



From the COVID-19 emergency measures to defend employment and health and safety in the workplaces, to a new strengthened system of Industrial relations

Best practice examples of social partner involvement in measures and initiatives aimed at palliating the socio-economic impact of the pandemic.

Study

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Abstract

During 2020-21, in all EU Member States, governments as well as national, regional and local administrations and affiliated institutions (such as public employment services) have sought to introduce diverse measures to mitigate the potentially devastating impact of the COVID-19 pandemic on economies, labour markets and whole societies. Often, also businesses or employers' organisations and trade unions or other bodies of employee representation have been involved, whereby the role of social partner organisations in participating in the design of or influencing these measures differs widely across the EU27. This study provides an overview of the involvement of social partners in measures to cushion the negative impacts of the pandemic in the EU27. Moreover, it identifies and analyses social partner initiatives in selected EU countries and their potential transferability into other national, economic and social contexts. It can be shown that the degree of social partner involvement tends to be decisive for a measure's effectiveness. However, its successful transferability into another context usually requires similar industrial relations systems as well as similar institutional settings, procedures and cultures.

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Executive Summary

Impact of the COVID-19 pandemic on employment in the EU27

Compared to Q4 2019, the EU27 recorded 5.7 million fewer people in employment in Q2 2020. However, in the same period, the EU27 unemployment rate only slightly increased, from 6.6% to 6.7%. This is because most of the decline in employment can be traced back to transitions to inactivity rather than unemployment. 5.4 million employees became inactive from Q1 2020 to Q2 2020. Overall, in the EU27, workers with non-standard forms of employment, in particular temporary workers, were over-proportionally affected by job losses, due to the frequent non-renewal of temporary contracts in times of crisis. Generally, at least in the first period after the onset of the health crisis, younger and female workers have been disproportionately hard hit by job losses, whereby male workers were affected by reduced working hours to a greater extent than their women counterparts. With regard to the different sectors of the economy, employment contraction was most pronounced in accommodation (decline of 23% in terms of headcount), food and beverage service activities, sports and recreation activities, air transport and tourism activities during the year to Q2 2020 in the EU27. In terms of occupations, employment contraction was highest among lower-level service workers and elementary occupations, recording a minus of 8-10% from Q2 2019 to Q2 2020 (Eurofound 2021b; ILO 2021a).

Impact on social dialogue and collective bargaining in the EU27

Whereas the impact of the COVID-19 crisis on industrial relations structures, institutions and actors was marginal, changes in negotiation processes were reported in several countries, often in relation to rescheduling and switching to online meetings and video conferences. As was regularly the case during the global financial crisis 2007 to 2009, many Member States resorted again to tripartite national crisis management after the onset of the pandemic, which was mostly assessed as effective and successful (Austria, Croatia, Cyprus, Denmark, Finland, Germany, Lithuania, Portugal). Bipartite arrangements at national level led to positive results in France and the Netherlands. However, in some other countries, such as Bulgaria, Latvia, Luxembourg, Romania and Slovenia, social dialogue was temporarily suspended or sidelined, often in connection with imposed lockdowns. Collective bargaining negotiation processes were adapted during the COVID-19 crisis (online communication instead of face-to-face) in some countries, whilst in others collective bargaining was shelved or suspended. In countries with strong industrial relations systems, such as Austria, Finland, Germany and Italy, the actors were able to quickly adapt to upcoming challenges. In other countries, bargaining was profoundly affected by the crisis, in that the level of bargaining coverage in terms of renewed collective agreements dropped significantly (France, Greece, Netherlands, Portugal) or bargaining rounds were postponed, with the extension of existing collective agreements' duration of validity in few countries (Netherlands and Romania) (Eurofound 2021c).

Measures (with and without social partner involvement) to preserve jobs and incomes during the pandemic

The various measures and initiatives to preserve jobs and incomes undertaken by governments (often in cooperation with social partners) can be distinguished as follows: Measures aimed at employment protection (job retention schemes applying to companies experiencing a temporary reduction in or complete breakdown of business activities), including short-time work schemes, wage subsidy schemes and furlough schemes; measures aimed at protecting workers' incomes, reaching from raised unemployment benefits to extraordinary minimum income protection schemes; and measures tailored to specific categories of workers particularly hard hit by the pandemic, such as seasonal workers, self-employed workers and workers in particular sectors, including performing arts, tourism and HORECA etc. (Eurofound 2021e).

Selection of individual cases of initiatives and measures with social partner involvement to mitigate the negative effects of the COVID-19 crisis

The selection of potential "best practice" measures with social partner involvement, eventually 23 cases from 11 Member States, was based on the concept of highest possible variability in terms of industrial relations systems, policy dimensions, type of measure, scope, target group, form and degree of social partner involvement and number of workers affected. This enabled the analysis of a multiplicity of different cases in different settings and contexts, with special emphasis on the singularity of a measure, even if this measure may have had an only subordinate significance in terms of scope compared to other measures in a national context.

Results of the comparative case study analysis

- The scope of a measure and its coverage in terms of the number of workers affected is not directly related to its actual effect and benefit for the target group. Whereas short-time work schemes, if they are well designed and implemented, may be of utmost importance for a large proportion of a country's workforce due to their scope and volume in terms of budget, it is often measures that are tailor-made for specific industries, occupations and companies that are most beneficial for the workers affected.
- Not the type of establishing a measure (legislation, decree, agreement etc.), but the degree of social partner involvement tends to be decisive for the measure's effectiveness. When the social partners have negotiated the issue of regulation themselves, the measure is more likely to be perceived as favourable for the two sides of industry, compared to enactments with only consultative social partner involvement.
- Close and systematic social partner involvement appears to be the most significant determinant for the successful and effective design and implementation of a measure. This is because the expertise of social partners in the area of labour market and social policy matters, at least in countries with highly developed industrial relations structures, tends to be more pronounced than that of the administrations. Moreover, close participation of representative and acknowledged social partners tends to legitimise the measures among those workers and companies affected; this, in turn, facilitates the implementation of these measures and thus increases their effectiveness.
- The successful implementation of a measure in a particular national, industry or enterprise setting is not directly related to its transferability into other national, economic and social

contexts. Measures involving strong social partner engagement in the designing, implementation and monitoring require similar institutional settings, procedures and cultures (spirit of mutuality and respect) for a successful transfer into another context. Although highly developed social dialogue and industrial relations structures may function as an asset when it comes to adopting measures from another national context, a basic prerequisite for a successful implementation of a measure is often the existence of similar administrative procedures, legal institutions and settings.

Policy recommendations

- In Member States with established and well-functioning industrial relations structures the involvement of strong social partners have substantially contributed to the designing and implementation of effective measures to mitigate the socio-economic impact of the COVID-19 crisis. Social dialogue should therefore be strengthened in all EU27 countries at all levels – company, industry and national.
- In many countries, social partners were often merely informed about government plans to launch initiatives and measures to mitigate the pandemic's negative impacts rather than consulted and involved in negotiations, which often resulted in inadequate policy decisions. Administrations should in the future – if crisis situations of similar dimensions should occur – strongly involve social partners at the very beginning of policy-making, since the latter are usually closer to the wants and needs of the civil society affected by the (emergency) measures.
- Established tripartite structures within bodies in charge of administering measures and schemes to tackle the COVID-19 crisis proved very helpful in ensuring the smooth and adequate implementation of measures. Such tripartite settings should be established in all EU27 Member States, in various areas of labour market and social policy issues.
- Industrial relations characteristics widely vary across countries and sectors. Therefore, simply copying a measure that proved successful in one industrial relations context to another context is usually not possible. Rather, it should be assessed whether the goal achieved by implementing a specific measure in a specific context can be achieved by a modified (or completely different) measure in another context.
- Likewise, capacity building with a view to strengthen national social partner actors and structures must not be modelled on established patterns of other countries. Rather, capacity building is only conceivable as a successive process of empowerment on the basis of pre-existent actors and institutions. This implies that a sustainable and forward-looking transformation and development of social dialogue should follow the logic of path dependency and seek to avoid disruptions.

1. Introduction

The COVID-19 pandemic has hit the European economies and labour markets and thus the lives of individuals and societies unexpectedly, especially hard and to an unprecedented extent. In order to address the Corona pandemic, national governments all over Europe have initiated emergency measures tackling health issues, as well as the most pressing economic and social consequences.

In all EU countries, governments as well as national, regional and local administrations and affiliated institutions (such as public employment services) have sought to introduce diverse measures to mitigate the potentially devastating impact of COVID-19 on economies, labour markets and whole societies. Often, also business/employer organisations and employee representatives have been involved, whereby the role of social partner organisations in participating in the design of or influencing these measures differs widely across the EU27 (Eurofound 2021a; European Commission 2021a). Strikingly, in contrast to the policy recommendations of the relevant international and EU institutions during and shortly after the financial crisis of 2008-10, at least the OECD and the European Commission have, during the ongoing COVID-19 pandemic crisis, repeatedly advocated the reinforcement of social dialogue at all levels, in order to jointly overcome the economic and social fallout (OECD 2020a; European Commission 2021b).

In this situation, the Workers' Group within the European Economic and Social Committee (EESC) awarded a research project titled "From the COVID-19 emergency measures to defend employment and health and safety in the workplaces, to a new strengthened system of industrial relations" to the FORBA institute in December 2020. This project has the explicit aim to launch a study essentially dealing with social partner engagement, initiatives and measures to safeguard jobs and working and living standards, as well as health and safety of workers, during and after the pandemic. In more detail, according to the Call for Tenders released in autumn 2020, it identifies two distinct tasks:

1) Gathering and analysing information and data available on such social partner initiatives and measures in EU Member States. In this respect, according to the Call for Tenders, "the study should provide an overview of the labour market situation in the selected countries, present best practices of workers' participation and consultation, as well as general social partner involvement (...). Special focus must be placed on specific collective agreements reached during the COVID crisis, labour market innovations and labour organisation changes, identifying them for best practices that can be maintained after the crisis is over and/or exported to other countries."

2) Providing – on the basis of the identified best practice examples – policy makers and social partners with "concise recommendations on social dialogue and organisation of labour that can be set up for new waves of the virus and, more importantly, that can be maintained after the crisis."

In a first step to fulfil these tasks, the FORBA researchers in charge of the study carried out an extensive review of the recent scientific literature and official documents, in order to obtain an overview in how far the pandemic has impacted on the working life on the one hand and social dialogue and collective bargaining on the other hand – which differs between countries, sectors and occupations. This report starts with a brief summary of the main economic and labour market effects caused by the COVID-19 emergency measures. Hereby, special emphasis is put on employment levels and unemployment rates as well as different groups of workers and sectors/occupations (Chapter 2). What follows is a brief assessment of the mixed impacts of the COVID-19 pandemic and the accompanying emergency

measures on social dialogue practices and collective bargaining in the EU27 (Chapter 3). Moreover, a brief summary of measures to preserve employment and income levels in the EU27, according to a systematic compilation provided by the ETUC, is presented (Chapter 4).

On this basis, and as a second step, a selection of social partner initiatives and measures, including bipartite collective agreements and tripartite arrangements, to be examined was made. The aim was to identify and analyse such measures and initiatives with social partner involvement that are devised to palliate the socio-economic impact of the crisis, in particular, for the workers. By means of the Eurofound COVID-19 EU PolicyWatch database (<https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>) more than 20 cases suitable for further examination in 11 Member States could be identified and eventually selected to be analysed as best practice cases. Against the background of different industrial relations systems and welfare state models in Europe, social partner initiatives and measures from a set of countries representing all the variability in terms of welfare state/industrial relations regimes were chosen, in order to assess both opportunities and limitations of the transferability of each individual measure into another economic and national context (Chapter 5). At this stage, the national Eurofound correspondents of those countries from which the case studies had been selected were involved, by commissioning them to conduct desk research and expert interviews to gain sufficient information on the case(s) selected and eventually to draft – on the basis of a brief questionnaire drafted by FORBA – brief fiches/summary reports for each of the selected cases. These fiches were devised to provide detailed information on, in particular, type and level of stakeholder involvement in the measure, procedures and legal basis behind and, most importantly, the effects on the workers covered by it. For performing this kind of research work, the correspondents in charge were subcontracted. On the basis of these fiches a series of case studies were compiled, including detailed descriptions of each best practice initiative/measure selected for examination (Chapter 6).

Finally, an analysis applying a multiple case study design was carried out, such that similarities and differences between the cases can be explored. Based on informed comparisons, this method allows the plausible explanation of similar or different results/effects across cases and, consequently, enables to assess the relative probability for transferring examples of best practice from one context (country, sector etc.) into another. On that basis, conclusions with a view to identify modes and procedures of social partner involvement yielding the most beneficial effects for the workers covered can be drawn. Moreover, those factors and circumstances can be identified which appear to be most promotional for the transferability of measures to other national and sectoral contexts (Chapter 7). Having identified both best practices and promotional determinants for transferability of best practice measures, policy recommendations addressed to decision-makers, social partners and authorities are formulated (Chapter 8).

Last, but not least it is important to note that this study would not have been possible without the essential work contributed by the national Eurofound correspondents of Austria (Bernadette Allinger), Croatia (Pedrag Bejakovic), Cyprus (Loucas Antoniou), Denmark (Maria Hansen), France (Frédéric Turlan), Portugal (Maria da Paz), Romania (Victoria Stoiciu), Slovenia (Maja Breznik), Spain (Óscar Molina) and Sweden (Anna-Karin Gustafsson and Amanda Kinnunen). They all have provided detailed and well-researched documents of social partner initiatives and measures which constitute the core of this report.

2. Impact of COVID-19 on the overall labour market in the EU27¹

The national governments and authorities, often in close cooperation with other stakeholders (including the social partners), have taken various measures to mitigate the impact of the COVID-19 pandemic crisis on the labour market and the wider society. At EU level, financial and other support measures, including the Support to mitigate Unemployment Risks in an Emergency (SURE) instrument and the Recovery and Resilience Facility (RRF), were introduced in 2020, in order to assist the Member States in alleviating the pandemic's impact. Nevertheless, the labour market distortions resulting from emergency measures tackling immediate health issues have proved tremendous.

2.1 Impact on employment level in the EU27

In Q2 2020, there were 5.7 million fewer people in employment than in Q4 2019, and 6.3 million fewer compared with the trend growth (corresponding to the employment level that could have been expected before the outbreak of the pandemic crisis). This means that there was a reduction in employment of 3.1% compared to the trend.²

The EU27 unemployment rate recorded only a minor growth in the same time period (from Q4 2019 to Q2 2020), from 6.6% to 6.7% (although the rate was expected to significantly rise from autumn 2020 onwards). Hence, there is a notable discrepancy between the moderate increase of the unemployment rate and the considerable decrease in the employment level resulting from the crisis. This is because most of the decline in employment can be explained by transitions to inactivity rather than unemployment (ILO 2021a). Many of those employees who lost their jobs are no longer seeking work and classified as inactive and thus do no longer show up in the unemployment statistics. From Q1 2020 to Q2 2020, 5.4 million employees became inactive, while only 2.8 million people moved from inactivity to employment, which corresponds to a net flow of +2.6 million in favour of inactivity. The net flow out of employment into unemployment was 1.2 million in the same period. In terms of absolute numbers, employment altogether shrank by 3.8 million from Q1 2020 to Q2 2020.

Workers with atypical and precarious employment conditions, in particular workers on temporary contracts, were over-proportionally affected by job losses. This is because in times of crises non-renewal of temporary contracts tends to be one of the first labour market adjustments carried out by employers. Accordingly, the number of temporary contracts in the EU27 receded by 17% from Q2 2019 to Q2 2020, amounting to 4.3 million job losses (what accounts for more than three-quarters of the decline in aggregate EU employment). This trend particularly affected Spain (with more than 900,000 losses of jobs on temporary contracts), followed by France, Italy and Portugal with a decline of about half a million of such jobs each. Apart from temporary workers, also the number of multiple job holders shrank significantly year-on-year, by overall 13% in the EU27. Member States most affected are Portugal,

¹ Data and information of this chapter mainly stem from Eurofound 2021b.

² Overall, the employment rate among the age group 20-64 of the EU27 declined by 0.7 percentage points to 72.4% from 2019 to 2020 (European Commission 2021a).

Cyprus, Ireland and Spain. Probably, these decreases ensue from sharp declines in tourist and HORECA related activities during the pandemic.

The share of workers not working more than doubled during Q2 2019 to Q2 2020, from around 7% to around 17%. All EU27 Member States recorded increases in this share, albeit to considerably varying degrees, depending on the implementation and coverage of public support measures for workers and their employers in impacted sectors. The decrease of employment measured as headcount fell by 2.4% for the EU27 in the same time period, whereas weekly working hours shrank by 0.9%, with Austria recording the sharpest decline of -2.6% (probably due to the widespread use of short-time work schemes).

2.2 Impact on different groups of workers and sectors/occupations

Younger workers and female workers have been disproportionately hard hit by the pandemic crisis. The cohort aged 15-25 years has had to face the sharpest reductions in employment, since job recruitment almost ceased to exist in many sectors. Moreover, those sectors, such as hospitality and the leisure sector, employing a relatively large proportion of young people have been particularly hard hit by the lockdown measures in response to the COVID-19 disease pandemic and related job losses. Employment levels fell by more than 7% for this age group during Q2 2019 to Q2 2020, with female workers being even more affected. Also, the increase of the share of workers not working (on furlough) was higher for this age group (+ over 11%).

Male workers were affected by reduced working hours to a greater extent than women. This is likely to be related to the fact that female workers have often tended to be absent from work (temporary work stoppage, on furlough) altogether (while remaining employed) as a result of the pandemic. This may be due to the still predominant male breadwinner model in most countries, according to which working women and mothers (are expected to) feel committed to take the increased domestic care responsibilities during the pandemic, due to work, school, kindergarten and creche closures.

In terms of sectors of the economy, employment contraction was most pronounced in accommodation, food and beverage service activities, sports/amusement/recreation activities, air transport and tourism/travel agency activities during Q2 2019 to Q2 2020 in the EU27. In the accommodation sector, employment in terms of headcount fell by 23% in this period, while half of the remaining employees in the sector were on furlough in a given week during the quarter; those actually working had their weekly hours reduced by more than five on average compared to a 'usual' working week. Altogether, the accommodation sector recorded a reduction of about two-thirds of paid working hours in this period. Taking the hospitality, travel and sports/leisure-related sectors into account, which are all heavily reliant on close physical proximity, this broader segment of the economy suffered the biggest contractions in hours worked and employment, whereby furloughing and job losses were the most prominent factors for this contraction.

Other, usually more knowledge-intensive services, such as ICT services, were by far less affected by the pandemic crises. In particular, the teleworkability of most work in these activities may have helped to maintain employment level and hours worked in these services. The explicit encouragement, if not financial support, by the public authorities to move the office-based work home has led to mass telework/homework for many office workers in the services sectors.

With regard to the occupational level, employment contraction in terms of headcount was highest among lower-level service workers, notably service and sales workers and elementary occupations, down 8% and 10%, respectively, in the period from Q2 2019 to Q2 2020. These employees can be found predominantly in the hospitality, retail, health, security, cleaning and building maintenance sectors. In these occupations also the share of workers not working was particularly high, with 27% and 22%, respectively, in Q2 2020. These high rates reflect the lockdown measures and closures affecting the sectors where these workers are mainly employed. The proportion of workers not working was also higher than average among blue-collar occupational categories in manufacturing and construction (for example plant and machine operators and assemblers). Among professionals and technicians, the headcount employment even increased in the period from Q2 2019 to Q2 2020, although the share of workers not working also increased at the same time in both cases. Skilled agricultural workers were likewise less affected, mainly due to their status as “essential workers” in many countries.

According to a recent ILO (2021b) report on the role of trade unions in times of the COVID-19 crisis, the workers and sectors most affected by the pandemic – at least in the view of the trade unions – are:

Health and frontline workers because they have risked their lives for other people in spite of reported personal protective equipment shortages;

Informal economy and self-employed and casual workers because of lack of protection and of income replacement or savings;

Women, young people, migrant workers, refugees and people with disabilities because of multiple vulnerable situations in terms of the precarious nature of the work performed, poor working conditions, exposure to violence and marginalisation etc.; and

Tourism, transportation, construction, commerce, hospitality, entertainment and manufacturing sectors because they all experienced a temporary suspension of operations or stoppage of activities, for various reasons (restrictions in movement, border closures, risk of bankruptcy, severe downturns with impacts on employment levels, non-availability of raw materials etc.).

3. Impacts of Covid-19 on social dialogue and collective bargaining in the EU27³

Overall, social dialogue at all levels, both with (tripartite) or without (bipartite) government participation, has proven to play an important stabilising role, especially in times of crisis. However, in emergency situations like the one triggered by the COVID-19 pandemic, the crisis may be used as a way to sideline social partners, for example, through the adoption of state-of-emergency legislation. It is also likely that bipartite social dialogue – at all levels, including collective bargaining – and its actors, institutions and processes has been impacted by the extraordinary situation (see Eurofound 2021a).

3.1 Impact on social dialogue

The impact of COVID-19 on industrial relations institutions and actors in the EU27 was marginal. None of the countries experienced major changes during 2020. By contrast, several countries, including Austria, Finland and Germany, reported that their institutionalised systems of industrial relations worked well during the crisis. Changes in industrial relations processes, however, were reported in many countries, mostly relating to the mode of communication and timing. This means that social dialogue and collective bargaining often had to be rescheduled or switched to online meetings and video conferences for immediate epidemiological reasons.

The global financial crisis (2007 –2009) emphasised the role of social dialogue in cushioning the impact of a large economic downturn. Across all European countries, tripartite negotiations between governments, unions and employer organisations resulted in the development of successful strategies that helped to maintain employment and support businesses (Eurofound 2012). During the COVID-19 crisis, many countries resorted again to the participation of the social partners in national crisis management, despite some logistical challenges that were caused by pandemic measures (see also ETUI and ETUC 2020, 4f).

