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TOWARDS EFFECTIVE AND FUNCTIONAL SOCIAL DIALOGUE IN NORTH MACEDONIA

Comparative Analysis Between the Economic and Social Council of
North Macedonia and National Social Dialogue Institutions of Member
States of the European Union

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SOCIAL DIALOGUE

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1. INTRODUCTION

The post-WWII history of social dialogue, defined by the ILO as “*all types of negotiation and consultation, and also the exchange of information between, or among, representatives of governments, employers and workers on issues of common interest relating to economic and social policy*”¹, has recorded a number of undeniable successes. A robust social contract between government and the social partners underpinned economic growth in the 1950s-60s and helped distribute the gains between labour and capital (Schmitter, 1974). During the 1970s, social dialogue aimed to preserve employment in a time of domestic turmoil and increased global competition. The 1980s-1990s witnessed the emergence of social pacts, also in countries lacking strong social dialogue institutions (Baccaro and Galindo, 2018; Avdagić, Rhodes and Visser, 2011). In the immediate aftermath of the global financial crisis social dialogue succeeded in protecting jobs across the globe (Ghellab, 2009).

However, social dialogue has been seriously challenged in the wake of the Great Recession of 2008-09. The spread of national social dialogue institutions and increased ratification of Convention No. 144 concerning Tripartite Consultations (ILO, 2017a) have not always translated into positive results on the ground. Social dialogue has been charged with being insufficiently effective to prevent growing vulnerabilities and precariousness (Standing, 2011), increasing income inequality (ILO, 2017; OECD, 2015), the deregulation of industrial relations (Baccaro and Howell, 2017), declining collective bargaining coverage (OECD, 2017: 138), the forging of less ambitious social pacts compared to the past (Guardiancich and Molina, 2017; Baccaro and Galindo, 2018; ILO, 2018), and so on.

Indeed, one of the most pressing issues that emerged in 2018 during the 107th Session of the International Labour Conference was that social dialogue was perceived as not being as effective as the current circumstances require, as pointed out in several ILO documents, both those originating within the Office (ILO, 2018), the Conference (ILO, 2018a) and those stemming from the comments received by the social partners (ILO, 2018b). The Resolution on social dialogue and tripartism has explicitly asked for ILO’s cooperation to (ILO, 2018a: 4): “*enhance the effectiveness and inclusiveness of mechanisms and institutions for national tripartite social dialogue between governments and the social partners, including in relation to areas pertaining to the future of work and the SDGs [Sustainable Development Goals]*”.

Consequently, it is important to evaluate how and when national social dialogue institutions prove less effective than they should in performing their task, how to measure such effectiveness, and how to improve their operational capacity and impact.²

¹ See <https://www.ilo.org/ifpdial/areas-of-work/social-dialogue/lang--en/index.htm>%20%20a

² Compatibly with the availability of data, the present analysis is limited to specific forms of social dialogue. As it is well known, in many countries social dialogue happens outside of the national social dialogue institutions established for that purpose. Jessop (2015) claims that new heterarchical governance structures have been emerging already since the 1980s, thereby including a multitude of new stakeholders into decision-making. Guardiancich and Molina (2017) show that there are cases where dedicated social dialogue fora have been set up to cope with the crisis (Germany, France), where bipartite negotiations have supplanted the breakdown of tripartism (Spain), and where bipartism is the norm and has not been interrupted (Sweden).

The analysis consists of a theoretical and an empirical part. Within the theoretical part the aim is to get a better definition of two concepts that are often taken for granted. First, given the multiple roles played by social dialogue in the decision-making process, the need arises to isolate its precise contribution to the production of policy that is being evaluated. Second, once the role is isolated, it is possible to individuate those mutually non-exclusive scope conditions that allow for the effective operation of National Social Dialogue Institutions (NSDIs) to take place. This second part will focus on the comparative analysis of the Macedonian Social and Economic Council against the background of those dimensions identified as key to its effectiveness.

Taking inspiration from the management-related literature, social dialogue effectiveness – in terms of providing the inputs and influencing the outputs of policy-making, so the ‘substantial’ rather than just the ‘procedural’ aspects of social dialogue – crucially depends on combinations of the problem-solving capacity of the NSDI, an encompassing mandate to deal with relevant socio-economic issues and an enabling environment that grants the political inclusion of social dialogue into decision-making.

Thus, the empirical analysis contemplates selected case studies: Croatia, Italy, the Netherlands, Portugal, Slovakia and Slovenia.

2. THEORETICAL FRAMEWORK

For the purpose of this paper, social dialogue is conceived as a *system of policy-making*, rather than a *structure of interest representation*.³ This implies that, regardless of their undoubted and growing importance, the present policy brief does not deal with issues of inclusiveness (which actors are represented) and representativeness (do the actors included in social dialogue fairly reflect the underlying categories of workers, employers, civil society etc.), i.e. the so-called ‘input legitimacy’ of social dialogue, but focuses instead on the effectiveness of NSDIs’ involvement in policy-making, its so-called ‘output legitimacy’ (Scharpf, 2003).⁴

Within the management-related literature, according to van de Ven (1976: 74), effectiveness (one of the performance indicators for an organization) is defined as “*the extent to which organizational goals are attained. A tangible goal normally specifies a desired level of change in organizational input, transformation, and output within a certain time period. [...] The extent or percentage of goal attainment at the end of the operating period, then, is the measure of effectiveness.*”

Hence, the contribution strives to individuate two fundamental characteristics of social dialogue that underpin its performance or lack thereof. First, it pinpoints the policy-making role of social dialogue for which effectiveness is assessed. Second, it singles out those scope conditions for social dialogue to be effective.

2.1 The role of social dialogue

Despite the existence of several caveats, the analysis refers to the simplified policy cycle model of policy-making, first defined as a series of steps – agenda-setting, policy formulation, decision-making, policy implementation and evaluation – by Harold Lasswell in the 1950s (Howell and Giest, 2012: 17). Ideally, social dialogue should be present at each of the steps of the policy cycle, as underscored in ILO’s definition, which gives the whole policy-making process so-called ‘throughput legitimacy’ (Schmidt, 2013).

Parts of the policy cycle, where high levels of social dialogue activity take place, that is,

³ Such dual nature of corporatist regimes was long debated in the vast literature on neo-corporatism (see, among others, Schmitter and Lehmbruch, 1982; Molina and Rhodes, 2002; Baccaro, 2003). For example, Cawson (1986: 38) defines corporatism as a specific socio-political process in which organizations representing monopolistic functional interests engage in political exchange with state agencies over public policy outputs which involves those organizations in a role which combines interest representation and policy implementation through delegated self-enforcement.

⁴ The ILO (2013) itself proposes four macro conditions for successful national (tripartite) social dialogue: democratic foundations and freedom of association; strong, legitimate, independent and representative workers’ and employers’ organizations; political will, a sense of responsibility and commitment of all parties to engage in social dialogue; appropriate institutional support. Freedom of association and the existence of strong social partners are not being discussed in this brief.

where there is continuous interaction between the government and the social partners, are of interest for the paper. To be more precise, it focuses on those instances of social dialogue, where the social partners together with the government provide policy inputs during policy formulation, in order to make a tangible impact on the policy outputs, determined through decision-making.

2.2 Conditions for effectiveness

By focussing on the role of social dialogue within the process of transforming policy inputs (through negotiation, consultation and information) into policy outputs (government decisions aimed at improving socioeconomic policy), it is now possible to individuate those scope conditions that allow social dialogue to be effective.

An obvious starting point is to attain at the classical management literature that strives to measure organizational performance. For example, Lusthaus et al. (2002) posit that organizational performance is the result of the interaction of three fundamental characteristics: i) the organizational capacity, measured through its leadership, structure, resources, etc.; ii) the organizational motivation, which depends on its historical role, its mission, and so on; iii) the surrounding environment – political, administrative, socio-cultural, etc.

Even though these characteristics cannot be treated as conditions for success, they are mutually reinforcing: when the three are aligned – i.e. when the organization has sufficient capacity, it is motivated, and it operates in an enabling environment – then it is plausible to expect positive results on one or more performance indicators.

Such, albeit modified scheme can be then applied to social dialogue institutions in order to determine when these have a greater probability of being effective. The departing point is to be found in the twin literatures on the power resources theory of trade unions (Schmalz and Dörre, 2017) and on the political economy of corporatism (Molina and Rhodes, 2002).

With regards to the organizational capacity of social dialogue to actively participate in policy formulation with the aim of providing meaningful inputs to the policy-making process, then NSDIs have to be proficient in problem-solving. As Culpepper and Regan (2014) or Regalia and Regini (2018) neatly show for unions, governments take into consideration those interlocutors that can either threaten government stability (through, e.g., their mobilization capacity) or provide useful problem-solving ability.

The problem-solving capacity has at least two sub-dimensions that need to be disentangled. First, social dialogue institutions are more easily integrated into the process if they have the resources (human, financial and technical) to be proficient problem solvers. Well-endowed institutions, such as the *Sociaal-Economische Raad* (SER) of the Netherlands, which employs some 100 staff and has a multi-million Euro budget, play a fundamental role in providing policy input to policymakers. Second, there must be a balance of power

between employers and workers and government, including as regards the composition of individual NSDIs (for an extensive discussion on minimum wage fixing machineries, see Guardiancich and Artale, 2018).⁵ This condition ensures that the decisions taken within the social dialogue institution are not systematically biased in favour of one or the other group that is represented.

As for organizational motivation, it is most useful to enquire whether social dialogue plays a mandated (formal or informal) role in policymaking, which implies having negotiating, consultative and/or information rights in a number of policy domains. The concept that types of institutionalization of corporatist systems give different access to policymaking to the social partners had been developed by Treu (1992), where, of course, the higher the integration in the decision-making process the greater the real influence over the design of policy output.

It is important to note, however, that few NSDIs have direct negotiating power. With respect, for instance, to minimum wage fixing, Eyraud and Saget (2005) show that the ratio of social dialogue institutions that provide non-binding opinions to institutions that make decisions is approximately five to one on a global basis. What seems more important is whether a social dialogue institution has the ‘effective mandate’ to consult and/or negotiate over a specific socioeconomic issue or not. For example, in the case of European social dialogue, one major complaint is that the topics currently addressed are rather marginal to the employment and social policy agendas (Prosser and Perin, 2015).

As for the surrounding environment, there are at least three aspects worth exploring. First, Guardiancich and Molina (2017) have noted that a necessary condition for social dialogue to function is that there is a political will to *de facto* include it in the policy-making process. As it has been very clear from the outset of the crisis, whatever institutional arrangement is in place, governmental unilateralism is always a fall-back option (Culpepper, 2014; Ghellab and Papadakis, 2011). Moreover, according to keen observers of public policymaking (see Richardson, 2018), there has been a generalized trend that deliberative and consensual policy-making styles have been gradually replaced by freneticism and imposition in decision-making. An institution that has been gradually politically sidelined is the CNEL in Italy. Despite its endowments allowing for proficient problem-solving and its constitutionally-sanctioned status, it was long shunned by the social partners and ultimately threatened with elimination in late 2016.

