcomes. Since the European social partners need their members' capacity for better implementation to be improved, with the European social dialogue initiative, all parties come together and discuss the issues in concern. Concerning autonomous agreements, a period of three years has been given for members to fulfill the implementation of the agreements. Then, the period of evaluation (as a measure) begins. For instance, evaluation reports were prepared for each of the European social partners (for telework) in 2006. The second evaluation report was prepared for the same agreement in 2006. Depending on the first evaluation report, it can be noted that there have been a variety of forms of implementation of the agreement by the different members. For instance, some of the members implemented it as a binding agreement, others as a recommendation, and others still as a law imposed by the government. With regard to the agreement on stress, the same time period has also been given to the members for the implementation of the agreement. Thus, although there is a huge diversity in the members and different ways of implementation, they have managed to reach the minimum standards.¹⁰⁸¹

Following the analysis of the relationship between the institutions, one might refer to the relationship within institutions in relation to the representation of the social partners. For the ETUC, it might be said that there is an internal democracy in a heterogeneous organization on the basis of choosing first the positions of the members and then the strategic options that are assigned to them.¹⁰⁸² Also, the ETUC acts in a democratic way

1080 See Appendix-III.5.3, Phone-call interview with Tobias Müellensiefen (DG EMPL, Employment and Social Affairs, Unit F1), Date: 26.05.2008.

1081 See Appendix-III.5.6, Phone-call interview with Liliane Volozinskis (Director of Social Affairs and Employment Policy) from UEAPME, Date: 18.03.2008.

1082 See Appendix-III.5.10, Face to face interview with Cinzia Sechi (Advisor for Social Affairs Department) from ETUC, Date: 03.02.2009.

on public issues through using the media. For instance, one of the ETUC's campaigns was related to the adoption of a directive for a public service framework. The campaign was based on taking the signatures of citizens, upon the provision that when the number of the signatures of citizens reached 1 million, they would be able to write a petition about both that directive and the chemical substances directive as well.¹⁰⁸³ Therefore, the ETUC has a successful communication strategy to reach the public with the aim of enhancing the communication process 'on the top level to the bottom up' due to linguistic reasons or using different means.¹⁰⁸⁴ There is a wide linguistic diversity among the members of the ETUC, which sometimes cause problems in its communication process.

In that sense, one might refer to the dichotomy of mission and function of the social dialogue in relation to the regulations at EU level. On the one hand, for *BUSINESSEUROPE*, the EU regulations on social policy cannot constitute a convergence mechanism between the social partners. On the other hand, the ETUC aims to provide an arena for these actors to create a social acquis at the EU level. For Degryse, it is difficult to talk about the Europeanization of social policy and working principles, yet the way to open up this process has already been initiated with these convergent institutions.¹⁰⁸⁵

The relations at EU level operate both top-to-bottom and bottom-to-top, which is very consistent with the strengthening and converging of the EU social dialogue, in light of the Commission proposals and initiatives. Therefore, it is necessary to create an area of independence for the social partners to articulate themselves, to create a balance between the two-party dialogue and tripartite negotiations together with the maintenance of the social dialogue at both the inter- and intra sectoral levels.

1083 See Appendix-III.5.5, Face to face interview with Joel Decaillon (Confederal Secretary and Responsible for Lifelong Learning and Lisbon Strategy) at ETUC, Date: 09. 01.2007.

1084 See Appendix-III.5.10, Face to face interview with Cinzia Sechi (Advisor for Social Affairs Department) from ETUC, Date: 03.02.2009.

1085 Degryse, C. (2002), *European Social Dialogue: A Mixed Picture*, Brussels: ETUI publications, p. 8 and 181.

CONCLUSION

Upon the analysis of EU social policy in relation to governance in the EU, it can be noted that, starting with the 1990s, EU social policy has indeed experienced a change in the mode of governance. Although most social policy decisions are still taken at the national level, there has been some degree of harmonization at European level, based on co-operation and the involvement of various actors between the various levels of governance. The political momentum which emerged in the Delors period from 1985 to 1994 attracted attention to Commission support for the concept of a social Europe, which included the notions of social solidarity, social cohesion and partnership. Although the potential for social solidarity was problematic in the mid 1980s due to the internal dynamics of the Community, having conceived the fact that economic convergence within the EU would need to rely to some extent on a common social infrastructure, social solidarity was put higher up the EU agenda during the Delors period, which triggered the initiation of a bipartite ‘social dialogue’ between representative bodies of employers and employees in 1985.

The developments initiated with the Maastricht Treaty can be viewed as a track for the evolution of governance at EU-level from a hierarchical towards a network style of governance, which is characterized by cooperative rather than competitive interaction patterns among a large variety of actors such as the Euro-level representatives of labour and industry. Concerning the Treaty revisions, with the creation of a new Title on Employment Policy in the Amsterdam Treaty, a renewed coordinated employment strategy was initiated and the OMC was used as the new mode of governance to cope with structural unemployment, the ageing population, constraints imposed by EMU in the context of strong welfare heterogeneity. Thus, in addition to this development with respect to governance in the EU, social dialogue emerged as an important tool for policy-making based on fundamental guidelines concerning employment opportunity, social inclusion and retirement. Although no license was given to any harmonization of social security systems, coordination was enhanced with the Nice Treaty through means such as benchmarks, peer review and exchange of best practices, which produced output in the form of soft law. In addition, multiple actors were involved in the development dimension of policy coordination and in the implementation process.

Compared with the normal legislative procedure under the Community method, the social partnership procedure is a special decision-making mechanism. It changed the allocation of powers among the EU institutions, enabled the social partners to become direct legislators and increased the democratic legitimacy of the EU's decision making, which is complementary to the traditional mode of governance.¹⁰⁸⁶ Therefore, one might say that under the social partnership procedure, the social partners at the EU level have acquired the power to conclude framework agreements through negotiations, which will either be transposed into EU legislation by way of directives, or carried out by the social partners themselves at both the EU and national levels. The introduction of the social partnership procedure not only incorporates the social partners into the legislative procedure, making them important participants and thus increasing the democratic legitimacy of the EU's decision-making, but also changed the power allocation of the EU's principal institutions, among which the Commission and the European Parliament have been affected most greatly.

Although there has been this progressive evolution regarding the governance and legal aspects of EU social policy, there are still certain question marks regarding what should be done to rehabilitate the existing social policy. Considering external pressures such as technological advances and globalization as well as the ageing population of the European societies which have created new family configurations and working patterns in the EU, this has emerged as an important issue. In that respect, the future of the EU social policies might be associated with developments on the *Renewed European Social Agenda* and the result-oriented approaches, also the OMC, and mid-term review of the Lisbon Strategy in which the Commission aimed to create a 'permanent, strong economic development' and 'more and qualified employment opportunities' as primary targets.

All in all, the distinctive evolution of EU social policy in relation to the governance approach is a considerable topic in the EU agenda. It is a fact that, especially after the launch of the Lisbon strategy, both with the internal changes of the EU during the European integration process and the nature of EU social policy, a multi-layered governance approach implemented through the OMC, network governance and MLG

¹⁰⁸⁶ Xiepu, Y. (2008), "Transformation of the Roles of Social Partners through EU Governance", *Association of European Journalists (AEJ)*, 6, p. 441-453.

governance in which the social partners play the main role has become prevalent. This kind of multilateralism represents democratic legitimacy due to the involvement of the social partners. In other words, within the EU social policy-making, the social dialogue at European level refers to the main pillars of the European social model, which comprises the concepts of compromise, negotiation, dialogue, consensus, conciliation, cooperation, and a means of problem-solving.

The EU agenda for policy-making in the social field is growing and deepening and thus the institutionalization of the social dialogue has been extended through the inclusion of various Treaties and negotiations. Initiatives such as the Luxembourg Process and Lisbon Treaty on employment, health and single market reforms contribute to the further development of the social dialogue. Therefore, these developments lead to increasing complexity of EU governance in this field. As such, an understanding of specific sub-issues of EU governance in the social policy field, which include health, employment and safety legislation, the social dialogue process and associated processes, requires an analysis of specific modes of EU governance, namely governance by harmonization and framework directives, by negotiation, and by the OMC.

European social dialogue, as an ongoing process, is a significant part of the European integration project and is vital if the European social model is to fulfill the objectives of the European social agenda. Thus, the institutionalization of the social dialogue at European level has had an important impact on the evolution of European social governance. The particular characteristics and nature of European social governance in the 1990s can best be explained and analyzed by applying the governance approach in the EU.

Based on the analysis of European social dialogue, it can be noted that the social dialogue has an important grounding both in the legislation and the institutionalization of EU social policy. This can be illustrated by observing the evolution that the European social dialogue has undergone. The status of the European social dialogue was strengthened in that while the social partners had a very limited role with the initiation of the European social dialogue through the SEA, producing merely non-binding joint texts, after it was institutionalized with the Maastricht and the Amsterdam Treaties, it gained the competence to conclude framework agreements implemented by the Council decision and monitored by the Commission. Recently, with the Laeken European

Council, it has reached the stage where the conclusion of ‘autonomous agreements’ has paved the way towards the social partners’ and the member states’ selecting their implementation means and methods rather than creating legally binding instruments. In that regard, this final phase of the European social dialogue is significant in that it was a period in which the OMC came to the fore. It facilitated the broad participation of the social partners in the social policy field, the coordination of administration at different levels, focusing on the importance attached to gathering information and comparisons, and the need for diversity. In a way, this method reveals the evolution from hard law to soft law in the social policy field, which is one of the basic features of the governance approach in the EU. Through this evolution, it is inferred that the European social dialogue has incrementally increased its powers in legal terms and in the institutional structure of the EU concerning social policy-making.

European social dialogue has contributed both to the legitimacy of EU social policy and for new methods of and approaches to developing EU social policy. As far as the solution producing and balancing positions of the European social dialogue are considered, one might say that this is the basis of the mechanism of the European governance that includes the elements of compromise and negotiation. Therefore, the cooperation of various actors with different interests requires a structure that brings them together to create compromise through partnership. Although the European social partners have different point of views towards EU social policy and European social dialogue, they try to create an agreement on the issues of common concern. In that sense, the institutionalization of the European social dialogue within the multi-tiered structure of the EU creates an arena of both confrontation and cooperation through concessions and conciliations.

The abovementioned incremental process of institutionalization of the European social dialogue and the intervention of many actors in the EU social policy-making procedure are in line with the governance in the EU. It is within this framework of the European social dialogue that interest organizations at the European level are enabled to conclude agreements on a wide range of social policy issues at various levels and in various forms. Nonetheless, although the multi-actor and multi-level institutional set up of the EU provides the relevant environment for the operation of the European social dialogue process, it should be mentioned that the influence of the EU institutional framework on

the social dialogue is still rather limited. In that sense, although the institutional mechanisms are initiated in terms of social dialogue, their implications and significance are perceived as limited.

When considering the distribution of the results by status, it is clear that voicing common opinions is greatly preferred to negotiating binding agreements: there have been over 300 joint statements but only 21 framework agreements. The framework agreements in the inter-sectoral dialogue cannot be equated to collective agreements. This leaves 17 framework agreements concluded at sectoral level. The other framework agreements at the sectoral level appear to be a mutual commitment to the establishment of a sectoral dialogue committee or the continuation of social dialogue, 'formal' recommendations on employment issues in the sector, or guidelines on teleworking. Moreover, within the framework of the outcomes of European social dialogue, the European social partners have prepared three joint work programmes which not only specify the current focal points and priorities of the social partners but also draw their future roadmap in the European social dialogue process.

The content of these agreements indicates that the impact on employees in the member states is most likely to be small or non-existent. Three quarters of all joint statements are targeted at EU politics. The issues addressed in these texts are rarely 'social' and the texts are usually aimed at influencing European policy in some way, rather than at concluding agreements on the content and regulation of the employment relationship at the level of the EU.¹⁰⁸⁷ Thus, there is not an equal level of progression in all topics of the social dialogue. As such, the areas of health and work safety are not successful in providing a consensus on negotiations. The joint statements usually contain quite general statements on such issues as child labour, fundamental labour rights, training, lifelong learning, technology, violence and crime, racism and xenophobia. In no way do these results commit the signatories to anything beyond the endorsement or denunciation of certain practices. In fact, the actors in this area insist on using their bargaining power in order to accomplish their specific interests in terms of, for example, the mobility of labor and employment. Thus, considering the subjects cover only a small

¹⁰⁸⁷ See Appendix-III.5.7, Phone-call interview with Jørgen Rønne (Chairman of Social Affairs Committee) from BUSINESSEUROPE, Date: 25.08.2008.

part of the content and regulation of the employment relationship, the outcomes of the European social dialogue are also unsatisfactory in qualitative terms.

In the very recent joint work programme of the social partners for the period 2009-2010, the content of the framework agreements have been extended and broadened into the areas of environment, migration and mobility of workers. The social partners are committed to initiating autonomous agreements in order to address Europe's major social, economic and environmental challenges. Thus, the important role of the autonomous social dialogue and its positive impact on European labour markets has been fostered by the social partners. The extension to the areas that the European social dialogue addresses is also stressed by Valeria Ronzitti during the interview conducted with her. Accordingly, the current agenda of the social dialogue includes issues on work and family, life, employment and labour law, flexicurity, EWCs, black labour work (in relation to undeclared work activities) preventing unfair competition, labour and labour market needs, training for small businesses due to lack of qualified work force, labour law, qualification of the labour force and labour law.

All in all, once the outcomes of the European social dialogue have been taken into account, it is concluded that the outcomes falling under all of the four categories seems satisfactory in terms of their number. However, it is a false satisfaction in that only a few of the outcomes have a legal impact. Thus, the outcomes are unsatisfactory in quantitative terms. However, given the availability of the necessary institutional infrastructure, it might be possible to adjust the deficiencies. Then, new priorities can be set; a new work programme can be created to improve the European social dialogue. Moreover, while considering the issue of the content and realities of the EU social dialogue and the European social partners should be considered as well.

Once the European social dialogue is discussed within the framework of the national sphere, the issue of 'diversity' emerges as important. It is important to discuss whether it appears as a challenge or obstacle in the development of the European social dialogue. It is clear that there is a wide diversity across the member states with respect to national sectoral boundaries, the representative structures of interest organizations, and the institutional structure and traditions of industrial relations. Nevertheless, these problems

have been seen by these actors both at the national and EU levels. Therefore, the common areas have been defined specifically in order to reach compromise.

In brief, cross-national differences inhibit the establishment of representative structures at EU level capable of concluding framework agreements. In that regard, diversity may be regarded as an obstacle for the development of European social dialogue. However, the recent outcomes of the European social dialogue in the form of autonomous agreements based on the concept of ‘same targets, different paths’ rely on national governments for implementation of its targets. Thus, the implementation of agreements in the European social dialogue relies on the institutions of industrial relations in the various member states.

As analysis of the role of social partners reveals that the European social partners, as the crucial actors at all levels of the European social dialogue have undergone change in line with the evolution of the European social dialogue has undergone since 1985. With the institutionalization of the European social dialogue process, it has been envisaged that the social partners will play a substantial role in EU social policy-making.

Within the institutionalized framework of the European social dialogue, the most legally significant function of the social partners at EU level is to engage in the bipartite and tripartite social dialogue which has led to the enactment of collective agreements which subsequently became Council directives. Moreover, once the European social dialogue process reached its final stage with the Laeken European Council, the social partners were given the right to adopt autonomous agreements. Thus, the incremental evolution of the European social dialogue reveals the evolutionary role of the social partners in this process, starting with the minor consultation role in EU social policy-making to their joint contribution with the autonomous agreements.

The utmost importance attached to the European social partners is illustrated in the Nice Council’s European social agenda which promotes the full participation of the social partners in implementing and monitoring the European social agenda based on the required principles of ‘strong partnership, dialogue and participation’¹⁰⁸⁸. Thus, with

1088 See COM (2000) 379 Final.

this development again, the Commission envisages that the social partners will have a particular role in respect of modernizing and improving social protection and systems, and promoting social inclusion, and quality in industrial relations.

In this multi-level and multi-partner policy environment, the European social partners have a considerable part to play in the social governance of the EU. The involvement of the European social partners in the EU's social policy-making has contributed to the 'subsidiarity' principle as well. The strengthening role of the two sides of industry within the social dialogue was reinforced through the emphasis put on the principle of subsidiarity. This facilitates not only the interaction between the Community and member state levels, but also between the social partners and public authorities at all levels.

The crucial point regarding the use of the principle of subsidiarity in favour of the involvement of the social partners in EU social policy-making is that the will of the European social partners should be enhanced and the disagreements between the social partners should be curtailed via the social partnership principle. The main disagreement between the European social partners is that although both of them regard social dialogue at European level in a positive manner, their viewpoints towards the perception of the European social dialogue differ. In that regard, employers consider the European social dialogue as a means to create employment, abstaining from any strict rule or interventionist approaches that may harness the interests of the business circle or organizations that they represent. In contrast, the ETUC is in favour of establishing certain rules of principles that would lead them to negotiate collective agreements at European level regarding employment issues. Thus, due to this ever lasting dispute between the European social partners, it is not possible to provide mutual agreement between them, especially in issues related with collective bargaining, wages, etc. That is to say, the social dialogue is more influential outside the area of the individual rights of wage earners.

At this point, the issue of representativity comes to the fore. In order to have an effective and fruitful social dialogue, it is required that the social partners have the right of representation at European level. However, the Europeanization of the social partners and their organization at European level has been a recent development. Also, since

they are recognized by the EU, which possesses institutional mechanisms through the social dialogue, it is difficult to say that they reach a distinct representative quality. In that sense, it is wise to bear in mind that industrial relations are to a great extent within the domain of nation-states and thus structured at national level. Neither the EU nor the social partners have had the power to bring industrial relations to European level. Still, as a reference to the previous section, the recognition of the social partners at European level and as a partner have strengthened both the ETUC and BUSINESSEUROPE in organizational terms and increased their influence on their members. The social partners have been strengthened at European level, as an umbrella organization that has had technical contribution to agenda setting, an institutional intermediary to express their problems and opinions for future projects, providing a central mechanism to get together and to implement actions, to provide finance and to engage into more partnership and networks.

Apart from the role of both employers and workers as social partners, it is necessary to analyze their lobbying activities in the formation of the European social dialogue. Firstly, as regards BUSINESSEUROPE in the European social dialogue process, BUSINESSEUROPE acts both as a lobby organization and as a social partner. Moreover, these institutions are also defined as the areas in which lobbying activities are operated in competitive bargaining conditions. Similarly, as regards the CEEP, lobbying is defined as an easier way of doing business due to its characteristic of flexibility. In other words, the party concerned might choose another solution to find what it is preferred in any contradictory situation.

The European social partners have also been involved in the current issues which are on the agenda of the EU social policy. For instance, they are involved in the ongoing debate on defining flexicurity principles at European level, which is currently on the agenda of the EU. Therefore, the social partners must actively contribute to the design and implementation of policy measures addressing the flexibility and security dimensions of EU social policy.

Relations at the EU level operate both top-to-bottom and bottom-to-top, which is very consistent with the strengthening and converging of the EU social dialogue, in light of the Commission proposals and initiatives. Therefore, it is necessary to create an area of

independence for social partners to articulate their positions, to create a balance between two-party dialogue and tripartite negotiations together with the maintenance of social dialogue at both inter- and intra sectoral levels.

It has thus been evaluated that the European social partners do not have broad representativity as in the EU the industrial relations are still mostly conducted within the domain of national competence. However, once the historical evolution of EU social policy is taken into account, it is seen that the EU has neither the competence nor the will or expectation to do such a thing. The European social partners are recognized actors in the framework of the institutional mechanism of the European social dialogue. They can only take action on issues of common concern due to the fact that they have different point of views towards the European social dialogue and EU social policy.

At this point, in the light of the wide cross-national differences, the success of the European social dialogue mostly depends on the voluntary cooperation of employers' organizations and trade unions. The will of the two parties and their perception of potential benefits as an outcome of the dialogue are vital for the development of a fruitful social dialogue. If there seems to be a lack of such benefits at European level, it seems very unlikely that the abovementioned problems of diversity will be overcome.

The problems and challenges of the European social dialogue might be identified as the role of the Commission, the interaction and relationship between the social partners including their different points of view, their limited binding role which is limited to technical and lobbying functions, the internal organization of the social partners in terms of heavy bureaucracy, democratic deficit, legitimacy, accountability and representation; bargaining power of certain actors; the strength of transnational capital and the implementation of the legislation. Therefore, the idea of social partnership needs to be internalized by the actors involved in the social dialogue in order to impress the fact that the formation of the EU social dialogue will provide an efficient environment not only for business activities but also an effective contribution of the labour power in these activities.

Despite the abovementioned obstacles, including the institutional and contextual deficiencies of the European social dialogue process and the difficulties especially in reaching agreements among the social partners, the power, status and effectiveness of the social partners and the social dialogue in EU social policy-making should not be underestimated. Since the institutionalization of the European social dialogue, it has appeared as a significant alternative route to arrive at EC social standards. Since the social dialogue is considered as an example of ‘good practice for improved consultation and the application of the principle of horizontal subsidiarity’¹⁰⁸⁹, it is widely recognized as making an essential contribution to better governance, and one of the best opportunities to be seized at the moment for cooperative public-private governance as well as multi-level governance, stipulated within the framework of the governance approach in the EU.

With the rapid increase of globalization and the enlargement process, the process of the social dialogue and its legal framework become more and more significant. Thus, the influence of both the social partners and its institutions has increased so that they are able to produce autonomous agreements. It has added both legitimacy to EU social policy and ‘deliberative democracy’¹⁰⁹⁰ which emphasizes obtaining a shared sense of meaning and common will, based on arguing, reason giving and learning. Thus, during this process of social policy making, it is necessary to understand that non-state actors, especially through the social dialogue between the social partners have an important input in the modernization of the European social model. Despite the limitations, challenges and problems of this process, it is essential in terms of systemizing the process which leads these actors to communicate and interact more for further consensus and compromise. There is no doubt that this is important for the continuation of the culture of conciliation which is derived from the basic concept of a ‘social Europe’.

The social partnership at the European level could benefit from the further development of the already existing forms of bilateral and trilateral cooperation within the framework of the European social dialogue. The importance of the social partners’ participation in

1089 Falkner, G. (1999), “European Social Policy: Towards Multi-level and Multi-actor Governance”, in Kohler-Koch B. and Eising R., *The Transformation of Governance in the European Union*, London and New-York: Routledge/ ECPR Studies in European Political Science, p. 97.

1090 Barnard, C. (2002), “The Social Partners and the Governance Agenda”, *European Law Journal*, 8 (1), p. 96.

the OMC will have to grow and trilateral partnership will have to strengthen. It is a fact that the more complex the challenges the EU faces, the more important the role the social partnership will play.

As such, the study maintains that European social dialogue finds its basis in the principles of learning, partnership and conciliation in line with the governance approach, with the focus not on redistribution and equality considerations but on problem-solving depending on the abovementioned principles. Therefore, the European social dialogue is identified as a dynamic and ongoing process rather than as an end point of a certain social system. As social life has been changing, the rules, relations and interactions have been shaped by various dynamics in which certain groups might benefit more, depending on the circumstances. It is a process of bargaining and compromise, and is thus dynamic in relation to the local, national and international economic, political, legal and social developments.

It should also be taken into account that, with the recent global economic crisis, the previously unquestionable dominance of the neoliberal policies has become arguable. In this changing international and economic context, it is clear there are changes occurring in the way the EU works, the employment profile, and traditional thinking about how the labour market functions. In that regard, the social policies can be considered from a different perspective. The challenges ahead should be considered as improving quality in work with a view to managing changes in the economic and social dimensions. In that regard, European social dialogue, above everything, has become an important social policy mechanism to deal with various economic and social problems and to enhance the instructive, cooperative and conciliative line in EU social policy-making.

This study, thus, contributes to the understanding of the challenges as well as the opportunities in the future of social dialogue; and reveals various questions. In fact, what the study might identify is the common problem of implementation in a way that every social partner seems to be a part of the social dialogue. However, they give the impression that they are quite reluctant to take action and to achieve concrete results.

The latest enlargement process might lead to questioning the sustainability of the institutional infrastructure for the further deepening and socializing of new actors. Nevertheless, this process might be beneficial as a way of engaging the social partnership among a number of social partners with the help of the globalized system in which both the public and private spheres have become interconnected and interwoven. Although it seems that it is too early to assess the impact of the social dialogue process on organizations, groups, institutions as well as individuals¹⁰⁹¹, it is necessary to scrutinize the impacts of power relations between the social partners (i.e. employees and employers) as a traditional way of EU politics that is based on negotiation, mediation and policy initiatives.

In conclusion, the study exploring the extent of the influence of the European social dialogue and the effectiveness of the role of the social partners in the EU social policy-making procedure with reference to governance in the EU, has concluded that despite the limited outcomes of the European social dialogue process regarding binding legislation, the limited scope of the European social dialogue, and the limited influence of the EU institutional framework on the social dialogue, the institutionalization of the European social dialogue process has contributed to the legitimacy of EU social policy. Moreover, despite the deficiencies in the representative structures of the European social partners, their role is vital in terms of representative democracy based on representativeness of employees and employers on a functional basis. European social dialogue seems to witness not only ongoing cooperation, collaboration and partnership but also everlasting contradiction, challenge and conflict in relation to the complex dynamics of social policy making, including the two contested interests of employees and employers acting within the European multi-tiered and multi-layered policy framework. Thus, European social dialogue plays a pivotal role in European social model and emerges as an important mechanism in the general framework of European governance and democratization of the EU.

1091 Gower, J. and Thomson, I. (2002), *The European Union Handbook*. London: Fitzroy Dearborn.

APPENDICES – I

APPENDIX-I.1

| THE SECTORAL SOCIAL DIALOGUE COMMITTEES | | | |
|--|---------------------------------|-----------------------------------|-------------------------|
| Sectors | Employees' organizations | Employers' organizations | Date of Creation |
| Agriculture | EFFAT | GEOPA / COPA | 1999 |
| Audiovisual | EFI, EURO-MEI, FIA, FIM | ACT, AER, CEPI, EBU, FIAPF | 2004 |
| Banking | UNI-Europa | EACB, ESBG, FBE | 1999 |
| Civil aviation | ECA, ETF | ACI EUROPE, AEA, CANSO, ERA, IACA | 2000 |
| Cleaning Industry | UNI- | Europa EFCI | 1999 |
| Commerce | UNI-EUROPA | EuroCommerce | 1999 |
| Construction | EFBWW | FIEC | 1999 |
| Electricity | EMCEF, EPSU | EURELECTRIC | 2000 |
| Footwear | ETUF: TCL | CEC | 1999 |
| Furniture | EFBWW | UEA | 2001 |
| Hotels and Catering | EFFAT | HOTREC | 1999 |
| Inland waterways | ETF | EBU, ESO | 1999 |
| Insurance | UNI-Europa | ACME, BIPAR, CEA | 1999 |
| Live performance | EAEA | PEARLE | 1999 |
| Local & regional government | EPSU | CEMR | 2004 |
| Mines | EMCEF | APEP, Euracoal, Euromines, IMA | 2002 |

| | | | |
|----------------------|------------|---------------------|------|
| Personal Services | UNI-Europa | EU Coiffure | 1999 |
| Postal Services | UNI-Europa | PostEurope | 1999 |
| Private security | UNI-Europa | CoESS | 1999 |
| Railways | ETF | CER | 1999 |
| Road Transport | ETF | IRU | 1999 |
| Sea fishing | ETF | EUROPECHE / COGECAL | 1999 |
| Sea transport | ETF | ECSA | 1999 |
| Ship building | EMF | CESA | 2003 |
| Sugar | EFFAT | CEFS | 1999 |
| Tanning and leather | ETUF | TCL COTANCE | 2001 |
| Telecommunications | UNI-Europa | ETNO | 1999 |
| Temporary work | UNI-Europa | Euro CIETT | 2000 |
| Textile and clothing | ETUF | TCL EURATEX | 1999 |
| Woodworking | EFBWW | CEI-Bois | 2000 |

Source: European Commission (2004), *Industrial Relations in Europe 2004*, Luxembourg: Office for Official Publications of the European Communities.

APPENDIX-I.2

SOCIAL PARTNER CONSULTATIONS

| | |
|------|---|
| 1993 | European works councils |
| 1995 | Reconciling working life and family life |
| 1995 | Adaptation of the burden of proof in cases of discrimination based on sex |
| 1995 | Flexibility in working time and workers' security |
| 1996 | Prevention of sexual harassment at work |
| 1997 | Worker information and consultation |
| 2000 | Protecting workers against employers' insolvency |
| 2000 | Modernising and improving employment relations |
| 2000 | Protecting workers against the risks connected with exposure to asbestos at work |
| 2000 | Health and safety at work for the self-employed |
| 2001 | Protecting employees' personal data |
| 2002 | Anticipating and managing change; A dynamic approach to the social aspects of corporate restructuring |
| 2003 | Portability of supplementary pensions |
| 2003 | Stress and its effects on health & safety at work |
| 2004 | Extension of the scope of the directive on carcinogenic substances |
| 2004 | Psychosocial risks, harassment & violence at work |
| 2004 | Revision of the working time directive |
| 2004 | Revision of the European works council's directive |

Source: European Commission (2004), *Industrial Relations in Europe 2004*, Luxembourg: Office for Official Publications of the European Communities.