In Austria, Cyprus, Finland, Germany and Portugal, tripartite dialogue was assessed as positive and effective in 2020. Denmark and Lithuania reported that negotiations had been accelerated due to the exceptional circumstances. In Croatia, tripartite consultation was revived in the face of the crisis, with the reactivation of the country's Economic and Social Council after it had been inactive for two years due to disputes and the previous withdrawal of unions from the body. A similar development was seen in Lithuania, where the number of tripartite meetings increased by 55% compared with 2019.

At the bipartite national level, positive developments triggered by the exceptional situation were reported in France and the Netherlands. In France, the relationship between the social partners was revived (even though their positions were largely ignored by the government) with the conclusion of three cross-industry agreements in 2020 (prior to this, the most recent agreement dated back to 2018). In the Netherlands, social dialogue at the national level became closer and more informal.

³ This chapter is an extract of Eurofound (2021c), an article co-authored by Bernadette Allinger and Georg Adam and forming part of a Eurofound series that explores working life issues in the 27 EU Member States, Norway and the UK during the COVID-19 pandemic. It is based on information provided by the Network of Eurofound Correspondents and published as a set of individual country reports in 'Working life in the COVID-19 pandemic 2020'; see: <https://www.eurofound.europa.eu/publications/other/2021/working-life-in-the-covid-19-pandemic-2020#tab-03>

In a few countries, the exceptional circumstances were used to sideline the social partners and put established social dialogue practices under threat. In countries such as Bulgaria, Latvia, Luxembourg, Romania and Slovenia, social dialogue was partially suspended during 2020, often in connection with imposed lockdowns in the early months of the pandemic. In Luxembourg, social dialogue was resumed and strongly revived after it had abruptly been suspended by a lockdown; however, its functioning became more complicated, as ministries were not always available and there were long gaps between meetings. In Poland, the tripartite Social Dialogue Council (RDS) was sidelined for most of 2020 and only minimal social dialogue occurred.

In some countries, the temporary implementation of a state of emergency or a state of alert was taken as an opportunity to sideline social partners' participation. Such a development took place in a few countries, mostly in central and eastern Europe, as well as southern Europe. The most prominent examples are Greece, where social dialogue was omitted in the legislative process to introduce large-scale restrictions related to constitutional rights and freedoms; Poland, where the federal government adopted legislation violating the autonomy of the Social Dialogue Council and of the social partners; and Portugal, where the right to strike was suspended.

3.2 Impact on collective bargaining

Collective bargaining was also impacted by the pandemic. Negotiating processes were adapted during the COVID-19 crisis and meetings were often held virtually instead of face-to-face. In some countries, the process was speeded up, often amid little room to negotiate. In other countries, however, collective bargaining was shelved or suspended.

Overall, it could be seen that in a stable industrial relations system, the actors were able to quickly adapt to upcoming challenges (Austria, Finland, Germany). In Italy, collective bargaining continued at the industry-wide level without any particular disruptions, even though negotiations became more difficult and took longer. In Malta, concessionary collective bargaining emerged as a practice in the collective bargaining process, with employees generally forfeiting some of the collective agreement's benefits in exchange for protection against layoffs. In some cases, fortunate timing was a factor in successful bargaining: in Estonia, sectoral collective bargaining that had already been planned in the healthcare and public culture sectors took place as usual in late 2020. In Finland, collective bargaining started in November 2019 and was concluded amid the pandemic.

In some cases, collective bargaining was suspended in 2020, especially in those sectors that were hit hard by government-imposed lockdowns. In Austria and Czechia, for example, no collective bargaining took place in the HORECA sector. In Finland, negotiations in the HORECA sector were postponed.

In Portugal, collective bargaining was profoundly affected by the crisis. The level of coverage of wage bargaining in terms of renewed collective agreements dropped to levels similar to those seen in the critical years of austerity, though extension procedures mitigated the decline slightly. In Greece, negotiation procedures for collective agreements were frozen, concerning hundreds of thousands of employees.

The most common practice during the pandemic was the postponement of collective bargaining (Bulgaria, Germany, Ireland, Spain), which was frequently accompanied by the extension of existing

collective agreements (Netherlands). In Romania, regulations ensure that all collective bargaining agreements remain valid during a state of emergency or state of alert and up to 90 days beyond. The negotiating parties are obliged to initiate collective bargaining within 45 days after the end of the state of alert.

As a consequence of the exceptional situation in 2020, several new topics emerged in the collective bargaining process. In Bulgaria, in some industrial branches without sectoral collective bargaining (such as the chemical, textile, clothing and food industries), the social partners negotiated framework agreements. Most of these concerned the impact of COVID-19 on working life, but some also considered issues such as the green economy and digitalisation. In Germany, collective agreements improving short-time workers' public allowances were concluded in several industries in 2020.

In Austria, the social partners signed the first general collective agreement in decades, regulating mask-free time. The social partners agreed that after three hours of wearing a facial mask, those employees who are legally required to wear one during their work may take it off for at least ten minutes, either during a break or by switching to tasks not involving customer contact.

In France, a mechanism was set up that allows an employer to oblige employees to take paid holidays or work reduced hours and make use of a system of 'long term' short-time working, provided that a collective agreement has been concluded beforehand.

In total, the number of collective agreements decreased sharply in Europe. In Spain, a considerable decline in the number of newly signed collective agreements was noted. In France, from March 2020 to the end of the year, a total of 53 industry agreements and over 8,000 company agreements were concluded – a marked decline when compared with the previous year. The same holds true for Lithuania and the Netherlands, where only about one-fourth of the number of company-level collective agreements were signed or renewed in 2020 when compared with 2019.

Overall, as can be seen in the paragraphs above, the pandemic had a significant impact on collective bargaining procedures and contents. With regard to the latter, in particular pay, despite a fall in GDP in virtually all Member States, real wages maintained a positive trend during 2020 in most EU27 countries, even though increases in the private sector were moderate, while public sector wage accords tended to exceed those of the private sector. Since the coronavirus crisis has particularly affected low-wage workers, occupations and sectors, statutory wage support mechanisms (such as tax credits, wage subsidies etc.) as well as extra bonus payments and minimum wages have gained in importance in order to counteract growing earning inequalities. In most of the EU27, where statutory minimum wages exist, the governments approved real increases in minimum wages for 2021; this is likely to exert a positive effect on reducing earning inequalities arising from the COVID-19 crisis, since minimum wages especially target workers in labour-intensive, low-wage sectors with a predominance of a young, female and immigrant workforce (Eurofound 2021d).

4. Measures to preserve jobs and incomes documented by ETUC⁴

The measures to preserve jobs and incomes undertaken by governments (often in close cooperation with the social partners) across the EU27 since spring 2020 include, according to the ETUC COVID-19 Watch Briefing notes, the following:

4.1 Measures aimed at employment protection

Job retention schemes are among those policy tools widely perceived as most effective when it comes to containing the employment and social fallout of the pandemic crisis. They seek to preserve jobs at companies experiencing a temporary reduction in or complete breakdown of business activity by alleviating companies' labour costs while supporting the incomes of employees working at reduced hours. Those forms of job retention schemes used most frequently since the outbreak of the COVID-19 pandemic have been short-time work (that directly subsidise hours not worked) and wage subsidy schemes (that subsidise hours worked or top up wages of workers on reduced hours). Most importantly, all job retention schemes imply the maintenance of the contacts between the employer and the employees even if the latter's work is suspended (OECD 2020b). In particular, short time work schemes were/have been in place in almost all EU Member States.

In some Member States, suspension and/or deferral of payment of social insurance contributions are devised to support companies and self-employed with the goal to maintain jobs in the company.

Likewise, extraordinary state-funded redundancy allowances are meant to limit or prevent job losses in several countries.

In a few countries (Belgium, Sweden), the rules of entitlement to sick-pay benefits have been amended, in an attempt to prevent potential infected workers from going to work.

A recent study published by ETUI distinguishes three underlying types of job retention schemes implemented during the COVID-19 crisis, that is short-time work schemes, furlough schemes and wage subsidies (Drahokoupil and Müller 2021). Whereas short-time work schemes support companies to finance hours not worked (see above), furlough schemes provide a benefit to employees for hours not worked, allowing companies to temporarily lay off part of their workforce; by contrast, wage subsidies benefit companies irrespective of whether working time of specific employee groups is reduced (ibid., p. 10).

4.2 Measures aimed at protecting workers' income

Raised unemployment benefits have been provided in some Member States, with the aim at protecting workers' wages/income.

⁴ The information of this chapter mainly stems from the ETUC COVID-19 Watch Briefing Notes: <https://www.etuc.org/en/publication/covid-19-watch-etuc-briefing-notes>

In a few Member States (Italy, Spain), extraordinary minimum income protection schemes may have a significant impact on atypical workers and employees with low employment intensity.

Extraordinary unemployment benefits have been introduced in a few countries (Cyprus, Denmark, Spain) for employees who have exhausted other benefits.

In Italy, Germany and Spain, unemployment benefits for those workers who have terminated their fixed-term contracts were introduced.

In Austria, a bonus payment for unemployed has been introduced on top of the unemployment benefit, the amount of which is proportional to the number of days in unemployment.

4.3 Measures tailored to specific categories of workers

Workers in sectors particularly hard hit by the recurrent lockdown measures may benefit from specific state-funded allowances, such as seasonal workers, workers in performing arts (Bulgaria, Denmark, Italy, Spain) and workers in the tourism and restaurant sectors (Austria, Bulgaria, Cyprus, Hungary).

Self-employed people ceasing their activity due to the pandemic are provided financial support in several Member States, including Belgium, Czechia, Denmark, Finland, Germany, Italy, Spain and Sweden. Apprentices received financial support in Austria (Eurofound 2021e).

5. Selection of cases of social partner involvement from Eurofound's COVID-19 EU PolicyWatch database⁵

The social partners were involved in the design, implementation, monitoring and/or assessment of a wide range of measures implemented in the EU Member States targeted towards mitigating the negative effects of the COVID-19 crisis. A pre-selection of potential “best practice” measures was made via exploring Eurofound's COVID-19 EU PolicyWatch database in detail during spring 2021. As of mid-April 2021, 921 measures were included in the database catering to the EU27 Member States. In 109 policies, the social partners were involved jointly, in that the measure was based on a joint social partner agreement or initiative; in 135 cases, only the trade unions were involved, while the employers' side was not. The types of measures included in the screening were legislations or other statutory regulations; tripartite agreements; bipartite collective agreements; and other initiatives or policies. In terms of policy dimensions, only measures which (apparently) serve the interests of workers were included. The pre-selection comprised two or three measures to be explored in more detail per country; the countries were chosen in order to ensure a variability in terms of welfare state/industrial relations regimes (Visser 2009; Van Klaveren and Gregory 2019).

On the basis of the pre-selection of potential cases the national Eurofound correspondents of the chosen Member States were contacted, in order to check the suitability of the cases for the purpose of the study. Eventually, in close cooperation with the national correspondents, a final selection of cases was agreed upon.

The following table shows the final selection of cases to be examined in more detail. The case numbers as they appear in the database were added for practical reasons.

⁵ See <https://static.eurofound.europa.eu/covid19db/database.html>

Countries / Industrial relations regimes	Measure 1	Measure 2	Measure 3
Social-democratic Scandinavian organised corporatism			
Denmark	Temporary Scheme for pay compensation: Tripartite agreement on wage compensation in the private sector, case DK-2020-11/633	New temporary tripartite agreement on work sharing, case DK-2020-36/1251	
Sweden	Trygghetsfonden - Competences for work, case SE-2017-5/1145	Suntarbetsliv - Practical support for employers and employee representatives to ensure a healthy working life, case SE-2016-14/1154	
Central and West European social partnership			
Austria	COVID-19 Short-time work scheme, case AT-2020-10/229	Home office regulation, case AT-2021-14/1742	Special subsidised care time for working parents and carers, case AT-2020-12/545
Germany	Basic income support solo self-employed, case DE-2020-13/404		
Slovenia	Subsidies for short-time work, case SI-2020-23/904	Partial reimbursement of the minimum wage increase, case SI-2021-1/1781	
South European State-centrism			

France	Short-time work, case FR-2020-10/462	Long term short-time work, case FR-2020-27/1030	
Portugal	Extraordinary training plan, case PT-2020-13/335	Training plan for companies with temporary reduction of working time, case PT-2020-31/1281	
Spain	Tripartite agreement to defend employment, case ES-2020-20/880	Tripartite agreement on economic reactivation and employment, case ES-2020-27/934	Agreement for maintenance of employment in Inditex, case ES-2020-44/1459
Liberal pluralism			
Cyprus	Scheme for the remuneration of contract workers and self-employed in the afternoon programmes of the Ministry of Education, case CY-2020-11/453	Special scheme for self-employed workers, case CY-2020-12/343	
Central and East European "mixed" transition economies			
Croatia	Co-financing of wages for reduced working hours, case HR-2020-27/893	Support for preservation of jobs in sectors affected by COVID-19, case HR-2020-12/361	
Romania	Technical unemployment benefit, case RO-2020-30/1391 and case RO-2020-12/373	Measures to support telework, case RO-2020-332/1429 and case RO-2021-1/1700	

All cases can be found in the database: <https://static.eurofound.europa.eu/covid19db/index.html>

5.1 Short overview of the identified cases

In total, 23 measures from the Eurofound database were selected as final case studies. The types of dimensions according to the Eurofound database refer to the promotion of the economic, labour market and social recovery; employment protection and retention; income protection; workers' protection and adaptation of the workplace; re-orientation of business activities; and supporting businesses.

In terms of measures, short-time work arrangements are by far the most common in the study's sample, followed by income protection measures beyond short-time work, measures promoting the economic and labour market recovery, telework arrangements as well as (re-)education and training measures. In particular, the large incidence of short-time work schemes reflects the situation in reality, since in almost all EU27 countries varying forms of income support schemes for people in employment have been implemented. Apart from that, the selection of cases in cooperation with the Eurofound correspondents of the selected countries (see introduction chapter of this study) was led by the idea to cover as many different types of dimensions as possible:

Promoting the economic, labour market and social recovery

- Active labour market policies, incl. subsidised job creation: SE-2017-5/1145
- Flexibilisation and security: ES-2020-20/880
- Other: ES-2020-27/934

Employment protection and retention

- Income support for people in employment: DK-2020-11/633, DK-2020-36/1251, AT-2020-10/229, SI-2020-23/904, FR-2020-10/462, FR-2020-27/1030, HR-2020-27/893, HR-2020-12/361, RO-2020-30/1391

Income protection beyond short-time work

- Support for parents and carers: AT-2020-12/545
- Support for self-employed: DE-2020-13/404, CY-2020-11/453, CY-2020-12/343

Protection of workers, adaptation of workplace

- Well-being of workers: SE-2016-14/1154
- Teleworking arrangements, remote working: AT-2021-14/1742, RO-2021-1/1700 in connection with RO-2020-33/1429

Re-orientation of business activities

- Transfer or redeployment of workers: ES-2020-44/1459

Supporting businesses to stay afloat

- Direct subsidies (full or partial): SI-2021/1-1781

Supporting businesses to get back to normal

- Enhancing employability and training: PT-2020-13/335, PT-2020-31/1281

Final choice of countries/cases according to IR regimes (Jelle Visser, adapted):

Type of industrial relations	Country
<ul style="list-style-type: none"> • Social-democratic Scandinavian organised corporatism 	<ul style="list-style-type: none"> • Sweden, Denmark
<ul style="list-style-type: none"> • Central and West European social partnership 	<ul style="list-style-type: none"> • Austria, Germany, Slovenia
<ul style="list-style-type: none"> • South European State-centrism 	<ul style="list-style-type: none"> • France, Portugal, Spain
<ul style="list-style-type: none"> • Liberal pluralism 	<ul style="list-style-type: none"> • Cyprus
<ul style="list-style-type: none"> • Central and East European "mixed" transition economies 	<ul style="list-style-type: none"> • Croatia, Romania

6. Description of individual cases of initiatives and measures with social partner involvement

6.1 Social-democratic Scandinavian organised corporatism

Denmark case 1: Tripartite agreement on temporary wage compensation⁶

Social and economic background of the measure/initiative

On 11 March 2020, the Danish Government decided on a lock down of the Danish society as a means of preventing the spread of the COVID-19 virus. It soon became clear that several companies and branches in the private sector would have to close down due to this containment and the Parliament urgently passed several important support measures. The first was the tripartite agreement on a temporary wage compensation scheme, for employees in the private labour market, which were threatened by redundancies due to the restrictions and lockdown. The agreement was passed only three days after lockdown on 14 March 2020 (BM, 2020a). The scheme is used extensively and, at its peak, more than a quarter of a million employees were subsidised with wage compensation.

Driving force of the measure – reasons and aims for implementation

The social partners were invited at confederation level by the government to enter a tripartite agreement, which is the standard procedure in decisions regarding the labour market in Denmark. With the agreement, the government and the social partners have ensured that companies that experience severe consequences due to COVID-19 (such as customer loss, forced closing, order decline and more) can receive partial reimbursement for wage expenses, which secures the employment of their employees, who would otherwise be dismissed. On 30 March 2020 the support of the scheme was increased aiming to ensure that even more companies would use the scheme so that more employees would be able to keep their jobs.

Main contents of the measure and target groups

The agreement covers the entire private labour market and it is not a condition that either the company is a member of an employer's organisation or the employees are members of a trade union under the confederations. However, it is required that the average number of potential dismissed employees over the entire period for which salary compensation is to be sought, must be at least 30% of the employees or a minimum of 50 employees. The agreement offers a fixed wage compensation of 75% for salaried employees and 90% for other employees (for instance blue-collar workers), however with a monthly maximum of DKK 30,000 (EUR 4,035), for the period when the employees cannot be deployed. These maximum compensations were set on 30 March 2020 and were amended from the initial 26,000 of salaried and 23,000 for other employees in order to get a larger participation from companies. The remaining 10% or 25% of the wages (and any amount above the maximum monthly loft of DKK 30,000) are paid by the companies themselves. The wage compensation could be used during two periods. The first was from 9 March 2020 to 29 August 2020. Due to the second wave of the COVID-19 virus in Denmark, the government and the social partners decided to revive the wage compensation support

⁶ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry DK-2020-11/633 (https://static.eurofound.europa.eu/covid19db/cases/DK-2020-11_633.html) and additional research work subcontracted to and performed by Maria Hansen (FAOS), working as Eurofound national correspondent of Denmark.

measure in full on 9 December 2020. The criteria and the extent of compensation were the same as in the former agreement. The second period of the wage compensation scheme spanned from 9 December 2020 to 30 June 2021.

Role of social partners in launching and implementing the measure

In tripartite agreements in Denmark, it is typically the social partners on confederation level that together with the current government set the framework conditions for companies and employees. This is also the case for the wage compensation scheme, of which the signatories are from the Government, FH (Danish Trade Union Confederation) representing the employees, and DA (Confederation of Danish Employers) representing the private employers. For this agreement, the social partners have been involved in designing, implementing and monitoring the measure. The consultations usually take place through tripartite or bipartite social dialogue bodies. FH states that the confederation has participated both initially and in the subsequent adjustments to the wage compensation scheme and in the implementation with close coordination with relevant member organisations. DA states a similar involvement, being part of negotiations and in a continuous dialogue with FH and the authorities about the implementation of the agreement, including interpretation and practical aspects of the implementation, which includes the experience of their member organisations.

Goal attainment (from the social partners' point of view)

Overall, the views on the measure are positive and looking in back, the decisions that were made to support employees and companies, are deemed to have been the correct ones for the best outcome post pandemic. This is verified by the contact person from FH, who states that the confederation fully supports the wage compensation scheme and its supportive measures leading to a “softer landing” on the other side of the pandemic. The Danish Business Authority posts weekly updates of usage of the different compensation schemes and up until 28 June 2021 a total of 335,546 people have been approved for the wage compensation scheme. A more skeptical view of the wage compensation scheme concerns the size of the compensation and relates to the former aim of DA. The CEO of SMVdanmark, which organizes 18,000 SMEs, states that the extension scheme was flawed and suggests that companies should get full coverage, as their savings are drained after a long pandemic and the companies are burdened with the costs of repatriated employees. He states being disappointed in the lack of understanding from both the government and social partners on the situation of especially SMEs and the cost for keeping their employees.

Transferability of the initiative/measure

The mutual respect and willingness to compromise on conflicting interests are at the foundation of the Danish Model for the labour market regulations. The mutual recognition and respects of parties and social partners have paved the way to the quick and effective tripartite agreement of the wage compensation scheme and its continuous adaption. In order for other contexts to adopt the scheme with the same efficiency, a similar system can be seen as a prerequisite, as it has a cost for all parties involved; employees, employers and the government.

Denmark case 2: Tripartite Agreement on temporary work sharing in the private sector⁷

Social and economic background of the measure/initiative

On 14 August 2020, six months after the first lockdown, the government and social partners launched an agreement for the second phase of the gradual reopening of the Danish society. The wage compensation scheme, which had been in force since 9 March 2020 and covered over 200,000 employees, ended on 29 August 2020 as part of the gradual reopening process. As a consequence, there were great concerns about a possible rise in unemployment, as the companies were supposed not to have the capacity to keep their employees without the compensation.

Driving force of the measure – reasons and aims for implementation

The main aim of the temporary tripartite agreement on the extended work sharing scheme is to avoid redundancies in the phasing-out of the wage compensation scheme. In view of the extraordinary situation with COVID-19, the government and social partners decided that the work sharing scheme was to be introduced by law. A statutory scheme ensures that it can cover the entire private labour market regardless of the pre-restrictions imposed by collective or local agreements or legislation to the employees of companies that decide to use it. Normally, the social partners are not in favour of legislation in their very realm, where collective bargaining and agreements are the norm, but the pandemic has been a special situation, where they want to support the whole workforce. The work sharing scheme is less cost-expensive than the wage compensation scheme, but it is still a great support for companies and employees.

