



## **European Sectoral Social Dialogue Committee on Local and Regional Government**

### **Brief report of the plenary meeting**

11 December 2009, Centre Borschette, Brussels

#### **Overview of the activities of 2009**

Penny Clarke, EPSU, presented the social dialogue committee's activities of 2009 (a written overview was distributed at the meeting). These included the joint response to the European Commission's questionnaire on the future of sectoral social dialogue, a small work shop on the integration of migrants, a workshop on the financial and economic crisis resulting in a joint message to the Spring Council, the publication "Social dialogue in local and regional government – an overview", a workshop on social specifications in public procurement and the participation in the multi-sectoral initiative on third party violence. Most of these subjects continue to be important for 2010.

Please find the overview on CEMR's Extranet (<http://extranet.ccre.org/dossier.htm?ID=447>) and EPSU's website <http://www.epsu.org/a/5972>

#### **Restructuring in local and regional government: presentation of the "customized report" prepared by the European Monitoring Centre of Change (EMCC)**

John Hurley, Research Officer, European Dublin Foundation for the Improvement of Living and Working Conditions and its EMCC, presented the main findings of the report he prepared on restructuring during the crisis in local and regional government.

In the discussion the following issues were mentioned:

- ✓ The availability of data: some surveys repeat on long cycles, other data is very recent. It is therefore sometimes difficult to compare these data.
- ✓ The definition of local and regional government sector still is difficult.
- ✓ Temporary work is not yet included.
- ✓ Employment conditions: is there a difference in elderly care and other types of care?
- ✓ Working time arrangements: could they be included in the report?
- ✓ Performance related pay in the public sector: only very little research has been done on this issue.
- ✓ Notion of productivity: what does productivity mean in relation to public services?
- ✓ When discussing the impact of the crisis, the question comes up whether the recession is very specific or rather a catalyst for developments that started earlier.

Members of the social dialogue committee are invited to comment on the report by 15 January (in particular in relation to the findings on their country). John will then finalise the report. However, resources to expand the report will most probably not be available.

Please find the report and the presentation on CEMR's Extranet (<http://extranet.ccre.org/dossier.htm?ID=447>) and EPSU's website <http://www.epsu.org/a/5972>.

## **Planning of the activities for 2010**

Cornelia Schröder, CEMR, presented a basis for discussion in relation to activities for 2010 and the Chairs proposed the following issues for the meetings of next year:

- ✓ 4 February (working group): economic crisis
- ✓ 27 April (working group): demographic change and human resources management
- ✓ 25 May (plenary): future of sectoral social dialogue, tacking stock of the current work programme, preparing the next work programme
- ✓ 21 October (working group): public procurement
- ✓ 10 December (plenary): preparation of the next work programme

In the discussion it was said that:

- ✓ In the meetings where the crisis is not the main subject it could still provide an angle to tackle other issues. It would also be useful to prepare for the time in 2010/2011 when its impact on the public sector will be much stronger.
- ✓ When working on the crisis, the committee should continue to work on the papers it already produced (the joint message to the Spring Council, joint statement on employment).
- ✓ How are standards and the quality of public services affected by budget cuts? How can this be prevented? The committee should collect information on this issue.

Please find the presentation on CEMR's Extranet (<http://extranet.ccre.org/dossier.htm?ID=447>) and EPSU's website <http://www.epsu.org/a/5972>

## **Follow-up of CEMR/EPSU's joint statement of the economic crisis: expectations for 2010 regarding the impact on services and on pay and working conditions**

Sweden:

- ✓ There are plans for cutbacks in the public sector (stronger impact of the crisis expected for 2011).
- ✓ The crisis accelerates some trends, for example there is now more cooperation between some local authorities.
- ✓ The gap between the employed and the unemployed population increased.

Finland:

- ✓ The situation is similar to the one in Sweden.
- ✓ The GDP will decrease sharply and unemployment rates will be up to 10% in 2010.
- ✓ There are debates about tax cuts.
- ✓ Municipalities are concerned about cost implications of the upcoming agreement on tackling the gender pay gap.

Norway:

- ✓ There are debates on how to allocate central funds to the local authorities.

UK:

- ✓ Local authorities face an increase in the demand of services in all areas.
- ✓ With the help of a government fund, local authorities increased the number of apprenticeships.
- ✓ There is an increase in shared services between local authorities.
- ✓ Outsourcing and trying to make sure that quality is maintained when outsourcing is a concern.

Greece:

- ✓ The new government introduced new programmes concerning local authorities which will bring more responsibility for local authorities. At the same time, local authorities have to deal with a severe decrease of income for the first time in many years.

Poland:

- ✓ There was an increase of 1.7% in the GDP this year (the yearly increase was around 5% before) and a slower increase or even decrease is to be expected for the future. In Poland there is an important project co-financed through the European Social Fund to support the social dialogue.
- ✓ Details of the project can be found in the ppt presentation on EPSU's website <http://www.epsu.org/a/5972> and CEMR' Extranet (<http://extranet.ccre.org/dossier.htm?ID=447>).

Lithuania:

- ✓ There is a tax increase and a decrease of wages. Energy prices are also expected to increase.
- ✓ Emigration of Lithuanians currently working in the USA and EU countries is expected.

The Netherlands:

- ✓ A tri-partite agreement was signed in 2008 including a moderate increase of wages. In 2011 however, there will be severe cuts and a freezing of wages.

Estonia:

- ✓ Unemployment developed from 4,3% in 2008 to 12% in late 2009 and might be around 15% in 2010.
- ✓ All wages will be cut.
- ✓ Budget cuts in the public sector are decided without the involvement of social partners.

France:

- ✓ In 2009 there were major reforms in the health sector, and similar initiatives are expected in 2010 in the LRG sector. Employment is actually increasing at local level and the question of local autonomy is under discussion.

Czech Republic:

- ✓ The crisis is still more visible in the private than in the public sector.
- ✓ Unemployment is currently at about 10%, which is a high rate for the Czech Republic.

Slovakia:

- ✓ In Slovakia, social partners at local level used the possibilities offered by the European Social Fund to create employment at local level and in particular in small municipalities. To use the ESF in the extent as done in Slovakia, the social partners had to push for opening the strategic framework.
- ✓ The fund is also used to a great extent for education and training, especially in relation to eGovernment and eServices.

Flanders (Belgium):

- ✓ The income of local authorities decreased due to a decrease in taxes, low interests of shares etc.
- ✓ There are currently no signs of dismissal of personnel.
- ✓ Until now there is no impact on wages in the local and regional sector.
- ✓ Local social welfare houses see the need to intensify their cooperation.

Romania:

- ✓ Local authority employees have to reduce their working time or take unpaid leave.
- ✓ Over 9000 people in the local sector will lose their jobs.

## **The economic crisis: impact on social dialogue at local and regional level in “new” Member States and candidate countries**

Croatia:

- ✓ As a result of the crisis, the central government intends to set all public sector wages and presented a bill that would annul all agreements on wages and other forms of remuneration in the local sector. Social partners at local level would lose their right to negotiate wages.
- ✓ The proposal would result in a decrease of wages up to 40%

EPSU and CEMR independently from another have protested to the Croatian Government about developments and further joint interventions by EPSU and CEMR will be considered.

### **Next steps on the multi-sectoral initiative on third party violence**

EPSU and UNI europa are in favour of a multi-sectoral agreement on third-party violence. The employers' organisations will agree in January which social dialogue instrument they will envisage. A joint meeting is planned for 13 January to exchange views on the next steps.