Second, under conditions of economic crisis or financial stress, often decision-makers have accused social dialogue institutions of not being fast or conclusive enough to produce incisive policy solutions. This was precisely the case for the challenges that the *Consejo Económico y Social* (CES) underwent in Spain. According to Molina and Miguélez (2017), during the crisis, in several Autonomous Communities, these Councils were suppressed as part of fiscal consolidation by virtue of their supposedly limited

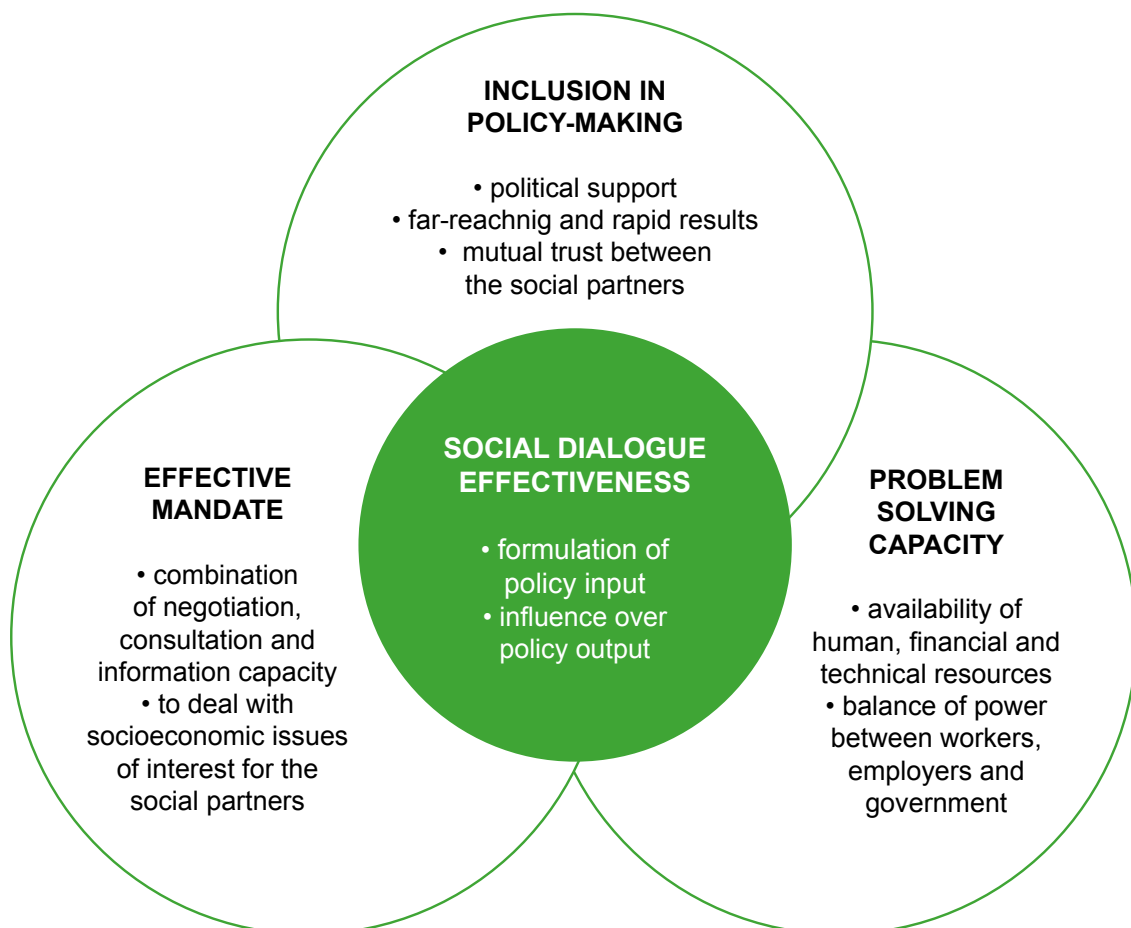
⁵ It has to be stressed that the literature on social pacts and corporatism assigns different weights to the tripartite social partners. While older corporatist literature focused almost exclusively on the centralization and coordination of unions, authors such as Hall and Soskice (2001) and Thelen (2002) posit that the capacity of coordination and willingness to participate in social dialogue of employers is key. Avdagić (2011) argues that the ample use of social dialogue in the 1990s was conditional on having weak or minority governments relying on the social partners for their legitimacy.

impact on policy. At the same time, the frequent recourse to emergency procedures for adopting legislation massively curtailed CES's national policy-making role.

Third, the mutual trust between the social partners is a *condition sine qua non* for social dialogue, not only in NSDIs, to function correctly and play a constructive role in the policy-making process. If one of the tripartite partners prevails, or coalesces with a second one against the third, it is reasonable to expect a deterioration of relations between the partners and, hence, much lower legitimacy of the resolutions obtained through social dialogue. There are several examples worth mentioning. During the sovereign debt crisis, the Slovenian government led separate negotiations and granted separate concessions to employers and workers. These soured relations between the social partners and forced the employer organizations to boycott tripartite social dialogue at the *Ekonomski in Socialni Svet* (ESS) in Slovenia, after more than 15 years of uninterrupted functioning (Guardiancich, 2017). Again, during the crisis, the Irish conservative government of Fianna Fáil emasculated social dialogue after portraying the unions as a public-sector interest group, lobbying government in defence of 'overpaid bureaucrats' and 'labour market insiders' (Culpepper and Regan, 2014). In the early 2000s, in Italy, after a period of uninterrupted social pacts, both the newly instated centre-right government as well as the major employer organization *Confindustria* deemed national peak negotiations as less useful in the past, leading to a progressive abandonment of social pacting (Baccaro and Howell, 2017).

The three mutually reinforcing characteristics, as shown in Figure 1, are:

Figure 1 Social dialogue effectiveness dimensions



- i) the capacity of NSDIs to solve problems, i.e. its organizational or problem-solving capacity:
 - a. availability of human, financial and technical resources;
 - b. balance of power between workers and employers;
- ii) an implicit or explicit, that is, 'effective mandate' to deal with a number of social and economic issues that are of interest to the social partners, reflecting the organizational motivation in social dialogue;
- iii) the acceptance of social dialogue as part of the policy-making process, that is, the existence of an enabling external environment:
 - a. political will and government support;
 - b. results of social dialogue seen as far-reaching and rapid;
 - c. mutual trust between the social partners.

3. CASE STUDY ANALYSIS

3.1 Croatia

The Economic and Social Council of Croatia (GSV) is the main tripartite social dialogue institution, that was established in 1994. At present, the GSV operations and membership is based on the collective Agreement on the Establishment of the Economic and Social Council of 2013, which is stipulated according to the Labour Act and the Act on Trade Union and Employer Associations Representativeness. The Agreement was signed between the Government of the Republic of Croatia, the Croatian Employers' Association (HUP), the Independent Trade Unions of Croatia (NHS), the Union of Autonomous Trade Unions of Croatia (SSSH), the Association of Croatian Trade Unions (MHS) and the Croatian Trade Union Association (HURS). Currently the social partners and the Government are in the process of signing a new one. The main change is: if in 2013 four were representative, now only three are. The main repercussion of not having signed the new agreement is that there have been no sessions of the Council and its Committees for almost a year, as stipulated in a joint agreement between the Government and the social partners (three trade unions and one employer association), and this will probably continue until the new agreement is finally signed..

3.1.1 Relevance

The social partners have the right to be consulted for all public policies and regulations before they are adopted by Government or the Parliament. Article 10 of the 2013 Agreement endows the GSV with a long list of attributions, including:

- promoting tripartite cooperation on socio-economic issues;
- monitoring and studying the impact of social and economic policy, as well as changes in prices and wages on social stability and development;
- proposing measures for a harmonized economic, social and development policy; as well as for achieving macroeconomic stability, competitiveness of the economy and balanced economic and social development;
- giving opinions on the state budget proposal, on laws in the areas of labour, economy and social affairs, as well as on other laws of public interest;
- proposing measures for a coordinated price and wage policy;
- monitoring the situation in the areas of employment, pension and health insurance, education, the labour market and occupational safety;
- encouraging the conclusion and application of collective agreements, as well as giving a reasoned opinion to the responsible Ministry;
- encouraging the peaceful resolution of collective and individual labour disputes, as well as establishing a list (procedural rules are instead the responsibility of the Labour

- Minister) of conciliators in collective labour disputes;
- giving opinions and monitoring the application of laws in the field of labour and social security, as well as the protection of related rights;
- adopting a report on the work of the Council and its working bodies.

Yet, the primary focus of the GSV is the discussion of strategic issues, such as European Semester documents, introduction of the Euro, etc. Committees and standing working bodies instead are focused on expert discussion on legal act proposals. The social partners attend those working groups for drafting of specific normative acts in accordance to their expressed interest.

Despite the wide mandate, the Council acts mainly as a forum where the social partners meet, yet it does not produce any analytical documents or perform research activities. Among other tasks, it gives opinions on legislative proposals or acts and makes decisions on the appointment of members of other tripartite bodies. As regards collective agreements, the GSV promotes them but has no direct role in it. Its role in establishing a list of conciliators is of primary importance.

3.1.2 Operational effectiveness

The Council has a yearly working programme, which is based on the Government's annual plan of legislative activity, as well as the implementation of the EU *acquis* and specific issues tabled by the social partners. Within this work programme there are strategic themes for discussion in the GSV, often tabled by the social partners.

Circa one-two weeks before the session of the Council is held, the President and the two Vice-Presidents consult and set the agenda of each session. Each side has the right to propose specific themes to be discussed. The Presidency rotates between all the three parties (the Government and the social partners) on a yearly basis.

Currently, the GSV has 14 members plus deputies. The Government has six representatives in the Council (the Minister of Labour and the Pension System, the Minister of Finance, the Minister for Demography, Family, Youth and Social Policy, the Minister of Economy, Entrepreneurship and Crafts, the Minister of Administration and the Minister of Science and Education), while the (four) trade union confederations and the employers have four each. The new Agreement reduces the two social partners' representatives to three each. The representatives are nominated by the individual social partners.

The Council has Committees and Standing working bodies. Currently there are five Committees: i) for wage policy, the tax system and living standard; ii) for social policy; iii) for employment, education and labour market harmonization; iv) for legislation, collective bargaining and protection of workers' rights; v) for sustainable development, promotion of economy, energy and climate change. As the next agreement is finalized there will be six committees: vi) monitoring of ILO activities. Each Committee has twelve members, four from each side representing the Government and the social partners, and each has a substitute. These representatives are mainly experts (so at a

lower level than in the Council). With the new Agreement the number of members will be reduced to a total of nine (three for each party) plus substitutes.

The secretariat is called the Independent service for social partnership,⁶ which takes care of the organizational and technical aspects of the work of the Council. This is composed of five Labour Ministry employees (Head of the office, two Senior expert advisors, one Expert advisor and one Expert associate). No analytical or research support is being provided.

The GSV does not have an autonomous budget, nor any additional costs. The staff is paid through the State budget earmarked to the Ministry of Labour and the Pension System. The facilities of the Ministry (or, eventually, other public organs) are being used for GSV activities. Members of the GSV are not paid by the state budget.

Croatia has regional economic and social councils, which are entirely independent of the GSV. They can contact the Service for social partnership if they have any query and can initiate a specific topic to be discussed within the GSV. This happened in a few instances, for example regarding the Croatian shipbuilding industry or air quality in Slavonski Brod, and so on. The Service monitors their work, and at the end of the year they have to send in a report, which is then presented together with the GSV yearly report to the Council itself. The regional economic and social councils also have members of employer and trade union associations (the same as in the GSV) as well as representatives of the regional government. The unions and employer then also report to the national level, and their umbrella organizations.

As the GSV does not have analytical functions, they do not cooperate on a stable basis with other bodies, apart from with other parts of the state administration. Yet, when there is a session, each party can invite experts to report at the GSV session.

