

OUR PRIORITIES

A report of ETUC activities
to improve
working conditions
in small and
medium-size enterprises

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WHY A SPECIFIC FOCUS ON SMEs ?

Between 1996 and summer 2000, the European Trade Union Confederation (ETUC) and its affiliated organisations held six seminars¹ with the common theme of focusing analysis and debate on trade union action for employees in Small and Medium Enterprises (SMEs).

The economic importance of SMEs in Member States of the European Union, and the high employee numbers involved in these enterprises, had not previously been absent from ETUC thinking. In the mid 1980s and early 1990s, it had conducted significant work on this area with several federations, in order to get a better idea of the importance of these enterprises on a sector by sector basis and to identify the issues to be tackled at European level. These studies culminated in a trade union conference on 14 and 15 May 1992, the findings of which formed the basis for subsequent ETUC representations to the European Commission and European employers' organisations (UNICE and UEAPME).

However, the series of seminars which was launched in 1996 represented a new stage in the ETUC's work for several reasons. During the 1990s both Member States and the European Union rediscovered the importance of SMEs in the European economic fabric, and their contribution to the growth in employment against the background of globalisation and the knowledge-based economy. These years also brought a number of challenges to ETUC member organisations, relating to their presence in SMEs and their ability to influence the employment and working conditions of workers in these companies at a time when collective bargaining was tending towards decentralisation.

The information presented and debated during the course of the six seminars was put together in a synthesis report which served as a basis for the last seminar organised in Brussels in May 2001. This occasion marked the start of a further stage in the development of dialogue on SMEs between the ETUC, the European Commission and the employers organisations UNICE and UEAPME.

SEVEN ETUC SEMINARS ON SMEs

January 1997 – Bierville (France).

Organised on the initiative of the CFTD and the ETUC, the first seminar aimed at assessing the significance of SMEs in employment within Member States of the European Union, comparing the analyses of the particular working and employment conditions of workers in these enterprises which had been carried out by the various organisations, and discovering what measures and innovative practises trade unions were developing for these companies.

March 1998 – Portimão (Portugal).

Organised by the ETUC at the request of Italian (CISL, CGIL), Spanish (CC.OO and UGT), Portuguese and French organisations, this second seminar focused on the question of the information and consultation of workers in SMEs, and on how best to organise collective bargaining so as to deal effectively with the situation of workers in these companies.

December 1998 – Plovdiv (Bulgaria).

The third seminar was organised at the request of trade union organisations in Bulgaria, Hungary, the Czech Republic and Poland, with ETUC support. Two questions were tackled. The first was that of Member States' investment in small and medium enterprises within the applicant countries, to examine how this could act as a lever for both the consolidation of the economic fabric in these countries and for encouraging better structured industrial relations. The second question was that of the structure of industrial relations in the applicant countries. An attempt was made to identify ways of ensuring that workers in SMEs do not find themselves wholly or partly outside the established rules.

May 1999 – Athens (Greece).

Organised at the request of the Greek labour confederation (GSEE) in Athens, this conference addressed the subject of organising continuing vocational training in SMEs. Several countries noted that workers (and even employers) in SMEs have less access to lifelong training than others, Though the development of skills is one of the ways of improving the economic efficiency of SMEs and of ensuring the employability of workers. At the same time, new practices were emerging and developing in other countries.

April 2000 – Turin (Italy).

This seminar, an ETUC initiative, was devoted to trade union measures to ensure the protection of health at work in SMEs. Although European health and safety directives establish the principle of equal treatment for all workers regardless of the size of the enterprise in which they are employed, applying this principle requires more than the mere legal transposition of the directives. Experiments conducted by trade union organisations in Sweden, Denmark, the United Kingdom and Italy indicated some guidelines which could be shared at European level.

May 2000 – Manchester (United Kingdom).

This last seminar addressed two topics. The first was the issue of regional planning in the fight against economic desertification and the effects of restructuring. What role could trade union organisations play in this context? Could "Tripartite pacts", such as were found in Italy, Spain or Finland, provide a way of encouraging economic development whilst simultaneously guaranteeing workers' rights? The second was the growing trend for large companies to evolve towards a "network enterprise" structure, the analysis of the consequences for workers in subcontractor SMEs at the end of the chain, and the scope for trade union action against this new background.

May 2001 – Brussels (Belgium).

Seminar to evaluate the activities carried out to date and to present synthesis document.

1 These seminars were held with support from the European Commission.

5 reasons to act



"It is indispensable, if we are to find suitable solutions to the economic, technological and social challenges facing SMEs and their employees, to establish a social dialogue that takes into consideration the specific characteristics of their situation. We must ensure that they enjoy the same level of rights and combat inequalities. But, in order to guarantee that employees in SMEs have real rights and not virtual rights, we must avoid a standardised approach and instead invent new practices, including trade union practices."

Emilio Gabaglio
ETUC General Secretary

The seven seminars served to clear the ground for questions which to some extent have changed with the passing of time. They have changed with the general economic background, but also because Member States and the European Union have placed the emphasis on policies aimed particularly at SMEs. Discussions during the seminars clarified the issues, and explained both national contexts and the ways in which ETUC member organisations are taking action. This ongoing process explains why some of the reasons for carrying out this work already existed at the time of the first seminars, whilst others emerged during discussions or in comparative analysis in preparation for the seminars.

In retrospect, six major reasons can be identified for paying particular and regular attention to SMEs and their workers. These reasons are not all valid for every trade union organisation. There are many differences between the various countries as regards the importance of small and medium enterprises in the economy, the rate of unionisation among workers, collective bargaining practices or the ways in which public authorities set out and implement public policy. But in every country, one or other of these reasons has given rise to particular practices and innovations in trade union organisations, aimed at placing workers in SMEs and those in larger enterprises or the public sector on an equal footing.

1. Acceptable differences or inequalities

Lower average wages, fewer company benefits, serious health risks, more insecure contracts of employment, fewer opportunities for lifelong training... Does this sum up the position of workers in SMEs, as compared with other workers?

The responses from ETUC member organisations are not identical. For northern European countries (the Nordic countries, Germany, Austria, the Netherlands, Belgium), the replies are on the whole in the negative, though doubtless the exact position varies somewhat. If there are some differences between the situations of workers in SMEs and other companies, these cannot, in the main, be described as unacceptable inequalities. A common basis of rights and employment and working conditions applies to almost all workers. The existing differences were not regarded as abnormal, given, for example the economic efficiency of the sectors and enterprises concerned, or because new practices were needed to ensure that rights were fully respected.

Southern European countries and the United Kingdom and Ireland, the same question received an affirmative response: yes, a significant proportion of workers in SMEs are in a position which differs sharply from that of other workers. Naturally there are

contrasting situations in these countries, both within large enterprises and in SMEs: the differences have been observed in overall terms. On average, it is much more difficult to organise the collective representation of workers in SMEs than in large businesses; and on average, wages and company benefits are lower in the former than in the latter.

These differences between Member States of the European Union are not easily explained. The importance of small enterprises in the national economy varies. The Danish economy is mainly made up of SMEs (according to the European definition). This is also the case in Greece and Portugal, and, to a lesser extent, Spain and Italy. Danish workers, including those in SMEs, are highly unionised, but unionisation rates are lower in Spain, Portugal and Greece. Collective bargaining is not organised in the same fashion in each of these countries although there are generally sectoral agreements and enterprise agreements. In some countries sectoral agreements are actually applied, whereas in others practice in enterprise may differ quite sharply from the sectoral rules.

These differences explain the difficulty of dialogue between the ETUC's member organisations on the subject of SMEs. In Denmark, the LO - which has been representing workers in SMEs for a century - can see no reason for posing a specific question regarding workers in SMEs or for providing special clauses in collective agreements. Spanish, Portuguese, Italian and French trade unions, which for historical reasons are strongest in large enterprises, are asking such questions without wishing to weaken sectoral collective bargaining.

On the other hand, ETUC members have less differences over recognising that being an employee of a SME can present certain advantages: more simple and straightforward relations with the employer, more varied work which can favour skill development, a greater share of responsibility. The diversity of SMEs does not allow for simple generalisations.

2. Full employment in a changing economic situation

Many European Union countries experienced a dramatic growth in the numbers of people seeking employment in the early 1990s. Over the last three or four years the situation has eased in Europe, but continues to vary considerably from one country to another : some are still struggling to reduce unemployment while others are already experiencing labour shortages.

The extreme nature of the employment crisis, and the search for solutions led to renewed interest in SMEs throughout Europe. Economic studies showed that these enterprises were losing fewer jobs than large ones, or even creating new jobs at a time when large companies were continuing to shed them. They also showed that SMEs played at

important role in the development of new sectors, including those in the new economy (biotechnology, the Internet etc.). These studies led Member States and the European Union to take measures to encourage the creation, growth and consolidation of SMEs in Europe. These measures have had beneficial effects, although the intrinsic dynamics of the economy remain the chief factor in explaining the birth and growth of these new enterprises.

ETUC organisations recognise these transformations associated with the new technologies and the development of the knowledge-based economy. Nevertheless, discussions during the seminars revealed that it would be dangerous to reduce the question of SMEs and their contribution to economic growth in Europe to this single issue. The seminars showed that two major questions should be taken into account.

- **From integrated enterprise to enterprise network**

National and European statistics reveal a growing number of SMEs, but it would be dangerous to assume that this corresponds to an absolute increase in the numbers of jobs and businesses. For more than twenty years, there have been dramatic changes in the way in which large enterprises organise. They are focusing on their core activities, and choosing, more or less abruptly, to outsource activities previously carried out in-house. New businesses spring up, but they are actually carrying on pre-existing activities. This trend goes further. Major enterprises now organise relationships with networks of companies so that the various activities necessary to produce the end product are carried out by subcontractors, or by their subcontractors' subcontractors, etc.

This move from the integrated enterprise to a network of companies has many repercussions for workers. A proportion of those who previously worked in the main company are now employed by subcontractors. The constraints under which subcontractors work are stronger: in particular, they are forced to control costs, delivery times and quality in a way which impacts heavily on them and their workers' conditions. There is a trickle-down effect, too: from the first level of subcontractors, down through the second level, the nearer the enterprise is to the end of the chain, the harsher the constraints and the more onerous the working conditions. In some countries the collective rules for major enterprises and their first level subcontractors are often the same, but collective agreements contain fewer and fewer advantages as you descend the chain.

"Flexibility, required by changing production conditions and demand, is not solely a matter of the flexible reorganisation of working methods. Through the growth in amorphous subcontracting and external flexibility a range of different conditions

*for workers is now emerging. Workers often have insecure status, sometimes associated with types of employment which are more or less legal. The rationale for outsourcing varies. It mainly appears to affect large categories of the workforce with weak negotiating power. This is leading to fragmentation, and ultimately perhaps to a dual level workforce."*²

Throughout Europe and in every sector similar changes in the organisation of production may be observed. The question is thus not one of the rights and working conditions of workers in SMEs but one of preserving the entitlement of workers whose activities have been hived off, by the changing economic circumstances, from an enterprise with a collective agreement to a marginal area with reduced rights.

It is essential to appreciate the extent of these changes if we are not to mistake the causes of the growth of SMEs in the European economy and in order to decide trade union priorities in Europe. Rights and practices appropriate to small enterprises must be found, but we also need to maintain existing rights against a background of changing business practice and the move from old to new ways of organising the economy.

Once again, trade union organisations affiliated to the ETUC have varying analyses of this evolving situation, but in this instance the differences are less pronounced. All European countries are affected by this transformation in the manner of organising the economic system in large undertakings. The impact on workers varies slightly from country to country. Throughout Europe, employees working in enterprises at the "end of the chain", most often SMEs, suffer the worst economic constraints and working conditions. On the other hand, the effect on collective guarantees varies from one country to another: in some countries, workers at the "end of the chain" lose the standard protection of their sector of origin, but this is not the case in other States. It does, however, appear that the numbers of workers covered by collective agreements is falling across Europe.

- **The impact of new technologies**

The 1990s saw an acceleration in the growth of information technologies. At the same time Europe began to slip behind the United States in these sectors. Several factors contributed to this.

² Changes in economic organisation, both generally and in large enterprises, were recently given in-depth treatment in a study by the European social research bureau of UNSA: "The social consequences of outsourcing and subcontracting" (2000). This study was considered and discussed at the 6th ETUC seminar on SMEs held in Manchester in May 2000.

Firstly, there is the conception, development and definition of standards for the new technological systems. Overall, the United States holds the lead in these areas (Intel, IBM, Microsoft, Oracle etc.) although a number of European countries are in a strong position in certain niches (mobile telephony, for example, with Nokia and Ericsson). The question posed in Europe, against this background, is to establish how to foster the invention, development and industrial manufacture of innovations of this type. One European proposal is that innovators should be enabled to carry a project through from the initial idea to the industrialisation stage. This entails encouraging the creation of small businesses against a background generally favourable to their growth. All Member States of the European Union introduced measures of this kind during the course of the 1990s. The European Union itself has introduced further measures intended to give these policies a boost.

