



Sectoral Social Dialogue Committee on Local and Regional Governments Working Group

23 February 2015 10:15 – 16:00

Chair: Mads Samsing (HK Kommunal)

MINUTES

1. Welcome, announcements and apologies

The Chair informed the members that the Project and the Joint Work Programme 2015-2017 have been formally approved by the European Commission. The call for tender will be published on respective websites, for a final decision by the end of March 2015.

2. Adoption of the minutes of the Working Group meeting of 16 December 2014

No comment. Minutes approved

3. Work Programme 2015 of the European Commission

S. Martinelli (DG EMPL) made a draft outline of the new European Commission's Work Programme. He mentioned following points: the employability of the labour market, the package on labour mobility, evaluation of the framework directive health and safety, the directive of part-time and fixed-term contracts re-evaluations. He emphasized the RE-FIT agenda that is particularly important to the Commission. On the directive on maternity leave there is a wait-and see approach if in the next six months EP and Council cannot find an agreement the Commission will re-evaluate;

The political projects and ideas with further initiative to be expected by the European Commission is Digital Single Market; New Jobs and New Growth, how social dialogue partners can be more involved into the European Semester. Local and Regional Governments could take a proactive role in this. On Justice, Migration and Climate Change we could invite specific DGs in the month to come to our meetings. The implementation of the Charter of Fundamental Rights is still a priority for the European Commission.

C. Jakob (EPSU) and D. Pognon (CGT) asked if the nature of economic governance would shift. S. Martinelli (DG EMPL) answered that the social partners would be more involved. Economic

governance is consolidating and a new approach is envisaged. MS are taking recommendations very seriously and it starts to show its potential where the Commission is playing a role. M. Samsing (HK) referred to the idea of “New Boost for Jobs, Growth and Investment” and in what way European countries have a role in the hunt for jobs in the public sector so is this agenda is rather about promoting business environment than about promoting jobs in the public sector. Birgit Obakke (KL) mentioned the Working Time Directive and that they are glad that this under RE-FIT. The Commission though answered that it is most probable that nothing will happen in 2016 on this matter

4. High-level Summit on Social Dialogue organised by the European Commission

S. Martinelli (DG EMPL) mentioned that Juncker said in July 2014 he wanted to be the President of Social Dialogue. He indicated that Dombrovskis and Thyssen indicated to associate to the Economic Governance and that more agreements should be reached under art. 154 and 153. There are great hope in terms of outcome towards the High-Level Social Summit. CEMR and EPSU mentioned that there was still no agenda available. C. Jakob (EPSU) mentioned that the title indicated to re-launch social dialogue also assuming that the past mandates of the Commission have completely neglected its potential. S. Martinelli (DG EMPL) answered that Juncker, Dombrovskis and Tyssen will be present but that it must also be a joint effort of the social partners, while respecting the autonomy of social partners. D. Pognon (CGT) referred on the reduction of the number of meetings for social dialogue. The Commission answered that more funding is available through joint social dialogue projects and that the social partners should take the this avenue.

It was acknowledged that this is a 2 ways exercise: the European Commission committed to relaunched social dialogue, but it is up to social partners to seize the opportunity to move forward hand in hand. This is not the finale stage but the beginning of a new, innovative and inclusive process.

The Chair highlighted the key messages of the SDC: shared responsibilities, sharing best practices, political agenda linked to our Joint Work Programme. It is important to send a strong message, in response of the positive signal from the European Commission.

The group divided into working group to discuss the possibility of a joint statement or joint press release to the High-Social Summit in order to deliver a joint message on the role of LRG into the European Semester.

The EPSU and CEMR Secretariat were asked to provide a first draft in advance of the 5th of March High Level Summit to deliver a joint statement or joint press release.

5. Roundtable on work priority 1 of Social Dialogue Work Programme – Impact of the crisis

Presentation of 4 case studies from Norway and Germany (CEMR) and France and Spain (EPSU)

➤ The Municipal and Regional reform in Norway (Marit Tovsen, KS)

The 427 Norwegian municipalities, bundled in 19 counties and which employ 450000 workers, have undertake a deep reform through the programme “Preparing for the future”.

Norway has not been hit by the crisis like the rest of Europe, but sharing the same space means facing the same challenges. Norway is characterised by a low level of unemployment (3-4%), a high

level of productivity and growth, whereas expects complications in the coming years regarding the strong increase of immigration. The municipalities have elaborated strategies for recruitment of migrant workers and integration policies in parallel. The Central State has transferred powers and responsibilities to fewer and more robust municipalities. The Government has demonstrated its trust in the local level and has provided more independence and room for action for LRG, by strengthening local democracy, ensuring the ability to deliver good and continuous services, a holistic societal planning and economic sustainability. LRG will face numerous challenges in the future, which they are preparing to tackle: globalisation, demographic changes, individualisation, digitalisation, pressure on welfare society. This is why the country is engaged in forming new municipalities, through mergers or innovation in their functioning, in order to protect the Nordic model and its core features: small and transparent economy, well-developed welfare society, social dialogue, cooperation, gender equality, trust and confidence ("Trust is more important than oil").