The Council and Committee decide by unanimity, but if consensus is not attainable, then each party can submit their own opinion that will be sent together with the rest. Such state of affairs happens rather often.

The GSV holds regular sessions once a month, except during the summer (by convention due to quorum issues). Each party can ask to convene extraordinary sessions, which also take place in case of need. Every session is held in Zagreb in the rooms of the Labour Ministry (or any other Ministries or the rooms of the Government if the Prime Minister participates).

3.1.3 Quality of services delivered and impact

The Council adopts a yearly report, at the beginning of the year, which is then presented to the GSV. The report is prepared by the Service, which is sent to all the members to which they are expected to react. It is then presented by the Minister of Labour and the Pension System or by her replacement, the Vice-Minister, to the Council, which

⁶ <http://sociojalno-partnerstvo.hr/>

then ultimately adopts it. The report reviews the sessions and themes discussed by the Council and Committees, as well as reports on conducted collective labour disputes.

There are no explicit or implicit indicators used to assess the GSV's effectiveness. The Service is in contact with the representatives of the Government and the social partners. They are aware of the problems of the Council and Committees, which are then highlighted in the annual report on the work of the GSV, which is presented and adopted during the session at the beginning of each year. At the Committee level they have problems with reaching the quorums. Additionally, the State administration bodies should send the legislative acts at least seven days before individual GSV sessions start, so that the Service can pass them over to the Committee or Council members. Sometimes they do not respect this deadline.

The GSV has a website,⁷ where the Service publishes the calls for the sessions taking place, the opinions, decisions and conclusions of the Council and of the Committees. Yet, they do not monitor how many people actually access the website. Additionally, before each session the Labour Ministry sends a notification about the time and place of the session to the media. The media can then record the beginning of the session when the President presents the agenda. Official statements on the work of the Council are usually given by the President and Vice-Presidents of the Council at the press conference held after the session, less often by other participants.

3.2 Italy

The CNEL was instituted through Art. 99 of the Italian Constitution in 1946 as an auxiliary body of Government and regulated by law in 1957. Art. 99 recites:

“The National Council for Economics and Labour is composed, as set out by law, of experts and representatives of the economic categories, in such a proportion as to take account of their numerical and qualitative importance. It serves as a consultative body for the Houses and the Government for those matters and those functions attributed to it by law. It can initiate legislation and may contribute to drafting economic and social legislation according to the principles and within the limitations laid out by law.”

Hence, it is a bipartite-plus NSDI that should function as a third parliamentary chamber. The Constitution endowed it with a research function, a consultative role and a negotiating task, limited to legislative initiative. Yet, subsequent implementation reduced CNEL's powers, in particular, mandatory consultation disappeared, the appointment of the President was delegated to the Government, meetings became closed to the public and its financial autonomy was reduced.⁸

Despite a relatively positive start, the 1960s economic boom helped the development of strong social partners—especially the three union confederations, divided along ideological

⁷ <http://gsv.socijalno-partnerstvo.hr/>

⁸ See <https://www.cnel.it/Chi-Siamo/La-Storia>

lines – the Italian General Confederation of Labour (CGIL), the Confederation of Trade Unions in Italy (CISL) and the Italian Federation of Trade Unions (UIL) – that started to circumvent the CNEL in negotiating among them and with the Government. A number of attempts at CNEL’s revival did not change the situation. In fact, the successful social pacts of the 1990s were negotiated outside of its premises. As detailed in several accounts, e.g. in Baccaro and Howell (2017) and Culpepper (2014), the gradual detachment of governmental action from any form of concertation with the social partners that started with the centre-right governments in the early 2000s and continued with centre-left ones in the 2010s, culminated with the proposal of abolishing the CNEL by Matteo Renzi’s centre-left government through a constitutional referendum to be held on 4 December 2016.

The CNEL was accused of several mishaps. In particular, a fundamental lack of mandate severely hindered its capacity of generating policy inputs (since the 1970s it did not play the role of proper social dialogue institution for the social partners) and of influencing policy outputs (its legislative initiatives have not produced concrete laws). Moreover, a generalized public disinclination towards excessive spending elevated the CNEL to scapegoat for the profligate use of public funds (Rizzo and Stella, 2013).⁹ A partial endorsement of its functions was instead provided in the so-called ‘Document of 56 constitutional lawyers’ who lamented that the CNEL should not be abolished *tout court* but rather substituted with other channels of intermediation between political institutions and the social partners (Ferrero, 2016).

Ultimately, the 2016 referendum failed, thereby triggering an ongoing redefinition of the institution’s role. This started as a legislative initiative for self-reform in February 2017 and is currently continuing under the Presidency, since May 2017, of former labour Minister Tiziano Treu, also upon request of the three Italian union confederations. One proposal, initiated by the CNEL is to take on the functions of a so-called National Productivity Board, which are independent institutions that help to analyse economic productivity and competitiveness developments and challenges. All Euro-area countries had been invited to set up one and Italy still has to appoint it. Yet, the current right-populist Conte government seems to be equally disinclined towards intermediation (it again floated the idea of abolishing the CNEL during the campaign for the European Parliament’s elections), thereby rendering the revival of the CNEL equally difficult.

The main lesson for the effectiveness of social dialogue is that even a constitutionally-sanctioned institution that has at disposal both resources and knowledge and that could, in theory, rely on powerful and relatively balanced social partners, suffers in the absence of a strong ‘effective mandate’ to participate in policy-making. The supposed low effectiveness that derives from such state of affairs negatively affects the public support for and political willingness to maintain such institution.

⁹ See <https://www.cnel.it/Chi-Siamo/La-Storia>

3.2.1 Relevance

The main task of the CNEL is to be consulted by the Parliament, Government and the regions (due to a number of decentralising, i.e. federalist reforms that took place in the past decades). A stronger agenda-setting role is its capacity to initiate laws on economic and social matters.

However single MPs are not inclined towards the social partners tabling their own legislative proposals. In several occasions they appropriated parts of the CNEL proposals, thereby weakening this key function of the institution. Of the few legislative proposals by CNEL (less than two dozen) none has been directly considered, yet, parts of them have been copied and tabled as laws by individual MPs. Several analyses have been then included under laws not directly referring to the CNEL (a prominent example is tax simplification efforts that are then just adopted through the Budget law).

CNEL's strongest point is being the depository for all collective agreements signed in Italy (available freely online).¹⁰ Using various instruments, such as regular reports and bulletins, which are published online, the CNEL monitors the situation by sector. The institution has come up with interesting findings, such as the great increase in (national) collective agreements after the Great Recession, whose main aim was reducing remuneration and/or labour rights, for example through opening clauses. In the service sector and trade the problem has become particularly acute.

3.2.2 Operational effectiveness

CNEL has several Commissions. There are four and are formed by an act of the President: i) political economy, which provides an opinion on the main economic documents of the government - the Budget law in the fall and the economic and financial planning document (DEF) in the spring; ii) social policies - still dealing with the DEF but also developing indexes that are alternative to GDP, as well as on VET, social inclusion, and so on; iii) European policies and international affairs; iv) labour and information. While the first three are chaired either by a union or employer representative, the labour and information commission is chaired by President Treu.

As regards staffing, the 64 members of the CNEL include representatives of labour (22), business (17), the self-employed and professions (9) as well as of the third sector (6), ten experts, plus the President.¹¹ The 64 members do not receive a salary for sitting in the CNEL. The secretariat counts an additional 54 members of staff, who are public employees. The headquarters are located in Villa Lubin in the centre of Rome.

The secretariat does the administrative work as well as provides technical and knowledge support to the analyses, investigations, laws and documents debated, modified and

¹⁰ <https://www.cnel.it/Archivio-Contratti>

¹¹ During the height of the sovereign debt crisis, the 'Save Italy' decree, legislated under the technocratic Monti government in late 2011, slashed the number of CNEL members from 121 to 64.

decided upon by the members of the CNEL. The administration prepares these documents that are based on the priorities expressed by the CNEL members.

The financial resources come from the Italian general budget that earmarks circa 7 million Euros per year to the CNEL, which cover the personnel (which is similar to officials working at Ministries) and building maintenance costs as well as rents. Potentially there are also external sources of financing. On migration policy the Labour Ministry financed a number of joint reports (on the integration of migrants at provincial level). Yet, these are smaller sums, in the range of 100 thousand Euros. Recently, CNEL participated in a European project financed by the Commission for instituting a novel comparative archiving method of collective agreements (Principal Investigator was the University of Amsterdam). These are all *una tantum* financing sources.

The annual plan is drafted in January each year, which sits within the plan devised at the beginning of the 5-year mandate of each CNEL appointment. The President presents it to the whole Assembly. After it has been voted for, the President assigns its different parts to each of the four commissions.

The CNEL has both a law detailing some of its operations and an internal regulation for the organizational aspects of its constitutive organs and the decision-making procedures. The Assembly represents all social partners. The Office of the Presidency is composed by the President and two Vice-Presidents appointed by the Assembly and represents the employers (Confindustria) and unions (CGIL). A Council of the Presidency has 10 members who are the heads of each delegation of the social partners (e.g. CISL, UIL and others for trade unions etc.) and is, hence, larger than the Office.

As for the decision-making process, unanimity is strived for, although the quorum is the absolute majority of the Assembly's 64 members. When there is no consensus, each member who does not agree has to be accounted for in the proceedings of the Assembly. In such event, the CNEL's position is weakened. Hence, the current President Treu is keen on finding the broadest compromises.

Regarding publicity, everything that the CNEL produces is out on its website (apart from the private correspondence of the President and the General Secretary).¹²

As for the cooperation with other institutions, after the referendum in 2016, remunerated agreements have been ruled out. Research and analyses can be either done in house or through collaboration with external institutions. CNEL collaborates with ARAN (Italian Agency for the Negotiating Representation of the Public Administration, which sits under the Presidency of the Council of Ministers) for collective agreements. Together they manage the flow of national collective agreements of the public sector. These are then handed in to the National Social Welfare Institution (INPS), which carries out inspections on the correct payment of contribution. In exchange, INPS informs CNEL on the number of workers to which the collective agreement applies. Additionally, CNEL collaborates with the different Ministries and with several universities, such as Sapienza,

¹² <https://www.cnel.it/>

Roma Tre (e.g. on the application of blockchain technology to collective agreements). The Bank of Italy participates in its seminars, as well as the Association of Italian Banks (ABI), and so on. There were Economic and Social Councils in two regions in the past, but these have never played a prominent role and most of them have been suppressed.

3.2.3 Quality of services delivered and impact

The CNEL is now a smaller institution, hence, it does not own its own IT centre and, instead, it uses the services of a greater IT firm called SOGEI, which serves the Court of Auditors, the Economy and Finance Ministry, etc. Through them CNEL obtains a number of (monthly) reports on its web pages. The amount of external ‘clicks’ determines how much the CNEL is visible and useful. Since several years, the reports produced by CNEL are quite popular. The most visited part of the website is the National Collective Agreements Archive, which is being used by lawyers, tribunals etc. as the collective agreements are comprehensive and freely accessible.

As for the evaluation of CNEL’s personnel performance, an institution called Independent evaluation organism (OIV) produces an annual report, which is also on the website. The report evaluates the administrative performance, efficiency and activities of managers. The OIV is an independent institution, whose three members are nominated among experts. One is a magistrate of the Court of Auditors and two are experts of the Economy and Finance Ministry. The organism serves most Italian administrations.