A very different problem is that of the spread of new technologies into existing sectors of the economy. Although larger businesses - not always without difficulty - have succeeded in managing these changes, European and national authorities alike are concerned at the problems encountered by SMEs: investment costs, the burden of staff training, delays in shifting to the patterns of the new economy. Enabling SMEs in traditional sectors to succeed in adapting to new information technologies is, de facto, an economic issue.

Technological changes, and the measures adopted by Member States or by the European Union, have had a number of repercussions on ETUC member organisations. The most significant affects all workers, regardless of the size of the enterprise employing them: the aim is to enable them to adapt to the new technologies which determine the way they work. The question is more complicated for small and medium enterprises.

On the one hand, workers in existing enterprises need the opportunity to adapt their skills to the new technological context. On the other hand, it is a matter of unionising the (often young) workers engaged in new enterprises who accept as normal employment and working conditions which are very different from those negotiated in the past. "Start-up" businesses, which can sometimes become large companies in a short time, but which are small and medium enterprises initially, represent a thorny problem for trade union organisations in most countries. How can they gain access to these companies? What rules should be negotiated to maintain the impetus and introduce the essential collective benchmarks? Nothing is straightforward in the new economy.

Whilst national and European Union plans focus on enterprises in the new economy, the needs and demands of the public increasingly relate to traditional services: better child-care provision for working parents, appropriate healthcare and housing for the

elderly. The focus on new technology and the developing knowledge based economy too often masks the reality: the need for small businesses or entities specialised in providing personal services.

3. The battle of the regions

Europe provides significant support for regional development through specialised funds, mainly the ERDF and the ESF. The aim of these measures is to reduce the gaps in terms of development and basic infrastructure, and to fight the economic transformations and restructuring which lead to the economic impoverishment of regions and localised areas, accompanied by a catastrophic growth in unemployment. Although vitally important and beneficial, these schemes have certain limits.

Economic development in Europe, for example, has a strong tendency towards concentration in favoured geographical areas (the "Blue banana", the Mediterranean arc and the Baltic arc). These developments are partly explained by demography, and also by a certain attraction towards the south. Every country in the European Union has some experience of this situation, and the anxiety of those living and working outside the preferential development zones of the European economy. Securing a future for existing residents, and also for young people, in the areas which are inappropriately described as "peripheral" is an aim which also concerns trade union activists, in Norway and Finland as in Puglia or Alentejo, Extremadura, the western arc or mountainous zones. Several questions are raised by the measures being carried out on behalf of these geographical areas.

Developing, or trying to re-develop the economic fabric of these regions entails finding particular advantages, know-how, products and skills which will be factors for success. All the local bodies involved must therefore come together to discover what advantages can be brought into play, the resources to develop them, the investments to encourage and the best manner of organising these projects. Many ETUC member organisations have found that it is by no means simple to acquire a role in the institutions which work to maintain and develop the local economy. Public authorities (whether national, regional or local) and employers' organisations tend to regard trade unions as irrelevant to their actions. Obtaining recognition - as has been achieved in Italy, parts of Spain and, recently, in Finland - for a role for trade union organisations in all these projects is not straightforward. In France and the United Kingdom and even (more surprisingly) in some Nordic countries, there is no automatic acceptance of the fact that local development programmes should be drawn up with trade union involvement.

SMEs are an important element in these measures to support the fair development of economic activity. This is in part because the inhabitants of these regions all need services. However, it also reflects the fact that maintaining the economic impetus and offering attractive jobs to young people entails finding new or modernised activities which are competitive, and seldom involves attracting existing large groups to the area.

The question of geographic areas and their readiness to assert themselves is not an easy one for the ETUC. Some regions have a narrow geographic area and high population density, whilst others are extensive, with considerable differences in demographic density, economic concentration and position within Europe. The northern region of France is well placed within Europe, the south of Italy is unable to take advantage of its place in the sun, Bavaria has several advantages (the south of Germany, a favourable position in Europe), Schleswig-Holstein is more vulnerable.

There is also the question of the role of trade union organisations and the scope of their action. The European trade union tradition is principally characterised by organisation and negotiation at sectoral level. Regions do exist, but mainly by occupation, and pose difficulties for the organisation of trade union action.

"We should also get away from the false distinction between the sectoral and the regional approaches. The sectoral approach offers the first level of coordination... The geographic approach is necessary too, because SMEs are developing in local employment areas and industrial zones, and we need to adopt a vision in terms of local development."

4. The question of the applicant countries

Since 1990, the European Union, all the Member States, employers' associations and trade union organisations have been working to bring about change on an unprecedented scale: enabling the countries of the former eastern bloc to transform into democracies and create economies appropriate to their new needs and international trade, under the best possible conditions. The ETUC is concerned, inter alia, not simply to establish a market economy but to introduce a structured and stable industrial relations system which can provide regulations which are respected by enterprises of any size.

This objective extends to SMEs, but it is not always easy to grasp, to take into account and to translate into action. It is more or less possible to monitor the investment

policies of major groups in the European Union vis-à-vis the applicant countries. Staff representative bodies currently operating in EU Member States make such monitoring possible. Further, the setting up of European Works Councils has made it possible to develop contacts and measures to extend information and consultation and the development of health and safety practices to group subsidiaries. These subsidiary companies and their establishments are contributing in this way to the modernisation of industrial relations in the countries concerned.

However, the economies of these countries are also characterised by large numbers of SMEs. Small and medium sized companies are springing up rapidly and failing just as fast. European Union countries are also investing in enterprises of this kind, doing their best to set up qualified sub-contractors or "bridge heads" for further development. Several difficulties then arise.

European investments in SMEs in the applicant countries are not well-known, and they stimulate relatively little contact between trade union organisations in the two halves of Europe. The economic fabric which is developing through the spread of SMEs is not an obvious source of progress on the industrial relations front.

A significant proportion of SMEs - and their employees - in the applicant countries remain firmly excluded from the social structures which are struggling to develop. Several factors explain this fact: mistrust of various kinds, inherited from the past; the difficulties for both companies and their employees in becoming involved in the search for new rules; the slow emergence of organisations representing employers. There is a danger that employees in these enterprises will be left behind by the progress which is being made elsewhere.

In return, European Union countries are exposed to new and dangerous forms of economic competition. Quite apart from the differences in wage levels, SMEs in the applicant countries could emerge as formidable competitors in certain areas of production, relying on reduced social rights and dubious working and employment conditions.

5. Progress in the European Social Dialogue

European social dialogue is moving forward in a number of ways at once: through the recognition, since the Maastricht and Amsterdam treaties, of the role of the European social partners in developing contractual standards (European collective agreements), which has now resulted in the first actual agreements; through the continuing

establishment of social dialogue committees, whose work is becoming more regular and more productive; by the introduction of European Works Councils; and finally, through a continued effort at extending the information and consultation of the ETUC and its member organisations, UNICE and UEAPME by the Commission and its directorates.

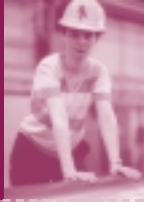
This progress should not lead us to overlook the problems, particularly as regards the inclusion of the position of SMEs and their employees by all the bodies where social dialogue takes place.

The work carried out by the ETUC has clarified certain difficulties and has helped to overcome them. The Commission has given its support and set out its own objectives. UEAPME has participated in several seminars to present own analyses and demands with those of the ETUC and its member organisations. UNICE also took part in the seventh seminar.

Similarly, the sectoral social dialogue committees have often encountered similar difficulties when tackling questions which pose problems for SMEs. Working time in the road transport sector is a good example of this.

Difficulties also arise with the Commission because of the way in which these issues are handled by different directorates. Thus the enterprise DG has an Observatory for SMEs in Europe and conducts programmes designed to encourage the creation and development of new businesses or to assist SMEs in adapting to the new information and communications technology. The undesirable separation of economic and social questions is expressed by the inadequate dialogue between this DG and the ETUC. Regular in-depth discussions are needed.

Activities of ETUC Affiliates



I. The priority issues

II. How to respond

III. Perspectives for tomorrow

I. THE PRIORITY ISSUES

During the various seminars, it became apparent that there were some recurrent themes in trade union action vis-à-vis small enterprises. Why did these questions arise repeatedly for trade union organisations ?

The first reason is that these are the areas in which the employees of small businesses are often treated less favourably than other workers, in many countries. They are more likely to be victims of accidents at work, and benefit less from continuing training schemes. These are the first subjects tackled by trade union organisations in the search for equal treatment for all employees.

Another reason for the prominence of these topics is that they provide an opportunity to reach a compromise between trade unions and employers' organisations. They are areas where employees and businesses alike can benefit. The improvement of health and safety conditions, the development of employee skills and local development are all subjects over which the interests of employees and employers do not necessarily conflict, once initial disagreements have been resolved.

Finally, the fact that the European Union has active policies in these areas also increases the likelihood of these subjects being raised. Health and safety have been the subject of several directives, and the development of skills is supported by Community programmes.

1. Protecting the health of employees

During the 1980s and 1990s, the European Union adopted some important directives on this subject, which have led to improvements in existing national legislation. There are two framework measures: the first contains basic provisions for health and safety at work and sets out the respective responsibilities of employers and workers; the second relates to the protection of workers against the risks of exposure to chemical, physical and biological agents. There are also a range of directives applying to certain occupations or vulnerable groups.

The current objective is to simplify and consolidate the directives in force, taking into account new risks and scientific and technical progress. However, the effective application of these directives is also a fundamental issue. An initiative aimed at small enterprises was sketched out during the 1990s.

A proposed decision on the adoption of a programme of non-legislative measures to improve health and safety at work (SAFE) was submitted to the Council in 1995. The SAFE programme aimed to finance information and advisory services to encourage the correct application of the legislation, particularly in small and medium enterprises. The proposal was amended in 1997 after consultations with the European Parliament, and it has been debated several times since in the Council without any agreement being reached.

However, financial assistance was made available to a number of preparatory activities and pilot projects aimed at considering the particular needs of small businesses, identifying best practices which could be used as a model for a healthy working environment and making progress in the proper and effective application of Community legislation.

A European Health and Safety Agency was set up. Based in Bilbao, the Agency's remit is to collect and distribute technical, scientific and economic information on working conditions as well as health and safety in the work place. It collaborates with the European Foundation for the Improvement of Living and Working Conditions.

Action focused on the question of health and safety in small enterprises is the more valuable in that in the majority of countries, small and large enterprises are not on an equal footing. Accidents at work are more frequent in small enterprises, and their consequences are more severe.

• **Strengthening employee representation in companies**

In most countries, special committees or representatives, such as the French Committee on hygiene, safety and working conditions (CHSCT), are exclusively responsible for health and safety questions. Most of these are joint committees. In other countries, such as Germany, works councils are responsible for these issues. However, works councils themselves often appoint a special committee for health, safety and working conditions, such as the "Arbo" committees in the Netherlands.

The size class of enterprises required to appoint a safety committee or representative is low (ten to twenty employees). The threshold is often lower than that for employee representation. The health and safety representative may therefore well be the only worker representative within the company. Monitoring this question thus becomes an important issue for trade union organisation involvement in small enterprises, as the cases of Belgium and the United Kingdom show.

BELGIUM

A health and safety committee must be set up in enterprises with more than 50 employees, whereas a works council is appointed in companies with more than 100 employees. In enterprises with between 50 and 100 employees, the health and safety committee is often the only body representing employees in the company. In these cases, it or the trade union branch become responsible for ensuring the information and consultation of employees. The health and safety committee plays an important role in small enterprises. It also opens the way to a trade union presence in these companies.

UNITED KINGDOM

As a result of very recent legislation, enterprises are obliged to recognise trade union organisations which can show their influence among employees. The representation of employees in small enterprises is minimal. However, health and safety legislation requires the enterprise to cooperate with safety representatives in small and large enterprises alike. For British trade unionists, this is important insofar as the safety representative is often the first form of employee representation in an enterprise.

Employers generally acknowledge the authority of trade union organisations in the area of health and safety at work. Questions of health and safety thus open the way to trade union representation in small enterprises. Trade union organisations have observed that not all enterprises have such representation due to problems of the information, availability and staff skills required to take responsibility for these questions within the enterprise.

In some countries, employees have the right to elect safety representatives, whereas in others they are appointed by the employer in consultation with the works council. Some trade union organisations have obtained measures strengthening the presence of elected representatives in small enterprises. This is the case in both Austria and Spain, though from very different points of departure.