APPENDIX –I.3

| Agreements Implemented in Accordance with Article 139(2): Minimum Standards | |
|---|--|
| Type of agreement | Examples |
| <p><i>Agreements implemented by Council decision</i> Monitored by the Commission</p> | <ul style="list-style-type: none"> – Framework agreement on parental leave, 1995 – Framework agreement on part-time work, 1997 – Framework agreement on fixed-term work, 1999 – European agreement on the organization of working time of seafarers, 1998 – European agreement on the organization of working time of mobile workers in civil aviation, 2000 – European agreement on certain aspects of the working conditions of mobile workers assigned to interoperable cross-border services, 2004 |
| <p><i>Autonomous agreements implemented by the procedures and practices specific to management and labour and the Member States</i></p> | <ul style="list-style-type: none"> – Framework agreement on telework, 2002 – Framework agreement – work-related stress, 2004 – Agreement on the European license for drivers carrying out a cross-border interoperability service, 2004 |

Source: European Commission (2004), *Industrial Relations in Europe 2004*, Luxembourg: Office for Official Publications of the European Communities.

APPENDIX –I.4

PROCESS-ORIENTED TEXTS

I. Frameworks of action

Framework of actions on the lifelong development of competencies and qualifications common priorities, 2002.

II. Guidelines and codes of conduct establishing standards or principles

Establishing new European standards or principles

- Recommendation framework agreement on the improvement of paid employment in agriculture, 1997
- Agreement on promoting employment in the postal sector in Europe, 1998
- Guidelines on telework in telecommunications, 2001
- European agreement on guidelines on telework in commerce, 2001
- Code of conduct – Guidelines for European hairdressers, 2001
- Voluntary guidelines supporting age diversity in commerce, 2002
- Joint declaration on lifelong learning in the banking sector, 2002
- European agreement on vocational training in agriculture, 2002
- Code of conduct on CSR in the European sugar industry, 2003
- Code of conduct and ethics for the private security sector, 2003
- Electricity sector joint declaration on telework, 2003
- Local & regional government joint statement on telework, 2004
- Statement on promoting employment and integration of disabled people in the commerce and distribution sector, 2004
- Guidelines for customer contact centers (telecommunications), 2004

Promoting and enforcing existing internationally agreed standards

- Code of conduct on child labour in the footwear sector, 1996
- Code of conduct for the European textile / clothing sector, 1997
- Agreement on Fundamental Rights and Principles at Work, in the commerce sector, 1999
- Code of conduct in the leather and tanning sector, 2000
- Code of conduct in the footwear sector, 2000
- Code of Conduct – A Charter for the social partners in the European woodworking industry, 2002

III. Policy orientations – the proactive promotion of policies

- Joint recommendation on apprenticeship in the sugar sector, 1998
- Electricity sector joint declaration on equal opportunities / diversity, 2003
- Orientations for reference in managing change and its social consequences, 2003 (cross-industry social partners)
- Joint Statement on Corporate Social Responsibility in commerce, 2003
- Common recommendation of the European social partners for the cleaning industry, 2004

Source: European Commission (2004), *Industrial Relations in Europe 2004*, Luxembourg: Office for Official Publications of the European Communities.

APPENDIX –I.5

| JOINT OPINIONS, DECLARATIONS AND TOOLS |
|---|
| Joint opinions |
| <ul style="list-style-type: none">– Position on training and continuing training (mines), 2003– Joint declaration on the European harmonization of legislation governing the private security sector, 2001– Joint declaration on the objectives of the European directive on private agency work (temporary work sector), 2001– Joint opinion of the European social partners in aviation, 2001 |
| Declarations |
| <ul style="list-style-type: none">– Joint declaration on the social partners of the cleaning industry and EU enlargement, 2000– Joint statement and final report on the study on life-long learning in the electricity sector, 2003 |
| Tools |
| <ul style="list-style-type: none">– Selecting best value – A guide for organizations awarding contracts for cleaning services (cleaning industry)– Training kit of basic office cleaning techniques (cleaning industry) – European Vocational Training Manual for Basic Guarding (private security)– Brochure on tutoring in the construction industry, 2004– Website of the postal sector social dialogue committee, 2003 |

Source: European Commission (2004), *Industrial Relations in Europe 2004*, Luxembourg: Office for Official Publications of the European Communities.

APPENDICES – II

APPENDIX –II.1

| Members of CEEP | | |
|---------------------------|----------------|--|
| Membership Type | Country | Member Organizations |
| Individual Members | - | European Hospital and Healthcare Employers Association (HOSPEEM) |
| | - | EBU - European Broadcasting Union |
| National Sections | Austria | Refer to Table A.1 |
| | Benelux | Refer to Table A.2 |
| | Denmark | <ul style="list-style-type: none"> • Danish Regions - www.arf.dk • Local Government Denmark - www.kl.dk • State Employers' Authority - www.personalestyrelsen.dk |
| | Finland | <ul style="list-style-type: none"> • Finnish Road Enterprise - www.tieliikelaitos.fi • Finnish Forest and Park Service - www.metsa.fi • Senate Properties (State Real Property Authority) - www.senaatti.fi • Finnish State Pilotage Enterprises - www.finnpilot.fi • Finnish Shipping Enterprises - www.finstaship.fi • Finnish Institute of Public Management - www.haus.fi • Inspecta (Centre of Technical Inspection) - www.inspecta.fi • Raskone Ltd (Repair and maintenance of heavy machinery) - www.raskone.fi • Boreal Plant Breeding - www.boreal.fi • Finnish Seed Potato Centre Ltd - www.spk.fi • Commission of Local Authority Employers - www.kuntatyonantajat.fi • State Employer's Office - www.vm.fi • Commission for Church Employers - www.evl.fi |
| | France | Refer to Table A.3 |
| | Germany | Refer to Table A.4 |
| | Greece | Refer to Table A.5 |
| | Hungary | Refer to Table A.6 |
| | Ireland | <ul style="list-style-type: none"> • FÁS (The Training and Employment Authority) - www.fas.ie • HSE-EA (HSE Employers Agency) - www.hsea.ie |
| | Italy | <ul style="list-style-type: none"> • ARAN - Agenzia per la Rappresentanza Negoziabile delle Pubbliche Amministrazioni - www.aranagenzia.it • Cassa di Risparmio di Torino • CONF SERVIZI CISPEL (Confederazione Italiana dei Servizi Pubblici degli Enti Locali) - www.confservizi.net • Poste Italiane - www.poste.it • Asl Caserta 2 - www.aslcaserta2.it |

| | | |
|--|-----------------|--|
| | | |
| | Malta | Malta's Employers' Association (Mea) - www.maltaemployers.com |
| | Norway | <ul style="list-style-type: none"> • HSH (Federation of Norwegian commercial and service enterprises) - www.hsh-org.no • KS - (Kommunenes Sentralforbund) • NALRA - (Association of Local and Regional Authorities) - www.ks.no • SPEKTOR - Arbeidsgiverforeningen - www.spekter.no • The State Employers' Organisation - http://odin.dep.no/fad/english/bn.html |
| | Poland | Refer to Table A.7 |
| | Portugal | Refer to Table A.8 |
| | Romania | Refer to Table A.9 |
| | Slovak Republic | Refer to Table A.10 |
| | Spain | Refer to Table A.11 |
| | Sweden | <ul style="list-style-type: none"> • Fastigo - www.fastigo.se • KFS - Swedish Organisation for Local Enterprises - www.kfs.net • PACTA - Employers' Association of Local Federations of Local Authorities and Enterprises - www.pacta.org.se • SAGE - Swedish Agency for Government Employers - www.arbetsgivarverket.se • SALAR - Swedish Association of Local Authorities and Regions - www.skl.se |
| | Turkey | Refer to Table A.12 |
| | United Kingdom | Refer to Table A.13 |

Source: CEEP Website, http://www.ceep.eu/members_1/individual_members, http://www.ceep.eu/members_1/national_sections, (retrieved on May 12, 2008, from World Wide Web: URL).

CEEP Member Organizations from AUSTRIA

| Organization Names | Organization Names (Continued) |
|--|---|
| <ul style="list-style-type: none"> • AG der Wiener Lokalbahnen - www.wlb.at • Allgemeines Krankenhaus der Stadt Linz - www.akh.wien.at • ANKÜNDER – Steierm. Ankundigungs-GmbH - www.ankuender-stmk.at • ARWAG Holding AG - www.arwag.at • ASFINAG - www.asfinag.at • AUSTRO CONTROL GmbH - www.austrocontrol.at • Bank Austria Creditanstalt AG - www.ba-ca.com • BAWAG P.S.K. - www.bawag.com • Bestattung Wien GmbH - www.bestattungwien.at • BEWAG – Burgenländische Elektrizitätswirtschafts AG - www.bewag.at • Burgenländische Krankenanstalten GmbH - www.krages.co.at • Elektrizitätswerk Wels AG - www.eww.at • Energiecomfort GmbH - www.energiecomfort.at • Ennskraftwerke AG - www.ennskraft.at • Entsorgungsbetriebe Simmering GmbH - www.ebs.co.at • EVN Netz GmbH - www.evn-netz.at • Fernwärme Wien GmbH - www.fernwaermewien.at • Flughafen Wien AG - www.viennaairport.com • FORSCHUNG AUSTRIA - www.forschungaustria.ac.at • GESIBA – Gemeinn. Siedlungs- und Bau – AG - www.gesiba.at • GEWISTA Werbegesellschaft mbH - www.gewista.at • GEWOG – Gemeinn. Wohnungs- und Siedlungs - GesmbH der Wiener Stadtwerke - www.gewog-wohnen.at • Graz-Köflacher Bahn und Busbetrieb GmbH - www.gkb.at • Grazer Stadtwerke AG - www.gstw.at • Innsbrucker Kommunalbetriebe AG - www.ikb.at • KELAG / Kärntner Elektrizitäts – AG - www.kelag.at • Kommunalkredit Austria AG - www.kommunalkredit.at | <ul style="list-style-type: none"> • Österreichischer Städtebund - www.staedtebund.at • Österreichischer Städtebund – Landesgruppe Niederösterreich • Österreichischer Städtebund – Landesgruppe Oberösterreich • Österreichischer Verband Gemeinn. Bauvereinigungen – Revisionsverband - www.gbv.at • Österreichisches Rotes Kreuz - www.roteskreuz.at • Raab-Oedenburg-Ebenfurter Eisenbahn AG - www.raaberbahn.com • Salzburg AG für Energie, Verkehr und Telekommunikation - www.salzburg.at • Schloss Laxenburg Betriebs – GmbH - www.scholsslaxenburg.at • Sozialbau Gemeinn. Wohnungs – AG - www.sozialbau.at • Stadtgemeinde Gmünd – Bestattung • Stadt Villach - www.villach.at • Stadtwerke Amstetten - www.stadtwerke.amstetten.at • Stadtwerke Bregenz GmbH / Gas-Wasser-Bäder-Stadtbus - www.stadtwerke-bregenz.at • Stadtwerke Kapfenberg - www.stadtwerke-kapfenberg.at • Stadtwerke Klagenfurt AG - www.stw.at • Stadtwerke St. Pölten - www.st-poelten.gv.at/Content.Node/wirtschaft/service-unternehmer/behoerdenwegweiser/stadtwerke.php • TIWAG - Tiroler Wasserkraft AG - www.tiwag.at • VBV - Pensionskasse AG - www.vbv.at • Verband Kommunaler Unternehmen Österreichs - www.vkoe.at • Verbund Austrian Hydro Power AG - www.verbund.at/at/ahp • Verbundgesellschaft – Österreichische Elektrizitätswirtschafts – AG - www.verbund.at • Verein für Wohnbauförderung - www.wbf.at • Vereinigte Bühnen Wien GmbH - www.musicalvienna.at • Verkehrsverbund Ost-Region GmbH - www.vor.at • Volkshilfe Österreich - www.volkshilfe.at • Volkstheater GmbH - www.volkstheater.at |

| | |
|---|--|
| <ul style="list-style-type: none"> • LAWOG – Gemeinn. Landeswohnungsgenossenschaft für OÖ - www.lawog.at • Linz AG für Energie, Telekommunikation, Verkehr und kommunale Dienste - www.linzag.at • Magistrat der Landeshauptstadt Linz – Wirtschaftsservice - www.linz.at • Magistrat der Stadt Graz - www.graz.at • Münze Österreich - www.austrian-mint.at • Mürztaler Verkehrsgesellschaft mbH - www.mvg-kapfenberg.com • NÖ Landesbank-Hypothekenbank AG - www.noehypo.at • ÖBB-Holding AG - www.oebb.at • OÖ Gesundheits- und Spitals - AG (GESPAG) - www.gespag.at • Omega Bestattung GmbH - www.omega-bestattung.at • OMV AG - www.omv.com • Österreichische Post AG - www.post.at • Österreichische Verkehrskreditbank AG - www.verkehrskreditbank.at • Österreichischer Gemeindebund - www.gemeindebund.at | <ul style="list-style-type: none"> • Wasserleitungsverband Nördliches Burgenland - www.wlvnb.or.at • Wasserverband – Mürzverband - www.muerzverband.at • Wien Holding GmbH - www.wienholding.at • Wiener Hafen - www.wienerhafen.com • Wiener Krankenanstaltenverbund - www.wienkav.at • Wiener Linien - www.wienerlinien.at • Wiener Neustädter Stadtwerke und Kommunal Service GmbH - www.wns-wrn.at • Wiener Stadthalle Betriebs- und Veranstaltungsges mbH - www.stadthalle.com • Wiener Städtische Allgemeine Versicherung AG - www.wienerstaedtsche.at • Wiener Stadtwerke Holding AG - www.wienerstadtwerke.at • Wiengas - www.wiengas.at • Wienstrom - www.wienstrom.at • WOGEM – Gemeinn. Wohn-, Bau- und Siedlungsgesellschaft für Gemeindebedienstete - www.wogem.at • Wohnbauvereinigung für Privatangestellte - www.wbv-gpa.at • Wohnfonds Wien - www.wohnfonds.wien.at |
|---|--|

Table A.1 – CEEP Members from Austria

| CEEP Member Organizations from BENELUX | |
|--|--|
| Organization Names | |
| <ul style="list-style-type: none"> • CFL - Société Nationale des Chemins de Fer Luxembourgeois - www.cfl.lu • De Post - La Poste - www.post.be • De Lijn - Vlaamse Vervoermaatschappij - www.delijn.be • Energiened - Vereniging van Energiebedrijven in Nederland - www.energiened.nl • Ethias - www.ethias.be • Gemeentelijke Holding n.v. • IB-Groep - www.ib-groep.nl • Intermixt - www.intermixt.be • INTER-REGIES - www.inter-regies.be • Nederlandse Centrale Overheidswerkgever • NMBS – SNCB - Société Nationale des Chemins de Fer Belges - Nationale Maatschappij der Belgische Spoorwegen - www.b-rail.be • NMP – SNTC - Nationale Maatschappij der Pijpleidingen - Société Nationale de Transport par Canalisations • SPE - Société de Production d'Électricité - Elektriciteitsproductie maatschappij - www.spe.be • SRIW - Société Régionale d'Investissement de Wallonie - www.sriw.be • UVCW - Union des Villes et Communes de Wallonie - www.uvcw.be • VEWIN - Vereniging van Exploitanten van Waterleidingbedrijven In Nederland - www.vewin.nl • VNG - Vereniging van Nederlandse Gemeenten - www.vng.nl • VVSG – Vereniging van Vlaamse Steden en Gemeenten - www.vvsg.be | |

Table A.2 – CEEP Members from Benelux

| CEEP Member Organizations from FRANCE | |
|--|---|
| Organization Names | Organization Names (Continued) |
| <ul style="list-style-type: none"> • AFPA (Association Nationale pour la formation professionnelle des adults) - www.afpa.fr • Agence française de développement (AFD) - www.afd.fr • Agir pour le Transport Public (AGIR) - www.agir-transport.org • Air France Groupe - www.airfrance.net • Association nationale des régies de services publics et des organismes constitués par les collectivités locales ou avec leur participation (ANROC) - www.anroc.com • Association pour la formation professionnelle des adultes (AFPA) - www.afpa.fr • Association pour la gestion indépendante des réseaux (AGIR pour le transport public) - www.agir-transport.asso.fr • Caisse des dépôts et consignations (CDC) - www.caissedesdepots.fr • Caisse de garantie du logement locatif social (CGLLS) Membre associé - www.cglls.fr • Citadis • Dexia Crédit Local - www.clf.fr • Electricité de France (EDF) - www.edf.fr • Entreprises locales d'électricité (ELE) • Fédération des entreprises sociales pour l'habitat - www.esh-fr.org • Fédération des EPL - www.lesepl.fr • Fédération hospitalière de France (FHF) - www.fhf.fr • Fédération nationale des collectivités concédantes et des régies (FNCCR) - www.fnccr.asso.fr • Fédération nationale des offices HLM - www.offices-hlm.org • France Télécom - www.francetelecom.com | <ul style="list-style-type: none"> • Gaz de France (GDF) - www.gazdefrance.com • GIE Habitat et environnement • Imprimerie nationale - www.imprimerienational.fr • La Française des jeux - www.fdjeux.com • La Mutualité de la Fonction Publique (MFP) - www.mfp.fr • La Poste - www.laposte.fr • Oséo (BDPME) - www.oseo.fr • Réseau ferré de France (RFF) - www.rff.fr • SAEM Ville Renouvelée (Lille Métropole) - www.semvr.fr • Sem d'aménagement de la ville de Paris (SEMAVIP) - www.semavip.fr • SEM Lyon Confluence - www.lyon-confluence.fr • SEMITAN (SEM des transports en commun de l'agglomération nantaise) - www.tan.fr • SEMIV (SEM immobilière de Vélizy) • SERM 68 (Société d'équipement de la région mulhousienne) - www.serm68.fr • SIDEC (Société d'ingénierie et de développement économiques) - www.sidec.fr • SIDR (Société immobilière du département de la Réunion) - www.sidr.fr • SNCF (Société nationale des chemins de fer français) - www.sncf.fr • Société d'équipement du Rhône et de Lyon (SERL) - www.serl.fr • Société d'exploitation de la Tour Eiffel (SETE) - www.tour-eiffel.fr • SOGARIS - www.sogaris.fr • Union sociale pour l'habitat (USH) - www.union-habitat.org • UPPFP (Union des Professionnels du Pôle Funéraire Public) - http://uppfp.free.fr |

Table A.3 – CEEP Members from France

| CEEP Member Organizations from GERMANY | |
|---|---|
| Organization Names | Organization Names (Continued) |
| <ul style="list-style-type: none"> • Abfallwirtschaftsbetrieb München (AWM) - www.awm-muenchen.de • BADK EUROPAREpräsentanz • Beratungsgesellschaft für Beteiligungsverwaltung Leipzig mbH (BBVL) - www.bbvl.de • Berliner Stadtreinigungsbetriebe, AöR (BSR) - www.bsr.de • Berliner Verkehrsbetriebe, AöR (BVG) - www.bvg.de • Berliner Wasserbetriebe, AöR (BWB) - www.bwb.de • Bildungszentrum für Verkehrsbetriebe GmbH (BIZEV) - www.bizev.de • Bochum-Gelsenkirchener Straßenbahnen AG (BOGESTRA) - www.bogestra.de • Bremer Straßenbahn AG (BSAG) - www.bsag.de • Bundesverband der Deutschen Gas- und Wasserwirtschaft e.V. (BGW) - www.bgw.de • Deutscher Städtetag (DST) - www.staedtetag.de • Dresdner Verkehrsbetriebe AG (DVB) - www.dvbag.de • Emschergenossenschaft/Lippeverband - www.eglv.de, www.emschergenossenschaft.de - www.lippeverband.de • ESWE Versorgungs AG - www.eswe-versorgung.de • Eurocommunale (Europabüros von DSTGB und DLT) - www.dstgb.de • Fraport AG - www.fraport.de • Gas-Union GmbH - www.gas-union.de • GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V. - www.gdw.de • Gesellschaft für öffentliche Wirtschaft e.V. (GÖW) - www.goew.de • Hallesche Verkehrs AG (HAVAG) - www.havag.de • Hanauer Straßenbahn AG - www.hsb.de • Hermann von Helmholtz-Gemeinschaft Deutscher Forschungszentren (HGF) - www.helholtz.de • HSE HEAG Südhessische Energie AG - www.heag.de • Kasseler Verkehrs- und Versorgungs GmbH (KVV) - www.kvvks.de | <ul style="list-style-type: none"> • Kommunale Wasserwerke Leipzig GmbH (KWL) - www.wasser-leipzig.de • Leipziger Verkehrsbetriebe (LVB) GmbH - www.lvb.de • Mainova AG - www.mainova.de • MVV Energie AG - www.mvv.de • RAG AG - www.rag.de • Rheinbahn AG - www.rheinbahn.de • Rostocker Straßenbahn AG (RSAG) - www.rsag-online.de • Stadtwerke Bochum GmbH - www.stadtwerke-bochum.de • Stadtwerke Düsseldorf AG - www.stadtwerke-duesseldorf.de • Stadtwerke Essen AG - www.stadtwerke-essen.de • Stadtwerke Frankfurt am Main Holding GmbH - www.swf-holding.de • Stadtwerke Köln GmbH - www.stadtwerkekoeln.de • Stadtwerke Leipzig GmbH - www.swl.de • Stadtwerke Mainz AG - www.stadtwerke-mainz.de • Stadtwerke München GmbH - www.swm.de • Stadtwerke Nordhausen – Holding für Versorgung und Verkehr GmbH - www.stadtwerke-nordhausen-gmbh.de • Stadtwerke Saarbrücken AG - www.saarbruecker-stadtwerke.de • Stuttgarter Straßenbahnen AG (SSB) - www.ssb-ag.de • StWN Städtische Werke Nürnberg GmbH - www.stwn.de • Süwag Energie AG - www.suewag.de • SWT – Stadtwerke Trier, AöR - www.stadtwerke-trier.de • Thüga AG - www.thuega.de • üstra Hannoversche Verkehrsbetriebe AG (üstra) - www.uestra.de • Verband der Elektrizitätswirtschaft e.V. (VDEW) - www.strom.de • Verband Deutscher Verkehrsunternehmen (VDV) - www.vdv.de • Verband kommunaler Unternehmen e.V. (VKU) - www.vku.de • Vereinigung der kommunalen Arbeitgeberverbände (VKA) - www.vka.de • WIBERA Wirtschaftsberatung AG - www.wibera.de |

Table A.4 – CEEP Members from Germany

| CEEP Member Organizations from GREECE | |
|--|--|
| Organization Names | Organization Names (Continued) |
| <ul style="list-style-type: none"> • ΑΣΠΡΟΦΟΣ ASPROFOS ENGINEERING S.A - www.asprofos.gr • ΑΤΤΙΚΟ ΜΕΤΡΟ ΕΤΑΙΡΕΙΑ ΛΕΙΤΟΥΡΓΙΑΣ (ΑΜΕΛ) ΑΤΤΙΚΟ ΜΕΤΡΟ OPERATION COMPANY S.A - www.amel.gr • ΓΑΙΑΟΣΕ GAI AOSE S.A • ΔΙΕΘΝΗΣ ΕΚΘΕΣΗ ΘΕΣΣΑΛΟΝΙΚΗΣ (ΔΕΘ) (D. E. TH) INTERNATIONAL – AUSTELLUNG VON THESSALONIKH • ΔΗΜΟΣΙΑ ΕΠΙΧΕΙΡΗΣΗ ΑΝΕΓΕΡΣΗΣ ΝΟΣΗΛΕΥΤΙΚΩΝ ΜΟΝΑΔΩΝ (ΔΕΠΑΝΟΜ) PUBLIC CORPORATION FOR THE CONSTRUCTION OF HOSPITAL UNITS (DEPANOM S.A) • ΕΛΛΗΝΙΚΗ ΑΕΡΟΠΟΡΙΚΗ ΒΙΟΜΗΧΑΝΙΑ (ΕΑΒ) HELLENIC AEROSPACE INDUSTRY S.A - www.haicorp.com • ΕΛΛΗΝΙΚΑ ΑΜΥΝΤΙΚΑ ΣΥΣΤΗΜΑΤΑ (ΕΑΣ) HELLENIC DEFENCE SYSTEMS S.A (EBO - PYRKAL) - www.eas.gr • ΕΤΑΙΡΕΙΑ ΘΕΡΜΙΚΩΝ ΛΕΩΦΟΡΕΙΩΝ (ΕΘΕΛ) THERMAL BUSES S.A - www.ethel.gr • ΕΘΝΙΚΟ ΑΘΛΗΤΙΚΟ ΚΕΝΤΡΟ ΝΕΟΤΗΤΑΣ ΑΓΙΟΥ ΚΟΣΜΑ NATIONAL – SPORTZENTRUM FÜR DIE JUGEND • ΕΛΛΗΝΙΚΗ ΒΙΟΜΗΧΑΝΙΑ ΟΧΗΜΑΤΩΝ (ΕΛΒΟ) HELLENIC VEHICLE INDUSTRY S.A (ELBOS.A) - www.elvo.gr • ΕΛΛΗΝΙΚΟΣ ΟΡΓΑΝΙΣΜΟΣ ΜΙΚΡΩΝ -ΜΕΣΑΙΩΝ ΕΠΙΧΕΙΡΗΣΕΩΝ ΚΑΙ ΧΕΙΡΟΤΕΧΝΙΑΣ (Ε.Ο.Μ.Μ.Ε.Χ) GRIECHISCHE FÖRDERUNGSANSTALT FÜR MITTLERE - KLEINE BETRIEBE UND HANDWERK • ΕΡΓΟΣΕ ERGA OSE S.A TOCHTER GESELLSCHAFT HELLENIC RAILWAYS • ΕΤΑΙΡΕΙΑ ΥΔΡΕΥΣΗΣ ΚΑΙ ΑΠΟΧΕΤΕΥΣΗΣ ΠΡΩΤΕΥΟΥΣΗΣ (ΕΥΔΑΠ) ATHENS WATERSUPPLY AND SEWERAGE COMPANY S.A (EYDAP SA) - www.eydap.gr • ΗΛΕΚΤΡΟΝΙΚΑ ΛΕΩΦΟΡΕΙΑ ΠΕΡΙΟΧΗΣ ΑΘΗΝΩΝ ΠΕΙΡΑΙΩΣ (ΗΑΠΑΠ) ATHENS – PIRAEUS AREA ELECTRIC BUSES | <ul style="list-style-type: none"> • ΗΛΕΚΤΡΙΚΟΙ ΣΙΔΗΡΟΔΡΟΜΟΙ ΑΘΗΝΩΝ (ΗΣΑΠΘ) ATHENS-PIRAEUS ELECTRIC RAILWAYS S.A • ΟΡΓΑΝΙΣΜΟΣ ΑΣΤΙΚΩΝ ΣΥΓΚΟΙΝΩΝΙΩΝ ΑΘΗΝΩΝ (Ο.Α.Σ.Α) ANSTALT FÜR DEN STADTVERKEHR • ΟΡΓΑΝΙΣΜΟΣ ΔΙΑΧΕΙΡΙΣΗΣ ΔΗΜΟΣΙΟΥ ΥΛΙΚΟΥ (Ο.Δ.Δ.Υ) O.D.D.W ANSTALT ZUR VERWALTUNG VON ÖFFENTLICHEN MATERIALIEN • ΟΡΓΑΝΙΣΜΟΣ ΑΠΑΣΧΟΛΗΣΗΣ ΕΡΓΑΤΙΚΟΥ ΔΥΝΑΜΙΚΟΥ (ΟΑΕΔ) MANPOWER EMPLOYMENT ORGANIZATION - www.oaed.gr • ΟΡΓΑΝΙΣΜΟΣ ΕΡΓΑΤΙΚΗΣ ΚΑΤΟΙΚΙΑΣ (ΟΕΚ) WORKERS HOUSING ORGANISATION • ΟΛΥΜΠΙΑΚΟ ΧΩΡΙΟ OLYMPIC VILLAGE • ΟΛΥΜΠΙΑΚΗ ΑΕΡΟΠΟΡΙΑ OLYMPIC AIRWAYS - SERVICES S.A • ΟΡΓΑΝΙΣΜΟΣ ΠΡΟΓΝΩΣΤΙΚΩΝ ΑΓΩΝΩΝ ΠΟΔΟΣΦΑΙΡΟΥ (ΟΠΑΠ) OPAP S.A ANSTALT FÜR PROGNOSE DER FUSSBALLSPIELE • ΟΡΓΑΝΙΣΜΟΣ ΠΡΟΩΘΗΣΗΣ ΕΜΠΟΡΙΟΥ (ΟΠΕ) ANSTALT ZUR FÖRDERUNG VON EXPORTGÜTER • ΟΡΓΑΝΙΣΜΟΣ ΛΙΜΕΝΟΣ ΗΓΟΥΜΕΝΙΤΣΑΣ PORT AUTHORITY OF IGOUMENITSA S.A • ΟΡΓΑΝΙΣΜΟΣ ΛΙΜΕΝΟΣ ΛΑΥΡΙΟΥ LAVRIO PORT AUTHORITY S.A • ΟΡΓΑΝΙΣΜΟΣ ΛΙΜΕΝΟΣ ΠΕΙΡΑΙΩΣ PIREUS PORT AUHORITY S.A • ΟΡΓΑΝΙΣΜΟΣ ΣΙΔΗΡΟΔΡΟΜΩΝ ΕΛΛΑΔΟΣ (ΟΣΕ) HELLENIC RAILWAYS • ΟΡΓΑΝΙΣΜΟΣ ΣΧΟΛΙΚΩΝ ΚΤΙΡΙΩΝ (ΟΣΚ) ANSTALT FÜR DEN BAU VON ÖFFENTLICHEN SCHULGEBÄUDE • ΠΡΟΑΣΤΙΑΚΟΣ THE GREEK SUBURBAN RAILWAY (PROASTIAKOS S.A) • ΤΑΜΕΙΟ ΕΘΝΙΚΗΣ ΟΔΟΠΟΙΑΣ (ΤΕΟ) HELLENIC HIGHWAY FUND • TRAM S.A • ΤΡΑΠΕΖΑ ΑΤΤΙΚΗΣ BANK OF ATTICA - www.atticabank.gr • HELLENIC EXHIBITIONS (HELEXRO S.A) |