When the Council of the Presidency meets, it not only sets the agenda in the short-term but also takes into account the feedback from the various reports in order to discontinue or reinforce certain activities of the CNEL. A similar steering role is given to the President and the Office, while the Assembly is too large to perform such tasks.

Ultimately, the effectiveness of CNEL coincides with the effectiveness of the social partners. In this climate of disintermediation, the social partners and CNEL were seen as a waste of public money (especially at the height of the crisis). There have been communication problems with the public, e.g. misrepresentations by third party journalists, etc. Hence, communication efforts have been stepped up in the CNEL. Another problem was the low transparency of various organizations, including of trade unions, which are private subjects that do not disclose their activities. Finally, the third problem of CNEL was that the social partners often favoured a direct contact with the Government over the mediation of CNEL. There were various governments that were very close to Confindustria, for example, implying that the links between employers and Ministries were close, thereby overriding the opinions of the unions (and vice-versa). So disintermediation was and is not an exclusive problem of the Italian CNEL.

3.3 The Netherlands

The Social and Economic Council of the Netherlands (SER) is an advisory body in which employers, employees and independent experts (Crown-appointed members) work together to reach agreement on key social and economic issues.

The SER advises the Dutch Government and Parliament on social and economic policy. It also facilitates agreements. Examples are the creation of the Dutch Energy Agreement for Sustainable Growth and various agreements on international responsible business conduct. In addition, the SER carries out administrative tasks, for example to promote employee participation.

3.3.1 Relevance

The SER is the main body advising the Dutch government and parliament on social and economic issues. Upon request or at its own initiative, the SER advises government and parliament on the outlines of social and economic policy. As the SER is made up of experts from academia and industry, it is able to draw on considerable knowledge in these areas. This enables the SER to advise on issues that affect many Dutch citizens, such as work, income levels, social security, taxes, professional education, town planning and the environment.

Although the government is not obliged to follow the SER's advice, any unanimous agreement between the employers' organisations, employees' organisations and Crown members serves as a powerful signal. The government is obliged to respond to the SER's advice within three months. If the government chooses to deviate from the SER's advice, it must state its reasons for doing so.

In addition to its advisory role, the SER also has an administrative role. The SER, for example, monitors compliance with important industrial legislation, such as the law governing works councils. The basis for the SER's performance of its tasks is firmly rooted in both society and law. With respect to society, the SER's membership comprises representatives of employees' and employers' organisations, with their following, as well as representatives of the Crown. The SER's legal basis is laid down in the Social and Economic Council Act (previously the Industrial Organization Act), which defines what the SER is and what its tasks are. This social support and legal mandate define the SER's role in Dutch society.

The system of consultation among social and economic partners that exists in the Netherlands is not a uniquely Dutch phenomenon. Such consultations between employers, employees and the government can also be found elsewhere; and many other countries have collective labour agreements and institutions that are comparable to the SER. A form of social dialogue is a prerequisite for membership of the European Union; and many countries outside the EU also appreciate the importance of close collaboration between social partners and the government.

The Dutch system, or ‘consultative economy’, is also sometimes referred to as ‘the Polder Model’. The Dutch consultative system has had its ups and downs, but the parties involved have always found it essential to consult with each other. All actors feel they have a duty to work together to ensure sound public policy. This sense of obligation to consult is a feature of the Netherlands, which has always been a country of relative political minorities. Since no one group ever has an absolute majority, there is always a need to form coalitions, conduct negotiations and to work together.

3.3.2 Operational effectiveness

The SER has substantial in-house expertise, enabling it to provide good-quality advice and recommendations. But quality alone is not enough; recommendations must also enjoy considerable support in society. For this reason, in arriving at its recommendations the SER engages in dialogue with all stakeholders. In brief, the motto of the SER is ‘Denkwerk, voor Draagvlak door Dialoog’ [Thinking, for Support through Dialogue].

The added value of the SER’s advice lies mainly in the combination of knowledge and social support that the SER brings to the socio-economic debate. Both the Crown members and the social partners (i.e., the employers’ and employees’ representatives) contribute a high level of expertise. The Crown members provide expertise in their personal fields, and the social partners provide expertise based on daily practice within companies. Together, these insights serve as a valuable source of information.

The SER’s advice also gives the government insight into whether there is sufficient support among the social partners for its intended plans or proposals. The function of employers’ and employees’ organisations is above all to protect the interests of their members: these interests may, at times, differ. The SER’s advice challenges social partners to also take into account the common interest in their endeavours and actions.

The SER’s advice is therefore not limited to reporting the views of the parties. The SER’s policy recommendations are supported by an analysis and arguments, making it possible to assess whether these recommendations serve both the public interest and the objective of social prosperity. The advice that the government receives from the SER – unanimous or divided – allows it to determine whether there is sufficient support among the various representative members for a particular proposed policy. Unanimous advice clearly indicates broad support, whereas a divided opinion shows the government that support is lacking in certain important sectors of society.

The SER is both substantively and financially independent. Although it was established by law, the SER is not a government institution. The SER is funded indirectly through the General Unemployment Fund [Algemeen Werkloosheidsfonds] (Awf).

3.3.3 Quality of services delivered and impact

The SER's best-known function is to advise the Dutch government and parliament (on request or at its own initiative) on the outlines of social and economic policy. The arguments and opinions expressed in the SER's recommendations often play a role in public debates on socio-economic issues, both within and outside parliament.

The SER's advisory reports are available to the public and are usually published in book form and on the internet. They cover a wide range of social and economic issues, including issues to do with: macro-economic policy; economic structural policy; spatial planning and transport infrastructure; sustainable development; social security and healthcare; pensions; the labour market and its relationship to education; employee participation and labour and industrial law; labour conditions; consumer affairs; international social and economic affairs.

The SER has also often expressed its views on matters that might, at first sight, seem to lie outside the normal scope of socio-economic affairs. For example, in the 1950s, it made recommendations on agricultural and transport policy. Over the years, the proportion of such recommendations has grown, especially in the fields of spatial planning and mobility, the environment and energy, and health and education. This is because policy in those areas has a great effect on general socio-economic policy, with far-reaching socioeconomic consequences. This requires a holistic analysis and assessment of developments and plans. Government, too, is increasingly approaching problems more holistically rather than from the point of view of a single ministry. This explains why ministers often submit joint requests for advice from the SER.

3.4 Portugal

The CES is a constitutional body for consultation and social concertation. Its main goals are to promote the participation of economic and social agents in decision-making procedures of the organs of sovereignty, within the scope of socio-economic issues. It is the space for dialogue between the Government, Social Partners, civil society organisations and experts.

3.4.1 Relevance

The Constitution of the Portuguese Republic (Article 92) grants the ESC two types of competencies, one consultative and the other of social concertation.

Its consultation competencies are based on the participation of the most representative organizations in Portuguese social and economic context and are carried out by drafting opinions, requested by Government or other institutions, or upon its own initiative. Within the scope of this competency, the ESC expresses an opinion on the drafts of the programmes and policies for social and economic development, Portugal's positioning

within the European institutions with regard to these policies, the use of European funds at national level and the regional development policy. After the CES produces an opinion, it is invited to present the results from that opinion to the Parliament.

Two types of actions are considered particularly important from the point of the relevance of CES Portugal. First, own initiative reports on issues that are of particular socio-economic relevance. The objective of these reports is to provide evidence to policy makers, enrich the political debate and eventually, contribute to initiate a legislative proposal. However, it is pointed out that the process whereby the government considers these own initiative reports is slow and takes time. Usually, the recommendations contained in the CES opinions are only considered and incorporated into the legislation with a delay of one year.

The other instrument that is considered key in enhancing the policy relevance of the CES are the thematic conferences they organise and that gather experts, social partners, civil society and representatives of the government. Some of the topics of previous conferences include the financial sustainability of the social security system, economics of forestry, pensions, etc. The conferences last for one day and according to the CES, they are very successful and have become a key tool in order to enhance the policy relevance of CES. The attendance to these conferences is very high and the results of the conference are published in the form of proceedings and sent to all members of the Parliament and university professors. The importance of these conferences is also reflected in the fact that imply a large share of the CES budget.

The presence of CES representatives in formal and informal government meetings, but also through media appearances (that are very frequent), serve also as a mechanism to make the CES more visible and relevant.

Finally, another important role of the CES consists in mediating conflicts and setting minimum services during strikes.

3.4.2 Operational effectiveness

The activity of the ESC is carried out through the drafting of opinions and studies, supplemented by the drafting of information documents and the organization of conferences aimed at promoting debate in economic, employment, social, budgetary and financial policy as well as other issues of interest to civil society.

The ESC work is carried out by its bodies, namely the Chairman, Plenary, the Specialised Standing Committee on Social and Economic Policy, the Specialised Standing Committee for Regional Development and Land Planning, the Coordinating Board, the Administrative Board and the Social Concertation Standing Committee, which works independently of the ESC, which is in charge of providing the former with logistic and administrative support.

The President of the ESC is one of the Council bodies and is elected by Parliament with a two-thirds majority of the Members of Parliament present, provided that it is superior to the majority of deputies in effectiveness of functions. Its mandate corresponds to the legislative period of Parliament and is renewable without limitations.

The President also represents the Council at national and international level, in addition to chairing and coordinating its various bodies, namely the Plenary, the Coordinating Board and the Administrative Board. Whenever he sees fit, he may also participate in meetings of the Specialized Committees and the Standing Committee on Social Dialogue, without, however, having the right to vote.

The Plenary consists of 64 full members, with Advisor status, including the Chairman of the ESC, who chairs the Plenary meetings and is elected by Parliament, and four Vice-Chairmen, elected by the Plenary, who assist him/her.

Although the ESC members are not formally categorised, it is possible to consider six groups distinguished by the nature of the interests they represent: Government, employers, workers, representatives of regional and local government, individuals of renowned merit.

The Plenary meets six times a year in ordinary session, although it may meet in extraordinary session on the initiative of the President or at the request of one-fifth of the members in office.

The Plenary holds a vast range of attributions and powers, of which we highlight the opinion on Government proposals, such as the drafts for the “Summary Major Options” and the “Social and Economic Development Plans”.

Meetings of the Plenary are public at the voting stage, unless the ESC decides to request the organs of sovereignty. ESC opinions must be approved by majority, except when they result from the exercise of the right of own initiative, in which they shall be approved by two-thirds of the Plenary members.

Together with the President and Plenary, the ESC has four standing specialized committees:

- The most important one is the Standing Committee on Social Concertation. It is composed by four representatives of the two largest trade unions, four representatives of EOs in different sectors and the Labour Ministry. The CES also attends the meetings through the CES President, though the role of the CES President is not active. The role of this committee is to reach agreements on certain issues. This includes the minimum wage, set by the government, but discussed in this committee. Moreover, this committee produces large encompassing social pacts (one every four or five years). Moreover, before every European Council, the Labour Ministry organises a meeting of this Committee and exposes to social partners the main issues and positions held by the government in the European Council.

- The Specialized Standing Committee on Social and Economic Policy (CEPES). It is made up of four representatives from Government, employer associations, trade unions and local Government, a representative from each of the autonomous regions and one representative from each of the sectors represented at the ESC. It may also include one or two individuals of renowned merit. The CEPES is headed by a Chairman, assisted by two Vice-Chairmen to be elected from amongst its members in the first meeting after its composition. CEPES meetings do not follow a fixed schedule; they are scheduled upon initiative of the Chairman or following a request by a third of its members in office.