SPAIN

The 1995 law on risk prevention made it possible to strengthen the presence of risk prevention representatives in small enterprises. It enables the staff representative elected at trade union elections to become the prevention representative automatically. Given that a staff representative is elected in enterprises with more than six employees, this rule ought to make it possible for very small enterprises gradually to acquire prevention representatives, although the application of this law has caused some problems in the early years.

AUSTRIA

The transposition of the European directives in 1994 brought two amendments which particularly affect small enterprises: one the one hand, the introduction of prevention services in all businesses, and on the other the strengthening of employee representation for health and safety questions in enterprises with more than ten employees. Setting up the prevention service was one of the most discussed issues when the framework directive was transposed. Employers opposed any reduction in the threshold, which was set at 250 employees. Finally, a compromise was reached under which the system was gradually introduced. Enterprises with fewer than 10 employees were covered with effect from 1 January 2000.

Strengthening employee representation has essentially taken place through a clarification of the role of "safety reps". When appointed by the employer, their position was ambivalent. Were they staff members providing a prevention service, or workers' representatives? The new legislation has strengthened their position as workers' representatives. This is the more important in small enterprises since the threshold has fallen from 50 employees to 10. The Chamber of Labour provides information, training, and advisory services for these workers. Over a two year period, more than 10 000 safety representatives have been appointed. Finally, works council powers in health matters have been extended, and this change also affects small enterprises since they are compulsory in all companies with at least five employees.

- **Developing a territorial model of responsibility for health questions**

In some countries, responsibility for health and safety is allocated on a territorial basis. The Swedish system provides the model on which other European systems are based.

SWEDEN

Trade union organisations here have the highest density of workers' health representatives in the workplace. Enterprises with more than ten employees are required to have a representative, who is most often appointed by the trade unions. However, it became necessary to appoint regional representatives for small enterprises which have no safety committee (required in enterprises with more than 50 employees). This system has its origins in the forestry and construction industries; it operates today mainly in the building, transport and commercial sectors. At the end of the 1990s, there were 2000 territorial safety representatives working part time.

They are appointed for a three-year term by the trade union organisation; two thirds of the funding comes from the government. The representatives divide their time between representing workers and carrying out checks which make them similar, in some respects, to inspection bodies. To carry out their mission effectively, representatives must put forward practical long and short-term objectives, both quantitative and qualitative, which can inspire employees and employers. The safety representatives' work is analysed and assessed by trade union members and officials, and by the public authorities, on the basis of an activity report submitted by each representative. The State makes subsidies and other resources conditional upon the results achieved by the representatives.

OBJECTIVES OF TERRITORIAL REPRESENTATIVES IN SWEDEN.

- to raise the awareness of workers and employers to the need for improvement in working conditions This is a matter of making employers aware of their responsibilities and duties.
- to ensure that accident prevention measures are put into effect; take part in projects for fitting out premises.
- to ensure that workers and representatives are properly informed about the laws relating to working conditions.
- to encourage the appointment of trade union representatives at local level and in the workplace, and to support the work of existing representatives.
- to establish a network of contacts between members, local safety representatives, chief safety representatives and employers.
- to take part in the training of supervisors and safety representatives at local level.
- to pass their workplace knowledge and experience on to federal and trade union hierarchies.

The Swedish model has been adopted by other Scandinavian countries, by Italy and - just recently - by France. Health and safety bodies are set up at territorial level. Trade unions in the United Kingdom are fighting for a similar system to be adopted there.

ITALY

In recent years the social partners have established joint territorial health and safety bodies through cross-sectoral agreements. These bodies are responsible for coordinated measures for raising awareness, training and dispute resolution. They are currently working to frame national rules. A "Charter 2000" was drawn up by

the social partners, in consultation with institutions responsible for health and safety at work. A national conference organised in December 1999 by the Labour Minister adopted a list of joint priorities. Among the measures agreed, there emerged a genuine readiness to strengthen workers' representation. There was also considerable interest in the situation in small enterprises and a territorial approach. A further meeting should put these commitments in practical effect.

PRIORITIES ADOPTED BY THE ITALIAN GOVERNMENT AND SOCIAL PARTNERS

- Completion of the transposition of the European directives, paying particular attention to the special features of the Italian situation, where there are large numbers of small enterprises.
- Information, training, assistance and monitoring measures relating to health and safety issues via the territorial prevention department (national safety plan, 1998-2000). At the national level, closer coordination is expected between government administrations, together with a complete reorganisation of the public authorities.
- A series of facilitating measures to support enterprises and for training for workers and young people, with recognition for the territorial joint bodies in all these actions.
- The presence and role of workers' health and safety representatives is to be strengthened. Small enterprises will be covered by territorial workers' health and safety representatives.
- Improving public inspection with a more preventative approach.

FRANCE

A cross-sectoral agreement on health and safety at work was signed in December 2000. Under the agreement, an employee trained in risk prevention is appointed in enterprises with between 11 and 50 employees with no staff representatives. For small enterprises, local joint committees and regional observatories are to be set up.

UNITED KINGDOM

The Institute of Employment Rights carried out a study on the advisability of reviewing health and safety legislation. A steering committee made up of trade unionists, lawyer and academics and assisted by specific working groups identified six priority aims, including "extending the scope and effectiveness of workers'

representation". They recommended a general legal framework for workers' representation in places where trade unions were not recognised, greater privileges for workers' representatives, and the establishment of peripatetic teams of health and safety representatives for small enterprises.

- **Action and information campaigns**

Some countries offer examples of risk prevention initiatives. Some of these initiatives, based on negotiations between the social partners, are specifically aimed at small enterprises.

THE NETHERLANDS

The first initiative was taken in 1994 in response to evidence that accidents at work are more frequent in small enterprises than large ones. The measure allowed enterprises to call on external consultants for advice on working conditions, but enterprises rarely did so. The law on preventing absenteeism through illness offered an opportunity for the social partners to undertake several projects. The craft sector federation launched a number of monitoring systems for precise sectors. Known as "sector codes", these systems provide detailed checklists and advice. In other sectors (laundries, garages, cleaning agencies) employers and trade unions have taken the initiative in launching a programme of information and training for both parties. These programmes include a model for risk assessment, a promotion campaign, and the organisation of seminars for employers and workers. .

UNITED KINGDOM

Trade union are involved in drawing up risk prevention programmes. They have taken part in the Health and Safety Executive's campaigns with the slogan "good health is good business". Local seminars have been held in many areas. The TUC is also involved in a partnership with the private enterprise Forum (an organisation for heads of small businesses) to produce a joint guide on health and safety (Code of Conduct). The TUC judged this to be a valuable experiment.

AUSTRIA

A committee of trade unions, the Chamber of Labour, the Chamber of Commerce and representatives of the profession, has drawn up a special programme for the printing sector. The aim of the Subprint project is to reduce the use of solvents in the printing sector.

2. Ensuring the development of skills

There is no guarantee of equality of either conditions or opportunities for workers in small and large enterprises. It is evident in all the States that workers in small enterprises have difficulty in accessing training.

Developing cooperation between the social partners

Employee qualifications are recognised as a decisive element in ensuring the survival and growth of small enterprises, as well as in guaranteeing the employability of workers. Training is therefore an area where the interests of workers and employers coincide. This makes it a particularly successful area in which to develop policies based on cooperation between the social partners.

UNITED KINGDOM

The Graphical Printing and Media Union (GPMU), working with the main employers' organisation in the sector, is developing a very active policy to develop staff skills in a sector which includes large numbers of small businesses. It is true that this sector has maintained a tradition of branch agreements covering the main aspects of employment and working conditions, and is therefore an exception on the British industrial relations landscape.

ITALY

Bilateral bodies in the craft sector are responsible in particular for managing vocational training. Under a cross-sectoral agreement, these joint bodies have association status and arrange training requested by enterprises. Training is financed by a fund maintained by the enterprises.

SWEDEN

On one hand, companies hesitate to invest in training, because they fear to lose their investment if the worker leaves. On the other, workers are interested in training but do not want to pay for it alone. Solutions can be found when a "third partner" is brought in, the State. For example, the worker can invest in a individual training fund; the company is encouraged to contribute by tax incentives agreed with the State. Similarly, job rotation within companies is an interesting path to improve the skills of employees.

This common interest is the greater in that the training programmes, established either as part of national public policy or with financial aid from Europe, are often intended as much for managers as for workers. This is certainly the case where projects financed by the ESF are concerned, since these are specifically instructed not to exclude heads of enterprise. The Danish confederation LO reflects national policy, which aims to raise the qualification levels of SME managers (vocational training is managed by a tripartite body in Denmark).

DENMARK

The office of commerce and industry has launched an initiative entitled "For a professional board of directors". The aim is to strengthen the administrative skills of enterprise and improve management. In this way it proposes to strengthen the position of the enterprise in the market, gaining the confidence of partners and banks and establishing contacts with new clients. The Office also helps enterprises to find competent external administrators. In this context, the trade union confederation LO is highlighting the importance of human resources management by supporting a research programme recognised by the national research council.

- **Creating specific tools for SMEs**

Small enterprises have particular needs and constraints. This is why, in several countries, the social partners have been developing dedicated programmes and institutions for them. In some cases national policy includes measures specifically for small enterprises, such as the tripartite programme in Ireland.

IRELAND

It is accepted that the public authority must play a major role in vocational training, which is run by a National Office. Government, trade unions and employers have observed the need for particular measures aimed at small businesses. The Office initially made a range of specific training available. This training makes allowance for the particular constraints under which small enterprises operate, and courses are held during evenings and weekends. It also takes into account the particular needs of small enterprises, and management training takes priority. But it also became necessary to put in place a tripartite programme, stressing the fundamental partnership between management and workers' representatives. A committee was set up, with the participation of the

social partners, to launch a programme designed to raise awareness of the skills requirements of small enterprises. Public funds for this programme were linked to the financial commitment of the social partners.

SPAIN

Cross-sectoral agreements have had some successful results. In the case of vocational training in SMEs, group training plans were introduced. These plans are submitted to the sector joint committee for approval.

PORTUGAL

An important agreement was signed on 9 February 2001 on employment, education and training. The main objectives were to develop initial and continuing vocational training as well as integrate policies for employment. The agreement foresees that employees will benefit for a 20 hours training leave in 2003 and 35 hours in 2006. Priority policies will be developed on key issues, employees in SMES, women's employment, part-time and precarious employment. At the same time, in tripartite discussion, it has been decided to encourage training for the managers of SMEs and to provide financial support in order that they can employ young graduates.

Other countries have established special bodies for small enterprises in which the involvement of the social partners is important to a greater or lesser degree.

GERMANY

Vocational training is one of the responsibilities of works councils. Technical innovation, the forward management of employment, vocational training and employee mobility are all the subject of regular negotiations between enterprise management and works councils, who together form a "coalition for productivity". Additionally, there is an independent training structure for the craft sector. The Craft Chamber is managed by employers and staff representatives, and has undertaken various measures to modernise vocational training. One example is the centre for construction training set up at Aachen.

AUSTRIA

Because there are so few apprenticeship posts in industry and commerce, new organisations have been set up. One of the most important and innovative is the FAB in Linz, controlled by an organisation which is part of the trade union structure. The project is jointly managed with partners from the private sector. The training programme has three stages: practical training in enterprise, technical training in a

vocational college, and general training at the new establishment. People trained under this system are primarily expected to obtain employment in SMEs.

BELGIUM

CEFORA was set up 10 years ago in order to mutualise training expenses for the 50,000 Belgian enterprises covered by the "Auxiliary" Paritary Commission. By collective agreement the enterprises contribute up to 0.3% of their payroll bill. CEFORA offers training to 300,000 white-collar employees from very diverse sectors, the vast majority of whom work in small enterprises (75% less than 10 employees, 60% less than 5).

In 1999, the social partners signed an agreement intended to develop a culture of training in enterprises. Under this agreement, employees have an individual right to four days of training over three years, to be taken during working hours. If this obligation is not satisfied, these four days are transformed into paid holiday leave entitlement. The agreement also provides for financial incentives for enterprises to draw up a training plan, which must be negotiated with the trade unions if they are present in the enterprise.

This agreement has been in operation for one and a half years, and the results are positive: Cefora has trained directly some 35,000 employees (most coming from small companies) and 5,000 enterprises have drawn up training plans (covering nearly half of the workers covered by the Paritary Commission).

The principle of the renewal of the agreement has been agreed for 2002/3, with a right to 4 days training over two years rather than 3. Reflection is continuing on how increase incentives as regards training take-up.