Main contents of the measure and target groups

Work sharing allows employees to share the work between them rather than laying off employees due to a lack of work. While at home, the employees can receive unemployment benefit to covering the loss of income caused by their reduced working time/wages. The benefits used are not deducted from their normal unemployment benefits, and people that are not insured by an unemployment insurance fund can get access to the scheme if they join one and pay membership fees in arrears. When employees are on this scheme, they receive up to the equivalent of DKK 23,000 per month (EUR 3,093). This corresponds to about 120% of the normal maximum benefit rate and the increase is financed primarily by an employer's contribution. Further, the extended agreement gives employees that are covered by the scheme the right to enter vocational training while still receiving benefits during periods of the scheme they are at home. The new temporary work sharing scheme applies to all employees throughout the private labour market. Employees who receive information from the employer on the implementation of division of labour have 24 hours to decide whether to benefit from the scheme. If employees do not wish to participate, the employer can decide whether to dismiss him or her. An established work sharing scheme can run for up to four months and had to start on 31st December 2020 at the latest. On 27th of November 2020, the government and the social partners concluded a tripartite agreement to extend the time frame of the work-sharing scheme for the private labour market from December 2020 to cover all of 2021 as well – regardless of whether they have used the scheme in 2020. This came with an increased

⁷ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry DK-2020-36/1251 (https://static.eurofound.europa.eu/covid19db/cases/DK-2020-36_1251.html) and additional research work subcontracted to and performed by Maria Hansen (FAOS), working as Eurofound national correspondent of Denmark.

flexibility for companies, which are now able to reduce working hours by as much as 80%, rather than 50% previously. It will also be possible, under certain conditions, to call for assistance, a demand from the hospitality industry in particular. In total, the scheme runs from 14 September 2020 until 31 December 2021.

Role of social partners in launching and implementing the measure

Tripartite agreements, setting the framework conditions for companies and employees in Denmark, are typically settled by the social partners on confederation level together with the current government. This is also the case for the wage compensation scheme, of which the signatories are from the Government, FH (Danish Trade Union Confederation) representing the employees, and DA (Confederation of Danish Employers) representing the private employers. FH has participated both initially and in the subsequent adjustments to the work-sharing scheme and in the implementation with close coordination with relevant member organisations. DA states a similar involvement, being part of negotiations and in a continuous dialogue with FH and the authorities about the implementation of the agreement, including the interpretation and practical aspects of the implementation.

Goal attainment (from the social partners' point of view)

FH states that they fully support the work sharing scheme, as it has supported both the finances of a large number of employees and ensured continued employment in a difficult situation, while supporting the companies, so that they did not have to lay off employees and thus ensured a softer landing in the face of a severe pandemic. DA states that their main aim with both wage compensation scheme and the work sharing scheme was to ensure compensation to companies for the political interference and restrictions that affect their ability to produce and market their products. In November 2020, when the government and social partners decided to extend the scheme to cover all of 2021, more than 7,000 employees made use of the temporary work sharing scheme. The highest number of simultaneous users of the scheme within a week was in week 8 of 2021 reaching 11,080 people.

Transferability of the initiative/measure

The main foundation for the Danish temporary work sharing scheme during COVID-19 is the unemployment benefit system in the periods, where the employees are not at work. In order to transfer the scheme to other contexts a similar system of unemployment insurance/support would be a clear prerequisite. Further, the Danish companies have also pitched in with funds to cover the higher monthly unemployment benefits. Therefore, another prerequisite is the cooperation between and willingness of both sides of the industry at cross-industry level to support the entire labour market.

Sweden case 1: Trygghetsfonden - Competences for work⁸

Social and economic background of the measure/initiative

Swedish restructuring agreements are a form of collective agreement between the social partners, the focus of which are to ensure that employees who are laid off receive support in finding other employment. The first restructuring agreements were concluded in the early 1970s. Since then, they have grown in number and today most of the Swedish labour market (around 90% of all employees) is covered by such agreements. The funds are managed by job security councils administered by representatives of the social partners, whose support serve as a complement to social and unemployment insurance and public labour market policy.

The existence of the job security councils must be understood in the context of the Swedish decentralised bargaining model and the idea that labour regulations, conditions, measures and initiatives affecting employers and employees in certain business sectors are best designed and implemented by the social partners in those specific sectors. While changes through rationalisations in businesses and/or layoff are to be expected, adaption to structural changes must not take place at the expense of poorer working conditions or reduced wages. Rather, companies and industries with low productivity will have problems with wage costs when wages rise and should not be kept afloat for the sake of it. Hence, the restructuring agreements and the job security councils became a way for the social partners to support and take responsibility for the employees who were laid off as a result of structural changes in the Swedish labour market. Trygghetsfonden TSL (The Security Fund TSL) is one of these (pre-existing!) job security councils that has gained in importance during the Covid-19 crisis.

Driving force of the measure – reasons and aims for implementation

TSL was founded in 2004 by the Swedish Confederation of Enterprise and the Swedish Trade Union Confederation to support blue-collar workers in the private sector in case of layoffs (other jobs security councils cover other segments of the labour market). TSL is run in the form of a non-profit foundation and covers all employers affiliated to one of the member organisations of the Swedish Confederation of Enterprise, or who have a collective agreement directly with a union affiliated to the Swedish Trade Union Confederation. The main aim of the foundation is to help employees that have already been laid off or who are facing layoffs in their efforts to find new employment. To this end, TSL provides advice and consultation to the employers, trade unions and the individual employee.

Main contents of the measure and target groups

The process starts with employers and unions applying for restructuring support when redundancies have been decided upon. TSL then contacts the employer and unions to confirm their application. A restructuring adviser from TSL then meets with the dismissed person to inform him/her about how the support works and to find out if there are special needs that must be considered. A restructuring company (procured by TSL) then coaches the dismissed person in his/her efforts of finding new employment. This can include help with finding and applying for vacancies, advice before a job interview or support in contact with the authorities such as the Swedish Social Insurance Agency, the Swedish Public

⁸ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry SE-2017-5/1145 (https://static.eurofound.europa.eu/covid19db/cases/SE-2017-5_1145.html) and additional research work subcontracted to and performed by Anna-Karin Gustafsson (Oxford Research), working as Eurofound national correspondent of Sweden.

Employment Service or The Swedish Board of Student Finance (CSN). The laid-off worker may also be offered education, training, or validation of previous experiences. Throughout this process, employers and unions receive ongoing status reports. The project ends with a final report where the results are reported.

In addition to this standard process, TSL is currently (2020-2022) running a project called *Competence for Competitiveness*⁹ with finances from the European Social Fund through which they are offering free-of-charge training for employees in sectors that have been negatively affected by COVID-19. The aim of the measure is to strengthen the employees' competences in companies that have had to or that risk having to lay off staff. The idea is to not only increase the chances of being able to keep employees, but also for the individual worker to have their employability improved in the eyes of other employers, in the same or in other sectors. All employers covered by TSL's standard offer are eligible to apply, excluding those who have already received over EUR 200,000 in state support over the last three years. Sectors focused on and for which tailored trainings and validation procedures are offered to employees are retail, transport, manufacturing, HORECA, food production and cleaning services. Additionally, courses in professional Swedish and digital competence are available. All courses and validation procedures offered within the project have been designed in dialogue with the social partners in the affected sectors. The project is expected to reach 5,000 employees and has a budget of SEK 75 million (approximately EUR 7.4 million).

Role of social partners in launching and implementing the measure

TSL is owned jointly by the Confederation of Swedish Enterprise and The Swedish Trade Union Confederation. As a bipartite initiative, the TSL system is implemented through collective agreements and similar to an insurance system, whereby premiums of 0.3% of the wage bill is paid by each affiliated company. In certain circumstances, local agreements can be drawn up with different rates.

Goal attainment (from the social partners' point of view)

The way TSL is organised and how its main purpose is expressed, there are no expectations as to ever being 'done'. Structural transformation of the economy is ongoing and therefore also the need for restructuring support. As for quantitative measurements, around 9 out of 10 dismissed workers receiving support from TSL find new employment or start an education programme within a year.

The pandemic and subsequent economic downturn has meant severely increased volumes for TSL to handle – approximately tenfold the usual amount. In TSL's most recent quarterly report, a year had passed since the start of the pandemic. The foundation saw a clear peak in April 2020, when just over a fifth of a total of 35,000 dismissed people were reported for support, and the inflow then slowly levelling off, to seeing levels during the first quarter of 2021 similar to those before the pandemic. During the first quarter of 2021, 4,282 dismissed people were offered support, which is approximately 25 percent lower than the corresponding period in 2020 and just over 25 percent higher than the same period in 2019.

⁹ This new project is one of the reasons why the Trygghetsfonden case is included a best practice example in this report, although the fund as such predates the COVID-19 crisis. Moreover, it is the only active labour market policy measure of major significance that could be identified from the countries selected.

The pandemic has also meant that TSL has seen a surge in workers in need of support from sectors not usually among those they see the most of. Typically, TSL works a lot with factory workers whose jobs are disappearing as result of automation and digitisation. During the pandemic, the HORECA sector has had proportionally the largest support needs. Despite the increase in volumes, the turnout rates have remained the same, with around 90% finding new employment or beginning to study.

Transferability of the initiative/measure

Trygghetsfonden TSL is an initiative rooted in a decentralised bipartite labour market model. The organisation's CEO highlights that while this is not a prerequisite in itself, it undoubtedly helps. A similar system could likely be introduced in countries with other bargaining traditions, for instance through an insurance-like model, but it would still require a willingness to contribute quite substantially to some type of support fund without knowing whether your own organisation (or rather, the employees in your organisation) will ever directly benefit from it. One reason why the Swedish restructuring support model might be less common in other countries is that a comparatively large share of Swedes work in very large companies, whereas other countries company structures and subsequent support structures are more small business oriented.

The foundation's CEO further states that a restructuring fund system requires a shift in mindset from focusing on protecting jobs to a focus on protecting workers. It is, she stresses, crucial to move away from wanting to protect vulnerable sectors, occupations, or specific companies to focusing on worker mobility – either within or between sectors and occupations.

Sweden case 2: Suntarbetsliv – Healthy working life¹⁰

Social and economic background of the measure/initiative

Suntarbetsliv is a pre-existing paritarian organisation¹¹ established in 2012 by Swedish trade unions representing employees working for municipalities (for instance Kommunal and the Swedish Teachers Union) and employer organisations Swedish Association of Local Authorities and Regions and Sobona), representing municipalities and companies owned by municipalities. Suntarbetsliv seeks to contribute to healthy working environment in municipalities, regions and enterprises owned by local governments. The target group consists of approximately 1,3 million employees. Suntarbetsliv gathers information about research done in the area of working environment and seeks to transfer this knowledge to the target group. It provides tailor-made tools and training for management, HR-staff, and safety officers. It also cooperates closely with Afa Försäkring (paritarian organisation that funds R&D projects in the area of working environment) and Prevent (similar to Suntarbetsliv but focuses on the private sector).

Driving force of the measure – reasons and aims for implementation

The COVID-19 pandemic has had a major impact on the working environment of many municipal employees and employers. Some have taken a major digital leap by shifting to telework whereas at other workplaces telework has not been an option and employees have had to get used to safety measures and a high risk of contracting COVID-19. These changes in the working environment have led to many questions at workplaces, both in terms of the physical working environment and the social and mental aspects of working environment. In many workplaces, the COVID-19 pandemic has increased the need for external support. In order to support employees and employers during this turbulent time, Suntarbetsliv has, in addition to its regular activities, created new tools and ways to support workplaces.

Main contents of the measure and target groups

In order to support employees and employers during the COVID-19 pandemic, Suntarbetsliv has created a tool called Arbetsmiljöarbete i tider av corona (free translation: Working environment during COVID-19). The tool consists of six categories:

- **Risk assessment (in Swedish ‘Riskbedömning’)**: this tool consists of two checklists (COVID-19 checklist and checklist for infections). With the help of these lists, an assessment of the impact of COVID-19 on working environment and the risk of contracting a virus can be made. In addition, timely and up-to-date information about the COVID-19 virus and prevention is provided.
- **Workload (in Swedish ‘Arbetsbelastning’)**: this page provides information about handling an increased workload, how to prevent stress and improve recovery. A checklist that supports

¹⁰ This case study draws on the Eurofound COVID-19 EU Policy Watch database’s entry SE-2016-14/1154 (https://static.eurofound.europa.eu/covid19db/cases/SE-2016-14_1154.html?utm_source=externalDashboard&utm_medium=powerbi&utm_campaign=covid-19) and additional research work subcontracted to and performed by Amanda Kinnunen (Oxford Research), working as Eurofound national correspondent of Sweden.

¹¹ As is the case of the precedent case of Sweden (Trygghetsfonden), also this organisation predates the COVID-19 pandemic. However, also this case appears to be worth examining since it essentially deals with a new measure implemented by the organisation (Suntarbetsliv) rather than with the organisation as such. The case thus describes an innovative and unique measure in the area of protection and wellbeing of workers.

workplaces' assessment of the workload of individual employees and groups of employees is provided.

- **Crisis and concern (in Swedish 'Kris och oro')**: this website provides guidance for management in terms of how to handle the crisis situation and meet employees whose workdays have radically changed. It includes innovative examples from other workplaces, provides links to research articles and external websites with more information.
- **Work in a new way (in Swedish: 'Jobba på nya sätt')**: this webpage includes information about the shift to the so-called 'new normal'. The webpage summarises research and gives advice in terms of how to implement this shift as sustainably as possible.
- **Roles and responsibilities (in Swedish 'Roller och ansvar')**: this webpage provides information about the roles and responsibilities of managers, safety officers etc. during COVID-19.
- **The resource team (in Swedish 'Resursteamet')**: Suntarbetsliv has a 'resource team' that can visit (virtually during COVID-19) workplaces and provide support for processes that seek to improve working environment. The visits are used to facilitate dialogue between employees and employers and find ways to work on issues related to working environment.

In addition, Suntarbetsliv has written several research articles and more practical articles that provide information about best practices during COVID-19. They have also created a digital tool called '**Research in 5**' (Forskning på 5). This quick digital tool seeks to get dialogue about working environment started at workplaces by providing short films and guiding questions linked to different topics (for instance introduction of new employees or preventing accidents at workplaces). In August 2021, Suntarbetsliv will launch a new "edition" of this tool that focuses on "the new normal". This will provide films and guiding questions for instance for workplaces that shifted to telework during the pandemic and are now trying to figure out how to work after the pandemic.

The **target group** is not strictly limited, but since management, HR-staff, and safety officers are the key persons responsible for working conditions, they can be considered forming the core target group of Suntarbetsliv.

Role of social partners in launching and implementing the measure

Social partners representing employees and employers in the municipal sector are involved in Suntarbetsliv. The following trade unions are involved: 1) Vision; 2) the Swedish Teachers Association (Lärarförbundet); 3) the National Union of Teachers (Lärarnas Riksförbund); 4) the Swedish Municipal Workers' Union (Kommunal); the Union for Professionals (Akademikerförbundet SSR); 5) AkademikerAlliansen (a collective bargaining organisation representing academically educated employees working for municipalities); 6) Ledarna; 7) The Swedish Association of Health Professionals (Vårförbundet). The following employer's organisations are involved: 1) Swedish Association of Local Authorities and Regions (Sveriges Kommuner och Regioner); 2) Sobona.

While the implementation is a responsibility of the actual organisation, Suntarbetsliv, the social partners are closely involved in the design and planning of all activities conducted by the organisation.

Goal attainment (from the social partners' point of view)

Suntarbetsliv has not formulated explicit goals in relation to the pandemic, but their aim is to continuously work to increase knowledge about working conditions as well as improve their offer for municipalities, regions and the people working for them.

The interest and demand for the services provided by Suntarbetsliv has fluctuated during the different stages of the COVID-19 pandemic. At the beginning of the pandemic, the demand for risk assessments was very high and the demand for other types of services (for instance work environment training) decreased since many workplaces were so busy trying to handle the effects of the pandemic. After a while, the demand and interest for these other services started to increase again.

Transferability of the initiative/measure

Transferring this measure into other contexts is possible in the sense that the challenges that COVID-19 has created at workplaces are similar everywhere. Similarly, the central tool Suntarbetsliv promotes – improving dialogue between employers and employees – is not context-dependent.

However, a well-established bipartite cooperation can be considered a requirement for the establishment of a similar organisation. The legitimacy and funding of this project are dependent on the social partners' will to cooperate. In Sweden, where the roots of this kind of cooperation are long, Suntarbetsliv is not a unique measure but for instance Prevent functions in a similar way although the focus is on the private sector. This prerequisite could limit the adaptability of this measure to other contexts where the scope of bipartite cooperation is narrower.

6.2 Central and West European social partnership

Slovenia case 1: Subventions for short-time work¹²

Social and economic background of the measure/initiative

In Slovenia, containment measures endorsed after the outbreak of the pandemic contributed to the immediate rise of unemployment. In this situation, two support measures, the temporary lay-off scheme and the short-time scheme, were the main (and still ongoing) anti-COVID-19 measures to preserve jobs. While the temporary lay-off scheme was introduced in April 2020, the short-time scheme was made available in June 2020.

Driving force of the measure – reasons and aims for implementation

Coming to power in March 2020, the new government under Janez Janša undertook the adoption of ‘anti-COVID-19 mega packages,’ eight in total up to May 2021.

The first two were adopted in April, adapting previous measures and introducing new ones (wage compensation for absence from work due to force majeure, monthly basic income for self-employed, crisis bonuses, sick leave compensations paid by the state, one-time solidarity allowances for vulnerable persons, exceptional unemployment benefits). The two anti-COVID-19 packages were adopted under an accelerated procedure. Social partners could contribute written proposals, but the Economic and Social Council (a tripartite consultative body) was blocked because the new government had not appointed its members. Trade unions felt excluded since their demands, for instance, the demand for a temporary ban on lay-offs after the expiry of intervention measures, was not accepted. The Council’s first meeting was on 15 May 2020 and then it became involved in negotiations about the third anti-COVID-19 packages, in which the most important measure was a short-time work scheme proposal.

The two most important measures (temporary lay-off scheme and the short-time work scheme) aim at the protection and retention of jobs during the COVID-19 pandemic. The government proposed the short-time work scheme on the ground of good experience from the financial crisis 2008-2009 when both measures (temporary lay-off scheme and the short-time work scheme) were used.

Main contents of the measure and target groups

Subsidies for short-time work were made available in June 2020 by the third anti-COVID-19 law (ZIUOOPE, 30 May 2020). The measure was several times extended, last time until 30 June 2021.

The short-time work scheme helps companies in the private sector to overcome temporary stagnation and prevents lay-offs by subsidising up to 50% of full-time wages. The target groups are employers who cannot provide at least 10% of their employees with 90% of normal working time, that is 36 working hours per week. Additional eligibility requirements are:

- The employer has to consult with the trade union or work council (or workers directly) about the number of employees working under short-time work scheme, their working hours and duration of the measure.

¹² This case study draws on the Eurofound COVID-19 EU Policy Watch database’s entry SI-2020-23/904 (https://static.eurofound.europa.eu/covid19db/cases/SI-2020-23_904.html) and additional research work subcontracted to and performed by Maja Breznik, working as Eurofound national correspondent of Slovenia.

- The employer must notify the Employment Service about workers included in the short-time work scheme.

Workers covered by the short-time subsidies scheme, work at least 20 hours a week. For the remaining working time (from 5 to 20 hours a week), the state pays monthly wage compensation:

- €448, if a worker works 20–24 hours a week;
- €336 for 25–29 hours;
- €224 for 30–34 hours;
- €112 for 35 hours.

An employee who temporarily works short-time retains all rights and obligations as he or she would work full-time. Temporary short-time employees may register at the Employment Service and participate in active labour market policy measures. This means that the Employment Service organises trainings in order to improve their working skills when they do not work.

During short-time scheme, employers are not allowed to:

- start dismissal procedure up to one month after the expiry of subsidies;
- dismiss a higher number of employees;
- demand overtime or uneven distribution of working-time if this work could have been performed by the employees with reduced working time.

Role of social partners in launching and implementing the measure

As mentioned above, the Economic and Social Council convened on 15 May 2020 for the first time after the outbreak of the pandemic to discuss the third COVID-19 law proposal (ZIUOOPE). The short-time work scheme was discussed and approved by all social partners.

Trade unions had two proposals when they were negotiating the short-time work scheme. Firstly, they proposed that workers, included in the short-time work scheme, should participate in education programmes when they do not work. The proposal was adopted and the Employment Service of Slovenia became responsible for providing education to short-time workers. Secondly, they requested job protection for workers when subsidies would expire. They proposed six months or a period equal to the duration of receiving subsidies when employers should not be allowed to lay off workers for business reasons. The final solution was a moratorium of one month after the termination of receiving subsidies. Although below their expectations, trade unions were content with the solution. For employer organisations, the measure needed to be available to employers from all sectors, the ones which were closed during the pandemic as well as all others who were hit by the pandemic indirectly for numerous reasons. This proposal was accepted.

Goal attainment (from the social partners' point of view)

Employer representatives believe that the measure had a positive impact on the economy given the two indicators, GDP decline and unemployment rate. Both indicators are below the EU average, indicating that emergency measures have reached their goals.

The trade unions insisted that the Employment Service of Slovenia should be assigned with the task to organise education for workers under the scheme. Nevertheless, according to trade unions, the participation did not reach a sufficient rate, mainly because it was voluntary for workers.

Transferability of the initiative/measure

Both trade unions and employer organisations believe that the short-time work scheme could be used in the case of other labour market turbulences. Its transfer should be conditioned by extraordinary circumstances emerging from a sudden fall of demand for goods and services due to external causes. Employer representatives argue that the short-time work scheme should be on the list of state interventions when an emergency occurs. An emergency plan should be drawn up that would facilitate quick government's aid for the economy, in order to organise help more quickly than during the first wave of the pandemic.