This Committee is in charge of preparing opinions on the National Accounts, the Budget, the National Reform Programme. This is the busiest Standing Committee from all four in the CES Portugal.

- Specialized Standing Committee for Regional Development and Land Planning (CDROT). The Specialised Standing Committee for Regional Development and Land Planning (CDROT) handles issues concerning regional development and land planning. It is made up of four representatives from Government, employer associations, trade unions and local government, a representative from each of the autonomous regions and one representative from each of the sectors represented at the ESC. It may also include one or two individuals of renowned merit. The CDROT is headed by a Chairman, assisted by two Vice-Chairmen to be elected from amongst its members in the first meeting after its composition. CDROT meetings do not follow a fixed schedule; they are scheduled upon initiative of the Chairman or following a request by a third of its members in office.

This Committee meets at least twice over the year.

- Specialized Standing Committee for Interdisciplinary on Natality and Demographic issues (CEPIN) is made up of four representatives from Government, employer associations, trade unions and local government, a representative from each of the autonomous regions and one representative from each of the sectors represented at the ESC. It may also include one or two individuals of renowned merit. The CEPIN is headed by a Chairman, assisted by two Vice-Chairmen to be elected from amongst its members in the first meeting after its composition. CEPIN meetings do not follow a fixed schedule; they are scheduled upon initiative of the Chairman or following a request by a third of its members in office.

There are two fields where the role of the ESC is particularly relevant: social concertation and arbitration.

The competency for social concertation aims to foster social dialogue and negotiation between the Government and the Social Partners – trade unions and employer associations – and is exercised based on tripartite negotiations with representatives of such bodies, during which legislation projects are appraised with regard to social and labour matters, for which social concertation agreements are then entered into.

The Government and Social Partners, i.e. the representatives of the Confederations of Employees and Trade Unions, are members of the Permanent Commission for Social Dialogue (CPCS), whose main task is to promote social dialogue and consultation with a view to concluding agreements. The CPCS is also responsible for:

- expressing its views on reforms, socio-economic developments and policies and their implementation;
- proposing solutions conducive to the regular functioning of the economy, taking into account, in particular, their impact on the socio-occupational field;
- regularly assessing the economic and social development of the country;
- reviewing the draft legislation regarding matters of socio-labour scope, namely labour legislation.

At the CPCS, the work is carried out in several phases, namely proposal and timing of the topics to be addressed and definition of the methodology most appropriate for its analysis based on a schedule of work, annual or by legislature, accepted by all its members. The list of subjects to be discussed includes public policies for employment, vocational training, social security, taxation and public administration, among others.

There are also matters that must be preceded by prior hearing by the CPCS, as is the case of setting the annual amount of the Minimum Guaranteed Monthly Remuneration (RMMG), set forth in art. 273 of the labour Code.

In the context of the preparation of more complex opinions by the CPCS, thematic working groups, composed of the Social Partners, are normally set up, from which the relevant issues are analysed from a technical and final assessment.

Arbitration is one of the ways of resolving collective disputes in the field of industrial relations and operates within the framework of the ESC.

In this context, the functions of the ESC concern the organization and maintenance of lists for the purpose of appointing arbitrators, drawing arbitrators where necessary, guaranteeing the payment of arbitrators and experts, and providing technical and administrative support for the functioning of the arbitration tribunal.

Arbitration takes various forms, namely mandatory arbitration, necessary arbitration and arbitration to define minimum services. Mandatory arbitration is intended to resolve the conflict resulting from the conclusion of a collective bargaining agreement, and can take place in three cases:

- where, in the case of a first agreement, it is requested by either party following frustrated negotiations;
- if there is a recommendation to that effect of the Standing Committee on Social Dialogue; or
- at the initiative of the minister responsible for labour matters, after hearing the Standing Committee on Social Dialogue, when essential services are involved.

Necessary arbitration is required to conclude a collective labour agreement in cases of expiry of one or more collective labour agreements, provided that no new agreement is concluded within 12 months thereafter and there is no other agreement applicable to at least 50 percent of workers.

Arbitration for the definition of minimum services occurs in cases where it is necessary to ensure the provision of minimum services, which meet unforeseeable social needs, during a strike carried out by a state-owned enterprise and are not defined by an instrument of regulation or by agreement between the parties. The arbitration tribunal shall consist of three arbitrators: one presiding arbitrator, chosen by the arbitrators of one party or designated by lot, and two arbitrators of one party, one representing the workers and the other the employers.

In relation to resources, the CES expressed the idea that they are very limited and that the CES would need to receive more. There are only 14 full-time employees at CES, including the President. The main problem related to the limited resources is that they hardly can attend meetings at European level. So, their presence in international forums is limited.

There are two other regional CES in Portugal: Azores and Madeira. There is very little relationship with them as there are representatives of those regions in the national CES. However, according to the CES Portugal, there is a need to reinforce cooperation. There are also fluent contacts with some regional CES in Spain.

3.4.3 Quality of services delivered and impact

One of the weakest points of the Portuguese CES is the assessment and evaluation of activities.

According to the law, the government should prepare every year a report containing information about implementation of recommendations issued by the CES. However, this has never been done. According to the current Presidency of the CES, this should be activated as a mechanism to evaluate the policy impact of the CES.

The CES also gathers data on accesses to the webpage or CES document downloads, but these are not published and are used only internally.

3.5 Slovakia

3.5.1 Relevance

The Council for Economic and Social Partnership of the Slovak Republic is a consultative body at the national level that provides a forum for mutual consultations with a view to reach agreements in specified areas, or at least to bring closer the positions of the social partners.

The Council for Economic and Social Partnership (HSV SR) arose as a result of the pact between the government and a number of legal entities in the socio-economic field including representatives of employers and workers.

The tasks of the council are to:

- consider fundamental issues of economic and social development;
- consider the draft state budget;
- consider proposals of labour legislation;
- prepare recommendations concerning legislative projects of the government, and
- create working groups.

3.5.2 Operational effectiveness

The Council is tripartite: its members represent the state, employers and employees. The representatives of the state are appointed by the government. The representatives of the employers are appointed by representative associations of employers. The representatives of the employees are appointed by the representative associations of trade unions. It also has a third group that represents civil society interest groups other than employers and trade unions, made up of associations and representative institutions whose activities are carried out at national level, which are accredited by the European Union and have been active for at least three years.

There is one member for 100 thousand people to be represented, be it employers or employees. In case the numbers do not match, the social partners shall reach an agreement about the number of members they will appoint, given that the number of members appointed by the employers and the employees must be equal.

The main organs of the Council are the Presidium and the Council Sessions.

The Presidium consists of

- the Chairperson and a Deputy Chairperson appointed by the Government,
- the Deputy Chairperson and a member appointed by the employers' representatives,
- the Deputy Chairperson and a member appointed by the employees' representatives.

The Government shall appoint the Deputy Prime Minister and the Minister of Economy

of the Slovak Republic as Chairperson, and the Minister of Labour, Social Affairs and Family as Deputy Chairperson. It is the duty of the Chairperson to manage the activities of the Council and to inform the Government about the conclusions of the Council. The Chairperson also convenes the Council sessions and determines their time, place and agenda.

The Presidium discusses the issues of principle connected with the preparation of Council sessions and proposes a programme therefore; furthermore, it deals with the conclusions of the Council sessions and it might be empowered by the latter to fulfil further duties. Finally, the Presidium convenes extraordinary sessions of the Council.

The Council Session elaborates the agreements and conclusions that deal with the matters specified under point “mission”.

The Ministers and state secretaries have the duty to submit documents for the Council deliberations. The Council Secretariat carries out organisation and administration. The expenditures for the Council and its secretariat are covered by the budget of the Government Office; the respective social partners cover the expenditures incurred by the members.

The Council session meets monthly and has the capacity to deliberate and the quorum to make decisions when a majority of the Council member representing the employers and the employees are present. Council members cannot be substituted, and they have a duty to attend the meetings.

The members have the right to submit proposals, information and other documents for Council sessions, to present their comments concerning documents under discussion, and to take a vote on relevant conclusions. Council members may also invite experts on individual items of the Council session’s agenda.

When the social partners reach a consensus, it should be represented in its conclusion. In case there are diverging opinions, the opinion of each social partner shall be attached to the conclusions from the Council session. These conclusions represent recommendations for the Government, to which they are submitted by the Chairperson.

3.5.3 Quality of services delivered and impact

Opinions issued by the ESC can be divided into three types: mandatory, optional and own initiative.

Compulsory opinions focus on matters where the law specifically requires the ESC to require an opinion, in the case of the “Grand Options of the Plan”, which sets out the main guidelines for economic and social policy to be implemented each year by the government.

The optional opinions refer to consultations on any matter which the Government or Parliament may decide to address to the ESC, even if its intervention is not indispensable under the law. This is the case of opinions on the State Budget and the State General Account.

The own-initiative opinions relate to matters on which the ESC decides to take a decision after the Plenary has approved the proposal for a topic, even though it has not been consulted by the government or by the Assembly of the Republic.

The work is carried out within the competencies of its committees, headed by its Presidents, who are responsible for monitoring the work of the rapporteurs and for ensuring that deadlines are met. Each opinion is based on a draft prepared by a rapporteur, or by a drafting committee, and is discussed within a working group consisting of members of its specialized committee. The projects of studies, opinions, reports and information approved in these committees are taken to final approval in Plenary.

3.6 Slovenia

The Economic and Social Council has been created in 1994 within the Agreement on the Economy's Wage Policy for the Year 1994, an annex to the Social Pact between Employers, Employees and the Government of the Republic of Slovenia for the Year 1994. A detailed history of its operations during two decades has been recounted in two landmark publications (Kavčič, 2004; Kavčič and Berlec, 2014).

The ESS is a tripartite body, which holds disproportionate power vis-à-vis the legislators, given that it is not underpinned by any legal act, apart from government regulation. In fact, the National Assembly only discusses socioeconomic legislation that had already been debated by ESS members. The ESS cooperates in the drafting of legislation and gives recommendations, it has the right of initiative (not compulsory) to adopt new laws or amend existing ones, it elaborates opinions and positions with respect to legislative drafts and other documents, as well as to the budget memorandum and to the state budget. The ESS sends its opinions to the National Assembly, the National Council and to the public.

Its main areas of concern are: social pacts, social rights and all social insurances, employment and industrial relations, collective agreements, prices and taxes, economic policy, legal security, collaboration with the ILO and the Council of Europe, codetermination, union rights and freedoms.

3.6.1 Relevance

The ESS deals with some of the most relevant political processes in the country. First

it debates most of the documents within the European Semester policy cycle, then the budget law and its executive orders. At every change of Government, this tries to resume the talks to draft a new social pact (one of the most important programmatic socio-economic documents in the country). The current Government has not started the debate yet, but the negotiating group shall be appointed soon.

The latest social pact - after a string of them stretching back to 1994 (Stanojević, 2010) - was stipulated for the period 2015-16, with the unprecedented exception of the Chamber of Commerce and Industry of Slovenia (GZS), which did not sign it in the first place. In the aftermath of its ratification, the trust between the social partners deteriorated, leading to four employer associations boycotting the agreement. Currently, a new negotiating group is being established in order to debate a number of proposals tabled by the Labour Ministry. The objective is to finalize an agreement by the end of 2019, which may at the most last until the end of the mandate of the centrist Šarec Government.

In addition to these fundamental socioeconomic processes, the ESS also deals with major reforms in the socio-economic field, such as the Pensions and Disability Insurance Act (ZPIZ) and the Health Security and Health Insurance Act (ZZVZZ) and so on, when they turn up in the agenda.