➤ **The Municipal and Regional Reforms in Germany (U.Zimmermann, Dt. St.B.)**

Altogether German municipalities have high debts amounting to 2 Billion Euros. It is difficult to finance the sector in a sustainable manner in Germany. The Federal Government tries to provide more liquidities to re-finance the local and regional government sector but also considering the fiscal European disincentives. Altogether the ability of municipalities to invest in the long-term has been radically reduced since the last twenty years, in particular in relation to human resources. Municipalities employ up to 1.3 Million employees but more than 100.000 additional staff for childcare workers are needed. The pay conditions of these workers are not attractive. The LRG sector is also experiencing a lot of outsourcing as those local services that have not been legally provided by municipalities are outsourced or just closed down like cultural centres or swimming pools. Some municipalities are re-municipalizing certain services. 20 years ago the municipalities amounted to 70 % of public investment, today it is only 30 % and privatisation and PPP have been widely used across municipalities. Some municipalities also took high risks in taking credits in high-risk liquidity environments. Another issue is migration with a very high afflux of refugees where municipalities have problems to integrate them. Something that could also be more explored is the inter-municipal cooperation of public procurement..

➤ **The Municipal and Regional Reforms in France (City of Toulouse, A. Falba (F.O.))**

In France Municipalities have the right to organize their services and raise local taxes and receive subsidies from the state. There are high regional and local inequalities due to the economic crisis and territorial inequalities have risen. In particular the reform of the pension system has created inequalities in the whole of local administrations and hospitals. The transfer from the state budget have been reduced in the crisis raising investment problems for a high number of municipalities. The transfer has been decoupled to 1.9 billion euros which created a problem towards the financial autonomy of municipalities. Budget cuts have been made at state, municipal and in particular to the hospital sector. Local taxation has been raised creating a burden for the middle-class. Dexia has created defaults in a number of municipalities, where the state was obliged to intervene.

Example of Toulouse with 1.2 million inhabitants, budget of 64 million in 2015 has been reduced to 50 million in 2014. One measure that is problematic for the workforce is that two pensioners who leave are replaced only by one staff. Problematic is also the lacking investment into school, transport

and local infrastructure. So the question posed locally is what kind of public service do we want locally to have quality which should remain number one priority also in relation to the workforce in local administration.

➤ **The Municipal and Regional Reforms in Spain (J. Gasull, General Secretary Local Administration CC.OO)**

In 2013 a new law passed on local administrations has had an impact in the following way. Spain has since then 16 autonomias plus “deputaciones”, Ceuta and some autonomous municipalities. This reform has created double responsibilities also between the state and the local level. In particular municipalities of about 20.000 inhabitants are concerned by the reform where local services have been centralised as e.g. waste, water and other diverse services. A lot of municipalities have been merged to privilege private investment. It is in some municipalities very difficult to apply the law without the loss of quality public services. Before the law was passed municipalities had an exceeding budget of 8 billion which was lost during the reform. The reform obliges therefore municipalities to outsource their services and rely on private investment and PPPs.

Discussion: more investment in social infrastructure is needed to sustain local services the role of the public sector is important with more than 30 million employees locally. The Social Dialogue Committee on LRG should have more proactive role in inputting into the European Semester.

6. Gender Equality Strategy Post-2015

Nuria DIEZ GUARDIA (DG Justice) explained the approach to the Gender Equality Strategy Post-2015, in which equal economic independence, non-discriminatory gender roles and the issues where men experienced inequalities would have to be taken into account. It will be a reflection on how to address the challenges. A consultative process is envisaged. The advisory committee on gender equality has prepared an opinion. The FEMM committee has prepared a report on the strategy addressing gaps in education, pay, pensions and decision-making. Women on Boards and Tax incentives for both spouses are mentioned as well. Furthermore, she mentioned the necessity to combat gender-based violence, while the Istanbul Convention of the Council of Europe was an important step to that respect. On the recommendation of Equal Pay for Work of Equal Value to MS, the Commission is awaiting the MS implementation. Equal Economic Independence; Gender Equality; Gender roles; non-discriminatory gender roles; issues where men experienced inequalities; reflection how to address the challenges;

Johanna Tornstrom (CEMR) presented the pilot project implemented by CEMR on gender equality, in the framework of the European Charter for Equality of women and men in local life launched in 2006. It aims at receiving signatures from EU and non-EU countries (1450 signatories from 32 countries so far), as political commitment to the values and practical tools supported by the Charter.

The pilot project forms part of the Observatory of the Charter, contains 76 indicators and is in the monitoring phase to follow the use and implementation of these indicators (which are either horizontal or core and optional). The Charter signatories are encouraged to elaborate an Action plan for equality and can share their best practices and use a toolkit and guidelines for promotion when undertaking their respective strategies. LRG as employers are asked to work on reconciliation of

social, private and working life, share of men and women employees, cooperation with partners, training measures, etc.

The Social Dialogue Committee on LRG discussed to follow-up on the Joint CEMR-EPSU Guidelines on Gender Equality. The EPSU and CEMR Secretariat are invited to prepare a new draft version for the next Committee.

7. Review of the rules of procedure of the Social Dialogue Committee and its steering

Following the discussions in the December meeting, the Chair confirmed that the finale draft of the new rules will be presented in May and will include the 2 amendments on Clause 5 («from Member States and the European Economic Area countries ») and Clause 6 («and at least 8 days before the meeting»).

Formal approval in the Plenary meeting in December 2015

8. A.O.B.

The next meeting on 22 May will address the outcomes/debriefing of the high-level Summit of 5 March and the implementation of the project (steering group meeting in the meantime).

Closing of the meeting

9. Next meeting:

Friday 22 May