Slovenia case 2: Partial reimbursement of the minimum wage increase¹³

Social and economic background of the measure/initiative

Since the passing of the *Minimum Wage Act Amendment* (ZMinP-A) in 2015 bonuses (for unsocial working hours etc.) have to be paid in addition to wages and salaries equivalent to the statutory minimum wage. After the National Assembly passed the legislation, three employers' organisations left the social agreement of 2015–2016 in protest. In 2018, another Minimum Wage Act Amendment (ZMinP-B) stipulated that all other bonuses (for seniority, performance and unfavourable working conditions) were also to be paid in addition to the minimum wage. The same law also imposed a new formula for a regular annual adjustment of minimum wage from 2021 onwards. The formula linked minimum wage increases to minimum living costs, stipulating an increase above the minimum living costs between 20% and 40%. A substantial wage increase thus entered into force on 1 January 2021, amid the second wave of the pandemic.

Driving force of the measure – reasons and aims for implementation

In December 2020, employer organisations requested a temporary suspension of the *Minimum Wage Act*, arguing the last wage increase (the third one in three years) would damage the economy already hit by the pandemic. They suggested a 'temporary suspension' to be included in the seventh anti-COVID-19 emergency law (ZIUPOPDVE). As a consequence, a wage-setting conflict broke out in December 2020 and trade unions (Confederation of Public Sector Trade Unions, KSJS; Association of Free Trade Unions of Slovenia, ZSSS; Confederation of Trade Unions of Slovenia Pergam, PERGAM) announced a general strike. The Ministry of Labour offered a compromise: a suspension of the law until April 2021, the pay of minimum wage increase by the state from May to September 2021, all costs borne by employers from October 2021 onwards. Both employer organisations and trade unions refused the offer, so negotiations continued in January 2021. The result was a compromise solution, namely a partial reimbursement of the minimum wage increase by the state, included in the eighth anti-COVID-19 law (ZDUOP, 4 February 2021).

Main contents of the measure and target groups

By enacting the compromise solution, the government took over the burden to cover a part of the minimum wage increase in 2021. Not covered by the measure are organisations, directly or indirectly financed by the state budget, embassies and consulates, international organisations, EU agencies and institutions. From January to June 2021, the government gives €50 a month for each worker whose full-time salary without bonuses does not exceed the minimum wage. Therefore, the wage without bonuses should not be higher than €1,024.24 a month and subsidies cover only effective working hours. Part-time workers receive a subsidy proportional to their (effective) working hours. From July to December 2021, employers will benefit from reduced social contributions. The wage basis for paying social security contributions will be a statutory minimum wage in 2021 (that is €1,024.24 a month) which does not include statutory bonuses or bonuses stipulated in collective agreements.

¹³ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry SI-2021-1/1781 (https://static.eurofound.europa.eu/covid19db/cases/SI-2021-1_1781.html) and additional research work subcontracted to and performed by Maja Breznik, working as Eurofound national correspondent of Slovenia.

Partial compensation of the minimum wage increase puts some restrictions on employers. During the measure and three months afterwards, they cannot dismiss workers (for whom the company receive the state subsidy) or carry out collective dismissals. In 2021, they cannot pay dividends, buy their own shares, pay performance bonuses or awards to managers. If it happens, they must report to the Financial Administration for return or risk high fines.

Role of social partners in launching and implementing the measure

After the failed attempt of temporary suspension of the Minimum Pay Act (in the light of the trade unions' threat to organised large-scale strike action), employer organisations started to demand full compensation for the minimum wage increase from the state. In response, the government proposed several compromises. The solution adopted was presented at the Economic and Social Council meeting in which the government's representatives were authorised to inform social partners but not to negotiate. None of the social partners explicitly opposed the solution, but nor was content with it. Although trade unions' demand was fulfilled and the reason for a general strike removed, trade unions found the direct co-funding of salaries in private sectors inadequate. On the other hand, employer organisations were disappointed as they expected €70 a month per worker for the whole of 2021.

Goal attainment (from the social partners' point of view)

The measure has deferred the full enforcement of the Minimum Wage Act Amendment for one year and, in this way, partially alleviated the burden of the full minimum wage increase borne by employers. However, trade union representatives doubt about the argument that the economy could not bear the cost of a full minimum wage increase. Employment data in 2021 shows a positive trend and even labour shortage, but, according to the trade unions, it is not possible to know to what extent this is an outcome of the measure. Employer organisations agree that it is not possible to assess the impact of the measure on employment trends but are convinced that the gradual (instead of the full) increase of minimum wages has had a positive impact on employment and stopped relocation plans of foreign companies.

The Chamber of Commerce and Industry of Slovenia estimates the state will compensate 30% of the minimum wage increase. Until 20 May 2021, the Financial Administration paid €10.8 million for minimum wage subsidies. Each month, about 8,000 employers send a request for subsidies. Totally, about 11% of all employees receive state subsidies for minimum wage increase.

Transferability of the initiative/measure

It is the first time that the government directly subsidises the salaries of workers. The justification of it is exceptional circumstances due to the COVID-19 pandemic. The trade unions do not see the possibility of using the measure in other contexts. On the other hand, the representatives of employer organisations believe that other instruments have to be used first, for instance, the rise of net salaries by lowering the tax wedge has not been sufficiently used so far.

Trade unions argue that subsidising wages by the state implies the socialisation of labour costs, without the likewise socialisation of profits. On the other hand, the lowering of social security contributions, as suggested by organised business, which appears more acceptable also to trade unions, is socially damaging. While it raises the net wage of workers, it simultaneously diminishes their 'social wage' and reduces the range of goods workers have access to in the form of social services (health, education, social security etc.).

Austria case 1: Short-time work scheme¹⁴

Social and economic background of the measure/initiative

Short-time work enables working hours to be reduced within a company during temporary economic difficulties. Short-time work has been a well-established crisis measure for a long time and was last used to a great extent during the 2008/09 financial crisis, alleviating the economic downturn to quite some extent. Already at the very beginning of the outbreak of the COVID-9 pandemic, it became clear to all parties involved (government, social partners) that short-time work would be an appropriate means to retain employment and avoid mass unemployment during the lockdown periods. Moreover, it was devised to apply not only to the manufacturing industry, as was mainly the case during the financial crisis, but to all sectors of the economy and all size classes of enterprises.

Driving force of the measure – reasons and aims for implementation

A short-time work scheme applies if a company temporarily reduces the working time. In order to prevent dismissals and to protect businesses and employees from negative economic and social impacts of COVID-19, social partners (Chamber of Labour, Trade Unions, Economic Chamber, Federation of Austrian Industry) negotiated the current scheme; in doing so, they were encouraged by the government. The use of the scheme obliges the employer to retain employment numbers.

Main contents of the measure and target groups

Working hours of employees can be reduced up to zero hours keeping almost full pay (80 to 90% of their former net income). The employer only pays for the actual working time. The rest is to be borne by the Public Employment Service (PES). The reduced standard working hours must be on average between 10% and 90% of the collectively agreed working hours (this applies to (pre-short-time work) full-time workers, an aliquot reduction applies to employees who were on part-time before short-time work). A new aspect of this is that it may temporarily also be set at zero. Thus, for instance, in the context of a short-time working period of six weeks, it may be set at 0% for five weeks (this means that no work will take place, and for one week at 60%). Another important point to note is that, in some business sectors, the agreement on short-time work may also include overtime.

For persons with a disability (registered disabled persons according to the Act on the Employment of People with Disabilities (BEinstG), a special job security subsidy applies when making use of the PES' short-time work model. The employers are reimbursed for the remaining wage costs after deduction of the PES short-time work subsidy for the duration of the short-time work. Prerequisites are an application for short-time work (even retroactively) by 30 June 2020 and the existence of a degree of disability of at least 50% (notice of assessment), as well as no existing wage subsidies for the disabled person concerned.

During the different waves of the pandemic, the social partners negotiated a number of new agreements step-by-step extending the Corona short-time work measure up to now (phase II to phase V). In phase II, following the gradual relaunch of work, companies could increase their working time without having

¹⁴ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry AT-2020-10/229 (https://static.eurofound.europa.eu/covid19db/cases/AT-2020-10_229.html) and additional research work performed by the authors of this report.

to alter their short-time working request; they could also return to full activity for a short temporary period without having to exit the scheme; a new and simplified method for calculation ensures that employees get paid for the work actually done in short-time work (in the previous version some employees faced pay disadvantages since the actual time they worked did not affect the pay determination). During phase III (1 October 2020 to 31 March 2021) an economic justification for using the scheme was introduced. Moreover, the range of working hours was changed and needed to lie between on average between 30% and 80% of the contractually worked hours before short-time work within the six months duration of short-time work (this means that fluctuations between the months are allowed). However, following the third lockdown, the minimum working time of 30% of the previous normal working time (phase III) was reduced again. Companies which were legally required to close their business due to the lockdown could reduce the working hours to 0 for the duration of the lockdown(s). During phase IV these provisions were prolonged until 30 June 2021, while the extension into phase V (with a run time of mid-2022) provided for two models of the short-time work scheme: Model 1 applies to companies which have been hit especially hard and stipulates the minimum working hours to be set at 30% of the previously worked hours (as of before the scheme was applied). Model 2 applies to all other companies affected by the crisis; here, the minimum working time lies at 50% of the previously worked hours. In both models, employees receive 80 to 90% of their former net income.

Role of social partners in launching and implementing the measure

The Austrian Trade Union Federation (ÖGB), the ÖGB member unions, the Chamber of Labour (Arbeiterkammer), the Austrian Federal Economic Chamber (Wirtschaftskammer, WKO) and the Federation of Austrian Industry (IV) have negotiated and drawn up the measure. The measure is implemented at industry level (branch agreements) and company level (agreements with the works council or the individual employee). The measure is funded by the PES.

Goal attainment (from the social partners' point of view)

The measure is perceived by all parties as inevitable and very successful in achieving the main goal of preventing mass unemployment.

As of 14 April 2020, short-time work applications have been made for the jobs of 608,607 people, in mid-May, over 1.3 million people were on short-time work. The funds have been increased several times, from originally €3 billion to €12 billion in mid-May 2020.

On 6 October 2020, according to a newspaper article by 'DiePresse', the financial police had carried out inspections in 13,829 companies for a total of 6,145 hours, primarily to check compliance with the short-time working rules. In sum, there were much fewer violations than initially feared, but an increase of other violations. In February 2021, around 496,000 persons were registered for short-time work (according to official PES data).

Transferability of the initiative/measure

The measure seems to be transferable to countries with similarly developed social dialogue structures and with social partners on the two sides of industry especially at peak level that are willing not only to support but also to design and further develop (on the basis of ongoing experiences) the measure. Moreover, a prerequisite is the state's willingness and capacity to fund the short-time work scheme, which have cost more than 13 billion Euro thus far.

Austria case 2: Home office regulation¹⁵

Social and economic background of the measure/initiative

Home office work was not very wide-spread in Austria before the onset of the pandemic. With the onset of COVID-19, this changed. According to the Austrian Trade Union Federation (ÖGB), around four out of ten employees in Austria have been doing mobile work (on and off) since then. The vast majority of these employees have worked in their home offices. Home office work was first recommended by the federal government in spring 2020, amid the first lock-down in the country.

With the prolongation of the health crisis, it has become clear that home office work will remain part of employees' working lives and many businesses will rely on it also in the future, when the crisis is over. Due to the lack of specific legislation, the social partners already started to negotiate on a home office package in September 2020. Tripartite meetings with the government were held in September and December 2020, and in January 2021 an agreement was found. Legislation came into effect on 1 April 2021.

Driving force of the measure – reasons and aims for implementation

Both organised labour and organised business saw quickly after the onset of the pandemic that there was a need to regulate working conditions and issues of compensation for work equipment provided by the employee in a situation where a good deal of the Austrian workforce preferred or was forced to work at home. Initially, the Federal Ministry of Labour announced to draft a bill on these issues to be handed over to the social partners for consultation, but proved defaulting. As a consequence, the social partners at peak level took the initiative in autumn 2020 and bilaterally discussed and negotiated new regulations, which were eventually agreed upon with the government in January 2021.

Main contents of the measure and target groups

The legislation put forward is colloquially called a 'home office' law in Austria, but it is not a stand-alone law, but rather a package of several measures. Existing legislation regarding - among other areas - labour law, tax law, income law, or social security law was amended with clauses on home office work. The following provisions have been enacted:

- Home office work is to be agreed upon between employer and employee (in writing), which means there is no unilateral obligation or right to do work from home, but home office is voluntary. Both sides (that is the employer and the employee) have the right to withdraw from a home office agreement in the future. The agreement can also be terminated in case of important reasons (for instance change in family situation, living situation) with one month's notice. Works agreements on home office can be concluded (in companies with a works council), but this is not obligatory.
- According to the legislation, work in the home office occurs when people work in their home (including secondary residences or the apartment of a close relative or partner). Thus, mobile

¹⁵ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry AT-2021-14/1742 (https://static.eurofound.europa.eu/covid19db/cases/AT-2021-14_1742.html) and additional research work performed by the authors of this report.

work in public places (like co-working spaces, cafes, parks) does not fall under the home office regulations.

- The employer is obliged to provide the necessary digital work equipment, but employees in the home office can agree to use their own work equipment (for instance their own laptop or private cell phone, internet connection). If they do so, they are entitled to an appropriate reimbursement of their expenses, for example in the form of a flat rate (either determined case-by-case or in a works agreement).
- Such (flat rate) payments by the employer are tax-free up to €300 per year (up to €3 per home office day, up to 100 home office days per year). If the lump sum is not exhausted by the employee, he/she can claim the difference up to this maximum of €300 as income-related expenses. In addition, the employee can tax-deduct the costs for the purchase of ergonomic office furniture up to an amount of €300 per year (also in effect retrospectively for 2020).
- In case of damage to work equipment, the provisions of the Employee Liability Act are also to be applied in the home office (including damage done by household members or pets). The extent of the compensation is reduced or omitted entirely.
- The employer is obliged to ensure that the workplace at home is ergonomically designed and that questions relating to safety and health protection are answered and clarified. The social partners are currently working with the Labour Inspectorate to develop information materials.
- All provisions of the Working Hours Act, the Rest Period Act and the applicable provisions of the Employee Protection Act also apply in the home office. That means that - unless otherwise agreed - the same working hours apply at home as they would in the office. Agreed overtime or overtime also applies.
- Employees are insured in the home office in the event of accidents. This also applies to accidents happening on the way from the home office to the workplace, to a doctor's appointment, or when bringing children to kindergarten/school and on the way back to the home office.

Role of social partners in launching and implementing the measure

The social partners at peak-level negotiated the measures beforehand and in tripartite meetings with the government. Participants included the Austrian Trade Union Federation (ÖGB), the Chamber of Labour (AK), the Federal Economic Chamber (WKO), the Federation of Austrian Industry (IV) and the Agricultural Chamber (LKO). Their involvement was not requested by institutional setting, but is common practice in Austria concerning topics of social and labour law. The social partners negotiated an agreement beforehand and participated in tripartite meetings with the government (Ministry of Labour). The government installed the legislation (with amendments to the social partner agreement). The social partners at company level implement the regulations.

Goal attainment (from the social partners' point of view)

The social partners are satisfied with the outcome since they were taking part in negotiating and drafting the new regulations. They agree, in particular, that the new regulations help preventing lots of lawsuits at company level about the issues of voluntariness of home work and reimbursement of equipment-related expenses. However, the trade unions regret that they did not manage to establish a regulation covering also mobile workers.

Transferability of the initiative/measure

Transferability of the measure is generally given, either by unilateral government decision or by social partner involvement. The latter is deemed more advantageous, since social partner agreements tend to be based on a higher level of expertise and to guarantee a greater extent of legitimacy compared with unilateral decisions of administrations. However, amendments to existing civil law would, in principle, suffice.

Austria case 3: Special subsidised care time for working parents and carers¹⁶

Social and economic background of the measure/initiative

Due to the partial closure of schools and kindergartens (with emergency service for those children who cannot be otherwise cared for, because their parents cannot work in home office) during the pandemic, a special care time of up to three weeks (at a later version up to four weeks) for working parents with children up to the age of 14 and children with disabilities (no age limit) was established. In a later step, this was extended to workers with care needs for older people and can now be taken day wise.

The legal basis was an amendment to the employment law act § 18b Abs. 1 Arbeitsvertragsrechts-Anpassungsgesetz (AVRAG).

Driving force of the measure – reasons and aims for implementation

The driving force were the trade unions who were confronted with many employees who could not reconcile work and care obligations during times of closures of schools and kindergartens. However, it was the Ministry of Labour that invited, immediately after the onset of the pandemic in March 2020, the social partners to talk about this issue. Initially, organised business was sceptical about the possible introduction of additional care time because they feared that business activities could be brought to a halt when too many employees would stay at home.

Main contents of the measure and target groups

Initially, the employer's consent to the special care time was needed. The costs for the leave were shared between the state (paying one third) and the employer (paying two thirds). Eligibility ends with a monthly wage of €5,370 (upper threshold).

In the initial version of the scheme introduced in spring 2020, the special care period was available only for those employees whose work is not necessary for the maintenance of the business and who do not have other childcare opportunities (schools and kindergartens remained open only for children of those parents whose work is necessary for the maintenance of the business).

The special care time is not to be offset against regular holiday entitlements or claims for time off or 'flexitime' credits. It is regarded as a 'normal' period of employment, and therefore counts towards employees' entitlements dependent on length of service.

The time period of the first version of the scheme was 16 March to 9 July 2021; however, after recurrent social partner consultation by the government the scheme was repeatedly extended and also amended in substance. In September 2020, it was decided that the employer will get half of the wage costs reimbursed by the federal government instead of only one-third. The employer's consent was still needed. Even if an employee had already made use of the scheme during the first phase, the three weeks could be taken again.

¹⁶ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry AT-2020-12/545 (https://static.eurofound.europa.eu/covid19db/cases/AT-2020-12_545.html) and additional research work performed by the authors of this report.

With the new lockdown beginning in November 2020, a legal entitlement to this specialised subsidised care time was introduced, if schools and kindergartens were to be closed by authorities (in the case of larger clusters of infections) or when children were sent into quarantine. Thus, in these cases the employer's consent was not needed any more and 100% of the costs were paid by the federal state. Moreover, the duration of the measure was extended to four weeks, to be consumed (by choice) also on individual days or half days by the end of the school year 2020/21.

In December 2020, a further amendment agreed upon with the social partners beforehand provided that the reimbursement of the wage costs in the amount of 100% is regulated also for those parents without a legal right, but who managed to conclude a voluntary agreement with the employer. This applies to working parents who keep their children at home in times of distance learning and school/kindergarten closures, even though they register their children for so-called emergency childcare which is provided. This measure expired in July 2021.

Role of social partners in launching and implementing the measure

Although the WKO initially showed some scepticism about the possible introduction of a special care time, they eventually, along with organised labour, were in favour of this measure, all the more when the government proved willing to – in a first step – bear 50% and finally 100% of the wage costs. The parties to the individual contract of employment at company level (and the works council, where existent) are the actors implementing/using the measure.

Goal attainment (from the social partners' point of view)

According to information provided by the Federal Chancellery in late August 2020, around 30,000 children have benefited from the special care period and more than 25,000 employees have taken advantage of the special care period. Of these, 66% were women and 34% were men. 57% have taken advantage of the special care time of up to three weeks, 22% up to two weeks and 21% up to one week. 3,841 companies have so far submitted 4,385 applications for special care time. The most frequent applications were made in Vienna (968 companies), Upper Austria (848 companies) and Lower Austria (529 companies). According to the newspaper "Die Presse" of 1 September 2021, the numbers of children and employees benefitting from the scheme during the period November 2020 to July 2021 was much lower, with 13,300 and 6,200, respectively.

Transferability of the initiative/measure

There are two prerequisites for a possible transferability to other countries: First, there should be established a system of monetary compensation for the employee in the case of inability to work for care reasons where the scheme could tie on. Second, social dialogue structures should be set up at macro, meso and micro level, which enables a systematic monitoring of the functioning of the scheme and the possibility to smoothly interfere (in cooperation with the legislator) when amendments seem to be necessary or reasonable.

Germany case 1: Basic income support for solo self-employed¹⁷

Social and economic background of the measure/initiative

In Germany, basic income support is generally only available for persons in need for job seeking. However, as many orders and engagements of solo self-employed persons have been cancelled since the onset of the COVID-19 pandemic, the Federal Government of Germany decided to open the basic income scheme for new target groups, including solo self-employed persons temporarily out of work. This measure is part of a wider rescue package enacted in March 2020, targeting smaller businesses, freelancers and micro entrepreneurs.

Driving force of the measure – reasons and aims for implementation

The German Federal Government as well as the peak level social partner organisations promoted the measure.

Main contents of the measure and target groups

The rules for basic income support were eased to make solo self-employed persons who are temporarily out of business eligible to receiving funds during the COVID-19 pandemic induced crisis. Solo self-employed and freelance applicants for basic income support need not make any declarations on their financial assets and are not obliged to tap these assets before being granted this support. Access to the scheme will be handled unbureaucratically, such that application will be provisionally approved, while the usual means-testing will be conducted at a later stage. In September 2020, the Social Protection Act, including the basic income support provisions for solo self-employed persons, was extended to 31 December 2021, and subsequently, after a partial lockdown was proclaimed in November 2020, until end of March 2021. In March 2021, the Federal Employment Agency announced the further prolongation of the scheme until 31 December 2021.

Role of social partners in launching and implementing the measure

The social partners at peak level were consulted in the designing of the measure. Since social partner representatives of the two sides of industry have seats in the board of the Federal Employment Agency which manages the funds of the basic income support scheme, they have a say in the concrete organisation and administration of the scheme.

Goal attainment (from the social partners' point of view)

According to the “Tagesschau” of the German broadcasting company ARD of 15 August 2021, the number of self-employed persons, including solo self-employed, having applied for the scheme from April 2020 to July 2021 amounted to about 134,000. Although they criticized that the measure was not accompanied by additional and complementary support for solo self-employed persons, both the Confederation of German Employers' Associations (BDA) and the German Trade Union Confederation (DGB) jointly approved of the rescue package enacted by the government in March 2020.