ESS should in theory debate a law proposal before it has been adopted by Government. In reality, mainly due to temporal constraints, the opposite may happen: the Government has already adopted a law proposal and only after that the ESS debates it. In this case, the role of the ESS is to agree (or not) to the draft law, which is then passed onto the Parliament.

There were instances, such as with regards to minimum wages, where the employers were against. In this case, the ESS cannot propose amendments to the law on behalf of the individual social partner (due to its tripartite structure). In this case, the partners have to table their amendments individually. Also, in the case of minimum wages, the ESS has just a consultative function and the final word pertains to the State Assembly (the Parliament's main chamber).

Yet, the Government knows very well that striving to find a tripartite agreement on the main issues in the ESS is a key condition to help preserving social peace in the country. For example, one instance of disagreement was the 2011 pension reform that sparked protests, a referendum and, finally, the resignation of PM Borut Pahor (for details, see Guardiancich, 2016; 2017).

With regards to negotiations over wages or other compensation-related issues, these take place at the level of the Ministry for Public Administration. Even though the involved representatives of the social partners and Government are basically the same (and debate these in ESS meetings), bargaining over compensation is not formally under the aegis of the ESS.

3.6.2 Operational effectiveness

Originally, the ESS had 15 seats, five for each partner. With the subsequent amendments to its operational rules, published in the Official Journal and last modified in 2007, each of the three partners can now have eight representatives (and relative substitutes). Each national trade union confederation - Association of Free Trade Unions of Slovenia (ZSSS), the Confederation of New Trade Unions of Slovenia, Independence (KNSS Neodvisnost), the Confederation of Trade Unions '90 of Slovenia (Konfederacija '90), the Confederation of Trade Unions of Slovenia, Pergam (KSS Pergam), the Confederation of Trade Unions of the Slovenian Public Sector (KSJS) and the Trade Union of Engine Drivers of Slovenia, Alternative (SZS Alternativa) - and each employer association and chambers - GZS, the Chamber of Craft and Small Businesses of Slovenia (OZS), the Association of Employers of Slovenia (ZDS), the Slovenian Chamber of Commerce (TZS) and the Association of Employers for Crafts and of Entrepreneurs of Slovenia (ZDOPS) - nominate at least one representative. The Government's representatives are the Ministers for Labour, Finance, Public Administration, Education, Health, as well as a state secretary from the Council Presidency (and former Labour Minister) as well as a representative from the Institute for Macroeconomic Analysis and Development (UMAR). Currently there are eight representatives for trade unions and the government, and seven representatives for the employers. The ESS members elect the President for one year.

The President chairs the Council and any of the social partners can convene the ESS, which meets at least once a month (it has so far held 319 regular sessions). If there are outstanding issues, extraordinary or written meetings can be proposed by each social partner and the ESC's College (see below) approves at unanimity. The ESS decides at unanimity. Each of the social partners, independently from the number of members has one vote (so three in total). Usually each partner's representatives come to the ESS with a collegial position. If there is no agreement between the social partners, the ESS decides the deadline for reaching an agreement, which cannot be more than 30 days.

In several cases, the sessions are 'informative'. If after a debate there was no unanimity, the ESS adopts a note where it states that an information session took place but that no further resolutions had been adopted. These resolutions that have not been adopted are then present on the minutes of the meeting, including the reasons why they were not agreed upon (for example if the disagreement was centred on a particular point or article).

Usually, however, the ESS is too big a forum to discuss all legislative details (up to 30-40 persons, i.e. the representatives and their assistants, are present at each meeting). Hence, each partner nominates representatives who then convene in smaller working groups for any given issue, and the ESS discusses only the final opinions. The new operational rules of the ESS, which came into force in 2017, determine the establishment of negotiating groups or expert committees. Additionally, the new rules introduced the ESS College, a working body in charge of the organisation of the work of the ESS, consisting of the President in office (currently a representative of the union ZSSS) and a representative

of each of the other two partners. Similar to the Council, the College also meets once a month, and the ESS Secretary participates. During the meetings, which are not public, the College decides what the agenda of the ESS will be at its next session.

The College has so far approved three thematic expert committees, e.g. on work, social policies and healthcare. Each of them can deal with many of the issues under such thematic umbrella. With regards to their membership, this can vary substantially between the social partners. Yet, the committees and groups are chaired by the relevant Ministry, are established by the ESS and have an obligation to hand in a report or proposal once their work is finished (this is not temporally limited), which is then discussed at an ESS meeting. Only in the case of healthcare, during the previous Government, the expert committee was unable to finish its job. The College then determined that the new Government shall appoint a new committee (so the previous job is not binding, in case new ideas have arisen).

When a negotiating group or an expert committee arrives at consensus or gets stuck, then their resolution or report is due to be discussed on the agenda of the ESS College meeting. The Secretariat is informed.

The ESS Secretariat now employs just two employees and sits within the General secretariat of the Government, which is in charge of the technical and financial support. This support has been lately shrinking and amounts to 4,200-6,000 Euros per year in the budget. The ESS does not pay any *gétions de présence*, each social partner and the Labour Ministry are in charge. Hence, the budget just pays for representation costs for some visits (by the EU, OECD etc.). The General secretariat has the possibility to use an interpretation service, but normally it is the EU and OECD representatives that bring translators along.

Therefore, the ESS does not cover either research or analyses, which are carried out by either the Government or the social partners separately. So the ESS is just a forum in which the partners debate and negotiate.

As for cooperation with other institutions, there are no Economic and Social Councils in Slovenia at the local, sectoral or other levels. Representatives of several institutions, such as of the Statistical Office (SURS), are often invited to provide useful information. At the request of some social partners, the Secretariat engages with the public or civil society, and the College then deliberates on the invitations. To ESS meetings can participate also members of the European Economic and Social Council.

3.6.3 Quality of services delivered and impact

There is no real mechanism for evaluating the effectiveness of ESS consultations. The 'popularity' of the documents posted on the ESS website is not measured. There is no independent body inspecting the effectiveness of ESS. In the first place, the deliberations of the ESS are not mandatorily followed by the Government or Parliament. As for their

realization, the Secretariat monitors this (and eventually informs the social partners that something has not been finalized, despite being on the agenda). Everything that is being adopted by the ESS is also eventually carried out. If the Government or Parliament changes something that has been agreed upon at the ESS level, the social partners by themselves protest against it, thereby undermining social peace.

European Semester documents have now a determined timeline. Already in January the first drafts are being debated between the Government and the social partners. This is being debated in expert committees, which deal with the nitty gritty of the documents, and the ESS just gives its approval after a final debate.

The College is in charge of the ESS's 'publicity', as it determines before an ESS meeting whether this will be followed by a press release. Anybody that followed the meeting can participate to the press release. The President chairs the press release but the other social partners can give their views and there is a Q&A session. A short extract of the minutes of every meeting is then being published on the ESS website.¹³

¹³ <http://www.ess.si/ess/ess-si.nsf>

4. NORTH MACEDONIA

4.1 Profile

The Macedonian ESC was formed in 1996 through a tripartite agreement between the social partners and government. Back then there were no employer associations (compatible with the ILO definition) but the agreement was signed by the Business / economic chambers. Due to several reasons, including vague representativeness criteria and especially lack of political will, it functioned only intermittently until 2010, when the Government and the social partners (the *Organization of Employers of Macedonia* (ORM), the *Federation of Trade Unions of Macedonia* (SSM), and the *Confederation of Free Trade Unions of Macedonia* (KSS)) signed a new Agreement on the establishment of the ESC, this time including employer organizations (in their classical definition).

The legal framework was included into the Labour Relations Act in 2005, which states that the establishment was to be achieved through a tripartite agreement. The delay was due to issues of representativeness criteria, until they were overcome in 2010. The Rules of Procedure of the ESC were last amended in 2015.

The ESC works like a forum bringing the social partners to discuss socio-economic issues and has no research or analytical capacities.

4.2 Relevance

The ESC is relatively pro-active with regards to the economic and social policies that are developed by the Government. Yet, so far, it has been issuing opinions, proposals and recommendations on a restricted number of topics relative to the breadth of its mandate, i.e. economic development, labour market policies, wage and price policies in the field of labour and social insurance, social protection, healthcare, environment, fiscal policy, working conditions, occupational safety, and health, education, culture, professional development, vocational training and other fields of economic and social interest of the employers and workers. In addition, it determines the composition of tripartite delegations to the International Labour Conference (ILC) and issues proposals for the ratification of International Labour Standards (Trajanov et al., 2015).

One reason is that the fields on which the ESC deliberates are classified as mandatory or not by the Agreement on the establishment of the ESC. Those related to labour relations, employment, pension and disability insurance and occupational safety and health are mandatory. The others are not, although the ESC has the possibility to include them for review.

Usually the ESC is reviewing regularly and mandatorily the mentioned policies, mainly because the chairman is the Minister for Labour and Social Policy. This has been an issue probably since its establishment. Outside of the Labour Ministry's policies, the Finance Ministry has sent a number of laws for review: the Law on Personal Income Tax, the Law on Compulsory Social Insurance, the Economic Reform Programme. So not many examples of acts coming from the other institutions in the mentioned areas exist.

Hence, rarely have the other Ministries or institutions, and also ESC members themselves, viewed the Council as a consultative body to the Government that really matters, also because it is almost never involved in the proper drafting of laws and legislative proposals. For the last two and a half years there have been some positive developments. According to governmental sources, the Ministry of Labour and Social Policy now regularly consults the social partners from the very beginning of the policy-making process. This has been the case with the National employment strategy, the Strategy for formalizing of the informal economy, the Strategy for safety and health at work, the Law on labour relations, the Law on the minimum wage, and so on. Some other parts of the Government are sending materials, strategic documents and regulations to be reviewed and given an opinion during the ESC sessions.

The ESC is relatively effective for those issues that are regularly reviewed, and opinions are being adopted for them. What is adopted and decided during the session is automatically implemented in the reviewed material, be it a law, bylaw or a strategic document. The Government is then adopting the new documents together with the changes applied during the ESC sessions. Again, the reason is that the Ministry of Labour is the promoter of the document itself. Prominent recent examples are the Law on Minimum Wages, the Labour Relations Act, the Pension Insurance Law, Law on Employment and Insurance in the Case of Unemployment. Yet, the employers have voiced the need to put also the Law on Education under the ESC umbrella.

The Government is putting forth an effort of undertaking a constructive discussion at the sessions, for example, the Prime Minister has participated in several ESC sessions. Among the social partners the employers are more constructive than the unions, which at the moment is the main issue. The employers are concerned about the social and economic changes and have more resources at disposal to engage in a debate. According to some commentators, the unions may lack in knowledge, advisory and technical capacities, yet the SSM strongly disagrees.¹⁴

There is a host of documents that are being regularly discussed. The Economic Reform Programme is regularly reviewed, the National Employment Strategy and its Action Plan, the Reports regarding the accession procedure and the pre-negotiations to the EU are reviewed. Again, arriving only those from the Labour Ministry, Chapter 3 on the

¹⁴ It cited a number of recent endeavours, such as: i) adoption of the Law on Minimum Wage in 2012; ii) amendments tabled and carried through of the Law on Occupational Safety and Health in 2014; iii) initiation of the Law on Harassment at Work, adopted in 2013; iv) participation to the work of local ESCs; v) negotiation of the General Collective Agreement (GCA) in the private sector and preparation of a new draft in 2019; vi) preparations for a GCA in the public sector, for which a negotiating working group has been formed; vii) fundamental amendments to the Labour Relations Act with regards to the protection against any type of discrimination, etc.; viii) negotiations of a new Labour Relations Act in 2018-19 and submission of a draft to the Labour Ministry; ix) adoption of the Law on European Works Councils as well as of a number of ILO Conventions and European Directives.

right of establishment and freedom to provide services and Chapter 19 on social policy and employment. So, the involvement of the ESC is limited. Yet, in April 2019, the Government has issued a decision that the opinions of the ESC become mandatory also for the other documents of the Economic and Social Affairs sphere. The issues that are related to employers and employees have to be previously mandatorily reviewed by the ESC and then only adopted by the Government. Hence, many of the institutions are collaborating on this issue. The Secretariat expects already from May 2019 onwards that the other documents from other jurisdictions will be sent to the ESC for review. This is quite a big change.