FRANCE

French companies are obliged to spend a certain amount on training their employees. They either organise training courses themselves, or pass the funding on to the bodies approved by the State. In 1972, a special organisation for small enterprises, AGEFOS-PME, was set up on the initiative of the social partners. Today 200 000 enterprises subscribe to this body, which has a regional structure. The role of the body is not to organise training, but rather to combine the resources of small companies in such a way as to improve their access to training. It takes care of the administrative and financial management of training schemes, and plays an important part in advising enterprises. For example, AGEFOS employs training

advisors who visit companies and help business heads to analyse their needs and carry out projects.

For several years, AGEFOS has been running a scheme in association with local development strategies. It brings together the local bodies involved (public authorities, training organisations, social partners) in a given area to identify answers which are suitable for small enterprises and their employees. The aim is to diagnose the horizontal needs of small enterprises and to devise a consistent multi-annual action plan locally. These initiatives receive support, inter alia, from the European Social Fund. AGEFOS-PME yields good results, though it is finding it difficult to develop training in enterprises with fewer than 10 employees.

Training is also an important lever in policies designed to support enterprise creation and growth. It is also a factor in policies for prevention, employment and directing employee's career paths. It often plays a central role in local development policies.

GERMANY

Rheinland Westfalen has launched a project financed by the Land and the European Union to develop vocational training as a means of supporting structural and managerial changes in SMEs. The project starts from the premise that works councils should play an active role in changing enterprise management and should therefore support the development of training which assists the enterprise in changing. Over a two-year period, works council members are helped by experts to plan and set up vocational training within the enterprise.

3. Acting for employment and local development

Geographic networks vary greatly within the European Union; social and political life is organised at different levels in different countries. Nor is it always easy to understand what we mean by the words we all use: region, province and municipality all mean different things in different countries. Nevertheless, there is a converging approach right across Europe: job creation measures are being developed at a territorial level. This is a decisive development for trade unions in their approach to small enterprises. Two paths have been followed by European countries.

In some, there has been what amounts to a decentralisation of employment and economic development issues (France, Finland, Ireland, the United Kingdom, and also, a

priori, in Austria and the Netherlands). This is happening in countries with a long-standing tradition of decentralisation, but also in places where there is now a general policy of decentralising state powers (France, Finland, the United Kingdom). This decentralisation is accompanied by the involvement, to a greater or lesser extent, of the social partners in running these affairs, often reflecting the national tradition but also as a result of the mobilisation of trade union organisations.

In other countries, local projects are emerging (in Italy, Portugal, Spain, and a priori in Greece and Belgium), often with European support (Territorial job pacts, ESF etc.) This impetus is less linked with a nationally determined policy (in the case of Italy, national decisions only ratify a policy which they did not begin). The social partners often play an important role.

- **Claiming a role in the decentralisation of management**

Rising unemployment has led to more account being taken of the role of small enterprises in job creation, and the importance of the local and regional dimension in treating unemployment.

In Belgium and Italy, decentralisation of the unemployment services consisted of transferring responsibility for public services to the regional authorities, without redefining the role of the social partners. But in other countries, the decentralisation of employment services has directly affected trade union organisations. This is the case in countries with a tradition of co-management. In the Netherlands, Austria and the Scandinavian countries, employment services have been transferred to tripartite regional bodies. In Germany, territorial bodies have seen their powers of initiative increase.

GERMANY

Employment Offices have seen their powers of initiative increase. The Offices are allowed to allocate up to 10% of their budget to measures of any kind which are not set out by the law. This gives them scope to subsidise projects. A new type of local social dialogue is now possible. It is up to those involved to show imagination, and to create models of intervention, support and aid.

The effect of these changes is all the greater when they take place in countries with no previous tradition of joint management in this area. In Ireland, the social partners have become involved in a completely new process.

IRELAND

The social partners have played a major role in the coordinated strategy for modernising, diversifying and internationalising the national economy. This involvement began with the signing of four national social pacts, starting in 1987. But their involvement has also been formalised locally through partnerships since 1991. These are structures with the status of independent enterprises, in which the social partners hold one third of the seats on the board of directors, alongside public service and local association representatives. The scope of their actions, as set out in the Area Action Plans, is vast: aid for enterprise creation and growth, measures aimed at target groups, occupational integration for young people etc. The effectiveness of these structures is due neither to the fact that the partners come together nor because they have been appointed to represent some body or other, but because they have a project to carry out.

Reorganisation of local development management is also evident in a number of countries (a priori the most centralised). The social partners have yet to establish a role in this process.

FRANCE

The decentralisation of public powers, much less traditional here than in Italy, has been under way since 1982. French regions have powers in economic development matters; they can also make choices regarding transport infrastructure development, or vocational training policy, under the multi-annual plans agreed with the state. In institutional terms, economic and social players (employers, trade unions, farmers' representatives etc.) are involved in the regional Economic and Social Councils (CESR) which submit annual proposals to the regional councils which are composed of elected political representatives. These new institutions do not adversely affect the role of specialised bodies such as the Chambers of Commerce and Industry or the craft chambers. Twenty years' experience of decentralisation have highlighted some problems: central administrations are reluctant to accept the emergence of regional independence; elected regional politicians do not necessarily pay much attention to CESR proposals; cooperation between trade union and employers' organisations within the CESR is difficult. Despite institutional recognition of trade union organisations, their frequent absence from operational structures means that they find it difficult to influence economic development policies locally.

FINLAND

The regional organisation of public authorities in Finland has undergone major changes since a new law came into force in 1994. Responsibility for regional development has passed from regional offices run by the State to regional councils of municipal representatives. Since 1995, regional councils have set up committees responsible for monitoring programmes associated with the European Structural Funds. The social partners have been able to assert their role vis-à-vis elected representatives and representatives of the administration, which has led to increased cooperation. A new law, fixing the composition of these committees, finally decided the question: one third of the seats go to the social partners, another third to elected representatives, and the last third to officials from economic development and employment centres. Trade union organisations have observed that it is difficult for administrations to pass from managing development aid to managing development projects involving input from the social partners.

UNITED KINGDOM

Since 1997, this State too has undergone major changes in the territorial organisation of public authority, with devolution in Scotland and Wales (not forgetting the process which is under way in Northern Ireland). At the same time, significant administrative changes are being made. Liaison offices have been set up to coordinate public services at the regional level. Regional Development Agencies have also been established, partly with the task of playing a leading role in the use of European funds. Finally, "regional chambers" have also been introduced. These voluntary assemblies bring together local authority representatives and the representatives of those involved locally, including trade union representatives. Regional chambers are trying hard to cooperate effectively with the Regional Agencies. The involvement of trade union organisations in public policies has no legal basis, and exists where unions can show their ability to contribute on questions relating to local development and enterprise competitiveness. Their place in the regional chambers is as yet not very secure.

- **Participating in a policy for local development**

Certain areas of Italy are recognised as a particularly dynamic and interesting model of a tripartite approach to local development. It must be remembered that they

depend on a well-established social, economic and territorial situation. Very long established, we might say, in the case of northern Italian territories (Biella, Prato, Valdarno, Como) where this particular form of organisation has existed for nearly a century. Already well established, for some regions just to the south of the Po (Tuscany, Emilia Romagna, the Marche and the Veneto), where today's very important industrial districts were emerging and consolidated from the early 1950s onwards. Southern Italian initiatives are among the most interesting to study today, because they are more recent and offer an opportunity to observe - in "real time" - the procedures and responsibilities which sustain them.

ITALY

These initiatives take the form of "pacts" involving local public authorities, employers and trade union organisations. From the operational point of view, however, there are still more people involved: where they exist, Chambers of Commerce and Industry and universities are also drawn into the process, as are research centres, laboratories, non-profit associations and training centres. The challenge is to unite all the forces and resources existing in a given area to work together with the same aims and on the same projects. These pacts then lead to the establishment of ad hoc bodies with a dual purpose: to set up practical methods of offering development aid for economic activities, and to select projects which correspond to the main lines of development adopted.

The European Union plays an essential role in the emergence of local partnerships. Initially it promoted this approach via the European Structural Fund, particular in underdeveloped areas. An example of this is project set up for small enterprises in Portugal between 1994 and 1999, "assistance for SME training", financed under Objective 1 of the Structural Fund. The social partners were associated with these projects in various ways.

PORTUGAL

Regional development and job creation initiatives were launched jointly with the regional authorities, the social partners and local institutions: The Regional Networks for Qualifications and Employment. They were developed and financed by Community Structural Funds.

Encouragement for emerging local partnerships acquired a new significance with the development of the European Union's employment policy. In 1994, following the Commission's White Paper, the Essen Council adopted an employment action plan in which reference was already made to local levels. One of its five priorities was that of identifying new sources of jobs by promoting local initiatives. The European Pact of

Confidence for Employment gave practical expression to governments' commitment, and gave a real boost to this approach by recommending the creation of the territorial jobs pacts. It was suggested that the margin for manoeuvre preserved by the Structural Funds (unallocated funds) in existing programmes should be redirected towards employment initiatives proposed by local players in partnerships.

This policy, based on partnership and bottom-up development, is widely promoted today. A conference to publicise the Pacts, attended by more than 800 people, was organised in November 1999 and a guide to territorial job pacts for 2000-2006 was distributed. 200 Pacts should be concluded during the period 2000 - 2001. The European Social Fund has now become the financial instrument for European employment policy, and the Territorial Pacts are the means through which these funds are employed. The social partners play a more or less important role in these measures. This may take the form of establishing structured organisations with independent management, or of more informal project partnerships.

SPAIN

Inspired by Europe, Territorial Pacts were set up on a tripartite basis in Catalonia. The western valley of Catalonia was selected as a pilot site for this policy, because of the concentration of jobs (260 000) and the fact that the social partners were already well established in the area. In March 1997, a framework agreement for the pact was signed by the Generalitat of Catalonia, the western valley district Council and the social partners (the CC.OO, UGT, CIESC and CECOT). The partners drew up and signed the Pact's First Action Plan in January 1998, setting out 18 measures to encourage employment and involving a number of different players.

The CC.OO carried out a measure aimed at encouraging stable employment and the forward management of human resources in enterprise. An expert group of labour law professors, labour inspectors, and employers' and trade union representatives was set up and chaired by the Catalonia Labour advisor. This team produced material which was then distributed to 350 enterprises: guides to ways of encouraging stable employment contracts, guides to good practice etc. Meetings were organised with managers of workers' representatives in 150 enterprises. 19 enterprises began negotiations, and by October 2000 12 had signed agreement between management and workers' representatives. The Pact's First Employment Action Plan in the western valley had good results overall: it built up an atmosphere of trust between the socio-economic players, and led to practical measures on the ground. The partners have now signed a second Action Plan for the years 2000-2003.

AUSTRIA

The trade union is taking part alongside the Chamber of Labour and the Chamber of Commerce in a project in a former metal working area. The Eisenstrasse Initiative aims at improving the economic situation and the quality of life in the zone.

GERMANY

The integration of trade union organisations in partnerships" is very different from social dialogue. The Minister for the Economy in Nordrhein-Westfalen launched an initiative entitled "GO!" in 1995 to support the structural changes caused by the decline in the coal and steel industries. This initiative, under the ERDEF programme, aimed to promote enterprise development and job creation in the area. The DGB is a partner in the initiative, and sits on the Steering Committee. Working groups have been set up to handle the different aspects of the measure; the DGB acts as coordinator of the "company buy-out" section. Business owners who are selling their companies for age-related reasons are put into contact with potential buyers. Thirty regional networks have been established, coordinated by the Chamber of Commerce and Industry, to run the initiative. They are in direct contact with enterprises, and provide made-to-measure answers to needs.

UNITED KINGDOM

There are local initiatives, not least through Chambers of Commerce and Industry and the Training and Enterprise Councils (TECs). These initiatives often aim at providing central points or one-stop shops where enterprises can resolve all kinds of administrative problems, contact various specialists and access a wide range of information. Trade unions have as yet no special role in these initiatives. Matters might improve in this respect in the future, given the readiness of trade unions to become involved in measures to promote employment and the development of skills.

The social partners are gradually taking on responsibility for these questions. Some trade union organisations are hesitant in their approach to these new roles, which go beyond the defence of workers' employment and working conditions. Furthermore, it can be a struggle to have trade union legitimacy in these matters acknowledged by employers organisations, elected representatives and public officials alike.

THE STRUCTURAL FUNDS 2000–2006

Objective 1 :

assisting underdeveloped regions

Objective 2 :

assisting regions affected by the decline of traditional industries

Objective 3 :

adjusting and modernising policies and systems for employment, education and training, except in regions covered by Objective 1

II. HOW TO RESPOND

The initiatives discussed in Part I show that the problems encountered by workers in SMEs are approached in a number of ways. Trade union organisations seek to respond to some of their problems by trying to amend existing regulations, whether enshrined in agreements or the law, to safeguard these workers' rights. Most often, however, what needs to be done is rather a matter of creating and developing new practices with the workers and enterprises themselves.