¹⁷ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry DE-2020-13/404 (https://static.eurofound.europa.eu/covid19db/cases/DE-2020-13_404.html) and additional research work performed by the authors of this report.

Transferability of the initiative/measure

The measure appears to be transferable to other systems and configurations that provide for a kind of basic income scheme that can be extended to solo self-employed persons. Moreover, another precondition refers to the willingness of the social partners to cooperate, at least as far as they are represented in the board that administers the payment of the grants.

6.3 South European State Centrism

France case 1: Activité partielle – short-time work¹⁸

Social and economic background of the measure/initiative

The “partial activity” scheme (formerly known as "chômage partiel" / short-time working) already existed well before the COVID-19 crisis. Set up in 1951, the partial activity is a tool at the service of the public policy of prevention of economic redundancies which allows the employer in difficulty to have all or part of the cost of the remuneration of his employees covered by the State. The partial activity is based on the joint participation of the employer, the State and later, the unemployment insurance system. It is therefore based on an insurance logic, providing financial support to employees in partial activity.

Driving force of the measure – reasons and aims for implementation

Due to the COVID-19 crisis, the government decided to put in place a first lockdown which brought the French economy to a halt in March 2020. In order to support companies and preserve employment, the government urgently modified the partial activity scheme to provide rapid and massive support to companies while seeking to preserve the purchasing power of employees by guaranteeing a significant share of the net salary. It thus quickly adopted decree n°2020-325 of 25 March 2020 which reforms the partial activity scheme.

Main contents of the measure and target groups

The partial activity scheme covers all employees of the private sector. The main amendment brought to the pre-existing scheme by the decree of 25 March 2020 has consisted in the increase of the allowance paid by the State and the unemployment insurance scheme (UNEDIC) to the employer. The partial activity allowance is no longer a lump sum, but is proportional to the remuneration of employees placed in partial activity. The allocation paid to the employee covers at least 70% of his/her previous gross remuneration, that is approximately 84% of the net salary. The 'remainder payable' by the employer, that is the amount of the salary which the employer must pay to the employee, is zero for all employees whose remuneration is less than 4.5 gross SMIC (€45.68 per hour or €6,927.39 per month).

Another main issue was to speed up and simplify the process for employers to ask for this support. As the original scheme was more oriented to protect positions in the manufacturing sector, the government has also progressively extended the partial activity scheme to cover workers who were not previously covered and directly impacted by the crisis: employees of private individuals, salaried managers, employees in State owned companies etc. In addition, new beneficiaries of the measures appeared, directly in line with the COVID-19 crisis: employees considered vulnerable to the COVID due to pre-existing health problems; employees sharing the home of a vulnerable person and parents for childcare due to the closure of schools could also enter in a partial activity scheme.

Moreover, the amendment makes the procedure for submitting partial activity requests more flexible. Normally, the opinion of the works council must be communicated with the application for prior authorisation for partial activity, for companies with at least 50 employees. But due to the exceptional circumstances, the decree of 25 March 2020 has allowed a two-month period to the employer to consult

¹⁸ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry FR-2020-10/462 (https://static.eurofound.europa.eu/covid19db/cases/FR-2020-10_462.html) and additional research work subcontracted to and performed by Frédéric Turlan (IR Share), working as Eurofound national correspondent of France.

the works council ("social and economic committee") retrospectively and transmit its opinion to the labour administration. The employer will be able to send its request within 30 days of the placement of employees in partial activity when the request is justified by the reason of exceptional circumstances.

Role of social partners in launching and implementing the measure

Given the urgency of the situation, the government did not take the time to formally consult the social partners and the measure was mainly drawn up in the ministerial cabinets. Despite the formal and compulsory consultation of representative peak-level employer organisations and trade unions through the National Commission for collective bargaining, employment and vocational training, social partners were mainly informed about the legal measures decided rather than genuinely consulted, even though informal consultations and exchanges between members of the ministerial cabinet and some representatives of the social partners cannot be ruled out. On the other hand, as the reform was being implemented, the social partners kept bringing up problems encountered on the ground by their members, in order to request adjustments to the system. In this context, they were generally listened to and heard, as the government regularly made corrections to the partial activity system.

It has also to be noticed that social partners manage jointly the unemployment insurance regime that funds 33% of the partial activity scheme. But they did not seem to be involved in the monitoring of the scheme during the first phase of the crisis, even if the funding has significantly affected the financial balance of the unemployment regime in a general context where unemployment is to raise massively.

Finally, in terms of implementation, the role of social partners on company level is limited as the employer decides alone to apply for partial activity. In companies with more than 50 employees, the employer has to consult the work council, if one exists.

Goal attainment (from the social partners' point of view)

Overall, the objective has been achieved and the French labour market has been resilient, having succeeded in limiting job losses and thus avoiding an increase in unemployment. In the contrary of the crisis of 2008, social partners welcomed the responsiveness of the scheme to massive needs of companies from the beginning of the crisis. This is directly linked to the main objectives of the changes introduced to the partial activity scheme in March 2020.

The number of employees in partial activity has never reached such level: Partial activity concerned 6.7 million employees in March 2020 and up to 8.4 million in April 2020, at the peak of the first lockdown. However, despite the generosity of the scheme and its extension to new categories of workers, the partial activity scheme has not prevented job losses among temporary workers and employees on fixed-term contracts, whose expired contracts have not been renewed. Although these employees were legally entitled to the scheme, the sudden drop in activity led employers to terminate the employment relationship. Another category that escaped the scheme was the self-employed.

It should be noted that unlike the economic and financial crisis of 2008, the government acted quickly to extend and strengthen the partial activity scheme without waiting for the labour market to deteriorate. This reactivity, underlined by the social partners, coupled with the implementation of a generous system, explains the success of the system and the broad support it has obtained from the business side and the trade unions.

Transferability of the initiative/measure

The mechanism itself is not specifically attached to the French legal model or its system of industrial relations. It could therefore be taken up in its broad lines by other Member States by adapting the financing circuits. The main obstacle identified is, of course, the budgetary cost, since such measures have a significant cost. In total, the resources dedicated to the measure reached €33.9 billion in 2020. Therefore, it has a significant impact on the state budget, but also on the unemployment regime (which funds around 30% of the scheme) as a whole.

France case 2: Activité partielle longue durée (APLD) - Long term short-time working¹⁹

Social and economic background of the measure/initiative

The government and social partners soon realised that some sectors would need a long-term support as no recovery from the crisis caused by the pandemic was expected in the next few months. Therefore, the government launched consultation with social partners to initiate a new scheme for companies that will have to cope with a drop of their activities for a long period. The APLD has been designed to support companies on a long-term period (24 months period, consecutive or not, within a period of 36 months) with a commitment to maintain the employment level of at least the employees covered by the APLD scheme and to encourage training measures to reskill the workforce.

Driving force of the measure – reasons and aims for implementation

The APLD was created by Article 53 of Law No. 2020-734 of 17 June 2020 containing various provisions linked to the health crisis. Its terms of application were set by Decree No. 2020-926 of 28 July 2020 relating to the specific partial activity scheme in the event of a lasting reduction in activity, which has been amended 10 times since. Beyond the specific legal framework established by the decree of 28 July, the APLD is based on provisions inspired by the partial activity scheme, but is a temporary measure that benefits employers covered by a collective agreement sent to the administration between 31 July 2020 and 30 June 2022.

Main contents of the measure and target groups

The hours lost by employees whose activity is reduced are limited, compensated and partially covered by the state and the unemployment insurance (UNEDIC), which finance the specific partial activity allowance paid to the employer.

The employer must pay the employee compensation equal to 70% of his or her gross pay per hour not worked, that is approximately 84% of the net hourly wage. This allowance may not be less than €8.11 net, nor may it exceed a ceiling of €32.29 per hour of unemployment.

The employer receives an allowance equivalent to 60% of the employee's gross hourly pay, limited to €27.68 with a minimum of €7.30.

The APLD is open to most companies and employees under private law. It is aimed at companies facing a lasting reduction in activity that is not likely to jeopardise their survival. The eligibility of companies does not depend on their size or the sector in which they operate.

An employee bound by a French private law employment contract belonging to a company eligible for the scheme may be placed on long-term partial activity. His/Her eligibility for the scheme does not depend on the nature of his/her employment contract (permanent contract, fixed-term contract, apprenticeship and professional training contract, trial period, etc.), nor on the way in which the work is organised (part-time, fixed-term agreement, equivalence system, modulation, etc.), as long as he/she is

¹⁹ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry FR-2020-27/1030 (https://static.eurofound.europa.eu/covid19db/cases/FR-2020-27_1030.html) and additional research work subcontracted to and performed by Frédéric Turlan (IR Share), working as Eurofound national correspondent of France.

subject to the legal or contractual provisions relating to working hours. The APLD is a general and collective measure that is binding on employees, who therefore cannot refuse it.

The reduction in working hours provided for by the establishment, company or group agreement, or by the unilateral document, may not exceed 40% of the legal working hours.

In contrast to the standard short-time work scheme, the APLD must be accompanied by a commitment from the employer to maintain certain jobs, at least the employees placed in partial activity.

The Ministry of Labour recommends that periods of unemployment be used for training or VAE (validation of acquired experience), and to maintain and develop employees' skills.

Role of social partners in launching and implementing the measure

Social partners at peak level were involved in the design of the APLD, and they were also fully involved in the implementation of the scheme, as it has to be set up in the framework of an establishment, company or group agreement signed by trade unions representing a majority of the votes at the last workplace elections and validated by the labour inspectorate. At company level, the work council (*comité social et économique*) has to be consulted. It can be considered that in all companies, the social partners play an important role to implement the APLD scheme.

Goal attainment (from the social partners' point of view)

Over 45 branches have concluded a sector-level agreement to give employers the opportunity to accede this scheme if they have no trade unions to negotiate an APLD agreement. Without such branch-level agreements, companies with less than 50 employees – which is the threshold for a trade union organisation to appoint a trade union delegate from among the employees in the company – are not able to negotiate a company-level agreement and therefore have no access to the APLD scheme.

The uptake rate of the scheme has remained moderate. Several reasons are raised to explain this limited success. As all new scheme, APLD is still not well-known by employers. According to an opinion survey carried out for UNEDIC in September 2020, half of the managers questioned said that they had heard of the creation of the Long-Term Partial Employment Scheme (APLD) since 1 July 2020 and only a quarter said that they had precise knowledge of this scheme.

Furthermore, the access to APLD is more difficult than to the standard partial activity scheme. It requires to conclude a company-level agreement or, if the employer is covered by a branch-level agreement on the APLD scheme, to set the scheme in a document. In both cases, the agreement or the document has to be approved by the labour authorities. Moreover, the companies often do not have a financial incentive to favour the APLD over the standard partial activity, even if the companies targeted are not the same on paper. However, the scheme is still relevant for sectors suffering from a long-term downturn, as it allows to use partial activity for a 24 months period within a 36 months period, instead of 12 months for the standard scheme.

Transferability of the initiative/measure

Unlike the standard partial activity measure, which is more universal, the APLD was closely designed by the social partners, particularly those in the metallurgy industry, and is therefore part of the French system of social relations. Its implementation presupposes the conclusion of a collective agreement, either at branch level or at company level. In the latter case, this presupposes that there are trade union organisations in the company to negotiate a collective agreement. Nevertheless, the objective of the scheme, which is to support companies in the long term, is transposable to other Member States facing the same situation. The implementation will however have to be adapted to the industrial relations system.

Portugal case 1: Extraordinary training plan²⁰

Social and economic background of the measure/initiative

After the first case of Covid-19 in Portugal was notified (on 2 March 2020), the government of the Socialist Party (PS) took rapidly measures to limit the spread of the pandemic, starting with the closure of schools and universities on March 16, and continuing with an extensive package of measures in the context of the ‘state of emergency’. The ‘state of emergency’, declared on 18 March by the Decree no. 14-A/2020, led to the temporary closure of several economic activities and to the restriction of the free movement of persons within the country and across borders.

As a consequence of the state emergency measures, in the second quarter of 2020, the GDP registered a year-on-year decrease rate of 16.3% and total employment fell by 3.6% in year-on-year terms. This contraction was to some extent mitigated by the extraordinary support for the maintenance of employment contracts, the so-called simplified layoff regime, a policy measure (financial support attributed to companies struggling with the crisis with the possibility to combine it with a training plan) created to prevent the unemployment of workers whose companies closed temporarily, totally or partially. This measure was included in a package that comprised an alternative support consisting of an extraordinary training plan (regime of part-time training during workers’ normal working hours).

Driving force of the measure – reasons and aims for implementation

The PS government was the driving force of these measures. It held several tripartite meetings of the Standing Committee for Social Concertation (Comissão Permanente de Concertação Social, CPCS) – 13 meetings from 9 March to 14 July 2020 – informing and consulting regularly the social partners represented in this body: the two trade union confederations, that is the General Confederation of Portuguese Workers (CGTP) and the General Workers’ Union (UGT); and the 4 employer confederations, that is the Confederation of Portuguese Business (CIP): the Portuguese Trade and Services Confederation (CCP), the Confederation of Farmers of Portugal (CAP), and the Confederation of Portuguese Tourism (CTP). In these fora, the government presented to the social partners a document encompassing several measures, including the simplified layoff regime and the extraordinary training plan. At the initial stage of the pandemic, the wide range of measures presented by the government, their urgency and the overall significant workload made it extremely difficult for social partners to participate in the design of each measure per se. De facto, it was more a process of information/consultation than a process of negotiation. The measures were enacted by Decree-Law No. 10-G/2020 on 26 March 2020 and continued to be in force by 30 June 2020 (the simplified layoff regime was prolonged, the extraordinary training plan was not).

Main contents of the measure and target groups

Companies not resorting to the simplified layoff scheme were entitled to an Extraordinary Training Plan with the aim of maintaining employment and strengthening workers’ skills acting preventively against unemployment. This measure consisted of the development, by the Employment and Vocational Training Institute (Instituto de Emprego e Formação Profissional, IEFP), of an extraordinary training

²⁰ This case study draws on the Eurofound COVID-19 EU Policy Watch database’s entry PT-2020-13/335 (https://static.eurofound.europa.eu/covid19db/cases/PT-2020-13_335.html) and additional research work subcontracted to and performed by Maria da Paz Campos Lima, working as Eurofound national correspondent of Portugal.

plan proposed by the employer for its workers, and approved by the IEFP, to take place on a part-time basis. It mainly aimed at supporting the maintenance of labour contracts in a business crisis situation, by supporting the development of professional qualification of workers. The support, funded by the IEFP to be paid directly to the workers, was granted according to the hours of training attended, up to a limit of 50% of the gross salary, with a ceiling equivalent to a mandatory monthly minimum wage (€ 635 in 2020). The employer had to inform the workers, by written notice, of the decision to initiate the training plan and its foreseeable duration, sending the information to the IEFP. The training plans were to be implemented in close cooperation with the IEFP, responsible for their organisation, and should take the form of distance training, when possible and conditions permitted. The plans should contribute to the improvement of workers' professional skills by increasing their qualification level and should correspond to the qualification modalities foreseen in the National Qualifications System.

The duration of the part-time training offered was one month. It should not exceed 50% of the normal period of work time, with a maximum limit of 88 hours of training.

Companies benefiting from the extraordinary training plan were entitled to additional support:

- An 'additional incentive for normalising business activity' granting a one-off support at the amount of one mandatory minimum wage (at the time € 635) per worker covered, to the employers who have benefited from the measures;
- Full exemption from (at a later stage a 50% reduction of) payment of social security contributions borne by the employers in relation to workers covered, during the period of validity.

To access any of the measures and respective supports, companies were subject to a particular conditionality during the period of the validity of the measures and in the subsequent 60 days: the prohibition of individual and collective dismissals.

Role of social partners in launching and implementing the measure

The trade unions and employer confederations were consulted with regard to the design of the measures in the context of the tripartite CPCS. Moreover, the social partners represented in the CPCS are also represented in the IEFP tripartite board of directors and in the consultative body, the general council of the National Agency for Qualification (*Agência Nacional para a Qualificação e o Ensino Profissional*, ANQEP), where they can express their views and follow up the processes of implementation.

Nevertheless, in the context of the Covid-19 pandemic, the social partners had not the usual conditions for a meaningful participation in the design of the measures. In particular, in the initial phase of the 'state of emergency' the involvement of social partners was rather information-based than really an exchange.

In terms of implementation, employers had to inform, in written form, trade unions and works councils at company level of their requests/plans to apply for the extraordinary training plan. However, this consultation only took place in companies where workers have some kind of representation, which in the case of Portugal is rare (only around 5% of establishments have an official structure for employee representation).

Goal attainment (from the social partners' point of view)

Overall, the extraordinary training plan proved to be a big failure. This scheme, applying to companies not benefiting from the simplified layoff measure, was only requested by 32 companies covering 2,000 workers, to whom the state paid, through the training centres, a total of €592,000.

CTP highlighted that the poor results were related to the lack of divulgation and clear explanation of the measures, the bureaucracy involved and companies' core concern about their survival. CIP, the largest employer confederation, argues that the limited use of the extraordinary training plan by the companies was related to the design of the measure, insofar it could not be combined with the simplified layoff (financial support!) and that, in the context of the pandemic emergency, there was no time to identify training needs, and to plan and execute the training. A CGTP representative argues that the poor uptake rate shows that the layoff regime was seen by the employers only as financing measure and that there was hardly any intention of the employers to use the suspension of activities to train the employees. Therefore, further training measures should be made mandatory in times of forced inactivity.

Transferability of the initiative/measure

The main reason for the complete failure of the extraordinary training plan may be found in the fact that companies resorting to this support could not access the layoff simplified measure (granting financial support). Moreover, companies were required to combine part-time work with part time training, that is to suspend only partially their activity. In addition, the support the workers would receive was only for one month, while the simplified layoff could be renewed for 3 months. Furthermore, distance training created additional challenges in particular for companies in areas of professional activity strongly dependent of social interaction. From the trade unions' point of view, in the Portuguese context, there should have been a necessary link/obligation between layoff measures and training measures and mechanisms for supporting, in particular, micro companies to prepare training plans in addition to the support already existing provided by the IEFP.

The measure could be transferred to other countries; however, close social partner involvement in the design and implementation and a well-functioning structure of continuous and vocational training in the country would be advantageous.

Portugal case 2: Training plan for companies with temporary reduction of working time²¹

Social and economic background of the measure/initiative

Following the emergency phase centred on the response to the Covid-19 pandemic and aimed at supporting companies and workers when activity was paralysed to avoid the irreversible destruction of jobs and productive capacities, the Economic and Social Stabilisation Programme (Programa de Estabilização Económica e Social, PEES), enacted in June 2020, presented a wide range of policies. The latter were aimed at initiating a stabilisation phase to help families and businesses to overcome the difficulties caused by the pandemic and to support a sustained recovery of economic activity and to prepare a phase of economic recovery.

Part of the PEES was a new measure, the ‘extraordinary support for progressive recovery’ (Decree-Law 46-A/2020 of 30 July), aimed at supporting the temporary reduction of working time (instead of the suspension of employment contracts) in case of business crisis. This measure could be combined with a Training Plan for the beneficiary companies, to be approved by the Institute for Employment and Vocational Training (Instituto do Emprego e Formação Profissional, IEFP). This complementary measure was an option and not an obligation associated to the extraordinary support.

Driving force of the measure – reasons and aims for implementation

The approval of the PEES was preceded by its presentation to the social partners, on 2 June 2020, at a meeting of tripartite Standing Committee for Social Concertation (Comissão Permanente de Concertação Social, CPCCS), where all relevant trade union confederations and employer confederations are represented.

The discussion about the concrete measures to respond to the PEES objectives continued in the agenda of the CPCCS meetings of 26 June 2020 and 14 July 2020, the later one with specific focus on the support to the progressive recovery. It debated the design of the government proposal creating an ‘extraordinary support for the progressive recovery of companies in a situation of business crisis with temporary reduction of the normal working time’ which could be combined with a training plan measure. The Decree-Law 46-A/2020 of 30 July established the terms of these measures and entered into force on 1st August 2020 (with a duration until 31 December 2020). However, the scheme was prolonged in January 2021.

Main contents of the measure and target groups

The extraordinary support for progressive recovery and the training plan could be granted for companies in the private and in the social sector in a situation of a business crisis. The business crisis corresponds to a diminution of turnover equal to or greater than 40%, in the month immediately preceding the initial request for support, compared to the same month of the previous year or the monthly average of the two months prior to that period.

The working time reduction applied for one month but could be extended for the period of validity of the decree, from 1 August to 31 December 2020. In connection with the escalation of the Covid-19

²¹ This case study draws on the Eurofound COVID-19 EU Policy Watch database’s entry PT-2020-31/1281 (https://static.eurofound.europa.eu/covid19db/cases/PT-2020-31_1281.html) and additional research work subcontracted to and performed by Maria da Paz Campos Lima, working as Eurofound national correspondent of Portugal.

pandemic and the declaration of the state of emergency, this regime was prolonged and improved on 15 January 2021 applying for more six months (Decree Law 6-C/2021).

The level of reduction of working time supported increases with the level of turnover decrease observed. In the original decree, the maximum working time reduction supported was a reduction by 70%. The amendment of 15 January admits a maximum reduction of working time (in the case of a decrease in turnover equal to or greater 75%) up to 100% in January, February, March and April 2021 and by 75% in May and June 2021. The employer communicates, in written form, to the workers to be covered by the respective decision, the percentage of reduction per worker and the foreseeable duration of application of the measure, after consultation with trade union delegates and works councils, when they exist.

Workers are entitled to a compensation paid by the employer for the hours not worked. The compensation is a percentage of the gross wage they would receive if they were working those hours: equivalent to 66% of the wage corresponding to the hours not worked in the period of August and September 2020; and equivalent to 80% in the last quarter of 2020.