Table A.5 – CEEP Members from Greece

| CEEP Members from HUNGARY | | |
|----------------------------------|----------------------|---|
| Industry | Sub-Sections | Member Organizations |
| Energy | Electricity Supply | <ul style="list-style-type: none"> • ETV ERŐTERV Power Engineering and Contractor Co. Ltd. • South-Hungarian Electricity Supply Co. Ltd. • DUNAFERR Energy Supply Co. Ltd. • Székesfehérvári Heating Power Plant Ltd. • Paksi Nuclear Power Station Co. Ltd. • System Consulting Ltd. • Dorog – Esztergom Power Station Ltd. |
| | Gas Supply Companies | - |
| | Oil Companies | <ul style="list-style-type: none"> • IZOBUTILÉN Ltd. • PETROSZOLG Ltd. • KARISZOLF Ltd. |
| Communication | Tele-communication | <ul style="list-style-type: none"> • Antenna Hungarian – Hungarian Radiocommunications Co. Ltd. • First Pest City Telephone Company Co. Ltd • TELE-DATA Ltd. • System Consulting Ltd. • Hungarian Television Ltd |
| | Post Office | <ul style="list-style-type: none"> • Hungarian Post Office Co. Ltd. • Posta-autó Debrecen Machine Repairing and Service Ltd. |
| Transport | Railway | <ul style="list-style-type: none"> • Győr-Sopron-Ebenfurt Railway Co. Ltd. • MÁV Hungarian State Railways Co. Ltd. |
| | Waterway | - |
| | Airway | MALÉV Hungarian Airlines Co. Ltd. |
| | Road | <ul style="list-style-type: none"> • Volánbusz Transporting Co. Ltd. • Borsod Volán Bus Traffic Co. Ltd. • Szabolcs Volán Bus Traffic Co. Ltd. • Alba Volán Bus Traffic Co. Ltd. • Kisalföld Volán Bus Traffic Co. Ltd. • Color Tours Ltd. • Mátra Volán Bus Traffic Co. Ltd. • Jászkun Volán Rt. • Vasi Volán Bus Traffic Co. Ltd. • Zala Volán Bus Traffic Co. Ltd. • Kapos Volán Bus Traffic Ltd. |
| Water Supply and Sewage | | <ul style="list-style-type: none"> • Tiszamenti Water Supply Co. Ltd. • North-Transdanubian Water Supply Co. Ltd. • Dunamenti Regional Water Supply Co. Ltd. • Transdanubian Regional Water Supply Co. Ltd. |

| | | |
|-------------------------|-------------|---|
| Agrarian | Agriculture | <ul style="list-style-type: none"> • Bólyi Agricultural Producing and Trading Co. Ltd. • Hidasháti Agricultural Co. Ltd. • Mezőhegyesi State Stud-Estate Co. Ltd. • Mezőhegyesi Pig-Farming and Trading Ltd. • Enyingi Agricultural Co. Ltd. • Mezőfalvai Agricultural Producing and Service Co. Ltd. • Fertő Reed Co. Ltd. • Alcsiszigeti Agricultural Co. Ltd. • Törökzentmiklósi Agricultural Co. Ltd. • Komáromi Agricultural Producing and Service Co. Ltd. • Gödöllői Model Farm Co. Ltd. • Herceghalmi Experimental Farm Co. Ltd. • Balatoni Fishery Co. Ltd. • Szombathelyi Model Farm Co. Ltd. • Abaúji Charolais Ltd. • AGROPRODUKT Agricultural Producing and Trading Co. Ltd. |
| | Forestry | <ul style="list-style-type: none"> • GemenciForest and Hunting Co. Ltd. • Kiskunsági Forestry and Wood Industrial Co. Ltd. • Southern Lowlands Forestry Co. Ltd. • Nagykunsági Forestry and Wood Industrial Co. Ltd. • Gyulaj Forestry and Hunting Co. Ltd. • Szombathelyi Forestry Co. Ltd. |
| Other Industries | | <ul style="list-style-type: none"> • BBKR Inter Ltd. • State Privatization Co. |

Table A.6 – CEEP Members from Hungary

| CEEP Member Organizations from POLAND | |
|--|--|
| Organization Names | Organization Names (Continued) |
| <ul style="list-style-type: none"> • Confederation of Polish Employers - www.kpp.org.pl : • ABB Zamech Gazpetro • All-Poland Association of Non-Public Self-Government Hospitals • All-Poland Association of Private Health Service Employers • All-Polish Motor Transportation Employers' Association • Association Of Brown Coal Producers • Association Of Employers Of Waste Management • Association Of Temporary Employment Agencies • Baker Tilly Smoczynski & Partners • Bank Gospodarstwa Krajowego • Bank Pocztowy S.A. • Betacom S.A. • Bioton S.A. • Black Coal Mining Employers' Association • Centertel – Mobile Operator • CIECH S.A. • Dom Development • EFG Eurobank Ergasias S.A. Polish Division (POLBANK EFG) • Employers' Association Of Lower Silesia • Employers' Association Of Power Distributing Plants • Energy Works Employers Association • Federation Of Light Industry Employers' • Foreign Trade Business Association • Gdańsk Employers' Association • GlaxoSmithKline Commercial • Grant Thornton • Iberia Motor Company S.A. • J.W. Construction Holding S.A. • Kujaw-Pomerania Association Of Employers and Entrepreneurs • Lotos Group S.A. • LPP S.A. Reserved • Lubelski Węgiel, Bogdanka" S.A. W Bogdance (Brown Coal Mine) • Lublin Employers' Association | <ul style="list-style-type: none"> • Lubuskie Employers' Association • Mining And Mineral Processing Employers' Association • Moore Stephens Smoczyński • P. P. H. Kompap S.A. • PKN Orlen • Podlaska Distillery Polmos S.A. • Polish Airlines LOT S.A. • Polish Chamber Of Chemical Industry – Employers' Organization • Polish Copper Employers' Association • Polish Economic Alliance – Employers' Association • Polish Employers Association of Aggregates Producers • Polish Oil & Gas Company S.A. • Polish Organization Of Employers Of People With Disabilities • Polish Post • Polish Press Agency • Polish Railway Employers' Association • Polish Ship Owners Association • Power And Heating Plant Employers' Association • Power Plant Employers' Association • Prokom Software S.A. • PROVIDENT Polska S.A. • PTK Centertel sp • Public Media Employers Association • PZU S.A. (Insurance) • Regional Employers' Association In Łódź • Siemens Sp. Z O.O. • Signity S.A. • Silesian Employers' Association • Steel Industry Employers' Association • Szczecin Employers' Association • Teatr Wielki - Polish National Opera • Tuir Warta (Insurance) • Wars S.A. • Wielkopolska Employers' Association • Wielkopolska Highway S.A. |

Table A.7 – CEEP Members from Poland

| CEEP Member Organizations from PORTUGAL | |
|---|--|
| Organization Names | Organization Names (Continued) |
| <ul style="list-style-type: none"> • Águas do Algarve, Sa - www.aguasdoalgarve.pt • Águas do Cávado, Sa - www.aguas-cavado.pt • ADP – Aguas de Portugal, Sgps, Sa - www.adp.pt • ANA – Aeroportos de Portugal, Sa - www.ana-aeroportos.pt • APA – Administração do Porto De Aveiro, Sa - www.portodeaveiro.pt • APDL – Administração dos Portos do Douro E Leixões, Sa - www.apdl.pt • APL – Administração do Porto de Lisboa, Sa - www.portodelisboa.pt • APS – Administração do Porto de Sines, Sa - www.portodesines.pt • AQUAPOR – Serviços, Sa - www.lusagua.pt • Banco BPI • BRISA – Auto Estradas de Portugal, Sa - www.brisa.pt • CGD – Caixa Geral de Depósitos, Sa - www.cgd.pt • Companhia Carris de Ferro de Lisboa, Sa - www.carris.pt • CP– Caminhos de Ferro Portugueses, Ep - www.cp.pt • CTT Correios de Portugal, Sa - www.ctt.pt • EDA – Electricidade dos Açores, Sa - www.eda.pt • EDP – Energias de Portugal, Sa - www.edp.pt • EEM – Empresa de Electricidade da Madeira, Sa - www.eem.pt • EGF – Empresa Geral de Fomento, Sa - www.egf.pt • EMARLIS – Empresa Municipal de Aguas Residuais de Lisboa, Em - emarlis@emarlis.pt • EP – Estradas de Portugal, E.P.E. - www.estradasdeportugal.pt • EPAL – Empresa Portuguesa das Aguas Livres, Sa - www.epal.pt • EPUL – Empresa Pública de Urbanização de Lisboa, Ep - www.epul.pt • FARO, Gestão de Águas e Resíduos - www.sm-faro.pt | <ul style="list-style-type: none"> • FINANGESTE – Empresa Finan. de Gestão E Desenvolv., Sa - www.finangeste.pt • GALP Energia, Sa - www.galpenergia.com • GENERG, Sgps, Sa - www.generg.pt • GEBALIS - Gestão dos Bairros Municipais de Lisboa - www.gebalis.pt • Hospital Nossa Senhora do Rosário, E.P.E. – Barreiro - www.hbarreiro.min-saude.pt • IEFP – Instituto do Emprego e Formação profissional - www.iefp.pt • INCI – Instituto da Construção e do Imobiliario - www.inci.pt • INCM – Imprensa Nacional - Casa da Moeda, Sa - www.incm.pt • INE – Instituto Nacional de Estatística - www.ine.pt • INSTITUTO ANTÓNIO SÉRGIO do Sector Cooperativo - www.inscoop.pt • INSTITUTO do Emprego e Formacao Profissional - www.iefp.pt • METROPOLITANO de Lisboa - www.metrolisboa.pt • MONTEPIO Geral - www.montepiogeral.pt • NAV – Navegação Aérea de Portugal, Epe - www.nav.pt • PARPUBLICA – Participações Públicas, Sgps, Sa - www.parpublica.pt • QUIMIPARQUE – Parques Empresariais, Sa - www.quimiparque.pt • REFER – Rede Ferroviária Nacional, Ep - www.refer.pt • REN – Rede Eléctrica Nacional, Sa - www.ren.pt • SERVIÇOS Municipalizados da Água e saneamento de sintra - www.smas-sintra.pt • SIMTEJO - Saneamento Integrado dos Municípios do Tejo e Trancão, SA • SMA – Serviços Municipalizados de Aveiro - www.smaveiro.pt • TRANSTEJO – Transportes do Tejo, Sa - www.transtejo.pt |

Table A.8 – CEEP Members from Portugal

| CEEP Member Organizations from ROMANIA | |
|---|--|
| Organization Names | |
| <ul style="list-style-type: none"> • FNPSPR - The National Employer’s Federation of the Public Services Operators of Romania • Bucharest – Baneasa International Airport - http://www.baneasa.aero • Bucharest Metro Underground Transport Company - http://www.metrorex.ro • Bucharest – Otopeni International Airport “Henri Coanda” - http://www.otp-airport.ro • Constantza International Airport “Mihail Kogalniceanu” - http://www.aic.ro • Liga Cittadina (Cities League) • National Association of Cadastre Companies • National Company of the Black Sea Ports • National Employer’s Union of IT & C Services Operators • National Railways Company of Romania – CFR - http://www.cfr.ro • National Stock Exchange Brokers Association • National Taxi Drivers Association • National Union of Romanian Transporters • Romanian District Heating Employers Association • Romanian League of Real – Estate Companies • Romanian Pharmacists Association • Romanian Solid Waste Management Employers Association • Romanian Water Employers Association • Telemobile National Telecommunication Company • Timisoara International Airport “Traian Vuia” - http://www.aerotim.ro | |

Table A.9 – CEEP Members from Romania

| CEEP Members from SLOVAK REPUBLIC | |
|--|---|
| Sectors | Member Organizations |
| Transport | <ul style="list-style-type: none"> • Association of Road Transporters - www.nad820.sk (link temporarily down) • Železničná spoločnosť Cargo Slovakia, a. s. - www.zscargo.sk • Železničná spoločnosť Slovensko, a. s. - www.slovakrail.sk • Railway Repair Shops and Machine Works, Trnava, s.h.c. - www.zos.sk • Railway Repair Shops and Machine Works, Vrútky, s.h.c. - www.zos-vrutky.sk • AVOKOV - Association of Repairing Motor Railway Engines and Motor Railcars Companies - www.zoszv.sk • WAGON SLOVAKIA Košice, a.s. - www.wgske.sk • Automatizácia železničnej dopravy Bratislava, a. s. - www.azd-ba.sk • Zvolenská železničná, a. s. - www.zzas.sk • Želsys, a. s. Transport Specialised Technology Assembly Company - www.luxorka.sk • METRANS (Danubia), a. s. - www.metrans.cz • SKD INTRANS, a. s. - www.intrans.sk • AIR SLOVAKIA BWJ, Ltd - www.airlovakia.sk • Transport Research Institute, Inc., Žilina, SR - www.vud.sk • ŠPED - TRANS Levice, a. s. - www.sped-trans.sk • Association of road transport operators of the Slovak Republic - www.cesmad.sk • Slovak transport society at the Slovak Academy of Sciences - www.sav.sk • Association of Employers of Public Transport in Slovakia - www.mhd.sk • Slovak Truck-Bus Repair Company - www.sao.sk • Association of Bus Transport • Association of Logistics and Freight Forwarding of the Slovak republic - www.zlz.sk |
| Infrastructure | <ul style="list-style-type: none"> • Railways of the Slovak Republic - www.zsr.sk • Slovak Road Administration - www.ssc.sk • National Motorway Company - www.ndsas.sk • TSS, a. s. Construction, repairs and maintenance of rail superstructure - tss@isternet.sk • STADEx, s. r. o. Realisation of Transport Constructions, Ltd - stadex@iol.sk |
| Communications | <ul style="list-style-type: none"> • Slovenská pošta, a. s. - www.posta.sk • Slovak Telekom, a. s. - www.telecom.sk • T-Mobile Slovensko, a. s. - www.t-mobile.sk • Research Institute of Posts and Telecommunications s.h.c. - www.vus.sk |

| | |
|------------------|---|
| Education | <ul style="list-style-type: none"> • Vocational Secondary School of Railways in Bratislava - www.souzelba.edu.sk • Vocational Secondary School of Railways in Trnava - souzett@szm.sk • Vocational Secondary School of Railways in Košice - souz_ke@zsr.sk • Secondary Specialist Railway Training Centre in Trenčín - www.souztn.sk • Secondary Technical School of Transport Bratislava - www.zssd-ba.sk • Secondary Technical School of Transport Martin – Priekopa - www.zssd-mt.edu.sk |
|------------------|---|

Table A.10 – CEEP Members from Slovak Republic

| CEEP Member Organizations from SPAIN |
|---|
| Organization Names |
| <ul style="list-style-type: none"> • Administrador de Infraestructuras Ferroviarias (ADIF) - www.adif.es • Aeropuertos Españoles y Navegación Aérea (AENA) - www.aena.es • Consorcio Regional de Transportes Publicos Regulares de Madrid- www.ctm-madrid.es • D.G. Patrimonio del Estado • ELIGE, Asociación de Empresas Locales de Interés General - www.redelige.com • Ente Público Puertos del Estado - www.puertos.es • Entidad Pública Empresarial de Suelo (SEPES) - www.sepes.es • Fábrica Nacional de Moneda y Timbre, S.A. - www.fnmt.es • Ferrocarriles Vascos - www.euskotren.es • Ferrocarriles de Vía Estrecha (FEVE) - www.feve.es • Instituto de Crédito Oficial (ICO) - www.ico.es • Instituto Madrileño de Desarrollo (IMADE) - www.madrid.org/imade • Red Eléctrica de España, S.A. (REE) - www.ree.es • RENFE Operadora - www.renfe.es • Sociedad Estatal Correos y Telégrafos, S.A. - www.correos.es • Sociedad Estatal de Participaciones Industriales (SEPI) - www.sepi.es |

Table A.11 – CEEP Members from Spain

| CEEP Member Organizations from TURKEY | |
|--|--|
| Organization Names | |
| <ul style="list-style-type: none"> • Union of Turkish Public Enterprises (T.B.I.K.) • ARAS Elektrik Dağıtım A.Ş. - Distribution of ARAS Electricity Incorporation • BELKO A.Ş - Ankara Coal & Asphalt Enterprises Industry & Trade Ltd. - www.belko.com.tr • BOTAŞ - Boru Hatları ile Petrol Taşıma A.Ş. - Petroleum Pipeline Corporation - www.botas.gov.tr • BUGSAŞ – Başkent Ulaşım ve Doğalgaz Hizmetleri Proje Taahhüt A.Ş. - Başkent Services of Communication & Natural Gas Projects Engagement Incorporation - www.bugsas.com.tr • DMO - Devlet Malzeme Ofisi - The State Supply Office - www.dmo.gov.tr • Eti Mining Enterprises - www.etiholding.gov.tr • EÜAŞ - Türkiye Elektrik Üretim A.Ş. - Turkish Electricity Manufacturing Incorporation - www.euas.gov.tr • HEAŞ – Hamitabad Elektrik Üretim A.Ş. - Hamitabad Electricity Manufacturing Incorporation - www.heas.gov.tr • KEAŞ - Kemerköy Electricity Manufacturing Incorporation • KİAŞ - Kömür İşletmeleri A.Ş.- Coal Enterprises Incorporation • MKEK - Makine ve Kimya Endüstrisi Kurumu - Mechanical & Chemical Industry Institution - www.mkek.gov.tr • POSTA İŞLETMELERİ GENEL MÜDÜRLÜĞÜ - General Management of Post Operation - www.ptt.gov.tr • SEKA - Türkiye Selüloz ve Kağıt Sanayii Fabrikaları - Turkish Cellulose & Paper Industry Incorporation - www.seka.gov.tr • SEAŞ - Soma Elektrik Üretim A.Ş. - Soma Electricity Manufacturing Incorporation • STM - Defence Engineering of Technologies and Trade Incorporation - www.stm.com.tr • TCDD - Turkish Republic State Railways - www.tcdd.gov.tr • TEDAŞ - Türkiye Elektrik Dağıtım A.Ş. • Distribution of Turkish Electricity Incorporation - www.tedas.gov.tr • TEİAŞ - Conduction of Turkish Electricity Incorporation - www.teias.gov.tr • TEMSAN - Turkish Electromechanics Industry Incorporation - www.temsan.gov.tr • TETAŞ - Turkish Electricity Trade & Engagement Incorporation - www.tetas.gov.tr • TİGEM – General Management of Agricultural Enterprises • TKİ - Turkish Coal Enterprises - www.tki.gov.tr • TMO - General Management of Soil Crop Office - www.tmo.gov.tr • TREDAS – Trakya Distribution of Turkish Electricity Incorporation • YENİKÖY Elektrik Üretim & Tic. A.Ş. - Yeniköy Electricity Manufacturing Incorporation • YEŞİLIRMAK EDAŞ – Yeşilırmak Elektrik Dağıtım A.Ş. - Yeşilırmak Distribution of Turkish Electricity Incorporation | |

Table A.12 – CEEP Members from Turkey

| CEEP Member Organizations from the UNITED KINGDOM |
|--|
| Organization Names |
| <ul style="list-style-type: none"> • Association of London Government - www.alg.gov.uk • East of England Regional Assembly - www.eera.gov.uk • East Midlands Regional LGA - www.emrgla.gov.uk • LGMB Yorkshire and Humberside Region - www.lgmb-yh.co.uk • North Eastern Regional Employers' Association - www.nereo.co.uk • North Western Local Authorities' Employers' Association - www.nweo.org.uk • South East Employers - www.seemp.co.uk • South West Regional Assembly - www.southwestra.gov.uk • West Midlands Local Government Association - www.wmlga.gov.uk • Local Government Employers - www.lg-employers.gov.uk • NHS Employers' Organisation - www.nhs.employers.org • Northern Ireland Local Government Association - www.nilga.org • Public Sector People Managers' Association - www.ppma.org.uk • The Local Government Association (England and Wales) - www.lga.gov.uk • The Cabinet Office - www.cabinet-office.gov.uk • Transport for London - www.tfl.gov.uk • Universities and Colleges Employers' Association - www.ucea.ac.uk |

Table A.13 – CEEP Members from the United Kingdom

APPENDIX –II.2

Member Organizations of UEAPME

| Country | Full Membership | | Associate Members | | |
|-------------------------------|--|--------------|--|---------------------------|--------|
| | Member | Merger Group | Non-EU Countries | EU-Sectoral Organizations | Others |
| Austria | <ul style="list-style-type: none"> • Wirtschaftskammer Österreich - WKÖ | | | Refer to Table B.1 | |
| Albania | | | <ul style="list-style-type: none"> • KOP-CONFINCOM | | |
| Belgium | <ul style="list-style-type: none"> • Unie van Zelfstandige Ondernemers – UNIZO • Union des Classes Moyennes - UCM | | | | |
| Bosnia and Herzegovina | | | <ul style="list-style-type: none"> • Association of Employers of B&H – APBIH | | |
| Bulgaria | <ul style="list-style-type: none"> • Nationale Handwerkerskamer Bulgarien • Union for Private Economic Enterprise - UPEE | | | | |
| Croatia | | | <ul style="list-style-type: none"> • Hrvatska Obrtnicka Komora HOK • Confederation of Croatian Industry and Entrepreneurs CCIE • SME Association of the Croatian Employers' Association | | |
| Cyprus | <ul style="list-style-type: none"> • Cyprus Chamber of Commerce and Industry | | | | |

| Country | Full Membership | | Associate Members | | |
|-----------------------|---|--------------|-------------------|---------------------------|---|
| | Member | Merger Group | Non-EU Countries | EU-Sectoral Organizations | Others |
| Czech Republic | <ul style="list-style-type: none"> • Association of Small and Medium sized Entreprises and Crafts of Czech Republic - AMSP-CR • Sdružení podnikatelů a živnostníků České republiky – SPCR • Economic Chamber of the Czech Republic- ECCR | | | Refer to Table B.1 | |
| Denmark | <ul style="list-style-type: none"> • Håndværksrådet | | | | |
| Estonia | <ul style="list-style-type: none"> • Estonian Association of Small and Medium Sized Enterprise – EVEA | | | | |
| Europe | | | | | <ul style="list-style-type: none"> • Jeunes Entrepreneurs de l'Union Européenne – JEUNE • Female Europeans of Medium and Small Enterprises – FEM • Balkan SME Office |
| Finland | <ul style="list-style-type: none"> • SY - The Federation of Finnish Enterprises – FFE | | | | |
| France | <ul style="list-style-type: none"> • Assemblée Permanente des Chambres de Métiers – APCM • Union Professionnelle de l'Artisanat – UPA • Confédération Générale des Petites et Moyennes Entreprises - CGPME | | | | <ul style="list-style-type: none"> • Banque Fédérale des Banques Populaires |
| Germany | <ul style="list-style-type: none"> • Zentralverband des Deutschen Handwerks and Bundesvereinigung der | | | | <ul style="list-style-type: none"> • SIGNAL IDUNA GRUPPE- |

| Country | Full Membership | | Associate Members | | |
|----------------|--|--|-------------------|---------------------------|---|
| | Member | Merger Group | Non-EU Countries | EU-Sectoral Organizations | Others |
| | <ul style="list-style-type: none"> Fachverbände des Deutschen Handwerks - ZDH and BFH • Bundesverband der Selbständigen/ Deutscher Gewerbeverband e.V. - BDS/DGV e.V. | | | Refer to Table B.1 | Unternehmensverbindungen Handwerk, Handel und Gewerbe |
| Greece | <ul style="list-style-type: none"> • Hellenic Confederation of Professionals, Craftsmen and Merchants (G.S.E.V.E.E.) | | | | |
| Hungary | <ul style="list-style-type: none"> • Ipartestületek Országos Szövetsége – IPOSZ • Kereskedők Es Vendéglátók Országos Erdekepviseleti Szövetsége- KISOSZ • Magyar Iparszövetség – OKISZ | | | | |
| Ireland | <ul style="list-style-type: none"> • Irish Small and Medium Enterprises Association – ISME • Small Firms Association - SFA | | | | |
| Italy | <ul style="list-style-type: none"> • Confederazione Generale Italiana dell'Artigianato – CONFARTIGIANATO • Confederazione Italiana della Piccola e Media Industria – CONFAPI • Confederazione Nazionale dell'Artigianato e delle Piccole e Medie Imprese – CAN • Confederazione Italiana Esercenti | <ul style="list-style-type: none"> • Confederazione Autonoma Sindacati Artigiani - CASA | | | |

| Country | Full Membership | | Associate Members | | |
|----------------------|--|--------------|---|---------------------------|---------------------------------|
| | Member | Merger Group | Non-EU Countries | EU-Sectoral Organizations | Others |
| | Attività Commerciali Turistiche e dei Servizi –CONFESERCENTI | | | Refer to Table B.1 | |
| Latvia | • Latvian Chamber of Craft - LAK | | | | |
| Liechtenstein | | | • Wirtschaftskammer Liechtenstein | | |
| Lithuania | • Lithuanian Business Employers Confederation – LVDK | | | | |
| Luxembourg | • Chambres des Métiers du Grand Duché de Luxembourg • Fédération des Artisans – FDA | | | | • Mutualité d'aide aux artisans |
| Malta | • GRTU - Malta Chamber of Small and Medium Enterprises | | | | |
| Montenegro | | | • Montenegrin Association of Craft, Small and Medium-sized Enterprises (MACSME) | | |
| Netherlands | • Koninklijke Vereniging MKB-Nederland | | | | |
| Norway | | | • HBL- The Norwegian Federation of Craft Enterprises | | |
| Poland | • Związek Rzemioska Polskiego - ZRP | | | | |
| Portugal | • Associação Industrial Portuguesa - AIP | | | | |
| Romania | • Consiliul National al Intreprinderilor Private Mici si Mijlocii din Romania – | | | | |

| Country | Full Membership | | Associate Members | | |
|-----------------------|--|--|--|---------------------------|---|
| | Member | Merger Group | Non-EU Countries | EU-Sectoral Organizations | Others |
| | CNIPMMR | | | Refer to Table B.1 | |
| San Marino | | | <ul style="list-style-type: none"> • Unione Nazionale Artigiani della Repubblica di San Marino – UNAS | | |
| Serbia | | | <ul style="list-style-type: none"> • Serbian Association of Small and Medium Entreprises – SASME | | |
| Slovakia | <ul style="list-style-type: none"> • Slovensk Zivnostensk Zväz - SZZ | | | | |
| Slovenia | <ul style="list-style-type: none"> • OBRTNA ZBORNICA SLOVENIJE – OZS | | | | |
| Spain | <ul style="list-style-type: none"> • Federación Española de Autónomos – CEAT • Confederación Española de la Pequeña y Mediana Empresa - CEPYME | <ul style="list-style-type: none"> • Confederació de la Petita i Mitjana Empresa de Balears - PIME Balears • Petita i Mitjana Empresa de Catalunya - PIMEC | | | |
| Sweden | <ul style="list-style-type: none"> • Företagarna | | | | |
| Turkey | | | <ul style="list-style-type: none"> • Türkiye Esnaf ve Sanatkarları Konfederasyonu – TESK | | |
| United Kingdom | | | | | <ul style="list-style-type: none"> • The Association of Chartered Certified Accountants - ACCA |

| Country | Full Membership | | Associate Members | | |
|---------|-----------------|--------------|-------------------|---------------------------|--------|
| | Member | Merger Group | Non-EU Countries | EU-Sectoral Organizations | Others |
| | | | | Refer to Table B.1 | |