Discussions at the seminars made it clear that organisations in different countries do not find themselves in identical situations. For some of them, the first step is to establish closer links with workers in SMEs, in order to be able to improve employment and working conditions subsequently. In this situation, making it a priority to develop a presence in SMEs, and providing the human and financial resources to do so, is the first stage of a new approach.

For other organisations, already active in these enterprises, the main question is one of adapting existing practices, i.e. the capacity to work with employees and companies to find realistic and efficient ways of effectively implementing rights.

These different situations do not bring the organisations into conflict; they simply cause them to order their current priorities differently. What is more, those which are first trying to organise their internal efforts also need to make an effort to innovate and adapt their practices, whilst those which are already well established need to maintain and improve their organisation in order to remain a force in the field.

1. Deciding to act...

- **Organising a trade union presence in SMEs**

Developing the trade union presence in small enterprises is generally regarded as a priority. National differences count for a good deal in terms of the level of unionisation in the various countries. In their readiness to take account of small enterprises and to encourage their workers to join a union, trade union organisations do not all start from the same point. With unionisation rates varying from more than 80% to less than 10%, the position is far from uniform across Europe. In countries where unionisation rates are high, it is a matter of increasing unionisation in very small enterprises, those with fewer than 10

or 5 workers, whilst in countries where rates are low the aim is also to gain access to those companies with fewer than 50, or even fewer than 100 workers.

Despite these differences of scale and the differing objectives, organisations in different countries nevertheless face a common challenge: that of obtaining or maintaining a presence in small and large enterprises alike. The Nordic countries and Belgium are approaching this position, but major efforts are required to reach it in other countries.

The first aim which trade union organisations have set themselves is that of making trade unionism more widely known, and of raising awareness of trade union action and its benefits among workers in small and medium enterprises. This aim is all the more important in that these workers often harbour prejudices or fears of trade unions, and see no place for them in their lives.

AUSTRIA

Trade unions have developed measures for raising workers' awareness of trade unionism, not least through organising seminars entitled "Don't be a fool", aimed at people not involved in trade union activities. The seminars have developed an approach focused on activism within the enterprise to meet the needs of workers in SMEs, marking a departure from the usual image of trade union representatives in large companies. To overcome reluctance, the unions also organise informal discussion groups with workers in very small enterprises (hairdressers, for example.) These meetings, called to encourage an exchange of views, provided an opportunity to raise the workers' awareness of themselves as a group, a first step towards being prepared to defend their common interests. The initiative has led to the beginning of trade union representation for these workers.

Other trade union organisations have also chosen to make contact with employees in small businesses in order to develop a presence in these companies. This step involves overcoming various difficulties about the means to be employed. Germany and Spain offer two examples in which resources are pooled for trade union action directed at these workers.

GERMANY

Developing their place in enterprise is a long-standing, regular task for trade unions. One usual practice is to begin by integrating the non-unionised elected works council representatives, partly through providing advice and information. In small enterprises, this strategy frequently needs to be adapted. Workers have the option of setting up a council in establishments with more than five employees, but it is not

always easy to take the initiative and demand elections. To meet these circumstances, the DGB has set up a policy for creating works councils. IG Metall, for example, has increased its actions at the regional level to encourage employees to set up a council in their enterprise. The union has called on the services of retired activists to act as mentors. They share their experience of operating a works council and dialogue with management with employees who are just starting out.

SPAIN

Developing trade union presence in order to become more representative and more effective is a major objective for the CC.OO. Membership has been growing steadily for the last ten years. It relies on its trade union structures (geographically-based unions and federations) to increase its contacts with workers in SMEs and to raise their awareness. More specifically, it has set up regional and/or multi-sectoral teams of advisers to workers in SMEs, who systematically visit the SMEs in their particular field. For this, the CC.OO has had to overcome problems of resources, in terms of both activists and funding. In human terms, it has diverted union representatives' time from large companies to development work in SMEs. It has tackled the financial problem by setting up a development fund. The results of the initial work vary, depending on the occupational sector and the extent to which the union was already present.

Deploying trade union resources to workers in small enterprises is often accompanied by the creation of new practices. In the two examples quoted above, SME employees are given access to a person who remains their preferred adviser after the initial contacts. Another example from Germany shows the necessity of finding original ways of organising to meet the needs of workers in SMEs.

GERMANY

The wood and materials federation formed networks in the craft sector in two regions. These networks are made up of advisers with prior training in advising and helping workers in SMEs. These experts can be contacted by employees and works council members outside working hours. Special leaflets advertising these services were produced and distributed to workers. Apart from its efficiency (the service was much appreciated), the expert network is able to pass on workers' main questions to the federation. Working conditions, health and safety at work are among the subjects most often mentioned.

Delivering local services to employees is a major element in the new methods used to raise employee awareness and to increase trade union influence in small companies.

THE NETHERLANDS

The provision of more tailored services for all members has had a beneficial impact on the unionisation of small enterprises. There have also been many schemes for increasing familiarity with the collective agreements among employees and activists. In the hotel and catering sector, trade unions have chosen to use a travelling trade union office - a bus, whose presence in the market is announced by the press and which enables workers to meet trade union officials and establish whether or not their rights are being respected (a check on the pay packet is particularly in demand).

- **Developing the capacity to act vis-à-vis employees**

In many European countries, trade unionism, which often arose in large enterprises and is always mainly active in companies of this type, often struggles to understand the situation of workers in SMEs. Furthermore, the language, organisation and practices of trade unionism are not always well understood by these employees. A better understanding and knowledge of the working situations and expectations of workers in SMEs on the one hand, and finding the appropriate way to talk to them on the other, are often regarded as the necessary first step in expansion to include SMEs.

BELGIUM

Studies have been carried out in sectors which mainly consist of SMEs: garages, bodywork repair shops, and bakeries (CSC). These studies show that, overall, workers are satisfied with informal consultations between employers and workers even though some issues are not best approached in this way (overtime, insurance, improvements in health and safety). These studies have also demonstrated that very frequently, both legal rules and those established under collective agreements are not respected. For example, almost half of workers in the bakery sector work more than 44 hours a week.

SPAIN

The technical bureau of the CC.OO has carried out several studies on working conditions and on the perceptions and relationships of workers in SMEs with trade unions. These studies revealed four main - and somewhat thorny - issues. First of all, workers in SMEs regard themselves as second class workers: they have the impression that neither trade unions nor the media take any real notice of their position. Secondly, workers in SMEs are unlikely to know their rights, and when they

do they are afraid to demand them, given the informal nature of labour relations. Further, if SME employees want trade unions to defend them, they would prefer these contacts to take place outside the enterprise. Finally, they give priority to better information, trade union as well as vocational training, and legal support before the courts. These studies served as the basis for a "SME service plan" which was drawn up from 1990 onwards. This working programme, organised by the Secretariat of the confederal body, was implemented by federal and local organisations. The information drawn from these studies has also made it possible to add to the knowledge of trade union officials responsible for monitoring SMEs.

Extending trade union action to small enterprises has led some unions to re-think their method of organisation. The question is that of how members can take part in trade union life when they are isolated by the size of their enterprise. This is a situation which varies from country to country, to the extent that trade union organisations are organised in different ways. Generally speaking, however, the unions which are beginning to penetrate into small businesses are at a stage of research and experimentation to find appropriate ways of organising.

BELGIUM

An ad hoc committee of officials and activists was set up based around Zaventem airport. 24,000 employees work at this site, in 229 enterprises many of which are small. The Committee provides a forum for exchanges of views and information to support workers in SMEs. It has been able to act at the level of the whole site, publishing - for example - a guide for all employees, or organising workshop days for activists. Finally, the structure has set up a social association for all workers on the site.

FRANCE

The CFDT is trying various ways of organising to take account of the special needs of particular sectors, for example the wine growing sector. For reasons of tradition, the way in which businesses are organised and the importance of the *appellation contrôlée* system, membership is organised by geographic areas corresponding to the appellations.

SWEDEN

Setting up an enterprise trade union section is not an automatic procedure. When there are too few employees, the system is replaced by the appointment of a "correspondent" within the enterprise.

2. Developing social dialogue

In many countries, trade union organisations are faced with two facts: the inadequacies of social dialogue in small enterprises, which leads to a difficult situation for employees; and the risk that decentralised negotiations will increase inequalities. Their response is to try to give social dialogue a new impetus in these companies. One subject which is often discussed, sometimes within a single country, is the desirability or otherwise of establishing special regulations for SMEs. There are varying positions and practices in this respect in Europe. Some organisations are categorically opposed to the existence of special regulations; others distinguish between areas where this approach is possible and those where it will not work. However, there is general agreement that priority should be given to results:

It is not a matter of fewer or lower standards for SMEs, but of treating these businesses differently in order to achieve the same results.

• Enabling employees to be informed and consulted

A fundamental principle of the European social model, the information and consultation of employees is effected in many different ways in Europe, with the adoption of different thresholds, different kinds of organisation and different rights of collective representation. These differences explain the contrasting attitudes found. Some confederations see lower thresholds as an opportunity to strengthen employees' rights in small enterprises.

BELGIUM

Trade unions are calling for a lowering of the works council threshold, which is currently set at 100 (high in comparison with other European countries). This claim has been completely dismissed by the employers.

GERMANY

A legislative reform is currently under way, which is likely to have the effect of strengthening the Betriebsräte and lowering the thresholds above which some workers' representatives may be relieved of their duties at work. A Betriebsrat may already be set up once there are six employees, and this aspect will not be changed.

The introduction of rules relating to the number of employees, as already happens in several countries (Italy, Spain, the Netherlands, France, Luxembourg and Belgium) could provide a useful alternative, once the main objective has been guaranteed. In the Netherlands, a pragmatic approach is taken to the rules in enterprises with between 10 and 50 employees.

THE NETHERLANDS

There are two thresholds for workers' consultation. In the late 1990s a law extended the right to a works council to establishments with fewer than 50 employees. Enterprises with fewer than ten employees must call a meeting of all workers twice a year. At these meetings, any matter relating to the management of the enterprise may be discussed. Enterprises with fewer than ten employees must call a meeting of all workers twice a year.

Apart from campaigning for amendments to the law, trade union organisations are seeking new ways to make the information and consultation of employees effective in small enterprises. In Belgium, a sectoral agreement has introduced new conditions for providing information to employees.

BELGIUM

There has been an original experiment in the independent retail sector. This sector, which consists of retail companies with fewer than 50 employees, employs 80,000 workers in total. A sectoral agreement was concluded between the social partners in 1977 which opened the way to the creation of regional cooperation bodies (OC) to act as intermediaries between enterprises and sectoral representation. Their remit is to inform workers and employers regarding labour relations, the application of legislation and collective agreements and the organisation of working time. They are composed of 14 members coming equally from the employers and workers' trade unions. Information may be spread via notices put up in the enterprise; it must be objective, and employers must be informed first. Trade union members may also contact the employer and workers in order to prevent or resolve a dispute. This is an innovative compromise for trade unions. Trade unions, and a normal SME-trade union relationship, are both recognised.

- **Ensuring that rules are applied in small enterprises**

Most organisations noted that employees in small enterprises are not on an equal footing with those in large and medium sized enterprises. These inequalities are due in the main from failure to apply legal rules or rules under collective agreements in SMEs.

THE NETHERLANDS

The process of extending collective agreements to sectors which cannot carry out negotiation offers, in theory, protection for all workers in small enterprises. In 1977 a trade union institute published a report on respect for collective agreements. It revealed a failure to respect them in several sectors, especially sectors with a high proportion of small and medium enterprises. In some sectors (taxis, buses, cleaning) a special foundation managed jointly by employers and trade unions has the job of ensuring that the agreements are respected. Paid inspectors employed by these foundations carry out inspections, sometimes but not invariably in response to complaints. Collective agreements are now undergoing revision, to make them more readable and bring them up to date.

Regulations may also be applied to small enterprises through a simplification of some provisions and a more flexible approach. In some countries, the creation of special rules for small enterprises is regarded by trade unions as a source of inequality and rejected out of hand. In others, however, agreements may allow for some differentiation.

FRANCE

Legislation on the reduction of working time distinguishes between enterprises with more or fewer than 20 employees. Inter alia, different time scales are set out for the passage to the 35-hour work, depending on the size class of the enterprise. Some sectoral agreements also take up this distinction, and exempt companies from negotiating an enterprise agreement, setting out a procedure for the direct application of the rules on organising working time established in the sectoral agreement.