The ESC tried to amend the Rules of procedure of the Government, which proved to be impossible. This became a sort of compensation for this lacuna: the Government imposed the mandatory opinions in a host of new fields: not only within the accession process, but also regarding the laws concerning all the other areas (culture, education etc.) that have some connection to employers and unions. Some documents will still not be reviewed, such as those concerning civil society, defence, living environment, security, police etc.

The ESC is a facilitator of national, general collective agreements. If there are issues in concluding them then these are discussed within the ESC. So, the ESC is a forum without autonomous decision-making power. The national collective agreements are one for the public and one for the private sector.

At the moment a new Labour Relations Act is being drafted. One option is to involve the ESC in the extension of collective agreements at sector or branch levels: before the decision is adopted or the Labour Minister decides, the ESC shall provide an opinion.

4.3 Operational effectiveness

The ESC is comprised of 12 members. Until 2019, it included four representatives of the Government, four of ORM, two of SSM and two of KSS. Since 2019, the KSS union has not sought a renewed recognition of its representativeness status. ESC members are not paid by the budget for their presence (which is seen as an issue). Their mandate lasts four years and they can be reappointed. Each member has a deputy. Representativeness in 2019 is an issue. The criteria defined by the Labour Relations Act are reviewed every three years. A Committee for determining representativeness refers to the Labour Ministry that any one trade union or employer organization is fulfilling the criteria.

One problem had been highlighted in previous reports, namely, that ESC members are also members of the Committee establishing the representativeness criteria, thereby generating a huge conflict of interest. Moreover, ESC members also sit on the boards of the Pension and Disability Insurance Fund, Employment Service Agency and the Health Insurance Fund, thereby further reducing the Council's capacity to contrast vested interests. As for the inclusion of non-representative groups, a new operational practice seems to have been established in the ESC, namely, to include non-representative unions

and employers in the work of the ESC on preparatory sessions where they have the opportunity to express their opinions but no right to vote.

The ESC does not have a rotating Presidency, it was requested three years ago. It commissioned a few studies on how this could work, and it is still an open option. On the Government side, the representatives come from the Minister of Labour and Social Policy (the Minister is also the ESC Chairman), the Deputy Prime Minister in charge of economic affairs, the Minister of Finance and the Minister of Economics. The two deputy Presidents instead come from the ranks of the unions and the employers.

Between 1996 and now (basically from 2010) the ESC has had 74 sessions. These are convened by the ESC President (or deputies) by forwarding an invitation accompanied by a draft agenda and working papers at least eight days prior to the day of the session. They can be requested also by the other members. Apart from the Labour Ministers, the other Ministers rarely attend the ESC sessions. Hence, the Council has had a persistent problem of ‘juniorization’ that a request of amending the ESC operational rules has not solved.

The Secretary-general of the ESC is appointed by the Minister of Labour and Social Policy. The role, functions and mandate are defined both by the Agreement and the Rules of procedure. There is a tripartite Secretariat, which is comprised of three members. One is the Secretary-general and the other two have been appointed by the employer organizations and unions (with some delay).

The financial endowment to the ESC is scarce. The budget of the ESC is included into the budget of the Labour Ministry. The budget covers only wages and some technicalities for the ESC operations. It is, hence, very limited.

Of the six permanent working bodies only one is functioning at the moment. Another one has organizational issues and the other four are established since 2016 but are still not operational. The Tripartite Commission for Licensing of Conciliators and Arbitrators functions, the one with organizational issues is the Coordinative Body for Corporate Responsibility. The other four are: Commission for Labour Relations and Wages, the Commission for Social Protection, the Commission for Occupational Health and Safety and the Commission for Employment Policies.

One of the possible reasons for the lack of effectiveness of permanent bodies is that they are composed solely of members of representative partners who have limited capacity and staff. At the latest session ESC, it was decided to rewrite the composition of these Commissions. The composition will be tripartite, composed by the members of the ESC. But they are considering broadening the composition also from the other, non-representative trade unions, but only with observer status and no right to vote.

As regards the collaboration with academia, experts and so on, there are a number of ongoing projects that try to compensate for the lack of financial means to engage professionally with external experts or consultants. Mainly they are financed by the

EU. The Labour Ministry is applying to such financing in collaboration with the social partners (or not). This comes in the form of direct grants after a call of expression. The national interlocutor is the Ministry. There are three such projects in total for the last 10 years. It marginally improved the situation. The alternative was to have collaborations on a voluntary basis (only on one or two occasions in the past five years) and this has been pointed out to be a major problem by Trajanov et al. (2015).

The ESC has an annual program with points of activity for a given year. The decision-making process is at unanimity, otherwise there is a simple majority rule. Yet, a different opinion by one of the social partners is noted in the minutes. So, the Government receives this opinion and the Government can ask for an additional explanation for what had occurred. It is a regular procedure that happened only two times, as it mostly decides by consensus.

There are 15 local ESCs in North Macedonia based on municipalities that are tripartite as the national ESCs (although the setup rules are not as clear). The relation between them and the national ESC is custom-based and not underpinned (yet) by any legal or institutional framework. The annual meetings and thematic sessions are usually framed with regards the activities in specific programmes. So, there is no real obligation to meet. The experience so far is not brilliant, also because at the moment only 30 percent of these local ESCs are functioning properly. In Skopje there is the biggest one in terms of composition, but it is not functioning currently, and it is being revived under this ILO project. One problem highlighted by the unions is lacking participation to local ESCs on the side of employers.

4.4 Quality of services delivered and impact

There are no indicators to measure performance, apart from the monitoring of what the government has adopted that had been previously debated by the ESC. There is an electronic register (a separate software application). The ESC session minutes (that include conclusions, recommendations and a summary of discussions) are forwarded to the Government, Parliament and relevant bodies. The ESC regularly debates on the follow-up of its opinions, as it is the first item of the agenda for the ESC's sessions. However, the unions suggest that there is room for improvement by, for example, including information on which ESC decisions have been accepted by the Government, what have not been accepted and the reasons thereof into the minutes.

Regarding the publicity that ESC's operations, this is not measured, as public opinion is not surveyed.

The main communication channel is via the ESC webpage. Additionally, some sessions of the ESC are covered by the media, and press conferences are sometimes held. The meetings are not open to the media. The annual programme is adopted by the ESC at the beginning of each year and is then sent to the Government. This is a document of an informative character with which the ESC communicates with the other Governmental

institutions. With previous also EU-sponsored projects, some media campaigns were launched where the ESC was the main promoter, regarding, for example, the amicable settlement of labour disputes as well as the promotion in collective bargaining.

Every 4-5 years there is an assessment but nothing like a standard and routine evaluation.

5. COMPARATIVE SWOT ANALYSIS

5.1 Relevance

5.1.1 Strengths

The ESC of North Macedonia displays the following strengths in terms of relevance:

- the overall mandate is broad, and it has been - at least on paper - strengthened in 2019, so that the Secretariat expects documents from several jurisdictions (beyond Labour and Social Policy) to be submitted to the ESC for review;
- implementation of what is decided at ESC level is usually taken seriously and inserted in the related law, bylaw or strategic document - again the reason for it is that the Labour Minister heads the ESC;
- the Government is putting more effort in having constructive discussions at ESC level and the employers also display commitment as well as having sufficient resources;
- the new Labour Relations Act may provide the ESC with the function of extending collective agreements.

5.1.2 Weaknesses

The ESC of North Macedonia displays the following weaknesses in terms of relevance:

- despite the broad legal mandate, the ESC debated so far mainly issues pertaining to Labour and Social Policy, mainly because the Labour Ministry heads the institution;
- the ESC's Standing committees are rarely involved in the drafting of legislative acts as they mainly just issue opinions;
- some internal strengthening of the technical capacity of the social partners sitting at the ESC would improve the provision of effective policy analyses and advice;
- the ESC is a facilitator for collective bargaining (in the public and private sectors) but has no autonomous decision-making power in signing collective agreements; this is in line with comparative practice, as most ESC do not intervene in collective bargaining, but some of them (most notably Portugal) play an important role in mediating interests conflict resolution and even providing arbitration services;
- decisions and suggestions by social partners in the process of reviewing laws or legal acts are not always evidence-based.

5.1.3 Opportunities

- the widened mandate in 2019 opens a window of opportunity for the ESC in order to assume a more relevant role in policy making.

5.1.4 Threats

- limited autonomy (as it is headed and funded through the labour ministry) may hinder the capacity of the ESC in order to adapt strategically.

5.2 Operational effectiveness

5.2.1 Strengths

The ESC of North Macedonia displays the following strengths in terms of operational effectiveness:

- the limited budget is being slightly compensated through the participation by external financing to which the Labour Ministry applies;
- there seem not to be particular problems with national ESC decision-making rules.

5.2.2 Weaknesses

The ESC of North Macedonia displays the following weaknesses in terms of operational effectiveness:

- there are issues of representativeness as of 2019, as one of the two unions did not ask for renewal - this may represent an operational problem;
- there is a conflict of interest between ESC members and members sitting on the Committee determining representativeness criteria; the committee should be composed not only of social partners already in the ESC, but also by external experts that would monitor the right implementation of existing representativeness criteria;
- there are issues of inclusiveness, which the ESC may tackle by inviting e.g. non-representative unions and employer associations and giving them observer status; in this way, both criteria (representativeness and inclusiveness) are preserved.
- the request for a rotating Presidency has not been (yet) met;
- there is a problem of 'juniorization' of the members attending the ESC sessions (especially on the Government's side);
- very limited budget that reduces the Secretariat's operational capacity, inhibits any analytical or research functions and makes it close to impossible to hire experts;
- insufficient public visibility regarding the work, role and significance of ESC;

- of the six permanent working bodies, only one is properly functioning currently, while one has organizational issues;
- relations with local ESCs is based on custom and not underpinned by legal acts, so there is no obligation;
- only 30 percent of local ESCs operates at the moment.

5.2.3 Opportunities

- extending the mandate will require a stronger analytical and technical capacity. This can be an opportunity for the ESC to request more resources;
- enlarging the scope of the ESC to include services related to collective bargaining and industrial relations, where ESC's members have core expertise could provide an opportunity to build stronger technical capacities.

5.2.4 Threats

- inability to deliver timely technical opinions may end up in a further erosion in the relevance and public consideration of the ESC, hence making more difficult to experience budget increases.

5.3 Quality of services delivered and impact

5.3.1 Strengths

The ESC of North Macedonia displays the following strengths in terms of services and impact:

- the ESC regularly debates on the follow-up of its opinions, as it is the first item of the agenda for the ESC's sessions;
- the ESC communicates via its webpage, through media coverage and press conferences;
- some media campaigns were launched through EU-sponsored projects;
- the annual programme is an informative document that relates the ESC to other governmental institutions.