Source: UEAPME Website, http://www.ueapme.com/EN/ueapme_fullmembers.shtml, http://www.ueapme.com/EN/ueapme_associate.shtml, (retrieved on May 12, 2008, from World Wide Web: URL).

| UEAPME Associate Members- European Sectoral Organizations | |
|--|--|
| Sectors | Member Organizations |
| Construction | <ul style="list-style-type: none"> • European Metal Union / Union Européenne du Métal – EMU • European Federation of Chimney-Sweeps - ESCHFÖ • European Construction Wood Federation • EuroWindow • International Association of Building Service Contractors – FIDEN • International Federation for the Roofing Trade – IFD • European Builders Confederation – EBC • Comité Européen des Equipements Techniques du Bâtiment – CEETB • Génie Climatique International - Union Internationale de la Plomberie et de la Couverture - GCI-UICP • Union Internationale des Entrepreneurs de Peinture – UNIEP • European Union of Tile Fixers' Associations - EUF |
| Foodstuff | <ul style="list-style-type: none"> • Confédération Européenne des organisations nationales de la Boulangerie et de la Pâtisserie - CEBP |
| Health-Care | <ul style="list-style-type: none"> • Confédération Européenne des Professionelles de l'Esthétique Cosmetique – CEPEC • Coiffure EU • Fédération Européenne et Internationale des Patrons Prothésistes Dentaires - FEPPD – Eurodesk • International Association of Orthotists and Prosthetists - INTERBOR |
| Tourism | <ul style="list-style-type: none"> • European Caravan Federation c/o Caravaning Industrie Verband • European Standard Travel Agent Registry - ESTAR |
| Service | <ul style="list-style-type: none"> • European Federation of Accountants and Auditors for SME's – EFAA • European Federation of Funeral Services – EFFE • Association Internationale des Réparateurs en Carrosserie - A.I.R.C. • PIN-SME |
| | |
| | |

Table B.1 – UEAPME Associate Members- European Sectoral Organizations

APPENDIX –II.3

| Members of ETUC | | |
|-----------------------------|----------------|--|
| Status | Country | Member Organizations |
| Member Organizations | Andorra | USDA Trade Union Andorra (Unió Sindical D'Andorra) |
| | Austria | OGB Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund) |
| | Belgium | <ul style="list-style-type: none"> • ABVV / FGVB General Labour Federation of Belgium (Algemeen Belgisch Vakverbond / Fédération Générale du Travail de Belgique) • ACV / CSC Confederation of Christian Trade Unions (Algemeen Christelijk Vakverbond / Confédération des Syndicats Chrétiens) • CGSLB General Confederation of Liberal Trade Unions of Belgium (Centrale Générale des Syndicats Libéraux de Belgique) |
| | Bulgaria | <ul style="list-style-type: none"> • CITUB Confederation of Independent Trade Unions of Bulgaria • PODKREPA Confederation of Labour |
| | Croatia | SSSH / UATUC Union of Autonomous Trade Unions of Croatia (Saveza Samostalnih Sindicata Hrvatske) |
| | Cyprus | <ul style="list-style-type: none"> • SEK Cyprus Workers' Confederation (Synomospondia Ergaton Kyprou) • DEOK The Democratic Labour Federation of Cyprus • TURK-SEN (Turkish Workers' Trade Union Federation) (Kıbrıs Türk İşçi Sendikaları Federasyonu) |
| | Czech Republic | CMK OS Czech Moravian Confederation of Trade Unions |
| | Denmark | <ul style="list-style-type: none"> • AC Danish Confederation of Professional Associations (Akademikernes Centralorganisation) • FTF Salaried Employees' and Civil Servants' Confederation |

| | | |
|--|---------|--|
| Member Organizations (continued...) | | (Funktionærernes og Tjenestemændenes Fællesråd) <ul style="list-style-type: none"> • LO-DK Danish Confederation of Trade Unions (Landesorganisationen i Danmark) |
| | Estonia | <ul style="list-style-type: none"> • EAKL Association of Estonian Trade Unions Eesti Ametiühingute Keskliit • TALO Estonian Employees' Unions' Association (Teenistujate Ametiliitude Organisatsioon) |
| | Finland | <ul style="list-style-type: none"> • AKAVA Confederation of Unions for Academic Professionals in Finland • SAK Central Organisation of Finnish Trade Unions (Suomen Ammattiliittojen Keskusjärjestö) • STTK Finnish Confederation of Salaried Employees (Toimihenkilökeskusjärjestö) |
| | France | <ul style="list-style-type: none"> • CFDT French Democratic Confederation of Labour (Confédération Française Démocratique du Travail) • CFTC French Confederation of Christian Workers (Confédération Française des Travailleurs Chrétiens) • CGT General Confederation of Labour (Confédération Générale du Travail) • FO General Confederation of Labour - Workers' Power (Confédération Générale du Travail - Force Ouvrière) • UNSA National Union of Autonomous Trade Unions (Union Nationale des Syndicats Autonomes) |
| | Germany | DGB German Confederation of Trade Unions (Deutscher Gewerkschaftsbund Bundesvorstand) |
| | Greece | <ul style="list-style-type: none"> • ADEDY Confederation of Greek Civil Servants' Trade Unions (Anotati Diikisis Enoseon Dimosion Ypallilon) • GSEE Greek General Confederation of Labour (Geniki Synomospondia Ergaton Ellados) |
| | Hungary | <ul style="list-style-type: none"> • ASzSz Autonomous Trade Union Confederation • LIGA Democratic League of Independent Trade Unions • MOSz National Federation of Workers' Councils • MSzOSz National Confederation of Hungarian Trade |

| | | |
|--|---------------|--|
| Member Organizations (continued...) | | <p>Unions</p> <ul style="list-style-type: none"> • SZEFE Forum for the Co-operation of Trade Unions (Szakszervezetek Együttműködési Fóruma) • ÉSZT Confederation of Unions of Professionals (Értelmiségi Szakszervezeti Tömörülés) |
| | Iceland | <ul style="list-style-type: none"> • ASI Icelandic Confederation of Labour (Alþýðusamband Íslands) • BSRB Confederation of State and Municipal Employees (Bandalag Starfsmanna Ríkis og Baeja) |
| | Ireland | ICTU Irish Congress of Trade Unions |
| | Italy | <ul style="list-style-type: none"> • CGIL Italian General Confederation of Labour (Confederazione Generale Italiana del Lavoro) • CISL Italian Confederation of Workers' Trade Unions (Confederazione Italiana Sindacati Lavoratori) • UIL Italian Union of Labour (Unione Italiana del Lavoro) |
| | Latvia | LBAS Union of Independent Trade Unions of Latvia (Latvijas Brīvo Arodbiedrību Savienība) |
| | Liechtenstein | LANV Liechtenstein Federation of Employees (Liechtensteinischer ArbeitnehmerInnenverband) |
| | Lithuania | <ul style="list-style-type: none"> • LDF Lithuanian Labour Federation (Lietuvos Darbo Federacija) • LPSK / LTUC) Lithuanian Trade Union Confederation (Lietuvos Profesinių Sąjungų Konfederacija) • LPSS (LDS) Lithuanian Trade Union "Solidarumas" (Lietuvos Darbininkų Sąjunga) |
| | Luxembourg | <ul style="list-style-type: none"> • CGT-L General Confederation of Labour of Luxembourg (Confédération Générale du Travail de Luxembourg) • LCGB Luxembourg Christian Trade Union Confederation (Lëtzebuurger Chrëschtliche Gewerkschafts-Bond) |
| | Malta | <ul style="list-style-type: none"> • CMTU Confederation of Malta Trade Unions • GWU General Workers' Union |
| | Monaco | USM Union of Monaco Trade Unions (Union Syndicale de Monaco) |

| | | |
|--|-------------|---|
| Member Organizations (continued...) | Netherlands | <ul style="list-style-type: none"> • CNV National Federation of Christian Trade Unions (Christelijk Nationaal Vakverbond) • FNV Netherlands Trade Union Confederation (Federatie Nederlandse Vakbeweging) • MHP Trade Union Federation for Middle Classes and Higher Level Employees (Vakcentrale voor middengroepen en hoger personeel) |
| | Norway | <ul style="list-style-type: none"> • LO-N Norwegian Confederation of Trade Unions (Landsorganisasjonen i Norge) • YS Confederation of Vocational Trade Unions (Yrkesorganisasjonenes Sentralforbund) • UNIO The Confederation of Unions for the Professionals |
| | Poland | <ul style="list-style-type: none"> • NSZZ Solidarnosc Independent and Self-Governing Trade Union "Solidarnosc" (Niezalezny Samorządny Związek Zawodowy "Solidarnosc") • OPZZ All-Poland Alliance of Trade Unions (Ogólnopolskie Porozumienie Związków Zawodowych) |
| | Portugal | <ul style="list-style-type: none"> • CGTP-IN General Confederation of Portuguese Workers (Confederação Geral dos Trabalhadores Portugueses) • UGT-P General Workers' Union - Portugal (União Geral de Trabalhadores) |
| | Romania | <ul style="list-style-type: none"> • BNS The National Trade Unions Block • CARTEL ALFA National Trade Union Confederation - Cartel ALFA (Confederatia Națională Sindicală) • CNSLR-Fratia National Confederation of Free Trade Unions of Romania - FRATIA • CSDR Democratic Trade Union Confederation of Romania |
| | San Marino | <ul style="list-style-type: none"> • CSdl San Marino Labour Confederation (Confederazione Sammarinese del Lavoro) • CDLS Democratic Confederation of San Marino workers (Confederazione Democratica lavoratori Sammarinese) |

| | | |
|--|-------------|--|
| Member Organizations (continued...) | Slovakia | KOZ SR Confederation of Trade Unions of the Slovak Republic |
| | Slovenia | ZSSS Slovenian Association of Free Trade Unions (Zveza Svobodnih Sindikatov Slovenije) |
| | Spain | <ul style="list-style-type: none"> • CC.OO Trade Union Confederation of Workers' Commissions (Confederación Sindical de Comisiones Obreras) • STV-ELA Basque Workers' Union (Solidaridad de Trabajadores Vascos Eusko Langileen Alkartasuna) • UGT-E General Workers' Union - Spain (Union General de Trabajadores) • USO Workers' Union - Spain (Union Sindical Obrera) |
| | Sweden | <ul style="list-style-type: none"> • LO-S Swedish Trade Union Confederation (Landsorganisationen i Sverige) • SACO Swedish Confederation of Professional Associations (Sveriges Akademikers Centralorganisation) • TCO Swedish Confederation of Professional Employees (Tjänstemännens Centralorganisation) |
| | Switzerland | <ul style="list-style-type: none"> • Travail Suisse (Organisation faîtière des travailleurs. Dachorganisation der Arbeitnehmenden) • SGB Swiss Federation of Trade Unions (Schweizerischer Gewerkschaftsbund/Union Syndicale Suisse/Unione Sindacale Svizzera) |
| | Turkey | <ul style="list-style-type: none"> • DISK (Confederation of Progressive Trade Unions of Turkey) (Türkiye Devrimci İşçi Sendikaları Konfederasyonu) • HAK-IS Confederation of Turkish Real Trade Unions (Türkiye Hak İşçi Sendikaları Konfederasyonu) • KESK Confederation of Public Employees' Trade Unions (Kamu Emekçileri Sendikaları Konfederasyonu) |

| | | |
|---|--|--|
| Member Organizations (continued...) | | <ul style="list-style-type: none"> • TURK-IS Confederation of Turkish Trade Unions (Türkiye İşçi Sendikaları Konfederasyonu) |
| | United Kingdom | TUC Trades Union Congress |
| Observer Organizations | Bosnia and Herzegovina | CTUBiH Confederation of Trade Unions of Bosnia and Herzegovina |
| | Fyrom (Former Yugoslavic Republic of Macedonia) | SSM Federation of Trade Unions of Macedonia |
| | Serbia | NEZAVISNOST “Independence” Trade Union Confederation |
| European Observer Organizations | | <ul style="list-style-type: none"> • <u>EAEA</u> European Arts and Entertainment Alliance • <u>EUROCOP</u> European Confederation of Police • <u>EFBWW/FETBB</u> European Federation of Building and Woodworkers • <u>EFFAT</u> European Federation of Food, Agriculture and Tourism Trade Unions • <u>EFJ/FEJ</u> European Federation of Journalists • <u>EMCEF</u> European Mine, Chemical and Energy Workers’ Federation • <u>EMF/FEM</u> European Metalworkers’ Federation • <u>EPSU</u> European Federation of Public Service Unions • <u>ETF</u> European Transport Workers’ Federation • <u>ETUCE/CSEE</u> European Trade Union Committee for Education • <u>ETUF-TCL/FSE-THC</u> European Trade Union Federation - Textiles Clothing and Leather • <u>UNI-EUROPA</u> Union Network International |

Source: ETUC Website, <http://www.etuc.org/r/13>, (retrieved on May 12, 2008, from World Wide Web: URL).

APPENDIX –II.4

| Members of BUSINESSEUROPE | |
|----------------------------------|--|
| Country | Member Organizations |
| Austria | <ul style="list-style-type: none"> • Industriellenvereinigung - I.V. |
| Belgium | <ul style="list-style-type: none"> • Fédération des Entreprises de Belgique - Verbond van Belgische Ondernemingen - FEB-VBO |
| Bulgaria | <ul style="list-style-type: none"> • Bulgarian Industrial Association - Union of the Bulgarian Business – BIA |
| Switzerland | <ul style="list-style-type: none"> • Fédération des entreprises suisses – Economiesuisse Confederation of Swiss Employers |
| Croatia | <ul style="list-style-type: none"> • Croatian Employers' Association (Hrvatska Udruga Poslodavaca) – HUP |
| Cyprus | <ul style="list-style-type: none"> • Employers & Industrialists Federation Cyprus – OEB |
| Czech Republic | <ul style="list-style-type: none"> • Confederation of Industry of the Czech Republic Svaz průmyslu a dopravy České republiky – SPCR |
| Germany | <ul style="list-style-type: none"> • Bundesverband der Deutschen Industrie e.V. – BDI • Bundesvereinigung der Deutschen Arbeitgeberverbände e.V. – BDA |
| Denmark | <ul style="list-style-type: none"> • Confederation of Danish Industries – DI |
| Spain | <ul style="list-style-type: none"> • Confédération des Employeurs Espagnols – CEOE |
| Estonia | <ul style="list-style-type: none"> • Estonian Employers' Confederation – ETTK |
| France | <ul style="list-style-type: none"> • Mouvement des Entreprises de France – MEDEF |
| Finland | <ul style="list-style-type: none"> • Confederation of Finnish Industries – EK |
| United Kingdom | <ul style="list-style-type: none"> • Confederation of British Industry – CBI |
| Greece | <ul style="list-style-type: none"> • Hellenic Federation of Enterprises – SEV Munkaadók és Gyáriparosok Országos |
| Italy | <ul style="list-style-type: none"> • Confederazione Generale dell' Industria Italiana – CONFINDUSTRIA |
| Ireland | <ul style="list-style-type: none"> • Irish Business and Employers Confederation – IBEC |
| Iceland | <ul style="list-style-type: none"> • Federation of Icelandic Industries - SI (Samtök idnadarins) • Confederation of Icelandic Employers - SA (Samtök atvinnulífsins) |
| Luxembourg | <ul style="list-style-type: none"> • Fédération des Industriels Luxembourgeois – FEDIL |
| Lithuania | <ul style="list-style-type: none"> • Lithuanian Confederation of Industrialists – LPK |
| Latvia | <ul style="list-style-type: none"> • Employers' Confederation of Latvia – LDDK |
| Malta | <ul style="list-style-type: none"> • Malta Federation of Industry – MFOI |
| Norway | <ul style="list-style-type: none"> • Confederation of Norwegian Enterprise – NHO |

| | |
|--------------------|---|
| Netherlands | <ul style="list-style-type: none"> • Vereniging VNO-NCW |
| Portugal | <ul style="list-style-type: none"> • Associação Industrial Portuguesa – AIP • Confederação da Indústria Portuguesa – CIP |
| Poland | <ul style="list-style-type: none"> • Polish Confederation of Private Employers Lewiatan - PKPP Lewiatan |
| Romania | <ul style="list-style-type: none"> • Alianta Confederatiilor Patronale din Romania – ACPR |
| San Marino | <ul style="list-style-type: none"> • Associazione Nazionale dell'Industria Sammarinese-ANIS |
| Sweden | <ul style="list-style-type: none"> • Svenskt Näringsliv (Confederation of Swedish Enterprise) – SN |
| Slovakia | <ul style="list-style-type: none"> • Republikova Unia Zamestnavatelov (RUZ) |
| Slovenia | <ul style="list-style-type: none"> • Združ enje Delodajalcev Slovenije - ZDS (Employers' Association of Slovenia) |
| Turkey | <ul style="list-style-type: none"> • Turkish Industrialists' and Businessmen's Association – TÜSIAD • Turkish Confederation of Employer Associations - TISK |

Source: BUSINESSEUROPE Website,
<http://www.businesseurope.eu/Content/Default.asp?PageID=415>(retrieved on May 12, 2008, from World Wide Web: URL).

APPENDICES – III

APPENDIX – III.1

LIST OF INTERVIEWEES

Flippo STRATI, Expert, Studio Ricerche Sociali, Italy

Elizabeth VILLAGOMEZ, Expert, Almenara Estudios Economicos y Sociales, S. L.,
Madrid, Spain

Tobias MUELLENSIEFEN, Civil Servant, the European Commission DG EMPL
(Employment and Social Affairs) Unit F1 Social Dialogue and Cross-Industry Social
Dialogue (BUSINESSEUROPE, UEAPME and CEEP) and Sectoral Social Dialogue

Walter WOLF, Civil Servant, the European Commission DG EMPL (Employment and
Social Affairs), Social Inclusion Unit

Joel DECAILLON, Confederal Secretary, ETUC

Liliane VOLOZINSKIS, Director of Social Affairs and Employment Policy, UEAPME

Jørgen RØNNEST, Chairman of Social Affairs Committee, BUSINESSEUROPE

Steven D’HAESELEER, Director of Social Affairs Department, BUSINESSEUROPE,
Dossiers: overall responsibility for policy, and the management of the department,
social dialogue

Valeria RONZITTI, Head of Social Affairs Department, CEEP, Dossiers: social
dialogue, industrial relations and social affairs

Cinzia SECHI, Advisor for Social Affairs Department, ETUC

Prof. Dr. Meryem KORAY, Professor, Faculty of Economics and Administrative
Sciences, Yıldız Technical University

Bülent PIRLER, Secretary General, (Turkish Confederation of Employer Associations)

Aziz CELIK, Education and Research Director, Kristal-Is Trade Union (Glass, Cement,
Ceramic and Soil Industries Workers' Union of Turkey)

Osman YILDIZ, External Relations Expert, HAK-IS Trade Union Confederation

QUESTIONS FOR INTERVIEWS WITH EXPERTS

- Do you think that the EU has a well-developed and successful social policy in general? How do you comment on the incremental evolution of EU social policy and its current position in terms of governance in the EU?
- What is the significance of European social dialogue with regard to the development of EU social policy?
- What are the impacts of European social partners on the social dialogue and reflections of it on EU social policy-making process?
- How do you evaluate the extent and influence of the involvement of social partners in EU social policy-making procedure in relation to governance in the EU?
- EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which European social partners are more influential?
- How do you evaluate the relations between European social partners and EU institutions concerning EU social policy-making process? Are there any practical outcomes and/ or problems?
- How do you evaluate the relations among European social partners? What are the issues that they cannot agree on? How does this issue affect the operation and outcomes of European social dialogue?
- From the national sphere, what do you think about the relations between the social partners and its members? Do you think that they successfully represent the interests of their members at European level?
- What do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and the probable initiatives to overcome them?

APPENDIX – III.3

QUESTIONS FOR INTERVIEWS WITH EXPERTS (FOR TURKISH PARTICIPANTS)

- AB sosyal politikasının gelişim sürecine baktığımızda, Avrupa entegrasyon sürecinde yapılan Antlaşmalarla birlikte geçirdiği dönüşüm sürecini ve şuanda geldiği noktayı nasıl değerlendiriyorsunuz?
- AB sosyal politikasının gelişimi açısından Avrupa sosyal diyalogunun önemi nedir?
- Avrupa entegrasyon süreci içinde Avrupa sosyal diyalogunun ortak görüş ve tavsiye vermesiyle başlayan sonra yasal bağlayıcılığı olan direktiflere dönüşen anlaşma yapmaya varan dönüşümünü nasıl değerlendiriyorsunuz?
- Bu bağlamda, Avrupa sosyal taraflarının AB sosyal politika yapım sürecine etkisi nedir? Avrupa’da yönetim açısından sosyal tarafların bu sürece katılımının etki ve seviyesini nasıl değerlendirirsiniz?
- Avrupa sosyal diyalogu değişik şekil ve sektörler arası seviyeden sektörel seviyeye kadar değişen farklı seviyelerde gerçekleşiyor. Eğer bu farklı şekil ve seviyelerde meydana gelen sosyal diyalog uygulamalarını birbirleriyle karşılaştırsak, AB sosyal politika yapım sürecinde hangisi daha etkilidir? Neden?
- Avrupa sosyal diyalogu, çıktılarının çok sınırlı olması sebebiyle çok eleştiri almaktadır. Şuana kadar Konsey direktifi haline dönüştürülmüş 3 çerçeve anlaşma –parental leave (1995), part-time work (1997), fixed-term work (1999), ve 3 “autonomus agreements” – agreement on telework (2002), stress at work (2004), harassment and violence at work (2007) – vardır. Siz bu konuda ne düşünüyorsunuz?
- Avrupa sosyal taraflarının AB kurumlarıyla olan ilişkilerini nasıl değerlendiriyorsunuz?
- Avrupa sosyal diyalogu çerçevesinde, Avrupa sosyal taraflarının en etkin biçimde iletişim halinde olduğu AB kurumu olan Komisyon’u ele alırsak, Komisyon’un, 1985’de başlayan Avrupa sosyal diyalogunun hem başlatıcısı hem de daha sonra bu sürecin destekleyicisi olduğunu görüyoruz. Aynı

zamanda, sosyal taraflar arasında da uzlaştırıcı bir rol üstlenmektedir. Komiyon'un Avrupa sosyal diyalogu sürecindeki bu rollerini nasıl deęerlendiriyor, etkinlięini nasıl buluyorsunuz?

- Avrupa sosyal taraflarının kendi aralarındaki iliřkiler de dumdüz bir yol izlememektedir? Uzlaşamadıkları konular nelerdir? Bunların üstesinden gelmek için neler yapmaktadırlar?
- Avrupa sosyal taraflarının iki ucu olan ETUC ve BUSINESSEUROPE'ü ele alırsak, bunların sosyal diyalog süreci içinde önem atfetięi konular nelerdir? Bu konuların AB sosyal politika yapım sürecindeki yeri nedir?
- Avrupa sosyal diyalog sürecine ulusal kürelerden bakarsak, farklı sosyal örgütlenme geleneklerine baęlı olan üye ülkelerin Avrupa sosyal diyalogu üzerine ne gibi etkisi vardır?
- Son olarak, genel çerçevede AB sosyal politikasının, özelde ise Avrupa sosyal diyalogunun geleceęiyle ilgili neler düşünüyorsunuz? Karşı karşıya kaldıkları meydan okumalar ve bunların üstesinden gelinmesi için sizce yapılması gereken ve/veya yapılmakta olan neler vardır?

APPENDIX – III.4

QUESTIONS FOR INTERVIEWS WITH EUROPEAN SOCIAL PARTNERS

APPENDIX – III.4.1

QUESTIONS FOR INTERVIEWS WITH ETUC

- Do you think that the EU has a well-developed and successful social policy in general?
- What is the significance of European social dialogue with regard to the development of EU social policy?
- What are the impacts of European social partners on the social dialogue and reflections of it on EU social policy-making process? Can you comment on this in relation to governance approach in the EU?
- How are social partners involved in the social policy-making procedure and what kind of tripartite consultation takes place?
- As one of the European social partners, what is the role of ETUC in the modernization of the social model? What are your activities at the European level? How influential they are in the social policy-making process?
- How do you evaluate ETUC's relations with EU institutions and with the other European social partners concerning EU social policy-making process? Are there practical problems or issues which need to be addressed?
- From national sphere, how do you evaluate ETUC's relations with its members and the representativity of ETUC?
- EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which ETUC is more influential in EU social policy-making process?
- Are you satisfied with the extent and influence of the involvement of social partners in the social policy-making procedure at European level? If not, does ETUC have some initiatives for the future to improve it?
- What do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and what do you think are the probable initiatives to overcome them?

APPENDIX – III.4.2

QUESTIONS FOR INTERVIEWS WITH BUSINESSEUROPE

- Do you think that the EU has a well-developed and successful social policy in general?
- What is the significance of European social dialogue with regard to the development of EU social policy?
- What are the impacts of European social partners on the social dialogue and reflections of it on EU social policy-making process?
- How are social partners involved in the social policy-making procedure and what kind of tripartite consultation takes place?
- As one of the European social partners, what is the role of BUSINESSEUROPE in the modernization of the social model? What are your activities at the European level? How influential they are in the policy-making process?
- How do you evaluate BUSINESSEUROPE's relations with EU institutions concerning EU social policy-making process? Are there practical problems or issues which need to be addressed?
- How do you evaluate the relations between the ETUC and BUSINESSEUROPE? What are the issues that they do not agree on? How does this situation affect the operation and the outcomes of European social dialogue?
- From national sphere, how do you evaluate BUSINESSEUROPE's relations with its members and the representativity of BUSINESSEUROPE?
- EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which BUSINESSEUROPE is more influential?
- If the different levels and forms of European social dialogue are compared, which one is more influential in the EU social policy-making process?
- Are you satisfied with the extent and influence of the involvement of social partners in the social policy-making procedure at European level? If not, does BUSINESSEUROPE have some plans for the future to improve it?
- What do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and the probable initiatives to overcome them? Is European social dialogue a way forward for EU social policy?

APPENDIX – III.4.3

QUESTIONS FOR INTERVIEWS WITH CEEP

- Do you think that the EU has a well-developed and successful social policy in general?
- What is the significance of European social dialogue with regard to the development of EU social policy?
- What are the impacts of European social partners on the social dialogue and reflections of it on EU social policy-making process? Can you comment on this in relation to governance approach in the EU?
- How are social partners involved in the social policy-making procedure and what kind of tripartite consultation takes place?
- As one of the European social partners, what is the role of CEEP in the modernization of the social model? What are your activities at the European level? How influential they are in the social policy-making process?
- How do you evaluate CEEP's relations with EU institutions and with the other European social partners concerning EU social policy-making process? Are there practical problems or issues which need to be addressed?
- From national sphere, how do you evaluate CEEP's relations with its members and the representativity of CEEP?
- EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which CEEP is more influential in EU social policy-making process?
- Are you satisfied with the extent and influence of the involvement of social partners in the social policy-making procedure at European level? If not, does CEEP have some initiatives for the future to improve it?
- What do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and what do you think are the probable initiatives to overcome them?

APPENDIX – III.4.4

QUESTIONS FOR INTERVIEWS WITH UEAPME

- Do you think that the EU has a well-developed and successful social policy in general?
- What is the significance of European social dialogue with regard to the development of EU social policy?
- What are the impacts of European Social Partners on the social dialogue and reflections of it on EU social policy-making process?
- How are social partners involved in the social policy-making procedure and what kind of tripartite consultation takes place?
- As one of the European Social Partner, what is the role of UEAPME in the modernization of the social model? What are your activities at the European level? How influential they are in the policy-making process?
- How do you evaluate UEAPME's relations with EU institutions concerning EU social policy-making process? Are there practical problems or issues which need to be addressed?
- EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which UEAPME is more influential?
- Are you satisfied with the extent and influence of the involvement of social partners in the social policy-making procedure at European level? If not, does UEAPME have some plans for the future to improve it?
- What do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and the probable initiatives to overcome them?