PORTUGAL

Legislation and sectoral agreements alike set out different rules depending on enterprise size. Legislation has established compensatory rest time (compensation in hours of leave rather than overtime payments) for enterprises with more than ten employees. An agreement in the commercial sector in the Lisbon area takes special account of the position of micro-enterprises, extending this right to all enterprises regardless of size, but introducing it in a more flexible fashion to take account of the management constraints of small companies.

SPAIN

Some national sectoral enterprises have established special arrangements based on enterprise size. For example, the general agreement for the commerce sector has

introduced an occupational classification which to some extent differs depending on whether the enterprise has more or fewer than 50 workers. For small enterprises, the classification includes fewer occupational groups, which simplifies its application.

- **Boosting social dialogue to meet the challenge of decentralised negotiation**

The decentralisation of collective bargaining is under way in most Member States but is more or less advanced depending on the country concerned. It also assumes very different forms. Well-established in the United Kingdom, France and Italy, it is a more recent development in the Netherlands and the Nordic countries. Some countries clearly identify those questions, handled in sectoral agreements, which may be adapted by negotiation at enterprise level. In other countries, the two negotiating levels are less clearly distinguished.

This development often poses questions regarding responsibility for workers in small enterprises. If collective agreements do not always cover all workers, they do offer a collective guarantee within a given sector, regardless of the size class to which enterprises belong. The rise in enterprise agreements poses the question of how to guarantee working conditions for employees in small enterprises. Enterprise agreements are rare in small companies, which puts their employees at a disadvantage.

THE NETHERLANDS

Framework agreements are now being developed regarding working conditions. Nevertheless, additions to these agreements by enterprises have to be submitted for consultations with the works council, and this offers a degree of protection to workers. Furthermore, if small enterprises enjoy more autonomy, they are held responsible for the well-being of workers, inter alia as regards social security, absenteeism due to illness and working conditions. Despite this protection, trade unions are questioning the effects of these changes on workers in the smallest enterprises.

One of the solutions which trade union organisations are testing is to negotiate new conditions for social dialogue with employers.

GERMANY

The food sector Federation believes that the position of workers' representatives and works councils, established by law, should be strengthened by negotiating this

question with employers. It has therefore negotiated sectoral collective agreements to introduce such representation.

FRANCE

Various sectoral agreements have also tackled the question of the forms of workers' representation in small enterprises. In the building trade, an agreement sets up a joint association to finance collective bargaining in small-scale enterprises. A contribution of 0.5% of wages is allocated to pay the expenses incurred by the two sides in collective bargaining.

ITALY

In the craft sector, bilateral geographically based bodies have been supplemented by the creation of "district representatives". The district representative's work is financed by a fund managed by the bilateral body. Trade unions regard this as the birth of a new climate in industrial relations in the craft sector.

FRANCE

A cross-sectoral agreement was signed in 1995 relating, inter alia, to enterprises lacking trade union representation. Two provisions were introduced on an experimental basis:

- Agreements may be passed by non-unionised elected representatives, provided that a sectoral joint committee approves the agreement.
- A trade union may "mandate" one or more workers from the enterprise to negotiate an enterprise agreement.

These measures have led to major disagreements, not least between trade union organisations. However, the use of mandating has increased considerably during the course of negotiations to apply the working time reductions. Under the law, an enterprise agreement must be signed to qualify for aid and incentives paid on the reduction of working time to enterprises with more than 20 employees. This has led many enterprises to sign an enterprise agreement for the first time. Mandating appears to be a measure which is appropriate in small enterprises. However, trade unions are waiting to see whether this first negotiation leads on to a genuine social dialogue within these companies.

- **Establishing intermediate negotiating levels**

The decentralisation of collective bargaining, and the desire to find solutions which suit small enterprises, are accompanied in some countries by the emergence of an intermediate negotiating level, i.e. a level situated between the national level and that of enterprise. This means bringing negotiations closer to employees, without leaving everything to be handled at enterprise level.

The introduction of a negotiating level between the occupational sector and the enterprise could be an interesting direction for small enterprises. Italy and Sweden offer particularly interesting examples of the introduction of an intermediate negotiating level, using a territorial model.

ITALY

The craft sector³ is the test bed for the introduction of a new negotiating level based on territory. Bilateral geographically based bodies have been established by the social partners. These bodies aim to find specific solutions for SMEs in matters such as forward planning, representation, dispute management and training. The bilateral body is made up of the founding members (three Italian trade union organisations and four associations representing the craft sector) and members - the enterprises - who may join the organisation by paying a subscription. The structure includes a president, an assembly of trade union and craft sector representatives, a management committee (whose president represents craftsmen while the vice-president represents the unions) and an auditors' panel. The bilateral approach thus exists at every level. The body runs a number of funds, such as the trade union relations fund, the replacement income fund, the fund for theoretical training, and the safety fund.

Three points are stressed by the Italian organisations. Firstly, a cross-sectoral approach to negotiations is essential. This is the reason behind the creation of the bilateral organisations. Secondly, the funds run by the bilateral body come entirely from enterprise subscriptions, based on an annual amount per employee. Workers pay nothing. Finally, the bilateral bodies provide a new channel through which workers in SMEs, including very small enterprises, can be made more aware of the work of trade unions.

³ It should be noted that in Italy the craft sector employs more than 3 million employees (1994 figures). The definition of craft enterprises depends on the size class of the enterprise, not the nature of the business concerned, in contrast to the position in some European countries. The maximum size of a craft enterprise varies, however, depending on the type of its activities (from 40 for traditional or artistic activities to 8 for transport). This definition means that a high proportion of very small enterprises are covered.

This example could be applied in other sectors. Collective bargaining in Italy, based on national sectoral framework agreements, and either enterprise agreements (in large companies) or territorial agreements (for small enterprises) provides an interesting angle.

SWEDEN

Workers in small enterprises are represented through the medium of "clubs", consisting of a minimum of ten trade union representatives elected by workers in companies in the region. These representatives are employed on a part-time basis by the enterprise and the trade union. Under the guidance of a regional bureau, the clubs are authorised to carry out collective bargaining with SMEs and large enterprises. Club members, making visits to companies, are thus in a position to create a network of direct contacts with workers in SMEs.

SPAIN

A 1991 law applying to small enterprises established tripartite committees with powers at provincial level to monitor recruitment regulations by checking employment contracts.

Other countries are also developing intermediate negotiating levels, through the use of sectoral agreements. These systems often apply to a particular area of negotiation, such as dispute resolution in Belgium, or the management of working time in Austria.

BELGIUM

Sectoral agreements have set up local joint committees intended for enterprises lacking trade union representation in the wood and textile sectors. An external mediation service has also been established in the temporary work sector. In the wholesale distribution sector, the regional cooperation bodies (OC) are also involved in resolving individual or collective disputes and differences.

AUSTRIA

The trade union federation of northern Austria and the Chamber of Labour have developed a system for managing working time which provides better flexibility for enterprises and shares the benefits between employers and employees alike.

Another approach might be the introduction of codes of conduct to regulate the behaviour of large groups vis-à-vis their sub-contractors, particularly when these are SMEs. Trade union organisations are experiencing difficulties in finding appropriate strategic responses to the "enterprise network" model. They succeed quite often in negotiating guarantees when large enterprises turn to outsourcing. Similarly, when sub-contractors are

geographically close to the principal, connections are established in various ways between the employees of the different companies. But when suppliers are far away, and when they are also SMEs, trade unions often only become aware of their existence - and thus can only make contact with them - if a strike intervenes at one or other establishment.

FRANCE

Some organisations are trying hard to develop a mentoring system between the trade union organisations at the principal's company and subcontractors' workers, so as to provide information which is apt to strengthen the negotiating powers of sub-contractors.

GERMANY

The food industry federation has launched an initiative aimed at paying more attention to the subsidiaries of large companies. It has been involved in the creation of Councils in large bakeries with subsidiary companies. The main aim is to keep employees informed regarding pay scales. There have been campaigns against subsidiaries which fail to respect the pay scales. A telephone line has also been provided for the use of workers. Finally, open meetings for both members and non-members have been held.

PORTUGAL

During the preparations for EXPO 1998 in Lisbon - one of the largest public building operations of the 1990s - UGTP and its affiliates made an agreement with the organisers which laid out rules in relation to employment and health and safety for all companies involved as well as their sub-contractors. The agreement also set out the specific arrangements for applying these rules, especially in relation to the labour inspectorate. A special employment exchange was created to help company companies recruit workers; promote vocational training; and to give support to those workers when the building operation was finished. An evaluation of the agreement has proved positive: there have been fewer accidents; less black work; and a better dialogue between companies and trade unions.

III. PERSPECTIVES FOR TOMORROW

Interventions at the seminar held in Brussels, 7 and 8 May 2001

Mr Erkki LIIKANEN,

Member of the European Commission responsible for industrial and company policies and the information society

Your conference is a promising sign for the future. The situation of SMEs varies considerably within the European Union. Your efforts to clarify your approach demonstrates your commitment to progress, like all the partners who have an interest in Europe's economic development.

- **A strategic objective.**

One year ago, the Lisbon Summit defined a strategic objective for the European Union: "to become the most competitive and most dynamic zone in the world, based on a knowledge-driven economy, capable of sustainable development, with more and better quality jobs as well as greater social cohesion". To achieve that objective, we must make progress in three areas: economic, social and environmental.

The Lisbon Summit emphasised the importance of the social dimension and specified the need to modernise the European social model, invest more in men and women and combat social exclusion. It also stressed that our social protection systems are one of our strengths in ensuring that the change is implemented successfully.

More recently, the Stockholm Summit insisted on the role of the social partners and the Commission is promoting the creation of an Observatory for Social Change within the Dublin Foundation.

Moreover, economists are increasingly promoting the benefits of the concept of corporate social responsibility; this concept encourages enterprises to establish a dialogue with all their outside partners. This attitude should foster entrepreneurial attitudes and thus help to develop business activity and create jobs.

- **Sustainable development.**

Today, we all recognise that SMEs have an important place in the economy: they create the majority of new jobs, not only skilled jobs but also jobs for employees with no

formal qualifications. They therefore play an important role in the fight against exclusion, as well as making an important contribution to informal apprenticeships. Finally, SMEs are innovative, flexible and know how to adapt to market changes. Those qualities are increasingly important in the new economy.

We shall not achieve sustainable growth if we do not create the right conditions for the creation and dynamic development of small enterprises. This policy orientation often gives rise to reserves or fears, but we must intensify it.

- **The place of employees in a knowledge-based society.**

All enterprises, irrespective of their size, must be increasingly attentive to their most precious capital, that is to say their human resources. An economy where knowledge and ideas occupy an increasingly important place does not suppose the same type of management as in the past. In addition, in ten years time, a greater number of people will work in SMEs and will create their own business. Salaried employment will allow people to acquire the necessary skills to set up and develop new enterprises.

Trade union organisations will undoubtedly be confronted with new demands from employees in response to such questions, which will involve encouraging entrepreneurial attitudes. A recent survey of the Eurobarometer shows that Southern Europeans are more readily interested than Northern Europeans by the prospect of developing their own enterprise. The effort to be made will vary from one country to another.

- **Promoting entrepreneurship.**

We must develop entrepreneurship from school age, by making it easier to create new enterprises. The Commission is working actively on this subject with the Member States, and the new multi-annual programme provides a new element in this policy. A series of indicators already exists to assess the performance of each Member State in this area, and several points where performances can be improved have already been identified: training for entrepreneurs, simplifying start-up procedures, helping to develop e-commerce for SMEs, etc.

But the effects of the actions undertaken by the Commission and the Member States will be limited, if enterprises, entrepreneurs and employees are not become involved in these initiatives. Hence the importance of the role of the social partners.

- **The trade unions in the knowledge-based society.**

The relations between SMEs and the trade unions organisations vary from one country to the next; in the past they have sometimes been very strained, and in certain sectors that

continues to be the case. The social dialogue has been more readily established between the trade union organisations and large enterprises.

We need to develop a better mutual understanding between trade union organisations and SMEs. No doubt, this requires a better understanding of the life cycle of SMEs, a need to be more tolerant of honest failure and a willingness to offer a second chance. The trade union organisations, by adopting a new approach to these enterprises, can help to propose useful solutions, even for entrepreneurs. There are already numerous examples of joint actions in area such as continuing vocational training or hygiene and safety in the workplace. The dialogue that has been established, based on exchanges of information and efficient bargaining are the proof of their capacity to solve numerous problems.

In conclusion, the Commission and the Member States believe that the trade union organisations have an important role to play in the economic evolution that is underway and that a knowledge-based economy cannot be constructed on a sustainable basis without the active commitment of the social partners.

Thérèse DE LIEDEKERKE Director of Social Affairs at UNICE.