The design of the Training Plan measure complementary to the extraordinary support for progressive recovery measure stipulates that the companies benefiting from these plans during the period of reduction of working time and the workers attending training courses in accordance with an approved training plan by the IEFPP benefit from a support corresponding to 30% of the social support index (€438,81 in 2020) destined, in equal parts, to the employer and the worker.

In this measure the training plan may be developed remotely (distance training), when possible and conditions allow and be implemented outside the hours of effective work, but within the normal working time. For the purpose of accessing the training plan, the employer submits an electronic application in a specific form to be made available by the IEFPP. The minimum number of trainees to be included in each training action is defined by agreement between the IEFPP and the employer.

Role of social partners in launching and implementing the measure

As mentioned above, all the social partners at peak level were involved in the debate about the measure, which took place at the CPCS since the presentation of the PEES. The contrasting views of social partners (opposing trade union confederations and employer confederations) did not allow to reach a consensus in relation to the design of the measure extraordinary support to progressive recovery, showing divergences with impact in its future implementation by the companies as well as potential impact in relation to the implementation of the training plan. Nevertheless, a compromise could be found.

As for the implementation, the social partners represented at the CPCS are also represented in the IEFPP tripartite board of directors and the general council of the National Agency for Qualification (*Agência Nacional para a Qualificação e o Ensino Profissional*, ANQEP), where they can express their views and follow up/monitor the processes of implementation.

Above all, the implementation of the measure depended on the initiative of the companies: first, on the number of companies that applied for extraordinary support for the recovery; and, secondly, among them of the number of candidates willing to implement a training plan.

Goal attainment (from the social partners' point of view)

The design of the 'extraordinary support for progressive recovery' assumed implicitly that in the stabilisation phase companies would resort to the extraordinary reduction of the working time, an assumption not based in previous experiences (including in the 2008 crisis). The training plan was a complementary, non-obligatory tool, also applying to the simplified layoff. In both cases, there was a sharp contrast between the number of applications for the extraordinary supports and the extremely low number of workers enrolled in the Training Plans, in 2020 (0.5%) and in the first 4 months of 2021 (0.3%). In the view of the trade union confederations CGTP and UGT the main problem was that the design of the measure which did not oblige the companies resorting to the extraordinary support to apply and organise training plans. In their view companies showed low interest in using training measures in downtime to reinforce and upgrade workers skills.

Transferability of the initiative/measure

All considerations made for the case of Portugal 1 also apply to this measure. Overall, leaving it to the discretion of companies without much experience in the area of professional training – most of them small and micro companies – to choose whether or not to train workers in times of deep crisis proved to be a path to failure.

From the trade unions' point of view, extraordinary support should be obligatorily linked to training plans. On the other hand, their implementation would need a close support and follow-up, requiring the reinforcement of IEFPP capacity (financial and human resources). Moreover, trade unions and works councils should have a stronger role in the definition of training plans and monitoring their implementation at the workplace level.

As to the transferability, the measure could be beneficial if applying to sectors and companies with previous experience and organising capacity of professional training and a workforce prepared for distance training; one supporting factor would be robust public services in the area of employment and professional training.

Spain case 1: Tripartite agreement to defend employment²²

Social and economic background of the measure/initiative

The Tripartite Agreement to Defend Employment was the first agreement extending the special unemployment protection scheme implemented during the pandemic crisis. It was signed on 11th May 2020.

This policy initiative must be assessed against a background of economic emergency because of the sudden halt of the economy during the first weeks of the lockdown. The increase in the number of unemployed people together with the negative economic perspectives, placed many workers and companies in a difficult situation. Notwithstanding a law in the early days of the lockdown limited the possibility to fire employees, many companies were facing closures as a consequence of the state emergency and all the accompanying measures.

Even though the Labour Code already contained mechanisms for temporary lay-offs or short-time work, the scale of the problem led the government and social partners to start negotiations on its extension and adjustment to enhance effectiveness in the pandemic context. Moreover, it was also necessary to provide additional support to many companies whose prospects to return in the short-run to business as usual remained weak (including those related to tourism and hospitality).

This was the first tripartite agreement signed in the context of the pandemic. This agreement therefore meant a change in the policy formulation with a stronger role for social dialogue, as the many agreements signed thereafter shows.

Driving force of the measure – reasons and aims for implementation

The driving force for this policy measure was the government, but trade unions and employers shared both the diagnosis and the need to provide a solution to the problem.

The main aim for the implementation of this policy measure was twofold. First, to establish the necessary mechanisms so that the procedures for suspension or reduction of working hours that are applicable, in accordance with current legislation, have the necessary agility to guarantee that the socioeconomic consequences of the health emergency situation have the least possible impact on jobs. Secondly, to protect workers, both their health and safety, limiting the extension of the disease through confinement and other containment measures, as well as guaranteeing access to replacement income to all those workers who are affected by temporary lay-offs (ERTE).

Main contents of the measure and target groups

The target group of this measure are companies and, indirectly, workers.

The measures contained in this agreement are three. First, for those companies that can partially recover their activity and reincorporate workers affected by temporary lay-offs, the agreement prioritises (on the basis of recommendations) the use of working time reduction in case further adjustments are necessary.

²² This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry ES-2020-20/880 (https://static.eurofound.europa.eu/covid19db/cases/ES-2020-20_880.html?utm_source=externalDashboard&utm_medium=powerbi&utm_campaign=covid-19) and additional research work subcontracted to and performed by Óscar Molina, working as Eurofound national correspondent of Spain.

By contrast, for those companies that cannot return to full activity, the agreement extends the possibility to rely on temporary lay-offs, in the terms and conditions approved by government in the early days of the pandemic until 30th June 2020. Small and medium-sized companies are exempted from paying social security contributions for furloughed employees, whilst larger companies will have a 75% reduction on these contributions. To encourage the return to jobs of the greatest number of workers, the exemptions will be greater for employees who return to the activity than for those who continue to be suspended.

Secondly, the agreement ratifies the need for companies applying temporary lay-offs schemes to maintain those workers in these schemes in employment at least for a period of six months from the date of resumption of their activity.

Finally, the agreement also introduces two clauses that refer to the distribution of dividends and tax transparency. Companies and entities that have their tax domicile in tax havens may not benefit from the extension of the temporary lay-offs due to force majeure. Moreover, those companies that take advantage of the benefits derived from this extension may not proceed to distribute dividends during the fiscal year corresponding to the application of temporary lay-offs.

Role of social partners in launching and implementing the measure

The social partners who negotiated this agreement were those considered most representative at national level, according to the legal criteria established in the Labour Code. These are on the trade union side, Workers' Commissions (Comisiones Obreras, CCOO) and the General Workers' Union (Unión General de Trabajadores, UGT). On the employers' side there are the Spanish Confederation of Employer Organisations (Confederación Española de Organizaciones Empresariales, CEOE) and the Spanish Confederation of Small and Medium Sized Companies (Confederación Española de la Pequeña y Mediana Empresa, CEPYME).

The measure was implemented through the National Public Employment Service (SEPE). The social partners mentioned previously participate in the General Council (Consejo General) of this organisation. The General Council monitors the development of the Policy Programme of the Public Employment service, including the coordination between the regional and national level. Social partners are, accordingly, indirectly involved in the implementation of this policy measure.

Moreover, the agreement contained the establishment of a Tripartite Monitoring Committee, in charge of overseeing the implementation of the policy measures included in the agreement, including the extension of the special unemployment scheme to the 30th June 2020.

Goal attainment (from the social partners' point of view)

The special unemployment protection scheme has been renewed three more times. This can already be taken as a sign of support by social partners and the government.

The evaluations made so far show a positive impact of this policy measure, at least in the short run. Thus Izquierdo et al. (2021) conclude after analysing employment transitions of furloughed workers "that they were much more likely to resume employment in Q3 [2020] than workers who lost their jobs but were not furloughed. These schemes have, therefore, been highly effective in allowing workers to resume work once the lockdown measures adopted in spring 2020 were lifted".

Social partners agree in highlighting the importance of this initiative in order to ensure business continuity, protect workers and contribute to economic reactivation.

However, employers were critical on the adoption of a short-term approach and the period covered by this measure. They were favourable to the adoption of a longer period in the extension of this mechanism, to avoid renegotiating every six months. This would have contributed to provide a more certain scenario for companies to take decisions and avoid closures.

On their side, trade unions have also positive views on the agreement, but ask the government to implement additional mechanisms to monitor the right implementation by companies and avoid abuse. Even though the agreement already contained some clauses aimed to this, trade unions would have preferred a stronger approach. For instance, the six-month employment commitment after the company returned to activity was for them a bit too short.

Transferability of the initiative/measure

Temporary lay-offs and working time reductions have been used in all EU countries to face the consequences of the pandemic on the labour market. However, these mechanisms have been adapted to the specificities of the labour market in each country. In the case of the dualised labour market in Spain, the strong reliance by companies on temporary employment provided companies with a strong adjustment mechanism in the event of a shock. The labour market effects of the pandemic had a potentially strong dualising impact in so far as it could imply a massive adjustment of employees whose temporary contracts terminated. Moreover, due to the short duration of many of these contracts, a large share of temporary employees would be left without unemployment benefits. For this reason, the government introduced in the early responses to the pandemic specific mechanisms to protect temporary employees.

Spain case 2: Tripartite agreement on economic reactivation and employment²³

Social and economic background of the measure/initiative

This tripartite agreement was signed in early July 2020. At that time, the first wave of the pandemic was weakening and many of the emergency measures and restrictions had started to relax, with a view to send a confidence signal to international tourism, one of the key sectors in the Spanish economy.

The period starting in July 2020 and finishing in October 2020, when the second wave led to impose new restrictions, was characterised first of all by an intensification of tripartite social dialogue with a view to find negotiated solutions to many of the problems exacerbated by the pandemic, including telework.

Faced with an unprecedented fall in GDP, social partners and the government maintained protection of workers and support to business as key priorities in their agendas, but started to negotiate around policies to promote a strong recovery and job creation.

Driving force of the measure – reasons and aims for implementation

Even though the government took the lead in the social dialogue process delivering the measure, it was a shared initiative with social partners.

The main reasons for the implementation of the tripartite agreement were, first, to extend and consolidate some of the measures already implemented in the early months of the pandemic that had delivered positive results; and, second, to reactivate the social dialogue processes on different areas that were postponed or put aside as a consequence of the pandemic and because social dialogue was focused on giving responses to the pandemic.

The main goal of this policy measure was to set the basis for strong economic recovery and job creation through social dialogue. According to social partners and the government, social dialogue will play a key role in achieving the goal of a strong and resilient recovery. For this reason, the agreement is a foundational pact, opening the door to the negotiations around a large number of issues.

Main contents of the measure and target groups

The agreement served to set an agenda for social dialogue around the key aspects to be addressed in order to achieve a strong and sustainable recovery. There are some general goals outlined in the document that serve to

- Promote the reinstatement to companies of the workers affected by temporary lay-offs derived from the COVID 19 crisis, prioritising adjustments in working hours and not in jobs. Likewise, companies will promote rehiring of workers with a temporary contract whose employment relationship ended during the COVID crisis when circumstances so allow, promoting as far as possible open-ended contracts.

²³ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry ES-2020-27/934 (https://static.eurofound.europa.eu/covid19db/cases/ES-2020-27_934.html) and additional research work subcontracted to and performed by Óscar Molina, working as Eurofound national correspondent of Spain.

- Develop effective mechanisms for training and reskilling of workers, in particularly in the fields of ITC, to facilitate access to jobs and their relocation, especially in those sectors affected by structural transformations accelerated by COVID-19.
- Establish an adequate framework for the extension of remote work and the adaptability of the working day, in order to increase the productivity of companies, while improving the situation of workers, family-work balance, and ability to adapt to the demands of the new economy.
- Developing an adequate framework of shared responsibilities in relation to temporary lay-offs due to economic, technical, organisational and production causes.
- Launch a Pact for the industry in order to promote a reindustrialisation process, which has to diversify, balance and modernise the production structure of the economy, particularly in relation to key sectors for sustainable growth.
- Promote the digitisation of the economy, the deployment of digital skills throughout the working life and the incorporation into companies of new technologies, in particularly SMEs.
- Modernise active employment policies in order to redirect resources towards a more efficient system of personalised support, training and reskilling of workers
- Support the development of the social economy and care services, in order to reinforce and improve social protection.
- Support the self-employed, both in overcoming the economic consequences of the pandemic as well as in the reactivation of their professional activities.
- Modernise labour market regulations in order to minimize the employment impact of future crises.
- Strengthen Public Services at the different levels of the Public Administration (National, Regional, Local), especially in the health service and the long-term care system, as well as in the public employment service, improving the quality of jobs and the mechanisms of coordination and public-private collaborations that are already in place.
- Address the necessary adaptations to guarantee the long-term sustainability and sufficiency of the public pension system.
- Promote effective measures to fight against the informal economy, fighting against fraud, precariousness and tax evasion.

Given the diversity of policies contained in the document, there are no specific target groups. However, most of the measures are aimed at protecting workers and supporting companies in their return to normality.

Role of social partners in launching and implementing the measure

The social partners who negotiated this agreement were those considered most representative at national level, according to the legal criteria established in the Labour Code (see case Spain 1).

As this agreement is a programmatic one, consisting in setting the agenda for social dialogue in the following months, the role of social partners in its implementation has been key.

Even though the agreement does not contain any specific measure, it nonetheless opens an encompassing agenda for social dialogue in the coming months, consisting of 12 policy areas where social partners and the government have negotiated and reached several important agreements, including the regulation

of remote or distance work, the reform of the pension system, the regulation of platform work, among others.

Goal attainment (from the social partners' point of view)

Social partners interviewed coincide in the success of this agreement for relaunching and revitalising social dialogue. One of the keys for successful social dialogue is to agree on the key topics that should be addressed.

Social partners from the two sides of industry confirmed the intensity of negotiations over the last year, coinciding with the reactivation of social dialogue in these policy areas and the negotiation of the National Recovery Plan. Employer organisations assess very positively the process and outcomes of social dialogue in the context of the COVID-19 pandemic. They point out the outcomes of tripartite processes, including the agreements on temporary lay-offs, telework, platform work and pensions among other, but also to the many social dialogue tables open (labour market reform, minimum wage etc.). Even in those cases where an agreement has not been possible (minimum wage), employer organisations acknowledge the commitment by the government to find negotiated solutions. Trade unions also make a very positive assessment of the role of social dialogue. They consider the government has made a strong commitment towards social dialogue and their involvement goes beyond consultations in most cases.

Transferability of the initiative/measure

The measure aimed at relaunching social dialogue in the context of the crisis and the necessary economic recovery. Some favourable conditions have certainly contributed to the success in the case of Spain, including a strong tradition of tripartite and bipartite social dialogue and a left-centre government exhibiting a strong commitment towards negotiated solutions to the most pressing policy problems.

Spain case 3: Agreement for maintenance of employment in Inditex²⁴

Social and economic background of the measure/initiative

The agreement takes place in the context of a crisis particularly important for the retail sector due to the changes provoked by the digital transformation of the sector, accelerated by the COVID-19 crisis. More specifically, the pandemic has transformed consumption habits, with an increase in online shopping. Faced with this situation, textile giants such as Inditex have decided to close smaller shops and will maintain the largest ones. Simultaneously, they are developing their online shopping experiences. In line with this, Inditex announced the closure of around 300 stores in Spain. This would in principle have a strong impact on employment, and trade unions asked the company to negotiate this process and guarantee employment levels and conditions of those losing their jobs due to the closures.

Another important background element of this case is a strong record of cooperative relations with trade unions both at national and supra-national levels in Inditex. At national level, the Inditex Group signed the last collective agreement on September 2018 and has a Code of Conduct on Socially Responsible Practices that include a commitment towards sound and cooperative industrial relations.

At transnational level Inditex renewed in 2019 the global framework agreement (GFA), signed for the first time in 2009. An important and unique innovation in this agreement was the creation of a global union committee to exchange best practices in promoting the freedom of association and the right to collective bargaining. The committee will be made up of union representatives from Inditex's six main production clusters around the world and representatives from IndustriALL Spanish CCOO affiliates and UGT.

Driving force of the measure – reasons and aims for implementation

The main aim of the agreement is to maintain employment levels during the process of restructuring and digital transformation which the company is experiencing. Trade unions in Inditex have traditionally maintained cooperative relations with management and had alerted about the employment impact of the transformations. Since the digital transformation will require more human resources on logistics, trade unions and the company found a way to reallocate redundant workers whilst providing the necessary resources to expand online shopping.

The agreement also guarantees the maintenance of employment conditions to the affected persons, including their type of contract (full time/part-time), number of hours of work, seniority, reduction of working hours due to care responsibilities, etc.

Main contents of the measure and target groups

The main point of the agreement consists in a commitment to maintain employment levels. The target group of the measure are employees of closed shops (small shops).

The agreement between Inditex and trade unions articulates the procedure so that the workforce of closed stores have the option of mobility to the rest of the existing stores or to the new ones that the group will open. Likewise, Inditex will offer employment alternatives in the group's logistics areas and in its administrative

²⁴ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry ES-2020-44/1459 (https://static.eurofound.europa.eu/covid19db/cases/ES-2020-44_1459.html) and additional research work subcontracted to and performed by Óscar Molina, working as Eurofound national correspondent of Spain.

central services. In this sense, a maximum of 25 kilometres is set for transfers to other establishments, always prioritising vacancies in nearby stores in the same city or neighbouring towns. Furthermore, if the transfer involves a change of address, the company will reimburse the moving expenses up to a limit of €3,000. The agreement also offers an alternative to those employees who decide not to accept the transfer proposal: the person will have the right to compensation of 33 days per year worked with a limit of two annual salaries (in case of employees hired before 2012, the compensation is higher; 45 days per year worked with a maximum of two annual salaries). In any case, the agreement extends these conditions to relocated workers for one year to prioritise maintaining employment. The relocation plan is accompanied by a training plan, especially with regard to digital skills, to be able to tackle their new tasks.

Role of social partners in launching and implementing the measure

The agreement was signed by CCOO and UGT, the most representative trade unions in the group. Other trade unions with some representation, like CGT have criticised their exclusion from negotiations and the lack of any information about meetings and negotiations. Moreover, they have been critical with the agreement, as this trade union considers the agreement does not guarantee maintaining employment for workers.

One of the key aspects of the agreement, and a point where trade unions insisted on its importance, was the creation of Monitoring Commissions at central and regional level, to manage the entire process and ensure the correct implementation of the agreement. Among other things, these Commissions will receive regular information on the calendar of shop closures, vacancies identified, the process and criteria of assignment of workers to new jobs and the final result of each process. These commissions were created in January 2021 and are composed of trade union and company representatives.

Goal attainment (from the social partners' point of view)

The two trade unions signing the agreement showed satisfied. According to CCOO, even though the agreement does not fulfil 100% of the aspirations of the trade union, it is nonetheless an excellent agreement allowing to undertake the restructuring process in a socially responsible way and safeguarding jobs and rights.

It is important to mention that so far, the company has generally adhered to the terms of agreement.

Therefore, social partners consider that the agreement has been very successful in reaching the twin goals of maintaining employment levels and conditions for workers in the middle of an intense restructuring process. Trade unions consider the Inditex experience a good practice in relation to the governance of the impact of digital transformations in the labour market.

Transferability of the initiative/measure

The agreement provides an interesting case of governing restructuring processes in the context of the digital transformations in the retail sector. It is, in principle, highly transferable since one of the structural changes taking place in this sector is the increase in online business. This change obliges to devote more resources to the logistics department and reduce them in shops. From this point of view, many other retail businesses will experience similar pressures.

However, there are some characteristics of the Inditex case that might be an obstacle to extend its use to other companies/activities. First, the size of the company. Being a very large company, with several brands, relocation of redundant workers can be easier compared to a small one. Moreover, its size also

provides a greater financial buffer, therefore facilitating the process. Second, Inditex has traditionally had cooperative employment relations. This has allowed to face the Covid-19 crisis in a favourable 'mutual trust' environment to find negotiated solutions with trade unions.

6.4 Liberal pluralism

Cyprus case 1: Scheme for the remuneration of contract workers and self-employed in the afternoon programmes of the Ministry of Education²⁵

Social and economic background of the measure/initiative

The measure for the remuneration of contract workers emerged within a bundle of other measures during the first outbreak of the pandemic in March 2020. The encompassing emergency measures enacted by the Minister of Health to curb the spread of the CORONA virus provided, among others, the suspension of the operation of public and private schools across all levels of the educational system with physical presence of students. Distance, on-line learning was normalized during the strict closure periods at all levels including the afternoon programmes of the Ministry of Education, Culture, Sports and Youth. Some of the learning programmes of The Adult Educational Centres of the Ministry, which could not apply on-line learning due to their subject and the lack of supporting infrastructures, have permanently suspended their operations for the school year 2019-2020. Furthermore, for the school year 2020-2021 none of the programmes of the Adult Educational Centres was operated whilst the programmes of the State Institutes for Further Education, Music and Sport Schools, the Optional all-day Schools, the Afternoon and Evening Programmes of the Technical Schools continued their operation through distance learning or with physical presence.

Driving force of the measure – reasons and aims for implementation

The measure was a governmental initiative and implemented by decree by the Ministry of Education, Culture, Sports and Youth. The suspension of the operation of schools led many educators teaching in the afternoon and evening schools unemployed. In 2013, in the aftermath of the financial crisis, the employment status of this group of educators converted from part-time employment to self-employment for budgetary reasons. The transition to self-employment implies that educators have had no longer rights towards the unemployment funds of the state during summers and that they are obliged, since then, to pay their social insurance contributions as self-employed, which are much higher compared to standard employment. As a consequence, the majority of educators in the afternoon and evening programmes of the Ministry during the closing periods due to COVID-19 had zero or reduced incomes, which was the main reason for the adoption of the measure. Overall, the educators in Adult Educational Centres of the Ministry found themselves in an extremely difficult financial position and have initiated industrial action since May 2021, protesting for their employment rights.