APPENDIX – III.5

TRANSCRIPTIONS OF THE INTERVIEWS

APPENDIX – III.5.1

INTERVIEW WITH FLIPPO STRATI

Interviewer: Do you think that the development of social policy at European level is satisfactory?

Flippo Strati: Undoubtedly the strategy developed by the EU since 2000 (e.g. Nice Council and the Charter of Fundamental Rights of the European Union) is based on a multi-dimensional approach. This is the value added by the EU to the policies generally applied by the individual member states. For instance, common objectives, methodologies, indicators and decision making processes (namely OMC, the open method of co-ordination) form the path to be followed by each country while respecting its own role, diversity and autonomy according to the subsidiarity principles.

Interviewer: What are the impacts of European social partners on the social dialogue and reflections of it on the social policy-making process of the EU?

Flippo Strati: Personally, I'm not directly involved in this policy field (social dialogue), but I can acknowledge indirectly that impacts are quite consistent and interesting in the social protection and social inclusion policies (not only in employment and worker related issues but also influence in new policy areas).

Interviewer: Within the framework of 'social dialogue' which was commenced during Delors Presidency in 1985, what is the impact of globalization on the social partners in general?

Flippo Strati: Taking into account official documents on social protection and social inclusion, there is a significant awareness on demographic changes and trends (e.g. ageing population and pension system) as well as on open markets and immigration flows; less awareness is on sustainable development issues with a scarce attention on the impact of current life styles (production and consumption) on the available natural resources for the Planet well-being.

Interviewer: How are social partners involved in the social policy-making procedure and what kind of tripartite consultation takes place?

Flippo Strati: At EU levels, according to the EU rules, there are two ways of social dialogue: bipartite dialogue between the social partners (trade associations and trade unions), where the Commission acts as a facilitator and mediator; tripartite dialogue (“tripartite social summit”) between the social partners and the public authorities on four policy fields (employment, education and training, social protection, macro-economic issues).

Interviewer: EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which social partners are more influential?

Flippo Strati: Surely, work conditions and perspectives, gender equality, harassment and violence at work, lifelong training, employment policies (the Lisbon strategy), industrial relations, labour laws, social protection (e.g. pensions, health and long-term care) and the fight against poverty.

Interviewer: How do you evaluate the extent and influence of the involvement of social partners in the social policy-making procedure at European level?

Flippo Strati: The process is making important steps forward. It has been supported by the Open Method of Coordination (OMC). However differences exist between member states especially in mobilising all actors and taking into account their contribution towards a new European social model.

Interviewer: Other than social partners which organizations are influential in social policy-making process of the EU?

Flippo Strati: The main NGOs are consulted to improve EU social policies. The EU is in fact aware of the key role played by civil society (see the 2000 EU Governance White Paper) in all policy fields. In social policies, the EU Commission supports also relevant networks (e.g. Caritas, Eurochild, EAPN, FEANTSA, Retis) covering issues concerning the most vulnerable social groups (e.g. poverty, homelessness, child poverty). However, NGOs involvement is not fully developed in all the member states (according to the OMC – see above).

Interviewer: How do you comment on the future of EU social policy?

Flippo Strati: This issue is clearly linked to the debate on the role of the EU. There are conflicting interests and different policy visions between European and state-based policies. This is demonstrated by the failure of a Draft Treaty for a European Constitution. However, the recent Reform Treaty (October 2007) renovated a hope for a new Treaty to be approved before the 2009 EU Parliament Election.

In my opinion, a relevant contribution can derive from regional and local authorities if they move towards an alliance against the intermediary role played by the states. Regional and local authorities play a key role in social policies (and the fight against poverty), as demonstrated also by several trans-national projects supported by the EU Commission. Local (and regional) authorities have to face similar problems and can exchange ongoing-shared understanding and open learning processes through lessons stemming from good practices. The future of EU social model (and policy) depends strongly on their capacity building according to the subsidiarity principles. Unfortunately, not all member states are empowering both sub-national authorities and social communities.

The EU strategy is anyway moving between these different dynamics that converge in a common path where unity (at EU level) and diversity (at regional / local level) are put in a collaborative strategic and operational framework.

APPENDIX – III.5.2

INTERVIEW WITH ELIZABETH VILLAGOMEZ

Interviewer: What do you think about the development of social policy at European level?

Elizabeth Villagomez: Social policy, in my view, has always been an afterthought to the economic union. Although there have been significant advances, the economic issues and concerns always take the central stage. Neo-liberal thinking has also affected changes and recommendations for welfare and benefit reform, although not all bad, have had negative effects on the most vulnerable citizens. Globalization has played a part in all this, many times taking jobs away from older EU countries and using cheaper labour of newer member states, but finally sending production to countries outside the EU with lower labour and social standards in what seems a “race to the bottom”. Although there is no single EU welfare model, but at least 4 or 5 types (see my annex for example on gender regimes which would be missing an analysis of the newer member states), what is true is that all of them have been reformed to greater or lesser extents in the past 10 to 15 years to leaner and more “active” regimes at the same time that more flexibility and insecurity have been introduced. The flexicurity concept is in my view an impossible hybrid without TRUE models of equal opportunities in many member states.

Interviewer: What are the impacts of European social partners on the social dialogue and reflections of it on the social policy-making process of the EU?

Elizabeth Villagomez: While social partners are very important in social dialogue on many issues concerning the labour market and benefits derived from employment at EU and country level, they are more weak (not in all countries) concerning poor and excluded members of society. In fact, I think labour unions do not represent all workers, only their workers (for example, there are few to almost no women in many unions in the EU). Their role is thus more restricted to benefits and pay that affect their unionized workers.

Interviewer: Within the framework of ‘social dialogue’ which was commenced during Delors Presidency in 1985, what is the impact of globalization on the social partners in general?

Elizabeth Villagomez: I CAN'T ANSWER THIS QUESTION.

Interviewer: How are social partners involved in the social policy-making procedure and what kind of tripartite consultation takes place?

Elizabeth Villagomez: In Spain they have an important role in the reform of benefits affecting employment related benefits, but not on all social policy. Tripartite consultation is very strong in Spain through the Economic and Social Council and also through specific tripartite negotiations which end with signing of agreements.

Interviewer: EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which social partners are more influential?

Elizabeth Villagomez: In employment related issues, but it is ultimately the member states who have the last word.

Interviewer: How do you evaluate the extent and influence of the involvement of social partners in the social policy-making procedure at European level?

Elizabeth Villagomez: The lobbying by trade unions and by employer's associations is not influential, although both participate in consultations (green papers, etc), it is other economic interest which finally shapes economic policy, leaving social policy in a very distant second place.

Interviewer: Other than social partners which organizations are influential in social policy-making process of the EU?

Elizabeth Villagomez: NGOs also have an influence, but not as "strong" as social partners. Specific lobbies, for example disabled persons, can have more of an influence in very specific things, but are very weak about changing certain economic issues that affect them.

Interviewer: How do you comment on the future of EU social policy?

Elizabeth Villagomez: I think that here you mean by social policy industrial relations, as you only speak of social partners. I think that, as has been shown, social policy becomes weaker and is at the mercy of global economic interests, not of EU citizens.

• ANNEX

| | Male breadwinner or General Family Support | Separate Gender Roles or Market Oriented | Individual earner-carer or dual earner | “Gathering breadcrumbs” |
|-----------------------------------|--|--|---|--|
| Location | Continental Europe | Anglo-saxon countries | Scandinavian countries | Mediterranean Europe |
| Conciliation model | Combination | Choice | Continuity | Choice without support |
| Ideology | Husband= earner Wife= carer | “Flexible” division of labour Husband= earner Wife= ½ earner/carer | Shared tasks Father = carer-earner Mother= carer-earner | “Blurred” division of labour Father= earner Mother= carer/earner |
| Entitlement | Unequal among spouses | Differentiated by gender role | Equal | Unequal among spouses and among workers |
| Basis of entitlement | Principle of maintenance | Family responsibilities | Citizenship or residence | Principle of maintenance/ of need |
| Recipient of benefits | Head of household + supplements for dependants | Men as family providers; women as caregivers | Individual | Individual |
| Taxation | Joint Taxation Deduction for dependants | Joint Taxation Deduction for dependants | Separate taxation Equal tax relief | Individual Minor deductions |
| Employment policies | Priority to the main income provider. Flexibility for secondary earners | Segmented Full time/part-time | Aimed at both sexes Full time/part-time Public/private sector | Dualistic Core/periphery No flexible arrangements |
| Female labour force participation | Middle/low High discontinuity Short-time work | Middle/high High discontinuity Short/medium part-time work | High High continuity Long part-time work | Low High continuity Full-time |
| Sphere of care | Partial state involvement | Weak state involvement | Strong state involvement | Weak state involvement |
| Caring work | Paid component to caregivers in the home | Paid component to caregivers in the home | Paid component to caregivers in the home and outside the home | Unpaid |
| Political tendency | Corporatist/conservative | Liberal | Social-democratic | Corporatist-left |

APPENDIX – III.5.3

INTERVIEW WITH TOBIAS MUELLENSIEFEN

Interviewer: Do you think that the EU has a well-developed and successful social policy in general?

Tobias Müellensiefen: Here, there are elements to take into consideration. Compared to other policy fields at EU level, as the competence of social policy is still within the domain of the member states, EU social policy is not well developed. It is beyond legislation. Especially, in certain areas, social security system, the competence is at the national level. In that respect, EU social policy is quite limited.

When we look at the fields of competence in social policy, we find out that there is a strong social acquis; and the Community competence is strong in certain fields such as health and safety at work and equal opportunities for men and women. From this perspective, we can say that there is strong body of legislation in the social field at European level.

In the history of European integration, the Community was established with the rationale of economic integration, social dimension was not on the fore. The idea was to establish minimum standards for equality between men and women, free movement of workers, coordination of social security of migrant workers. However, during the course of the integration process, the competences have been increased. But, still in certain areas such as social security system and pension system, the member states do not want to give their competences. Thus, in these areas, EU competence in social field is weak.

When we look at the philosophy of the social welfare, we see that it is directly for citizens; that's why, the member states do not want to lose their competence.

Interviewer: What is the significance of European social dialogue with regard to the development of EU social policy?

Tobias Müellensiefen: There are two ways in which European social dialogue influences EU social policy: Firstly, apart from the ESC, there is *consultation process* (the first step in negotiation); according to Art. 138 of the Treaty, the social partners

should be consulted. This implies strong recognition of the European social partners by the Commission. Secondly, in the negotiation part, there is *legislative process*. There is direct influence of social dialogue with the directives; they become part of the *acquis* and there are autonomous agreements.

Interviewer: In the European integration process, there has been an evolution of the transformation of European social dialogue in European social policy-making procedure from joint opinions to agreements turned into directives. Does this transformation also signify a transformation in the European integration towards governance approaches?

Tobias Müellensiefen: Certainly, it does. There has been a transformation towards more and more governance. That's where the social partners gained autonomous social dialogue right. The Laeken European Council (2001) should be taken as a reference point at this point. Thus, all in all, it is a question not only of trust building but also of more open EU.

Interviewer: What are the impacts of European social partners on the social dialogue and reflections of it on EU social policy-making process? How do you evaluate the extent and influence of the involvement of social partners in EU social policy-making procedure?

Tobias Müellensiefen: It is a difficult question. I mean it is difficult to make clear-cut evaluation. Both business and trade union sides are strong actors. They have direct contact to the cabinet, MEPs in the Parliament outside formal ways of accessing the concerned people.

European social partners are represented formally in the ESC. Here, the members of ESC are nominated by the member states. Thus, they do not come from social partner organizations but nominated by the member states. But, they have only consultative role.

European social dialogue has been formalized through tripartite social summit. It has been criticized by researchers that the outputs of the European social dialogue are not impressive. But, these are areas in which European social partners are influential.

Interviewer: What is the significance of Tripartite Social Summit in European social dialogue?

Tobias Müellensiefen: There is not only tripartite social dialogue, but also bipartite

social dialogue which is conducted through social dialogue committees. Tripartite social dialogue takes place at high levels. Tripartite social summits gather in every six months. At lower levels, there are macroeconomic dialogue committee, employment committee, and social protection committee. These committees do not have much concrete outcomes. They gather together to learn from each other, to discuss the issues in the agenda.

Interviewer: What do you think about the relations between European social partners and EU institutions in general concerning EU social policy-making process and with the Commission in general? Are there any practical outcomes and /or problems?

Tobias Müellensiefen: Relations are in the form of formal relations, informal relations, formal representation and consultations.

Interviewer: There are different forms and levels of European social dialogue stretching from inter-sectoral dialogue to sectoral dialogue by means of cross-industry advisory committees and sectoral joint committees. If we compare them, which one is more influential in social policy-making procedure?

Tobias Müellensiefen: At general level, cross-industry level is the most influential level when we look macro issues. However, there are also micro issues. For example, in the transportation field, for the liberalization of transport, social aspects of liberalization are also taken into account. In the civil aviation industry, there is a direct contact with social aspects. Three years ago, there was a dispute with China concerning textile industry and social partners. Thus, it depends whether you look at the big picture or specific sectoral one.

Interviewer: The Commission was the initiator of the Val Duchesse process and supporter of the social dialogue and conciliator between the European social partners in the case of disagreement. What is the role of the Commission in this respect?

Tobias Müellensiefen: The Commission tries and works to overcome disputes among the European social partners; but, it does not always work. For instance, the Commission had the consultation for the revision of the directive of *European Work Councils* in 1994. After years, the Commission wants it to be revised for transnational companies. And the Commission wanted that this issue to be negotiated among the social partners. But, they had long and long hesitations about the issue. While trade

union side was for the idea, employers were against it. At the end, they failed in negotiation. Thus, the Commission's conciliator position does not always work.

Interviewer: If we look at the European social dialogue from the national level perspective, do you think that the social partnership involvement in member states depending on different traditions and levels have an impact on European social dialogue?

Tobias Müellensiefen: I think so; there is huge diversity among the member states. When you sit together, while the negotiation is conflictual in some member states, it is easier for the parties in different member states. Sometimes, they can see that they can not transpose the directive into their national law and adopt it. National context is important for the transposition of the directive and its implementation. There are different traditions in Europe; but there is a trend towards governance approach. In 20 years time (of European social dialogue), there is a certain EU tradition, national social practices.

Interviewer: What do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and the probable initiatives to overcome them?

Tobias Müellensiefen: Challenges:

- Two recent circles of enlargement, now EU 27
- Social dialogue practices: industrial relations is not developed in some member states; thus, social dialogue should be constructed in those member states, through programmes such as PHARE programme, to rebuild social partnership, capacity building programmes, training programmes through conferences etc. These kinds of activities mostly work.
- Slow evolving of topics. The challenge is to be able to respond to new areas such as; demography, better reconciliation of working family, flexicurity.

Initiatives:

- Integration programmes of social dialogue in 2003/4,
- Resource centers,
- Adapting to new topics through current work programmes of the social partners, joint analysis of key challenges facing European labour markets.

Interviewer: European social dialogue has been criticized with limited outcomes. How does the Commission control implementation of the outcomes of the social dialogue, the directives, and autonomous agreements and so on?

Tobias Müllensiefen: Directives have the same competence as all EU law, since the Commission is the guardian of the Treaties. It controls the transposition and implementation of the directives. In every five years, an implementation report is prepared looking at different member states' transposition and implementation of the directives. And, if necessary, the Commission launches the infringement procedure.

Autonomous agreements are implemented by the social partners themselves. Thus, there is no Treaty obligation for this kind of agreements. However, in 2005, in its recommendation, the Commission undertook the role of monitoring, as it has been following Article 139 of the Treaty.

In every three years, implementation reports are prepared by the European social partners (2006). And, the Commission launches its monitoring in a month depending on the views of the European social partners and the member states.

APPENDIX – III.5.4

INTERVIEW WITH WALTER WOLF

Interviewer: What is the significance of the European social partners in relation to Social inclusion?

Walter Wolf: Social inclusion started in 2001 and has undergone a kind of revision in 2006. The EU agreed upon the objectives in bringing together people upon employment issue to alleviate poverty and social exclusion. In that regard, there has been special consultation processes at the national and regional level together with the participation of the social partners.

For instance, for sustainable employment in the labour market, the process is called *active inclusion* (http://ec.europa.eu/employment_social/spsi/active_inclusion_en.htm), having less interest for the social partners. The aim of this process is to promote the integration of the most disadvantaged people with a comprehensive active inclusion strategy, entailing the provision of an adequate level of income support with a link to the labour market and a better access to services. The rationale of active inclusion is to ensure that the most disadvantaged people get the social benefits which would enable them to participate in the social activities. This issue is less relevant to the social partners.

Interviewer: What is the role of social partners in the social inclusion process?

Walter Wolf: There has been a formal consultation process with the social partners. Not only the European social partners, but also national social partners and civil organizations are included into this process. To comment on this process, ETUC and BUSINESSEUROPE have issued opinions for that at the European level. For instance, for social services directive, they represent 5 % of the labour force in Germany. They comment on behalf of people to which they provide service. Concerning Qualified Work Force, they have their all representatives of workers but not the same as Works Council.

Interviewer: How do you evaluate the extent and influence of social partners in the social inclusion process?

Walter Wolf: The European social partners do not cover all the fields to the same extent. The issues that they are mostly involved are employment and labour. They are

more relevant to substantial employment related issues. In national strategy papers and reports, the contributions of social partners are integrated into the texts. The position of the social partners can be seen in national strategy reports.

Interviewer: What is the role of the Commission in the process and is it satisfactory?

Walter Wolf: The Commission has the role as the facilitator, the identification of good/ and mutual learning process. It reflects the level of departure in the social dialogue. Whether it is satisfactory or not depends, since the role of social partners is not same in every member state. For instance, in Denmark, social partners are extremely strong. In the change of government from social democratic to liberal conservative one, nothing changed in terms of social partnership. The present social partnership is very much the same and every president has to respect that. Of course, not only the social partners, but also civic dialogue is included. In some countries, civic dialogue is strong. Satisfactory partnership is mostly done at the national level.

Interviewer: Would you evaluate the role of social partners in terms of governance in the EU?

Walter Wolf: Governance will help the social partners to be incorporated in the process. In EU 27, we insist on diversity, we do not want to exclude the different ones. Diversity is to be considered as useful, you have to adapt to the situation in the member states. The method initiated in the Lisbon European Council, the OMC should be taken into account. (http://ec.europa.eu/employment_social/spsi/the_process_en.htm) In this method, we identify the objectives; but, it is up to the member states what help them about what they can choose what is suitable.

Interviewer: What do you think about the future of EU social policy?

Walter Wolf: For the future, it is important to help the member states go into the right direction concerning social policy issues and make them sure about the policy development. In a EU with 27 members, GDP level for social issues is less than 15 percent. Thus, you cannot solve social problems by the European funding that is less than 1 percent of the European budget. Thus, sending money from the EU will not solve the problems. You cannot expect such huge differences will disappear from today to tomorrow. It can change in generation time. What is possible in social issues is despite the diversity within the EU.

INTERVIEW WITH JOEL DECAILLON

Interviewer: What is the impact of globalization on the social partners in general?

My main concern is in fact to take some information about the impact of globalization on the construction and governance of social policies in the EU

Joel Decaillon: Globalization infers a new network of communication, production ways and production of different things. Social policy is within the framework of state nations; thus, what is important is *social compromise*. The future of social policy lies in the future of democracy. Globalization is not only a phenomenon related with financial affairs but also the introduction of new technology, nanotechnology; thus, we are at the peak of problems, what we need is; real social model, real social dialogue, real social partners.

Interviewer: How are social partners, specifically ETUC, affected from the concept of globalization? In what sense, it is revealed in the policy-making process of the EU concerning social policies? Or through which channels and to what extent do they influence the policy-making of the EU regarding social policies?

Joel Decaillon: When there is no satisfaction regarding social policies in nation-states, it is observed that there is a tendency of increase in extreme right or left. At the moment, there has been increase in the extreme right. Thus, social policies cannot be considered apart from this aspect.

Interviewer: What are the impacts of social partners on the social dialogue and reflections of it on the social policy-making process?

Joel Decaillon: The real important debate concerning this issue in Europe is to adapt the social model and make the modernization of it but not through destroying the existing one, but adding to the existing one. In social dialogue, different framework agreements (parental leave) are obtained through different framework of approaches.

Interviewer: What is the role of ETUC in the modernization of the social model? What are your activities at the European level?

Joel Decaillon: The ETUC has initiated many activities. Some of them are:

The Community Public Service Directive; which is the concept of opportunity of social rules and the rule of activity that the workers have in their home country.

Bolstein Directive; that the ETUC refused and won.

Board Community Working Directive

Green Paper on labour rights and labour market

Directive- opposition to the regulation

The notion of European labour market (important discussion)

Interviewer: What is exactly needed to have for the social standards at the European level?

Joel Decaillon: European labour market

Interviewer: What is labour market in Europe?

Joel Decaillon: It is the centre of how jobs are facilitated and distributed, in which having agreement among the social partners is important. If successful, that would be a strategic/serious agreement for the ETUC.

Interviewer: What are the problems that the ETUC has come across in the policy-making procedure with the Commission concerning social policy? Is it constructive or not constructive? Has there been an evolution in this process?

Joel Decaillon: The Commission has the tendency to impose a new policy in this field (social) through regulation way. However, the situation of the Commission is disastrous. It is not well represented. The bureaucracy is lost in its originality. It has been destroyed with the enlargement, they want to have new pillar for the EP.

Interviewer: What is your role in the process? How do the bureaucratic and formal relations proceed?

Joel Decaillon: ETUC's role in this process can be summarized as follows:

- ETUC's agreement with national affiliate is important.
- ETUC's pressure on different governments to explain the position of the ETUC.
- ETUC's different letters to different members of the EP.
- ETUC's lobby with the EP and the Commission, different governments and the Council.
- ETUC's public explanation and media at the European and national level.

- ETUC's demonstrations (if the matter is serious).
- ETUC's different conferences (with the EP especially).

Interviewer: How are the relations between the ETUC and ESC?

Joel Decaillon: Most ESC members are also members of ETUC.

The relations between them proceed in line with: coordination, work through study groups (the ESC nominates expertise from the ETUC for the study groups) and big debate on cooperation. For instance, Energy conference and public service is organized with the ESC. However, it is really not easy to make organization with them. Members of the ESC are not strong enough to have influence in the social policy-making procedure. The ESC has more cooperation with the EP.

Interviewer: How are your relations with other institutions? What are the practical outcomes?

Joel Decaillon: The ETUC is in good cooperation with the EP. The EP helps a lot in obtaining a compromise. The activities the ETUC does are through the cooperation with REACH (EP). Important thing is to have a real coherent system which does not exist at the moment.

Interviewer: What kind of a network is there among social partners and the Commission within the framework of multi-level governance?

Joel Decaillon: There are informal networks with different DGs in the Commission.

Interviewer: What is the framework of your legal activities?

Joel Decaillon: Adoption of ETUC's position?

Interviewer: How are resolutions adopted?

Joel Decaillon: The issue is debated in the Executive Committee. The position is adopted, voted depending on Qualified Majority. The common text is produced, for example: engage a campaign in this text, lobby can be made, which is followed by the publicization of it through media. For instance, at the moment, there is a campaign concerning adoption of a directive for *public service framework*. The campaign is based on taking the signatures of citizens, upon the provision that when the number of the signatures of citizens reaches 1 million, then they will be able to write a petition of that directive and about *chemical substances* directive as well.

Interviewer: What is ETUC's opinion regarding the Lisbon Strategy? What are the important issues for ETUC regarding this strategy?

Joel Decaillon: They can be summarized as follows:

- to have a new budget, thus, engage a debate to increase the budget regarding research (in the competition of globalization),
- for social inclusion: to take common decision to recognize a framework for qualification of network framework,
- to engage a discussion for the future of energy,
- climate change,
- the instrument of industrial policy in Europe, for instance, for car industry at the moment to help the car industry to accept this regulation,
- the rule of the Central Bank; to increase the wage of workers, to espouse a specific duration in Europe,
- to increase the budget of Europe to change the map of budget of industry in Europe.

Interviewer: What do you think about Multi-Level Governance?

Joel Decaillon: Clear organization, precise debate between the EP and the Commission (The EP does not have very intensive relations with the COR). In practice, they just give opinion for twin policy party.....to have a collaboration is interesting.

To think at the public opinion (focus on the public opinion)

Interviewer: In what themes the ETUC is interested in?

Joel Decaillon:

- The governance of big firms with different institutions.
- Democratization of the firms,
- Reform of the directive of enterprise,
- Social responsibility of private sector to obtain new transparency and new directive between workers and employees.
- The root of the ETUC is firms; thus, "governance of enterprise" is important for the ETUC.

INTERVIEW WITH LILIANE VOLOZINSKIS

Interviewer: Do you think that the EU has a well-developed and successful social policy in general?

Liliane Volozinskis: Yes, satisfactory and no, not satisfactory. It is a broad subject, which makes it difficult to reply with clear-cut answers. Social policy is an area depending on the decisions of the Council. Thus, it is difficult for quick adoption at the European level. Financing instruments at the European level is also difficult. On the other hand, the development of EU social policy is satisfactory in that more and more topics are included in the social policy area with the OMC, social protectionism, social inclusion, social equality between men and women, and health and safety at work.

Most directives were in fact adopted in the 1980s and 1990s that provided collective rights. From 2002 onwards, information and consultation procedures have been enhanced. Enlargement has caused some difficulties with increased diversity among the member states. This prevents quick adoption of legislation. Thus, social policy area has become limited. The competence is still within the hands of the member states. Regular reviews are prepared. But, it is still difficult to adopt new legislation into the national law of member states due to increased diversity.

Interviewer: What is the significance of European social dialogue with regard to the development of EU social policy? What are the impacts of European social partners on the social dialogue and reflections of it on EU social policy-making process?

Liliane Volozinskis: Depending on the Articles 138-139, the European social dialogue has become one of the most important pillars of EU social policy and European social model. With this initiative, the European social partners gained the right to negotiate with the Commission and the Council, and adopt European legislation concerning social issues. Thus, European social dialogue has become one of the main parts of EU social policy. It became a part of the Treaty with the Maastricht Treaty (1992). Up to now, 3 framework agreements have been concluded, the first one in 1995. Then, the strategy to negotiate has come to the fore and joint work programmes were prepared.

European social partners also negotiate agreements autonomously. Recently, the European social partners have had the right to conclude autonomous agreements. Three of them are telework, stress at work and harassment and violence at work. These agreements are implemented as national agreements. But, forms and ways are decided by the member states. Recently, the topic of the integration of disadvantaged groups has come to the fore.

These autonomous agreements make the European social partners more and more active. They are autonomous in choosing the topic that they want to focus on and the agreement to negotiate. The European social dialogue has progressed in three periods: The period between 1991-2001 was the first period in the European social dialogue. After this period, starting with 2001, the European social dialogue is in the period of maturity, in which the European social partners contribute to the Lisbon Strategy.

The European social partners need capacity building of their members for better implementation. With the European social dialogue initiative, all parties sit together around a table and discuss the issues in concern. Concerning autonomous agreements, the period of three years is given for members to fulfill the implementation of the agreements. Then, there starts the period of evaluation (as a measure). For instance, evaluation reports were prepared for each member of the European social partners (for telework) in 2006. The second evaluation report is prepared for the same agreement this year. Depending on the first evaluation report, it has been found out that there have been various forms of implementation of the agreement in different members. For instance, in some of the members, it is implemented as binding agreement, or as recommendation, or as law imposed by government. With regard to the stress agreement, also the same amount of time period has been given to the members for the implementation of the agreement. Thus, through this way, through different forms of implementation, although there is a huge diversity in the members, they manage to reach the minimum standards and the objectives, that is, the ultimate aim.

Interviewer: How are social partners involved in the social policy-making procedure and what kind of tripartite consultation takes place?

Liliane Volozinskis: The involvement of European social partners in the tripartite consultation process:

UEAPME is satisfied with its involvement of the social partners in the tripartite consultation. Since the Lisbon strategy, economic, political and social issues are taken into account all together. Since 2003, formally tripartite consultation summits are held annually. But, every six months/ with each Presidency, they get together for the realization of the objectives of the Lisbon Strategy. In tripartite consultation process, all parties get together at higher levels, the Commission, the Council and the European social partners. Especially for implementation at the European level in line with the Lisbon Strategy, tripartite social summits are really important. In these meetings, a broad range of areas including education, training regulations are discussed. Thus, there has been an extension of the issues in the social field.

The European social partners also participate in Social Protection Committee, Social Affairs Committee, Macroeconomic Dialogue Committee (since 1999) and Ministers of Heads of States.

Interviewer: As one of the European social partner, what is the role of UEAPME in the modernization of the social model? What are your activities at the European level? How influential they are in the policy-making process?