As regards European industrial policy, we must not confuse the principle of the consultation of employer and employee organisations and the European social dialogue. UNICE and UEAPME, on the one hand, and the ETUC, on the other hand, are consulted separately on Commission policy. Such consultations are normal and useful, but they have nothing to do with the social dialogue which is carried on separately.

The social dialogue is carried on at two levels.

On the one hand, there is the ongoing dialogue between the employer and employees within the enterprise. This dialogue in small enterprises is not necessarily conducted through the intermediary of the trade union organisations, but that fact does not call into question their existence.

On the other hand, there is another level of bargaining between employer and employee organisations, with a view to establishing framework agreements on conditions of employment. As regards small enterprises, the position which UNICE defends is that these

conditions must apply to all enterprises without exception. We are not in favour of the introduction of thresholds which exclude a percentage of enterprises, even if sometimes no other solution can be found.

The question of what the social dialogue at European level can contribute to small enterprises also needs to be addressed. In this regard, you have raised on numerous occasions the problem of hygiene and safety in small enterprises. Would it not be a good idea to give consideration to producing a joint practical guide aimed at small enterprises on this subject?

Werner MÜLLER

UEAPME General Secretary

- **Why did UEAPME want to participate in the social dialogue at European level ?**

We were relatively late in joining the social dialogue at European level. Historically, large industry was involved in the European construction from the beginning, from the first European Union treaties. It has therefore always recognised the importance of European reflection, while the trade unions have always had an international vocation.

The small enterprises and the craft industries became aware somewhat later of the need for a European dimension.

Today, the question can be asked what distinguishes us from UNICE. In fact, based on the European definition of a small enterprise (less than 250 employees), we recognise that UNICE represents small enterprises. But in all European countries, there are also organisations which bring together employers of small enterprises and craft enterprises. On average in the countries of Northern Europe, these enterprises have between 8 and 20 employees, while in the countries of Southern Europe they have between 2 and 4 employees. It is those enterprises which we represent. For several years, there were certain frictions between UNICE and UEAPME, but since 1998 we have reached a satisfactory agreement.

- **How do we perceive our participation in the European social dialogue ?**

It is true that we must distinguish clearly between the consultation of the social partners and the social dialogue. The concept of the social dialogue is somewhat blurred in the eyes of public opinion, and even in the eyes of more specialised organisations. The fact that it has a prescriptive power is totally unknown. However, when our organisation understood the scope of the social dialogue, it seemed to us indispensable to be involved in it, and for that it was necessary to obtain recognition as an ex officio "social partner".

- **The social dialogue in small enterprises.**

We still have a long way to go in this area. We have the impression of practising a silent social policy. Small enterprises have their own very special social climate. We appreciate that the document of this seminar highlights the differences in working conditions in small enterprises.

On the other hand, as regards trade union representation, we have noted that the national systems vary considerably and are more or less difficult. Italy has the most advanced systems in this area.

UEAPME is ready to contribute to the work at European level on subjects such as health and safety at work. The SAFE work that we carried out with the Commission helped to demonstrate that the European directives had a positive effect in small enterprises. We are ready to collaborate with you in the area of training. Our only condition for launching a dialogue on these subjects is that the trade unions recognise the specific characteristics of small enterprises.

Conclusions for the ETUC



Jean LAPEYRE

Deputy General Secretary of the ETUC

We have taken the time to exchange information, viewpoints, experiences and practices. We have good material, even if it could be improved further. Now, we must set ourselves several simple objectives.

- **First of all, we must improve even further our knowledge of small enterprises.**

For that, we must make use of the Dublin Foundation, but we also want to be on the steering committee of the Observatory for Small Enterprises, if UEAPME has no objections to that.

Several speakers have discussed the question of self-employed workers, but “false self-employed” persons. The ETUC is paying close attention to this question, on which it is organising a seminar on 5 and 6 October 2001 in Rome.

- **In order to develop the European social dialogue, we must focus on concrete subjects. Concerning small enterprises, there are two pressing subjects: on the one hand, hygiene and safety and, on the other hand, training.**

I am therefore pleased to reply in the affirmative to the UNICE proposal concerning the production of a guide to help small enterprises understand more easily the framework directive on hygiene and safety. Moreover, the ETUC had wanted, in the framework of the extraordinary budget approved by the European Parliament (5 million Euros) for the Health and Safety Agency in Bilbao and its work aimed at small enterprises, the social partners to propose a common budget. As yet, that has not been done, but the drafting of a common guide could fall within that framework.

We must also establish a dialogue on training in small enterprises. Werner Müller insisted on the fact that human resources are very much the principal resource of small enterprises, we must therefore develop the skills of employees to enable them to adapt to change. We must work together, and we must consult experts in the field of training to see how we can progress in this area. An ad hoc working group on access to lifelong learning has already been set up in the framework of the social dialogue. Perhaps we should extend it to have an approach specific to small enterprises, in order to supplement the general framework that we are in the process of elaborating.

- **Finally, within the ETUC, we must redraft and update the preparatory report of this conference, by integrating any additional information that you can provide to us.**

The publication of this ETUC report on trade union action in SMEs will be a positive element. It will allow us to combat the often dominant idea that the trade unions are not

present in SMEs and do nothing for SMEs. We must first of all demonstrate that we are doing something, even if we want to step up and improve the quality of our actions.

This report, which will be published before the end of the year, may also lead to an ETUC resolution, therefore a policy decision of the Executive Committee for trade union action in favour of workers in small enterprises.



Appendix

- The social and economic weight of SMEs in the EU
- National public policies towards SMEs
- EU policies towards SMEs
- Workers' representation in SMEs
- Employment relations in certain applicant countries
- UEAPME/ETUC joint declaration May 2001

THE ECONOMIC AND SOCIAL WEIGHT OF SMEs IN THE EUROPEAN UNION

SMEs employ two thirds of all European employees. Though the "SME" label is a useful one, it is too wide and includes businesses of very different types. It is helpful, therefore, to distinguish between SMEs according to size.

	MICRO-ENTERPRISE	SMALL ENTERPRISE	MEDIUM ENTERPRISE
Number of employees			
< 10 employees		< 50 employees	< 250 employees
Turnover or balance sheet total			
...		< € 7 m < € 5 m	< € 40 m < € 27 m
Independence of capital or voting rights ...		No more than 25 % of the capital or voting rights held by one or more enterprises which are not themselves SMEs	

This Community chart contributes to the harmonisation of the definition of SMEs as recommended by the Commission. It is used in establishing Europe-wide statistic on the significance of SMEs in employment terms.

ENTERPRISES IN THE EUROPEAN UNION: 1998 DATA ⁴

	Number of enterprises (in thousands)	Number of employees (in thousands)	Average number of employees per enterprise	Added value per employee (EUR 000s)
micro-enterprises (0 to 10 employees)	18 040	38 360	2	30
small enterprises (10 to 49 employees)	1 130	21 320	20	50
medium enterprises (50 to 249 employees)	160	14 870	90	95
large enterprises (more than 250)	38	38 680	1 010	90

⁴ Source: European Observatory for SMEs, sixth report, 2000 (1998 data)

**ENTERPRISES IN THE EUROPEAN UNION:
PERCENTAGE DATA 1997.⁵**

	Number of enterprises	Total employment	Turnover
single person enterprises (no employees)	49,0 %	9,8 %	3,8 %
micro-enterprises (1 to 10 employees)	41,1 %	24,4 %	14,0 %
small enterprises (10 to 49 employees)	5,9 %	18,8 %	17,1 %
medium enterprises (50 to 249 employees)	0,8 %	13,0 %	18,0 %
large enterprises (more than 250 employees)	0,2 %	34,0 %	47,1 %

Micro enterprises provide at least 20% of all employment in all the countries. These businesses have least weight in Germany, Ireland, Luxembourg and Austria. In the countries of southern Europe and Belgium, the number of jobs in micro enterprises is well above the average. This is often a matter of self-employed persons in small-scale activities, including those working in the construction sector or in small family businesses engaged in trade or the hotel/catering business. Micro enterprises also operate in the services sector, such as estate agency or personal services.

Enterprises with between 10 and 49 employees are present in roughly comparable numbers in all EU countries. They dominate in particular industrial sectors, such as metalworking, the manufacture on non-metallic products, the wood sector, leather and clothing. Enterprises of this size class are also to be found in services such as wholesale trade.

There are above Community average numbers of medium enterprises - with between 50 and 250 employees - in countries such as Denmark, Ireland and Luxembourg. They are involved in the industrial sector - in textiles, rubber, paper, and machine manufacture. In countries such as Luxembourg and the Netherlands, they are also very active in service sectors such as information technology.⁶

⁵ COM (01) 98. Creating an entrepreneurial Europe: The activities of the European Union for small and medium-sized enterprises (1997 data).

⁶ Eurostat, Statistics in Focus, 3/1999 (1995 data).

SME EMPLOYMENT SHARE BY MAJOR SECTORS ⁷

Industry and energy	54,6 %
Construction	88,8 %
Trade and Catering (hotels, restaurants, cafés)	76,6 %
Transport and communication	47,5 %
Financial	26,8 %
Business services	63,6 %
Other services	77,3 %
All	66,0 %

⁷ COM (01) 98. Creating an entrepreneurial Europe: The activities of the European Union for small and medium-sized enterprises (1997 data).

NATIONAL PUBLIC POLICY AND SMEs

During the 1990s, governments in the various European countries adopted policies for SMEs. These policies reflected a recognition of the economic and social importance of SMEs and the decision to give them special treatment. This approach, new in some States, results from two observations.

Given the economic importance of small and medium enterprises in every country, governments are making a real effort to support the modernisation and adaptation of the SME sector. In addition, general employment difficulties, including the reduction in numbers employed in large companies, have caused public authorities to give more importance to the creation and growth of SMEs.

In most countries, administrative modernisation is a key aspect in encouraging the development of SMEs. Measures were taken to reduce the administrative burden in such areas as taxation, social contributions and statistics, and to simplify the formalities involved in enterprise start-up and expansion. The process also includes measures to decentralise and rationalise administrative activities, and to develop one stop shops for services to enterprise.

The difficulties experienced by SMEs in access to financial markets led to the adoption of policies to promote enterprise creation and capital growth in existing enterprises through a number of financial instruments (risk capital, start-up capital etc.) and tax incentives.

The internationalisation of SMEs is supported by special information and market research services, by subsidies, and by services promoting products and enterprises, offering help in finding foreign partners and with investment abroad, generally supplied by specialist agencies.

Although research and innovation programmes are not specifically designed with SMEs in mind, the creation of innovative SMEs is encouraged in various ways (financial measures and SME incubator centres), as well as directive incentives (subsidies) and indirect incentives (cooperation and technology transfer programmes, and the overhaul of national approaches to innovation). There have also been many attempts to improve the quality of human capital, along with decisions aimed at reducing labour costs.

In order to encourage the creation of small businesses, and to improve their competitiveness, a number of countries have tried to promote a better understanding of business within the education system, and support enterprise creation by social groups particularly vulnerable to exclusion (young people, women and the unemployed).⁸

Noticeable differences have emerged between the countries in the ways they implement these policies. Inter alia, trade unions have been involved in drawing up public policies in some countries and sidelined in others.

Some countries take a tripartite approach to their help for SMEs. In this case, trade unions are involved in drawing up policy through tripartite pacts or tripartite cooperation agreements. In other States trade unions are sidelined from the decision-making process, which gives no particular role to consultation with trade union organisations.

Trade unions themselves have different attitudes in the various countries. Some support and even put forward measures to sustain SMEs, whilst others continue to focus their proposals on social questions affecting employees

The involvement of trade unions in the search for improvements in SMEs therefore differs from country to country, partly because governments do not always give them the same role and partly because trade union strategies themselves are different.

8 European Observatory on SMEs, sixth report, 2000.

EUROPEAN UNION POLICY AND SMEs

The Treaty of Rome is silent on the subject of European enterprise policy. Nearly 45 years on, the European Commission has at last a Directorate General for enterprise (formerly DG XIII) under Commissioner Erkki Liikanen. The Enterprise DG is responsible for some major programmes, in terms of their objectives and available resources, and Europe has now asserted its entrepreneurial ambitions by stating that it intends to become the first "knowledge-based economy" in the world by 2010, whilst strengthening social cohesion and ensuring full employment.

The Enterprise DG includes a directorate for "Promoting Entrepreneurship and SMEs" which is responsible for coordinating European measures which affect SMEs. The directorate, supported by an Observatory for Small and Medium Enterprises, ensures that all European programmes make allowance for the particular needs of SMEs and implements measures specifically designed to aid them.

Enterprise now represents a major factor in the development of Europe, and SMEs have been accorded special recognition for their contribution to employment, technical innovation and economic growth.