Main contents of the measure and target groups

The foreseen budget available for the implementation of the scheme was €3 million and provided the support of approximately 5,000 educators for the first period of the suspension of school operations from March to June 2020 (for the school year 2020/21 the scheme was renewed, covering the whole school year, but the amount spent and the coverage in terms of beneficiaries has not been communicated). The scheme also provided a subsidy corresponding to full pay of the beneficiaries, according to the teaching

²⁵ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry CY-2020-11/453 (https://static.eurofound.europa.eu/covid19db/cases/CY-2020-11_453.html) and additional research work subcontracted to and performed by Loucas Antoniou (INEK-PEO), working as Eurofound national correspondent of Cyprus.

hours performed before the outbreak of the pandemic. The target groups are considered the self-employed educators working in the following programmes (or other similar programmes) of the Ministry of Education, Culture, Sports and Youth (and thus being paid by the state, since the contractor is a state education institute):

- The Adult Education Centres
- The State Institutes of Further Education
- The Afternoon and Evening programmes of the Technical Schools
- The Music Schools
- The Sport Schools
- The Optional all-day Schools
- The Post-Secondary Institutes of Vocational Education and Training (MIEK).

Role of social partners in launching and implementing the measure

In the consultation process, which was led by the Minister of Labour, Welfare and Social Insurance during the first wave of the pandemic in March 2020, social partners participated at peak level, including representatives of the major trade unions of the private sector – that is the Pancyprian Federation of Labour (PEO) and the Cyprus Workers Confederation (SEK) – and employers' organizations – the Cyprus Employers and Industrialists Federation (OEB) and the Cyprus Chamber of Commerce and Industry (KEBE) – as well as representatives of the political parties. The scheme for the remuneration of educators was among the first bundle of measures of the government, which was renewed at later stages upon the decisions of the Cabinet. The need to take supporting measures quickly constituted an obstacle for the participation of other entities such as the associations representing the educators of the sector. No role was assigned to social partners for the implementation of the measure; full responsibility for the implementation of the measure was assigned to the Ministry of Education, Culture, Sports and Youth.

Goal attainment (from the social partners' point of view)

Anticipating the situation at the onset of the pandemic, many educators had not renewed their work contracts before the measure was enacted and came into force in March 2020. Those self-employed educators without a current contract were, however, not considered as beneficiaries of the scheme. Only those with an ongoing contract (who had renewed their contract) were entitled to benefit from the scheme. In particular, the educators of the Adult Educational Centres were mostly affected by this provision. Many of them actually remained with zero incomes for long periods of time. It is estimated that only 650 educators of the Adult Education Centres received the allowance. Overall, about 5,000 contract educators of state institutions benefited from the scheme. When the measure was prolonged for the school year 2020/21, it seems that those educators without a current contract were continuously excluded from the scheme (mainly educators of the Adult Educational Centres). In spring 2021, industrial action was carried out with massive participation of all educators of the sector; they were supported by the trade unions of the primary, secondary and technical education and other smaller entities of the governmental sector as well. It seems that these protests yielded some positive results: a lump sum payment in addition to the existing scheme was allocated to the educators covering the whole period of the closure based on the contractual working hours of each individual educator as of before the outbreak of the pandemic. Their employment status, however, has remained unresolved thus far.

Transferability of the initiative/measure

The measure is very situation-specific, immature and hardly transferable; it is only understandable in a context where there are two categories of educators: permanent staff with standard employment relationships and contract workers who are self-employed and excluded from standard employment rights.

Cyprus case 2: Special scheme for self-employed workers²⁶

Social and economic background of the measure/initiative

The measure for the support (in the form of subsidies) of self-employed persons emerged within a bundle of other measures during the first outbreak of the pandemic in March 2020. Herewith, the government aimed at counterbalancing the social and economic hardship that the closure of the economy and business operations implied for workers and businesses.

Driving force of the measure – reasons and aims for implementation

The measure is a governmental initiative in the form of a decree, designed by the Minister of Labour, Welfare and Social Insurance supported by social partners. The main reason for the implementation of the measure is the financial support of the self-employed persons, whose economic activities have been negatively affected by the crisis and whose operations have frequently been suspended as a result of the emergency measures established by the Minister of Health. The measure's aim is to compensate self-employed persons experiencing complete or partial loss of their income.

Main contents of the measure and target groups

The target groups or beneficiaries of the measure are self-employed persons who have fully or partially (experiencing a decrease in turnover of at least 25% for the reference period they apply for a subsidy) suspended their operations in accordance with the Decree 127/2020 of the Quarantine Law issued by the Minister of Health.

Self-employed workers performing one of the follow activities, according to Decree 129/2020 issued in March 2020, are excluded from participation in the scheme due to the assumption that their operational capacity has not been particularly affected by the crisis: doctors, pharmacists, veterinarians, operators of medical appliances, insurance agents and insurance salespeople, kiosk owners, grocers, minimarket salespeople, manufactures of dairy products, and state institute teachers. In the renewal of the Decree in May and June 2020, with the Decrees 186/2020 and 237/2020, veterinarians, operators of medical appliances, insurance agents and salespeople, kiosk owners, grocers, minimarket salespeople and manufactures of dairy products were removed from the above exclusion list.

A fundamental prerequisite for participation is that no employees have been fired since 1st March 2020; moreover, no employees are to be fired during the period of participation in the scheme and during an additional period equivalent to the period of participation plus one month. Participation was possible during the whole period of validity (from 1 March to 12 June 2020).

The measure provides a special allowance for self-employed workers participating, which is defined at 60% of the amount of the weekly total of insurable earnings of the participants based on the contributions paid to the Social Insurance Fund for the 4th quarter of 2019. The allowance cannot amount less than €300 for a period of four weeks and no more than €900 for the same period. The scheme was, in April 2020, extended until 12 June 2020. Overall, about 40,000 self-employed persons benefitted from the scheme, with resources amounting to €20 million.

Self-employed workers, according to the measure, that employ other workers may also submit an application on behalf of their employees for the other supporting schemes of the government that provide financial support for workers in business in full or partial suspension.

²⁶ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry CY-2020-12/343 (https://static.eurofound.europa.eu/covid19db/cases/CY-2020-12_343.html) and additional research work subcontracted to and performed by Loucas Antoniou (INEK-PEO), working as Eurofound national correspondent of Cyprus.

Role of social partners in launching and implementing the measure

Prior to the definition of the first bundle of measures in March 2020 targeting the support of workers, self-employed persons and businesses including this 'Special Scheme for Self-employed Workers', a consultation process took place that was led by the Minister of Labour, Welfare and Social Insurance, with the participation of social partners at peak level including representatives of the major trade unions of the private sector (PEO and SEK) and employers' organizations (OEB and KEBE) as well as representatives of the political parties. Smaller entities representing either workers or employers have not been invited to participate, probably in order to speed up the process and reaching faster results. The two sides of industry have generally approved the measure.

Goal attainment (from the social partners' point of view)

Social partners estimate that the basic goals of the measure were generally reached, even though it only partially covered the needs of the beneficiaries. This is because the measure does not cover the operational costs of the businesses of self-employed workers participating in the scheme, nor the rent of their business establishments, nor the payment instalments of their loans. The 60% coverage of their earnings by the scheme is generally assessed as insufficient for covering their expenses especially during the periods of the complete closure of the business, in which most of them had zero income from their economic activities. Strong interventions by the social partners and the parliamentary opposition consequently urged the government to foster measures covering also operational costs of businesses, in particular of SMEs the self-employed workers. In addition, the support of other self-employed workers that are not obliged by the law to register in the VAT registry such as owners of dancing and music schools is covered by other measures.

Despite the general satisfaction for the measures that provides the covering of the operational costs, some social partners and political parties believe that the rent of business establishments for SMEs and self-employed workers should be examined separately from the operational cost measures and covered by a separate measure due to the very high rental amounts that exist in the country.

Since quite a number of self-employed workers are not registered as self-employed persons even though they are obliged by the law to do so, and since many self-employed persons do not declare their actual earnings to avoid taxation, there are many self-employed workers with zero or strongly reduced incomes compared with the compensation that they were potentially entitled to receive under the provisions of the scheme.

Transferability of the initiative/measure

The measure covers self-employed workers from many branches of the economy. It appears to be hardly transferable into other contexts because other occupational sectors of self-employed, such as for instance cultural operators, have very particular characteristics that require certain provisions in order to address their particular needs and their operational activities.

In addition, the set of the other measures adopted by the government since the outbreak of the pandemic covers all sectors of the labour market addressing either workers or businesses or the self-employed and there is no need for transferring the particular one into other sectors.

Croatia case 1: Co-financing of wages for reduced working hours (SURE implementation)²⁷

Social and economic background of the measure/initiative

The Croatian economy is highly dependent on tourism, which represents around 18-20% of its GDP. Therefore, the consequences of the coronavirus on the Croatian economy should be seen primarily through this economic sector and its spill-over effects on the whole economy. As the share of exports in Croatia's GDP, primarily due to positive trends in tourism, has increased over the last 10 years, Croatian GDP has become increasingly sensitive to changes in exports. Negative factors, such as a sudden decrease in exports, due to an exogenous event like the Covid-19, could have a very fast adverse result in significant GDP decline. The whole economy suffered due to the lock-down and there was a threat that many jobs would be lost.

Driving force of the measure – reasons and aims for implementation

The main rationale for the introduction of this measure was a very strong and adverse impact of Covid-19 on the Croatian economy and a significant increase of unemployment. The measure was introduced relatively late (on 29 June 2020), primarily due to the availability of SURE funding. Some lessons were used from other countries' experiences but it is hard to specify exact examples and/or parts of the measure that have been taken from other positive experiences. No doubt that the availability of SURE funding had an important role in designing and implementation of the measure. Essentially, the measure was an idea of the government to aid to the economy and prevent the bankruptcy of significant part of economic entities, while the employers also demanded aid and support from the government side.

Main contents of the measure and target groups

The scheme envisages the provision of state co-financing for wages according to reduced working hours. The measure is designed to help out employers who are forced to reduce working hours due to operating difficulties and a decrease in business activities by more than 20%. The scheme applies to companies from all sectors employing at least 10 workers and having a revenue decline of at least 20% for the comparable month 2020 to 2019 (for employers in manufacturing a drop of less than 20% is allowed).

Depending on working hours and the percentage of working time, the co-financing is lump-sum and it could be between HRK 400 and 2,000 (€53 to €264). In other words, if working hours were reduced by 50%, workers were eligible for 50% support for wages but no more than HRK 2,000 (€264). If working hours were reduced by 25%, workers were eligible for 25% support for wages but no more than HRK 1,000. For 10% reduction of working time, support was HRK 400 (€53). According to the data provided by the Croatian Bureau of Statistics, net average wage in Croatia in the first six months of 2020 was HRK 6,725 (€ 896.9). The monthly subsidy amounted to 5.9% to 29.7% of the net average monthly wage. The measure was initially devised for the period 1 July to 31 December 2020 and, after a few amendments, extended by the end of 2021. There were some slight changes in conditions but nothing particularly important.

²⁷ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry HR-2020-27/893 (https://static.eurofound.europa.eu/covid19db/cases/HR-2020-27_893.html) and additional research work subcontracted to and performed by Predrag Bejakovic, working as Eurofound national correspondent of Croatia.

Role of social partners in launching and implementing the measure

The responsible body for design, implementation and administration as well as monitoring and evaluation of the measure is the Croatian Employment Service (CES). The involvement of the social partners is quite questionable, because both relevant trade unions, particularly [Savez samostalnih sindikata Hrvatske](#) (SSSH, the Union of Autonomous Trade Union of Croatia) and [Nezavisni hrvatski sindikati](#) (Independent Trade Union of Croatia) have repeatedly complained that they have not been involved in the process of design, implementation and administration, monitoring and evaluation of all measures, including the Co-financing of wages for reduced working hours. In line with this, the working group for monitoring the implementation of active labour policy measures, which consists among others of social partners' representatives, due to the COVID-19 crisis, has not had meetings since January 2020. Hence, the social partners are formally rather than actually included and only formally participate in design and implementation of the measures, and they complain of obtaining needed information mainly from mass media. However, social partners have their representatives in the Governing Board of Croatian Employment Service (CES), which is responsible for the implementation of the measure. The CES underlines that due to the urgent situation, all measures - including the Co-financing of wages for reduced working hours - had to be prepared in a relatively short period and therefore CES informs social partners according to available possibilities and time. While trade unions were quite dissatisfied with their participation in the designing of this measure, the representatives of Croatian Employers' Association organisation did not complain, at least not in publicly.

Goal attainment (from the social partners' point of view)

It is hard to assess the efficacy of the measure in terms of companies and jobs saved in the short and medium term, as well as in terms of the long-term competitiveness of companies and the economy a whole, but without doubt large financial outlays are needed for the implementation of the measure. This indirectly causes the requirement for bigger public funding. This is, of course, hardly sustainable in the long-term and increases a fiscal burden and requires higher taxes as the most important source of public finance. Therefore, such situation could endanger the competitiveness of the economy in the long-term. However, representatives of the social partners deem that, overall, the goals of the measure have been reached. Allegedly, for the beneficiaries the measure was efficient and there was no time lag between the employer receiving funding and the moment when this money was transferred to workers etc. However, the social partners underline that it is crucial to improve the quality, integrity and unambiguity of the provided information so as to avoid the risk of false, incorrect and incomplete information. It would be helpful to consider the possibility of simplifying the overall procedure for submitting documentation, especially through developing a system of electronic certificates from authorized bodies, such as, for example, the Tax Administration.

The estimated value of the investment in the new scheme amounted to about €400 in 2020, mostly financed by the EU SURE programme. An estimated 100,000-150,000 workers per month were supported by this scheme in 2020.

Transferability of the initiative/measure

An important prerequisite for the possible transfer and the most important lesson learned from the implementation of this measure is that its guidance should be very clear and straightforward. Furthermore, there is a need that the measure should be stable. Administrative processes in Croatia have been decent and not too complicated and the speed of decision-making was reasonable and that should be respected. It is important not to change the contents and the criteria of a measure (for example, supplementing documentation) during one cycle of implementation. A possible obstacle can be a lack

of financial sustainability. Therefore, there is a need to try to secure financial sustainability of the measure, such that its interruption on account of lack of funds would not occur.

Croatia case 2: Support for preservation of jobs in sectors affected by COVID-19²⁸

Social and economic background of the measure/initiative

After five consecutive years of steep economic growth, driven primarily by private consumption and tourism which enabled the increase in employment and wages, the Croatian economy has been hit hard in 2020 by the pandemic of the COVID-19. First estimations showed that decline of the GDP could be around 9-10%, while 50,000 workers could lose their jobs. The government decided that there is a need to introduce a support measure to lessen the adverse economic consequences of the pandemic. Without, there could be many bankruptcies and a serious increase in unemployment. The government deemed that it is always cheaper and easier to support existing jobs than to start creating completely new economic entities. Therefore, the scheme introduced in March 2020 provides for awarding grants as a form of co-financing of wage costs, with the support of ESF resources.

Driving force of the measure – reasons and aims for implementation

The national government was the main driving force fully aware of the serious consequences of the COVID-19 pandemic on the economy. Furthermore, there was a pressure from Hrvatska udruga poslodavaca – HUP (the Croatian Employers' Association – CEA) as well as from the almost ad hoc formed non-representative employers' group Glas poduzetnika (the Voice of the Entrepreneur).

Main contents of the measure and target groups

The support for preservation of jobs in sectors affected by the coronavirus is implemented by the Croatian Employment Service (CES) by awarding grants as a form of co-financing of wage costs. At the beginning, for March 2020 the CES awarded grants of HRK 3,250 or HRK 1,625 per worker, while afterwards it was increased to HRK 4,000 (€534) monthly per worker for full-time job or HRK 2,000 (€267) for part-time job. The state also covered payment of social contributions, which amounts to HRK 1,460 (€194) for the net wage of HRK 4,000. In total, the state has paid HRK 5,460 (€728) per full-time employee. The CES also awards a proportional part of the amount of HRK 3,250.00 or HRK 1,625.00 per worker for the time they did not work according to the decision of the Civil Protection Directorate.

The target groups are:

- employers in the following activities: providing accommodation and preparation and serving of food and drinks (Sector I), transportation and storage (Sector H) and health tourism; labour-intensive activities within the manufacturing industry like textiles, clothing, footwear, leather, wood and furniture;
- employers who have been banned from performing their business activities by decisions of the Civil Protection Headquarters (national, county, local self-government units) and cannot carry out their activities, and
- all other employers who can prove the adverse impact of special circumstances, if their income is reduced by more than 20%.

Employers from the above-mentioned industries must prove one of the following reasons and sign the statement under material and criminal liability, in order to receive the grant:

- decrease of revenue
- cancellation of reservations, events, congresses, seminars, etc.

²⁸ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entry HR-2020-12/361 (https://static.eurofound.europa.eu/covid19db/cases/HR-2020-12_361.html) and additional research work subcontracted to and performed by Predrag Bejakovic, working as Eurofound national correspondent of Croatia.

- cancellation of contracts and orders
- inability to deliver finished products or contracted and paid raw materials, machinery, tools, etc.
- inability of ordering raw materials, tools and machines necessary for work.

An employer who is having difficulties in doing business because of special circumstances submits evidence of one or more of the reasons listed above.

The support cannot be granted if there has been a decrease in the number of employees in the period from 20 March 2020 until the date of submission of the grant application, if the percentage of dismissal is greater than: 40% for employers employing up to 10 workers; 20% for small businesses; 15% for medium-sized enterprises and 10% for large companies.

It is forbidden to cancel existing employment contracts. Justified termination of employment are expiration of fixed term contracts, consensual dismissal at the request of employee, personally conditioned dismissal, the retirement of employee and dismissal for misconduct of employee. If during the period in which the subsidy is used the employer cancels the employment contract, the Croatian Employment Service should be informed within eight days at the latest. It is forbidden to import foreign workforce or hire new workers while using this support.

Role of social partners in launching and implementing the measure

The responsible body for design, implementation and administration as well as for monitoring and evaluation of the measure is the Croatian Employment Service (CES). Although the governing board of the CES is partially composed of trade union and employer organisations' representatives, the involvement of social partners is quite questionable. Generally, during the COVID-19 crisis social partner involvement in designing, implementing, administering and monitoring the measure (as well as most other measures) is formally rather than actually given. The government states that social partners were informed about the measure, but due to urgency, a short period of available time and the COVID-19 circumstances it was impossible to involve them more closely. As with other measures, while trade unions were quite dissatisfied with their participation in the designing of this measure, the representatives of Croatian Employers' Association organisation did not complain, at least not in public media. Overall, in terms of content, almost all political parties and social partners have supported this measure. However, some trade union representatives accused certain employers of misusing the job protection support, while some employers complained that the government support was paid with a significant delay.

Goal attainment (from the social partners' point of view)

As with other measures, there is no data or estimates on the number of jobs saved in the short and medium term (and on workers' return to exactly the same employment situation), nor on the number of companies saved. However, the views of the social partners on this measure are very similar to their views on other measures, like Co-financing of wages for reduced working hours. According to their opinions, the measure was successful in preventing numerous bankruptcies and increase in unemployment. However, trade union representatives hold that there is a need for stricter control of employers for adequate use of received funds.

At the end of March 2020, around 65,000 employers with around 400,000 workers were registered as users of the scheme at the CES. At the end of April 2020, the government has spent more than €200 million to preserve jobs for around 84,000 employers and 485,000 employees. No more recent data is available.

Transferability of the initiative/measure

The support for preservation of jobs in sectors affected by COVID-19 scheme could be easily transferred into other social, economic, labour market, occupational, national etc. contexts. The measure is relatively simple and administration is not particularly burdensome. However, the state financial resources for this measure are not limitless. Therefore, as the possible main obstacle, one should have in mind state fiscal capacity of a particular country and a possible adverse impact of huge outlays on a budget deficit and a debt.

Romania case 1: Technical unemployment benefit²⁹

Social and economic background of the measure/initiative

The introduction of the technical unemployment indemnity emerged in the context of the declaration of state of emergency on 15 March 2020, which led to the total or partial interruption of several economic activities. Under these circumstances, to avoid a rise in unemployment, the government adopted an emergency ordinance (GEO no. 30/2020), which entitled the employees of those companies whose activity was interrupted due to the state of emergency/state of alert restriction to an indemnity of maximum 75% of the base salary, but without exceeding 75% of the average gross salary established for 2020, to be funded by the public unemployment funds. Few months later, in July 2020, through the Emergency ordinance 120/2020 the technical unemployment benefit was also granted to employees who were obliged to stay at home due to the suspension of the company's activity following the state emergency measures; this measure applies to all economic sectors. The measure's validity was initially limited with the end of 2020 but eventually prolonged until 30 June 2021.

Driving force of the measure – reasons and aims for implementation

The measure was initiated by the government and supported by both employers' organisations and trade unions, as it was considered in the interest of both employees and companies.

At the moment the measure was adopted, the Romanian legislation (Article 53 of the Labour Code) provided that in case of temporary interruption of the employer's activity, the employees shall receive a benefit, which may not be lower than 75% of the basic pay corresponding to the position held, paid by the employer from the company's salary fund; in this case, the employees remain available to the employer, who has the possibility to order the resumption of the activity at any time. However, the decline in companies' revenues due to the state restrictions and the lack of predictability made it highly unlikely that companies would opt for this solution and pay the indemnity instead of firing the employees. A financial support from the state under the form of technical unemployment benefit was considered necessary. Through this measure, the government followed several objectives. The first one was to keep business afloat and to support employers to retain their workforce. The second was to prevent a drastic rise in unemployment, which would have been the most probable consequence of the interruption of activity as a result of the state-imposed restrictions. The third one was to prevent a decline in income of the employees affected by the interruption of the activity, which would in turn affect the purchasing power and aggregate demand (the unemployment benefit level is very low in Romania!).