Liliane Volozinskis: UEAPME was recognized as a European social partner in 1998. Thus, it was not involved in the process since its inception. Before 1998, as the recognized employers' partner, UEAPME was considered within the framework of UNICE (used as 'UNICE/UEAPME'), but now as 'BUSINESSEUROPE, UEAPME'.

At the moment, UEAPME is quite satisfied with its relations with the other European social partners and its involvement in the European social dialogue. At the beginning, it was quite difficult to be recognized by the other European social partners as one of the European social partner; especially, for public partners, because they considered UEAPME as a competitor. Still, if one employer organization has to be consulted, it is always BUSINESSEUROPE that is consulted, as it is the biggest employer organization. However, UEAPME is a new European social partner. As a new European social partner, it has joint activities with the other European social partners.

Since 1998, UEAPME is fully involved in the process for key issues. Currently, flexicurity is important issue for the labour market. It is one of the important items on the agenda.

Interviewer: EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which UEAPME is more influential?

Liliane Volozinskis: In 2005, the role of SME in the economy was highly recognized. Particularly, with 2008/2010 small business act which is only for small businesses that states small business principle. Depending on the statistics that small business covers 92 % of 99 % of SMEs, the issues related with small business should be given importance.

Interviewer: What are the current issues on the agenda concerning the European social dialogue?

Liliane Volozinskis: Work and family, life, employment and labour law – flexicurity, European Works Council (EWCs) – black labour work (undeclared work activities) to prevent unfair competition, labour and labour market needs, training for small businesses due to lack of qualified work force, labour law, qualification of labour force and labour law-important issues.

Interviewer: How do you evaluate UEAPME’s relations with its members? What is the internal structure of UEAPME?

Liliane Volozinskis: UEAPME’s relations with its members and the internal structure and decision-making and the voice of its members:

Nowadays, members are more and more interested to be a part of European social partners, because they have become aware of the fact that 80% of their social legislation is European legislation. Thus, they now know the importance of the need to be active in Brussels. So, there is also much more participation of them to the European social partners.

Interviewer: How does the internal decision-making in UEAPME work?

Liliane Volozinskis: Well, at the secretariat level, there are committees at which experts coming from different national members work. With their work, the position papers of UEAPME are prepared. These are democratic places. There is General Assembly which gathers together twice a year, and strategies are decided at this level.

Interviewer: What do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and the probable initiatives to overcome them?

Liliane Volozinskis: Concerning the future of EU social policy, the main challenges are enlargement which will cause more and more diversity and Lisbon Treaty. If the Treaty is ratified, tripartite consultation process will be institutionalized by the Treaty, which would give more rights to the social partners at European level. The European social partners would like to reflect as good as possible the needs and developments of its members. Enlargement of the EU will cause huge diversity of the social reality. The European social partners have to take into account the real priorities of member states at national level.

To overcome these challenges, the General Assembly of UEAPME was held in January 2008; a new secretary general was elected. Thus, a new agenda and strategies will be formed. On the political side, it is more difficult for small business. The internal dynamics of the EU are also important due to elections in the Commission and the Parliament in the near future. UEAPME plans to draft a kind of memorandum for the Commission and the Parliament after the summer break.

A new strategy will be formed after Lisbon in 2010. Thus, everything will be changed. We are now in an intermediary period. There will be restart again in 2010.

INTERVIEW WITH JØRGEN RØNNEST

Interviewer: Do you think that the EU has a well-developed and successful social policy in general?

Jørgen Rønneest: There are different aspects of EU social policy. Health and safety at work is a success although implementation might be lacking. The mobility of labour is still to be fully developed and employment law does not live up to the needs of companies; it does not contribute to the Lisbon goals and is incoherent and far too detailed.

Interviewer: What is the significance of European social dialogue with regard to the development of EU social policy?

Jørgen Rønneest: Social dialogue has added legitimacy to EU social policy and has also demonstrated an ability to produce solutions that both in form and substance has shown how new methods and approaches can develop EU social policy.

Interviewer: What are the impacts of European social partners on the social dialogue and reflections of it on EU social policy-making process?

Jørgen Rønneest: Without the social partners there would be no social dialogue. The social dialogue is what the social partners are. The social policy-making process originally evolved without reflecting the social dialogue, but gradually this has changed.

Interviewer: How are social partners involved in the social policy-making procedure and what kind of tripartite consultation takes place?

Jørgen Rønneest: The social partners are involved both formally and informally. They are being consulted when the Commission is preparing its initiatives but more importantly the social partners are in a continuous dialogue both with the Commission and with the members of the European Parliament. Since 2002 the two work programmes of the social partners have been taken into account as well as the debate has taken place in the Social Dialogue Committee.

Interviewer: As one the European social partners, what is the role of BUSINESSEUROPE in the modernisation of the social model? What are your activities at the European level? How influential they are in the policy making-process?

Jørgen Rønne: BUSINESSEUROPE and its members believe that only by reforming the European social model will Europe be able to protect the values we share. BUSINESSEUROPE does not distinguish between what takes place within the social dialogue and what takes place outside. What activities we engage in depend on the subject matter and its importance for our members. How influential the social partners and BUSINESSEUROPE in particular are varies over time and from case to case. Generally speaking, I believe that the influence of both the social partners and of BUSINESSEUROPE has been increasing in the last fifteen years.

Interviewer: How do you evaluate BUSINESSEUROPE's relations with EU institutions concerning EU social policy-making process? Are there practical problems and issues which need to be addressed?

Jørgen Rønne: The relations with EU institutions can only be characterised as excellent. The main practical problem is short deadlines and capacity restraints.

Interviewer: How do you evaluate the relations between ETUC and BUSINESSEUROPE? What are the issues that they do not agree on? How does this situation affect the operation and the outcomes of the European social dialogue?

Jørgen Rønne: The relations are good and professional. The main differences between ETUC and BUSINESSEUROPE reflect the different membership and their different interests. ETUC is demanding more rights for their members and more and detailed regulation of labour markets. The differences of course mean that progress sometime only comes slowly if at all. Fundamental differences of opinion exist and might prevent the social partners from reaching agreement.

Interviewer: EU social policy covers several specific fields in its area of competence, are there certain specific fields in this area in which BUSINESSEUROPE is more influential?

Jørgen Rønne: No.

Interviewer: If the different levels and forms of European social dialogue are compared, which one is more influential in the EU social policy-making process?

Jørgen Rønne: The social dialogue is more influential outside the area of individual rights for wage earners.

Interviewer: Are you satisfied with the extent and influence of the involvement of social partners in the social policy-making procedure at European level? If not, does BUSINESSEUROPE have some plans for the future to improve it?

Jørgen Rønne: We are generally satisfied with the involvement, but are of course constantly seeking to increase the involvement and the influence of the social partners together with the trade unions, when we agree on the new initiatives or we do it unilaterally as BUSINESSEUROPE.

Interviewer: What do you think about the future of the EU social policy and the European social dialogue concerning the challenges they have come across and the probable initiatives to overcome them? Is European social dialogue a way forward for EU social policy?

Jørgen Rønne: The European social partners will be facing the same challenges as the political regulators. To identify and realize sustainable solutions will require the cooperation of all actors involved and it is for the social partners themselves to accept that responsibility. If not, they will be marginalized in the process. I believe that the social partners can play an important and positive role and I believe their role in the future will be recognized by more and more of those involved. It is in the interest of all parties involved and in the interest of the social partners to accelerate their participation in the development of EU social policy.

APPENDIX – III.5.8

INTERVIEW WITH STEVEN D’HAESELEER

Interviewer: Do you think that the EU has a well-developed and successful social policy in general?

Steven D’Haeseleer: Well, to be clear and concise, the EU has a well-developed integration of social policy in general. There is not so much for the EU can do, as you know anything that can be done, all of that can be done is done at national level, and for the remaining competences where the EU has legislative competences or supportive competences to support the member states, I think that it has done a lot and without any doubt, the EU has a well-developed social policy and protection of labour market/labour market protection for workers.

Interviewer: The EU social-policy is especially well-developed in the areas related to employment issues?

Steven D’Haeseleer: No, no. The EU social policy is not only related with employment issues in general.

Interviewer: I think it depends on the areas, I mean not in every social policy area, the EU social policy is well-developed.

Steven D’Haeseleer: No, no. For example, in pay and wages, of course, the Union has no competence, but it is normal. For example, in pay and the related issues, (related with the redistribution of the income which is fact the basis of social policy) the Commission does not have competence for these policy areas; thus, we have to look at the whole picture, I think the national and European level combine and yes, there is very well-developed social policy and employment policy in general.

Interviewer: In this whole picture, how can you define the significance of European social dialogue with regard to the development of EU social policy?

Steven D’Haeseleer: The significance I think is as which is the case in many countries at national level. The social partners at European level, the European social dialogue can play an important role in the same place for some of the issues that need to be solved. It is my honest, personal opinion and also the opinion of BUSINESSSEUROPE

as an organization as social partner, for some of the issues are much better placed to come to an agreement to solve, to bring something new to the debate, because much more than government representatives or social NGOs, they know better I think what the needs of the companies are, first in the one hand, what the needs of the trade unions are, or the needs of the workers in general, and thy, we come to what see the issues not always, but we see the issues sometimes from a different angle, sometimes from a radically different angle, this coming to an agreement even when you start from these very difficult and different positions, I think normally brings about solutions which are quite balanced and I think which quite often are better solutions, because they are really adapted to what is needed or what should be done for the labour market that it hamper the labour market or on the contrary facilitate the functioning of the labour market.

Interviewer: And, maybe for the widely acceptance of the issues that need to be solved. If you get more actors in the process, it....

Steven D'Haeseleer: Absolutely, absolutely.yeah.., I agree entirely.

Interviewer: The European social partners have a big impact in the European social dialogue process, they are the main actors. Do you think that the involvement of the European social partners have a real impact on the social policy-making procedure of the EU?

Steven D'Haeseleer: Oh, yeah...absolutely, I mean there is firstly concrete evidence, there are three EU directives, and they are directives because they follow the functions of social partner agreements, and I do not know whether you were there in the meeting when we were discussing about European social dialogue.

Interviewer: Yes, I am very familiar with those.

Steven D'Haeseleer: But, the *Joint Labour Market Analysis*, for example, is I think the best example of an instrument that has been extremely helpful at the political level, at the highest political level of the EU to come to an agreement on and influence the debate in this case, the flexicurity.

Interviewer: The European social dialogue is sometimes criticized due to its limited outcomes; six framework agreements, also several non-binding joint initiatives, but these non-binding initiatives also have certain political importance?

Steven D'Haeseleer: Yeah, I think there are two issues that you need to take into

consideration. I can see why people say this, but first, there is not only much we can do at European level, I mean pretty much is to be dealt with at national level, we will never be able to come to an agreement on wages that is to be dealt with at national level coherently, normally. If you...what the role the...I mean, the focus of any, of most social policy issues and employment issues is at national level and should remain at national level, and we do not want to deal with wages, our members would not allow that we deal with wages. So, what we can do basically at European level is either to come up with agreement where we are asked to do something, where the Commission says, listen we want to take action, and we are officially, according to the Treaty obliged to consult you and then we act. And, there are examples, that we come to an agreement in Works Council Agreement and the recent one, the European Works Councils will be adopted in March.

Interviewer: And in this process, as you said, the European Commission is the initiator of this process. Do you think that it has achieved its role, I mean in terms of acting as a facilitator and conciliator between the two sides, sometimes I think the Commission cannot achieve this role?

Steven D’Haeseleer: That is not the role of the Commission. The Commission should not act as a mediator or conciliator or whatever between us. I mean we are engaged in bipartite discussions, from time to time we have tripartite discussions with the Commission or the Council, but that can be the Employment Council or the European Council. But, the role of the Commission is not to act as a mediator. The role of the Commission is to facilitate, support action that governments can take, the social partners can take, and they have the legislative initiative or the right of the legislative initiative to put forward proposals for directives. But, the Commission should not be seen as a conciliator or a mediator between social partners.

Interviewer: From your side, how are the relations between BUSINESSEUROPE and the EU institutions fine or are there any problems?

Steven D’Haeseleer: Yes, fine I think...Well, there are always minor problems. On some issues, we are extremely well-cooperated and other issues a bit less.

Interviewer: What about the relations between ETUC and BUSINESSEUROPE?

Steven D’Haeseleer: They are good. I am new, relatively new at BUSINESSEUROPE,

around two years and a half. I started as an advisor and senior advisor and director of social affairs department at the moment. Throughout this process, which is relatively a short period of time, at least for the time I have seen, at various levels that I have noticed, I think the relationships between ETUC and BUSINESSEUROPE are very good. I mean, of course, there are difficult moments from time to time. There are difficult dossiers, but for example, in terms of personal relationships, we get on very well. Concerning the institutional relations, it depends on the issue, but in general we get on very well.

Interviewer: There are different point of views between ETUC and BUSINESSEUROPE, but I think the important point is to get around a table and discuss issues.

Steven D’Haeseleer: Absolutely, yeah, I agree...

Interviewer: If you look at the issue from the national sphere, how do you evaluate BUSINESSEUROPE’s relations with its members and the representativity of BUSINESSEUROPE?

Steven D’Haeseleer: There are two things; our relationship with our members is an internal issue, no doubt about it, I will be happy to tell about and relationship with other employer organizations. This is not an internal BUSINESSEUROPE stuff. It is not so much about representativity.

We have good relationships with UEAPME and with CEEP. From time to time, there are difficult issues, and we sit down and discuss them. And the relationship with our members; they are very well. Obviously, we engage with some of our members more than with others, because some of our members are more active than others, and their approach is more. More is going on for example, in a country in terms of labour market and social policy. And the logical result of that is of that is more in contact with them. But the end, I mean, I have only been at BUSINESSEUROPE for two and a half year, and I think it is changeable.

Interviewer: What can you say about the legitimacy of the internal structure of BUSINESSEUROPE?

Steven D’Haeseleer: I think the internal structure works pretty well, in terms of internal democracy, it is pretty ok. Probably, you are committed; I do not know whether you

know the structure of BUSINESSEUROPE. There are different layers in terms of the organizational set-up and the way we produce positions and take decisions.

Interviewer: I think there are sub-committees, and the issues are discussed in these committees.

Steven D'Haeseleer: It basically starts with the highest level. The Council President sets out what is the main direction for the organization, then we have an Executive Committee, Council of Presidents, I mean every presidency, then you have the Executive Committee, meaning every federation from BUSINESSEUROPE sends its director general or another senior figure to Brussels and they translate directions or guidelines set out by the Council of Presidents into concrete actions. Then, you have the elected biyola which is composed of five the biggest member federations of BUSINESSEUROPE and five others on the rotating basis, very much like the UN Security Council, EU structures. And, they supervise from a bit closer to what is going on, and then you have Social Affairs Committee. We have seven policy committees, which in their field set out the guidelines within the playing field that was set out by the Council of Presidents. Then, you have the technical working groups which really produce the documents based on the guidelines from the Social Affairs Committee. In fact, the real work is done in the Social Affairs Committee. Well, what the working groups do is that every federation is free to send the expert they want. For example, TISK can send whatever expert they want.

Interviewer: I think TISK is very active?

Steven D'Haeseleer: TISK is very active in Social Affairs Committee definitely. And, so the technical working groups, they prepare, for example, as draft position paper when there is an initiative that we want to react to. The working groups prepare the positions, they go the Social Affairs Committee and this committee formally approves the document. So, that is a bit the way we work, and I think it works pretty well. And, there are very few of any organizations, member organizations that are complaining, but again since my working here for two and a half years. That is my impression.

Interviewer: Are you satisfied with the acts and influence of the social partners in the European social policy-making procedure? As BUSINESSEUROPE, you have you have certain suggestions for improvement.

Steven D’Haeseleer: In terms of influence, we try to influence either the EU or.....

Interviewer: I think, it is the most influential employer organization.

Steven D’Haeseleer: In terms of influence on policy-making what we do is to act as any other organization of employers and trade unions do. We try to lobby the Commission, the Council.

Interviewer: Can we say that BUSINESSEUROPE is a lobby organization rather than a social partner?

Steven D’Haeseleer: No, no...BUSINESSEUROPE is two things; we are a lobby organization and we are a social partner. But, obviously, let me give you an example for intellectual property rights; that is initial where we do not act as a social partner, because it is not a social competence. So any same situation is seen. They are a lobby organization, they have like we did, and we did officially register in Commission lobby register. We are a lobby organization ourselves. And, obviously, at the same time, we are a social partner with the competence to conclude social dialogue agreements. For, there are two things, I think that it is a lobbying and a social partner, and depending on the dossier, we are either a social partner or lobby and sometimes we are both.

Interviewer: Finally, what do you think about the future of EU social policy and European social dialogue concerning the challenges?

Steven D’Haeseleer: I think the crisis has changed the context, the debate will change. I think that we will sit down with the trade unions and discuss how we deal with social issues and employment issues in a context of crisis. But, in the long run, I think that there will be an impressive change. I think that we should first and foremost, we have got a very good social security systems, well-functioning labour market that can be improved and I think that the main challenge for the EU average member states, social security and labour market will be against the background of demographic ageing, how are you going to get as many people....it sounds strange at this moment, but in time when there is an economic crisis, but how are you going to get as many people as possible on the labour market, because the crisis will be serious and there will be a

substantial, very significant impact on the labour market. In five years time, we are still with a declining size of the working age population. That is the most important point. I think that we need to, with the social dialogue at European level, with trade unions and with other employer organizations, think about how we can modernize our systems, how can we get more people in the labour market and how can we make sure that they are well-trained and highly skilled.

Interviewer: I think enlargement is another challenge.

Steven D’Haeseleer: It has brought enormous benefits, economic and social, enormous. I know that the trade unions are very concerned about some of the recent ECT rulings; we got a posting of workers. But, I think that we have to look at these rulings with the trade unions, because it would be dramatic, if we would allow there rulings and trade unions interpretations of these rulings destroy the whole picture and undermine the benefits of the single market, and if you look at the evidence that enlargement has brought nothing but enormous benefits. I do not know whether you have read the recent Communication from the Commission, 60 pages, no distortion of labour market in terms of wages and employment in the old member states by those coming from the new member states. It has had a positive impact on GDP growth which is quite considerable. It has.....to fulfill labour shortages in the old member states. If you look at it as a whole, I think that, I mean there was political resistance and if that is what you mean a challenge, yes, and it was a challenge and perhaps is still a challenge in some countries, and including in mine, in Belgium where you still have restrictions on access to labour market for workers from new member states which I think is a pity, should be eliminated immediately, but I do not think...It has been a positive experience.

APPENDIX – III.5.9

INTERVIEW WITH VALERIA RONZITTI

Interviewer: I would like to start with the general question of EU social policy, whether you think it is a well-established or successfully developed at European level, your comments, of course from the point of view of CEEP?

Valeria Ronzitti: For sure, there have been a lot of improvements and growing forces, and sometimes, that is the source of criticism that we have in CEEP. The independency of the initiative that is hand-made about the European Commission does not always relate to real means of management and labour. So, since sometimes we have this impression that the European Commission, DG Employment does not abide the Treaty very wide scope of competence, they can to supersede artificially broaden mandate. And, sometimes there is also dependency to use the scope of social partners to artificially launch initiative that would not be naturally in the Commission's remige, and so the positive side is that there has been a lot of improvement, development, but sometimes, there is the misuse of this competence.

Interviewer: In this whole picture, what is the significance of European social dialogue with regard to the development of EU social policy?

Valeria Ronzitti: In our view, the European social dialogue should be the center of everything. The more active social partners, we claim our autonomy, the more we should be living up than with the obligation of the autonomy of the member states. So, as CEEP, we are very much in favour of the fact that we should be the social policy-makers and not look at others to make this policy. And, then again, we are not yet at the stage where we are really coherent with this, because sometimes, very typical on the trade union side, the fact that when they cannot get something to what social dialogue, then they ask the legislator to come in, and on our side, as employers, we of course sometimes find it easier to let, to go for the lobby fast of our job, because we know that with the social dialogue instrument, it will be more difficult to find an agreement, so in very critical cases, we say ok, but we are not able to....

Interviewer: So, you have two roles, both as a lobby organization and as a social partner?

Valeria Ronzitti: Yes, I mean, lobby is the easier way of making business, because it gives you less obligation at the end. You leave others finding the solution and you push the third parties to find what you prefer, I mean you push them to find a solution. That's why, it is sometimes contradictory, and we should have social dialogue as the main mantrat of EU social policy.

Interviewer: But, I think it has not reached that stage at the moment, European social dialogue has undergone an evolution.

Valeria Ronzitti: And in a period of time which is relatively a short time compared to other approaches, so they have relatively short time rather than....

Interviewer: Do you think it will be improved?

Valeria Ronzitti: I think yes, because we are at the third stage in my view. There has been the Val Duchesse process, then we went to a small meeting and binding agreements, then, now we are at the fourth stage. Third stage was the autonomous social dialogue, but there are still some drawbacks. So, we are I think at the fourth stage, because we as now, it is seen that we can make something very essential for the European social dialogue, which we feel we have not been able enough to tackle really with some controversial issues. Thus, we are at the stage where we have to really take on board the difficult issues.

Interviewer: What do you think about the latest work programme of European social partners?

Valeria Ronzitti: The Joint Labour Market Analysis that has been mentioned today is an important issue. So, key challenges of European labour market have been the first case in the broadened content of European social dialogue.

Interviewer: What are the impacts of the European social partners on the social dialogue and reflections of it on EU social policy-making process? Their roles have been institutionalized with the Treaties, in a way it goes on like this. How do you find the extent of their influence?

Valeria Ronzitti: As you said, their roles have been institutionalized. So in my point of

view, we have all the means to play a quasi-legislative role. I mean we can make legislation at the end in the social policy field. And, it is all depending on the political will of the respective parties to use it properly, to use it until the end, so I mean we have a potentially huge role, we only come about when this role is not exerted, and an example that can be made, and a very critical one is on working time directive. We had the opportunity, they are..., we said 'no', and now our respective members are complaining about the integration that is going on since then. For public employers, it is disastrous, because the extral integration is imposing a lot, a lot of costs on public services, because the on-course time is counted at working time which will put at peg to our services. But, the quicker answer would have been to negotiate a solution. So all those where there is not yet a solution, we know that we have to negotiate.

Interviewer: I think it is the basis of social dialogue.

Valeria Ronzitti: These we will try, and then it is possible that we do not reach an agreement, but it leads that our members would not say we did not take up the responsibility.

Interviewer: So, can we say that European social dialogue is a tool for cooperation and conciliation?

Valeria Ronzitti: Yeah...absolutely.

Interviewer: Now, I would like to ask about CEEP's relations with EU institutions, its relations with the other social partners, especially with ETUC on the other side, whether you have problems, what do you do to overcome these problems to end up with an agreement?

Valeria Ronzitti: With the EU institutions...depending on which field. In the social dialogue field, what we actually do, of course, is the ambiguity that the Commission has, but yeah...so on the one hand, we are pretty autonomous etc., on the other, with the consignor facts, the sort of democracy that we have, because they launch consultations. Very often, as fields where we do not see any will to react at the moment, but they launch it and 90% of the time, there is one of the parties, normally the trade unions, say 'yes', there is a need to do something, so the both of the sides cannot think; so if you do not do it, we will do it. So, that's the problem. On the one hand, we have the blame on us that we do not have the enough practice; we should increase the content

of outcomes and our room in the social dialogue process. I totally agree, but on the other hand, it is difficult, you have to keep the face of the content and very one of the consultations from the European Commission. However, I think that our, what we receive here compared to Italy for instance. What is good is that in Brussels the context is really easy, I mean that if we have a problem with some initiatives, it is fairly easy to have an access to the Commission at the very early stage and the same with the trade unions compared to depending on the institutionalized mechanisms at the national level. In Brussels, there is informal and very fairly good cooperation. Informal ties are more influential absolutely.

Interviewer: In general, are you satisfied with the extent and involvement of the social partners and particularly CEEP in EU social policy?

Valeria Ronzitti: That is, I mean we should improve. Tools are up there. It is for us to improve our use of it officially.

Interviewer: Finally, what do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and what do you think are the probable initiatives to overcome them?

Valeria Ronzitti: We are at a real turning point, because in front of the items such as crisis, for instance, we have to rethink our way of setting priorities and we start with the new work programme; but to be completely frank, this is the first time we have targeted so high. So, the items are on the agenda, now we have to deliver on those and, so we are now at a, at least with the CEEP side, very auto critical process of seeing how should we rethink the way of doing social dialogue, because the current way might not be appropriate anymore in times of crisis, in times of difficulties. Thus, it should be improved. Yes, also it will be more ambitious, more autonomous, more independent social dialogue and social partners. But, in order to satisfy really the needs of our members and the importance should be given to leave, we call it 'gadget text' which stresses the very important items absolutely, but is not equally crucial as the restructuring process and the need to tackle the crisis, the employment policies. I mean we have to go on another level.

INTERVIEW WITH CINZIA SECHI

Interviewer: Do you think that the EU has a well-developed and successful social policy in general?

Cinzia Sechi: For the first question, it is difficult to give clear-cut answers. But, I think that there has been a strong improvement in EU social policy and ETUC will have a strong reaction on the institutions and especially from the European Commission to take a more proactive role in a number of areas that have been pending for many years now. Thus, there is the room for improvement, especially after the 1990s, with the initiative of the Commission. The governance approach emerged in this period has had an impact on EU social policy-making.

Interviewer: What is the significance of the European social dialogue with regard to the development of EU social policy?

Cinzia Sechi: It is the fundamental and one of the main elements of the European social model, something recognized as one of the distinctive issues that we have in Europe, but not only the tool to deal with social issues, but the governance in the context of the European governance of the EU.

Interviewer: What are the impacts of European social partners on the social dialogue and reflections of it on EU social policy-making process? In fact, European social partners are the main actors in the European social dialogue process, what is the influence of them?

Cinzia Sechi: I think that it could be better considered from some EU policies that are not dealing with the social policy. But, in some issues, we see the emergence of other actors that can be involved in terms of policy-making when the other actors mainly think about the civil society, carefully look what the European Union..

Interviewer: If we look particularly at ETUC, what is the role of ETUC in terms of modernization of the social model? What are your activities/practical means at the European level?

Cinzia Sechi: As ETUC, we do anticipate the issues that so will be at stake in Europe; and, not only too at the highest level, a counterpart of the institutions, whatever new policies developed, and our duty was to have our own agenda, we can develop our own demands and do it something in a parallel basis together with reaction to promote any position and any initiatives we have in our own agenda.

Interviewer: What is your current agenda especially after 2007 Seville Constitution?

Cinzia Sechi: In fact, that is the basic agenda which will run for the forthcoming years, so victory, that in conjunction with what we do in social dialogue and we can redevelop our own agenda, we take into consideration what happened, was decided in Seville, these are the priorities. Now, let's talk about the points in our own high agenda, I would say working time, mobility of workers, and the impact of the..... Directive and of course things related to flexicurity.

Interviewer: The 9th Congress of ETUC and 'European collective bargaining'? Ambitious suggestions for European collective bargaining, what happened afterwards? It is an ambitious proposal as we cannot talk about such a thing as European collective bargaining.

Cinzia Sechi: I cannot answer this question. I can tell you...we have committees working on the agenda made up of affiliates, they develop an agenda for European collective bargaining together with other federations, but what this grouping have achieved, I am not able to tell the point that they have reached. I can tell you that look for these documents where you can find more info on our web site on policy and policies.

Interviewer: How do you evaluate ETUC's relations with EU institutions and with the other European social partners concerning EU social policy-making process?

Cinzia Sechi: ETUC has good relations with the Commission. Apart from the institutional relations, ETUC has good relationship with specific DGs in the Commission such as Employment and Social Affairs, Education and Training, quite closely relationship with other DGs on Development, External Relations, also with DG Environment, for two years we have been more and more involved in discussions with Environment DG.

Interviewer: ETUC has also good relationship with the European Parliament in terms of proactive demonstrations and the things like that.

Cinzia Sechi: Yeah, but we also have inter working group in the Parliament operated with the MEPs that is a close to the Union concern. They regularly meet with NGOs and they tell about the priorities of the Parliament. We take part in public hearings as a social partner. Exactly, informal activities are more influential than the formal ones. Yes, it depends on the personal relationships with different MEPs as well. But, we really have leading activities with the Parliament, so whenever they like the approach, they support our activities.

Interviewer: Can we say that ETUC works as a lobby organization rather than...?

Cinzia Sechi: At the moment, we are more like a lobby organization than the work that trade unions do at national level.

Interviewer: Does ETUC represent its members successfully, because, there is a rather heterogeneous composition at ETUC? How can you achieve in reaching certain resolutions, positions and/or end up with consensus or common points especially concerning difficult issues?

Cinzia Sechi: But maybe, this is up to discussion. What we try to do is every time we select a clause, what are the positions within our members, we try to employ the right things, once we have basis, and we try to pick up different options, strategies. These are the tools to help us find common positions in a heterogeneous organization. That is the internal democracy of a heterogeneous organization.