• 1985 – 1993: early stages in recognition

The question of SMEs and their role in the dynamics of the European economy did not receive much attention until 1985-86, with the European Council decisions taken first in Brussels and then in Luxembourg. A worrying observation had triggered this first acknowledgement of the importance of SMEs: in all the countries preparing for the "single market" (the decisions on which were taken in 1986, with implementation set for 1992), small and medium enterprises were inadequately informed of the deadline and unaware of its practical effects on them. There was a risk, accordingly, that the impetus which this major step in the European project was expected to give the economy might fail to materialise.

The 1986 decision led to the appointment of a Commissioner with responsibility for creating a task-force to examine all the problems which SMEs might meet in participating effectively in the single market, and to draw up European programmes to deal with these difficulties. This led to the first multi-annual programme designed specifically for SMEs, the main aim of which was to improve the flow of information.

In 1989, against a background of relative economic revival, and in the hope of strengthening this, the European Council decided on a new type of measure intended to

improve the business environment and foster enterprise growth⁹. The objective was to identify measures of all kinds (simplified administration, improved enterprise aid procedures etc.) which were likely to encourage economic growth both nationally and Europe-wide. This decision had a major impact on the organisation of the European Commission, since it resulted in the setting up of DG XIII (now known as the Enterprise DG). It also pointed the way towards the future: the official title of the Council Decision specified that the measure concerned enterprises, and "small and medium enterprises in particular". With this formula, SMEs acquired their own place in European enterprise policy: they became to object of special attention. The formula also led to the establishment of the European Observatory for SMEs.

The aim of the Observatory is to collect relevant information regarding the performance of SMEs and their contribution to the European economy, and to identify the main issues which confront them with a view to drawing up and implementing measures to encourage their growth. The Observatory has just produced its sixth annual report (2000).¹⁰

The second multi-annual enterprise programme, adopted in 1993, continued along the same lines as its predecessor. Its main aim remained that of establishing an administrative environment to encourage enterprise, and SMEs in particular.

• 1993 – 1997: SMEs : a major question for the European Union

Between 1993 and 1996, SMEs acquired a radically new place in European thinking and action programmes. This change came about during the employment crisis of the early 1990s. The Commission's White Paper on "growth, competitiveness and employment" (1993) highlighted the potential of small and medium enterprises for job creation and for stimulating the adaptation of the European economy to the new world economy. A succession of studies then drew attention both to the value of SMEs to Europe and to the difficulties they faced: the obstacles and hindrances to their growth and the problems they experienced in accessing European programmes and actions. Several Communications issued by the Commission resulted in a number of decisions from European Council, the most important of which was taken at the Madrid Council of December 1995.¹¹

During this Council, the European Union decided that SMEs as such were in the

9 OJ L 239/33.1989.

10 http://www.europa.eu.int/comm/enterprise/enterprise_policy/analysis/observatory.htm

11 Decisions introduced by the Commission's report "Small and medium enterprises: a source of employment, growth and competitiveness in the European Union", Brussels, European Commission, DG XIII, 1995.

process of becoming a Europe-wide question which called for an integrated European approach. The Council identified a dual aim:

- The European Union ought to work with the States and Regions to draw up and put into practice measures to encourage the creation, growth and transfer of SMEs;
- The Commission should take appropriate measures to ensure that all of its programmes take account of the aim of encouraging the creation and growth of SMEs, and that all SMEs wishing to do so can access European programmes and actions.

This series of Council decisions led to a new "integrated programme" specifically intended for SMEs which was operational during the years 1997–2000.

• 1997 – 2001: Official recognition

The integrated programme which followed the 1995 European Council decisions was to structure the Commission's work with the States and regions. It aimed to improve the position of SMEs in three ways: (1) by simplifying the administrative environment in which enterprises operated; (2) by implementing effective support measures and (3) by developing quality services for small and medium enterprises. For each of these headings, genuine progress was needed for both newly created enterprises and those in the development phase, with particular attention being paid to the question of the transfer of SMEs. These guidelines translated into nine more precise subjects which were the subject of seminars and Forums:

- improved access for SMEs to finance and capital markets;
- administrative cooperation, particularly as regards the single market;
- services to enterprise (including as regards innovation)
- research actions for SMEs;
- SME access to the information society;
- the adaptation of training to SME needs;
- developing the entrepreneurial spirit;
- crafts and small enterprises;
- commerce.

The Commission carried out regular assessments of both the Commission's own measures and those taken by States and regions.

The European Council in Lisbon (March 2001) offered an opportunity to assess progress and re-state the importance to the European Union of small and medium enterprises and the "spirit of enterprise". This was reflected in the multi-annual programme to support enterprise and the entrepreneurial spirit which was adopted for the period 2001 - 2005. More symbolically, the Lisbon Council called for a European Charter for small and medium enterprises to be drawn up for adoption at the Feira summit (June 2000).¹²

In the spirit of the principles identified in 1995, the Commission's interest in SMEs is reflected in the various measures taken to encourage investment in new technologies and to stimulate the growth of e-commerce and SME access to the Internet and new information technologies (the e-Europe initiative).

WORKERS' REPRESENTATION

There are many different models of collective representation in the European Union.¹² It exists in all European countries except Luxembourg and Portugal, where representation only operates at enterprise level. The first difference lies in the minimum threshold at which workers' representation becomes a right, or a duty. A table on the following page summarises this information. The first column indicates the threshold, and the unit of reference.

In some cases, there are several thresholds. They correspond to different types of representation, depending on the size class of an enterprise. In some cases, there is no threshold. The right or obligation to appoint workers' representatives applies in these cases to all enterprises, regardless of their size class. European Directives on mass redundancies and enterprise transfers require workers to be informed and consulted where there are more than 20 employees.

But differences in national systems also apply to the rights of these bodies. In the second column, countries are classified by type:

The single channel: trade unions have a privileged relationship with employers.

- (1) trade unions provide all representation
- (2) the dominant influence of the trade unions is supplemented by a one-sided or joint body.

The dual system: an elected body represents employees alongside the trade union body

- (3) this body consists solely of employees
- (4) it is a joint body and/or chaired by the employer.

The last column indicates the average unionisation rate in the country. It provides additional clarification. These results are only indicative, and should not be strictly compared. Agriculture and the public sector, for example, are not included in every case.

¹² For more details, see "[Workers' representation in enterprises in Europe](#)" edited in 1998 by the ETUC, and "[Labour Relations in Europe](#)" published by the European Commission in 2000.

**Regulations under legislation or collective agreements
establishing representative bodies**

	Number of employees and unit of reference	Classification	Rates of unionisation
Ireland	~	single channel (1)	50-55 %
United Kingdom	~	single channel (1)	35-40 %
Sweden	~	single channel (1)	less than 80 %
Finland	30 (enterprise)	single channel (2)	less than 80 %
Denmark	35 (enterprise) + CC measures	single channel (2)	less than 80 %
Italy	5/15 (establishment)	single channel (2)	40-45 %
Portugal	~	dual system (3)	20-30 %
Germany	5 (establishment)	dual system (3)	35-40 %
Austria	5 (establishment)	dual system (3)	60 %
Spain	6/50 (establishment)	dual system (3)	less than 15 %
Netherlands	10/50 (establishment)	dual system (3)	25-30 %
Greece	50 (establishment)	dual system (3)	15-20 %
France	11/50 (establishment)	dual system (4)	less than 15 %
Luxembourg	15 (establishment) /150 (enterprise)	dual system (4)	50-55 %
Belgium	50/100 (establishment)	dual system (4)	50-55 %

INDUSTRIAL RELATIONS IN THE APPLICANT COUNTRIES

The ETUC seminar held in Plovdiv in 1998 was an opportunity to examine the position in four applicant countries: Bulgaria, the Czech Republic, Poland and Hungary. The industrial relations picture seemed decidedly negative, but it should be noted that the position is changing very fast, and that trade union organisations are also encountering problems in the European Union.

The foundations of company regulations can only become more egalitarian and participatory if the social partners are able to propose specific changes to the regulations for SMEs.

Bulgaria The most widespread practice is that of sectoral collective agreements, supplemented by enterprise agreements. But most commonly, there are no agreements negotiated in small enterprises.

Hungary There are national cross-sectoral negotiations, not least to set the minimum wage. 80% of employees are covered by a national sectoral collective agreement. There are also enterprise agreements. However, it should be noted that the main subject of collective bargaining is pay.

Poland Most collective bargaining is at enterprise level. However, agreements may also be signed within a group of companies or at local level. For small enterprises, negotiations are usually at company level.

Czech Republic There are three negotiating levels: the cross-sectoral level in the Economic and Social Council, the national sectoral level and enterprise. However, note that only 20% of employees are affected by sectoral agreements and only 35% are covered by enterprise agreements.

Whatever the rights of representation or the form it takes, in practice trade union influence is weak and employers disinclined to respect laws and general rules. Representatives in the central European countries stress the role which should be played by the public authorities. They deplore the weakness of labour regulations in this field, and the inadequate monitoring of existing laws.

- Bulgaria** Legislation allows trade union representation in enterprise irrespective of the number of employees. It also allows health and safety committees to be set up in enterprises with more than 50 employees. However, workers' representatives are aware that rights and social guarantees, inter alia those relating to workers' representation and trade union rights, are being disregarded.
- Hungary** Works councils or workers' representatives are responsible for upholding employees' rights. Works councils are only elected in enterprises with more than 50 employees, and although representation is compulsory in firms with more than 15 employees it barely exists at all in small companies.
- Poland** An employer with more than 5 employees is obliged to introduced regulations for salaries, working practices and benefits. Where a trade union is present, the employer must reach a consensus with the union or an agreement with workers' representatives. In practice, employers do not respect these obligations, and labour regulations are regularly ignored in small enterprises.
- Czech Republic** Employees are represented by trade unions with the sole right to act and negotiate on behalf of workers in an enterprise. In companies with fewer than 50 employees, trade unions are finding it difficult to defend workers and their rights are often disregarded. The situation is better in enterprises with more than 50 employees.

JOINT ETUC/UEAPME DECLARATION ON SMALL COMPANIES MAY 2001

"The social dialogue as a tool to meet the economic and social challenges of Small Enterprises"

1. The ETUC and UEAPME declare their full support for the objectives of the Lisbon European summit to strengthen the co-ordination and synergies between the Luxembourg, Cardiff and Cologne processes in order to improve growth and create full employment via well-coordinated economic policies and improvements in the operation of the labour market.
2. The Lisbon Summit emphasised the role of SMEs in the new European Union drive for employment and for a competitive economic area based on innovation, knowledge, social cohesion and regional development. Referring to this role, the Charter for Small Enterprises", included in the conclusions of the European Summit in Santa Maria da Feira, points out the specific needs of small enterprises.
3. The ETUC and UEAPME call upon the public authorities and policy decision-makers at all levels to establish and maintain an administrative, fiscal, social and economic environment, which supports the creation, maintenance and growth of small enterprises and employment.
4. The ETUC and UEAPME are ready to contribute to the success of these objectives within their own areas of responsibility, and stress the importance of social dialogue between employers and representative trade unions as an essential factor in the new context of Lisbon and in the follow up of the Charter. This dialogue must be considered as a precondition for balancing the need of flexibility, which is necessary for job creation and economic growth, with the need for security in a good working environment and in organising the necessary changes.
5. UEAPME and the ETUC stress the need to take into account the specific characteristics of, and particular situation in which, craft and small enterprises are working and developing in order to identify appropriate ways of establishing good employment conditions particularly as regards professional training, qualifications, health and safety in the workplace, and the organisation of work ensuring conditions of adaptability for both, workers and businesses.

6. Social dialogue can provide tailor-made answers for small enterprises. The economic, educational and social development of small enterprises can be promoted by further developments of networks, co-operations and joint measures, for example those for flexibility and adaptability as well as for professional training and health and safety organised at inter-sectoral, sectoral, branch and regional/local level, or within an enterprise.
7. Therefore, the ETUC and UEAPME underline the role and the benefits of social dialogue between employers and workers and their representative organisations at all levels on modernising the organisation of work. The UEAPME and ETUC jointly recognise the specificity and quality of the working environment and working relations in the small enterprises, and recognise the consequences of these characteristics for the organisation and structure of staff representation.
8. As well as their shared readiness to contribute to the quality of the social dialogue between UNICE/UEAPME, CEEP and the ETUC, the two organisations hope to bring added value through developing the dialogue on specific issues concerning small enterprises and their workers as it has been initiated through the UEAPME Futurisme Project and the ETUC's initiatives. The results of these efforts show that co-operation and joint actions on different levels can improve the adaptability of working conditions in small enterprises, including the responds to the challenges of enlargement.
9. The ETUC and UEAPME invite their members to improve and develop such co-operations in their national context.

O R D E R F O R M

Name :

Organization :

Address :

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**Please send me copies of the booklet
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