Main contents of the measure and target groups

Under the Labour Code, during the suspension of employment upon the employer's initiative the affected employees are entitled to receive an indemnity of minimum 75% of their base salary, paid exclusively from the employer's salary fund. By derogation from the above provisions, the new measure provides that throughout the state of emergency instituted on 15 March 2020, and throughout the state of alert as a result of which the economic activity of some sectors is restricted the indemnities due to the employees whose employment contracts were suspended will be borne, at least in part, from the

²⁹ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entries RO-2020-30/1391 (https://static.eurofound.europa.eu/covid19db/cases/RO-2020-30_1391.html) and RO-2020-12/373 (https://static.eurofound.europa.eu/covid19db/cases/RO-2020-12_373.html) and additional research work subcontracted to and performed by Victoria Stoiciu, working as Eurofound national correspondent of Romania.

unemployment insurance funds. The indemnity borne from the unemployment insurance budget is 75% of the base salary, without however exceeding 75% of the gross average salary established for 2020. Employers have an option, but not the obligation, to supplement the indemnity capped as mentioned above, so as to cover the difference – if any – to the minimum 75% of the base salary corresponding to the job position, insofar as the employers' budget permits it.

In order to receive the indemnities for the employees suspended under the provisions of GEO 30/2020 and GEO 120/2020, employers shall submit by e-mail the payment request to the local unemployment agency within the area of their registered office. Originally, the legal provisions required the employers to submit an emergency situation certificate obtained from the authorities, but one week later, through GEO 32/2020 the government provided that the payment of the indemnity can be performed solely pursuant to the employer's statement on own responsibility attesting the reduction/interruption of activity. The payment of the indemnity to the employer must be done within 15 days from the submission of the request and the employer must pay the indemnity to the employee within three working days from the receipt of the amounts.

The target group of the measure is not a specific one, it addresses all companies and all employees whose economic activity was interrupted/reduced by state decree during the state of emergency/state of alert or whose labour contract has been suspended as a result of the COVID-19 prevention measures. In addition, it applies to self-employed persons active in economic sectors the activity of which has been interrupted following a state decree (such as culture, sports, etc).

Role of social partners in launching and implementing the measure

Although the measure was initiated in the very first days of the state of emergency when the restrictions regarding social distancing were very strict, the peak social partner organisations on both sides of the industry were consulted. The measure was initiated by the government, who sent the draft of the emergency ordinance text to all representative social partners, which had the possibility to make amendments and to suggest changes. The measure was welcomed by all social partners, which considered it necessary in the context of the health crisis. Most of the negotiations on the draft text of the emergency ordinance were related to procedural aspects related to the implementation, but also to the coverage of the measure – some trade unions proposed that the measure should not be limited to employees with work time contract, but also to self-employed or to the staff with a sport contract (both categories do not fall under the provisions of the labour legislation in Romania). The trade unions proposals were accepted and included in the final version of the legal text.

Goal attainment (from the social partners' point of view)

A dramatic rise in unemployment was prevented through this measure. Before the start of the pandemic, at the end of 2019, the unemployment rate in Romania was 3.9%. At the end of 2020, the unemployment rate increased by only 1.1 percentual points, reaching 5%. Also, the drop in the employment rate was minimal. According to the Ministry of Labour, 2 out of 10 employees have received a technical unemployment indemnity throughout the year 2020. The highest number of suspended contracts was reached in April – over one million of work contracts were suspended. Both trade unions and employers' organisations consider the measure as producing the most significant and positive effects on the labour market in the context of the corona crisis. Employers' organisations indicate some procedural difficulties during the implementation of the measure (such as delays in the transfers from the state budget), but overall, the measure is appreciated as beneficial. Trade union also evaluate positively the measure, although some of the unions point to the fact that there have been cases when the employers have abused

the legal provisions, by de jure suspending the labour contracts of their employees and paying the 75% of the indemnity from the unemployment insurance budget, while de facto the employees continued to work for the employer.

Transferability of the initiative/measure

This measure could be applicable in other contexts in which the interruption of the economic activity of a company is the result of a government's action. In cases when the interruption of the activity is not imposed by the government, the responsibility for paying the technical unemployment indemnity for the workers with suspended labour contracts shall be carried by the employers, from the general salary fund, as provided by the Labour Code. The main prerequisite for transferring such a measure in a different situation is, thus, that the companies are interrupting the activity following a government decision for an unpredictable and potentially long period of time, a situation which might lead to a reduction in the company's revenues and to the incapacity to face financial obligations towards employees. The main obstacle for transferring such a measure in other contexts is related to the budgetary constraints. Expenditures for social protection in Romania increased by 20% in 2020 compared to 2019. A chronic fiscal weakness of the Romanian state, the main symptom of which is low and declining tax collection, is limiting the government capacity to replicate such a measure in other contexts.

Romania case 2: Measures to support telework³⁰

Social and economic background of the measure/initiative

During the state of emergency, declared as a result of the pandemic situation, the state issued several orders/recommendations for maintaining the physical distance, also at work, teleworking being recommended in all those companies/sectors of activity where physical presence of employees was not imperative. The recommendation regarding teleworking represented a big challenge for a labour market where teleworking was an exceptional, rare practice. Although Romania adopted a law on teleworking in 2018 (Telework Law no 81/2018), Eurostat data show that before the onset of the health crisis in 2019 only 0.8% of Romanian employees worked from home. In February 2020, before the state of emergency, there were only 15.000 telework contracts concluded between the employer and the individual employee in Romania. The number of telework contracts suddenly increased after the state of emergency had been declared in March 2020, reaching 53.000 in the private sector and 5.679 employees in the public sector. At the end of 2020 the total number of telework contracts exceeded 300.000 in the private sector and reached 31.000 in the public sector.

Driving force of the measure – reasons and aims for implementation

The government and the parliament have been the driving force of the measures, whose aim was to encourage teleworking as a measure of preventing the spread of the coronavirus.

Shifting to telework involved a significant adaptation effort from the side of both employers and employees. In accordance with the Telework Law (article 7), the employer has the obligation to ensure all the technical equipment which a teleworker needs to perform the job tasks. Purchasing information and telecommunication equipment for teleworkers involved a substantial financial effort for several employers, especially small companies and those whose economic activity have been severely impacted by the Corona crisis. Against this background, the government issued in August 2020 an emergency ordinance ([GEO 132/2020](#)) which subsidises the acquisition of technical equipment such as laptops, smartphones etc. for those employers whose employees have been working in a telework arrangement for at least 15 days during the state of emergency (15th March-15th May 2020).

On the other hand, teleworking resulted in an increase of expenditures for many employees working from home, who use their private space for work, thus bringing additional costs for utilities such as heating or electricity. In this context, the Parliament initiated and adopted a law ([296/2020](#)) which provides that the Romanian employees working from home could be paid up to 400 RON per month (approximately €80) for paying the utilities needed for the telework.

Through the state grants, the Government aimed to partially compensate the financial efforts made by companies in the process of adapting to teleworking during the state of emergency, thus helping business to stay afloat. By providing the employers the possibility to offer an extra-pay for the teleworkers' utilities, the state tried to protect the living standards and purchasing power of the employees.

³⁰ This case study draws on the Eurofound COVID-19 EU Policy Watch database's entries RO-2020-332/1429 (https://static.eurofound.europa.eu/covid19db/cases/RO-2020-33_1429.html) and RO-2021-1/1700 (https://static.eurofound.europa.eu/covid19db/cases/RO-2021-1_1700.html) and additional research work subcontracted to and performed by Victoria Stoiciu, working as Eurofound national correspondent of Romania.

Main contents of the measure and target groups

GEO no. 132/2020 (art.6, (1)) stipulates a state grant to employers for each employee who has worked in teleworking arrangements for at least 15 days during the state of emergency (15th March-15th May 2020). Employers whose staff have been teleworking will be granted a one-off payment of 2,500 RON (appr. € 500) for each teleworker to support the purchase of technological goods and services needed to carry out their activity. The amount of RON 2,500 was established by reference to the average price of an IT equipment with medium level technical specifications. The employers must demonstrate the use of telework during the state of emergency (by submitting a list with the number and the date of the registered telework contract/addendum to an existing contract) and must submit financial documents proving the purchase of the equipment. The money is granted through the National Agency for Employment from the unemployment insurance budget. The measure was in place until 31 December 2020.

Starting with January 2021, the Romanian employees working from home can be paid up to 400 RON (€80) for covering the costs for the utilities needed for the telework (heating, electricity, internet, furniture, technical equipment, etc.). This amount is deductible from the company's annual profit; payments exceeding the ceiling of 400 RON are not deductible. The measure is targeting the employees working from home. According to the law endorsed by the parliament at the end of 2020 (Law 296/2020, art. 8 and art. 40), the companies can pay this amount to every teleworker, without any justifying documents to be attached. The paid amount corresponds to the number of teleworked days in the respective month (for example, for 10 working days the received amount is 200 RON (€40)). It is worth mentioning that the measure is optional – thus the companies are not obliged to pay the financial support. The measure is on-going and has no deadline for the implementation.

Role of social partners in launching and implementing the measure

All employers' organisations and trade unions which are legally representative at national level have been consulted in the design of the measure. Since the initiative came from the government /parliament, the social partners were given the draft of the legal texts, on which they could make amendments and comments. According to the social partners, there was no consultation organised by the government prior to drafting the legal texts. Both trade unions and employers' organisations were favourable regarding the content of the measure; the discussions during the consultations were focusing on the technical aspects concerning the implementation of the measure, and not on the measure as such. Setting out the procedure, defining the eligibility and selection criteria were among the most discussed aspects when it comes to the state grants for employers for purchasing equipment for telework. The fiscal treatment of the payment for covering the utilities for teleworkers was the most discussed aspect during the consultations with social partners.

Goal attainment (from the social partners' point of view)

There are no public information or statistical data allowing an objective, fact-based evaluation of the impact of the measure. However, social partners appreciate the measures as being positive, although none of them holds evidence about the extent to which the measure was implemented and what have been the measurable effects etc.

The state grant for the employers for purchasing equipment for their teleworkers was especially helpful for small sized companies, whose activity and financial results were most affected by the health crisis.

Employers' organisations criticise that the grants' allocation procedure (first come, first served), without any other criteria that allowed a more objective evaluation of the companies' needs, are partially distorting the effectiveness of the measure. Nevertheless, the social partners consider that the measure had a positive impact and appreciate it has the potential to be reproduced in other contexts, for example as a support measure in the digitalization process. The social partners also evaluate positively the payment of utilities by teleworkers, but as long as the measure remains optional, its implementation depends on the negotiation power of the employees.

Representatives of the two sides of industry emphasise that although overall the measures have had a positive impact, their importance in palliating the socio-economic effects of the Corona crisis has been minor in comparison with other initiatives (such as the technical unemployment benefit or short-time work).

Transferability of the initiative/measure

The additional payment received by the employees for paying utilities needed for telework is a measure that could be extended and transferred into contexts other than the Covid-19 health crisis. Telework is associated with a reduction in companies' overhead costs, while on the side of the employees it involves additional costs; hence it would be conceivable to have such a measure in any other social/economic/national context which involves teleworking arrangements.

The state grants for buying technical equipment for teleworkers is a measure that could also be transferred into other contexts, in which a similar initiative could bring similar benefits for the society as a whole as telework produced for the public health in the context of the pandemic. Otherwise, without anticipating more general benefits and having in mind the financial effort involved by such a measure, it would be difficult to justify it in a different context.

7. Comparative analysis

The measures and initiatives aimed at mitigating the negative effects of the COVID-19 pandemic (or of the emergency measures to curb the spread of the virus) that were selected as case studies for the purpose of this study differ in many respects. In terms of content-related dimensions the following types are distinguishable: the promotion of the economic, labour market and social recovery; employment protection and retention; income protection including short-time work; workers' protection and adaptation of the workplace; and supporting businesses to stay afloat or to get back to normal (see Chapter 5.1). Moreover, measures have to be discerned whether they are established through legislation or other statutory regulations (ordinances, decrees etc.); bipartite collective agreements; tripartite agreements; non-binding recommendations or other texts etc. Furthermore, the measures can be grouped according to their scope (whether they focus on just one company or on a sector or are encompassing the entire economy). In addition, different target groups of a measure can be distinguished: employers, employees, other workers (including self-employed and contract workers etc.). Furthermore, it is important to examine the form and degree of social partner/trade union involvement in designing and implementing the measure. What also needs to be analysed is the significance of the measure for the workers, measured as volume and the number of workers affected. Finally, the potential transferability of the measures into other socio-economic/industrial relations contexts, sectors, branches and countries has to be assessed.

The following table provides an overview of the examined measures, characterising each measure in a multi-dimensional matrix, indicating the scope, type, target group, degree/form of social partner involvement, the significance in terms of workers affected and the potential transferability of the measures.

MS	Measure	Scope	Type	Target group	Form of SP involvement	Workers affected	Transferability
Scandinavian organised corporatism							
DK	DK case 1	Cross-industry	Tripartite agreement	Employers and employees	Agreed (outcome)	Several 100,000s	Yes – depending on circumstances
DK	DK case 2	Cross-industry	Legislation	Employees	Agreed (outcome)	Several 1,000s	Yes – depending on circumstances
SE	SE case 1	Cross-industry, with focus on particular industries	Bipartite collective agreement	Employees	Agreed (outcome)	Several 1,000s	Yes – depending on circumstances

MS	Measure	Scope	Type	Target group	Form of SP involvement	Workers affected	Transferability
SE	SE case 2	Industry: municipalities and enterprises owned by local governments	Bipartite collective agreement	Employers and employees	Agreed (outcome)	Several 100,000s	Yes – depending on circumstances
Central and West European social partnership							
SI	SI case 1	Cross-industry	Legislation	Employers and employees	Consulted	n.a.	Yes
SI	SI case 2	Cross-industry	Legislation	Employees	Consulted	Several 10,000s	Yes – depending on circumstances
AT	AT case 1	Cross-industry	Tripartite agreement	Employers and employees	Agreed (outcome)	More than 1 million	Yes – depending on circumstances
AT	AT case 2	Cross-industry	Legislation	Employers and employees	Agreed (outcome)	More than 1 million	Yes
AT	AT case 3	Cross-industry	Legislation	Employers and employees	Agreed (outcome)	Several 10,000s	Yes – depending on circumstances
DE	DE case 1	Cross-industry, with focus on solo self-employed	Legislation	Solo self-employed	Consulted	Several 10,000	Yes – depending on circumstances
South European State-centrism							
FR	FR case 1	Cross-industry	Other statutory regulations	Employers and employees	Consulted	Several million	Yes – depending on circumstances

MS	Measure	Scope	Type	Target group	Form of SP involvement	Workers affected	Transferability
FR	FR case 2	Cross-industry	Legislation	Employers and employees	Consulted	n.a.	Yes – depending on circumstances
PT	PT case 1	Cross-industry	Legislation	Employers and employees	Consulted	2,000	Yes – depending on circumstances
PT	PT case 2	Cross-industry	Legislation and other statutory regulations	Employers and employees	Consulted	A few 1,000s at most	Yes – depending on circumstances
ES	ES case 1	Cross-industry	Tripartite agreement	Employers and employees	Negotiated	n.a.	Yes – depending on circumstances
ES	ES case 2	Cross-industry	Tripartite agreement	Employers and employees	Negotiated	n.a.	Yes – depending on circumstances
ES	ES case 3	Company (group)	Bipartite agreement	Employees	Negotiated	n.a.	Yes – depending on circumstances
Liberal pluralism							
CY	CY case 1	Industry: self-employed educators contracted by the state	Other statutory regulations	Self-employed workers	Consulted	5,000	No
CY	CY case 2	Cross-industry: self-employed workers	Other statutory regulations	Self-employed workers	Consulted	40,000	Yes – depending on circumstances
Central and East European “mixed” transition economies							

MS	Measure	Scope	Type	Target group	Form of SP involvement	Workers affected	Transferability
HR	HR case 1	Cross-industry	Legislation	Employers and employees	Informed	At least 100,000 per month	Yes
HR	HR case 2	Cross-industry with special focus on particular sectors	Legislation	Employers and employees	Informed	485,000 (in April 2020)	Yes
RO	RO case 1	Cross-industry	Other statutory regulations	Employers and employees	Consulted	More than 1 million	Yes – depending on circumstances
RO	RO case 2	Cross-industry	Legislation and other statutory regulations	Employer and employees	Consulted	n.a.	Yes – depending on circumstances

Source: Eurofound COVID-19 EU Policy Watch database and Eurofound correspondents

A systematic comparison of the individual measures with regard to the various dimensions outlined in the table above leads to the following conclusions:

- The scope of the measure and its coverage in terms of the number of workers affected is not equitable to its effect or success in relation to the target group. Although a measure with a cross-industry scope applicable to all types of workers may have a possible encompassing coverage, its mis-conception may nevertheless result in a failure. For instance, since the two cases of Portugal were poorly designed and implemented (compared to other measures more attractive to employers), they de facto reached only very few employees, although they were devised to provide training courses for large parts of the workforce. By contrast, the case 2 of Denmark and the case 1 of Sweden each cover only a few thousand employees, but are nevertheless significant for the respective smaller target groups. Strikingly, the example of the Inditex company agreement shows that social partners that are close to the relatively small target group (workforce of the company) may achieve the most favourable results by designing measures that are tailor-made for the workers affected by restructuring.
- The type of establishing the measure is not related to its effectiveness. Whether a measure is enacted by legislation or concluded by agreement does not really matter. Much more important is the degree of social partner involvement during the genesis of a measure, whether the social partners have had an equal chance to participate in information and consultation procedures as

well as in bi- or tripartite negotiations. Situations where the social partners have negotiated the issue of regulation themselves (with the aim to conclude an agreement or to gain an agreed outcome) more frequently result in measures which are perceived as favourable for both sides of industry compared to pure information and consultation processes, where the social partners are assigned a more passive role in designing, implementing and monitoring a measure.

- Measures where the target group is primarily the workers rather the employers need not necessarily be more beneficial for the workers. Most measures are targeting the employers in the first instance, while the employees are often indirectly affected by them. Nevertheless, tend these measures to count among the most beneficial and comprehensive for the employees, as can be seen by reference to the various short-time working schemes in several countries. By contrast, the case 1 of Cyprus shows that the focus on a particular group of workers (self-employed educators in the state afternoon programmes) is not necessarily accompanied by a satisfying result, although this case is very particular and not really transferable to other contexts.
- As indicated above, the degree and form of social partner involvement appears to be the most significant determinant for the successful and effective implementation of a measure: the closer the social partner involvement, the better the implementation of the measure for the target group(s), as can be seen, for instance, by reference to the cases 1,2 and 3 of Austria, cases 1 and 2 of Denmark and cases 1 and 2 of Sweden. This is for three main reasons. First, in the area of labour market and social policy matters, in particular at meso level in particular branches of the economy, the expertise of the social partners tends to be more pronounced than that of the administrations – at least this holds true of the countries with highly developed industrial relations structures (Scandinavia, Central and West European countries, partially in the South European countries); this is because the social partners (at industry level) tend to be closer to the problems and requirements of the labour market actors than political decision-makers. Second, when social partner organisations representing large parts of the companies and employees are closely involved in the design and implementation of measures affecting them, these measures tend to be more legitimised compared to those unilaterally imposed by the authorities; high legitimacy, in turn, facilitates the implementation of measures and thus increases their effectiveness. Finally, cooperation between the social partners of the two sides of industry tends to enhance the effectiveness of economic and social policy regulations in general, since they tend to counterbalance market failure (undersupply of public goods) on the one hand and government failure (overregulation) on the other hand.
- The successful implementation of a measure in a particular national or industry/enterprise setting is not related to its transferability into other national, economic and social contexts. As a matter of principle, measures involving strong social partner engagement in the designing, implementation and monitoring require similar institutional settings, procedures and cultures (spirit of mutuality and respect) for a successful transfer into another context. Although highly developed social dialogue and industrial relations structures may function as an asset when it comes to adopting measures from another national context, a basic prerequisite for a successful implementation of a measure is often the existence of similar institutions and legal settings. For instance, without pre-existing institutions providing for a monetary compensation system for employees temporarily unable to work for care reasons, the transferability of the specialised subsidised care time for working parents, as established in Austria, is hardly feasible, even though there may be well-functioning social dialogue structures.

8. Policy recommendations

- As can be seen from the case studies in chapter 6, in those Member States with established and well-functioning industrial relations structures the involvement of strong social partners have substantially contributed to the planning and implementation of effective measures to mitigate the socio-economic impact of the COVID-19 crisis. Social dialogue should therefore be strengthened in all EU27 countries at all levels – company, industry and national.
- In particular, in the early stages of the pandemic tripartite social dialogue was neglected by the governments in many Member States, due to the urgency to issue health emergency measures. In these cases, social partners were often simply informed about government plans rather than consulted and involved in negotiations, which often resulted in inadequate policy decisions. Administrations should in the future – if crisis situations of similar dimensions should occur – strongly involve social partners at the very beginning of policy-making, since the latter are usually closer to the wants and needs of the civil society affected by the (emergency) measures.
- Established tripartite structures within bodies in charge of administering measures and schemes to tackle the COVID-19 crisis, such as the short-time working and similar schemes, proved very helpful in ensuring the smooth and adequate implementation. Such tripartite settings should be established in all EU27 Member States, in various areas of labour market and social policy issues.
- Industrial relations traditions and features widely vary between Member States, in particular between countries of different geographical clusters of bargaining models, but also between sectors, often within one and the same country. Therefore, it is useless to simply copy a measure that proved successful in one industrial relations context to another context. Rather, it should be assessed whether the goal achieved by implementing a specific measure in a specific context can be achieved by a modified (or completely different) measure in another context.
- In a way analogous, capacity building with a view to strengthen social partner actors and structures must not be modelled on established patterns of other countries. Rather, capacity building is only conceivable as a successive process of empowerment on the basis of pre-existent actors and institutions. This does not rule out the possible incorporation of elements of other industrial relations systems; nevertheless, a sustainable and forward-looking transformation and development of social dialogue should follow the logic of path dependency and seek to avoid disruptions.

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