Interviewer: What are the problems that ETUC has come across, in terms of organizing at European level?

Cinzia Sechi: We do not organize. What we do, could certainly do is to increase a communication process on the top level to the bottom up. Due to the many reasons, one is linguistic, as many positions are in English and secondly using different means, not only what size, but what are the tools. Thirdly, due to lack of human resources, we have many workers in Europe, but if we look at the secretariat, it is not seen that big.

Interviewer: When you look at ETUC relations with BUSINESSEUROPE, there are certain points I think that you disagree with. How do you evaluate your relations with BUSINESSEUROPE? It seems like a ‘never ending dispute’ due to different point of views of the two sides.

Cinzia Sechi: Yes, we can come to agreement with a very slow process, you were in the room this morning, you could see how the things are proposed and going on. Since 1986, it has evolved, but the situation is even much more complicated, because we started with 15 countries, now we are 27. In this size, it is much more difficult to put positions together. This has had an impact on social policy-making as well as in European social dialogue. This is also related with the evolution the European social dialogue process has undergone. Also, I would say that what is important is that we meet together when we feel the need of meeting. Of course, we do not agree on every issue, but European social dialogue has been institutionalized and the system is going on.

Interviewer: What about the content of the outcomes of European social dialogue? Do you think it will be broadened in the future?

Cinzia Sechi: It has been broadened, if you take into consideration the latest Work Programme of the Social Partners. I mentioned about it in the morning.

Interviewer: I have not read it yet.

Cinzia Sechi: In this document, you will find the new broadened areas of environment, migration and mobility of workers. It is not a shared agenda.

Interviewer: Are you satisfied with the extent and influence of the involvement of the European social partners?

Cinzia Sechi: Yes, but it is not the people, should have more initiative to involve in the future. Much of the process depends on the institutions. It should be clear that which institutions should involve in which activities. As I said before, the institutions should be clear about what kinds of actions should be involved in different members.

Interviewer: What do you think about the future of EU social policy and European social dialogue concerning the challenges they have come across and what do you think are the probable initiatives to overcome them?

Cinzia Sechi: One of the main challenges is to make our agreements in a more effective approach, especially to continue to develop autonomous agreements. I think there is a lot to do in this respect. But, we have to accompany our members to fully understand what the negotiating methods are, how they can implement them at national level, and it will be probably the challenge that we have in European social dialogue.

Interviewer: Then, it will be maybe more likely to achieve the Lisbon strategy goals.

Cinzia Sechi: Yeah, definitely...

APPENDIX – III.5.11

INTERVIEW WITH PROF. DR. MERYEM KORAY

Interviewer: AB sosyal politikasının gelişim sürecine baktığımızda, Avrupa entegrasyon sürecinde yapılan Antlaşmalarla birlikte geçirdiği dönüşüm sürecini ve şuanda geldiği noktayı nasıl değerlendiriyorsunuz?

Prof. Dr. Meryem Koray : AB sosyal politikasının gelişim sürecine baktığımızda, AB sosyal politikası ekonomik bütünleşme temelinde ‘spill over’ etkisiyle yayılma gösterdiği için, yani ekonomik bütünleşmeyi tam olarak gerçekleştirmek için gerekli bir unsur olarak görüldüğünden AB sosyal politikası eşgüdüm-koordinasyon’un ötesine gidemez. AB’nin sosyal bütünleşmeye yaklaşımı ekonomik bütünleşme kaynaklıdır. AB seviyesinde sosyal politika belirlenmez. AB’de sosyal politikanın rolü ilk sırada yer almaz. Evet, 1990’lardan itibaren AB’de sosyal politikaya artan bir ilgi söz konusudur. Bu sadece ekonomik bütünleşme için değil, AB’nin siyasal bütünleşmesi için de gereklidir. Sağlam bir ekonomik ve siyasal bütünleşme için AB’nin sosyal politika konusunda da adım atması gereklidir. Aynı zamanda, sosyal politika konusunda ulusal düzeyde üye ülkelerin karşı karşıya kaldığı bir küresel baskı vardır. Bu nedenle, AB düzeyinde bazı ortak sosyal politikalara gidiliyor. Ancak, sosyal alandaki bu ortak düzenlemelere tam olarak bir sosyal politika denemez. Çünkü esasında sosyal politika demek, gelirin yeniden dağılımı ile ilgilidir. AB’nin bu açıdan sosyal politikada hiçbir gücü yoktur. Finansal anlamda sadece yapısal fonlar, sosyal fonlar vb. vardır. Sosyal politikanın finansal boyutu, yani gelirin yeniden dağılımı tamamen üye ülkeler bazındadır. Diğer bir deyişle, devletin gelirin yeniden dağılımında etki etmesi ile ilgili konuda üye ülkeler söz sahibidir. AB’nin finansal ya da mali anlamda böyle bir gücü yoktur. AB üye ülkelerinin de böyle bir yetkiyi AB’ye vermesi mümkün değildir. AB sosyal politikaları ele alınırken gözden kaçan en önemli nokta budur.

Interviewer: AB sosyal politikasının gelişimi açısından Avrupa sosyal diyalogunun önemi nedir?

Prof. Dr. Meryem Koray: AB sosyal politikasının gelişimi içinde Avrupa sosyal diyalogunun daha etkin olması yönünde bir beklenti vardır. Avrupa düzeyinde bir sosyal diyalogun oluşturulması, kurumsallaştırılması, Avrupa sosyal taraflarının kabulü, AB’de özellikle Komisyon inisiyatifinde başlatılmış bir süreçtir. Bu, tabii, AB’nin sosyal

politika konusundaki eşgüdüm rolü açısından önemlidir. AB, özellikle işsizlik ve istihdam alanında (European Employment Strategy) (EES) bunu başarmıştır. Bu alan, AB'nin eşgüdümü en fazla sağladığı alan olmuştur. Bu Avrupa Toplum Modeli açısından da önemlidir. Bu modelde, emek ile sermaye arasında demokratik ortaklık vardır. Ortaklık demokrasisi olarak da bilinen bu kavram dahilinde, karar alınırken bütün tarafların diyalogu sonucu olması amaçlanmaktadır. Temelde çok taraflı karar verme sürecine dayalıdır.

Interviewer: Avrupa sosyal diyalogu değişik şekil ve sektörler arası seviyeden sektörel seviyeye kadar değişen farklı seviyelerde gerçekleşiyor. Eğer bu farklı şekil ve seviyelerde meydana gelen sosyal diyalog uygulamalarını birbirleriyle karşılaştırsak, AB sosyal politika yapım sürecinde hangisi daha etkilidir? Neden?

Prof. Dr. Meryem Koray: Avrupa sosyal diyalogunun hem sektörel seviyesi hem de sektörler arası seviyesi, duruma ve bağlama göre AB sosyal politika yapım sürecinde etkili olabilir. Örneğin, ulaşım sektöründe sektörel politikalar belirlenir. ETUC ile BUSINESSEUROPE'un etkili olduğu sektörler arası seviyede ise daha çok ilkesel bazlı politikalar belirlenir. Ancak, şu ana kadar Avrupa sosyal diyalogunun çıktıklarına baktığımızda bu bazda emek ve sermaye arasında ortak nokta bulmanın da ne kadar zor olduğunu görüyoruz.

Interviewer: Avrupa sosyal taraflarının AB kurumlarıyla olan ilişkilerini nasıl değerlendiriyorsunuz?

Prof. Dr. Meryem Koray: Avrupa sosyal taraflarının AB kurumlarıyla olan ilişkisi; AB'nin ekonomik bütünleşmesi, ekonomik amaç olarak ele alındığından, sosyal diyalogun AB seviyesinde kurumsallaşması önemlidir. Bu sürecin de başlatıcısı ve yatatıcısı olduğundan Komisyon hep bu süreci destekleyen *communication*'lar yayınlamıştır.

Interviewer: Avrupa sosyal taraflarının iki ucu olan ETUC ve BUSINESSEUROPE'u ele alırsak, bunların sosyal diyalog süreci içinde önem atfettiği konular nelerdir? Bu konuların AB sosyal politika yapım sürecindeki yeri nedir?

Prof. Dr. Meryem Koray: Avrupa sosyal diyalogu sürecinde emek ve sermayenin beklentileri birbirinden çok farklıdır: İşçiler ekonomik bütünleşmenin sosyal bütünleşmeyi getirebileceğini, bunun doğal olarak ekonomik büyümeyi, istihdamın ve

ücretlerin artacağı konusundaki beklentileri beraberinde getiriyor. Ancak, sendikaları beklentileri gerçekleşmiyor; ekonomik bütünleşme sermayenin yararını doğurdu. Yani, iki tarafın da beklentileri farklı farklı; bu durum doğal olarak beraberinde iki taraf arasında ortak nokta bulmayı ve AB sosyal diyalog sürecinde de çıktı oluşturmaya zorlaştırıyor.

Interviewer: Avrupa sosyal diyalog sürecine ulusal kürelerden bakarsak, farklı sosyal örgütlenme geleneklerine bağlı olan üye ülkelerin Avrupa sosyal diyalogu üzerine ne gibi etkisi vardır?

Prof. Dr. Meryem Koray: Avrupa sosyal diyalog sürecine ulusal kürelerden bakarsak, ulusal sendikaların çoğu Avrupa sosyal taraflarına bağlıdır. Tabi, buna üye ve sendika bazında tek tek bakmak gerekli. Ulusal bazda, liberal politikaların güçlendirdiği sosyal politikalar görmekteyiz.

AB bütünleşmesine ilişkin Eurobarometer verilerine göre, güney ülkeleri sosyal anlamda kazanım elde ettiklerinden AB'ye üye olmaktan memnunken, kuzey ülkeleri liberal gündemin getirdiklerinden hoşnut değil. Bu şekilde, benimsedikleri refah devleti modelinin değişebileceğinden korkuyorlar.

Interviewer: Son olarak, genel çerçevede AB sosyal politikasının, özelde ise Avrupa sosyal diyalogunun geleceğiyle ilgili neler düşünüyorsunuz? Karşı karşıya kaldıkları meydan okumalar ve bunların üstesinden gelinmesi için sizce yapılması gereken ve/veya yapılmakta olan neler vardır?

Prof. Dr. Meryem Koray: Avrupa sosyal politikasının geleceği, temelde AB'nin geleceğiyle ilgili; son yapılan Lisbon Antlaşması AB'nin bütünleşmesi açısından önemli. İrlanda'nın bu Antlaşmayı reddetmesiyle, AB'nin geleceğiyle ilgili soru işaretleri iyiden iyiye arttı. Çeşitli bakış açıları var; kimileri AB bütünleşmesinin bir duraklama sürecine girdiğinden bahsediyor. Kimileri ise, yavaş yavaş, ileriye doğru, adım adım bir bütünleşme gerçekleşeceğini söylüyor. Bütünleşme duruyor, tekrar başlayarak hız kazanabiliyor. Tabi, bu süreçte, AB ülkelerindeki koşullar ve globalleşme, uluslararası konjunktür gibi dış etkenler de söz konusu.

AB'ye baktığımızda, ekonomik açıdan kendini ispatlamış bir Birlik olduğunu görmekteyiz; bu nedenle, pek dağılacak gibi de görünmüyor. Ekonomik birlik beraberinde sosyal diyalogu da getiriyor. Avrupa sosyal diyalogu ulusal devletlerdeki çoğulcu yönetim anlayışının gelişimi açısından önemli. Bu yönetim anlayışı, özellikle gelirin yeniden dağılımı açısından önem taşıyor. Ancak, ekonomik bütünleşme sınırlı kalırsa, bu da pek fazla işe yaramaz (...) Bu durumda, AB'nin geleceği, Avrupa sosyal diyalogunun da geleceğini belirleyecek diyebiliriz.

**TRANSLATION OF THE INTERVIEW WITH PROF. DR. MERYEM KORAY
INTO ENGLISH**

Interviewer: When we look at the development process of EU social policy, how do you evaluate the encountered transformation period together with the Treaties concluded during the Europe integration period and the present status achieved?

Prof. Dr. Meryem Koray : When we look at the development process of EU social policy, since EU social policy is spread by ‘spill over’ effect based on economic integration, in other words, since it is considered as an essential factor for the complete realization of economic integration, EU social policy cannot extend beyond coordination. Approach of the EU to social integration is based on economic integration. Social policy is not determined at the European level. Social policy does not have the primary role in the EU. Yes, there is an increasing interest for social policy in the EU since the 1990s. This is essential not only for economic integration but also for political integration of the EU. For a strong economic and political integration, EU should take a step in social policy as well. At the same time, there is a global pressure on member states at the national level in respect of social policy. Therefore, some common social policies are sought at the EU level. However, these common arrangements at social field cannot be named exactly as social policy, because the meaning of social policy is actually related to the re-distribution of income. In this respect, EU has no power in social policy. In financial terms, there are only structural funds, social funds, etc. Financial dimension of social policy or re-distribution of income is completely in the hands of the member states. In other words, member states have a say in the issues regarding the re-distribution of state income. EU has no such power in respect of financial or monetary respects in the social policy field. It is also not possible for EU member states to grant such a competence to the EU. This is the most important point disregarded when considering EU social policies.

Interviewer: What is the importance of European social dialogue in respect of the development of EU social policy?

Prof. Dr. Meryem Koray: Within the progress of EU social policy, there is an expectation for European social dialogue to be more effective. The establishment, institutionalization of European social dialogue and the recognition of the social

partners at European level adaptation of a social dialogue by the European social partners at European level is a process initiated by the European Commission within the framework of the EU. This is naturally important considering the coordination role of the EU regarding social policy. The EU has achieved this especially in the unemployment field through the European Employment Strategy. This field has become the field where the EU has achieved the most coordination. This is also important from the point of European social model. In this model, there is social partnership between labor and capital. The dialogue of all parties of is aimed when taking decisions within the scope of this concept also known as deliberative democracy. It is based on multilateral decision-making process.

Interviewer: European social dialogue took place at various forms, ranging from inter-sectoral level to sectoral levels. If we compare these social dialogue applications of such different forms and at such different levels, which one is more effective in the social policy-making procedure? Why?

Prof. Dr. Meryem Koray: Both inter-sectoral and sectoral levels of European social dialogue can be effective in the EU social policy-making procedure depending on the conditions and the context. For example, sectoral policies are determined in transportation sector. At inter-sectoral level where ETUC and BUSINESSEUROPE are effective, it is determined more on principle-based policies. However up until now, when we look at the outputs of the European social dialogue, we see how difficult it is to find a common ground between labor and capital in this respect.

Interviewer: How do you evaluate the relations of the European social partners with EU institutions?

Prof. Dr. Meryem Koray: Regarding the relations of the European social partners with EU institutions, it is important for the social dialogue to be institutionalized at EU level since economic integration of the EU is considered as the main objective. The Commission has always published *communications* which support this period since it is the initiator and creator of this process.

Interviewer: If we consider the ETUC and BUSINESSEUROPE which are the two ends of the European social partners, what are the subjects that they attach importance to within the social dialogue process? What is the role of them in EU social policy-

making procedure?

Prof. Dr. Meryem Koray : Within European social dialogue, the expectations of the two parties, namely labor and capital, are different from each other: The expectation of the workers is that economic integration can bring up social integration and this in turn will naturally increase economic growth, employment and wages. However, the expectations of the trade unions are not realized; economic integration has been to the advantage of the capital. In other words, the expectations of both parties are different; this condition naturally makes it difficult to find a common ground between the two sides and to reach outcomes within the European social dialogue process as well.

Interviewer: When we look at the European social dialogue process from national spheres, what kind of influence do the member states coming from different social organization traditions have on European social dialogue?

Prof. Dr. Meryem Koray: When we look at the European social dialogue process from national spheres, most national trade unions are members of the European social partners. Of course, we should consider this individually on member and trade union bases. At national base, we see social policies augmented by liberal policies.

According to the Eurobarometer data regarding EU integration, whereas southern members are happy to be a member of EU, northern countries are not pleased with the results of liberal agenda since their social benefits are not as much as they expected. In this respect, they are afraid that the welfare state model which they have adopted might change.

Interviewer: Finally, in general, what do you think about future of EU social policy especially European social dialogue? What do you think should be done and/or is being done to overcome the challenges faced?

Prof. Dr. Meryem Koray: The future of European social policy is basically related to the future of the EU; the recent Lisbon Treaty concluded is important for European integration. The number of question marks has considerably increased by the refusal of this Treaty by Ireland. There are many opinions. Some mention that EU integration will enter a standstill period. Some say that integration will be eventually realized although at a slow pace. Integration stops and resumes by gaining acceleration. Of course, in this process, external factors such as conditions of EU member states, globalization and international conjuncture are to be taken into consideration.

When we look at the EU, we see that it is a union which has proved itself economically; thus, it is not likely to disintegrate. Economic integration has brought social dialogue. European social dialogue is important for the development of pluralist governance of nation-states. This governance concept is especially important for the re-distribution of income. However, if economic integration remains limited, this will not be so useful (...) In this case, it can be said that the future of the EU will determine the future European social dialogue.

INTERVIEW WITH BULENT PIRLER

Interviewer: AB sosyal politikasının gelişim sürecine baktığımızda, Avrupa entegrasyon sürecinde yapılan Antlaşmalarla birlikte geçirdiği dönüşüm sürecini ve şuanda geldiği noktayı nasıl değerlendiriyorsunuz?

Bülent Pirlar: AB, sosyal politikasının durumunu bilerek bu durumda bırakmıştır. AB’de sosyal politikalar üye ülkelerin yetki alanı içindedir. Bu da bilerek bu şekilde bırakılmıştır. AB’de bir ‘sosyal model’ ortaya atılmıştır. Ancak, AB’de değerlerden öte bir sosyal model yoktur. Üye ülkeler arası farklılıklar söz konusudur ve bu sürecin bu şekilde devam edeceğini düşünüyorum.

Interviewer: AB sosyal politikasının gelişimi açısından Avrupa sosyal diyalogunun önemi nedir?

Bülent Pirlar: AB sosyal politikasının gelişimi içinde Avrupa sosyal diyalogunun çok etkili olduğunu düşünüyorum. Sosyal diyalog çok derinlikli bir süreçtir, ve etkinliğini daha çok ulusal bazda görmek mümkündür. Avrupa sosyal tarafları üst yapılarıdır, daha çok lobinin yapıldığı yerlerdir; ancak, işin ana eksenini (politika belirleme bağlamında) ulusal bazda alt komiteler vasıtasıyla gerçekleştiriyor.

Interviewer: Avrupa sosyal diyalogu, çıktılarının çok sınırlı olması sebebiyle çok eleştiri almaktadır. Şuana kadar Konsey direktifi haline dönüştürülmüş 3 çerçeve anlaşma –parental leave (1995), part-time work (1997), fixed-term work (1999), ve 3 “autonomus agreements” – agreement on telework (2002), stress at work (2004), harassment and violence at work (2007) – vardır. Siz bu konuda ne düşünüyorsunuz?

Bülent Pirlar: Avrupa sosyal diyalogunun çıktılarının çok sınırlı olduğu eleştirisine katılmıyorum. Avrupa sosyal diyalogunun AB sosyal politikasında etkin bir süreç olduğunu düşünüyorum.

Interviewer: Avrupa sosyal taraflarının kendi aralarındaki ilişkiler de dümdüz bir yol izlememektedir? Uzlaşamadıkları konular nelerdir? Bunların üstesinden gelmek için neler yapmaktadırlar?

Bülent Pirlir: Avrupa sosyal tarafları arasındaki ilişkilere bakarsak, taraflar arasında, temelde anlayış farklılığı var. İşverenler Avrupa sosyal modeli olacak gözüyle bakmıyor Bununla ilgili olarak, örneğin, bana göre BUSINESSEUROPE, sınırötesi sözleşmeler (Finlandiya/Litvanya) konusunda hata yapıyor. Avrupa sosyal tarafları derin bir lobi faaliyeti yürütüyorlar. Ancak, bu sadece Avrupa seviyesinde yürüyen bir lobi değil. AB üye ülkelerin yaptığı sosyal diyalog da bir o kadar önemli.

İki sosyal taraf, BUSINESSEUROPE ve ETUC arasında çekişme var; çatıştıkları, anlaşamadıkları konular çok fazla; ancak, burada önemli olan uzlaşmak için masaya oturmaktır. Masaya oturduktan sonra uzlaşmak için mutlaka iki tarafın da taviz vermesi gerekir. Bu bağlamda, ETUC'un ulusal bazda sendikaların gücünü törpülediği eleştirisine de katılmıyorum. Uzlaşma, karşılıklı ödün vermedir.

Sosyal tarafların kendi yapıları içinde de farklılık var. BUSINESSEUROPE içinde farklılıklar var, farklı çıkan sesler çok fazla. Örneğin, bir konu ilk olarak ele alındığı zaman kimse aynı fikirde olmuyor. Kullanılan yöntem, alt komiteler oluşturarak konu üzerinde uzlaşmaya varmaktır. Alt komitelerde, üye temsilcisi olarak gelen farklı görüşlere sahip uzmanlar yer alır. Bu alt komiteler vasıtasıyla konu tartışılır var uzlaşma sağlanır. Örneğin, kurumsal sosyal sorumluluk konusunda. Bu durumda, BUSINESSEUROPE'un kadrosuna bakarsanız, 25 kişilik çekirdek bir kadro görürsünüz, çoğu iş alt komitelerde halledilir.

Sosyal tarafların diğer sosyal taraflarla ilişkilerine bakarsak, BUSINESSEUROPE'un UEAPME ile ilişkisinde, güçlü olan, politika yapımında alt komiteler vasıtasıyla etkin olan taraf BUSINESSEUROPE'dur. UEAPME'yi ilgilendiren konularda, BUSINESSEUROPE yanında sözcü olarak UEAPME'yi alıyor. Güçlü taraf kendisi olduğu için politika yapımında söz kendisinin.

Interviewer: Avrupa sosyal taraflarının AB sosyal politika yapım sürecine etkisi nedir? Avrupa'da yönetim (governance) açısından sosyal tarafların bu sürece katılımının etki ve seviyesini nasıl değerlendirirsiniz?

Bülent Pirlir: AB sosyal politikasında amaç, harmonizasyon, belli bir standardizasyonu sağlamaktır, yoksa aynılaştırmak değildir. Bunun için de kullanılan yöntemlerden en önemlisi 'governance approach'tur.

Interviewer: Son olarak, genel çerçevede AB sosyal politikasının, özelde ise Avrupa sosyal diyalogunun geleceğiyle ilgili neler düşünüyorsunuz? Karşı karşıya kaldıkları meydan okumalar ve bunların üstesinden gelinmesi için sizce yapılması gereken ve/veya yapılmakta olan neler vardır?

Bülent Pirlir: AB sosyal modeli oluşmaz; sosyal modelin değerlerinden bazılarında yararlanır. AB sosyal politikasının gelişiminde ATAT kararları da çok önemli, çünkü ATAT kararları kendi içinde sosyal politika konusunda içtihat oluşturmuş durumdadır. ‘Subsidiarity’ ilkesinin sınırlarının genişlemesiyle sınırötesi sözleşmelerin yapılması zorlaşıyor. Bu durum işçi sendikalarının işine gelmiyor.

TRANSLATION OF THE INTERVIEW WITH BULENT PIRLER INTO ENGLISH

Interviewer: When we look at the development process of EU social policy, how do you evaluate the encountered transformation period together with the Treaties concluded during the Europe integration process and the current situation?

Bülent Pirlir: The EU has intentionally left its social policy in this status. Social policies within the EU are in the competence of the member states. This is intentionally kept intact. A ‘social model’ has been set forth in the EU. However, there is not a social model beyond values in the EU. There are differences between the member states and I think this period will go on in this manner.

Interviewer: What is the importance of European social dialogue with respect to the development of EU social policy?

Bülent Pirlir: I believe that European social dialogue is very important in the development of EU social policy. Social dialogue is a process with a great depth and it is possible to observe its effectiveness more at national level. The European social partners are umbrella organizations, they are organizations where lobbies are mostly established; however, the main line of the issue regarding policy-making is realized by sub-committees at national level.

Interviewer: European social dialogue is criticized very much since its outputs are very limited. So far there are 3 framework agreements converted into Council directive: parental leave (1995), part-time work (1997), fixed-term work (1999), and 3 “autonomous agreements” – agreement on telework (2002), stress at work (2004), harassment and violence at work (2007). What do you think about this issue?

Bülent Pirlir: I do not agree with the criticism that the outputs of the European social dialogue are very limited. I believe that European social dialogue is an effective process in EU social policy.

Interviewer: The relations between the European social partners do not go on smoothly. What are the issues that they do not agree with? What do they do to overcome these controversial issues?

Bülent Pirlir: Considering the relations between the European social partners, there is

basically a perception difference between the social partners. Employers do not believe that there will be a European social model. Accordingly, in my opinion, for instance, BUSINESSEUROPE are mistaken about the transnational documents concerning Finland/Lithuania. The European social partners do deep lobby activities. However, this is not a lobby done at European level. The social dialogue carried out in the EU member states is important as well.

There is a conflict between the two social sides: BUSINESSEUROPE and ETUC. They cannot come to an agreement on many issues; however the important thing here is to come together for reconciliation. Once the social partners come together, both sides should definitely compromise for reaching an agreement. In this respect, I do not agree with the criticism that ETUC is grinding down the power of unions at national level. Reconciliation means mutual compromise.

There are differences in the structural framework of the European social partners. Considering the differences within BUSINESSEUROPE, there are numerous different voices. For example, nobody agrees with each other when an issue is initially taken into process. The actual method is to reach agreement on subjects through establishing sub-committees. There are member representative experts with different opinions in sub-committees. The issue is discussed by means of these sub-committees and agreement is thus achieved. For example, regarding the issue of corporate social responsibility, this method is put into practice. In this regard, if you look at the staff of BUSINESSEUROPE, you see a core team of 25 people; many issues are sorted out within sub-committees.

Once we look at the relationship of BUSINESSEUROPE with the UEAPME, it is seen that BUSINESSEUROPE is the strong and effective partner concerning policy-making through sub-committees. BUSINESSEUROPE takes UEAPME as its spokesman concerning the issues that appeal to UEAPME. BUSINESSEUROPE is the strong partner that is in charge of policy-making.

Interviewer: What is the influence of the European social partners on EU's social policy-making procedure? Regarding the governance in EU, how do you evaluate the effect and level of the contribution of the social partners to this process?

Bülent Pirlir: The objective of EU policy is harmonization and achieving a certain standard; it is not uniformization. The most important method used for this is ‘governance approach’.

Interviewer: Finally, in general, what do you think about future of EU social policy and especially European social dialogue? What do you think should be done and/or is being done to overcome the challenges faced?

Bülent Pirlir: The European social model will not come true. Some values within the the social model are made use of. The decisions of the Court of Justice are also very important for the development of EU social policy, because these decisions have established case-law for social policy. By the extension of the 'subsidiarity' principle, it has become more difficult to conclude transnational agreements. This is to the disadvantage of trade unions.

APPENDIX – III.5.13

INTERVIEW WITH AZIZ CELIK

Interviewer: AB sosyal politikasının gelişim sürecine baktığımızda, Avrupa entegrasyon sürecinde yapılan Antlaşmalarla birlikte geçirdiği dönüşüm sürecini ve şuanda geldiği noktayı nasıl değerlendiriyorsunuz?

Aziz Celik: AB sosyal politikasının gelişimi açısından bakılırsa, 1980'lerden itibaren bu politika alanında ulusal üstü seviyeye doğru güç kazanma eğiliminde olduğunu görüyoruz. Antlaşmalar ve Anayasa'da getirilen yeniliklerle sosyal politika alanında genişleme eğilimi görülüyor. Temel Haklar Şartı'nın Anayasa'ya girmesiyle bağlayıcılık kazanması önemli.

Tabi, AB iktisadi açısından, liberal iktisat politikalarının benimsenmesi çelişkili bir durum yaratıyor. Ekonomik ve sosyal politikalar arasında hep bir gerilim söz konusu.

Sosyal politika alanındaki düzenlemeler etkin hale gelse de üye ülkelerde bu düzenlemelere karşı bir direnç var. Neo-liberal politikalar güç kazandıkça ikili bir gerilim oluyor; bu da sosyal politika ile ilgili bir belirsizlik yaratıyor. Bu nedenle sosyal politika alanının gelişimi de yavaş ve belirsiz, geniş bir hukuki zemini yok. Bu bağlamda, Temel Haklar Şartı'nın bağlayıcılık kazanabilmesi önem taşıyor.

Yönetişim yaklaşımı, sosyal politikanın ulusal üstü seviyede gelişmesine yardımcı nitelik taşıyor. Ancak, İngiltere sosyal politika hareketinin bir rekabet alanı haline gelmesini istiyor. Bu durum, sosyal politika alanında taviz demek, bu nedenle, sosyal politika alanındaki ana konularda *harmonization*'a gidiliyor.