5.3.2 Weaknesses

The ESC of North Macedonia displays the following weaknesses in terms of services and impact:

- there are no qualitative and/or quantitative indicators measuring the ESC performance;
- there are no regular internal and external feedback mechanisms;

- there is no systematic evaluation, whether its outputs meet the needs and expectations of the public.

5.3.3 Opportunities

- the existence of some practices (webpage annual programme) and instruments would allow undertaking a more rigorous evaluation without requiring excessive costs;
- EU-sponsored media-campaigns constitute an opportunity to make more visible and relevant to society the role of the ESC.

6. CONCLUSIONS AND RECOMMENDATIONS

The paper has explored some of the issues related to the effectiveness of NSDIs in presenting meaningful policy input that influences the ensuing output through the policy-making process (so, restricted to their ‘output legitimacy’). It has explored three dimensions of effectiveness: relevance, operational effectiveness and quality of services delivered. The comparative analysis of these dimensions across a number of Social and Economic Councils in Europe allows to formulate some recommendations on how to best secure their effectiveness.

From the comparative analysis, it emerges that the most similar ESC to the Macedonian are the Croatian and the Slovakian ESCs (See table in Annex I). Yet, such comparison reflects the many weaknesses that befall these two Economic and Social Councils. The overview in Annex I clearly indicates that the Netherlands and Slovenia score best on the overall effectiveness index. Yet, given that the Dutch SER has a tradition stretching back decades, it has a multimillion Euro budget and is chiefly bipartite, best practice to be looked at is the Slovenian *Ekonomsko-socialni svet* (ESS). Its comparative strengths are multiple: it emerged from a common socioeconomic and legislative legacy as the Macedonian ESC and it operates on a limited budget, thereby both functioning as a convening forum for the social partners and outsourcing most of its analytical capacity to the social partners themselves, the government and collaborations with external experts.

The Macedonian ESC carries out an important consultative and advisory role to the Macedonian government. Moreover, it has been proposed to broaden the mandate in 2019 to include the extension of collective agreements, this being an opportunity to enhance its policy relevance and consolidate its position. This is actually an important aspect coming out from the comparative analysis of ESC. The relevance of an ESC is related to having a strong and broad mandate, including some decision-making power and a pure advisory role. This can include the effective capacity to issue own-initiative technical reports or opinions, a role in collective bargaining or conflict resolution etc. ESC supervises the mechanism for amicable settlement of labour disputes through a tripartite commission but does not deliver conciliation/mediation services and does not have decision-making powers. Compared to the rest of countries included in this report, where NSDIs have a broad advisory mandate on socio-economic issues, the limited number of policy areas where the advisory function of the Macedonian ESC is mandatory, has been identified as an important shortcoming in relation to its relevance.

Moreover, the fact that there is no involvement in the drafting of laws, just opinions at the end, is certainly a major limitation in the policy relevance of the ESC. As other countries show, the participation of the ESC in the legislative process can take many forms and happen at different stages. One way to enhance the participation and enrich the drafting of laws would be to allow the participation of members of the ESC standing committees

on the working groups set up by ministries, or the Parliamentary commissions in charge of discussing technical aspects of draft laws.

Operational effectiveness of the Macedonian ESC is limited by a number of factors, and this is probably one of the major shortcomings of this institution. As a matter of fact, notwithstanding the political mandate has been reinforced and expanded, it will have a limited impact unless its operational effectiveness is enhanced. Compared to other countries included in this study, the Macedonian ESC shares limited financial resources and autonomy. It also requires action regarding the upgrading of the technical capacity of some of the social partners sitting at the ESC. There are different ways in which Social and Economic Councils are funded, but they can be grouped into government funding through the budget and other sources like social partners' funding. The best way to ensure the resilience and adequate resources is through a specific state budget line. Funding through social partners' contributions would enhance the autonomy of the ESC in relation to the government, but this would make it more volatile and probably less generous.

Support for the role of ESC should translate into more resources in order to perform the tasks that are assigned to this institution. Resources would allow to provide timely and quality responses to fulfil the mandate it has, therefore increasing output legitimacy. Underfunding limits the Secretariat's capacity and the possibility to hire experts that could improve overall technical ability. From the comparative analysis with the rest of NSDIs included in this study, an aspect that is key in achieving this objective is to make technical standing committees fully operational and relevant.

Evaluation and assessment of the activities carried out by NSDIs remains the major challenge facing all those institutions included in this study. Even though many of them have developed indicators in order to measure dissemination and use of materials produced, there are however few cases where external actors are involved in carrying out a proper evaluation. This is partly related to the fact that very often NSDIs are organically dependent on Labour Ministries and therefore the evaluation is made by these institutions. Having regular independent external evaluation would contribute to enhance the credibility of the ESC, whilst also raising awareness about its weaknesses. When it comes to dissemination of activities carried out by the NTSEC it is also recommended to shift from a passive dissemination / communication strategy based on uploading contents to its webpage, towards a more active approach. This would require having at least one person in charge of these tasks.

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ANNEX: COMPARATIVE OVERVIEW OF NSDIS EFFECTIVENESS

	North Macedonia	Croatia	Italy	The Netherlands	Portugal	Slovakia	Slovenia
Form of social dialogue							
• National level	Yes	Yes	Yes	Yes	Yes	Yes	Yes
• Territorial level	Yes	Yes	No	No	Yes (only for Azores and Madeira)	No	No
Parties to social dialogue							
• Unions	4 members are appointed by representative associations of trade unions, until 2019: <i>Federation of Trade Unions of Macedonia</i> (SSM, 2 seats); <i>Confederation of Free Trade Unions of Macedonia</i> (KSS, 2 seats)	4 members: Independent Trade Unions of Croatia (NHS), Union of Autonomous Trade Unions of Croatia (SSSH), Association of Croatian Trade Unions (MHS), Croatian Trade Union Association (HURS)	22 representatives of employees (of which 3 representing public and private managers and executives); 9 representatives of the self-employed and the professions	11 members: <i>Federatie Nederlandse Vakbeweging</i> (FNV, 8 seats); <i>Christelijk Nationaal Vakverbond</i> (CNV, 2 seats); <i>Vakcentrale voor Professionals</i> (VCP, 1 seat)	8 members: <i>Confederação Geral dos Trabalhadores Portugueses Intersindical</i> (CGTP, 4 seats); <i>União Geral de Trabalhadores</i> (UGT, 4 seats)	<i>Konfederácia odborových zväzov Slovenskej republiky</i> (KOZ)	8 members: Association of Free Trade Unions of Slovenia (ZSSS), Confederation of New Trade Unions of Slovenia, Independence (KNSS Neodvisnost), Confederation of Trade Unions '90 of Slovenia (Konfederacija '90), Confederation of Trade Unions of Slovenia, Pergam (KSS Pergam), Confederation of Trade Unions of the Slovenian Public Sector (KSJS), Trade Union of Engine Drivers of Slovenia, Alternative (SZS Alternativa)
• Employers	4 members: <i>Organization of Employers of Macedonia</i> (ORM)	4 members: Croatian Employers' Association (HUP)	17 company representatives (several employer and business associations)	11 members: <i>Verbond van Nederlandse Ondernemingen</i> (VNO-NCW, 7 seats); <i>Midden- en Kleinbedrijf</i> (MKB Nederland, 3 seats); <i>Land- en Tuinbouw Organisatie</i> (LTO Nederland, 1 seat)	8 members: <i>Confederação dos Agricultores de Portugal</i> (CAP, 2 seats); <i>Confederação do Comércio e Serviços de Portugal</i> (CCP, 2 seats); <i>Confederação Empresarial de Portugal</i> (CIP, 2 seats); <i>Confederação do Turismo Português</i> (CTP, 2 seats)	<i>Asociácia zamestnávateľských zväzov a združení Slovenskej republiky</i> (AZZZ); <i>Slovenská obchodná a priemyselná komora</i> (SOPK); <i>Únia dopravy, pošt a telekomunikácií SR</i> (UDPT); <i>Slovenská poľnohospodárska a potravinárska komora</i> (SPPK)	7 members: Chamber of Commerce and Industry of Slovenia (GZS), Chamber of Craft and Small Businesses of Slovenia (OZS), Association of Employers of Slovenia (ZDS), the Slovenian Chamber of Commerce (TZS), Association of Employers for Crafts and of Entrepreneurs of Slovenia (ZDOPS)

• Government	4 members nominated by the Government: Minister of Labour and Social Policy; Minister of Finance; Minister of Economy; Deputy Prime Minister in charge of economic affairs.	6 members: Minister of Labour and the Pension System, the Minister of Finance, the Minister for Demography, Family, Youth and Social Policy, the Minister of Economy, Entrepreneurship and Crafts, the Minister of Administration and the Minister of Science and Education	None	None	8 members representative of the Government; 12 representatives of regional and local government	None	8 members: Ministers for Labour, Finance, Public Administration, Education, Health, a state secretary from the Council Presidency (and former Labour Minister), a representative from the Institute for Macroeconomic Analysis and Development (UMAR).
• Other	None	None	10 experts in the economic, social and legal fields; 6 representatives of socially oriented organizations and charities	11 independent experts (university professors with a chair in Economics, Finance, Law or Sociology)	52 other members, including representatives of universities, the social sector, family associations, liberal professions, migrants, young entrepreneurs and so on.	Ekonomický ústav Slovenskej akadémie vied; Slovenská rektorská konferencia; Jednota dôchodcov na Slovensku	None
Relevance							
• Participation in national policy setting agenda	Limited	Limited	Medium / Limited	Strong	Strong	Limited	Strong
• Issues opinions on matters of general interest	Yes	Yes	Yes	Yes	Yes	Yes	Yes
• Carries out research and analysis by own initiative	No	No	Yes, but mostly in relation to collective bargaining.	Yes	Yes, and organizes conferences on certain topics of relevance	No	No
• Analysis feed government policy discussions	Limited	Limited	Limited	Yes, very strongly	No	Limited	Yes
Operational Effectiveness							
• Existence of technical standing groups	Yes	Yes. Five groups exist	Yes, four commissions exist	Yes,	Yes	Yes	Yes
• Sufficient funding	Limited	Limited, under Labour Ministry's budget	Yes, through the general budget	Yes, funded through the general unemployment fund	Limited budget	Limited	Yes, for its limited functions
• Cooperation with local / regional ESC	Yes, but not institutionalized / Not all operational	Regional ESCs are autonomous and there is little cooperation	Yes, but limited	Yes	No	Does not apply	Does not apply
Quality of Services Provided and Impact							
• Evaluation of the impact	No	There is no systematic evaluation of impact	Web usage reports made by an external agency	Yes	Web usage reports; downloads of reports and opinions	No	Yes (social partners independently)

• Internal and external feedback	No	No	No	Yes	No	No	No
• Evaluates satisfaction of users	No	No	No	Yes	No	No	No
Total effectiveness score (on a scale from 0 to 10)	4	4	6	10	5.5	4.5	7

Note: the total effectiveness score has been calculated by adding 1, 0,5 or 0 on each dimension depending on whether that country exhibited a strong yes (1), limited (0,5) or not at all (0) answer. The two instances, where cooperation with sub-national ESCs applies (Slovakia and Slovenia) have been assigned a score of 1, as the ESC operates at one level only.