AB'de finansal alanda, Tek Pazar alanlarında ulusal güçlerle ulusal üstü güç arasında bir rekabet var. Çok vitesli AB de bu noktada ortaya çıkıyor. Ancak, bu gerilim sosyal politika için ciddi bir tehdit/ koordinasyon için ciddi bir tehdit olarak karşımıza çıkıyor.

Interviewer: AB sosyal politikasının gelişimi açısından Avrupa sosyal diyalogunun önemi nedir?

Aziz Celik: Antlaşmalar, sosyal taraflara Avrupa sosyal diyalogu yoluyla sosyal politika yapım sürecine katılmaya imkan veriyor. Ancak, çıktıları çok sınırlı. Benzer

sorun sosyal taraflar arasında da var. Sosyal tarafların Avrupa sosyal diyaloguna karşı önemli yaklaşım farkları var. Bu nedenle, katkı yapma imkanı olmasına rağmen ortak sonuç üretmeleri gittikçe zorlaşıyor. Ayrıca, Avrupa’da ABD basınçlı bir sosyal politika görüyoruz. Liberalizasyona yönelik bir açılım var. Bunda bir değişme olmazsa, aradaki gerilimin kapanması zor görünüyor. Bunların yanında, sosyal politika üzerinde genişleme ve küreselleşmeden doğan bir basınç da söz konusu.

AB’nin geleceğiyle ilgili de direnç var. Bu, Fransa ve Hollanda’nın Anayasa taslağını reddetmesiyle görüldü. Diğer ülkelerden de aynı tepki gelecek mi diye düşünüldü/endişe edildi.

Bütün bu faktörler, sosyal politikanın Avrupa düzeyinde ortaklaştırılmasını etkiliyor. Genel olarak, üye ülkeler sosyal politikanın Avrupa ölçeğinde geliştirilmesini istemiyor. Toplu pazarlık yolu ile ücret belirleme gibi konular ulusal ya da yerel bazda tartışılıyor. Bu konularda Avrupa merkezli düzenlemeler istemiyorlar. Zaten, bunlar Antlaşmalarla sınırlanmış durumda, ve bunların değişeceğini düşünmüyorum.

Interviewer: Avrupa entegrasyon süreci içinde Avrupa sosyal diyalogunun ortak görüş ve tavsiye vermesiyle başlayan sonra yasal bağlayıcılığı olan direktiflere dönüşen anlaşma yapmaya varan dönüşümünü nasıl değerlendiriyorsunuz?

Aziz Celik: Avrupa entegrasyon süreci içinde, Avrupa sosyal diyalogunun gelişim süreci içinde de önemli adımlar atılmış. Avrupa sosyal diyalogu aracılığıyla sosyal tarafları sosyal politika yapım sürecine katmak için yeterli ve uygun mekanizmalar kurulmuştur. İmkan verilmiştir. Ancak, bu mekanizmalar sonuçlar açısından bakarsak, bağlayıcı normlar anlamında az çıktı oluşturulduğunu görüyoruz. İşverenler bağlayıcı olmayan çıktıları tercih ediyor, gönüllü tarzda normlar olsun istiyorlar. İşverenler bu şekilde istedikten sonra da böyle devam edeceğini düşünüyorum. AB’deki iktisat politikaları bu şekilde devam ettikçe, bağlayıcı gücü olan düzenlemeler engelleniyor. Pozitif düzlemde işverenlere aksini yapmaya zorlamak da zor. Böyle bir güç yok.

Interviewer: Avrupa sosyal diyalogu değişik şekil ve sektörler arası seviyeden sektörel seviyeye kadar değişen farklı seviyelerde gerçekleşiyor. Eğer bu farklı şekil ve seviyelerde meydana gelen sosyal diyalog uygulamalarını birbirleriyle karşılaştırırsak, AB sosyal politika yapım sürecinde hangisi daha etkilidir? Neden?

Aziz Celik: Avrupa sosyal diyalogu kapsamında sektörel ve sektörler arası düzeyde üretilmiş metinler var. Hangi metinlerin sosyal politika alanında daha etkili olduğunu düşünürsek, konfederasyonlar arası metinlerin daha belirleyici olduğunu söyleyebiliriz. Çünkü konfederasyonlar aynı zamanda lokomotif görevi görüyor, yani beraberlerinde sektörleri de getiriyorlar, bir bütünü oluşturuyorlar. Sektörel metinler daha özel koşullara bağlı olabiliyor.

Interviewer: Avrupa sosyal diyalogu çerçevesinde, Avrupa sosyal taraflarının en etkin biçimde iletişim halinde olduğu AB kurumu olan Komisyon'u ele alırsak, Komisyon'un, 1985'te başlayan Avrupa sosyal diyalogunun hem başlatıcısı hem de daha sonra bu sürecin destekleyicisi olduğunu görüyoruz. Aynı zamanda, sosyal taraflar arasında da uzlaştırıcı bir rol üstlenmektedir. Komisyon'un Avrupa sosyal diyalogu sürecindeki bu rollerini nasıl değerlendiriyor, etkinliğini nasıl buluyorsunuz?

Aziz Celik: Avrupa sosyal diyalogunda Komisyon'un yerine bakarsak; Avrupa sosyal diyalogunun başlatıldığı dönem, 1985 Delors'un Komisyon Başkanı olduğu dönemdir. Delors'un bu konuya kişisel olarak verdiği önem de, bu konunun ön plana çıkartılmasında rol oynuyor. Yani, Komisyon'un oynadığı rol, biraz da Komisyon Başkanı'nın neyi ön plana çıkardığıyla ilgilidir. Örneğin, şundaki Komisyon Başkanı olan Barroso'nun bu konuları ön plana çıkarmadığını düşünüyorum. Bunda üye ülkelerdeki mevcut hükümet yapıları da önem taşıyor. Şuanda, Avrupa'da Merkez Sağ'a kaymış bir yapı var. Hele yeni üye ülkeler Avrupa sosyal politikasının maliyetlerini artıracığı düşüncesiyle Avrupa seviyesinde sosyal politika alanının gelişmesini hiç istemiyorlar. İngiltere başta olmak üzere üye ülkelerde de bir direnç var. Bu durum sosyal politika düzenlemelerinin içini boşaltabilecek düzenlemeler ortaya çıkartabiliyor. Aslında, Avrupa sosyal diyalogunun başladığı dönem, Avrupa Sol'unun başarısı denebilir. Başta da bahsettiğimiz gibi neoliberal politika ile sosyal politika arasındaki gerilim nedeniyle sonuç almak zor.

Büyüme ve İstikrar Parktı'nda daha fazla sosyal harcamalara vize verildi.

Finansal politikaların sosyal politikaya dayatmış olduğu dengesizlikler var. Avrupa Merkez Bankası çok anti-demokratik bir alan.

Interviewer: Avrupa sosyal diyalog sürecine ulusal kürelerden bakarsak, farklı sosyal örgütlenme geleneklerine bağlı olan üye ülkelerin Avrupa sosyal diyalogu üzerine ne gibi etkisi vardır?

Aziz Celik: Ulusal kürelerden Avrupa sosyal diyaloguna bakarsak; üye ülkelerde sosyal diyaloga bakış açıları farklılık gösteriyor. Üye ülkeler arasında çok değişik sosyo-kültürel farklar ve emek ile ilgili örgütlenme farklılıkları bulunmaktadır. Örneğin, Akdeniz ülkelerine (Portekiz/ İspanya) ve Fransa'ya baktığımızda, parçalı bir sendikal yapı ve bu bağlamda kazanılmış sendikal haklar görüyoruz. Merkez Avrupa ülkelerine baktığımızda, ortak sendikal yapılar ve uzlaşmacı sendikal eğilimlerin mevcut olduğunu görüyoruz. İskandinav ülkelerde ise durum daha farklı. Ayrıca, üye ülkelerdeki sosyal güvenlik sistemleri de farklı.

Avrupa sosyal diyaloguna etkisine bakarsak, konfederasyonlar federasyon yapılarını içinde barındırıyor. Bunlar ortak tutum oluşturuyor. Sorunlar yaratabiliyor. Örneğin, ETUC'un heterojen bir yapısı var. ETUC içinde barındırdığı heterojen yapıyla nasıl başa çıkıyor diye sorarsak, ETUC'un politikalarına baktığımızda, bunlarında detay içermeyen/ ortak politikalar olduğunu görüyoruz. ETUC, politikalarını ortak hedefler şeklinde belirleyerek gidiyor. Alanının çok da geniş bir alan olduğu söylenemez. Bu bağlamda, ETUC Avrupa düzeyinde bir sosyal taraf örgütü olarak karşımıza çıkıyor. Ancak, temsil etme oranı fazla gibi görünse de, işçileri örgütlenme anlamında çok da fazla etkili değil. Son dönemde, yaptığı 3-4 gösteri var (ki bu informal tepkilerin daha etkili olduğu görülüyor – bkz. Volkenstein directive) ve daha çok Avrupa seviyesinde lobi yaparak ilerliyor. Sendikalar gibi işçileri harekete geçirmek çok daha zaman alıcı birşey. Bu nedenle, Avrupa düzeyinde çözülebilirliği olan konular fazla değil. ETUC, klasik sendikacılıkla ilgili konularda etkin değil, daha çok Avrupa seviyesinde bir lobi ve/ veya koordinasyon örgütü gibi işliyor.

Sektörel örgütler de sendikal güçleri zayıf olan örgütlerdir. Sendikal haklar konusunda da atıldılar. Bu nedenle, ulusal sendikal merkezler sendikacılıkla ilgili konularda çok belirleyiciler diyebiliriz.

Interviewer: Son olarak, genel çerçevede AB sosyal politikasının, özelde ise Avrupa sosyal diyalogunun geleceğiyle ilgili neler düşünüyorsunuz? Karşı karşıya kaldıkları meydan okumalar ve bunların üstesinden gelinmesi için sizce yapılması gereken ve/veya yapılmakta olan neler vardır?

Aziz Çelik: AB sosyal politikasının geleceğiyle ilgili karamsar bakıyorum. Daha genelinde, Avrupa bütünleşmesinin yavaşlamakta olduğunu görüyorum. Son

genişlemenin derinleşmesinin uzun zaman alacağını düşünüyorum. Bu durum, sosyal politikanın gelişmesini de etkileyecek.

Türkiye-AB ilişkileri açısından bakarsak, Türkiye'nin AB üyeliğine de karamsar bakıyorum. Ancak, Türkiye-AB ilişkileri yine önemini koruyacak, aynı şekilde Türkiye'nin sosyal politikaya uyumu da önemli bir konu olarak karşımıza çıkacak. Bu durum, piyasa-sosyal politika arasındaki gerilime de bağlı. Şu ana kadar piyasa ağır bastığı için sosyal politika alanındaki dayanışma ve harmonizasyon sınırlı oldu.

Genel, siyasal anlamda, ulusal üstü düzeyde bütünleşmeye karşı bir tepki var. Avrupa'da milliyetçilik çok yaygınlaştı. AB sosyal politikası için bu durumun çok tehlikeli olduğunu düşünüyorum. Lizbon Antlaşması ile Temel Haklar Şartı'nın bağlayıcılık kazanması ile AB sosyal politikası biraz daha genişleyerek rahatlayabiliyor. Lizbon Antlaşması'nın kabul edilmesi halinde Avrupa Divanı içinde de sosyal politika alanını genişletici kararlar alabilmesi açısından önemli olabilir. Adalet Divanı'nın sosyal politika yapımındaki rolü büyük. Tabi, Antlaşma metinlerindeki güce bağlı olarak.

TRANSLATION OF THE INTERVIEW WITH AZIZ CELIK INTO ENGLISH

Interviewer: When we look at the development process of EU social policy, how do you evaluate the encountered transformation period together with the Treaties concluded during the Europe integration process and the current situation?

Aziz Celik: Considering the development of EU social policy, we see that this policy has a trend for gaining strength towards supranational level since the 1980s. A tendency for extension is observed regarding social policy by the Treaties and revision of the Draft Constitution. It is important that the Charter of Fundamental Rights of the EU becomes binding by being included in the Constitution.

Of course, with respect to EU economics, the adoption of liberal economy policies creates a contradictory situation. There is always a conflict between economic and social policies.

Even if the regulations in social policies become effective, there is a resistance against these regulations in the member states. There is a dual tension as neo-liberal policies gain power; this in turn creates uncertainties regarding social policy. Therefore, the development of social policy is also slow and uncertain, and it does not have a broad legal basis. In this respect, it is important that the Charter of Fundamental Rights of the EU becomes binding.

The governance approach has contributed to the development of social policy at supranational level. However, the UK wants the social policy movement to become a competition field. This condition means concession in social policies and thus *harmonization* is applied for the basic issues in social policy field.

With regard to the financial field in EU, there is a competition between national level and supranational level in the field of the Single Market. Multi-gear EU comes into view at this point. However, we face this tension as a serious threat for social policy concerning coordination in this field.

Interviewer: What is the importance of European social dialogue with respect to the development of EU social policy?

Aziz Celik: The Treaties enable the social partners to contribute to social policy-making process by means of European social dialogue. However, the outputs are very limited. A similar problem exists between the social partners. There are big differences in the approach of social partners towards European social dialogue. Therefore, although there are required mechanisms to contribute to the social policy-making procedure, it is getting more and more difficult for them to create a common outcomes. Besides, we observe social policies in Europe pressurized by the USA. There is an expansion towards liberalization. If this does not change, it seems difficult for the tension to disappear. In addition to these, there is also a pressure on social policy arising from enlargement and globalization.

There is also resistance in the member states for the future of the EU. This was observed by the refusal of the Draft Constitution by France and Holland. It caused worries about whether other member states would also react in the same way.

All these factors affect the mutual adaptation of social policy at European level. In general, the member states do not want social policy to extent to European level. Issues such as wage determination by means of collective bargaining are discussed either at national or local level. They do not want European arrangements on these issues. These are already restricted by the Treaties and I do not believe that it will change.

Interviewer: Within the European integration process, how do you evaluate the transformation that European social dialogue has undergone from joint opinions and recommendations to framework agreements having binding effects as Council directives?

Aziz Celik: Important steps have been taken both within the European integration process and also within the development process of European social dialogue. Adequate and suitable mechanisms have been established for involving the social partners into the social policy-making process by means of the European social dialogue. Opportunity has been given. However, if we look at these mechanisms regarding their outcomes, we see that there have been only a few outputs having binding effects. Employers prefer non-binding outputs, they want voluntary type outputs. Since the employers' demand

will remain in this direction, I believe that it will go on in this manner. As the economy policies within the EU go on this way, the arrangements binding effects are obstructed. It is difficult to force the employers in doing the opposite in positive platforms. There is no such power.

Interviewer: European social dialogue took place at various forms, ranging from inter-sectoral level to sectoral levels. If we compare these social dialogue applications of such different forms and at such different levels, which one is more effective in the social policy-making procedure? Why?

Aziz Çelik: Texts have been generated within the scope of European social dialogue at sectoral and inter-sectoral levels. If we question which texts are more effective regarding social policies, we can say that inter-confederation texts are more determinant. Because confederations also serve as locomotive, i.e. they bring along the sectors accompanying them, they form an integral. Sectoral texts are dependent more on special conditions.

Interviewer: Within the framework of European social dialogue, considering that the Commission is the main EU institution that the European social partners are most effectively in communication with, we see that the Commission is both the initiator and the supporter of this process that started in 1985. At the same time, it serves as an intermediary for reconciliation between the partners. How do you evaluate these roles of the Commission within the European social dialogue process and how do you find its effectiveness?

Aziz Çelik: If we look at the place of Commission within the European social dialogue process, we see that the period when European social dialogue started was the period when Delors was the President of the Commission in 1985. The personal attention of Delors placed to this issue is also important for highlighting this issue, i.e. the role of the Commission is a little bit related to what the President pays attention to. For example, I believe that the current President of the Commission - Barroso - does not put emphasis on these issues. The existing governments in the member states also have an effect on this. At present, Europe seems to have shifted towards Central Right Wing. Especially the new member states- thinking that European social policy will increase the costs - do not want at all the development of social policy at European level. There is a resistance in member states as well primarily in the UK. This condition may lead to

arrangements which will damage the social policy arrangements. In fact, it can be said that the period when European social dialogue started was a success of European Left Wing. As we mentioned at the beginning, it is difficult to achieve a result due to the tension between neo-liberal policy and social policy.

Growth and Stability Pact: Social expenses were given more visas.

There are imbalances forced on social policy by financial policies. European Central Bank is a very anti-democratic field.

Interviewer: When we look at the European social dialogue process from national spheres, what kind of influence do the member states coming from different social organization traditions have on European social dialogue?

Aziz Celik: If we look at European social dialog from national spheres, there are various opinions regarding trade unions related to labor and also many socio-cultural differences in the member states. For example, when we look at Mediterranean countries (Portugal/Spain) and France, we see a patchy union structure and trade union rights gained in this respect. When we look at Central European countries, we see common union structures and reconciliatory union tendencies. The situation is more different in Scandinavian countries. Besides, the social security systems are also different in the member states.

The effect of this on European social dialogue is that confederations host federation structures inside them. These constitute joint positions. They might create problems. For example, if we question how ETUC copes with the heterogenic structure it has inside, we see that these are common policies which do not include details when we look at social policies of ETUC. ETUC progresses by determining its policies with common targets. It can not be said that its field is very wide. In this respect, we see ETUC as a social partner organization at European level. However, even though the representation ratio seems high, it is not very effective with respect to motivating workers for action. There are 3-4 activities performed by ETUC recently (it is said that these informal reactions are more effective – see Volkenstein directive) and it progresses by lobbying at European level. Activating workers like trade unions is a very time-consuming activity. Therefore, number of issues that can be solved at European level is not high. ETUC is not effective on issues related to trade unions; it functions more like a lobby and/or coordination organization at European level.

Sectoral organizations are also weak in terms of trade union powers, and they are redundant regarding organizations/trade union rights. Therefore, national trade unions centers are very determinant regarding issues about trade unions.

Interviewer: Finally, in general, what do you think about future of EU social policy especially European social dialogue? What do you think should be done and/or is being done to overcome the challenges faced?

Aziz Celik: I am pessimistic about the future of EU social policy. In more general, I see that the integration of Europe is slowing down. I believe that deepening of the last enlargement will take a long time. This situation will also affect the development of social policy.

Regarding Turkey-EU relations, I am also pessimistic about Turkey's the EU membership. However, relations between Turkey and EU will keep their significance as well as the adaptation of Turkey to EU social policy...This condition depends also on the tension between market and social policy. So far since market has been dominant, the cooperation and harmonization in social policy field has been limited.

In general and political respects, there is a reaction against integration at supranational level. Nationalism has become widespread in Europe. I think that this situation is very dangerous for EU social policy. EU social policy can take a breath by extending a little more by the Charter of Fundamental Rights of the EU becoming binding by Lisbon Treaty. In case Lisbon Treaty is adopted, it can be important for taking decisions within the European Council regarding the extension of the social policy field. The European Court of Justice has a great role for the constitution of social policy, of course, depending on the powers assigned by the Treaty.

INTERVIEW WITH OSMAN YILDIZ

Interviewer: AB sosyal politikasının gelişim sürecine baktığımızda, Avrupa entegrasyon sürecinde yapılan Antlaşmalarla birlikte geçirdiği dönüşüm sürecini ve şuanda geldiği noktayı nasıl değerlendiriyorsunuz?

Osman Yıldız: AB entegrasyonunun gelişimi normal şartlarda. AB entegrasyonu politik bir birliktelik, siyasi bir oluşum, ekonomik entegrasyon bunun aracı.

Son dönemde, AB düzeyindeki sosyal politikanın gücü artırılmaya çalışılıyor. Sosyal hedefler var: Roma Antlaşması'nın temelleri var, ancak esas amaç ekonomik bütünleşme olduğu için sosyal politika alanı gölgelenmiş.

AB sosyal politikasının gelişimi mantıklı ve normal bir süreç olarak işliyor. Ve bu doğrultuda artarak devam edeceğini düşünüyorum. İlerde sosyal patlama olabilir.

Interviewer: AB sosyal politikasının gelişimi açısından Avrupa sosyal diyalogunun önemi nedir?

Osman Yıldız: Yönetişimin en temelinde sosyal diyalog vardır.

Yönetişim kapsamlı bir şekilde *White Paper*'da belirtilmiştir. Ancak, bunun içerisini doldurmak zaman işidir. Temsili demokrasiyle ilişkisi ve Avrupa sosyal diyaloguyla bağlantısı önemlidir. Siyasi olarak 'forward for citizens'...Anayasa da yönetim ve sosyal diyalog açısından önemlidir. Üye ülke ve AB arasında hep bir kopukluk vardır. Bu nedenle, bu ikisi arasında hep bir paradoksal ilişki vardır sosyal politika açısından.

Sosyal diyalogun temelindeki '*social partnership*' ilkesi önemlidir; Üye ülkelerde söylem ve oluşum açısından farklılık vardır.

27 üyelik bir AB'nin sosyal politika konusunda hamla yapabilmesi zor. Bu nedenle, bu alandaki sorunlar devam ediyor. AB, bu konuda *öğretici*, *işbirliği* ve *conciliation* sağlamaya yönelik bir yol izliyor.

Interviewer: Avrupa sosyal diyalog sürecine ulusal kürelerden bakarsak, farklı sosyal örgütlenme geleneklerine bağlı olan üye ülkelerin Avrupa sosyal diyalogu üzerine ne gibi etkisi vardır?

Osman Yıldız: Avrupa sosyal diyalogunun ulusal sendikaların gücünü azalttığı

yönündeki eleştirilere katılmıyorum. Avrupa’da İkinci Dünya Savaşı’ndan sonra ciddi bir grev yapılmamış zaten. Korporatist bir anlayış etkin olmuş, social partnership çerçevesinde....Avrupa’da değişik refah modellerinin olduğu bir sistem geliştirilmiş. Bu sistemde son dönemde gerileme olsa da hala işleyen bir sistem olarak varlığını sürdürüyor.

Bu çerçevede, ETUC’un sendikaları rötüşlediğine pek katılmıyorum; çünkü ETUC da SEVILLE’da yapılan kongresinde offensive bir tutum izlemiş. AB sosyal politikası kapsamında ‘organizing’ bağlamında gücünü artırmak istiyor. Özellikle örgütlenmeyi teşvik etmek istiyor.

Interviewer: Avrupa sosyal taraflarının iki ucu olan ETUC ve BUSINESSEUROPE’u ele alırsak, bunların sosyal diyalog süreci içinde önem atfettiği konular ve konuya bakış açıları nelerdir?

Osman Yıldız: İki sosyal tarafın Avrupa sosyal diyaloguna bakış açısı farklı. Üç taraflı diyalog bir çözüm aracı, uzlaşmayı sağlama amaçlı.

BUSINESSEUROPE – ETUC arasındaki anlaşmazlıklar: Şirketlerin, işverenlerin sosyal diyalog çıktıklarına karşı vaaz olarak bir duruşu var, belli standartlar olsun, isteyen yapsın gibi. Ancak, ETUC yaptırım olsun, sosyal diyalog çıktıları doğrultusunda ilkeler olsun istiyor.

Temel felsefe – neoliberalizm doğrultusunda kuralsızlaştırmadır. İşverenler kuralsızlaştırma taraftarı. Bu şekilde sosyal diyalog baskılanmaya çalışılıyor. Bu nedenle, şu anda iki taraf arasındaki güç dengesi dağılmış durumda.

Interviewer: Avrupa sosyal taraflarının AB kurumlarıyla olan ilişkilerini nasıl değerlendiriyorsunuz? Özellikle, Komisyon’un Avrupa sosyal diyalogu sürecindeki bu rollerini nasıl değerlendiriyor, etkinliğini nasıl buluyorsunuz?

Osman Yıldız: Sosyal taraflarla Komisyon arasındaki ilişki fena değil. Olabildiğince bir ‘interaction’ var. Bu konuda bir serzeniş yok. Avrupa sosyal diyalogu kurumsallaştırılmış durumda ve bu süreç/ sistem işliyor. Komisyon da bu süreçteki rolünü yerine getiriyor.

Interviewer: Son olarak, genel çerçevede AB sosyal politikasının, özelde ise Avrupa sosyal diyaloğunun geleceğiyle ilgili neler düşünüyorsunuz? Karşı karşıya kaldıkları meydan okumalar ve bunların üstesinden gelinmesi için sizce yapılması gereken ve/veya yapılmakta olan neler vardır?

Osman Yıldız: AB’de siyasi konularda entegrasyon artırılınca, AB sosyal politikasındaki bu line artarak devam eder, çünkü temelde bir sosyal politika kültürü vardır bütün üye ülkelerde. Avrupa refah devletinin içeriği değişmez; şekli ve derecesi tartışılabilir.

Modernleştirilmeli; modernleştirme...sosyal yardım var, bu AB sosyal politikasının geriye gitmesinin karşısında kaynak açısından. Yeniden inşa etmek Avrupa’da tartışılan bir konu değildir.

TRANSLATION OF THE INTERVIEW WITH OSMAN YILDIZ INTO ENGLISH

Interviewer: When we look at the development process of EU social policy, how do you evaluate the encountered transformation period together with the Treaties concluded during the Europe integration process and the current situation?

Osman Yıldız: EU integration progresses under normal conditions. EU integration is a political union; economic integration is a means for this. In the last period, they are trying to increase the power of social policy at European level. There are social targets the bases of which were stated in the Rome Treaty; however, since the basic objective is economic integration, social policy field has remained behind. Development of EU social policy takes place as a logical and normal process. And I believe it will go on increasing in this direction. Social explosion might take place in the future.

Interviewer: What is the importance of European social dialog in respect of the development of EU social policy?

Osman Yıldız: Social dialogue lies at the very base of governance.

Governance is specified in the *White Paper* in details. However, it takes time to fill the interior of this concept. Its relation with representative democracy and its connection to European social dialogue are important. Politically, ‘forward for citizens’...it is important for governance and social dialogue is respected in the constitution. There is always a disconnection between the member state and the EU. Therefore, there is always a paradoxical relation between these two with respect to social policy.

‘*Social partnership*’ principle at the base of social dialogue is important; there are differences in member states in respect of speech and execution.

It is difficult for a EU of 27 members to make a move regarding social policy. Therefore, the problems regarding this issue are still going on. EU follows a *instructive* direction for this issue oriented towards providing *cooperation* and *conciliation*.

Interviewer: When we look at the European social dialogue process from national spheres, what kind of influence do the member states coming from different social organization traditions have on European social dialogue?

Osman Yıldız: I do not agree with the criticisms that European social dialogue decreases the power of trade unions at national level. There has not been a serious strike

in Europe after the World War II. A corporatist mentality has been dominant within the frame of social partnership...A system with different welfare models was developed in Europe. This system keeps its existence as a working system even if it has slowed down recently.

In this framework, I do not believe that ETUC retouches trade unions, because ETUC has also displayed an offensive attitude in the congress organized at SEVILLE. It wants to increase its power under EU social policy in respect of 'organizing' power. It wants to encourage organizations especially.

Interviewer: If we consider ETUC and BUSINESSEUROPE which are the two ends of European social partners, what are the subjects that they attribute importance within the social dialogue process?

Osman Yıldız: The points of view of both social sides regarding European social dialogue are different. It is a three-lateral dialog, a means for conciliation, aiming at reconciliation

Controversies between BUSINESSEUROPE – ETUC: Companies and employers want to listen social dialogue outputs as preach. That is to say, let there be certain standards, whoever wants can apply them. However, they want ETUC to become enforcement and principles in the direction of social dialogue outputs.

The basic philosophy is elimination of rules in the direction of neo-liberalism. Employers prefer to eliminate rules. In this manner, they try to put pressure on social dialogue. Therefore, power balance between the two parties has been broken down currently.

Interviewer: How do you evaluate the relations of European social partners with EU institutions? How do you evaluate these roles of the Commission within the European social dialogue process and how do you find its effectiveness?

Osman Yıldız: The relation between the European social partners and the Commission is not bad. There is as much 'interaction' as possible. There is no complaint about this issue. European social dialogue has been institutionalized and this process/system works. The Commission as well fulfills its task in this process.

Interviewer: Finally, in general, what do you think about the future of EU social policy especially European social dialogue? What do you think should be done and/or is being done to overcome the challenges faced?

Osman Yıldız: When integration on political issues increases in the EU, this line in EU social policy will also increase constantly, because there is a social policy culture at the base for all the member states. The content of European welfare state does not change, its shape and degree can be discussed.

It should be modernized; modernization...There is social aid as resource for stopping reversion of EU social policy. Reconstruction is not an issue discussed in Europe.

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